MARIE BRIZARD
WINE & SPIRITS

UNIVERSAL REGISTRATION DOCUMENT



2022

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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

2022 UNIVERSAL REGISTRATION DOCUMENT & ANNUAL FINANCIAL REPORT

The Universal Registration Document was filed on 26 April 2023 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 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).

- the consolidated financial statements included in Section 4.1 of the 2021 Universal Registration Document, the Statutory Auditors' report on the consolidated financial statements included in Section 4.2 of the 2021 Universal Registration Document, the Statutory Auditors' special report on regulated agreements and commitments included in Section 6.8 of the 2021 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 20 April 2022 under number D.22-0316 (https://fr.mbws.com/sites/default/files/mbws_document_de_reference_2021_mise_en_ligne.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).

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 2022 **WILLIAM PEEL** consolidated its leadership on the Scotch whisky market in France with a market share of 25.2%[(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 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.

With a 48.5% market share in supermarkets and hypermarkets in 2022, **TEQUILA SAN JOSE** is the undisputed leading tequila brand in France, and has been for several years.

In addition to these global brands, MBWS boasts a rich portfolio of local brands as well as a significant wine business in Bulgaria (key brands: Tcherga, Menada).

(1) IWSR 2021
(2) IRI 2022
(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.

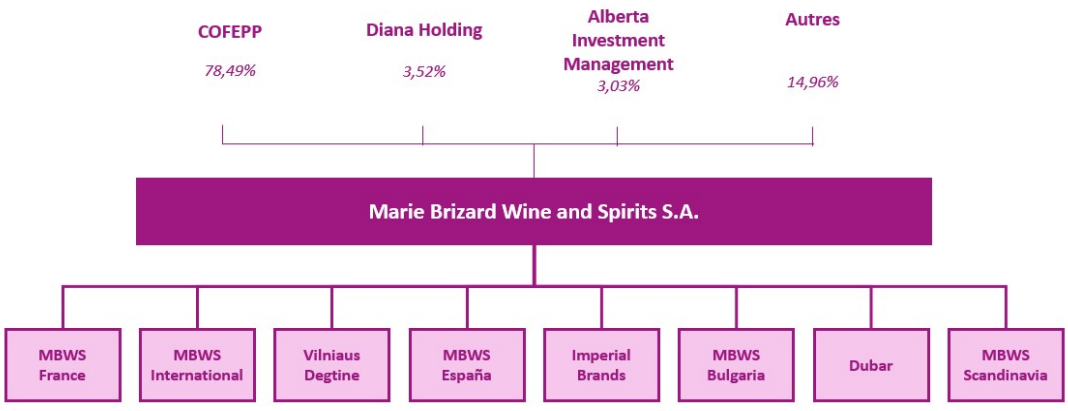
At the General Meeting held on 30 June 2015, the Company's shareholders decided to adopt "Marie Brizard Wine & Spirits" as the new company name.

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.

As of 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 holds 70.06% of the Company's share capital and 67.99% of the voting rights.

Other highlights of 2022 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 was planned 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 2022, 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.

However, given (i) the supply risks relating to the frequent unavailability of raw materials and dry materials, (ii) sharp cost increases (much too high to be passed down to the distribution chain and customers), the Group has adopted a cautious position with regard to the progress of its business, with the full effect of the cost increases being felt in the second half of 2022.

This severely deteriorated, unstable and somewhat unpredictable environment, given the unprecedented and escalating inflationary climate, particularly at the end of the year and still persisting strongly at the beginning of 2023, is therefore prompting the Group to remain highly cautious for the time being about its short-term and medium-term prospects in view of certain operational unknowns, particularly with regard to consumer demand, which are forcing the Group to adapt its sales policies accordingly.

However, more generally, the Group has made significant progress in overhauling its organisation, financial structure and governance (partly restructured at the end of 2022 with the arrival of a new CEO) and the manner in which it markets its products in its various markets.

The Group remains firmly committed to simplifying its operating model and controlling its cost base while continuing to implement the synergies identified with the COFEPP Group. It is adopting a clear positioning with a view to controlled growth and market development, particularly in the Group's international markets and product categories.

1.5.1 Two clusters and several key development regions

FRANCE CLUSTER: maintain the value strategy while balancing it with volume growth on the core brands, strengthen the brand portfolio and increase profitability

In France, during a year that was greatly impacted by disruptions in the availability of raw materials and strong input inflation, organisational flexibility and the proactive adaptation of the commercial offering (to cover the cost surges experienced in the first half of 2022 in particular) with respect to major retail customers, as well as responsiveness with regard to the out-of-home network, enabled the Group to consolidate its strategy of focusing on value without neglecting the volume and market share approach, while optimising its sales policy per distribution network against a backdrop of heightened competition between retailers.

A strong brand presence, quality of service (reflecting an excellent service rate) and offer availability were determining factors that confirm the merits of the Group's sales policy.

INTERNATIONAL CLUSTER: strengthen the market development strategy by leveraging MBWS's distribution strengths and the pooled strengths of the COFEPP Group across the entire MBWS brand portfolio; search for new opportunities following the Russia-Ukraine conflict.

The fine performance by the on-trade business and the development of new markets had a positive impact on international business.

WESTERN EUROPE, MIDDLE EAST AND AFRICA: maintain objectives (pursue value strategy, strengthen distributed brand portfolio, improve overall profitability of distribution networks)

In Western Europe, which primarily consists of the on-trade network, business recovered markedly benefiting the Group's flagship brands and subcontracting business, which remained well under control. Direct export markets also responded well with a strong performance by the Marie Brizard brand.

CENTRAL AND EASTERN EUROPE: continue to develop profitable brands in a highly competitive environment with recurring increases in local taxes on spirits and build the presence of our subsidiaries in neighbouring markets

The sales strategy in this region focused primarily on seeking value creation and new opportunities in an unpredictable and unstable economic and political environment, requiring considerable adaptability and responsiveness, which nonetheless proved to be beneficial for our businesses (brands and subcontracting) on both domestic and export markets.

Business was strong, particularly for Group brands in the Baltic States, thanks to a proactive pricing policy and the continued buoyancy of the bulk market and its by-products.

Sales in Bulgaria continued to ramp up across the entire brand portfolio (spirits and wine) in both domestic and export markets thanks to a rigorous sales policy.

The Polish market posted a sharp increase in sales, mainly driven by the Gautier and Marie Brizard brands.

AMERICAS: consolidate Group positions through the existing partnership, within a highly competitive market in North America in 2022, and develop the geographical presence of local brands.

In the United States, the Sobieski brand continued to be impacted by the extremely competitive vodka market coupled with inventory adjustment by our local distributor. The Marie Brizard and Gautier brands confirmed their sales growth in this market towards the end of the year.

In Brazil, business was down year-on-year, mainly due to delays in the availability of certain strategic products.

In the Americas export region, business in Canada increased significantly, mainly through the Gautier and Marie Brizard brands, with the vodka category remaining particularly challenging.

ASIA PACIFIC: Search for targeted profitable growth opportunities

Business in this region remained modest in 2022, with a positive trend and some good performances, such as in Taiwan.

1.5.2 Our 5 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 265 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 voted "Best Cognac" ten times at a number of prestigious international awards.

WILLIAM PEEL



WILLIAM PEEL is a brand of Blended Scotch Whisky.

The WILLIAM PEEL brand is the leader in France, not only in its segment but also in the Whisky market as a whole, and is one of the Top 10 (in terms of revenues) mass market products in France, with its two main formats: 70cl and 1 litre.

Created in 1972, WILLIAM PEEL has become a leading brand in France due to its affordability and well-rounded taste, much loved by consumers.

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.

TEQUILA SAN JOSÉ



SAN JOSÉ, the undisputed leader in the Tequila category for several years in France.

Widely renowned for its sweetness and fruity notes, SAN JOSÉ Tequila is made following a traditional method in the province of Jalisco, Mexico.

It offers an opportunity to discover the festive and convivial ambiance that has characterised Mexico for decades.

1.6 PROPERTY, WAREHOUSES AND INDUSTRIAL PLANT

The Group owns most of its industrial property assets.

The Group currently has seven 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 €103.5 million at 31 December 2022, recognised under property, plant and equipment (vs €101.7 million at 31 December 2021) across the entire Group.

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 two French facilities carry out blending, packaging and bottling of spirits (Lormont and Aigre);
- One facility in Spain (Zizurkil) for plant distillation and bottling of syrups and spirits;
- Stara Zagora in Bulgaria, where the Group owns a number of vineyards. The facility takes care of the production, ageing and bottling of wines;
- The Jundiai facility, near São Paulo, Brazil, carries out plant distillation and bottling of spirits.

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

More specifically, the modernisation of production and computer equipment has been identified as a strategic issue.

Accordingly, between 2020 and 2022 major capital expenditure totalling nearly €11 million was incurred (excluding discontinued operations), focusing on:

- increasing productivity and production capacity at a number of industrial plants (mainly in Lithuania, France, Spain and Bulgaria);
- improving production quality and ensuring the compliance of specific equipment with environmental, safety and other standards;
- implementing a new ERP system, which is being rolled out progressively Group-wide, 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

2022 MANAGEMENT REPORT

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The Group Management Report prepared by the Board of Directors of Marie Brizard Wine & Spirits for the 2022 financial year is included below.

2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2022 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 2022 consolidated financial statements (Chapter 4 of this Universal Registration Document).

2.1.2 2022 consolidated income statement

The parent company and consolidated financial statements for the year ended 31 December 2022 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 2022 consolidated income statement

(€m)	31/12/2022	31/12/2021	Change 2022/2021
Revenues	227.1	214.4	+5.9%
Revenues excluding excise duties	**181.4**	**166.7**	8.8%
Gross margin	**70.9**	**68.6**	+3.3%
Gross margin ratio	*39.1%*	*41.1%*	
EBITDA	**11.8**	**12.6**	-6.3%
EBITDA margin	*6.5%*	*7.5%*	
Operating profit	**1.9**	**5.6**	-67.0%
Cost of debt	(0.1)	(0.3)	+74.5%
Net financial income/(expense)	(0.2)	+0.2	-180.8%
NET PROFIT, GROUP SHARE	**(0.9)**	**5.6**	

From 1 January 2022 onwards, provisions on current assets previously excluded from EBITDA are now included in EBITDA, as they are directly related to operating activities. 2021 EBITDA calculated according to this method would have come to €13,018,000.

The Group uses revenues, gross margin and EBITDA as its main performance indicators, as defined in Note 1.31 to the 2022 consolidated financial statements (Chapter 4 of this Universal Registration Document).

Revenues for the 2022 financial year, excluding excise duties, amounted to €181.4 million, up 7.8% from 2021.

The gross margin ratio was 39.1% in 2022, compared with 41.1% in 2021. The two percentage point fall reflects inflationary pressures throughout the year on materials and energy prices, with the impact only partly offset by raising international prices. This ratio also reflects the dilutive impact of the Group's stated target of offsetting the value of rising input costs by price rises.

Marketing expenditure increased by €1.4 million compared to 2021.

2022 EBITDA amounted to €11.8 million compared to €12.6 million for the previous year.

Net non-recurring operating expenses for 2022 amounted to €5.2 million, mainly due to the redundancy plan related to the implementation of the plan to reorganise the French retail sales department.

Net financial items decreased €0.4 million to reach a net financial expense of 0.2 million in 2022, largely due to significant currency fluctuations during the year, particularly affecting the Polish zloty and Brazilian real and, to a lesser extent, the Canadian dollar.

Net profit, Group share for 2022 came to a €0.9 million loss compared to a €5.6 million gain in 2021.

Analysis of revenues by region[4]

Net revenues (€m)	31/12/2021	LFL change	Currency impact	31/12/2022	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	78.6	2.7	-	81.3	3.4%	3.4%
INTERNATIONAL CLUSTER	88.1	10.4	1.6	100.1	11.7%	13.6%
TOTAL MBWS	166.7	13.1	1.6	181.4	7.8%	8.8%

EBITDA (€m)	31/12/2021	LFL change	Currency impact	31/12/2022	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	12.4	-4.0	-	8.4	-32.1%	-32.1%
INTERNATIONAL CLUSTER	8.6	0.7	0.2	9.5	8.1%	10.2%
HOLDING COMPANY	(8.4)	2.3	-	-6.1	27.8%	27.8
TOTAL MBWS	12.6	(1.0)	0.2	11.8	-7.5%	-6.1%

GROUP

In 2022, the Group generated sales of €181.4 million (after application of IFRS 5), up 7.8% on the prior year, excluding currency impact. 2022 was marked by a rise in revenues for both clusters, with growth stronger in the international cluster.

The France cluster saw EBITDA decline by €4.0 million. As mentioned above, a non-recurring supplier discount granted to MBWS France was recorded in an amount of €3 million in the 2021 financial statements. Also, the fast rising costs of raw materials and energy in 2022, exacerbated by the Russia-Ukraine war, could not be fully passed on to selling prices.

International cluster EBITDA rose €0.7 million, driven by strong performances in the Baltic States, direct International Export, Spain and Scandinavia. The United States (excluding currency impact) declined and suffered in particular from an extremely competitive vodka market for Imperial Brands. Brazil recorded a difficult year in a lacklustre market and a volatile economic environment.

FRANCE CLUSTER: STEADY GROWTH IN REVENUES DRIVEN BY PRICE HIKES AND A SLIGHT INCREASE IN VOLUMES

In France, despite a 4.0% decline in the fourth quarter, 2022 revenues were up 3.4% year-on-year, mainly driven by a strong performance from strategic brands and the impact of widespread inflation on the trading environment. The fourth quarter decline in revenues was due to availability constraints and input inflation, which led to problems meeting the demand of all our customers, forcing us to adapt pricing policies and scale back promotions. Nonetheless, the off-trade business held up well, mainly driven by sales of William Peel, which rose in the second half despite shortages and logistical problems causing supply chain disruption among some competitors and a further decline in the spirits market compared to the same period in 2021. Full-year on-trade sales were much stronger in 2022 than in 2021, which had still been impacted by COVID restrictions.

Remember too that 2021 EBITDA was boosted by a one-off €3.1 million credit note that the Group received from a whisky supplier under a new contract signed in January 2021. 2022 was marked by a sharp increase in raw material costs and energy prices. These two factors explain the 2022 decline in EBITDA, which came to €8.4 million.

INTERNATIONAL CLUSTER: REVENUES UP €10.4 MILLION VERSUS 2021, EXCLUDING CURRENCY IMPACT

International revenues grew significantly in 2022, up 11.7% versus 2021, with disparities between regions:

- growth in Europe, particularly in Spain, and in the Bulgarian and Lithuanian domestic markets, despite the Russia-Ukraine conflict;
- in the United States, Sobieski revenues fell amid a persistently competitive vodka market with strong promotional pressure;
- sustained performance by all strategic brands, particularly Marie Brizard and Cognac Gautier.

EBITDA for the cluster rose 8.1% in 2022 to €9.5 million.

mainly driven by export markets and the European subsidiaries.

(4) 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.

MBWS International

Revenues for the subsidiary totalled €18.6m, up €4m (+27.4%) versus 2021 driven by strong performances in the French overseas territories, South Korea (+€0.7m) and Australia (+€0.8m) and by the Marie Brizard and Gautier brands.

Western Europe export markets saw striking growth by William Peel in Belgium and Marie Brizard in Italy and the Middle East (Marie Brizard syrups), partly offsetting struggling sales for Marie Brizard in the UK which hampered revenue growth for the region.

In the Americas export market, Canada revenues rose 15.7% year-on-year. Growth was driven mainly by Gautier and Marie Brizard, while Sobieski vodka continues to struggle in a hotly contested market segment.

Lastly, in Asia Pacific, the positive trend of the first nine months of 2022 was confirmed in the fourth quarter by sustained performances, notably in Taiwan.

MBWS España

Revenues amounted to €21.1 million, up €1.1 million.

This represents a 5.6% rise in 2022 revenues versus 2021, driven mainly by solid performances from strategic brands (most notably Marie Brizard and William Peel) and stable trading in the subcontracting business.

MBWS Scandinavia

At 31 December 2022, with revenues of €3.4 million, Scandinavia posted a 25.3% increase versus 2021, bolstered by the lifting of all restrictions on the on-trade channel and driven again by sales of Marie Brizard, Sobieski and third-party brands.

MBWS Baltics

The Baltic States posted full-year revenues of €26.4m, up 14.1%, including a fourth quarter upturn mainly due to brand performance driven by a proactive pricing policy, limited recovery in Ukraine and the continued buoyancy of the bulk market and its by-products.

MBWS Bulgaria

Sales in Bulgaria continued to ramp up in the fourth quarter (Q4 up 22.8%, up 19.8% for the year) across the entire brand portfolio (spirits and wine) in both domestic and export markets thanks to a rigorous sales policy.

The subsidiary posted revenues of €16.8 million, up €2.8 million.

Imperial Brands

In the United States, revenues were down 9.3% year-on-year to €10.8 million. The Sobieski brand was particularly hard hit by an extremely competitive and shrinking vodka market and by changes made by our importer in some regional routes to market that are strategically important to the brand. These changes created operational, logistical and marketing issues that held back the brand's performance.

The Marie Brizard and Gautier brands confirmed their sales growth in this market in the fourth quarter, but had their own problems with some of the changes that were affecting Sobieski.

Dubar

Brazil had a mixed year, with a review of pricing policy across the whole portfolio at the start of the year which, however, successfully limited the decline. Revenues were down in the fourth quarter of 2022, with €3 million generated over the year (-16.7%), mainly due to delays in availability for certain strategic products.

HOLDING COMPANY: REDUCTION OF STRUCTURAL COSTS

EBITDA amounted to a €6.0m loss in 2022 compared to a €8.4m loss in 2021, reflecting the results of the 2021 restructuring and the ongoing drive to cut overheads.

2.1.3 2022 consolidated balance sheet

(€000)	31/12/2022	31/12/2021 restated	Change 2022/2021 restated	
Goodwill	14,704	14,704		-
Intangible assets	77,847	79,361	(1,514)	-2%
Property, plant and equipment	26,932	27,181	(249)	-1%
Financial assets	1,146	4,001	(2,855)	-71%
Deferred tax assets	3,781	4,366	(585)	-13%
Total non-current assets	**124,410**	**129,613**	**(5,203)**	**-4%**
Inventory and work-in-progress	51,934	35,094	16,840	48%
Trade receivables	43,523	35,891	7,632	21%
Tax receivables	734	4,125	(3,391)	-82%
Other current assets	10,468	9,714	754	8%
Current derivatives	114	281	(167)	-59%
Cash and cash equivalents	47,495	54,169	(6,674)	-12%
Assets held for sale		3,058	(3,058)	
Total current assets	**154,268**	**142,332**	**11,936**	**8%**
TOTAL ASSETS	**278,678**	**271,945**	**6,733**	**2%**

(€000)	31/12/2022	31/12/2021 restated	Change 2022/2021 restated	
Shareholders' equity	**194,940**	**193,612**	**1,328**	**1%**
Employee benefits	1,769	2,214	(445)	-20%
Non-current provisions	2,540	4,116	(1,576)	-38%
Long-term borrowings – due in > 1 year	2,218	2,546	(328)	-13%
Other non-current liabilities	1,518	1,735	(217)	-13%
Deferred tax liabilities	139	199	(60)	-30%
Total non-current liabilities	**8,184**	**10,810**	**(2,626)**	**-24%**
Current provisions	5,417	2,546	2,871	113%
Long-term borrowings – due in < 1 year	641	888	(247)	-28%
Short-term borrowings	3,702	2,542	1,160	46%
Trade and other payables	36,694	31,113	5,581	18%
Tax liabilities	1,932	135	1,797	1331%
Other current liabilities	26,899	29,942	(3,043)	-10%
Current derivatives	269	198	71	36%
Liabilities held for sale		159	(159)	
Total current liabilities	**75,554**	**67,523**	**8,031**	**12%**
TOTAL EQUITY AND LIABILITIES	**278,678**	**271,945**	**6,733**	**2%**

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 €74.3 million at 31 December 2022. The main trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

At 31 December 2022, Group property, plant and equipment amounted to €26.9 million, compared with €27.2 million at 31 December 2021.

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 2022, 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 impairment charges were recognised against trademarks in 2022.

WORKING CAPITAL

At 31 December 2022, working capital 1 (inventory + trade receivables – trade payables) amounted to €58.8 million, up from €39.9 million at 31 December 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

Shareholders' equity, Group share, amounted to €194.6 million at 31 December 2022, compared to €193.3 million restated at 31 December 2021 (see Chapter 4 Note 1.28). Net cash amounted to €40.9 million at 31 December 2022 compared to €48.2 million the previous year.

These changes reflect the resumption of capital investment, the costs of restructuring the Major Retailers Sales Department in France, scheduled payments under the CCSF plan (deferral of tax and social security payments agreed in April 2021) and the increase in back-up stocks (mainly comprising inputs whose supply is regularly disrupted) and their unit value (inflation).

Group borrowings amounted to €6.6 million at 31 December 2022, up €0.6 million from 31 December 2021.

Debt at 31 December 2022 mainly consisted of lease liabilities recognised in the financial statements under IFRS 16 and short-term loans.

(€000)	31/12/2022	31.12.2021 restated
Borrowings	2,859	3,434
Short-term borrowings	3,702	2,542
Gross debt	**6,561**	**5,976**
Cash and cash equivalents	(47,495)	(54,169)
Net debt/(cash)	**(40,934)**	**(48,193)**
SHAREHOLDERS' EQUITY	**194,940**	**193,612**

2.1.4 Discontinued operations

The sale of the wine business under the Marques del Puerto brand and the Fuenmayor facility in Spain belonging to MBWS España was made in early 2022 and signed on 28 February 2022.

The Spain assets impacted by this sale had also been restated in the 2021 consolidated financial statements in accordance with IFRS 5 and were therefore removed from the 31 December 2022 balance sheet.

2.1.5 Product innovations

WILLIAM PEEL

The brand offers a wide range of formats and varieties of flavoured and cask finish whisky.

MARIE BRIZARD

The redesign of the liqueur range 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 2022, 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).

A new website was launched in 2022.

SOBIESKI

The brand offers a wide range of products suitable for all drinking occasions. Special attention is paid to flavoured vodkas and innovations are launched every year.

A new website was launched in 2022.

COGNAC GAUTIER

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

Innovations in 2022 included tasting kits, a virtual master class and the launch of a visitor tour and shop at Aigre.

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 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 Capex/total Capex
- 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
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and reduction of pollution
- Protection and restoration of biodiversity and ecosystems

It also aims to provide a common language for defining which sectors of the economy are considered sustainable.

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 eligibility of activities is determined using a compliance flowchart. In the case of the MBWS Group, there were two kinds of environmental objectives for 2022:

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

Eligibility and alignment for these two environmental objectives, following the latest regulatory developments, will be addressed and applicable from the 2024 financial year for publication in 2025.

At present, the activity of production and distribution of wines and spirits is not yet eligible for this quantitative exercise; in other words, 0% of revenues, 0% of operating expenditure (Opex) and 0% capital expenditure (Capex) is eligible for the current financial year (2022 capital expenditure focused on industrial activities, which are not eligible).

2.1.7 Outlook

For four years, the Group has maintained its strategic direction and the principle of prioritising operations that help improve the profitability of the Group's businesses and significantly increase EBITDA.

To achieve this growth in profitability, the Group is endeavouring to create the conditions for profitable development of its brand portfolio and key markets (subsidiaries and/or sales networks, direct export).

Also, in all Group markets and subsidiaries, negotiations and marketing with customers systematically prioritise value over volumes, wherever possible.

The Group now plans to accelerate the roll-out of its growth initiatives and projects in its France and International clusters, both organically and through mergers and acquisitions, so as to expand its trading base and improve financial performance.

2022 operating earnings confirm the Group's capacity to maintain the positive trends of the last two years (stripping out non-recurring items), in a fast-changing local and global economic environment: pandemic, followed by bottlenecks in raw materials supplies and logistics, the Russia-Ukraine war threatening a further squeeze on product availability and the cost of inputs and energy, and some shrinking markets such as under-12-year blended Scotch whisky in France, vodkas in the USA, etc.

These factors could potentially disrupt global business and have already led to a dilution in margins. Visibility remains low in some countries more heavily exposed to this changing scenario, such as the concentrated and increasingly mature French market where volumes are in sharp decline. For these reasons the Group is, for now, remaining highly prudent in its short- and medium-term outlook.

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

2.2 PARENT COMPANY FINANCIAL STATEMENTS FOR THE 2022 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 Section 2.1.1 of this chapter.

2.2.2 Parent company income statement

(€000)	2022	2021	Change 2022/2021
Revenues excluding excise duties	**2,610**	**3,166**	**-17.6%**
Operating profit/(loss)	(8,437)	(10,430)	19.1%
Net financial income/(expense)	1,278		
Underlying profit/(loss) before tax	**(7,159)**	**(10,429)**	**31.4%**
Net non-recurring income/(expense)	1,065	(547)	294.6%
Profit/(loss) before tax	**(6,094)**	**(10,977)**	**44.5%**
Income tax	(762)	3,343	-122.8%
NET PROFIT/(LOSS)	**(6,856)**	**(7,633)**	**10.2%**

The Company posted an operating loss of €8.4 million, mainly consisting of fees and personnel expense.

Net financial income came to €1.3 million, and net non-recurring income to €1.1 million.

Recognition of tax paid by subsidiaries belonging to the tax group allowed the Company to post tax income of €1.7 million. The Group tax charge amounted to €2.4 million.

Finally, the Company posted a net loss of €6.8 million for 2022.

At the next General Meeting, the shareholders will be asked to approve the following appropriation of the loss for the period amounting to €6.8 million:

- allocation of €6.8 million to retained earnings, thereby increasing the retained losses balance of this account from €45.1 million to €51.9 million.

Following this appropriation, the Company's shareholders' equity will amount to €183.1 million.

2.2.3 Parent company balance sheet

(€000)	31/12/2022	31/12/2021
Net intangible assets	4,239	5,661
Net property, plant and equipment	33	15
Net financial assets	121,412	116,119
Non-current assets	**125,685**	**121,796**
Inventory and work-in-progress		-
Trade receivables	81,971	88,542
Current assets	**81,971**	**88,542**
Unrealised foreign exchange losses	264	530
TOTAL ASSETS	**207,919**	**210,867**

	31/12/2022	31/12/2021
Total shareholders' equity	**183,052**	**189,787**
Provisions for contingencies and charges	**2,953**	**4,986**
Borrowings	4	2
Other payables	21,443	15,966
Loans and borrowings	**21,446**	**15,968**
Unrealised foreign exchange gains	469	127
TOTAL EQUITY AND LIABILITIES	**207,919**	**210,867**

Non-current assets mainly consist of securities held in MBWS France and other Group subsidiaries and loans granted to Group companies. The €5.3 million increase in net financial assets relates mainly to the purchase of Vilnius Degtine shares (€10.8 million increase), the universal transfer of assets of Gaia I (€3.1 million reduction) and the collection of the 2022 instalments of the Lancut debt (€1.6 million reduction).

Net assets amounted to €183.1 million, down €6.7 million over 2021.

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 that the expenditure and charges referred to in Article 39-4 of said Code amounted to €16,073 during the 2022 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
2022	1,137	1,118	10	9
2021	1,317	1,241	64	12

Trade receivables ageing schedule

(€000)	Balance at 31 December	Not due	< 60 days overdue	> 60 days overdue
2022	750	504	18	228
2021	540	-30	31	538

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

Reorganisation of the French retail sales department

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

The plan to pool the hypermarket sales force comes against a backdrop of strong pressure from steeper demands in commercial negotiations with major retailers, which is being heightened by changing regulations and soaring raw material costs that cannot be fully passed on to the customer.

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

This proposal will also result in the elimination of 29 positions in the French Major Retailers Sales Department, as well as 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 keeping with this aim, a majority agreement was signed on 6 April 2022 by the representative trade unions and management and approved by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DRIEETS) in early May 2022.

The pooling of sales forces took place during 2022.

Sale of Marques del Puerto wine business in Spain

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

This business 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 MBWS 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 businesses with the necessary assets to become sustainable drivers of growth, which is a priority for the Group. These assets were also restated in the 2021 consolidated financial statements in accordance with IFRS 5 and were therefore removed from the 31 December 2022 balance sheet.

