LA VÉRITÉ DU TERROIR




UNIVERSAL REGISTRATION DOCUMENT

2022

Including the Annual Financial Report

VRANKEN POMMERY MONOPOLE

UNIVERSAL REGISTRATION DOCUMENT 2022

Including the Annual Financial Report

AMF AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document was filed on 13 April 2023 with the AMF (French Financial Markets Authority) in its capacity as the competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where necessary, a summary and all amendments to the Universal Registration Document. This set of documents is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a reproduction of the Universal Registration Document including the 2022 Annual Financial Report. It has been prepared in XHTML format and is available on the Company's website.

Dear Shareholders,

Vranken-Pommery Monopole delivered an excellent performance in 2022.
All of the Group's teams have come together to support management. They have proven exceptionally dynamic and demonstrated a fierce desire to return to growth and achieve results.
No matter where we open a new subsidiary, we see an improvement in our brands' growth and visibility.

Vranken-Pommery Monopole is now a "company with a mission" (société à mission) and is stronger and more determined than ever.

Vranken-Pommery Monopole was born from the acquisition of Maison de Champagne Heidsieck et Co Monopole and then of Maison de Champagne Pommery. It was founded by Paul-François Vranken in 1976 and has always been driven by a clear vision:
To promote the quality of its champagnes and wines throughout the world!

Vranken-Pommery Monopole has always sought to develop each of its Maisons de Champagne, Domaines and Châteaux while respecting their individual identities. To this end, Vranken-Pommery Monopole provides each of its brands with all the resources needed to create, produce, vinify and distribute their wines and champagnes. Vranken-Pommery Monopole continues to preserve its family spirit, enabling it to pursue a long-term vision for the business. The spirit that has shaped us and that we call our own is reflected in everything we do. As the leading wine grower in Europe, sustainable development is not just a strategic focus but at the very heart of our activity. All our vineyards are strongly committed to continuing to act sustainably, protecting the environment and preserving biodiversity. The Group also intends to significantly reduce its activities' carbon footprint, in particular by eliminating external logistics facilities in the short term. The Group has used lighter champagne bottles since 1994 and plans to pursue this area of research and development to also reduce its carbon impact. Gender equality and hiring and training young people are also critical topics for us. Next year, our partnerships with universities and schools will enable us to develop training programmes that are dedicated to teaching our trades and open to all company employees.

Domaine Vranken-Pommery is recognised as one of the Domaines most involved in contemporary art. The "Pommery Experiences" will celebrate their 20th anniversary this year. The "Experiences" allow all visitors to come and discover works created in situ by more than 30 artists, as well as works from the Beaux-Arts Museum in Reims, our partner and the curator, through its director, of the Villa Demoiselle. The "Experiences" also make it possible to create large-scale educational programmes for schoolchildren in the region.

The world is moving at high speed.

We are and will remain more determined than ever. We will always persevere, relentlessly driven by our boundless entrepreneurial spirit. Vranken-Pommery Monopole's story is just beginning and, no matter what the future holds, it will remain true to its philosophy:

La Vérité du Terroir (literally 'the Truth of the Terroir' - the true nature of the local soil and conditions that shape the wine).

Paul-François Vranken
Chairman and Chief Executive Officer

Contents

Profile
& key figures

FAMILY-OWNED GROUP
founded and led
by Paul-François Vranken
since 1976

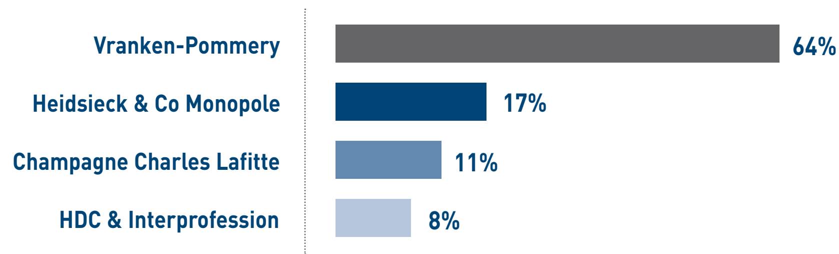
COMPANY VALUES
Innovation
Know-how
Boldness
Good governance

AN EXCEPTIONAL HERITAGE
- Industrial (3 production centres)
- Historical (5 exceptional Domaines)
- Artistic (16 "Pommery Experiences")
- Oenological (the largest collection of 20th century vintages)