Crisis situation following the Russia-Ukraine conflict

The growing tensions between the two countries, which escalated in early 2022, led to open conflict between Russia and Ukraine in late February 2022, followed by Russian military intervention on Ukrainian territory.

At this stage and considering that the conflict has been going on for over a year now, it is too early to estimate the final outcome and the short and medium-term consequences for the region, especially for Ukraine's territory, economy and industry.

However, from the standpoint of the Group's operations in the two countries at war, the consequences identified during the year concern (i) supply risks and risk of outage in dry materials (bottles) produced by European glass factories and (ii) high inflation driven by soaring energy and raw material prices.

In 2022, sales generated by the Group in these two countries (Ukraine and Russia) thus fell substantially. In Ukraine they recovered slightly at the end of the year, while in Russia they came to a complete halt. The whole region accounted for under 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the potential direct or indirect impact of this ongoing conflict on its business if it were to intensify and is therefore preparing for any eventuality.

Change of governance at MBWS SA - Chairman of the Board of Directors

Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA 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 consulting 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 (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 was ratified by the Company's shareholders at the Ordinary and Extraordinary General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé as Chairman of the Company's Board of Directors.

Increase in COFEPP's equity interest in Marie Brizard SA

On 3 August 2022, MBWS Group main shareholder COFEPP purchased the entire equity stake held by major shareholder BDL Capital Management in Marie Brizard Wine & Spirits SA. The deal involved 9,464,581 shares representing 8.5% of MBWS' share capital and voting rights (undiluted) and 2,012,138 share warrants expiring in September 2022.

Following the transaction, COFEPP held 78.52% of MBWS SA's share capital and 77.47% of the voting rights.

Change of governance at MBWS SA - Chief Executive Officer

Fahd Khadraoui succeeded Andrew Highcock as Chief Executive Officer of MBWS SA on 4 November 2022.

Having been part of the senior management of the Company and the Group since 2019 as Director of Strategy and Mergers-Acquisitions and Corporate Secretary, Fahd Khadraoui possesses a thorough knowledge of the Group and the specificities of the wine and spirits market in which MBWS operates.

Under his leadership, the Group's Executive Committee will continue to improve profitability and implement a growth strategy.

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

There is no particular event that has occurred since the year-end such as to require specific communication.

2.2.8 Change in investments and controlling interests

As part of the legal restructuring pursued by the Group in 2022, all assets held by subsidiary Gaia I were transferred to the holding company MBWS SA. Gaia I exclusively carried the shares of Lithuanian subsidiary Vilnius Degtine.

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)	2018	2019	2020	2021	2022
I. Financial position at year-end					
Share capital	56,677,308	89,395,808	62,578,382	156,729,301	156,785,748
Number of shares outstanding	28,338,654	44,697,904	44,698,844	111,949,501	111,989,820
II. Comprehensive income from continuing operations					
Revenues excluding tax	6,560,417	7,457,588	7,716,959	3,165,877	2,610,132
Profit/(loss) before tax, depreciation, amortisation and provisions	(35,331,352)	11,013,862	(140,878,003)	(10,296,497)	(30,533,455)
Income tax	(127,608)	(5,021)	3,980,967	(3,343,427)	(761,838)
Profit/(loss) after tax, depreciation, amortisation and provisions	(89,701,613)	(29,799,788)	(34,635,411)	(7,633,300)	(6,855,514)
III. Earnings per share					
Profit/(loss) after tax and before depreciation, amortisation and provisions	(1.24)	0.25	(3.24)	(0.06)	(0.28)
Profit/(loss) after tax, depreciation, amortisation and provisions	(3.17)	(0.67)	(0.77)	(0.07)	(0.06)
IV. Staff					
Headcount	46	34	30	24	17
Payroll expense	7,042,825	5,000,803	3,953,001	4,079,783	3,009,624
AMOUNTS PAID FOR EMPLOYEE BENEFITS (SOCIAL SECURITY, SOCIAL WELFARE ORGANISATIONS, ETC.)	**10,932,512**	**2,376,914**	**2,154,037**	**1,522,234**	**1,051,610**

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 Internal Audit 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 2022 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 Scotch whisky supplier	High
Business-related risks	Risk related to the competition	High
Business-related risks	Risk related to access to and prices of raw, dry and liquid materials and energy	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 "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

Following the COVID period, which ultimately extended roughly from early 2020 to late 2021, the Group considers that to date the COVID-19 pandemic has not had a very significant overall adverse impact on its consolidated business in respect of recent financial years.

The various rebounds in the Group's operations in 2022 (particularly on-trade) have indeed demonstrated the sensitivity of this type of distribution network and sales dependent on social gatherings to the COVID pandemic and health risks in general.

Drawing from this experience, the Group has integrated this type of pandemic into a pragmatic daily operational management guide ("living with it" lists of precautions and behaviours adopted over the past two years) while continuing to implement and monitor ad hoc measures to adapt business levels and the offering to potential future recurrences of major successive episodes of this type of pandemic.

For the 2023 financial year, the Group considers that sales activity should continue smoothly from the point of view of these health risks.

RISK MANAGEMENT MEASURES

Maintaining the capacity to reactivate a crisis committee at Group level and on an ad hoc basis with the key priority of ensuring the health and safety of employees and partners.

The same applies to the subsidiaries in order to tailor responses to legislative changes and local constraints.

Secure access to premises and teleworking arrangements were established at the beginning of the pandemic and have been maintained so that the Group can adapt to any future change in the health situation.

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 fixed costs and overheads to the potential impact of a volatile economic environment.

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.

2.3.2 Geopolitical risks

Risk related to the Russia-Ukraine conflict

DESCRIPTION OF THE RISK

The Russia-Ukraine armed conflict which broke out in early 2022 has significantly impacted the MBWS Group's business.

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

This is mainly due to the following:

- When the conflict broke out, economic activity came to a halt due to international sanctions and fighting;
- External, logistical and manufacturing tensions caused a surge in raw material and energy prices (particularly in the second half of 2022), difficulties regarding the supply and availability of certain components (notably glassware) and supply of finished products;

At the date of publication of the 2022 URD, these effects have:

- been felt in some of the geographical markets in which the Group operates, in particular those of the two current warring parties and their immediate neighbours;
- impacted supplies from certain categories of suppliers and the actual availability of certain products to our customers, against a backdrop of intense inflationary pressure.

If this conflict were to continue, these strong effects could last into 2023.

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.

RISK MANAGEMENT MEASURES

At the beginning of the conflict, the Company set up a crisis unit within the Executive Committee, which meets as and when required to take the necessary decisions for managing the areas affected.

All of the Company's stakeholders remain fully mobilised to:

- continue to monitor the impact of the conflict on business at each Group entity;
- identify and target alternative supply and possibly production solutions;
- identify and target other geographical areas of growth for short and medium-term support.

The determination of additional measures and the schedule for implementing them will depend on developments in the Russia-Ukraine conflict in 2023.

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 61.8% of the Group's 2022 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.

RISK MANAGEMENT MEASURES

- Implementation of distribution agreements for Sazerac Group brands by MBWS subsidiaries in certain countries (including France) 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 previously based on a volume approach;
- Recuperation of distribution operations for some of the main shareholder's brands in certain territories covered by the Group (e.g. Brazil, Lithuania, Bulgaria and Denmark) to diversify the brand portfolio distributed by the Group's subsidiaries.

In financial year 2022, 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 92.30% of 2022 revenues;
- In 2020, the signing of an exclusive distribution agreement for the domestic US market entails 100% dependence on 375 Park Avenue Spirits in this market;
- In Spain, the change in route to market in May 2019 through the signing of an exclusive distribution agreement for the Spanish domestic and border market entails 100% dependence on Bardinet España, a subsidiary of COFEPP.

Commercial dependence and customer risk could:

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

It should be noted that these risks are significantly reduced where 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 and Latin America, as well as Asia since May 2021.

Risk of dependence on one Scotch whisky supplier

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.

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 lasting 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;
- 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 and liquid materials and energy

DESCRIPTION OF THE RISK

Purchases of raw materials constitute a significant expense for the business of MBWS and its subsidiaries. This concerns the following purchases in particular:

- Liquids;
- Glass;
- Capsules, labels, etc.

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

The Group's exposure to raw material price volatility mainly concerns a significant increase in purchase prices, which could affect Group profitability given the possible difficulty in passing on cost increases to customers.

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 the COVID-19 crisis. Although it is not currently known how long this inflation will last, inability to pass on all or part of the price increases or meet customer demand could have a material adverse impact on Group 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 action:

- 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 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;
- databases will not be destroyed or damaged.

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

Any information system failure or intrusion could therefore have a material 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 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 organisational structure has been 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;

Accordingly, such changes could impact product sales volumes and margins and, as a result, 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 advisers;
- The R&D team provides regulatory monitoring for all Group 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 2022, the priority measures aimed at strengthening the internal control system were as follows:

- enhancing senior management awareness of specific risks;
- disseminating 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. The Group uses the tool to improve information sharing. In addition, internal communication has been strengthened and made more fluid through the deployment of Teams across 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, Remuneration and Appointments 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 2022 financial year were as follows:

- identifying business risk;
- honouring investment commitments;
- ensuring compliance with new regulations;
- 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.

2022 internal control and risk management projects

A) CODE OF ETHICS AND CONDUCT AND ETHICS HOTLINE

In the 2022 financial year, Internal Audit initiated an update of:

- the Group Code of Ethics and Conduct;
- the ethics hotline user guide.

The roll-out of these two documents across all Group subsidiaries began in late December 2022 and is expected to be completed in the first quarter of 2023.

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.

The hotline is an internal communication tool made available to employees in addition to existing communication channels.

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. In late 2022, Internal Audit circulated the new anti-corruption policy and a corruption risk awareness presentation to the Managing Directors. These documents will be circulated among the entities in the first quarter of 2023.

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.

In late 2022, Internal Audit initiated an update of the risk factors with senior management and the 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 2022.

A) INTRODUCTION OF BUSINESS REPORTS AND SCORECARDS

The Finance Division continued its task of centralising the following reports in 2022:

- scorecard tracking legal risks at each entity;
- scorecard tracking contractual and off-balance sheet commitments made at each entity.

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

Preparation and processing of accounting and financial information

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

The preparation and processing of 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 20 February 2023 other than those listed below.

Shareholder structure at 20 February 2023

Shareholders	Number of shares	% of share capital held	Number of theoretical voting rights	% of voting rights held
COFEPP[1]	87,898,264	78.49%	96,250,231	77.72%
Diana Holding[2]	3,940,000	3.52%	7,140,000	5.77%
Alberta Investment Management[3]	3,391,327	3.03%	3,391,327	2.74%
Other	16,760,239	14.96%	17,063,748	13.77%
TOTAL	**111,989,820**	**100.00%**	**123,845,306**	**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) 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.

(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.

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 outstanding, allocated or issued by the Company that may grant future access to the Company's share capital are the 2023 redeemable warrants (BSARs).

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 tendered their securities as part of the public exchange offer organised by the Company, and which was the subject of the offer document 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, at 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. one 2023 redeemable warrant for one 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 statutory provisions and the terms of said warrants. As a result, one 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 warrant programme, 180 2023 redeemable warrants were exercised between 2 February 2016 and 16 May 2022, resulting in the issuance of 180 new shares for a total amount of €4,500.00.

At 31 December 2022, 1,659,758 2023 redeemable warrants were still outstanding.

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

Information relating to potential share capital

	31/03/2021	28/02/2022	20/02/2023
Number of shares comprising the share capital	**111,948,968**	**111,949,957**	**111,989,820**
Potential number of shares arising from the 2023 warrants	1,676,369[1]	1,676,369	1,676,356
Potential number of shares arising from the 2022 warrants	16,514,252[1]	16,513,265	-
Potential number of shares	**130,139,589**	**130,139,591**	**113,649,579**
Total dilution	**16.25%**	**16.25%**	**1.48%**

(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

2.5.3 Employee shareholding

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

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 2022 financial year:

- 350,519 shares were purchased at an average price of €1.748 under the liquidity agreement;
- 390,343 shares were sold at an average price of €1.778 under the liquidity agreement;
- no other transactions were carried out under the share buyback programme.

At 31 December 2022, the Company held 107,557 treasury shares representing 0.10% of the share capital, including:

- 67,391 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.

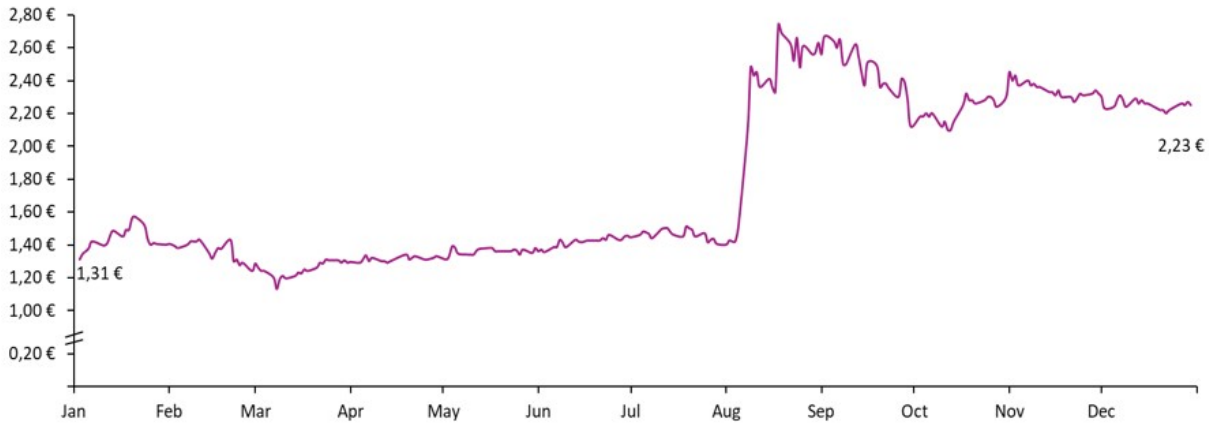
The value of all treasury shares held at 31 December 2022 was estimated at €239,852.11 on the basis of the closing share price.

2.5.5 Share price movements

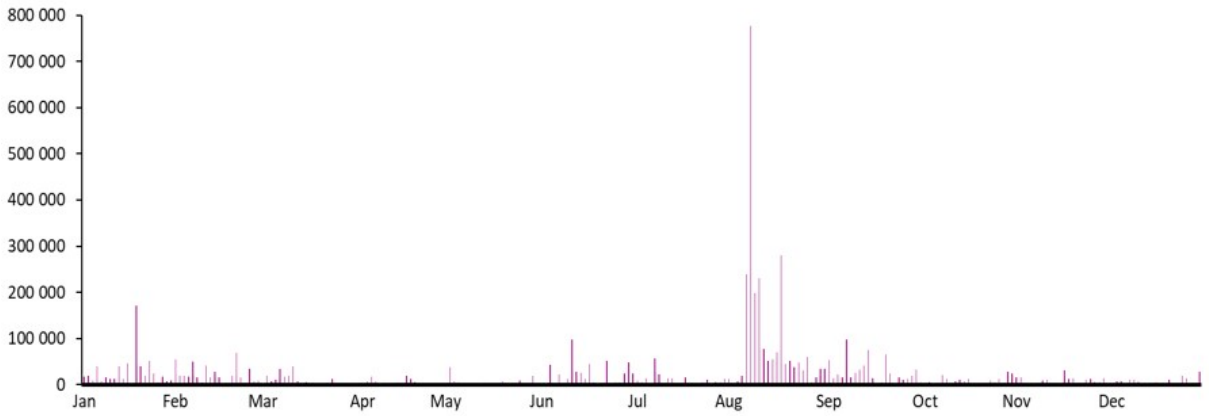
The stock market data for the Marie Brizard Wine & Spirits share for the 2022 financial year is as follows:

- Opening price on 3 January 2022: €1.310 – Number of shares at 1 January 2022: 111,949,501;
- Closing price on 31 December 2022: €2.230 – Number of shares at 31 December 2022: 111,989,820;
- High: €2.810 on 17 August 2022;
- Low: €1.110 on 7 March 2022.

Marie Brizard Wine & Spirits share performance in 2022



Marie Brizard Wine & Spirits daily share trading volumes in 2022



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 (CSR).

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 2022 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 3.2.9 Materiality analysis for assessing and prioritising CSR issues
	Risk analysis including mitigation policies, action plans and associated KPIs	3.2.12 Non-financial risk mapping 3.2.13 Non-financial key performance indicators
Section on employment and social information	Employment	3.4.1 Workforce in 2022: current situation and changes 3.4.2 Maintaining employee welfare and commitment 3.4.4 Consolidating the restructuring operation and strengthening our employment model 3.2.13 Non-financial key performance indicators
	Training	3.4.3 Continuing to train and develop employees' skills
	Work organisation	3.4.2 Maintaining employee welfare and commitment 3.4.4 Consolidating the restructuring operation and strengthening our employment model 3.2.13 Non-financial key performance indicators

Information required by the NFRD	Information required by Article L. 225-102-1 (French Commercial Code)	MBWS URD section
	Health and safety	3.4.7 Ensuring health and safety at work
	Working conditions	3.4.2 Maintaining employee welfare and commitment
	Collective bargaining agreements	3.4.5 Promoting industrial relations at MBWS
	Subcontracting and suppliers	3.6.3 Management of subcontracting and supplier relations
	Equal treatment	3.4.6 Guaranteeing equal treatment and promoting diversity
	Social commitments in favour of sustainable development	3.6.1 Regional economic and social impact 3.6.2 Stakeholder relations within the framework of social and societal action
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 3.2.13 Non-financial key performance indicators
	Pollution	3.5.2 Prevention of pollution and environmental risks 3.5.6 Consumption of raw materials and packaging 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, Cognac Gautier and San José tequila. In addition to these main brands, Marie Brizard Wine & Spirits also has a broad portfolio of local brands, including Old Lady's gin and Berger pastis. Marie Brizard Wine & Spirits is also a wine producer with Tcherga.

The Marie Brizard Wine & Spirits Group is sensitive to its constantly changing markets, the specific nature of each region, depending on its own rules and customs, and the rapid changes 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 2022

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



To market its products, Marie Brizard Wine & Spirits has its own distribution networks or has set up distribution agreements with partners including, for Spain, Bardinet España since April 2019; for the United States, the Sazerac group since 1 January 2020; for France, BLMHD and Opteam Spirit respectively for the out-of-home consumption segment and for local supermarkets/stores since 1 March 2020. United Beverages (which acquired MBWS subsidiary Sobieski Trade in November 2019) continues to distribute some of the Group's brands in Poland. In addition, the pooling of the sales forces in the mass retail sector with the subsidiaries of the COFEPP group has been carried out and is effective since 1 July 2022.

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 €181.4 million for the 2022 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.

€181.4m

2022 Group revenues excluding excise duties

579

Group headcount at 31 December 2022

€27.1m

2022 Group salaries and payroll expenses

€110.4m

2022 Group purchases

3.1.3 Business segments

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;
- San José tequila: leader in its segment in France.



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, controlled and rational consumption of alcohol and the consideration of sustainable development in consumption practices (search for more naturalness).

Its customers include supermarkets, wholesalers for out-of-home markets and independent 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 POLICY

We aim to become a global player in the wine and spirits sector. In this regard, the Marie Brizard Wine & Spirits Group (MBWS) 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, is composed of 12 Directors (including five women), including representatives of COFEPP and Diana Holding as well as independent members.

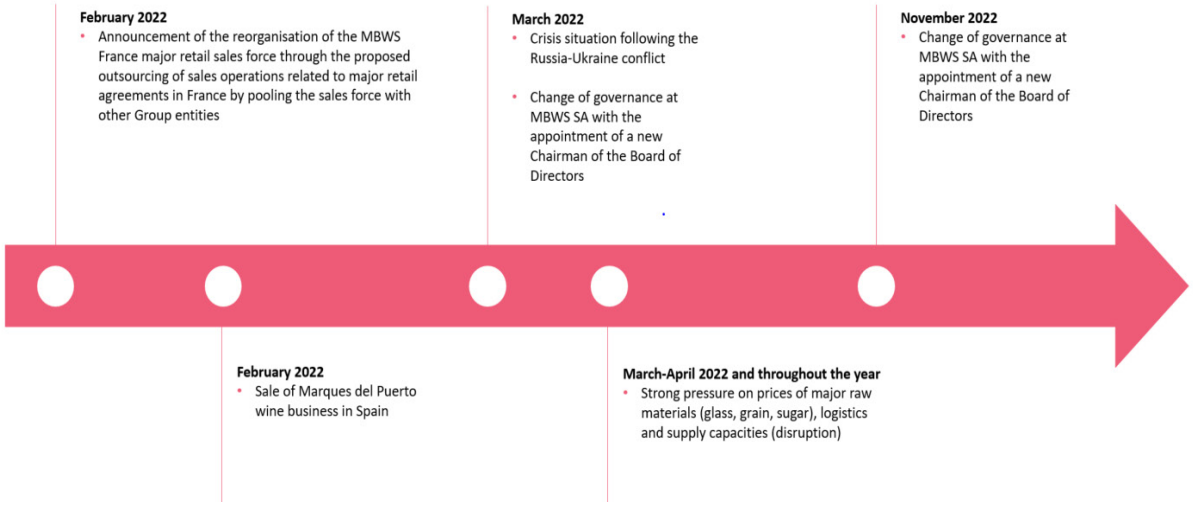
Recent years have seen a capital restructuring through two successive capital increases:

- 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 3 August 2022, MBWS Group main shareholder COFEPP purchased the entire equity stake held by major shareholder BDL Capital Management in MBWS SA.

Following this transaction, COFEPP holds 78.52% of MBWS SA's share capital and 77.47% of the voting rights.

3.2.3 Main highlights of 2022



3.2.4 Outlook

The MBWS 2019-2022 Strategic Plan published by the Group at the end of March 2019 was initially implemented by prioritising operations designed to improve the profitability of the Group's activities in order to achieve a gradual return to positive EBITDA.

Following the sale of loss-making entities and business lines in 2020 and 2021 as part of its financial restructuring, since 1 January 2021 the Group has been divided into two clusters, "France" and "International & Wines", under the overall management of the holding company, MBWS SA.

Secondly, the Group focused on implementing its roadmap and creating the conditions for profitable development of its brand portfolio and markets (subsidiaries and sales networks, direct export).

Following the health crisis and the subsequent disruption to markets and upstream industrial chains, supply disruptions and the very high inflation of 2022, the Group adopted a rigorous and proactive approach to negotiations and commercial operations with all customers. The objectives were as follows:

- balance the necessary price increases against inflation in raw material costs and other direct and indirect production costs;
- maintain the value growth approach while pursuing business development wherever the brands allow (notably in France, the United States, Lithuania and key export markets).

In particular, the Group has demonstrated flexibility, adaptability and resilience to accommodate the wide-ranging and unpredictable impacts of the rapidly changing global economic environment and rising inflation in raw material and energy prices. The Group has been proactive in adapting its pricing policies towards its customers to cover these cost increases.

The results achieved in this context of high inflation and shortages confirm the positive trends (on a like-for-like basis) already observed in the previous two years.

The economic environment was again highly unstable and unfavourable in 2022, with significant fluctuations and unpredictable trends related to declining household consumption, visible since the end of 2022, and the risk of recession in 2023. For the time being, therefore, the Group remains very cautious about its short and medium-term prospects in view of these operational risks.

In particular, within this inflationary environment, the Group must constantly adapt its sales policies and prioritise development initiatives in its areas of activity and route to market.

As a result, in 2023 the Group will continue to pursue its strategy of concentrating on value-creating activities, adjusting prices to cover ongoing cost increases and pursuing synergies with COFEPP, thereby strengthening the Group's overall profitability.

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 Key industry trends

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 and more responsible packaging or by reducing the volume of packaging and waste. The consequences of climate change are increasingly visible and frequent, while consumer awareness of this issue is growing. Accordingly, there is considerable expectation on industry players to reduce energy consumption, accelerate the application of circular economy principles and manage natural resources, including water, in a responsible manner.

Second, consumption patterns have changed with home consumption increasing as a result of the COVID-19 crisis. An increasing number of people consume alcohol at home and this new trend requires adaptation to new consumption 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.

Third, responsible alcohol consumption has become a major sector trend, driven by consumers' desire for more moderate and mindful 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. The consumption of organic products is also a key trend.

Finally, the significant rise in energy and raw material prices affected many industry sectors in 2022 and negatively impacted consumer purchasing power, which is not without consequences for MBWS, in particular for the year 2023.

3.2.7 Sustainable development issues

Based on its Environment, Health, Safety and Sustainable Development Policy adopted by management in 2018, the Group has deployed a CSR strategy to advance all the elements comprising this policy. Since 2018, 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 and supplier relations.

As a result, momentum has been building for several years, 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.

MBWS's CSR policy has therefore been established in accordance with CSR issues identified in 2018, originally based on four main pillars: employees, the planet, consumers and partners.

This CSR policy was updated in 2022 with the completion of the Group's materiality analysis (see Section 3.2.9 "Materiality analysis for assessing and prioritising CSR issues").

As part of this analysis, MBWS identified 17 key CSR issues which were then presented to a range of its internal and external stakeholders:

- Products (safety and quality)
- Ethics
- Responsible purchasing
- GHG reduction
- Biodiversity
- Life cycle
- Sustainable packaging
- Waste and wastewater management
- Water and energy consumption
- Transport
- Health and safety
- Responsible alcohol consumption
- Quality of life at work
- Employability
- Regional development
- Pooling of resources
- Diversity and inclusion

These issues were identified through internal interviews at site and head office level. These interviews were supplemented by an analysis of the sector's CSR issues and non-financial reporting standards and by a benchmark of companies in the sector.

3.2.8 Identified stakeholders

In order to identify the most important stakeholders to involve, MBWS carried out a mapping of its stakeholders in 2022, based on two criteria:

- the impact of the stakeholder on MBWS and vice versa;
- the level of interaction with the stakeholder.

Through this mapping, several categories of stakeholders were distinguished:

- Employees (staff, social partners, trade unions);
- Customers;
- Shareholders and investors;
- Suppliers and partners (material suppliers, transporters, industrial suppliers);
- Public bodies (standards bodies, professional organisations);
- Local communities;
- NGOs;
- Consumer associations.

As part of the materiality analysis conducted in 2022, a CSR dialogue was initiated with stakeholders through a questionnaire addressing MBWS's CSR issues. Through this approach, the Group seeks to integrate stakeholder expectations into its actions.

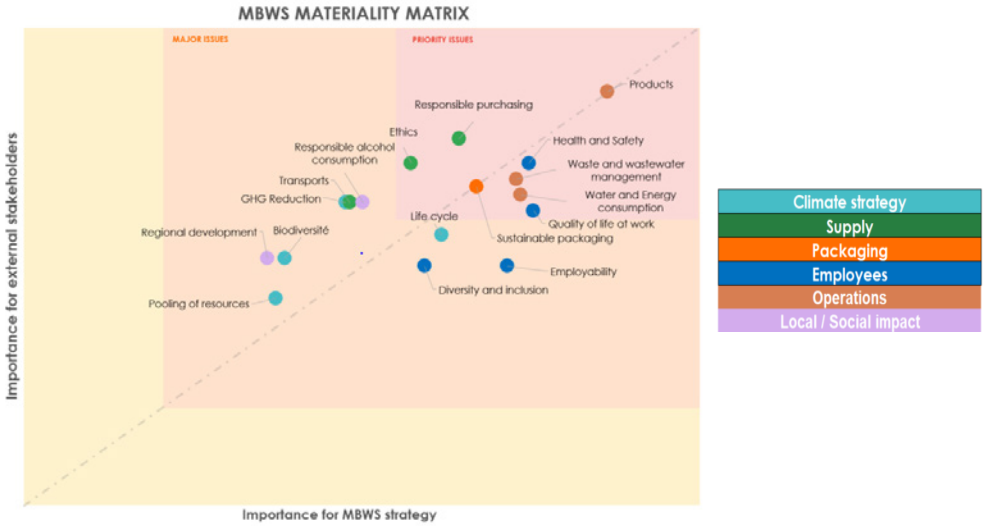
3.2.9 Materiality analysis for assessing and prioritising CSR issues

MBWS's CSR strategy is based on a materiality analysis carried out in late 2022. Following the identification of its CSR issues and stakeholders, MBWS launched a consultation of internal and external stakeholders in order to build a materiality matrix.

This materiality matrix aims to prioritise CSR actions according to the most important issues for MBWS's activity, while factoring in stakeholder expectations. It also helps to define priority areas for the CSR roadmap in the future.

A questionnaire was sent to the stakeholders identified asking them to rank the 17 CSR issues according to their level of expectation for each issue. From a panel of around 200 stakeholders approached, some 100 responded. The categories of stakeholders interviewed are as follows:

- **Internal stakeholders**: MBWS executives in France, social partners in France, country managers and members of shareholder boards of directors.
- **External stakeholders**: material suppliers, industrial service providers, professional organisations and customers.



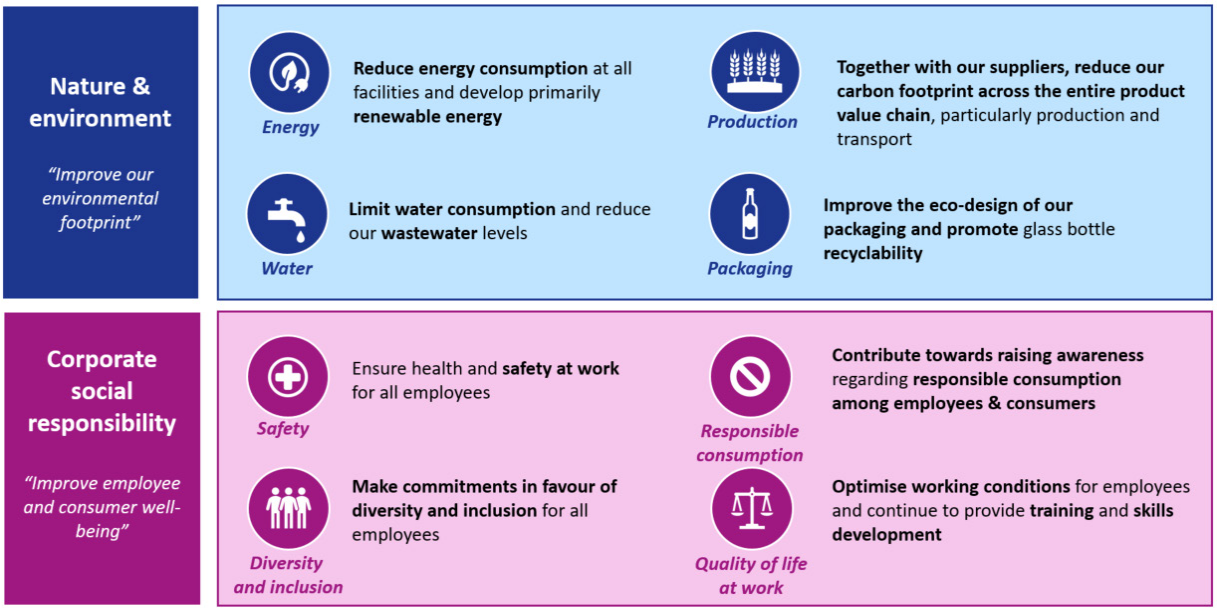
The results of this analysis are formally set out in the following materiality matrix, which has been approved by senior management. The y-axis "Importance to external stakeholders" represents the interest and expectations of external stakeholders for each issue, while the x-axis "Impact on MBWS strategy" shows the impact of each issue on the Company.

By involving external and internal stakeholders, the analysis identified priority CSR issues and major CSR challenges for MBWS.

It is clear from this materiality matrix that there are significant expectations regarding most CSR issues, with similar ratings among internal and external stakeholders.

3.2.10 CSR ambition and roadmap

Following on from this materiality analysis, two main strategic areas have been defined within which the following commitments and priorities have been identified:



Following the definition of these priorities, projects will be launched in 2023 in the fields of the circular economy, eco-design, responsible consumption and safety. MBWS intends to calculate its greenhouse gas emissions in a more exhaustive manner for Scopes 1, 2 and 3 in 2023 in order to build its low carbon strategy.

The next steps in the CSR process aim to quantify new, clear and measurable objectives on priority CSR issues. MBWS will also continue to report regularly on its achievements vis-à-vis its commitments through key performance indicators (KPIs) which are defined in Section 3.2.13 but which will be reviewed at the end of the projects.

3.2.11 CSR governance

Marie Brizard Wine & Spirits has implemented an internal governance system enabling it to define and formulate its commitments in accordance with its CSR policy, its interests and those of its various stakeholders. The Group's CSR strategy is under the direct responsibility of its Chief Executive Officer.

Until 2022, CSR governance was overseen at department level. From 2023 onwards, an operational CSR Committee will be set up at Group level comprising the members of the Executive Committee, the country managers and the heads of cross-functional departments (operations and marketing).

3.2.12 Non-financial risk mapping

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 had 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**
  - 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 and key performance indicators:

Area	Risk identified	Priority issues emerging from the materiality analysis	MBWS URD section	Key performance indicator
Business model			3.1 Marie Brizard Wine & Spirits: Our business	
Employment	Developing and retaining talent	Quality of life at work	3.4.2 Maintaining employee welfare and commitment 3.2.13 Non-financial key performance indicators	Year-end headcount and breakdown by gender and age Total number of new hires Total departures
	Developing skills		3.4.3 Continuing to train and develop employees' skills	Number of training hours per employee
	Helping employees with changes	Quality of life at work	3.4.2 Maintaining employee welfare and commitment 3.4.3 Continuing to train and develop employees' skills	Qualitative information
	Health and safety at work	Health and safety	3.4.6 Ensuring health and safety at work	Severity rate (employees) Frequency rate (employees)
Environment	Use of water, raw materials, energy, waste management	Waste and wastewater management Water and energy consumption Income 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 Quantity of waste per litre of product
	Air, soil and water pollution	Waste and wastewater management	3.5.3 Measures to prevent water pollution	Greenhouse gas emissions (Scope 1 and 2)
	Long-term climate change		3.5.12 MBWS carbon footprint	Greenhouse gas emissions (Scope 1 and 2)
Social	Responsible alcohol consumption	Income	3.3.4 Meeting the challenges of alcohol in our society by raising awareness among stakeholders	Qualitative information
	Responsible purchasing policy	Responsible purchasing Sustainable packaging	3.5.6 Consumption of raw materials 3.6.3 Management of subcontracting and supplier relations	Qualitative information
	Consumer health	Income	3.6.4 Guaranteeing consumer health and product quality and safety	% of facilities holding GFSI-recognised certification in food safety

3.2.13 Non-financial key performance indicators

Area	Key performance indicator	Unit	2017	2018	2019	2020	2021	2022
Employment	Total year-end headcount		2019	1938	1265	665	618	579
	Men		1319	1262	786	383	350	320
	Women		700	659	488	282	268	259
	Under 35 years		594	533	301	165	136	127
	35 to 44 years		603	567	363	180	177	160
	45 to 54 years		498	494	356	181	176	166
	Aged 55 and over		324	327	253	139	129	126
	Total hires		678	555	392	123	134	132
	Total departures		838	625	457	157	187	160
	Number of training hours completed per employee	hours			9.5	7.6	14	8.12
	Industrial accident severity rate (employees)		0.75	0.28	0.32	0.12	0.26	0.66
	Industrial accident frequency rate (employees)		12.57	7.35	10.5	4.73	3.79	7.12
Environment	Total non-renewable energy consumption per litre of product	kWh/l			0.4	0.21	0.18	0.18
	Total water consumption per litre of product (including formulation)	l/l			3.9	3.48	3.22	3.93
	Hazardous waste	t			19	16	19	17
	Non-hazardous waste	t			4164	1945	1686	1762
	Quantity of waste per litre of product	grams/l						24.7
	Greenhouse gas emissions (Scope 1 and 2)	tCO2e	19,360	17,621	19,960	4428	5394	4095
Social	% of ISO 9001 certified MBWS facilities	%			70	85	83	83
	% of facilities holding GFSI-recognised certification in food safety	%			50	57	67	67

For more information on the scope of non-financial reporting, please see Section 3.7.1 "Non-financial reporting scope".

The increase in total water consumption per litre of product in 2022 is mainly due to increased water consumption at some sites due to additional cleaning and increased water use in cooling equipment.

The reduction in Scope 1 and 2 emissions in 2022 is mainly due to the reduction in domestic fuel consumption in Aigre and the reduction in LPG consumption. A decrease in road diesel consumption in Aigre was also recorded due to the reduction in travel.

The 2022 increase in the industrial accident frequency and severity rates is due to increases in the number of lost-time industrial accidents in Spain and France and in the number of cumulative days of absence for industrial accidents.

The number of training hours completed per employee decreased in 2022 due to a reduction in the total number of training hours. In Bulgaria, for example, this is due to the discontinuation of training related to the management of COVID-19 which had been provided in 2021.

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

The future strength of Marie Brizard Wine & Spirits lies in the values that guide the Group's daily business. Success depends on daily adherence to these values and their communication to all stakeholders. Business integrity and ethics must be a goal and a priority for each one of us, in order to strengthen the 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 Conduct and Ethics was distributed to all MBWS Group employees in 2018.

This code:

- sets out the basic principles with which every employee must comply when acting on behalf of the Group,
- is a collective guide based on Group values, designed to guide our operations,
- serves 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,
- governs our relations with both colleagues and external partners.

Under this code, the Marie Brizard Wine & Spirits Group condemns unlawful practices, unfair competition, bribery and corruption.

The Group started to roll out a new version of the Code of Conduct and Ethics at the end of 2022. Translations of this new version were sent to several entities (holding company, France, Scandinavia, Bulgaria and Spain) for distribution to employees.

Roll-out will be completed in the first quarter of 2023 with translations for the other entities.

In addition to the Code of Ethics and Conduct, the Marie Brizard Wine & Spirits Group has prepared a user guide for its ethics hotline, which has been available for consultation by all Group employees since 2019. The Company also began rolling out a new version at the end of 2022.

The ethics hotline is not designed to replace other whistleblowing procedures applicable in each country, including escalation via line management or staff representative bodies.

It 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 incidents in the areas of accounting, finance, banking, anti-corruption or competition law. It can also be used to report discrimination, harassment or serious incidents of non-compliance with health and safety legislation, which could endanger the physical or mental health of employees.

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 2022, no instances of the aforementioned issues were reported via the ethics hotline.

In addition, the Group began the update and distribution of several key documents in 2022, including:

- The anti-corruption policy
- The gifts and benefits policy
- An awareness-raising tool on corruption risks

The anti-corruption policy and the gifts and benefits policy were distributed to each Group entity in December 2022. An anti-corruption awareness-raising campaign was also launched in late December 2022. The objectives of this campaign are to understand the different forms of corruption and the sanctions that can be imposed on the Group, to recognise and avoid the risks of corruption and to know who to contact in the Group in this regard.

With regard to taxation, 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 2022, 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 by raising awareness among our stakeholders

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 health and 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". The Company makes sure that advertising is not directed at persons aged under 18.

Specific attention is also paid to employees who are potentially exposed to risk in the course of their work. This is the case, for example, during product tasting at the development stage and at meetings with customers. In this context, the Group issued a reminder that the consumption of alcohol at work is prohibited and released a guide outlining the procedure to follow for marketing, quality and R&D tastings, sales events and social occasions.

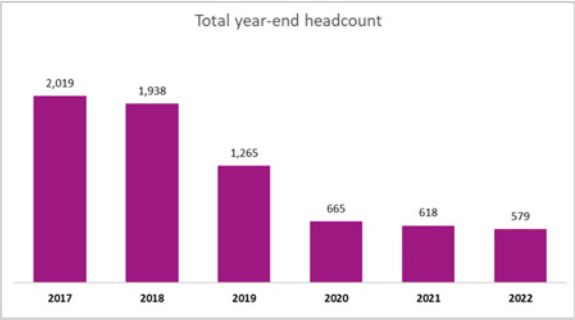
In 2022, an internal communication campaign was prepared and is being rolled out at all sites. This communication takes the form of posters, quizzes and internal presentations with prevention messages on alcohol consumption. The aim is to develop this awareness-raising campaign further in 2023.

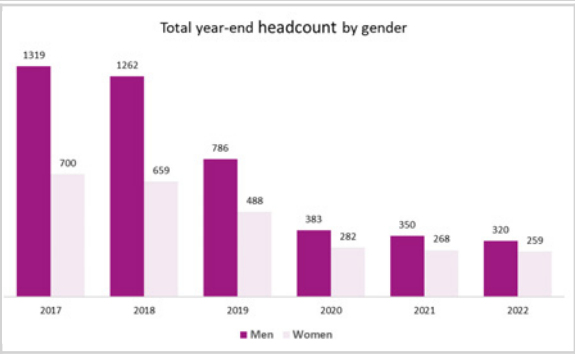
In Brazil, for example, a survey on alcohol consumption was carried out, with the aim of raising awareness, but also to develop an action plan at the site.

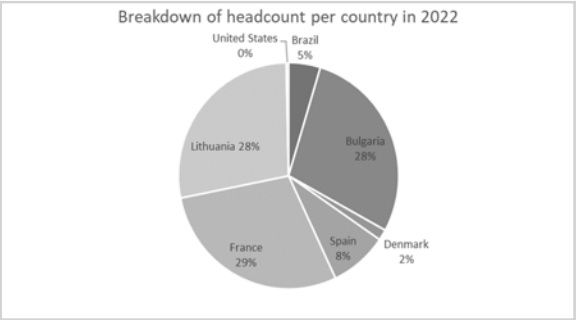
3.4 EMPLOYMENT ISSUES

3.4.1 Workforce in 2022: current situation and changes

Against a backdrop of transformation, MBWS is committed to being a responsible employer and to participating in the development of its employees. In 2022, the Group had 579 employees.







The Group strives to provide a quality employee experience as a lever for attractiveness and retention. The economic situations of countries with high inflation and a dynamic labour market highlight the need for action to address these issues. In 2022, the Company welcomed 132 new employees and recorded 160 departures.

3.4.2 Maintaining employee welfare and commitment

The focus on working conditions and employee engagement is of great importance to the MBWS Group.

STRENGTHENING ENGAGEMENT THROUGH SATISFACTION SURVEYS AND CORPORATE EVENTS

Employees' voices are regularly heard through surveys that allow us to evaluate the motivation of our teams and to consolidate their sense of belonging to the Company.

These surveys also help verify employees' understanding of the decisions taken in favour of profitable and socially responsible growth.

After Lithuania in 2021 and the implementation of action plans, the Bulgarian and French subsidiaries also sought feedback from their employees in 2022.

The particularly positive results of the Bulgarian satisfaction survey highlight the quality of the management and the motivation of the employees. They confirm the high level of commitment of the teams to the Company's value system and the pride of belonging to a subsidiary that participates actively in the life of its local community. The solidarity actions carried out, such as the Charity Harvest or the help for children, are testament to this.

Furthermore, at the end of 2022, two employee surveys were initiated, one on corporate culture and the second on the expectations of management teams with regard to CSR.

In addition, an event bringing together all employees was held in 2022 in France. It provided a valuable opportunity to toast successes and cement team cohesion around common goals. It was also an opportunity to involve employees in the continuous improvement process while presenting the MBWS Group's global vision and the challenges it faces.

While this type of event reflects the Company's culture and strategic vision, it is also a sign of the sincere and close relationships that foster commitment and enable each employee to better understand:

- the Company's economic development and international challenges,
- responsibility in the area of manufacturing and consumption,
- social and civic ambition,
- the collective intelligence and wealth of the men and women who make up the Group.

Many local initiatives were also implemented in 2022 to foster well-being at work and promote a climate of community and togetherness: internal events (meals, discussions, etc.), awareness-raising on responsible consumption, corporate events and support for local communities.

Our subsidiary in Spain also hosted events that brought together international teams and other Group entities.

Finally, in France, MBWS carries out a number of initiatives to promote sport among its employees. Every year, the SEC pays a subsidy to employees who take part in a sporting activity. For several years, the Company has also taken part in the Charentonnaise des Entreprises footrace. In 2022, 24 employees took part in this race.

"In 2022, we conducted our second employee survey, having carried out the first in 2019. The survey measures the key elements of employee well-being at MBWS Bulgaria, as we aim to be recognised as a leading employer in this area. The results underline the working atmosphere underpinned by the MBWS values shared on a daily basis, the quality of our management teams and our commitment to high standards of health and safety at work. Action plans were established to renew our internal communication and to boost our compensation policy within a context of high inflation. This project highlights our commitment to a continuous improvement approach to staff welfare and labour relations."

Tomislava Cherneva, HR Manager, Bulgaria

PROMOTING EMPLOYEES' QUALITY OF LIFE AT WORK

The Group introduced teleworking during the 2020 health crisis. In 2021, a questionnaire was sent round the HR managers to ascertain their findings and recommendations regarding the continuation of teleworking outside the context of the health crisis.

A hybrid on-site and remote working organisation had been recommended, maintaining a balance with production site employees who are 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. An agreement was signed in 2021 with the trade unions for MBWS France.

Each employee now benefits from regular remote working rights with additional annual entitlements.

Special attention is also paid to the working environment to provide each employee with an ergonomic, high quality working environment.

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 (see Section 3.8 "Ensuring health and safety at work").

IMPLEMENTING COLLABORATIVE WORKING 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 help employees improve fluidity and facilitate discussions and information sharing.

Since 2020, an in-depth study has been 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, instant messaging, a user-friendly video-conference system and collaborative tools.

This objective of developing and improving system user-friendliness and efficiency is being pursued with a high degree of adaptability on the part of all employees, regardless of the country in which they are based.

3.4.3 Continuing to train and develop employees' skills

Developing employees' skills remained a priority in 2022. Building employability, developing and extending expertise and adapting skills to the challenges facing the Company are essential to the social and economic dynamics of our organisation.

In France, in addition to the acquisition of business skills, more cross-disciplinary training has been offered, particularly in the area of project management. These sessions are an opportunity to bring together teams from different departments and to enrich the content of training modules. They strengthen the links within the Company and make practices more consistent.

Initiatives have been taken to develop a feedback culture as part of a programme that will continue into 2023 involving all managerial lines of the MBWS Group.

In Bulgaria, emphasis was placed on developing employee skills with regard to business development priorities.

In Spain, a wide range of training courses have been provided in technology, foreign languages and financial management.

> *"Internal communication and the maturity of our managers who have been participating in leadership programmes since 2018 have led to profound changes in our culture, behaviours and work habits."*
>
> Elisabeth Soto, HR Manager, MBWS Spain

Health, safety and quality training remain a priority for the Group.

In 2022, 1,051 hours of health and safety training were provided to employees.

Overall, the Group continued to offer training in personal development, finance, IT, human resources, sales, digital marketing and management in 2022.

In 2022, the average number of training hours per employee was 8.12.

3.4.4 Consolidating the restructuring operation and strengthening our employment model

The socio-economic environment has been volatile and at times alarming for society as a whole. The consolidation of the Group's restructuring continued in France in 2022 with the pooling of our sales force with those of the COFEPP Group and its subsidiaries.

The differences in the employment systems within the MBWS Group, which has subsidiaries in Lithuania, Bulgaria, France, Brazil, Spain, Denmark and the United States, highlight the relevance of our employment model, which is characterised by a dual need to:

- understand the Company in its broadest sense through the management principles that structure and articulate the corporate vision on a daily basis, and
- acknowledge the diversity within the Group in order to respond in a distinct but coordinated way to the expectations of each element of the Company.

When deployed effectively, this model facilitates the transformation of the Company and allows industrial relations to reach their full potential.

As such, the teams remained highly motivated to carry out priority projects, demonstrating agility and adaptability in favour of the Company's development and reinforcing everyone's pride in belonging to it.

This last concept is particularly prevalent in the main MBWS subsidiaries and there are numerous examples of this commitment (see Section 3.6 "Social issues").

3.4.5 Promoting industrial relations at MBWS

In France, staff representative bodies held elections in 2022, allowing employees to be elected for the first time (50% newly elected at MBWS France). The Group sees this as a sign of a well-balanced dialogue and working relationship with elected staff representatives.

Given the importance of providing information and support to the parties involved in industrial relations, the associated training was immediately launched, going beyond the legal requirements.

Numerous agreements were signed with a view to modifying existing arrangements (on-call duty, teleworking), reorganisation (methodology and restructuring) and ensuring the continuity of industrial relations (agreements linked to the renewal of representative bodies). These agreements show both the organisation's capacity to adapt and the diversity of subjects for which an optimum balance has been achieved through collective bargaining.

High quality industrial relations are also evident and important within the Group's subsidiaries, where staff representative bodies are heavily involved in the life of the company, particularly in Lithuania and Spain.

As an example of dialogue between management and employees, Spain organises a quarterly meeting at which employees are given the opportunity to express their needs and ideas.

Overall in 2022, 12 collective agreements were signed with trade unions and/or employee representatives.

"Driven by the desire to engage actively for my colleagues in the area of industrial relations, I got involved in the SEC and became a trade union delegate.

A company is made up of interconnected and engaged stakeholders, each of whom must find ambition and balance in their working life.

Working to achieve this synergy is what underpins my commitment to listen, relay, inform and act.

Within a complex external environment and in the face of a changing corporate strategy, our vision raises high expectations. Thanks to industrial relations and a calm environment, the changes are taking shape. I can report that this intensive and ongoing dialogue is of high quality at MBWS. Through the agreements and projects undertaken with partners, it is clear that our Company has an active desire for sustainability and social development."

Florence Andreff, trade union delegate, MBWS France

3.4.6 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 persons with disabilities and anti-discrimination. Moreover, the Marie Brizard Wine & Spirits Group has expressed the values to which it is committed in the 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.

In 2022, 42% of the Directors, 67% of Remuneration and Appointments Committee (REMCO) members and 50% of Strategic and Commercial Committee members were women.

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

In 2022, this index amounted to 85/100. 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 EMPLOYEES WITH DISABILITIES

Special attention is paid to integrating employees with disabilities, 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.

Finally, as an example, the Lormont site occasionally works with centres that employ people with mild disabilities. 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.

3.4.7 Ensuring health and safety at work

For several years, the Marie Brizard Wine & Spirits Group has been raising awareness among employees regarding the importance of safety at work, via a number of grassroots initiatives and training courses. Backed by the commitment shown by each of its facilities, the Group continued to strengthen the corporate safety culture in 2022. 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. More specifically, the French marketing and R&D teams have taken awareness training on the procedure to follow for innovation and sales tastings.

A number of sites have developed and implemented operational procedures to reduce the risks related to machine operation, control of hazardous energy, hazardous materials transportation, working at heights and the use of chemical products. For example, at the Aigre site in France, the multi-purpose cellar has been reorganised to reduce the hazardous nature of certain operating conditions.

In 2022, the accident frequency rate for employees was 7.12 and the severity rate was 0.66.

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.

REDUCING PSYCHOSOCIAL RISKS (PSR)

Addressing psychosocial risks at MBWS goes beyond meeting the obligations of the French Labour Code regarding the content and preparation of the single risk assessment document. MBWS has also launched a meaningful process for all employees and managers to implement risk prevention actions and measures to reduce and eliminate risks.

In 2021, a joint working group was set up within MBWS France, which was quickly trained in the prevention and management of psychosocial risks. The group comprises four members of the Social and Economic Committee (SEC) and four non-member employees. Fully in line with the Company's HSE policy, this approach has been supported by a consultancy firm providing expertise and methodological support to meet 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 continued in 2022 via the introduction of a specific questionnaire for all MBWS France employees. Around 85% of employees approached responded to this questionnaire, underlining the commitment of the Group, its management and the vast majority of its employees to the PSR project.

A wide range of subjects were explored, including working conditions, skills effectively used, working relations, autonomy, managerial support and certain aspects of the human resources policy.

Meanwhile, the entire management team received training on the issue, ensuring a high degree of maturity in terms of health and safety culture. This project will continue to be developed in 2023.

"Providing employees with a healthy work environment in which they can flourish is paramount for MBWS France. The starting point for this initiative was the launch of an assessment of psychosocial risks and well-being at work in 2022. The exceptional response rate to the questionnaire has enabled us to identify the areas of progress and safeguards that we will build on in order to provide our employees with the best possible working environment."

Julien Thébault, MBWS France Safety Manager

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. Some facilities also monitor local environmental 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 optimisation of resource consumption and by-product discharges.

Employee awareness-raising initiatives are also 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 2022, these measures were supplemented by a guide on waste management and instructions for switching gas boilers on and off.

In Brazil, during the results presentation meetings, attention is also paid to the environment and the initiatives and projects underway to reduce the facility's environmental impact.

Finally, in Lormont, a monthly report on the environment has been introduced.

3.5.2 Prevention of pollution and environmental risks

The Marie Brizard Wine & Spirits Group is aware of the impact of its operations on the environment and implements 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. Environmental risks are regularly monitored and identified, for example through monthly audits in France.

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.

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.

Over the last few 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 awareness-raising sessions are organised on waste sorting at the facility. Finally, the Obeliai facility in Lithuania uses distillation waste to produce biogas.

Indicators are used to monitor the development of appropriate recycling solutions and reduce the amount of waste generated.

In 2022, the Group sorted around 1,609 tonnes of non-hazardous waste, including 558 tonnes of paper and cardboard, 199 tonnes of glass, 147 tonnes of metal, 124 tonnes of plastic and 132 tonnes of wood.

3.5.6 Consumption of raw materials and packaging

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, insert 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 obtained BIO certification awarded by EKOagros in 2021.

3.5.7 Energy consumption

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

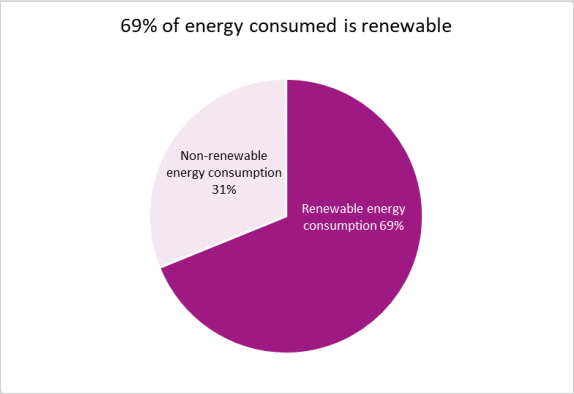
The total amount of renewable and non-renewable energy consumed by the Group in 2022 was 42,744,295 kWh, down 36% versus 2021.

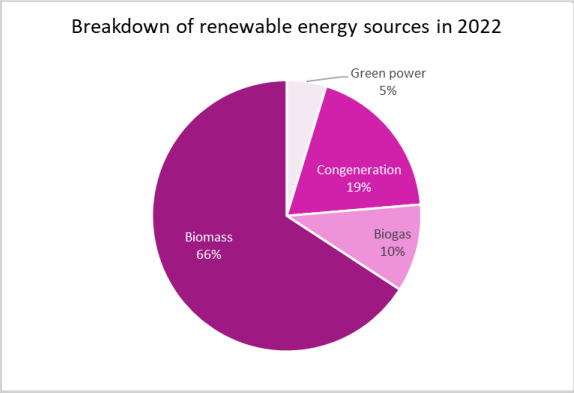
The main types of non-renewable energy consumed by the Group are natural gas and electricity.

Other non-renewable energies consumed are:

- domestic fuel oil, 8.8 m3 consumed in 2022
- heavy fuel oil, 230.3 m3 consumed in 2022
- LPG (16,979 kg), road and non-road diesel (109,083 litres) and petrol (8,330 litres).

Nevertheless, around 69% of the total energy used by the Group is renewable.





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

In 2022, our Spanish subsidiary in Zizurkil used 100% renewable 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 Zizurkil (Spain). 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

MBWS promotes the principles of the circular economy both internally and externally through numerous initiatives. With the production of energy for internal use, the Group has implemented the recovery and re-use of waste or by-products.

These measures enable the Group 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 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.

In 2022, MBWS in France joined a circular economy initiative with the Carrefour Group and the Loop global platform for re-use.