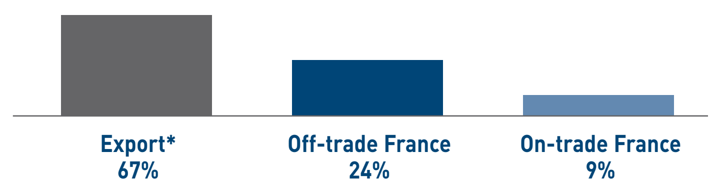
FROM VINE TO WINE
- Champagne
- Camargue
- Provence
- Portugal
- Hampshire
- Napa Valley

652 EMPLOYEES
worldwide

Breakdown of Champagne revenue (by brand)

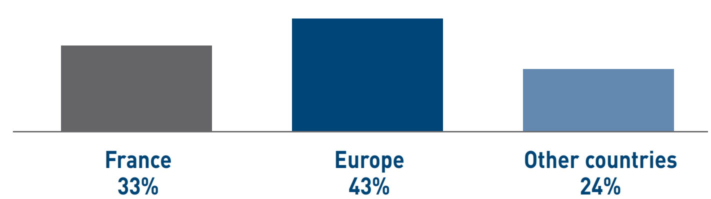


Breakdown of the three distribution networks in 2022 (as a % of Champagne sales revenue)



*Including Duty Free France.

Revenue by geographical region in 2022 (as a % of Champagne sales revenue)



Statement of financial position

In €m	12/2022	%
Total statement of financial position	**1,307.4**	
Equity (Group share)	414.1	31.7%
Inventories and work-in-progress	645.8	49.4%

Financial position

In €k	12/2022	12/2021
Investments	19,859	22,280
Investments as a % of revenue	5.94%	7.4%
Depreciation and amortisation	15,040	15,777
Gross cash flows	45,901	41,622
Net financial debt	646,140	653,487
Net financial debt/inventories ratio	1.00	1.01
Excluding IFRS 16 impact	0.97	0.98

Profile
& key figures

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SUBSIDIARIES

France
United Kingdom
Belgium
Italy
Germany (+Austria)
Portugal
Switzerland
USA (+Canada)
Australia
Japan

1976: Vranken
Paul-François Vranken founds the eponymous Maison de Champagne

1983: Charles Lafitte
Creation of the champagne brand following the acquisition of the Maison de Cognac

1985: Demoiselle
Paul-François Vranken creates the new champagne brand

1986: São Pedro das Aguias
Creation of the Maison by Paul-François Vranken
Office opened in Portugal

1989:
Office opened in Belgium

1994:
Office opened in Germany

1995:
Office opened in the USA

1996: Heidsieck & Co Monopole
The Group acquires the Maison de Champagne

1998: Initial public offering

1999: Rozès
The Group acquires the Maison de Porto

2000:
Office opened in the UK

2002: Pommery
The Group acquires the Maison de Champagne Pommery
Office opened in Switzerland

2005: Quinta do Grifo
Creation of the Quinta do Grifo-based Terras do Grifo brand
Offices opened in Provence & Camargue

2007:
Office opened in Japan
1st commitment to organics in Jarras

2008:
Office opened in Italy

2009:
Office opened in Australia

2012: Vranken Estates
Creation of Vranken Estates (bringing together Domaine Royal de Jarras and Château la Gordonne)

2014: Les Grands Domaines du Littoral
One name for all the coastal wine Domaines

2015: Louis Pommery
The Louis Pommery sparkling wine brand is launched in California and the UK

Champagne Vranken – Maison fondée en 1976
Champagne Pommery – Maison fondée en 1836
Champagne Monopole Heidsieck & Co – Maison fondée en 1785
Champagne Charles Lafitte – Successeur de George Goulet – Maison fondée en 1834
Château La Gordonne – Depuis 1652
Domaine Royal de Jarras – Sable de Camargue – Maison fondée en 1883
Rozès Porto – Maison fondée en 1855
Terras do Grifo – Douro Wines – Depuis 2001

1

GROUP OVERVIEW

1 Group overview

Vranken-Pommery Monopole is a French family-owned company operating worldwide. It produces fine wines under its Maison, Domaine and Château labels.

The Group is one of the largest owners of acres under vine in Europe and boasts prime assets, some of which are recognised as Champagne Hillsides, Houses and Cellars and Alto Douro Wine Region UNESCO World Heritage Sites. It markets its renowned, prestigious brands and is the custodian of their heritage, quality and style.

From winegrowing to winemaking and marketing, Vranken-Pommery Monopole excels at every step of the value-creation chain, from vine to wine, across all of its terroirs. Continuous quality control, innovation and respect for the planet and people have enabled it, over time, to develop superior and recognised know-how. Its wines are household names all over the world thanks to this ongoing commitment.