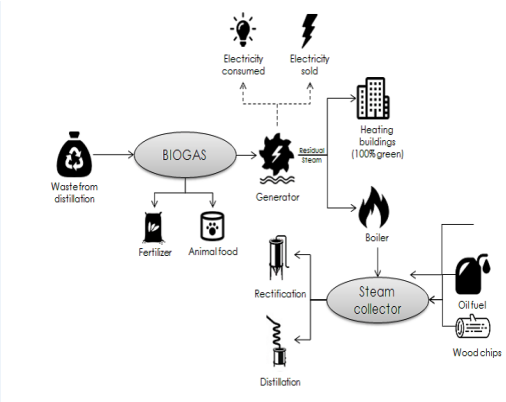
Through this partnership, consumers are now offered sustainable and returnable packaging in around 30 stores.

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 74% of the 282,677 m3 of water consumed by the Group in 2022 (including water used as an ingredient) 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.

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 2022, 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.

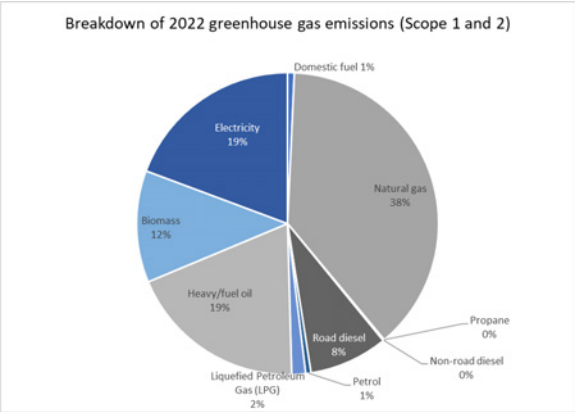
For example, to prevent flood risk, the Zizurkil facility in Spain, which is located in a flood area subject to 100 and 500-year recurrence intervals, the facility has built a 2.5 m high flood barrier. To further protect the facility against flood water, a tarmac cycle path has been built between the flood barrier and the banks of the River 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 greenhouse gas (GHG) emissions in 2022 totalled 4,095 tonnes of CO2 equivalent, accounting for around 1% of all emissions generated by the Group. The major impact is due to emissions from the use of natural gas (38% of total Scope 1 and 2 emissions) and electricity consumption (19%).

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 CO2 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 and internally generated waste. Emissions from raw materials and packaging were added to the calculation of Scope 3 emissions in 2020.

Scope 3 emissions represent over 99% 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 applied 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.

At Aigre in France, employees were made aware of the need to protect biodiversity and the facility was landscaped to provide more green spaces. In 2022, work continued on developing the riverbanks.

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 2022, 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 Regional 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.

A poster campaign to combat excessive alcohol consumption was also carried out targeting consumers in stores.

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. A gift pack was offered to each employee to celebrate St. Trifon Zarezan's Day in 2022.

3.6.2 Stakeholder relations within the framework of social and societal action

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

RELATIONS WITH ORGANISATIONS PROVIDING ASSISTANCE TO PERSONS WITH DISABILITIES

The Marie Brizard Wine & Spirits Group works alongside establishments that support people with disabilities at some of its facilities.

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. For example, in 2022 MBWS in Spain liaised with a number of universities and vocational training centres to take on trainees in the fields of maintenance, logistics and quality.

COMMUNITY HARVEST AT STARA ZAGORA, BULGARIA

For the seventh year running, a community harvest was organised in October 2022 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 160 employees, family members and MBWS took part in this initiative, which raised €15,339. The money raised by this event supports the following initiatives:

- Construction of playgrounds for road safety awareness in kindergartens in Stara Zagora. Thanks to these playgrounds, children can learn how to behave and the rules they should follow with regard to road safety.
- The donation of microphones, materials and furnishings for a performing arts studio for young children in Stara Zagora. The studio puts on various musicals and shows and donates part of its profits to a fertility foundation in Bulgaria.

"The charity harvest has become a central part of the MBWS Bulgaria culture and provides valuable support to the local community in Stara Zagora.
Employees and their families are all invited to come together for this charitable event, which is recognised as a team event with high social value. Harvest time is like a family occasion. Happy children, smiling people, and a real contribution to the development of the town of Stara Zagora - how very satisfying!"

Artur Grinover, Sales Director, Bulgaria.

CHARITY COLLECTION AND BLOOD DONATION IN SPAIN

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.

"Our values and social responsibility are central to our strong employee engagement.
This is evidenced by the two blood donor campaigns organised each year with participation rates of around 50% at our Zizurkil facility and our collaboration with the Gipuzkoa food bank and social services, highlighting how fully integrated we are into the social life of our city.
Internal communication and the maturity of our managers who have been participating in leadership programmes since 2018 have led to profound changes in our culture, behaviours and work habits."

Elisabeth Soto, HR Manager, MBWS Spain.

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, the Group ensures proper compliance with the laws and sees that subcontractors pay attention to the impact of their actions on the environment and on society as a whole.

Despite an environment of raw material shortages and inflation in 2022, MBWS continued to evaluate its key suppliers.

The 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.

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

For 2022, the assessment was carried out with the same aim of measuring at least 80% of direct purchasing expenditure (ingredients for product manufacture) from strategic suppliers.

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.

In terms of subcontracting, MBWS France subcontracts a certain amount of product manufacture. The subcontractors in question are assessed annually in terms of quality assurance in the same way as 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 2022, 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, bottles and labels from local suppliers.

In Aigre, France, many items were sourced locally, including dry goods and catering services.

Finally, MBWS ensures compliance with the payment terms of its suppliers. For example, payments were made immediately on delivery to wine growers with cash flow problems in the vicinity of the Aigre site in France.

3.6.4 Guaranteeing consumer health and product quality and safety

The Marie Brizard Wine & Spirits Group develops its products with a view to increasingly exceeding the expectations of its customers and ensuring their health and safety. 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 were drafted several years ago and put into practice at the 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 has been available since 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 MBWS Group also follows the labelling guidelines of the French Spirits Federation (FFS) and a regulatory monitoring partnership has been set up.

The guide ensures that all departments involved in the creation of labels have the same information and are aware of mandatory and optional notices and the logos required for labelling spirits, wine and soft drink bottles. Its application is monitored and approved by the R&D and legal departments.

In the interest of transparency, MBWS applies a policy that is stricter than the regulations; the Group decided, from 2020 onwards, to include energy values on all bottle labels, as well as the list of ingredients in the case of the main brands (on websites). In addition, MBWS has started to display a QR Code on certain products such as William Peel, San José and Sir Pitterson which will provide access to information on the product's composition and ingredients. A notice about responsible drinking will also be displayed for consumers. This project will be carried out in 2023.

In this regard, the food safety good practice guide will be reviewed in early January 2022.

MEETING CONSUMER DEMAND FOR MORE NATURAL INGREDIENTS

In 2022, 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.

Over the last two years, liqueur recipes have been reformulated to include less sugar and more natural flavours and colourants. The reformulation of syrup recipes began in 2022: the Marie Brizard brand syrup recipes were changed to contain 100% cane sugar and natural flavours. These initiatives reflect MBWS's desire to rethink its products as part of its commitment to continuous improvement of consumer health.

QUALITY MANAGEMENT POLICY AND SYSTEM

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 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 2022, 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 is available to 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 of 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.

Finally, the Company also makes use of R&D management software, which enables it to manage and share ingredients' technical characteristics and publish and record technical data sheets for finished products, as well as the list of ingredients, allergens, dry matter, nutritional values and logistical data.

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 and ensuring business continuity. Resilience against potential impact scenarios is an essential prerequisite of success, which is why the Group has developed a "General Crisis Management" guide.

In addition, 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 media, 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 manager'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.

In 2022, the Company continued to monitor the health and safety of its employees with regard to the risks associated with COVID-19.

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 2022.

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 2022, all entities included in the scope of the statement of non-financial performance form part of the financial scope of the Marie Brizard Wine & Spirits Group and are fully consolidated in the Group financial statements.

The Fuenmayor site was excluded from the 2022 reporting scope as it was removed from the scope of financial consolidation during the year. The Riga facility in Latvia, representing 0.18% of the Group's workforce in 2022, did not report any data in 2022.

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.

Furthermore, in 2022, some staff data on training was not available for the facilities in Copenhagen (Denmark) and Vilnius PAG (Lithuania), representing 4.5% of the total 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. However, the environmental indicators only concern the production facilities, to the exclusion of other facilities and vineyards.

Furthermore, the information relating to policies and actions implemented to promote sporting activities among employees concerns France only in 2022 (obligation related to the March 2022 revision of Article L. 225-102-1 of the French Commercial Code).

3.7.2 Non-financial reporting protocol

The non-financial reporting protocol describes the process for collecting 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.

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 KEY 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 and 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 staff hiring and departure data.

Industrial accidents

This indicator corresponds to the number of industrial accidents reported during the year. Relapses resulting from previously recorded accidents (during the same year or in previous years) are not recorded again in this indicator. Likewise, an accident reported the previous year that continues to result in days of absence in the current year is not recorded as it was already recorded in the previous year. Travel accidents are not included in this indicator.

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.

The total number of days of absence due to industrial accidents refers to calendar days. Days of absence due to occupational illness are not counted.

MBWS calculates separate frequency and severity rates for employees and temporary workers and combined rates including both employees and temporary workers. Employees include those on permanent and fixed-term contracts, whether full-time or part-time, and work-study contracts.

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. The training courses recorded are internal and external, compulsory and non-compulsory, face-to-face and e-learning. Headcount corresponds to employees 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 included.

Water and energy consumption

Water consumption relating to production processes and cooling systems has been included in this indicator in the case of the Group's production facilities. Water intensity is the ratio of total water consumption (including water used as an ingredient) to the number of litres produced.

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. Energy intensity is the ratio of energy consumption (renewable and non-renewable) to the number of litres produced.

As with the other environmental indicators, these indicators are calculated at production facility level only.

Quantity of waste per litre of product

Waste generation per litre produced is calculated taking into account the quantity of hazardous waste, the quantity of sorted and unsorted non-hazardous waste and the number of litres produced. As with the other environmental indicators, this indicator is calculated at production facility level only.

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 recognised by the GFSI.

MBWS has obtained certification under two standards recognised 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.

Greenhouse gas emissions (GHG)

MBWS calculates its greenhouse gas emissions on Scope 1, Scope 2 and part of Scope 3. Scope 3 emissions are those related to waste generation (hazardous and non-hazardous), raw materials and packaging. 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 2022 non-financial reporting scope.

	2019	2020	2021	2022
% of ISO 9001 certified MBWS facilities	70	85	83	83
% of facilities holding GFSI-recognised certification in food safety	50	57	67	67

Employment data

The Fuenmayor site was excluded from the 2022 reporting scope as it was removed from the scope of financial consolidation during the year. The Riga facility in Latvia, representing 0.18% of the Group's workforce in 2022, did not report any data in 2022.

Regarding the indicator on the number of training hours, the Copenhagen (Denmark), Miami (United States) and Vilnius PAG (Lithuania) facilities did not report any data, representing 4.5% of the total workforce.

Headcount	Brazil	Bulgaria	China	Denmark	Spain	France	Latvia	Lithuania	Poland	USA	TOTAL	Change (%)
Total year-end headcount - 2018	32	140	6	10	92	463	6	239	918	32	1938	
Total year-end headcount - 2019	29	142		9	48	414	6	199	418		1265	-35
Total year-end headcount - 2020	26	159		9	51	241	2	174		3	665	-47
Total year-end headcount - 2021	23	170		9	49	198	1	165		3	618	-7
Total year-end headcount - 2022	27	164		9	49	167		161		2	579	-6

Breakdown of headcount by age	2017	2018	2019	2020	2021	2022	Change 2021/ 2022 (%)
Under 35 years	594	533	301	165	136	127	-7
35 to 44 years	603	567	363	180	177	160	-10
45 to 54 years	498	494	356	181	176	166	-6
Aged 55 and over	324	327	253	139	129	126	-2

Breakdown of headcount by gender	2017	2018	2019	2020	2021	2022	Change 2021/ 2022 (%)
Women	700	659	488	282	268	259	-3
Men	1,319	1262	786	383	350	320	-8

Headcount	2017	2018	2019	2020	2021	2022	Change 2021/ 2022 (%)
Total number of new hires	678	555	392	123	134	132	-1
Total number of departures	838	625	457	157	187	160	-14
of which lay-offs	93	76	44	52	62	42	-32

Remuneration	Unit	
Payroll 2018	€000	66,251
Payroll 2019	€000	56,259
Payroll 2020	€000	44,877
Payroll 2021	€000	30,328
Payroll 2022	€000	29,593
Change (%)	%	-2

Non-financial indicators

Organisation of working hours	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Total employee overtime (paid and unpaid)	Hours	69,436.6	51,544.5	30,619	12,414	16,149	15,325	-5
Total actual employee hours worked	Hours	3,434,812	3,263,826	2,761,446	1,050,540	1,055,133	983,103	-6
Number of industrial accidents with time off work recorded over the year (incl. 7 “employee” accidents in 2022 and 3 “temporary worker” accidents)	Number	45	26	32	5	4	10	+150
Number of industrial accidents without time off work recorded over the year (incl. 5 “employee” accidents in 2022 and 2 “temporary worker” accidents)	Number	21	9	7	4	7	7	
Number of occupational illnesses recorded over the year	Number	2	3	2	0	0	0	
Industrial accident severity rate (employees and temporary workers)	Rate	0.8	0.26	0.42	0.1	0.23	0.69	+196
Industrial accident severity rate (employees)	Rate	0.75	0.28	0.32	0.12	0.26	0.66	+151
Industrial accident frequency rate (employees and temporary workers)	Rate	13.1	7.48	14.21	4.21	3.34	8.72	+161
Industrial accident frequency rate (employees)	Rate	12.57	7.35	10.5	4.73	3.79	7.12	+88
Number of training hours completed	Hours	22,105	15,508	11,979	5062	8667	4701.7	-46
Number of training hours completed per employee	Hours/ employee			9.5	7.6	14	8.12	-42

Other employment indicators	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Persons with disabilities employed	Number	37	33	28	25	30	11	-64
Number of collective agreements signed during the year	Number	16	19	20	9	15	12	-20
Number of workplace safety/health agreements signed during the year	Number	1	1	0	1	2	1	-100

Environmental data

The Fuenmayor facility is excluded from the 2022 non-financial reporting scope. Furthermore, the indicators below are calculated at production facility level only.

Non-renewable energy consumption	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Electricity	kWh	13,019,493	12,077,762	16,800,948	4,199,797	3,675,285	3,328,807	-9
Heating oil	kWh	3,520,703	168,739	199,614	249,768	176,543	88,272	-50
Natural gas	kWh	45,855,107	44,381,255	41,594,874	6,693,772	5,963,276	6,901,660	-3
LPG	kWh	411,967	281,403	319,073	122,782	301,659	215,358	-29
Propane	kWh	28,627	1,329	0	0	0	0	
Road diesel	kWh	2,143,577	2,022,157	1,419,764	1,482,264	1,454,648	1,052,280	-28
Petrol	kWh	59,855	49,429	31,172	64,899	61,341	56,659	-8
Non-road diesel	kWh	1,273,785	308,289	322,938	30,993	23,111	18,283	-21
Heavy fuel oil	kWh	1,644,049	2,991,866	540,693	1,958,585	1,705,254	2,331,938	+37
Total non-renewable energy consumption	kWh NCV	67,957,164	62,282,231	61,229,077	14,802,861	13,361,119	13,303,092	-0.4
Total non-renewable energy consumption per litre of product	kWh/l			0.4	0.21	0.18	0.18	

Renewable energy consumption	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Consumption by cogeneration	kWh	3,406,532	7,908,184	6,964,568	8,884,440		5,565,000	
Biogas	kWh					31,464,817	3,086,044	-90
Wood biomass energy	kWh	24,903,840	26,612,860	22,392,000	22,779,000	20,700,000	19,389,000	-6
Green power	kWh	306,491	713,717	675,966	1,422,839	1,238,098	1,401,159	+13
Total renewable energy consumption	kWh NCV	35,435,380	42,589,827	37,567,500	33,086,279	53,402,915	29,441,295	-45
Total energy consumption	kWh NCV	103,392,544	104,872,058	98,796,577	47,889,140	66,764,034	42,744,295	-36

Greenhouse gas emissions (Scope 1 and 2)	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Scope 1 CO2 emissions	tCO2e	14,674	13,311	11,563	3437	4536	3332	-27
Scope 2 CO2 emissions	tCO2e	4,686	4,310	8,398	991	858	763	-11
Scopes 1 and 2 CO2 emissions	tCO2e	19,360	17,621	19,960	4428	5394	4095	-24

Water consumption	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Spring water	m3	424,421	408,107	525,402	169,273	166,672	209,091	+25
Mains water	m3	79,374	72,421	77,029	77,410	67,911	73,585	+9
Total water consumption	m3	503,795	480,528	602,431	246,683	234,583	282,677	+20
Total water consumption per litre of product (including formulation)	l/l			3.9	3.48	3.22	3.93	+22

Consumption of raw materials	Unit	2017	2018	2019	2020	2021	2022	Change 2021/2022 (%)
Sugar	t	5,787	5,867	5,704	525	4385	4049	-8
Neutral alcohol	LPA	29,904,436	35,591,422	33,409,503	18,552,083	15,425,686	6,550,390	-58
Wine	hl	629,092	586,616	386,515	114,437	94,624	42,686	-55
Cereal grain	t	30,797	29177	22,756	28,634	24,874	23,969	-4

Waste	Unit	2019	2020	2021	2022	Change 2021/2022 (%)
Hazardous waste	t	19	16	19	17	-10
Non-hazardous waste	t	4,164	1945	1686	1762	+4.5

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 3-1884[5], 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 2022, 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 (or available on the website or upon request at the entity's registered office).

RESPONSIBILITY OF THE ENTITY

The Management 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);
- preparing the Statement in accordance with the entity's Guidelines as referred to above; 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 was prepared by the Board of Directors.

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.

(5) COFRAC Inspection Accreditation, no. 3-1884, the scope of which may be consulted on www.cofrac.fr

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 and in particular the technical opinion of the French National Institute of Auditors, intervention of Statutory Auditors, intervention of the independent third-party body - statement of non-financial performance, serving as a verification programme and international standard ISAE 3000 (revised)[6].

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 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 six people over a total period of three weeks between October 2022 and April 2023.

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[7], we conducted our audit at the level of the consolidating entity; for other risks, we completed our work at the level of the consolidating entity and within a selection of entities[8];
- 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;
- 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;

(6) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information
(7) Helping employees with changes; Air, soil and water pollution; Long-term climate change; Responsible alcohol consumption; Responsible purchasing policies; Consumer health
(8) Lormont (France); Vilnius degtine (Lithuania); Zizurkil (Spain)

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

- 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 22% 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.

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, 25 April 2023
KPMG S.A.

Anne Garans
ESG Expert

Adrien Johner
Partner

4

CONSOLIDATED FINANCIAL STATEMENTS

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4.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE 2022 FINANCIAL YEAR

Annual consolidated income statement

(€000)	Note	31/12/2022	31/12/2021
Revenues		**227,121**	**214,395**
Excise duties		(45,770)	(47,711)
Net revenues excluding excise duties	**4**	**181,351**	**166,684**
Cost of goods sold		(110,420)	(98,124)
External expenses	5.1	(27,599)	(26,713)
Personnel expense	5.2	(27,134)	(31,177)
Taxes and levies		(2,483)	(1,688)
Depreciation and amortisation charges		(6,075)	(6,616)
Other operating income	5.3	4,166	7,155
Other operating expenses	5.3	(4,735)	(3,829)
Underlying operating profit		**7,071**	**5,692**
Non-recurring operating income	5.4	2,267	5,226
Non-recurring operating expenses	5.4	(7,456)	(5,334)
Operating profit		**1,882**	**5,584**
Income from cash and cash equivalents	5.5	113	120
Gross cost of debt	5.5	(198)	(454)
Net cost of debt		**(85)**	**(334)**
Other financial income	5.5	1,064	730
Other financial expenses	5.5	(1,181)	(146)
Net financial income/(expense)		**(202)**	**250**
Profit/(loss) before tax		**1,680**	**5,834**
Income tax	5.6	(2,605)	751
Net profit/(loss) from continuing operations		**(925)**	**6,585**
Net profit/(loss) from discontinued operations		0	(1,017)
NET PROFIT/(LOSS)		**(925)**	**5,568**
Group share		(945)	5,564
of which Net profit/(loss) from continuing operations		(945)	6,581
of which Net profit/(loss) from discontinued operations		0	(1,017)
Non-controlling interests		20	4
of which Net profit/(loss) from continuing operations		20	4
of which Net profit/(loss) from discontinued operations		0	0
Earnings per share from continuing operations, Group share (€)	5.7	(0.01)	0.06
Diluted earnings per share from continuing operations, Group share (€)	5.7	(0.01)	0.06
Earnings per share, Group share (€)	5.7	(0.01)	0.05
Diluted earnings per share, Group share (€)	5.7	(0.01)	0.05
Weighted average number of shares outstanding		111,856,837	105,889,482
Diluted weighted average number of shares outstanding		111,856,837	105,889,482

Annual statement of comprehensive income

(€000)	31/12/2022	31/12/2021
Net profit/(loss) for the financial year	**(925)**	**5,568**
Items reclassifiable through profit & loss		
Cash flow hedges, net of tax	0	0
Translation differences	1,262	914
Items not reclassifiable through profit & loss		
Revaluation of defined benefit plan liabilities, net of tax	398	372
Items of other comprehensive income for the financial year, net of tax	**1,660**	**1,286**
COMPREHENSIVE INCOME	**735**	**6,854**
Of which:		
Group share	715	6,850
Share attributable to non-controlling interests	20	4

Consolidated statement of financial position

ASSETS		31/12/2022	31/12/2021 restated*
(€000)	**Note**		
Non-current assets			
Goodwill	6.1	14,704	14,704
Intangible assets	6.1	77,847	79,361
Property, plant and equipment	6.2	26,932	27,181
Financial assets	6.3	1,146	4,001
Deferred tax assets	5.6	3,781	4,366
Total non-current assets		**124,410**	**129,613**
Current assets			
Inventory and work-in-progress	6.4	51,934	35,094
Trade receivables	6.5	43,523	35,891
Tax receivables		734	4,125
Other current assets	6.6	10,468	9,714
Current derivatives	6.12	114	281
Cash and cash equivalents	6.7	47,495	54,169
Assets held for sale	1.25	0	3,058
Total current assets		**154,268**	**142,332**
TOTAL ASSETS		**278,678**	**271,945**

EQUITY & LIABILITIES		31/12/2022	31/12/2021 restated*
(€000)	**Note**		
Shareholders' equity			
Share capital	6.8	156,786	156,729
Additional paid-in capital		72,815	72,751
Consolidated and other reserves		(25,529)	(31,957)
Translation reserves		(8,520)	(9,807)
Consolidated net profit		(945)	5,564
Shareholders' equity (Group share)		194,607	193,280
Non-controlling interests		333	332
Total shareholders' equity		**194,940**	**193,612**
Non-current liabilities			
Employee benefits	6.10	1,769	2,214
Non-current provisions	6.10	2,540	4,116
Long-term borrowings – due in > 1 year	6.11	2,218	2,546
Other non-current liabilities	6.13	1,518	1,735
Deferred tax liabilities	5.6	139	199
Total non-current liabilities		**8,184**	**10,810**
Current liabilities			
Current provisions	6.10	5,417	2,546
Long-term borrowings – due in < 1 year	6.11	641	888
Short-term borrowings	6.11	3,702	2,542
Trade and other payables		36,694	31,113
Tax liabilities		1,932	135
Other current liabilities	6.13	26,899	29,942
Current derivatives	6.12	269	198
Liabilities held for sale		0	159
Total current liabilities		**75,554**	**67,523**
TOTAL EQUITY AND LIABILITIES		**278,678**	**271,945**

* See Note 1.3

Annual consolidated cash flow statement

(€000)	31/12/2022	31/12/2021
Total consolidated net profit	**(925)**	**5,568**
Depreciation and provisions	6,562	1,927
Gains/(losses) on disposals and dilution	49	579
Operating cash flow after net cost of debt and tax	**5,686**	**8,074**
Income tax charge/(income)	2,605	(751)
Net cost of debt	89	315
Operating cash flow before net cost of debt and tax	**8,380**	**7,638**
Change in working capital 1 (inventories, trade receivables/payables)	(18,280)	(13,111)
Change in working capital 2 (other items)	(3,366)	5,693
Tax paid/received	3,183	(9,341)
Cash flow from operating activities	**(10,083)**	**(9,121)**
Purchase of PP&E and intangible assets	(3,202)	(3,276)
Increase in loans and advances granted	0	(45)
Decrease in loans and advances granted	1,632	1,841
Disposal of PP&E and intangible assets	2,872	283
Impact of change in consolidation scope	0	1,859
Cash flow from investment activities	1,302	662
Capital increase	22	16,710
New borrowings	16	7,209
Borrowings repaid	(970)	(1,485)
Net interest paid	(75)	(315)
Net change in short-term debt	1,283	(2,752)
Cash flow from financing activities	**276**	**19,367**
Impact of exchange rate fluctuations	1,831	1,186
Change in cash and cash equivalents	**(6,674)**	**12,094**
Opening cash and cash equivalents	54,169	42,075
Closing cash and cash equivalents	47,495	54,169
Change in cash and cash equivalents	**(6,674)**	**12,094**

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 01/01/2021 PUBLISHED	**62,578**	**66,711**	**(42,110)**	**(152)**		**(10,721)**	**(9,721)**	**66,585**	**327**	**66,912**
Error correction			19,909	(229)				19,680		19,680
OPENING POSITION AT 01/01/2021 AMENDED	**62,578**	**66,711**	**(22,201)**	**(381)**		**(10,721)**	**(9,721)**	**86,265**	**327**	**86,592**
Profit 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 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)
Change in consolidation scope			(206)	206				0		0
Other changes			(5)					(5)		(5)
TRANSACTIONS WITH SHAREHOLDERS	**94,151**	**6,040**	**(211)**	**206**		**0**	**(21)**	**100,165**	**1**	**100,166**
Closing position at 31/12/2021 amended	**156,729**	**72,751**	**(16,848)**	**197**	**0**	**(9,807)**	**(9,742)**	**193,280**	**332**	**193,612**
OPENING POSITION AT 01/01/2022 AMENDED	**156,729**	**72,751**	**(16,848)**	**197**	**0**	**(9,807)**	**(9,742)**	**193,280**	**332**	**193,612**
Profit for the period			(945)					(945)	20	(925)
Translation differences						1,262		1,262		1,262
Items of other comprehensive income				398				398		398
Comprehensive income for the period	0	0	(945)	398	0	1262	0	715	20	735
Capital increase	57	64						121		121
Treasury shares							102	102		102
Change in consolidation scope						25		25	(19)	6
Other changes			364					364		364
Transactions with shareholders	57	64	364		0	25	102	612	(19)	593
CLOSING POSITION AT 31/12/2022	**156,786**	**72,815**	**(17,429)**	**595**	**0**	**(8,520)**	**(9,640)**	**194,607**	**333**	**194,940**

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Marie Brizard Wine & Spirits (MBWS) is a société anonyme (French limited company) with a Board of Directors incorporated under French law and subject to the provisions of the French Commercial Code. MBWS shares are listed on the Paris (Euronext, Compartment B) and Warsaw (WSE) stock exchanges. The MBWS Group operates in the wine and spirits sector.

The Company's registered office is at 10-12 Avenue du Général de Gaulle, Charenton-Le-Pont (94220), France.

The consolidated financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 12 April 2023.

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

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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 at that date, and presented with comparative figures for 2022, prepared in accordance with the same standards. The accounting principles and policies applied to the consolidated financial statements for the year ended 31 December 2022 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 2022

The following standards, interpretations and amendments are applicable to MBWS from 1 January 2022:

- 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 2022

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 2022:

- 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: Change in accounting policies

None

Note 1.3: Comparability of consolidated financial statements

In preparing its 2022 financial statements, the Company conducted an in-depth review of its deferred taxes. It found that the amount of deferred tax liabilities relating to previous years had been overstated by €19.7 million. This amount comes almost entirely from deferred tax on the value of trademarks, for which the bases had not been updated. Therefore, as required by IAS 8, the Company retrospectively restated all material differences in the comparative information published for 2021. As these adjustments derived from years prior to 2018, the technical correction was made in the opening statements for the 2021 financial year and led to a €19.7 million increase in shareholders' equity. It has no impact on cash or earnings for the period.
The table below presents the error correction and the restated consolidated financial position at 31 December 2021:

ASSETS *(€000)*	**31/12/2021 reported**	**Error correction**	**31/12/2021 restated***
Non-current assets			
Goodwill	14,704		14,704
Intangible assets	79,361		79,361
Property, plant and equipment	27,181		27,181
Financial assets	4,001		4,001
Deferred tax assets	452	3,914	4,366
Total non-current assets	**125,699**	**3,914**	**129,613**
Current assets			
Inventory and work-in-progress	35,094		35,094
Trade receivables	35,891		35,891
Tax receivables	4,125		4,125
Other current assets	9,714		9,714
Current derivatives	281		281
Cash and cash equivalents	54,169		54,169
Assets held for sale	3,058		3,058
Total current assets	**142,332**		**142,332**
TOTAL ASSETS	**268,031**	**3,914**	**271,945**

LIABILITIES *(€000)*	**31/12/2021 reported**	**Error correction**	**31/12/2021 restated***
Shareholders' equity			
Share capital	156,729		156,729
Additional paid-in capital	72,751		72,751
Consolidated and other reserves	(51,638)	19,680	(31,958)
Translation reserves	(9,806)		(9,806)
Consolidated net profit	5,564		5,564
Shareholders' equity (Group share)	**173,600**	**19,680**	**193,280**
Non-controlling interests	332		332
Total shareholders' equity	**173,932**	**19,680**	**193,612**
Non-current liabilities			
Employee benefits	2,214		2,214
Non-current provisions	4,116		4,116
Long-term borrowings – due in > 1 year	2,546		2,546
Other non-current liabilities	1,735		1,735
Deferred tax liabilities	15,965	(15,766)	199
Total non-current liabilities	**26,576**	**(15,766)**	**10,810**

LIABILITIES *(€000)*	31/12/2021 reported	Error correction	31/12/2021 restated*
Current liabilities			
Current provisions	2,546		2,546
Long-term borrowings – due in < 1 year	888		888
Short-term borrowings	2,542		2,542
Trade and other payables	31,113		31,113
Tax liabilities	135		135
Other current liabilities	29,942		29,942
Current derivatives	198		198
Liabilities held for sale	159		159
Total current liabilities	**67,523**		**67,523**
TOTAL EQUITY AND LIABILITIES	**268,031**	**3,914**	**271,945**

* The impacts of error corrections presented at 31 December 2021 are identical to those at 1 January 2021.

Note 1.4: Going concern

The Group's 2022 financial statements were prepared on a going concern basis:

- in view of the known situation at the reporting date, the latest cash requirement forecasts carried out in an environment that is both highly inflationary (mainly concerning raw material and energy prices) and economically unstable (following the post-pandemic recovery and the consequences of the Russia-Ukraine conflict);
- based on business assumptions estimated by the Group.

It should be noted regarding the April 2021 public creditor agreement (CCSF) on a standstill on part of the Group's tax and social security liabilities that, on the date of issue of this document, all outstanding amounts have been repaid.

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 upward trend in operating profitability in 2022 (restated for non-recurring items).

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 1.5: 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 1.6: 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 1.7: 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 1.8: 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 1.9: 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 1.10: 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 1.11: Trademarks and other intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets include trademarks, software, patents and software licensing agreements. Trademarks are not amortised if their useful life can be considered as indefinite. Trademarks with a finite useful life, in view of their position on their respective markets and the measurement of their inherent operating risks, are amortised on a straight-line basis over their estimated useful life, which is usually 15 years.

Note 1.12: 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.

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 1.13: 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 1.14: 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 2023 budget approved by the Board of Directors and medium-term growth assumptions approved by the Finance Division. 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 are attached, or which have not yet been commissioned, 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 1.15: 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 1.16: 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 1.17: 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 1.18: 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 1.19: Treasury shares

In accordance with IAS 32, treasury shares are recognised at their acquisition cost and deducted from consolidated shareholders' equity. Capital gains or losses realised on the sale of these shares are directly recorded in consolidated reserves at their value net of tax.

Note 1.20: Employee benefits

The Group contributes to pension and retirement benefit schemes in accordance with the laws and practices in each country in which it operates.

From 1 January 2021, in application of the new IFRIC/IAS 19 ruling, the MBWS Group recognises pension commitments on the basis of entitlements that are calculated on the basis of the years of service preceding the date of retirement and are capped at a certain number of consecutive years of service.

In the case of basic and other defined contribution schemes, the Group expenses the contributions payable as incurred and no provision is recorded, since the Group has no commitments in addition to the contributions paid.

In the case of defined benefit plans, the Group's commitments are the subject of balance sheet provisions that are determined on the basis of an actuarial valuation using the projected unit credit method, in accordance with IAS 19 revised, factoring in staff turnover rates, life expectancy rates and the foreseeable trend in remuneration.

The fair value of the plan assets is deducted from the balance sheet provisions.

The income and expense recorded in connection with defined benefit plans primarily corresponds to:

- the cost of the services performed during the period and, where applicable, past services, recognised under operating profit;
- the net interest expense on net liabilities (calculated by applying the discount rate used to value the commitments to the net liabilities determined at the beginning of the financial year), which is recognised under net financial income/(expense).

The revaluation of net liabilities (actuarial gains and losses) and the return on the plan assets, as well as any changes in the asset cap, excluding the amounts taken into account when calculating the net interest expense on net liabilities, are recognised in items of other comprehensive income.

Actuarial provisions are also recorded for a number of benefits, such as long-service awards and anniversary bonuses in various countries. Additions to provisions, including actuarial gains and losses, are recognised in the income statement.

Note 1.21: Provisions

In accordance with IAS 37, the Group records provisions as soon as present legal or constructive obligations arising from past events materialise, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and the amount of these outflows can be reliably estimated.

Provisions are mainly related to tax contingencies (concerning taxes and duties other than income tax) and employee and trade disputes.

Where the time value is material, the amount of the provision is calculated by discounting expected future cash flows at the pre-tax discount rate reflecting the market's current assessment of the time value of money and, where appropriate, the specific risk of the liability. The effects relating to the unwinding of the discount are recorded in financial expense.

Note 1.22: Financial liabilities

Financial liabilities primarily consist of current and non-current borrowings contracted with credit institutions. These financial liabilities are initially measured at fair value, less direct transaction costs.

They are subsequently measured at their amortised cost using the effective interest rate method.

Note 1.23: Financial derivatives

The Group uses financial derivatives to hedge its currency and interest rate risk. Accordingly, the Group uses contracts such as swaps or forwards, depending on the nature of the risks to be hedged.

In accordance with IFRS 9, all derivative instruments are recognised among other current assets or liabilities on the balance sheet, at their fair value, as determined on the basis of recognised market valuation methods or external prices obtained from financial institutions. Changes in fair value are entered in the income statement.

Some derivatives may be classified as hedging instruments:

- fair value hedges (hedging of currency and interest rate risk); in this case, changes in the fair value of the derivative and the hedged item are recorded in profit and loss over the same period;
- cash flow hedges (in the case of future sales or purchases); in this case, the "effective" portion of changes in the value of the derivative is recorded in items of other comprehensive income, with a corresponding entry to the fair value reserve, while the "ineffective" portion is recorded directly in profit and loss. The amounts recorded in the fair value reserve are subsequently taken to profit and loss when the hedged transaction is performed.

In order for a hedging instrument to be used as part of hedge accounting, it is necessary to determine and record a hedging relationship between this instrument and the hedged item, and to prove its effectiveness from the origination of the instrument and throughout its life, via recorded effectiveness tests.

Note 1.24: Investment subsidies

The option chosen to present investment subsidies is their recognition under deferred income, as authorised by IAS 20.

The subsidy is transferred to "Other operating income" over the useful life of the asset to which it is attached.

Note 1.25: Discontinued operations

An operation that is discontinued or classified as held for sale represents a material operation for the Group which is either sold or classified as an asset held for sale. Income statement items relating to these held-for-sale or discontinued operations are separated out in the financial statements for all the periods shown, if they are of a material nature for the Group.

In accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), an asset is considered as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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.

The sale of the wine business under the Marques del Puerto brand and the Fuenmayor facility in Spain belonging to MBWS España was made in early 2022 and signed on 28 February 2022. The Spain assets impacted by this sale had also been restated in the 2021 consolidated financial statements in accordance with IFRS 5 and were therefore removed from the 31 December 2022 balance sheet.

Note 1.26: Revenue recognition

Customers obtain control of products at the moment when they are delivered to them and when they are received at their premises. Revenues are recognised at the time of delivery of the goods and their reception by the customer at its premises according to the applicable Incoterms.

Revenues are recorded net of any discounts and commercial benefits granted and net of sales taxes.

Pursuant to IFRS 15, some marketing costs owed to customers, including the costs of joint advertising campaigns with distributors, listing new products or point-of-sale promotional and advertising initiatives, are deducted from revenues if there is no distinct service where the fair value can be reliably measured.

Excise duties paid by the Group in respect of products included in Group inventory at the year-end date are kept under the inventory item.

Note 1.27: Operating profit

Underlying operating profit/(loss) measures the recurring performance of the Group's operations, excluding material items which, due to their nature and unusual character, cannot be considered as being inherent to the Group's underlying performance. Underlying operating profit/(loss) corresponds to operating profit/(loss) less "Non-recurring operating income" and "Non-recurring operating expenses".

Non-recurring operating income and expenses correspond to unusual and infrequent transactions, limited in number but involving material amounts. They may include, for example:

- gains or losses on disposal of specific intangible assets or property, plant and equipment;
- impairment of specific intangible assets or property, plant and equipment;
- provisions related to a major dispute involving the company;
- specific restructuring expenses;
- specific refinancing expenses;
- items related to the reorganisation measures implemented in light of the Group's financial situation at 2018 year-end.

Note 1.28: Net financial income/(expense)

Net financial income/(expense) includes the gross cost of debt, income from cash and cash equivalents, other financial income and expense and changes in the fair value recorded for debt instruments.

All interest expenses are recorded in the year in which they are incurred.

Note 1.29: Deferred tax

In accordance with IAS 12, the Company reviews the need to recognise deferred tax on any temporary differences between the carrying amount of assets and liabilities and their tax bases.

The tax rate used is the statutory tax rate in effect at the date on which the temporary difference will reverse, i.e. usually the tax rate for the current financial year or the rate forecast for subsequent financial years, if it is known with certainty.

Note 1.30: Earnings per share

Earnings per share are calculated by dividing net profit, Group share, by the average number of shares outstanding during the financial year, after deducting treasury shares. Diluted earnings per share are calculated by including the impact of dilutive factors in the average number of shares outstanding.

Note 1.31: Indicators used to measure the Group's performance

The Group uses revenues excluding excise duties, gross margin and EBITDA as its main performance indicators. These indicators are calculated as follows:

REVENUES

Revenues excluding excise duties are recorded net of any discounts and commercial benefits granted and net of sales taxes.

GROSS MARGIN

The gross margin comprises revenues excluding excise duties less cost of goods sold.

LIKE-FOR-LIKE CHANGE

Like-for-like change corresponds to change:

- at constant exchange rates: adjusted for changes in exchange rates during the period (amounts in year N are translated at year N-1 exchange rates);
- at constant consolidation scope: adjusted for discontinued contracts, acquisitions and disposals.

EBITDA

(€000)	31/12/2022	31/12/2021	
UNDERLYING OPERATING PROFIT	**7,071**	**5,692**	**Consolidated income statement**
Items to be added back:			
- Depreciation and amortisation charges	6,075	6,616	Consolidated income statement
- Retirement provision	55	(2)	Note 5.2
- Provisions (excl. current assets)	775	2,593	Note 5.3
Items to be excluded:			
- Provision reversals (excl. current assets)	(2,135)	(2,324)	Note 5.3
= EBITDA	**11,841**	**12,575**	

* From 1 January 2022 onwards, provisions on current assets (which include inventories, trade receivables, tax and social security receivables and other receivables), which were previously excluded from EBITDA are now included in EBITDA, as they are directly related to operating activities. 2021 EBITDA calculated according to this method would have come to €13,018,000.

Note 2: Main highlights

Note 2.1: 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 was considering a proposal to streamline its Major Retailers Sales Department in France, pooling it with other Group distribution entities. This project aimed to safeguard the Group's competitiveness in its business sector and formed part of the proactive plan for strict cost control undertaken since 2019 to restore 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 is expected to resume its downward trend.

The plan to pool the hypermarket sales force comes against a backdrop of strong pressure from steeper demands in commercial negotiations with major retailers, which is being heightened by changing regulations and soaring raw material costs that cannot be fully passed on to the customer.

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

This proposal will also result in the elimination of 29 positions in the French Major Retailers Sales Department, as well as 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 keeping with this aim, a majority agreement was signed on 6 April 2022 by the representative trade unions and management and approved by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DRIEETS) in early May 2022.

Note 2.2: Sale of Marques del Puerto wine business in Spain

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

This business 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 MBWS 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 businesses with the necessary assets to become sustainable drivers of growth, which is a priority for the Group. These assets were also restated in the 2021 consolidated financial statements in accordance with IFRS 5 and were therefore removed from the 31 December 2022 balance sheet.

Note 2.3: Crisis situation following the Russia-Ukraine conflict

The growing tensions between the two countries, which escalated in early 2022, led to open conflict between Russia and Ukraine in late February 2022, followed by Russian military intervention on Ukrainian territory.

At this stage and as the conflict looks likely to continue, it is too early to estimate the final outcome and the consequences for the region, especially for Ukraine's territory, economy and industry.

However, from the standpoint of the Group's operations in the two countries at war, the consequences that have been identified during the year concern supply risks and risk of outage in dry materials (bottles) produced by European glass factories and high inflation driven by soaring energy prices.

In 2022, sales generated by the Group in these two countries (Ukraine and Russia) fell substantially in Ukraine and came to a complete halt in Russia. The whole region accounted for under 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the potential direct or indirect impact of this ongoing conflict on its business if it were to intensify and is therefore preparing for any eventuality.

Note 2.4: Change of governance at MBWS SA - Chairman of the Board of Directors

- Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA 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 consulting 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 (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 was ratified by the Company's shareholders at the Ordinary and Extraordinary General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé as Chairman of the Company's Board of Directors.

Note 2.5: Increase in COFEPP's equity interest in Marie Brizard SA

On 3 August 2022, MBWS Group main shareholder COFEPP purchased the entire equity stake held by major shareholder BDL Capital Management in Marie Brizard Wine & Spirits SA. The deal involved 9,464,581 shares representing 8.5% of MBWS's share capital and voting rights (undiluted) and 2,012,138 share warrants expiring in September 2022.

Following the transaction, COFEPP now holds 78.52% of MBWS SA's share capital and 77.47% of the voting rights.

Note 2.6: Change of governance at MBWS SA - Chief Executive Officer

- Fahd Khadraoui succeeded Andrew Highcock as Chief Executive Officer of MBWS SA on 4 November 2022

Having been part of the senior management of the Company and the Group since 2019 as Director of Strategy and Mergers-Acquisitions and Corporate Secretary, Fahd Khadraoui possesses a thorough knowledge of the Group and the specificities of the wine and spirits market in which MBWS operates.

Under his leadership, the Group's Executive Committee will continue to improve profitability and implement a growth strategy.

Note 3: Change in consolidation scope

There was no material change in consolidation scope having an impact on the 2022 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" and "International & Wines") 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	31/12/2022
Revenues	**81,283**	**145,838**		**227,121**
Excise duties	(15)	(45,755)		(45,770)
Net revenues excluding excise duties	**81,268**	**100,083**		**181,351**
UNDERLYING OPERATING PROFIT/(LOSS)	**6,901**	**6,907**	**(6,737)**	**7,071**
Goodwill	14,704			**14,704**
Intangible assets	72,988	6,607	(1,748)	**77,847**
Property, plant and equipment	8,358	17,822	752	**26,932**
NON-CURRENT ASSETS	**96,050**	**24,429**	**(996)**	**119,483**

(€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**

Note 5: Notes to the income statement

Note 5.1: External expenses

(€000)	31/12/2022	31/12/2021
Marketing and promotion	(5,964)	(4,580)
Rent and maintenance	(2,159)	(2,068)
Transport	(4,612)	(5,171)
Other external services	(14,863)	(14,894)
EXTERNAL EXPENSES	**(27,599)**	**(26,713)**

Note 5.2: Personnel expense

(€000)	31/12/2022	31/12/2021
Payroll	(20,762)	(24,025)
Social security and personal insurance charges	(6,317)	(7,154)
Retirement provisions	(55)	2
PERSONNEL EXPENSE	**(27,134)**	**(31,177)**

(

	31/12/2022	31/12/2021
AVERAGE HEADCOUNT DURING THE YEAR	**579**	**621**

Note 5.3: Other operating income and expenses

Other operating income and expenses are analysed as follows:

(€000)	Income	Expense	31/12/2022	31/12/2021
Provisions and reversals	2,287	(2,219)	68	(269)
Total other operating income and expenses	1,879	(2,516)	(637)	3,595
TOTAL OTHER OPERATING INCOME AND EXPENSES	**4,166**	**(4,735)**	**(569)**	**3,326**

It is to be recalled that in 2021, 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 €3.1 million under other operating income.

Note 5.4: Non-recurring operating income and expenses

(€000)	Income	Expense	31/12/2022
Value gain of goodwill, PP&E and intangible assets	863		863
Restructuring income and expenses	819	(7,237)	(6,418)
Gains/losses on asset disposals, acquisition costs	247	(108)	139
Other	338	(111)	227
NON-RECURRING OPERATING INCOME AND EXPENSES	**2,267**	**(7,456)**	**(5,189)**

(€000)	Income	Expense	2021
NON-RECURRING OPERATING INCOME AND EXPENSES	**5,226**	**(5,334)**	**(108)**

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 2022 at the MBWS France subsidiary.

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).

Note 5.5: Net financial income/(expense)

(€000)	Income	Expense	31/12/2022	31/12/2021
Income from cash and cash equivalents	113		113	120
Interest and similar charges		(198)	(198)	(454)
Net cost of debt	**113**	**(198)**	**(85)**	**(334)**
Provisions and reversals				76
Exchange gains/losses	1,060	(1,125)	(65)	646
Other financial income and expenses	4	(56)	(52)	(138)
Other financial income and expenses	**1,064**	**(1,181)**	**(117)**	**584**
NET FINANCIAL INCOME/(EXPENSE)	**1,177**	**(1,379)**	**(202)**	**250**

In 2022, the change in net financial income was mainly due to lower exposure to changes in exchange rates and the stabilisation of borrowings.

Note 5.6: Income tax

BREAKDOWN OF THE TAX CHARGE

(€000)	31/12/2022	31/12/2021
Current tax	(2,126)	(305)
Tax income or expense related to the consolidated tax group	15	41
Deferred tax	(494)	1,015
INCOME TAX (CHARGE)/CREDIT	**(2,605)**	**751**

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax can be broken down by type at the end of the year as follows:

(in € millions)	31/12/2021	31/12/2022
Non-current assets	1,516	1,516
Provisions	1,508	1,483
Recognition of assets on tax loss carryforwards	1,118	453
Other	25	190
Net deferred tax	**4,167**	**3,642**

The Group's tax losses at 31 December 2022 amount to €263.3 million in France and €32.5 million in the United States, of which €1.1 million has been capitalised.

RECONCILIATION OF THE TAX CHARGE

(€000)	31/12/2022	31/12/2021
Total consolidated net profit/(loss)	**(925**	**5,568**
Deduction of profit/(loss) from discontinued operations	-	(1,017)
Income tax (charge)/credit	(2,605)	751
Pre-tax net profit/(loss)	**1,680**	**5,833**
Current tax rate applicable to the parent company	*25.83%*	*26.5%*
Theoretical tax (charge)/credit at the statutory rate	**(434)**	**(1,546)**
Impact of permanent differences	(3,251)	1,500
Impact of use of tax losses not previously recognised	1,887	864
Impact of unrecognised tax losses for the year	(981)	(868)
Impact of differences between foreign and French tax rates	258	94
Impact of unrecognised taxes	(84)	(49)
Impact of tax credits		756
EFFECTIVE TAX (CHARGE)/CREDIT	**(2,605)**	**751**

Note 5.7: Earnings per share

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

(€000 unless specified otherwise)	31/12/2022	31/12/2021
Numerator *(€000)*		
Net profit, Group share	(945)	5,564
Net profit from continuing operations, Group share	(945)	6,581
Denominator *(number of shares)*		
Number of shares outstanding	111,856,837	105,889,482
Number of shares outstanding after dilution	111,856,837	105,889,482
Earnings per share *(€)*		
Net profit/(loss), Group share, per share	€-0.008	€0.05
Diluted net profit/(loss), Group share, per share	€-0.008	€0.05
Net profit/(loss), Group share, on continuing operations per share	€-0.008	€0.06
Diluted net profit/(loss), Group share, on continuing operations per share	€-0.008	€0.06

Note 6: Notes to the balance sheet

Note 6.1: Intangible assets and goodwill

(€000)	31/12/2021	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2022
Goodwill	143,254							143,254
Concessions and patents	1,571				11			1,582
Right-of-use assets - concessions and patents	973							973
Trademarks	131,537				6		75	131,618
Other intangible assets	15,229	216	(89)		(1)			15,355
Gross value	**292,564**	**216**	**(89)**		**16**		**75**	**292,782**
Goodwill	(128,550)							(128,550)
Concessions and patents	(1,238)			(18)	(11)			(1,267)
Right-of-use assets - concessions and patents	(585)			(81)	(115)			(781)
Trademarks	(57,294)				(6)			(57,300)
Other intangible assets	(10,832)		84	(1,585)				(12,333)
Depreciation and provisions	**(198,499)**		**84**	**(1,684)**	**(132)**			**(200,231)**
NET VALUE	**94,065**	**216**	**(5)**	**(1,684)**	**(116)**		**75**	**92,551**

(€000)	31/12/2020	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2021
Goodwill	143,254							143,254
Concessions and patents	1,632	11			(73)	1		1,571
Right-of-use assets - concessions and patents	973							973
Trademarks	131,535		(3)				5	131,537
Other intangible assets	19,368	396	(1,839)		(2,694)	(2)		15,229
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)
Right-of-use assets - concessions and patents	(390)			(195)				(585)
Trademarks	(57,296)			2				(57,294)
Other intangible assets	(11,357)		1,590	(1,701)	636			(10,832)
Depreciation and provisions	**(198,891)**		**1,590**	**(1,912)**	**714**			**(198,499)**
NET VALUE	**97,871**	**407**	**(252)**	**(1,912)**	**(2,053)**	**(1)**	**5**	**94,065**

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 2022, the net book value of trademarks was €74.3 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 2022 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 2023 budget approved by the Board of Directors and medium-term growth assumptions approved by the Finance Division. 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 2022, as a result of which no impairment charge was recognised in the financial statements at 31 December 2022.

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 31/12/2022	Carrying amount of trademarks at 31/12/2022	2022 discount rate	Perpetual growth rate
France	Value in use	14,704	74,318	10.1%	1.9%
Lithuania	Value in use	-	-	10.8%	2.3%
Bulgaria	Fair value	-	-	11.4%	2.0%
Spain	Value in use	-	-	9.1%	1.7%
Brazil	Fair value	-	-	13.6%	3.0%

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	(4,679)	(3,337)	(5,613)
Lithuania	(2,216)	(1,588)	(1,846)
Spain	(700)	(505)	(1,029)
Changes in CGU value in use	**(7,595)**	**(5,430)**	**(8,488)**

(€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	**(8,475)**	**(6,978)**	**(4,661)**

As at 21 December 2022, no provision or reversal has been recognised in respect of the impairment tests performed. The cumulative sensitivity effects presented above would result in impairment charges of €10.8 million on the France CGU.

Note 6.2: Property, plant and equipment

(€000)	31/12/2021	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2022
Land	5,541		1		8		71	5,621
Right-of-use assets – land	875	195						1,070
Buildings	34,092	75	(52)		179		58	34,352
Right-of-use assets – buildings	2,747	111	(47)		(428)		1	2,384
Plant, machinery and equipment	47,056	1,466	(280)		821		80	49,143
Right-of-use assets – plant, machinery and equipment	604	53			(214)		(1)	442
Other PP&E	7,171	230	(124)		56		7	7,340
Right-of-use assets – other PP&E	1,897	192	(4)		(676)		9	1,418
PP&E in progress	1,702	1,120	(34)		(1,067)			1,720
Gross value	**101,684**	**3,442**	**(540)**		**(1,321)**		**225**	**103,490**
Land	(846)			(40)				(886)
Right-of-use assets – land	(194)			(75)	(2)			(271)
Buildings	(25,689)		10	(582)	(71)		(28)	(26,360)
Right-of-use assets – buildings	(908)		47	(347)	343	()	(1)	(866)
Plant, machinery and equipment	(39,355)		254	(1,608)	82		(65)	(40,692)
Right-of-use assets – plant, machinery and equipment	(410)			(136)	214			(332)
Other PP&E	(5,060)		124	(225)	(96)		(6)	(5,264)
Right-of-use assets – other PP&E	(1,557)		4	(460)	627		(7)	(1,392)
PP&E in progress	(484)			(11)				(495)
Depreciation and provisions	**(74,503)**		**439**	**(3,484)**	**1,097**	**()**	**(107)**	**(76,558)**
NET VALUE	**27,181**	**3,442**	**(101)**	**(3,484)**	**(223)**		**118**	**26,932**

(€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**

Note 6.3: Financial assets

(€000)	31/12/2021	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	31/12/2022
Equity investments	7,159							7,159
Other long-term securities	10							10
Other financial assets	11,230		(2,866)		11			8,376
Other receivables	6,250							6,250
Gross value	**24,650**		**-2,866**	**0**	**11**			**21,795**
Equity investments	(7,159)							(7,158)
Other financial assets	(7,241)							(7,241)
Other receivables	(6,250)							(6,250)
Impairment charges	**(20,649)**							**(20,649)**
NET VALUE	**4,001**							**1,146**

(€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**

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)	31/12/2022	31/12/2021
Raw materials	31,232	20,061
Work-in-progress	3,757	3,883
Semi-finished and finished goods	10,090	7,304
Traded goods	8,142	4,957
Gross value	**53,221**	**36,205**
Raw materials	(680)	(621)
Work-in-progress	(53)	(6)
Semi-finished and finished goods	(252)	(201)
Traded goods	(302)	(283)
Impairment charges	**(1,287)**	**(1,111)**
NET VALUE	**51,934**	**35,094**

Note 6.5: Trade receivables

(€000)	31/12/2022	31/12/2021
Trade receivables	45,267	37,005
Impairment of trade receivables	(1,744)	(1,114)
NET TRADE RECEIVABLES	**43,523**	**35,891**

Note 6.6: Other current assets

(€000)	31/12/2022	31/12/2021
Advances and payments on account	2,565	2,039
Payroll and tax receivables	2,021	2,013
Other receivables	8,956	8,683
Gross value	**13,542**	**12,735**
Other receivables	(3,078)	(3,021)
Impairment charges	**(3,078)**	**(3,021)**
NET VALUE	**10,464**	**9,714**

Note 6.7: Cash and cash equivalents

(€000)	31/12/2022	31/12/2021
Cash equivalents	81	73
Cash	47,414	54,095
CASH AND CASH EQUIVALENTS	**47,495**	**54,169**
of which unavailable cash under bank covenants or local regulations, or not convertible in the short term (e.g. deposit denominated in TTD)	7,249	*11,810*

Note 6.8: Shareholders' equity

Breakdown of share capital and dilutive instruments

	31/12/2022	31/12/2021
Share capital *(€)*	156,785,748	156,729,301
Number of shares	111,989,820	111,949,501
Par value *(€)*	1.4	1.4
Treasury shares		
Number of shares	107,557	147,381

Shares held at the end of 2022 are shares held in registered accounts. The treasury shares held by the Group have no voting or dividend rights.

POTENTIAL DILUTION

	31/12/2022	31/12/2021
Number of shares comprising the share capital	111,989,820	111,949,501
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	**111,989,820**	**111,949,501**
SHARE CAPITAL IN EUROS *(PAR VALUE OF €1.4)*	**156,785,748**	**156,729,301**

At 31 December 2022, there was no potential dilution from the 2023 share warrants, as the exercise price was higher than the average share price for the 2022 financial year.