The Vranken-Pommery Monopole Group is a key player in Champagne and one of the world's leading producers of rosé wines. It markets its wines in more than 100 countries, both directly through its subsidiaries in Europe, North America and Asia Pacific, and indirectly through local partnerships.

The Group looks to the future with calm and confidence by relying on its values:

INNOVATION – EXPERTISE – BOLDNESS
GOOD GOVERNANCE

Vranken-Pommery Monopole is listed on Euronext B in Paris and Brussels.

The Group has obtained ISO 9001, 14001 and 22000 certifications, as well as IFS certification for its production, and was included in the Gaïa 2019 index published by Gaïa Rating, Ethifinance's ESG rating agency.

1.1 Information on the Company

Corporate name:

Vranken-Pommery Monopole

Trade and Companies Register number, NAF and LEI codes:

The Company is listed in the Reims Trade and Companies Register under number 348 494 915.

Vranken-Pommery Monopole's APE code is 4634Z.
Vranken-Pommery Monopole's LEI code is 969500M5EQJVDASURW53.

Head office

5, place Général Gouraud – 51100 Reims

Any interested party may contact the Company at the above address using the following contact details:

Phone number: +33 (0)3-26-61-62-63

Website: www.vrankenpommery.com*

E-mail: comfi@vrankenpommery.fr

Legal structure

French public limited company (société anonyme) with a Board of Directors governed by the French Commercial Code, by legal and regulatory provisions and by its own Articles of Association.

Date of incorporation and term

The term of the Company is set at 99 years from the date of its registration in the Trade and Companies Register on 4 October 1988, unless it is dissolved beforehand or its term is extended.

Business purpose (Article 3 of the Articles of Association)

The Company's purpose, both in France and abroad, is:

• to acquire holdings and interests, in any form and by any means, in all French and foreign companies, undertakings and groups, particularly in the wine, champagne and spirits industry, as well as all other products or items;

• to provide all services to these companies, in particular in financial, economic, commercial, technical and administrative matters;

• to carry out all import, export and representation operations, and all commission and brokerage activities related thereto;

• to acquire, obtain, grant and use all patents, licences and trademarks of any kind.

And, more generally, to carry out all movable, real estate, industrial, commercial or financial transactions that may be directly or indirectly related to the above-mentioned purposes as well as to all other similar or related purposes or those that may foster the expansion and development thereof.

Company with a mission (Société à mission)

On 3 June 2021, the Company's shareholders adopted "Company with a mission" status.

Purpose:

To promote the highest quality of champagnes and wines produced around the world, while mobilising the ecosystem in which the Company operates (Group companies, employees, partners, customers, shareholders), for the protection of the environment and biodiversity, sustainable development and the preservation of the identity of the terroirs and the specificity and quality of their products.

Objectives:

- To adopt a sustainable development strategy,
- As far as possible, to achieve organic conversion for in-house vineyards but also for partner vineyards,
- To limit the impact of its activities and those of the Group's companies on the environment,
- To limit the use of fossil fuels, and promote the use of renewable energies,
- To treat and/or recycle waste,
- To preserve natural spaces and biodiversity,
- To preserve the natural but also historical and architectural heritage,
- To preserve the strong identity of the terroirs, their human base, their ecosystem, and also the specificity and the best quality of their products,
- To provide Group companies, employees, partners, customers and shareholders with an opportunity to adhere to the aforementioned values by offering champagnes and wines produced the world over – of the utmost quality – but with limited environmental impact.
- Implementation of the objectives will be verified by an independent third party, in accordance with legal provisions. This verification will give rise to an opinion attached to the Mission Committee's report.

The Company has set up a Mission Committee in charge of monitoring implementation of said objectives.

Financial year

The financial year begins on 1 January and ends on 31 December.