SHARE WARRANTS AS AT 31 DECEMBER 2022

	Conversion ratio	Subscription price per share	Exercise price per warrant	Final exercise date	31/12/2022	31/12/2021
2022 share warrants	0.43	3.00	1.30	30/09/2022	-	37,717,531
2023 share warrants	1.00	25.00	25.00	31/12/2023	1,659,758	1,659,772
NUMBER OF SHARE WARRANTS OUTSTANDING					**1,659,758**	**39,377,303**

INFORMATION ON STOCK OPTION AND BONUS SHARE PLANS

	01/07/2016 PLAN	01/07/2016 PLAN B	01/07/2016 PLAN C
Type of options/shares	Bonus	Bonus	Bonus
Performance criteria	Yes	Yes	Yes
Employment criteria	Yes	Yes	Yes
Number of options/shares that may be granted initially	566,363	566,363	566,363
Number of beneficiaries	22	4	1
Allotment date	01/07/2016	20/09/2016	25/04/2017
Start date for exercise of options	30/06/2019	30/06/2019	30/06/2019
Number of options/shares initially allotted	**419,000**	**27,200**	**39,000**
Number of options exercised/shares vested	(407,000)	(27,200)	(39,000)
Number of options/shares cancelled	(12,000)		
Number of options/shares outstanding at 31/12/2021	**0**	**0**	**0**
Exercise price (€)	N/A	N/A	N/A
Expiry date	30/06/2024	30/06/2024	30/06/2024

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 2022, the commitments amounted to €1.7 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 2022 and 2021 break down as follows for each region:

	31/12/2022	31/12/2021
	France	France
Discount rate	3.75%	0.80%
Inflation rate	2.20%	2.0%
Wage inflation	3.70%	2.5%
Staff turnover and mortality	INSEE 2015-2017	INSEE 2015-2017

CHANGE IN ACTUARIAL LIABILITY

(€000)	31/12/2022	31/12/2021
Opening actuarial liability	**2,451**	**3,370**
Current service cost	269	312
Interest on actuarial liability	20	9
Plan settlement/curtailment	(33)	(95)
Actuarial (gains) and losses	(676)	(441)
Benefits paid	(78)	(145)
Change in consolidation scope	-	5
Other changes (impact of IFRS IC decision published in April 2021)	-	(565)
Translation differences		
Closing actuarial liability	**1,953**	**2,451**
Fair value of plan assets at beginning of period	**236**	**220**
Contributions paid by the Group	94	157
Benefits paid	(78)	(141)
Interest income	2	
Actuarial (gains) and losses	(70)	
Fair value of plan assets at end of period	**184**	**236**
PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS	**1,769**	**2,214**

(€000)	31/12/2022	31/12/2021
Current service cost	269	312
Actuarial (gains) and losses on other long-term benefits	(97)	(6,488)
Plan settlement/curtailment	(33)	(95)
Interest on actuarial liability	19	9
Expected return on plan assets	(2)	(1)
CHARGE FOR THE YEAR	**157**	**(6,261)**

Note 6.10: Provisions

(€000)	31/12/2021	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Translation differences	31/12/2022
Provisions for pensions and employee benefits (see Note 6.9)	**2,214**	**170**		**(115)**	**(500)**		**1,769**
Social security provisions	1,481	752	(356)	(1,096)			781
Other non-current provisions	2,635		(816)	(60)			1,759
Other non-current provisions	**4,116**	**752**	**(1,172)**	**(1,156)**			**2,540**
Social security provisions – due in < 1 year	1,712	3,079	(309)	(57)			4,426
Other provisions – due in < 1 year	834	456	(238)	(77)	(1)	17	991
Current provisions	**2,546**	**3,535**	**(547)**	**(134)**	**(1)**	**17**	**5,417**

(€000)	31/12/2020	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	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**

SOCIAL SECURITY PROVISIONS

Social security provisions mainly relate to the reorganisation of the France sales force implemented at the end of June 2022. They amounted to €0.8 million at 31 December 2022, down €0.7 million from 31 December 2021. This reduction is a result of the expenses incurred in the execution of this plan.

Note 6.11: Borrowings

Group borrowings amounted to €6.6 million at 31 December 2022, including €2.9 million of lease liabilities, up €0.6 million from 31 December 2021.

BREAKDOWN OF BORROWINGS BY TYPE AND MATURITY

(€000)	31/12/2021	Current	Non-current	31/12/2022	Current	Non-current
Other medium to long-term borrowings	**2**	1	1	**2**	1	1
Lease liabilities	**3,432**	887	2,545	**2,857**	640	2,217
Short-term financing and overdrafts	**2,542**	2,542		**3,702**	3,702	
GROSS DEBT	**5,976**	**3,430**	**2,546**	**6,561**	**4,343**	**2,218**

BREAKDOWN OF BORROWINGS BY CURRENCY

(€000)	31/12/2022	31/12/2021
Euro	2,068	2,632
Other currencies	4,493	3,344
TOTAL BORROWINGS	**6,561**	**5,976**

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 31/12/2022
Assets:						
Non-consolidated equity investments	Level 3					
Other financial assets				1,146		**1,146**
Trade receivables				43,523		**43,523**
Other current assets				10,464		**10,464**
Asset derivatives	Level 2		114			**114**
Cash & cash equivalents				47,495		**47,495**
Liabilities:						
Long-term borrowings					2,859	**2,859**
Short-term borrowings					3,702	**3,702**
Liability derivatives	Level 2		269			**269**

		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					
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**

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 2022, Group cash and cash equivalents amounted to €47.5 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)	Balance at 31/12/2022	< 1 year	2 years	3 years	4 years	5 years +
Other medium to long-term borrowings	2	1	1			
Finance leases	2,857	640	839	156	539	683
Short-term financing and overdrafts	3,702	3,702				
TOTAL GROSS DEBT	**6,561**	**4,343**	**840**	**156**	**539**	**683**

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.

(€000 unless specified otherwise)		Fair value – assets	Fair value – liabilities	Net value 31/12/2022	Net value 31/12/2021
Forward currency purchases / Options	£m	114	(269)	(155)	83
Other					
TOTAL FOREIGN EXCHANGE DERIVATIVES		**114**	**(269)**	**(155)**	**83**

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 2022 and 2021 was as follows:

(€000)	31/12/2022	Not due	< 90 days overdue	90-180 days overdue	> 180 days overdue
Trade receivables	45,267	32,851	9,643	1,476	1,297
Impairment charges	(1,744)				(1,744)
NET TRADE RECEIVABLES	**43,523**	**32,851**	**9,643**	**1,476**	**(447)**

(€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**

Note 6.13: Other liabilities

OTHER NON-CURRENT LIABILITIES

(€000)	31/12/2022	31/12/2021
Investment subsidies	1,264	1,367
Other	254	368
OTHER NON-CURRENT LIABILITIES	**1,518**	**1,735**

OTHER CURRENT LIABILITIES

(€000)	31/12/2022	31/12/2021
Advances and down payments received	2,273	1,158
Tax and social security payables (incl. excise duty)	19,430	24,494
Deferred income	143	246
Other payables	5,053	4,044
OTHER CURRENT LIABILITIES	**26,899**	**29,942**

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 31/12/2022 *(€000)*
France	Bank loan	Inventory	-
	CCSF standstill on employer SS charges and VAT	Real estate, warehouse	7,591
Bulgaria	Credit facility	Real estate	8,104
Lithuania	Loans and credit facilities	Real estate, warehouse, inventories, operating receivables, current account deposit, right to use the Sobieski trademark in Vilnius	25,174
Denmark	Credit facility	Inventory	448

OFF-BALANCE SHEET COMMITMENTS

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)	31/12/2022	< 1 year	1 to 3 years	> 3 years
Commitments relating to the issuer's operating activities				
Commitment to purchase raw materials	230,871	26,040	46,232	158,599

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 ongoing conflict in the region will potentially slow down the procedure for a settlement of this dispute in the short term.

OTHER POINTS

On 9 and 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.

By a decision of 20 April 2022, the Court of Cassation dismissed the appeal brought by the Company against the judgement of the Paris Court of Appeal. To date, the Company has received no information from the French antitrust authorities as to whether the matter is being pursued or not. If the antitrust authorities were to pursue the matter, it would be difficult at this stage to assess its potential impact on MBWS. Therefore, no provision has been recognised in the Company's financial statements to date.

Note 7.3: Related parties

The Group's related parties include:

- all companies included in the scope of consolidation, whether fully consolidated or accounted for using the equity method;
- the shareholder companies of MBWS SA;
- the joint ventures;
- the Group's senior executives;
- all companies in which a senior executive or a member of the decision-making bodies has control, participates in joint control, exercises significant influence, or is one of the principal executive officers.

Transactions between fully consolidated companies in the Group's scope of consolidation have been eliminated in the preparation of the consolidated financial statements. Details of transactions between the Group and other related parties as at 31 December 2022 are set out below:

- raw material purchases and provision of services (€13.3 million in 2022 versus €5.8 million in 2021);
- sales of finished goods (€14 million in 2022 versus €10.1 million in 2021); and
- the sale of the "*Bodega Marques del Puerto*" Business Unit held by MBWS Spain for a price of €2.9 million to Bardinet SA (Spain), a COFEPP subsidiary.

Executive remuneration amounted to €696,000 in 2022: see section 6.3.3.

Note 7.4: List of consolidated companies as at 31 December 2022

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%			
			BRAZIL	Method	Interest
SPAIN	Method	Interest	Dubar	FC	100.00%
MBWS España SA	FC	99.46%			
			DENMARK	Method	Interest
BULGARIA	Method	Interest	MBWS Scandinavia	FC	100.00%
MBWS Bulgaria	FC	100.00%			
Domain Menada Distribution	FC	100.00%	**OTHER REGIONS**	Method	Interest
Domain Menada	FC	100.00%	GAIA II (France)	FC	100.00%
Domain Menada Vineyards	FC	100.00%	OMEGA I (France)	FC	100.00%
Sakar Vineyards	FC	100.00%	MBWS International (France)	FC	100.00%
			MBWS Ltd (Trinidad and Tobago)	FC	100.00%
LITHUANIA	Method	Interest			
Prekyba Alkoholiniais Gėrimai Uab	FC	100.00%			
Vilniaus Degtiné AB	FC	98.91%			
LATVIA	Method	Interest			
MBWS Distribution SIA	FC	100.00%			

Note 7.5: Post-balance sheet events

There is no particular event that has occurred since the year-end such as to require specific communication.

Note 7.6: Statutory Auditors' fees

(€000)	31/12/2022				31/12/2021			
	Mazars	**%**	**KPMG**	**%**	**Mazars**	**%**	KPMG	%
Statutory auditors	**358.0**	**100%**	**271.5**	**93.8%**	**345**	**100%**	**251**	**94%**
of which MBWS SA	206.3	57.6%	186.7	64.5%	195	57%	172	64%
of which subsidiaries	151.7	42.4%	84.8	29.3%	150	43%	79	29%
Non-audit services*	**-**	**-**	**17.8**	**6.2%**	**-**	**0%**	**17**	**6%**
of which MBWS SA	-	-	17.8	6.2%	-	-	17	6%
of which subsidiaries	-	-	-	-	-	-	-	-
Other services	**-**		**-**		**-**	**-**	**-**	**-**
TOTAL	**358.0**	**100%**	**289.3**	**100%**	**345**	**100%**	**268**	**100%**

** work carried out in relation to the CSR report*

4.2 STATUTORY AUDITORS' REPORT ON THE 2022 CONSOLIDATED FINANCIAL STATEMENTS

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2022

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 S.A. for the year ended 31 December 2022, 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 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 2022 to the date of publication of our report. We did not provide any services prohibited under Article 5(1) of Regulation (EU) No. 537/2014.

BASIS FOR OUR ASSESSMENT – KEY AUDIT MATTERS

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 consolidated parent company financial statements and to our responses with regard to these 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 2022, the value of goodwill and trademarks amounted to €14.7 million and €74.3 million, respectively, together accounting for 32% of the balance sheet total. The main trademarks valued were Marie Brizard and William Peel.

As explained in Note 1.11 to the consolidated financial statements, trademarks are not amortised if their useful life may be considered to be indefinite.

As explained in Note 1.14 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 value 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 2023 budget approved by the Board of Directors and medium-term growth assumptions approved by the finance department.

The translation of these business forecasts into cash flows is based on a certain 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 on the basis of a calculation of an implicit royalty rate obtained from benchmarking against other trademarks.

We considered the measurement of goodwill and trademarks to be a key audit matter on account of its materiality in the Group financial statements and because this measurement required significant judgement by management.

Audit procedures implemented to address this risk

We acquired an understanding of the process of drawing up the future cash flow projections used as a basis for impairment testing on these non-current assets.

In the case of material trademarks and CGUs, we performed the following procedures:

- Reconciling the amount of capital invested subject to testing with the accounts;
- Reconciling the data used in the tests with the data used to draw up the provisional budgets approved by the Board of Directors;
- With reference to past performance and our knowledge of the environment in which the entity operates, assessing the assumptions underlying the cash flow projections, particularly those regarding revenues and operating margin;
- With the help of our expert appraisers, assessing the appropriateness of the discount rates and long-term growth rates, the discounted cash flow calculation model and the mathematical reliability of the calculations;
- Assessing the sensitivity tests carried out by the Group with regard to certain assumptions, the results of which are set out in Note 6.1 to the consolidated financial statements;
- Verifying whether the consolidated financial statements for the year ended 31 December 2022 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.

Accounting treatment of error correction in the valuation of deferred tax

Risk identified

At 31 December 2022, deferred tax assets were recorded in the balance sheet for €3.8 million and deferred tax liabilities for €0.1 million. As indicated in note 1.3 to the consolidated financial statements, an overstatement of the amount of deferred tax liabilities relating to prior years of €19.7 million at the opening of the year ended 31 December 2021 was identified by the company.

This overstatement stems almost exclusively from deferred tax on the value of trademarks recognised prior to 1 January 2021, for which the bases had not been updated. In accordance with IAS 8, the Company has retrospectively restated the comparative information for the year ended 31 December 2021: the technical correction has been recognised on the opening balances for the year ended 31 December 2021 and results in an increase in equity of €19.7 million.

We considered the accounting treatment of the deferred tax valuation error correction to be a key audit matter due to its material nature.

Audit procedures implemented to address this risk

Our audit approach consisted, with the help of our tax experts, of:

- assessing the deferred tax bases used by the company, including on trademarks;
- checking the calculation of the corrected deferred tax;
- reviewing the accounting treatment of error correction;
- assessing the appropriateness of the disclosures in the notes to the consolidated financial statements and in particular in Note 1.3.

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 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 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 consolidated financial statements to be included in the annual financial report complies with the European single electronic reporting format in all material respects.

Due to technical limitations inherent in the macro-tagging of the consolidated financial statements in accordance with the Single European Electronic Reporting Format, the content of some of the tags in the notes may not be rendered identically to the consolidated financial statements appended to this report.

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 2022, Mazars was in the 15th consecutive year of its appointment and KPMG was in its 8th 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 were 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. 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, it being recalled, 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) 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, 25 April 2023
KPMG SA

Adrien Johner
Partner

Paris-La Défense, 25 April 2023
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 2022 FINANCIAL YEAR

Balance sheet assets

		31/12/2022			31/12/2021
(€000)	Note	Gross	Amort. & depr.	Net	
Concessions, licences and patents		9,725	6,632	3,093	4,819
Goodwill		136,620	136,289	331	
Other intangible assets		931	115	816	842
Total intangible assets	**3.1**	**147,275**	**143,036**	**4,239**	**5,661**
Buildings		8	2	6	8
Technical facilities, equipment & industrial tooling					7
Other PP&E		279	252	26	
PP&E in progress					
Advances and prepayments					
Total property, plant and equipment	**3.1**	**287**	**254**	**33**	**15**
Other equity investments		257,708	136,443	121,265	114,341
Receivables related to equity investments		21,291	21,291		
Loans		7		7	7
Other		7,381	7,240	140	1,772
Total financial assets	**3.1**	**286,387**	**164,975**	**121,412**	**116,119**
TOTAL NON-CURRENT ASSETS		**433,949**	**308,264**	**125,685**	**121,796**
Traded goods					
Inventory & work-in-progress	**3.2**				
Advances and payments on account	3.2	1		1	1
Trade receivables	3.2	750	154	596	379
Other receivables	3.2	70,055	19,774	50,281	63,557
Investment securities	3.3	337	97	240	193
Cash	3.3	30,507		30,507	24,114
Prepaid expenses	3.4	346		346	297
Trade receivables		**101,995**	**20,025**	**81,971**	**88,542**
TOTAL CURRENT ASSETS		**101,995**	**20,025**	**81,971**	**88,542**
Deferred charges					
Unrealised foreign exchange losses	3.4	264		264	530
TOTAL		**536,209**	**328,289**	**207,919**	**210,867**

Balance sheet equity & liabilities

(€000)	Note	31/12/2022	31/12/2021
Share capital		156,786	156,729
Issue, merger and contribution premiums		74,019	73,955
Legal reserve		4,185	4,185
Retained earnings/(losses)		(45,083)	(37,450)
Profit/(loss) for the financial year		(6,856)	(7,633)
TOTAL SHAREHOLDERS' EQUITY	**4.2**	**183,052**	**189,787**
Provisions for contingencies		2,862	4,889
Provisions for charges		90	97
TOTAL PROVISIONS FOR CONTINGENCIES & CHARGES	**4.3**	**2,953**	**4,986**
Other bonds			
Loans & borrowings – credit institutions	4.4	4	2
Other loans & borrowings	4.4		
Trade payables	4.4	1,137	1,317
Tax and social security payables	4.4	4,722	3,174
Fixed asset liabilities & related accounts	4.4	1,863	1,851
Other payables	4.4	13,162	8,546
Deferred income	4.5	560	1,078
TOTAL LOANS & BORROWINGS		**21,446**	**15,968**
Unrealised foreign exchange gains	4.5	469	127
TOTAL		**207,919**	**210,867**

Income statement

(€000)	Note	31/12/2022	31/12/2021
Sales of traded goods			
Sales of goods & services		2,610	3,166
Net revenues	**5.1**	**2,610**	**3,166**
Capitalised production			14
Reversals of provisions and D/A charges, expense transfers		14	243
Other income		549	808
OPERATING INCOME		**3,173**	**4,230**
Purchase of traded goods			
Change in inventory			
Other external purchases	5.1	(4,033)	(6,362)
Taxes, levies and similar charges		(1,246)	(188)
Wages and salaries		(3,010)	(4,080)
Social security contributions		(1,052)	(1,522)
Depreciation, amortisation & provisions on fixed assets		(1,889)	(1,955)
Provisions on current assets			
Provisions for contingencies & charges			
Other expenses		(382)	(552)
OPERATING EXPENSES		**(11,610)**	**(14,660)**
OPERATING PROFIT/(LOSS)		**(8,437)**	**(10,430)**
Income from investments		1,302	1,138
Other securities & receivables on fixed assets			
Other interest & similar income		63	19
Provision reversals & expense transfers		35,484	1,275
Positive foreign exchange differences		1,316	774
Net proceeds from the disposal of financial securities			
FINANCIAL INCOME	**5.2**	**38,165**	**3,206**
Depreciation, amortisation & provisions		(10,918)	(1,339)
Interest and similar charges		(210)	(606)
Negative foreign exchange differences		(2,170)	(1,261)
Net expenses relating to the disposal of financial securities		(23,589)	
FINANCIAL EXPENSE	**5.2**	**(36,888)**	**(3,206)**
NET FINANCIAL INCOME/(EXPENSE)	**5.2**	**1,278**	
UNDERLYING PROFIT/(LOSS) BEFORE TAX		**(7,159)**	**(10,429)**
On operating transactions			
On capital transactions		221	84
Provision reversals and expense transfers		2,597	3,357
NON-RECURRING INCOME	**5.3**	**2,819**	**3,441**
On operating transactions		(65)	(1,499)
On capital transactions		(839)	(288)
Depreciation, amortisation & provisions		(849)	(2,201)
NON-RECURRING EXPENSE	**5.3**	**(1,753)**	**(3,988)**
NET NON-RECURRING INCOME/(EXPENSE)	**5.3**	**1,065**	**(547)**
PROFIT/(LOSS) BEFORE TAX	**5.3**	**(6,094)**	**(10,977)**
Income tax	5.4	(762)	3,343
Employee profit-sharing			
NET PROFIT/(LOSS)		**(6,856)**	**(7,633)**

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 2022, which cover a period of 12 months. These financial statements were approved by the Board of Directors on 12 April 2023 and will be submitted to the next General Meeting for approval.

The balance sheet total before appropriation of earnings amounts to €207,919,435.10 and the Company posted a net loss of €6,855,514.11.

The Company prepares consolidated financial statements.

Note 1: Main highlights

Crisis situation following the Russia-Ukraine conflict

The growing tensions between the two countries, which escalated in early 2022, led to open conflict between Russia and Ukraine in late February 2022, followed by Russian military intervention on Ukrainian territory.

At this stage and as the conflict looks likely to continue, it is too early to estimate the final outcome and the consequences for the region, especially for Ukraine's territory, economy and industry.

However, from the standpoint of the Group's operations in the two countries at war, the consequences that have been identified during the year concern supply risks and risk of outage in dry materials (bottles) produced by European glass factories and high inflation driven by soaring energy prices.

In 2022, sales generated by the Group in these two countries (Ukraine and Russia) fell substantially in Ukraine and came to a complete halt in Russia. The whole region accounted for under 2% of the MBWS Group's consolidated net revenues in 2021.

The MBWS Group remains particularly vigilant as to the potential direct or indirect impact of this ongoing conflict on its business if it were to intensify and is therefore preparing for any eventuality.

Change of governance at MBWS SA - Chairman of the Board of Directors

- Aymeric de Beauvillé succeeded Georges Graux as member of the Board of Directors and Chairman of MBWS SA 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 consulting 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 (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 was ratified by the Company's shareholders at the Ordinary and Extraordinary General Meeting on 30 June 2022. The directors also unanimously decided to appoint Aymeric de Beauvillé as Chairman of the Company's Board of Directors.

Increase in COFEPP's equity interest in Marie Brizard SA

On 3 August 2022, MBWS Group main shareholder COFEPP purchased the entire equity stake held by major shareholder BDL Capital Management in Marie Brizard Wine & Spirits SA. The deal involved

9,464,581 shares representing 8.5% of MBWS's share capital and voting rights (undiluted) and 2,012,138 share warrants expiring in September 2022.

Following the transaction, COFEPP now holds 78.52% of MBWS SA's share capital and 77.47% of the voting rights.

Change of governance at MBWS SA - Chief Executive Officer

- Fahd Khadraoui succeeded Andrew Highcock as Chief Executive Officer of MBWS SA on 4 November 2022.

Having been part of the senior management of the Company and the Group since 2019 as Director of Strategy and Mergers-Acquisitions and Corporate Secretary, Fahd Khadraoui possesses a thorough knowledge of the Group and the specificities of the wine and spirits market in which MBWS operates.

Under his leadership, the Group's Executive Committee will continue to improve profitability and implement a growth strategy.

Note 2: Accounting principles and policies

The parent company financial statements for the year ended 31 December 2022 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 2022 financial statements have been prepared on a going concern basis, taking into account (i) the known situation at the reporting date, (ii) the latest cash requirement estimates made in the economic and inflationary environment experienced in 2022, which has continued into the start of 2023, and (iii) the Group's business forecasts.

It should be noted that, following the agreement of public creditors (CCSF) in early April 2021 on a standstill on part of the Group's tax and social security liabilities amounting to €7.6 million, cash flow forecasts primarily include repayments to the CCSF spread over a 24-month period, which were completed in early March 2023, and the balance of 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.

Moreover, on the basis of operational monitoring and execution of the Group's activities, the Group expects to see increased global profitability in its business in 2023 (excluding potential non-recurring items).

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 is 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 2023 budget approved by the Board of Directors and medium-term growth assumptions approved by the Finance Division. The translation into cash flows was based on a number of key assumptions and judgements aimed at determining trends in Group markets. As a result, actual cash flows may differ from the estimated forecast cash flows used 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 10.1% and 11.4% respectively for MBWS France and MBWS Bulgaria and a long-term growth rate of 2% for the 2022 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.

With effect from 1 January 2021, MBWS SA 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.

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 2022

(€000)	31/12/2021	Increase	Decrease	31/12/2022
Patents, licences and trademarks	833			833
Software	9,573	152		9,725
Goodwill	136,289	331		136,620
PP&E in progress	122	134	158	98
TOTAL INTANGIBLE ASSETS	**146,817**	**617**	**158**	**147,275**

(€000)	31/12/2021	Increase	Decrease	31/12/2022
Buildings	8			8
Equipment and tools	13		13	
Transportation equipment				
Office and computer equipment	246	33		279
PP&E in progress				
Advances and prepayments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**267**	**33**	**13**	**287**

(€000)	31/12/2021	Increase	Decrease	31/12/2022
Equity investments	261,089	10,758	14,138	257,708
Receivables related to equity investments	21,545		254	21,291
Deposits & guarantees	7,384	4		7,388
Other capitalised financial receivables	1,635		1,635	
TOTAL NON-CURRENT FINANCIAL ASSETS	**291,653**	**10,762**	**16,027**	**286,387**

Intangible assets

Intangible assets, which had a gross value of €146,817,000, specifically break down as follows:

- Goodwill of €136,620,000 comprising the following items:
  - €136,289,000 of goodwill 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.
  - €331,000 of goodwill arising from the transfer of all assets and liabilities of subsidiary Gaia I on 8 November 2022.
- 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.

Purchases during the year totalled €10,758,000 and correspond to the inclusion of subsidiary Vilnius Degtine shares resulting from the transfer of all assets and liabilities of subsidiary GAIA I;

Decreases during the year totalled €14,138,000 and correspond to:

- a €10 million capital reduction carried out by subsidiary Imperial Brands;
- the transfer of all assets and liabilities of subsidiary Gaia I (€3,331,000);
- the liquidation of subsidiary MBWS Shanghai (€800,000);
- the liquidation of subsidiary Sobieski SARL in November 2022 (€7,000).

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)	31/12/2021	Increase	Decrease	31/12/2022
Patents, licences and trademarks	115			115
Software	4,752	1,880		6,632
Goodwill	136,289			136,289
TOTAL INTANGIBLE ASSETS	**141,156**	**1,880**		**143,036**

(€000)	31/12/2021	Increase	Decrease	31/12/2022
Buildings		2		2
Equipment and tools	5	1	6	
Transportation equipment				
Computer equipment and furniture	246	6		252
Advances and prepayments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**251**	**9**	**6**	**254**

(€000)	31/12/2021	Increase	Decrease	31/12/2021
Equity investments	146,748	954	11,259	136,443
Deposits & guarantees	7,240			7,240
Receivables related to equity investments	21,545		254	21,291
TOTAL NON-CURRENT FINANCIAL ASSETS	**175,533**	**954**	**11,513**	**164,975**

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:

- Additions to provisions for impairment of equity investments in Dubar (€954,000);
- Reversal of impairment charges on equity investments in Imperial Brands (€10 million), the liquidated subsidiaries (€1,042,000) and MBWS Scandinavia (€217,000) and on the receivable from Bulgarian subsidiary Sakar (€254,000).

Note 3.2: Statement of receivables and current assets

RECEIVABLES AND CURRENT ASSETS

(€000)	Gross amount 31/12/2022	< 1 year	> 1 year
Non-current assets			
Receivables related to equity investments	21,291		21,291
Loans	7		7
Other financial assets *	7,381		7,381
Current assets & prepaid expenses			
Trade receivables	750	750	
Of which Group receivables	*739*	*739*	
Of which non-Group receivables	*11*	*11*	
Other receivables	70,055	70,055	
*Of which Group receivables ******	*69,830*	*69,830*	
*Of which non-Group receivables **	*225*	*225*	
Prepaid expenses	346	346	
TOTAL RECEIVABLES AND CURRENT ASSETS	**99,830**	**71,151**	**28,678**

(*) Other financial receivables mainly comprise the Clico receivable;

(**) Other non-Group receivables primarily correspond to VAT receivables against the Government;

(***) This item mainly includes current account advances to the following companies: MBWS France (€26,427,000), Cognac Gautier (€20,340,000), MBWS Bulgaria (€16,799,000) and MBWS Ltd Trinidad (€2,052,000).

CHANGE IN IMPAIRMENT OF CURRENT ASSETS

(€000)	31/12/2021	Increase	Decrease	31/12/2022
Impairment of subsidiaries' current accounts	33,465	9,644	23,335	19,774
Impairment of other current accounts				
Impairment of treasury shares and redeemable warrants held	135	97	135	97
Impairment of other receivables				
Impairment of SOP treasury shares				
Impairment of trade receivables	161		7	154
Impairment of inventory				
TOTAL IMPAIRMENT OF CURRENT ASSETS	**33,761**	**9,741**	**23,477**	**20,025**

The €23,335,000 reduction in impairment of subsidiaries' current accounts concerns liquidated subsidiary Sobieski SARL.

The €9,644,000 increase in impairment of subsidiaries' current accounts is mainly due to a €9,386,000 impairment charge on the Bulgarian receivable and the reclassification of the Bulgarian Sakar receivable to the MBWS Bulgaria current account (€254,000).

Note 3.3: Investment securities and cash

INVESTMENT SECURITIES

(€000 unless specified otherwise)	Unit value at 31/12/2022 (€)	Market value	Gross value	Impairment/ provision
Category				
Treasury shares	2.230	150	152	1
Treasury shares held for stock options	2.230	90	185	95

At 31 December 2022, Marie Brizard Wine & Spirits SA held 107,557 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 €30,507,000 corresponds mainly to bank account balances.

Note 3.4: Accrued income and prepaid expenses

(€000)	31/12/2022	31/12/2021
Prepaid expenses	346	297
Unrealised foreign exchange losses	264	530
TOTAL ACCRUED INCOME AND PREPAID EXPENSES	**611**	**827**

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 - 31/12/2021	111,949,501	1.40
Shares issued	40,319	1.40
Shares redeemed or cancelled		
CLOSING NUMBER OF SHARES - 31/12/2022	**111,989,820**	**1.40**

The exercise of short and long-term warrants resulted in the issuance of 40,319 shares leading to a €121,000 increase in shareholders' equity.

Note 4.2: Appropriation of 2021 earnings

The General Meeting resolved to allocate the €7,633,000 net loss recorded in 2021 to retained earnings/(losses), thereby reducing this account from (€37,450,000) to (€45,083,000).

(€000)	31/12/2021	Appropriation of earnings	Dividend distribution	Other changes	31/12/2022
Share capital	156,729			57	156,786
Issue, merger and contribution premiums	(19,206)			64	(19,142)
2021 profit/(loss)	(7,633)	7,633			
Retained earnings/(losses)	(37,450)	(7,633)			(45,083)
Legal reserve	4,185				4,185
SB share warrants	93,162				93,162
2022 profit/(loss)				(6,856)	(6,856)
TOTAL SHAREHOLDERS' EQUITY	**189,787**	**0**	**0**	**(6,735)**	**183,052**

The Company's shareholders' equity amounted to €183,052,000 at 31 December 2022, including share capital of €156,786,000. 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)	31/12/2021	Reclassification	Increase	Reversals used	Reversals not used	31/12/2022
Provisions for litigation	3,302		752	356	1,156	2,542
Provisions for exercisable SOPs						
Provisions for foreign exchange losses	636		321		636	321
Provisions for pension commitments	97				7	90
Other provisions for contingencies	951			816	135	
of which provisions relating to equity investments	*135*				*135*	
of which other provisions	*816*			*816*		
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**4,986**		**1,073**	**1,172**	**1,935**	**2,953**

Provisions for contingencies and charges amounted to €2,953,000 at 31 December 2022, compared to €4,986,000 at 31 December 2021, and primarily consisted of:

- provisions totalling €782,000 relating to employment disputes;
- a €1,760,000 provision relating to an alcohol purchase dispute.

Note 4.4: Liabilities

(€000)	Gross amount 31/12/2022	< 1 year	1 to 5 years	> 5 years
Banks	4	4		
Trade payables	1,137	1,137		
Tax and social security payables	4,722	4,722		
Cash instruments - Liabilities	264	264		
Other payables	15,320	15,320		
TOTAL LIABILITIES	**21,446**	**21,446**		

Other payables amounting to €15,320,000 are mainly related to current accounts included in the cash management scheme set up in 2016: MBWS International (€5,754,000) and MBWS España (€4,985,000).

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 31/12/2022
Loans and borrowings – Credit institutions:	**4**
• *Accrued bank interest*	*4*
Trade payables:	**838**
• *Miscellaneous supplier invoices pending*	*838*
Tax and social security liabilities	**2,533**
• *Provisions for paid leave*	*165*
• *Provisions for other payroll expenses*	*822*
• *Social security organisations and paid leave charges*	*458*
• *Government, other charges payable*	*1,088*

Note 4.5: Accrued expenses and deferred income

(€000)	31/12/2022	31/12/2021
Deferred income	560	1,078
Unrealised foreign exchange gains	469	127
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**1,028**	**1,204**

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)	31/12/2022
France	1,812
Exports	798
TOTAL REVENUES	**2,610**

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 €4,033,000 mainly comprise the following:

- fees: €1,653,000,
- intra-group services: €1,003,000.

Note 5.2: Net financial income/(expense)

Net financial income of €34,253,000 breaks down as follows (€000):

Expenses	36,888
Interest on Group current and term accounts	*209*
Bank interest	*1*
Foreign exchange losses	*2,170*
Other financial expenses	*23,589*
Additions to provisions for impairment of financial assets	954
Additions to provisions for impairment of current accounts	*9,644*
Additions to provisions for financial contingencies and charges	*321*

Income	38,165
Interest on Group current and term accounts	*1,302*
Foreign exchange gains	*1,316*
Other financial income	*63*
Reversals of provisions for impairment of financial assets	*11,513*
Reversals of provisions for impairment of current accounts	*23,335*
Reversals of provisions for financial contingencies and charges	*636*

The net financial provision charge for the financial year amounted to €24,565,000, primarily related to the following items:

- Equity investments in Imperial Brands (€10 million charge), Dubar (€954,000 reversal), MBWS Shanghai (€800,000 charge), Gaia I (€235,000 charge) and MBWS Scandinavia (€217,000 charge);
- Sobieski SARL current account (€23,335,000 charge);
- MBWS Bulgaria current account (€9,386,000 reversal).

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

The Company posted net non-recurring income of €1,065,000, broken down as follows (€000):

Expenses	1,753
Other expenses relating to operating transactions	*65*
Net value of assets sold	*13*
*Disposal of equity investments**	*807*
Loss on treasury shares	*19*
Additions to non-recurring provisions	*849*

Income	2,819
Disposal of non-current financial assets	-
Gains on treasury shares	*109*
Miscellaneous non-recurring income	*112*
Reversals of provisions for non-recurring impairment charges	*2,597*

** Liquidation of MBWS Shanghai and Sobieski SARL, capital reduction by Imperial Brands (see Section 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)	(7,159)	(762)	(7,921)
Net non-recurring income/(expense)	1,065		1,065
TOTAL	**(6,094)**	**(762)**	**(6,856)**

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

Note 5.5: Impact of exceptional tax assessments

(€000)	31/12/2022
Net profit/(loss) for the financial year	**(6,856)**
- Corporation tax charge	(762)
PROFIT/(LOSS) BEFORE TAX	**(6,094)**

The tax charge for the 2022 financial year amounted to €0.8 million after taking into account tax consolidation income and the tax audit adjustment (€816,000).

INCREASES AND DECREASES IN FUTURE TAX LIABILITIES

(€000)	Base amount	Tax
Increase:		
Unrealised foreign exchange losses	3,243	859
Decrease:		
Provisions not deductible in year of recognition	752	199
Unrealised foreign exchange gains	2,658	704

TAX LOSS CARRYFORWARDS

At 31 December 2022, tax loss carryforwards under the tax consolidation arrangements amounted to €263.3 million, down €10.1 million from 31 December 2021.

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	**13**		**1**			**(156)**	**(156)**
Purchase	13		1			(156)	(156)
Sale						0	0
Derivatives contracted with Group companies	**4**	**0**	**1**	**0**	**2**	**274**	**274**
Purchase	4					275	275
Sale			1		2	(1)	(1)
TOTAL	**17**	**0**	**2**	**0**	**2**	**118**	**118**

Note 7: Other information

Management remuneration

Executive remuneration amounted to €696,000 in 2022: see section 6.3.3.

Headcount

	2022 average headcount
Non-executives	1
Supervisory staff	1
Executives	15
AVERAGE HEADCOUNT DURING THE YEAR	**17**

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: Marie Brizard Wine & Spirits France, Cognac Gautier, MBWS International, Omega I and Gaia II.

Sobieski SARL, which was liquidated in November 2022, was removed from the scope of consolidation.

Gaia I was merged by absorption into MBWS SA via a transfer of all assets and liabilities in November 2022.

The consolidated tax group incurred a tax charge of €762,000.

Affiliated companies and equity investments

	AMOUNT RELATING TO THE COMPANIES	
(€000)	Affiliates	Other equity-related companies
Items		
Equity investments	257,708	
Provisions on equity investments	(136,443)	
Receivables related to equity investments	21,291	
Provisions on related receivables	(21,291)	
Trade receivables	739	
Provisions on trade receivables	(154)	
Other receivables (current and term accounts)	69,830	
Provisions on other receivables	(19,774)	
Trade payables	(104)	
Payables to customers		
Other payables (current and term accounts)	(12,853)	
Income from equity investments		
Other financial income	1,302	
Financial expense	(209)	

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

There is no particular event that has occurred since the year-end such as to require specific communication.

Note 9: List of subsidiaries and equity investments

31/12/2022 (€000)	Country	Share capital	Other shareholders' equity	% held	Book value of shares held		Revenues	Profit/ (loss)	Gross value of loans and advances	Endorsements and guarantees (granted)/ received	Dividends received
					Gross	Net					
MBWS Bulgaria	Bulgaria	12,525	(12,421)	100%	12,525			(81)	31,840		
Dubar	Brazil	2,453	(1,009)	100%	5,281	1,444	2,950	(1,284)	1,039		
MBWS Scandinavia	Denmark	350	603	100%	3,031	953	3,397	217	131		
MBWS France	France	17,477	35,998	100%	169,493	82,408	102,508	2,440	26,427		
MBWS España	Spain	15,926	(811)	99%	13,557	13,557	28,156	387			
Gaia II	France	1	(21)	100%	1			(4)	21		
MBWS International	France	1,224	4,005	100%	1,224	1,224	18,631	1,685	42		
Prekyba Alkoholiniais Gerimai UAB	Lithuania	1,922	3,090	100%	1,886	1,886	5,166	708			
Vilnius Degtine	Lithuania	7,078	11,645	99%	10,758	10,758	25,883	1,157			
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	2,052		
Sobieski USA	United States	n/a	n/a	100%	1		n/a	n/a	2,898		
Imperial Brands	United States	39,377	(31,496)	100%	33,636	9,036	10,845	2,657			
Other									*21,614*		
TOTAL					**257,708**	**121,265**			**91,121**		

5.2 STATUTORY AUDITORS' REPORT ON THE 2022 COMPANY FINANCIAL STATEMENTS

Financial year ended 31 December 2022

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 annual financial statements of Marie Brizard Wine & Spirits S.A. for the year ended 31 December 2022, 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 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 2022 to the date of publication of our report. We did not provide any services prohibited under Article 5(1) of Regulation (EU) No. 537/2014.

BASIS FOR OUR ASSESSMENT – KEY AUDIT MATTERS

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 2022 was €121.3 million, amounting to 58% 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 2023 budget 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 annual 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 identity of the main holders of share capital or voting rights has been properly 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 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 2022, Mazars was in the 15th consecutive year of its appointment and KPMG S.A. was in its 8th 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 annual 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 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, it being recalled, 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 annual 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 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, 25 April 2023
KPMG SA
.
Adrien Johner

Partner

Paris-La Défense, 25 April 2023
Mazars

Erwan Candau

Partner

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BOARD OF DIRECTORS' REPORT ON CORPORATE GOVERNANCE

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On the recommendation of the Remuneration and Appointments Committee, at its meeting on 12 April 2023 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 2022.

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 2023 and information regarding remuneration and benefits paid or granted to corporate officers in respect of 2022;
- 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. So far, and depending on the regular topics and themes, the Directors have not considered it necessary to set up specific training courses.
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; upon review by the Board and in light of the relevant specific skills of the Board members chairing certain specialised committees, the decision was made to uphold the current composition of the committees. 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; given the Company's current scope and size, the Board members opted to handle all CSR-related issues in a collegial manner.

Given that Directors' terms of office will expire in 2025 for almost half of its Board members and in 2027 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.

In accordance with Recommendation R14 of the Middlenext Code, following the last General Meeting, the Board of Directors noted that all resolutions pending were approved by over 86% of the shareholders present, represented or voting by post, with the exception of the resolution on the approval of regulated agreements.

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 Aymeric de Beauvillé since 30 March 2022 (co-opted to replace Georges Graux, Director until 30 March 2022).

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." On 29 November 2022, the Board of Directors held a review following a survey of the Board's operation.

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: 87,898,264 shares via COFEPP holding company;
- COFEPP, represented by Sylvia Bernard: 87,898,264 shares;
- Rita Maria Zniber: 1,300 shares directly;
- Serge Héringer: 500 shares;
- Guillaume de Belair: 11,000 shares;
- Hachem Belghiti: no 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 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 9 times during the 2022 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 2022 financial year were as follows:

16/02/2022

- Presentation of net sales for Q4 and full-year 2021;
- Approval of the draft press release on net sales;
- Confirmation of the remuneration awarded to MBWS senior management and the breakdown of 2022 targets;
- Recording of the completion of a capital increase following the exercise of long-term warrants;
- Other business;
- Attendance rate: 92%.

30/03/2022

- Recording of the resignation of Georges Graux as Member and Chairman of the Board of Directors;
- Co-option of Aymeric de Beauvillé as a Director to replace Georges Graux and appointment of Aymeric de Beauvillé as Chairman of the Board of Directors;
- Other business;
- Attendance rate: 83%.

13/04/2022

- Approval of minutes;
- Approval of press release;
- Review of Audit Committee report;
- Review and approval of the parent company financial statements for the year ended 31 December 2021;
- Proposal for the appropriation of earnings;
- Review and approval of the consolidated financial statements for the year ended 31 December 2021;
- 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 of watch points under the Middlenext Code;
- Approval of the Group management report and the various reports of the Board of Directors, including the report on corporate governance provided for by Article L. 225-37 paragraph 6 of the French Commercial Code;
- On the recommendation of the Remuneration and Appointments Committee, review and adoption of items of the remuneration policy for all Company corporate officers;
- Review of the achievement of performance criteria and approval of the remuneration paid or allocated to all corporate officers during the financial year ended in respect of their office at the Company, and other information referred to in Article L. 22-10-9 of the French Commercial Code, on the advice of the Remuneration and Appointments Committee;
- Annual update on the Company's policy in terms of professional and wage equality, pursuant to the provisions of Article L. 225-37-1 of the French Commercial Code;
- Annual review of the functioning and preparation of the work of the Board in accordance with 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;
- Other business;
- Attendance rate: 92%.

19/05/2022

- Approval of minutes;
- Investment and growth plan;
- Deliberations regarding BDL Capital Management's request to appoint an independent director on the Board of Directors;
- Other business;
- Attendance rate: 92%.

30/06/2022

- Implementation of the share buyback programme;
- Other business;
- Attendance rate: 92%.

26/09/2022

- Approval of minutes;
- Review and approval of the first half 2022 financial statements;
- Review and approval of the half-yearly business report;
- Review and approval of the forward-looking management documents;
- Approval of the transfer of all assets and liabilities of Gaia I to MBWS SA; and
- Other business;
- Attendance rate: 92%

24/10/2022

- Review of the Company's corporate governance;
- Attendance rate: 92%

04/11/2022

- Upholding of the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer and appointment of a new Chief Executive Officer of the Company;
- Approval of the draft press release on the replacement of the Company's Chief Executive Officer;
- Other business;
- Attendance rate: 92%.

29/11/2022

- 2022 budget review and 2023 budget;
- Feedback on the Strategy Committee meeting;
- Feedback on the annual review of the operation of the Board of Directors;
- Other business;
- Attendance rate: 92%.

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.

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 2022.

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 2022 financial year, depending on the topics addressed at the meeting.

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

Regulated 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. During the 2022 financial year, two regulated agreements were signed by the Company.

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 two meetings during the 2022 financial year, on 12 April and 26 September, 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 seven meetings during the 2022 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 2022 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, participates in discussions and shares 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.

The ad hoc committee did not hold any meetings during the 2022 financial year.

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.

At its meeting on 4 November 2022, during which Mr. Fahd Khadraoui was appointed as Chief Executive Officer, the Board of Directors decided to uphold the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer.

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 (x) €5,000,000 for medium and long-term financing and (y) €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);

(iii) 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;

(iv) 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);

(v) any proposal or payment of a dividend or any other kind of distribution to the Company's shareholders;

(vi) any capital expenditure with a unit value of over €2,500,000;

(vii) any capital expenditure that results in exceeding the annual budget approved and/or amended, where applicable, by the Board;

(viii) 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;

(ix) any restructuring process involving the Company or any of its subsidiaries where the cost exceeds €1,500,000;

(x) 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;

(xi) 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;

(xii) the signing of any contract with a term of more than three 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 Annual General Meeting on 30 June 2022, Edith Cayard's term of office as Director was renewed for a term of six years ending at the close of the Ordinary General Meeting of shareholders to be held in 2028 to approve the financial statements for the year ended 31 December 2027.

That same meeting of 30 March 2022 saw the ratification of the provisional co-option of Aymeric de Beauvillé by the Board of Directors to replace Georges Graux for the remainder of his term of office, i.e. until the Ordinary General Meeting called in 2025 to approve the financial statements for the year ending 31 December 2024.

Therefore, following the General Meetings of 31 January 2019, 31 July 2020, 30 June 2021 and 30 June 2022, 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 • Chairman and CEO of Celliers de Meknes • Chairman of the Board of Directors of Ebertec • Chairman of the Board of Directors of Thalvin • Chairman of the Board of Directors of Domaines Ouled Thaleb • Chairman of the Board of Directors of 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 the Board of Directors of ASAT • Chairman of the Board of Directors of Dakhla Blueland • Chairman of the Board of Directors of Découvertes & Loisirs • Chairman of HUQOOL JZ • Director of Société Nouvelle de Volailles • Director of SES Warren • Director of Atlantic Packaging • Director of ABC DIS • Managing Partner of Domaine Namir Managing Partner of Domaine Tala • Managing Partner of Domaine Viticole Boufekran Managing Partner of Domaine Viticole Zayane • Managing Partner of Domaine Triffa Managing Partner of Domaines Viticoles du Gharb • Managing Partner of Domaine Livi Managing Partner of Riad de la Clémentine • 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 Managing Partner of Roslane Assets • Managing Partner of Ebertec Overseas Managing Partner of Berkane Packaging • Managing Partner of Zniber Tradin 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 Joint Managing Partner of Olivim **Offices held over the past five years:** • Director of Atlas Bottling Company • Director of Seven Up • Chairman of the Board of Directors of MR Renouvo • Joint Managing Partner of K'Ozibar

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 Château Roslane Boutique Hôtel & Spa • 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 • Chief Executive Officer of Thalvin • Chief Executive Officer of Domaines Viticoles Ouled Thaleb **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** None	• None **Offices held over the past five years:** • Director of Diana Holding

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 Galion, France • Director of Albioma Saint-Pierre, France • Director of Bruggeman, Belgium • Director of EABP, France • Director of EAMP, France • Director of Gardel, France • Director of Martinho, Portugal • Director of Mascarin Développement, France • Director of RABMG, France • Director of Saint Benoît Energies Vertes, France • Director of SPC Litte, France • Director of SPCRG, France • Director of SRMG, 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 • Representing COFEPP as a member of the Executive Committee of Bardinet, France • 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 • Representing COFEPP as Chairman of Bardinet, France • Chairman of Bourdouil, France • Chairman of Busnel, France • Chairman of Casanis, France • Chairman of CFHS, France • Chairman of CSC (Cie des Spiritueux de la Caraïbe), 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 Raphael, France • Chairman of SBANA, France • Chairman of SVS LM, France

Jean-Pierre Cayard	Current offices
	• Chairman of the Board of Directors of Dilmoor, Italy • Chairman of the Board of Directors of Mixer, Italy • 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 2027 **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 • Chief Executive Officer of SIS, France • Member of the Executive Committee of Dillon, France • Member of the Executive Committee of Slaur-Sardet, France • Chairman of Ducastaing, France • Vice-Chairman of the Supervisory Board of COFEPP, France
	Offices held over the past five years:
	• Member of the Executive Committee of Bardinet, France

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 2026 **Position** Member of the Strategic and Commercial Committee as of 30 April 2019	• Director of Albioma Galion, France • Director of Bruggeman, Belgium • Director of BSA, Spain • Director of Dilmoor, Italy • Director of Mascarin Développement, France • Director of Perlino, Italy • Director of SIS, France • Chief Executive Officer of COFEPP, France • Member of the Executive Committee of Dillon, France • Member of the Executive Committee of Slaur-Sardet, France • Chairman of Lejay Lagoute, France • Chairman of Préaux, France • Chairman of Suprex, France • Chairman of THEO PREISS, 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 2019 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 (Member and Chairman of the Board of Directors until 30 March 2022)	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** Resigned 30 March 2022 **Position** Chairman of the Board of Directors from 1 March 2019 until 30 March 2022	• None **Offices held over the past five years:** • 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

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	• 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	• 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	• CEO of Bruggeman, Belgium • Managing Partner of Kidibul International, Belgium **Offices held over the past five years:** • None

Aymeric de Beauvillé (Member and Chairman of the Board of Directors since 30 March 2022)	Current offices
Independent director No **Date of appointment** Co-opted at the Board of Directors meeting on 30 March 2022 to replace Georges Graux, resigning Director Co-option ratified at the General Meeting on 30 June 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	• Member of the Executive Committee of Sucrière des Antilles, France **Offices held over the past five years:** • Chairman and CEO of Compagnie Française des Grands Vins SA • Chairman of Veuve Amiot SAS

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, CFO at EMI Music and CFO at 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.

The Directors' business address is at 10-12 Avenue du Général Charles de Gaulle, 94220 Charenton-le-Pont, France.

Background information on Andrew Highcock, Chief Executive Officer (until 4 November 2022)

Andrew Highcock	Current offices
Position Chief Executive Officer **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** 04/11/2022 **Other positions held at the Company** **Other positions held outside the Company Group and non-Group**	• None **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. Andrew Highcock's term of office ended on 4 November 2022.

Background information on Fahd Khadraoui, Chief Executive Officer (since 4 November 2022)

Fahd Khadraoui	Current offices
Position Chief Executive Officer (since 4 November 2022) **Date of appointment or most recent reappointment** Appointed at the Board of Directors meeting on 4 November 2022 with effect from said date **Term of office expiry date** Indefinite period **Other positions held at the Company** **Other positions held outside the Company Group and non-Group**	• Chairman of FK Advisory SAS **Offices held over the past five years:** • None

Having been part of the senior management of the Company and the Group since 2019 as Director of Strategy and Mergers-Acquisitions and Corporate Secretary, Fahd Khadraoui possesses a thorough knowledge of the Group and the wine and spirits market, putting him in an ideal position to take up the role of Chief Executive Officer. Fahd Khadraoui took up his appointment as the Company's Chief Executive Officer on 4 November 2022.

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).

The independent directors were consulted prior to the signing of the sale agreement on the Marques del Puerto wine business.

They 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

- On 3 August 2022, COFEPP announced its off-market purchase of the entire equity stake held by BDL Capital Management in Marie Brizard Wine & Spirits, representing 9,464,581 shares at a price of €3.20 per share (see AMF notice no. 2022856299 dated 4 August 2022); and
- On 3 August 2022, COFEPP announced its off-market purchase of all of the 2022 warrants held by BDL Capital Management for Marie Brizard Wine & Spirits shares, representing 2,012,138 warrants at a unit price of €0.02 (see AMF notice no. 2022DD856300 dated 4 August 2022);

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 at the date of this document, 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.

Company-wide diversity and equity policy

The Company's goal is to ensure the balanced representation of men and women at each level of its organisation. The Board of Directors ensures that a diversity and equity policy is implemented within the Group. Accordingly, upon senior management's proposal, in accordance with the recommendations of the Middlenext Code, the Board of Directors ensures, on an annual basis, that senior management sets ambitious diversity targets and is kept informed of the resources implemented and results obtained.

The Company is committed to promoting greater diversity within its workforce.

In 2022, 52.9% of Company employees were women.

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 2023 financial year

Pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy for 2023 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 2022 (*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.

As mentioned previously, the 30 June 2022 Combined General Meeting of the Company's shareholders approved the resolution on the remuneration policy applicable to executive corporate officers for 2022 by an 86.86% majority and the resolution on disclosures referred to in Article 22-10-9 of the French Commercial Code by a 99.85% majority.

Remuneration policy for the 2023 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 €80,000.

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 12 April 2023 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 2023 financial year, as set out below.

The Chief Executive Officer shall not hold an employment contract at the Company or Group companies.

The remuneration awarded to the Chief Executive Officer takes the form of a fixed portion and a variable portion, along with commitments made by the Company in his or her favour, and may be supplemented by exceptional remuneration.

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.

Fahd Khadraoui was appointed Chief Executive Officer of the Company by decision of the Board of Directors on 4 November 2022 for an indefinite period, without him holding an employment contract with the Company or any Group companies.

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 €310,000 divided into 13 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 €60,000 gross.

The Chief Executive Officer's variable remuneration will depend on:

- qualitative criteria based on non-financial indicators related to the Group's strategy;
- quantitative criteria linked to the fulfilment of financial performance criteria (EBITDA).

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 financial transaction completed during the year may be allocated by the Board of Directors to the Chief Executive Officer. However, said exceptional remuneration shall not exceed an amount of €100,000 gross.

Pursuant to 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

None

Stock options

None

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 conditions.

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, on 12 April 2023 the Board of Directors authorised the commitments liable to be payable to Fahd Khadraoui, 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 Fahd Khadraoui's agreement not to work, for a duration of 12 months throughout Europe where the Group has a subsidiary, 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, will be approved by the Ordinary and Extraordinary General Meeting of shareholders on 29 June 2023.

Severance package:

In the event of dismissal of the Chief Executive Officer or the non-renewal of his appointment, provided that the position was held for at least two years following the date of his appointment, the Company has undertaken to pay a severance package equal to 50% of the average gross remuneration (fixed and variable) received during the twelve (12) months preceding the date of dismissal or non-renewal.

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, 2021 and 2022.

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 12 April 2023, the Board of Directors decided to renew the 2022 remuneration policy 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 2022 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 2022

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 2022 is presented below.

The remuneration and other benefits paid or granted to corporate officers in 2022 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 2022.

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 2022 (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 served as Chief Executive Officer of the Company until 4 November 2022.

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 2022 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 during the year ended 31 December 2022 in respect of his appointment as Chief Executive Officer until 4 November 2022, as presented in detail below.

Fahd Khadraoui has been Chief Executive Officer of the Company since 4 November 2022. 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 2022 will be asked to approve the fixed, variable and exceptional items comprising the total remuneration and benefits of all kind paid or granted to Fahd Khadraoui during the year ended 31 December 2022 in respect of his appointment as Chief Executive Officer as of 4 November 2022, as presented in detail below.

The total remuneration awarded to Andrew Highcock for 2022 and the remuneration awarded to Fahd Khadraoui form part of the Company's long-term strategy and allow 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 2022 has been made.

Since Andrew Highcock left the Company during the financial year and Fahd Khadraoui was appointed Chief Executive Officer as of 4 November 2022, remuneration was paid and awarded for the year on a pro rata basis.

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

	2021	2022
Andrew Highcock		
Chief Executive Officer		
Remuneration payable in respect of the financial year *(details in Table 2)*	€846,835	€509,148
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	**€846,835**	**€509,148**

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.

	2021	2022
Fahd Khadraoui		
Chief Executive Officer		
Remuneration payable in respect of the financial year *(details in Table 2)*	€0	€56,282
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	**€0**	**€56,282**

As stated earlier, in application of the remuneration policy approved by the Board of Directors on 13 April 2022, on the recommendation of the Remuneration and Appointments Committee, and ratified by the Ordinary General Meeting on 30 June 2022, the remuneration awarded to the Chief Executive Officer for 2022 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 - Remuneration awarded to the Chief Executive Officer between 1 January 2022 and 4 November 2022

Andrew Highcock	2021 (€)		2022 (€)***	
Chief Executive Officer	**Remuneration payable**	**Remuneration paid**	**Remuneration payable**	**Remuneration paid**
Fixed remuneration [9]	530,720	530,720	449,658	449,658
Annual variable remuneration	259,000*	259,000**		259,000*
Deferred variable remuneration				
Exceptional remuneration				
Remuneration for appointment as a Director				
Benefits in kind	57,115	57,121	59,490	59,490
TOTAL	**846,835**	**846,841**	**509,148**	**768,148**

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

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

**** Andrew Highcock could receive a maximum amount of €36,000 after his departure from the Company in respect of a support contract aimed at facilitating the transfer of cases to his successor and ensuring the transition under the best conditions within the Company's senior management.*

Fixed remuneration/impatriation bonus

Under the 2022 remuneration policy, fixed remuneration in respect of the 2022 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 2022, Andrew Highcock received fixed remuneration amounting to €313,939 and an impatriation bonus of €135,719 in respect of the 2022 financial year.

Variable remuneration

Under the 2022 remuneration policy, variable remuneration awarded to the Chief Executive Officer for 2022 could amount to up to 70% of annual gross fixed remuneration, capped at €259,000.

As Andrew Highcock left the Company during the financial year, no variable remuneration was payable to him.

Exceptional remuneration

Under the 2022 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 2022 financial year.

Attendance fees

Not applicable

Benefits in kind

The Chief Executive Officer received various benefits in kind in respect of 2022 (company car, housing benefits, unemployment insurance, tax assistance, personal protection and top-up health insurance). These benefits in kind represent an amount of €59,490.

(9) Including impatriation bonus for the year

Settlement agreement

On 29 November 2022, the Board of Directors authorised the signing of a settlement agreement with Andrew Highcock, Chief Executive Officer of the Company until 4 November 2022, in respect of his resignation from his duties (the "Agreement"). The Agreement was signed on 22 December 2022.

It provides for the payment by the Company of a final fixed settlement compensation of €400,000 gross to Andrew Highcock.

The purpose of the Agreement is to prevent, by way of an irrevocable waiver by both parties of any disagreements arising between them, any current or latent, existing or future litigation or disputes arising between the Company and Andrew Highcock in respect of the termination of all of his duties within the Marie Brizard Wine and Spirits Group, as consideration for reciprocal concessions and without any acknowledgement of liability on either part.

The Board of Directors considered that the signing of the Agreement allows the Company to protect its interests in the context of the departure of its senior executive by extinguishing any potential dispute.

See Section 6.4 above for further details.

Table 2b - Remuneration awarded to the Chief Executive Officer between 4 November 2022 and 31 December 2022

Fahd Khadraoui	2021 (€)		2022 (€)	
Chief Executive Officer	Remuneration payable	Remuneration paid	Remuneration payable	Remuneration paid
Fixed remuneration	N/A	N/A	48,216	48,216
Annual variable remuneration			4,666	
Deferred variable remuneration				
Exceptional remuneration				
Remuneration for appointment as a Director				
Benefits in kind			*3,400*	*3,400*
TOTAL	**N/A**	**N/A**	**56,282**	**51,616**

Fixed remuneration

Under the 2022 remuneration policy, fixed remuneration in respect of the 2022 financial year amounted to €48,216 gross, spread across the period from 4 November 2022 to 31 December 2022.

Variable remuneration

The Board of Directors of the Company, on the recommendation of the Remuneration and Appointments Committee, after having assessed the achievement of the performance criteria defined by the Board of Directors for the financial year 2022, decided to grant variable remuneration of €4,666 to Fahd Khadraoui in respect of his term of office as Chief Executive Officer from 4 November 2022 to 31 December 2022.

Exceptional remuneration

No exceptional remuneration was awarded to the Chief Executive Officer by the Board of Directors in respect of the 2022 financial year.

Attendance fees

Not applicable

Benefits in kind

The Chief Executive Officer received various benefits in kind in respect of 2022 (company car, unemployment insurance, personal protection and top-up health insurance). These benefits in kind represent an amount of €3,400.

Table 4 - Stock options granted to the Chief Executive Officer by the Company and all Group companies during the 2022 financial year

Not applicable

Table 5 - Stock options exercised by the Chief Executive Officer during the 2022 financial year

Not applicable

Table 6 - Bonus shares granted to the Chief Executive Officer during the 2022 financial year

Not applicable

Table 7 - Bonus shares granted to the Chief Executive Officer that became available for sale during the 2022 financial year

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 Chief Executive Officer Start of term: 29/10/2018 End of term: 04/11/2022		X		X	X[1]		X[1]	
Fahd Khadraoui Chief Executive Officer Start of term: 04/11/2022 End of term: indefinite period		X		X	X[1]		X[1]	

[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)	2021	2022
Expenses relating to post-employment benefits	-	-
Expenses relating to severance pay	None	None

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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.

Aymeric de Beauvillé was appointed Chairman of the Board of Directors with effect from 30 March 2022. 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.

Table 1 - Summary of remuneration, stock options and shares granted to the Chairman of the Board of Directors from 1 January 2022 to 30 March 2022

	2021	2022
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 performed the duties of Chairman of the Board of Directors from 1 March 2019 to 30 March 2022.*

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 1b - Summary of remuneration, stock options and shares granted to the Chairman of the Board of Directors from 30 March 2022 to 31 December 2022

	2021	2022
Aymeric de Beauvillé		
Chairman of the Board of Directors [(2)]		
Remuneration payable in respect of the financial year *(details in Table 2)*	N/A	€55,500
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	**N/A**	**€55,500**

[(2)]Aymeric de Beauvillé has performed the duties of Chairman of the Board of Directors since 30 March 2022.

Table 2 - Remuneration awarded to the Chairman of the Board of Directors between 1 January 2022 and 30 March 2022

Georges Graux **Chairman of the Board of Directors**	**2021**		**2022**	
	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 2b - Remuneration awarded to the Chairman of the Board of Directors between 30 March 2022 and 31 December 2022

Aymeric de Beauvillé **Chairman of the Board of Directors**	**2021**		**2022**	
	Remuneration payable	Remuneration paid	Remuneration payable	Remuneration paid
Fixed remuneration	N/A	N/A	€55,500	€55,500
Annual variable remuneration				
Deferred variable remuneration				
Exceptional remuneration			€0	€0
Attendance fees				
Benefits in kind			€0	€0
TOTAL	**N/A**	**N/A**	**€55,500**	**€55,500**

Table 11 – Employment contract and commitments made by the Company and all Group companies in favour of the Chairman of the Board of Directors between 1 January 2022 and 30 March 2022

	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

	2021	2022
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		
Jean-Pierre Cayard		
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		
Anna Luc		
Director		
Attendance fees		
Other remuneration		

	2021	2022
Georges Graux[10]		
Director		
Attendance fees		
Other remuneration		
Aymeric de Beauvillé		**55,000**
Director		
Attendance fees		
Other remuneration[11]		55,000
Cyril Cahart		
Director		
Attendance fees		
Other remuneration		

4. ALLOTMENT HISTORY - STOCK OPTIONS AND BONUS SHARES

Table 9 - Stock options granted in 2022 to the top 10 employees who are not eligible corporate officers, and options exercised by these persons during the 2022 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.

(10) Director until 30 March 2022
(11) See 6.3.3 Summary of remuneration and benefits paid to corporate officers in 2022

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	2018	2019	2020	2021	2022	
Methodology			Amounts paid during the year			
Headcount sample	**53**	**29**	**30**	**17**	**16**	
Corporate officer	Jean-Noël Reynaud	Andrew Highcock	Andrew Highcock	Andrew Highcock	Andrew Highcock	Fahd Khadraoui
Chief Executive Officer: Andrew Highcock from 29 October 2018 until 4 November 2022						
Chief Executive Officer: Fahd Khadraoui from 04 November 2022 until 31 December 2022						
Corporate officer gross annual (€)	308,000	517,327	530,720	530,720	530,720	310,000
Employee average gross annual (€)	93,738	106,508	92,850	105,340	97,212	
Corporate officer gross annual/employee average gross annual	3.29	4.86	5.72	5.04	5.46	3.19
Employee median gross annual (€)	95,917	106851	95,000	92,981	84,406	
Corporate officer gross annual/employee median gross annual	3.21	4.86	5.59	5.71	6.29	3.67

Headcount selected:

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

Year	2018	2019	2020	2021	2022[12]	
Total fixed and variable remuneration (€)	530,724	789,720[2]	789,720	789,720	768,148 up to 4/11/22	56,282 since 4/11/22
Ratio over average remuneration	5.00	7.40	7.96	7.50	7.90	0.58
Ratio over median remuneration	5.70	7.40	7.92	8.49	6.03	0.67
Minimum wage (SMIC) ratio	29.51	43.26	42.75	41.40	25.27	2.79
Corporate officer	Benoît Hérault	Benoît Hérault	Georges Graux	Georges Graux	Georges Graux up to 30/03/22	Aymeric de Beauvillé since 30/03/22
Corporate officer gross annual[13]	64,500	65,500	-	-	-	55,500
Employee average gross annual (€)	93,738	106,508	92,850	105,340	97,212	
Corporate officer gross annual/ employee average gross annual	0.69	0.61				0.57
Employee median gross annual (€)	95,917	106,851	95,000	92,981	84,046	
Corporate officer gross annual/ employee median gross annual	0.67	0.61				0.66
Company performance						
EBITDA	(27,173)	(12,090)	10,614	12,575	11,841	

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: 2018 to 2022.
- 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).

(12) Following the change of governance (Senior Management) during 2022, the ratios calculated are not relevant as they do not include the pro-rata temporis approach

(13) This amount includes attendance fees and additional remuneration related to his consultancy assignment

6.4 DESCRIPTION OF 2022 REGULATED AGREEMENTS

6.4.1 List of regulated agreements authorised and entered into during the year ended 31 December 2022:

SALE AGREEMENT ON THE "*BODEGA MARQUES DEL PUERTO*" BUSINESS UNIT HELD BY MBWS ESPANA:

Following a competitive and rigorous call for tenders, on 16 February 2022 the Board of Directors authorised the signing of an agreement to sell the "Bodega Marques del Puerto" business unit held by MBWS España for a price of €2,905,021.04 to Bardinet SA (Spain), a subsidiary of COFEPP, which holds a 70% equity stake in the Company. This agreement was signed on 28 February 2022.

The Bodega Marques del Puerto business has been loss-making for several years, mainly due to critical size that is utterly inadequate considering the Spanish wine industry in Rioja. After numerous investment efforts and attempts to revive it, the Group decided to prioritise the disposal of these assets and the production site in question in accordance with the goals of the 2019 strategic plan.

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

Persons concerned:

COFEPP, the Company's controlling shareholder, parent company of Bardinet (Spain), Jean-Pierre Cayard, Chairman of the Executive Board of COFEPP and Director of the Company, Edith Cayard, Vice-Chairman of the Supervisory Board of COFEPP and Director of the Company, Sylvia Bernard, member of the Executive Board of COFEPP and permanent representative of COFEPP on the Company's Board of Directors, Anna Luc, employee of the COFEPP Group and Director of the Company, Pascale Anquetil, employee of the COFEPP Group and Director of the Company, Cyril Cahart, employee of the COFEPP Group and Director of the Company, Georges Graux, employee of the COFEPP Group, Chairman of the Board of Directors and Director of the Company at the date of execution of the agreement.

SETTLEMENT AGREEMENT WITH ANDREW HIGHCOCK:

On 29 November 2022, the Board of Directors authorised the signing of a settlement agreement ("Agreement") with Andrew Highcock, Chief Executive Officer of the Company until 4 November 2022, in respect of his resignation from his duties. The Agreement was signed on 22 December 2022.

It provides for the payment by the Company of a final fixed settlement compensation of €400,000 gross to Andrew Highcock.

The purpose of the Agreement is to prevent, by way of an irrevocable waiver by both parties of any disagreements arising between them, any current or latent, existing or future litigation or disputes arising between the Company and Andrew Highcock in respect of the termination of all of his duties within the Marie Brizard Wine and Spirits Group, as consideration for reciprocal concessions and without any acknowledgement of liability on either part.

The Board of Directors considered that the signing of the Agreement allows the Company to protect its interests in the context of the departure of its senior executive by extinguishing any potential dispute.

The Agreement was voluntarily submitted by the Company to the regulated agreement procedure set out in Articles L. 225-38 et seq. of the French Commercial Code in consideration of the practice deemed satisfactory by the French Financial Markets Authority (AMF) under the terms of paragraph 4.5, page 108-109 of its 2021 report on corporate governance and senior executive remuneration. In this context, the Agreement will be subject to shareholder approval through a binding vote at the Company's next General Meeting.

In the event that the shareholders vote against the resolution to approve the Agreement submitted to them pursuant to the provisions of Article L. 225-40 of the French Commercial Code, Andrew Highcock has undertaken to return the full amount of the aforementioned compensation to the Company, with the other elements of the Agreement remaining in force.

Person concerned:

Andrew Highcock, Chief Executive Officer of the Company until 4 November 2022 (the Agreement was signed in respect of his resignation from his duties).

6.4.2 List of regulated agreements entered into during the year ended 31 December 2022 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 2022 and not yet entered into

None

6.4.4 Regulated agreements authorised by the Board of Directors after the year ended 31 December 2022

None

6.4.5 List of previously approved regulated agreements that remained in effect during the financial year ended 31 December 2022

None

6.5 AGREEMENTS ENTERED INTO BETWEEN A CORPORATE OFFICER OR MAJOR SHAREHOLDER AND A SUBSIDIARY

None

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 87,898,264 Company shares representing, as at 20 February 2023, 96,250,231 voting rights, i.e. 78.49% of the Company's share capital and 77.72% 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 Section 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 June 2022, 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 Fahd Khadraoui 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
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
30/06/2022 (12th 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
30/06/2022 (13th 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 fourteenth, fifteenth and eighteenth to twenty-first resolutions below is set at €120 million	26 months	None
30/06/2022 (14th 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 for by Article L. 411-2 1° 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 thirteenth resolution above	26 months	None
30/06/2022 (15th 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 fourteenth resolution above and against the aggregate ceiling set out in the thirteenth resolution above Securities issues are also limited by law to 20% of the share capital per year	26 months	None
30/06/2022 (16th 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 thirteenth 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
30/06/2022 (17th resolution)	Authorisation granted to the Board of Directors, in the event of issuance without shareholder preferential subscription rights subject to the terms of the fourteenth and fifteenth 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
30/06/2022 (18th 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 thirteenth resolution above	26 months	None
30/06/2022 (19th 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 thirteenth resolution above	26 months	None
30/06/2022 (20th 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 thirteenth resolution	26 months	None
30/06/2022 (21th 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 thirteenth resolution above	26 months	None

6.8 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

To the General Meeting of MARIE BRIZARD WINE & SPIRITS S.A. ("MBWS "),

In our capacity as the Company's Statutory Auditors, we hereby submit our report concerning regulated agreements.

It is our responsibility to inform you, based on the information that has been provided to us, of the characteristic features, the main terms and conditions, and the reasons justifying the benefit for the Company of the agreements that have been disclosed to us, or of which we may have become aware during our assignment. It is not our responsibility to issue an opinion on their usefulness and legitimacy, or to ascertain whether other agreements exist. It is your responsibility, in accordance with Article R. 225--31 of the French Commercial Code, to assess whether these agreements are appropriate and should be approved.

We are further required to inform you, if applicable, of disclosures required under Article R. 225--31 of the French Commercial Code concerning transactions during the financial year ended pertaining to agreements previously approved by the General Meeting.

We performed the checks that we considered necessary regarding this assignment in view of the professional standards issued by the French National Institute of Auditors. These checks consisted in verifying that the information provided to us is consistent with the source documents from which it was extracted.

Agreements subject to the approval of the General Meeting

AGREEMENTS AUTHORISED AND SIGNED DURING THE FINANCIAL YEAR ENDED

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the year ended and previously authorised by your Board of Directors.

Settlement agreement with Andrew Highcock

Persons concerned:

Andrew Highcock, Chief Executive Officer of the Company until 4 November 2022

Type, terms and purpose:

On 29 November 2022, the Board of Directors authorised the signing of a settlement agreement ("Agreement") with Andrew Highcock, Chief Executive Officer of the Company until 4 November 2022, in respect of his resignation from his duties.

The Agreement was signed on 22 December 2022. It provides for the payment by the Company of a final fixed settlement compensation of €400,000 gross to Andrew Highcock.

The purpose of the Agreement is to prevent, by way of an irrevocable waiver by both parties of any disagreements arising between them, any current or latent, existing or future litigation or disputes arising between the Company and Andrew Highcock in respect of the termination of all of his duties within the Marie Brizard Wine and Spirits Group, as consideration for reciprocal concessions and without any acknowledgement of liability on either part.

The Board of Directors considered that the signing of the Agreement allows the Company to protect its interests in the context of the departure of its senior executive by extinguishing any potential dispute.

The Agreement was voluntarily submitted by the Company to the regulated agreement procedure set out in Articles L. 225-38 et seq. of the French Commercial Code in consideration of the practice deemed satisfactory by the French Financial Markets Authority (AMF) under the terms of paragraph 4.5, page 108-109 of its 2021 report on corporate governance and senior executive remuneration.

In this context, the Agreement will be subject to shareholder approval (8th resolution) through a binding vote at the Company's next General Meeting.

In the event that the shareholders vote against the resolution to approve the Agreement submitted to them pursuant to the provisions of Article L. 225-40 of the French Commercial Code, Andrew Highcock has undertaken to return the full amount of the aforementioned compensation to the Company, with the other elements of the Agreement remaining in force.

Agreements already approved by the General Meeting

AGREEMENTS APPROVED DURING THE FINANCIAL YEAR ENDED

We have been informed that the following agreements previously approved by the General Meeting on 30 June 2022 were still in effect during the financial year ended, as referred to in the Statutory Auditors' special report dated 24 May 2022.

Sale agreement on the "Bodega Marques Del Puerto" Business Unit held by MBWS España

Persons concerned:

COFEPP (represented by Sylvia Bernard, director), Jean-Pierre Cayard (director), Bardinet SA Spain, Edith Cayard (director), Vice-Chairman of the Supervisory Board of COFEPP and Company director, Anna Luc (director), Pascale Anquetil (director), Cyril Cahart (director), Georges Graux (director).

Type, terms and purpose:

Following a call for tenders, on 16 February 2022 the Board of Directors authorised the signing of an agreement to sell the "Bodega Marques del Puerto" business unit held by MBWS España for a price of €2,905,021.04 to Bardinet SA (Spain), a subsidiary of COFEPP, which holds a 70% equity stake in the Company.

This agreement was signed on 28 February 2022.

The Bodega Marques del Puerto business has been loss-making for several years, mainly due to critical size that is utterly inadequate considering the Spanish wine industry in Rioja. After numerous investment efforts and attempts to revive it, the Group decided to prioritise the disposal of these assets and the production site in question in accordance with the goals of the 2019 strategic plan.

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

The Statutory Auditors

Mazars
Paris La Défense, 25 April 2023

Erwan Candau
Partner

KPMG SA
Paris La Défense, 25 April 2023

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: 08/08/2008
Most recently re-appointed on: 31/07/2020
Appointment expires on: 31/12/2025

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: 30/06/2015
Appointment expires on: 31/12/2026

6.9.2 Alternate Statutory Auditor

At the General Meeting of 30 June 2021 (resolution 15), it was decided not to reappoint or replace the alternate statutory auditor.

7

GENERAL INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

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7.1 GENERAL INFORMATION ON MARIE BRIZARD WINE & SPIRITS SA

7.1.1 Corporate name and LEI code

The Company's corporate and trade name is "MARIE BRIZARD WINE & SPIRITS".
The LEI code of Marie Brizard Wine & Spirits is 969500XQM2JOWHKWI437.

7.1.2 Trade and Companies Register, SIRET and EU VAT number

The Company has been registered since 24 July 2020 in the Créteil Trade and Companies Register under number 380 695 213. The Company was previously registered in the Paris Trade and Companies Register.
The Company's SIRET number is 38069521300047. The APE code is 4676 Z.
The Company's EU VAT number is FR85380695213.

7.1.3 Term of the Company

The Company was incorporated on 8 February 1991 for a term of 99 years (i.e. until 8 February 2090), unless prematurely dissolved or extended as decided at an Extraordinary General Meeting of shareholders.

7.1.4 Registered office, legal form and telephone number of registered office

The Company's registered office is at 10-12 Avenue du Général Charles de Gaulle, 94220 Charenton-le-Pont, France.
Registered office telephone number: +33 (0)1 46 82 05 05
The Company was incorporated in the form of a French limited company (société anonyme) with a Board of Directors.

7.1.5 Website

The Company's website address is http://fr.mbws.com.
The information shown on the website does not form part of the URD unless it is incorporated by reference herein.

7.1.6 Legislation governing the Company's activities - Country of origin

The Company is a French company governed by the provisions of the French Commercial Code. Its registered office is 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 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 7 of 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.

It shall rule by a two-thirds majority of the votes of the shareholders present or represented, including shareholders voting by post.

III – By way of statutory exemption to the foregoing, a General Meeting that decides to increase the capital by capitalisation of reserves, profits or additional paid-in capital may pass resolutions under the quorum and majority conditions applicable to Ordinary General Meetings.

Furthermore, in an Extraordinary General Meeting convened to vote on the approval of a contribution in kind or the granting of a special benefit, the contributor or the beneficiary whose shares do not carry voting rights shall not be entitled to vote, either on their own behalf or as a proxy, and each of the other shareholders shall have a number of votes equal to the shares that they own without this number exceeding ten; a shareholder's proxy shall have the votes that they hold under the same conditions and up to the same limit.

In the case of contributions in kind or grants of special benefits, one or more independent appraisers shall be appointed by the courts at the request of any interested party.

IV – If several classes of share exist, no change may be made to the rights attached to shares in any of these classes without a valid vote at an Extraordinary General Meeting open to all shareholders and, furthermore, without a valid vote in a General Meeting open only to the holders of shares in the class in question.

7.2.4 Conditions governing changes in the share capital pursuant to the Articles of Association (Article 7)

ARTICLE 7 – CHANGES TO THE SHARE CAPITAL

I – The share capital may be increased in all ways and by all means authorised by the law.

Only the Extraordinary General Meeting is authorised to pass a resolution to increase the share capital, based on a report from the Board of Directors containing the disclosures required by law.

Pursuant to the law, shareholders have a preferential right to subscribe for shares in cash issued as part of a capital increase in proportion to the number of shares that they hold. They may waive this right on an individual basis. Shareholders also have an option to subscribe for additional shares if expressly authorised by a General Meeting resolution.

Unless agreed otherwise, entitlement to new shares following the capitalisation of reserves, profits or additional paid-in capital belongs to the legal owner, subject to the rights of the beneficiary.

II – Extraordinary General Meetings may also authorise or decide on capital reductions for any reasons and via any means, subject to any creditors' rights. However, a capital reduction 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 20 February 2023

Shareholders	Number of shares	% of share capital held	Number of theoretical voting rights	% of voting rights held
COFEPP[1]	87,898,264	78.49%	96,250,231	77.72%
Diana Holding[4]	3,940,000	3.52%	7,140,000	5.77%
Alberta Investment Management[3]	3,391,327	3.03%	3,391,327	2.74%
Other	16,760,239	14.96%	17,063,748	13.77%
TOTAL	**111,989,820**	**100.00%**	**123,845,306**	**100%**

Breakdown of share capital and voting rights for the past three financial years

	Closing position at 31/12/2022			Closing position at 31/12/2021			Closing position at 31/12/2020		
	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]	87,898,263	78.49%	78.49%	78,433,683	70.06%	69.74%	22,779,967	50.96%	47.35%
BDL Capital Management[2]	--	-	-	7,423,610	6.63%	6.06%	2,886,968	6.46%	6.00%
Alberta Investment Management[3]	3,391,327	3.03%	2.77%	3,942,668	3.52%	3.22%	1,068,641	2.39%	2.22%
Diana Holding[4]	3,940,000	3.52%	5.82%	3,940,000	3.52%	5.83%	3,940,000	8.81%	14.84%
Other shareholders	16,760,230	14.96%	12.92%	18,209,540	16.27%	15.16%	14,022,328	31.37%	29.59%
TOTAL	**111,989,820**	**100.00%**	**100.00%**	**111,949,501**	**100.00%**	**100.00%**	**44,698,844**	**100.00%**	**100.00%**
Theoretical voting rights according to monthly declaration			*122,619,999*			*122,528,032*			*48,105,465*

[1] Compagnie Financière Européenne de Prises de Participations, a French société anonyme (public limited company) 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

Threshold crossing disclosure: BDL Capital Management (04 August 2022)

By letter received on 4 August 2022, BDL Capital Management[1] (24 Rue du Rocher, 75008 Paris), a French joint-stock company acting on behalf of funds whose investments it manages, stated that on 3 August 2022 it crossed below the 5% thresholds in the share capital and voting rights of Marie Brizard Wine & Spirits and that it no longer held any of the Company's shares on behalf of the said funds.

The crossing of these thresholds resulted from the sale of Marie Brizard Wine & Spirits shares off the market.

1: Ultimately held at 40% each by Hugues Beuzelin and Thierry Dupont.

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 Board committee 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 20 February 2023 enabled a total of 111,982,896 shares to be identified, i.e. 99.99% of the shares comprising the Company's share capital.

Institutional investors hold 4.63% of the shares comprising the share capital, private investors hold 13.33% and 82.01% 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 2022 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 2019, 2020 and 2021.

Nor is there any provision for dividend distribution in respect of the year 2022.

7.5 FINANCIAL SERVICES

The Company's financial services company as at 31 December 2022 was Uptevia, 89-91 Rue Gabriel Péri, 92120 Montrouge, 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

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PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND INFORMATION POLICY

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8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Fahd Khadraoui, Chief Executive Officer of the Marie Brizard Wine & Spirits Group.

8.2 DECLARATION BY THE PERSON ESPONSIBLE 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 2022 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."

26 April 2023
Fahd Khadraoui

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.

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Not applicable

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Not applicable

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See paragraph 7.4
18.6 / Legal and arbitration proceedings
See paragraph 2.3.5
18.7 / Significant change in the financial or trading position
See paragraph 2.2.6

SECTION 19

ADDITIONAL INFORMATION

19.1 / Share capital

19.1.1 / Amount of issued capital

See paragraph 2.5

19.1.2 / Shares not representing capital

See paragraph 2.5

19.1.3 / Shares held by the issuer

See paragraph 4.1

19.1.4 / Convertible securities, exchangeable securities or securities with warrants

See paragraph 2.5

19.1.5 / Information about and terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital

See paragraph 4.1

19.1.6 / Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option

Not applicable

19.1.7 / History of share capital

See paragraph 4.1

19.2 / Memorandum and Articles of Association

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See paragraph 7.2

19.2.2 / Rights, preferences and restrictions attaching to shares

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See paragraph 7.2

SECTION 20

MATERIAL CONTRACTS

20 / Material contracts

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SECTION 21

DOCUMENTS AVAILABLE

21 / Documents available

See paragraph 8.3

APPENDIX 2

CROSS-REFERENCE TABLE WITH THE NOTES TO THE ANNUAL FINANCIAL REPORT

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Assessment of earnings and financial position of the parent company and consolidated companies	Paragraphs 2.1 and 2.2
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Valid delegations of authority and exercise thereof during the financial year	Paragraphs 6.7.2 and 2.5
Employee shareholding	See paragraph 2.5.3
Remuneration of corporate officers and list of offices	Paragraph 6.3
Report prepared by the Chairman of the Board of Directors on corporate governance and internal control	Paragraph 6.2
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FINANCIAL STATEMENTS AND REPORTS	
Parent company financial statements	Paragraph 5.1
Statutory Auditors' report on the parent company financial statements	Paragraph 5.2
Group consolidated financial statements	Paragraph 4.1
Statutory Auditors' report on the consolidated financial statements	Paragraph 4.2

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