Accessing documents and information about the Company

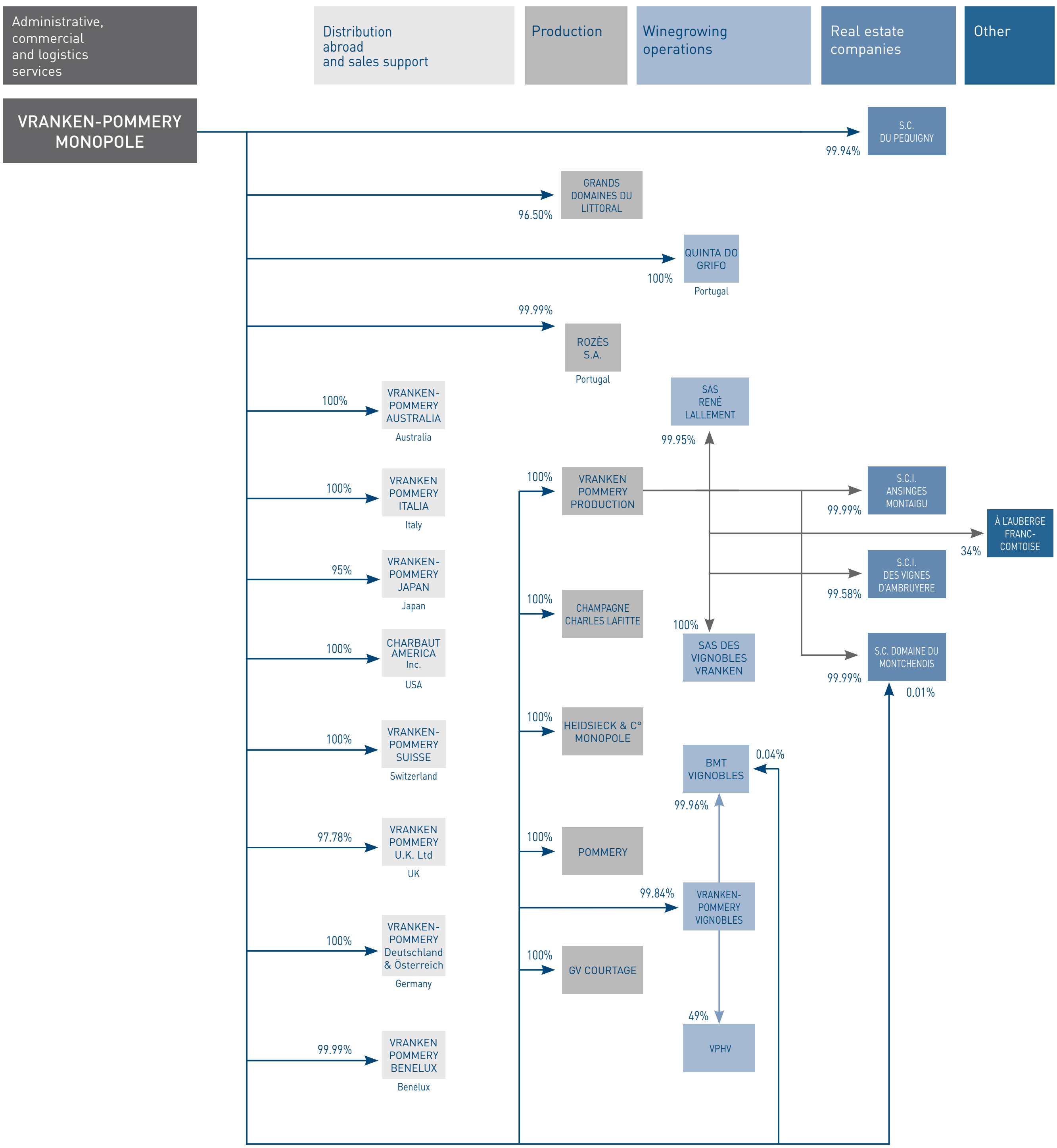
All documents about Vranken-Pommery Monopole to be made available to the public (Articles of Association, reports, the historical financial information relating to Vranken-Pommery Monopole and its subsidiaries referenced in this Universal Registration Document, and information pertaining to each of the two financial years preceding the filing of this Universal Registration Document, as well as the Annual Reports and Registration Documents since 2010, quarterly reporting and all regulated information) may be consulted, for as long as they are valid, in the Finance Department at the head office of Vranken-Pommery Monopole located at 5, place Général Gouraud, 51100 Reims and, where available, online at www.vrankenpommery.fr.

Some of these documents may also be consulted on the website of the French Financial Markets Authority (AMF): www.amf-france.org.

The information on this site is not part of the Universal Registration Document.

1.2 Group structure

1.2.1 Simplified organisational chart of the Group at 31 DECEMBER 2022



Maisons (Champagne, Porto, Camargue and Provence)

VRANKEN-POMMERY PRODUCTION	This company manages the Group's entire Champagne production.
POMMERY	Vranken-Pommery Production pays this subsidiary a fee under the management lease for the business of producing, manufacturing and marketing wines, champagnes and spirits, granted with effect from 1 January 2011.
CHAMPAGNE CHARLES LAFITTE	Vranken-Pommery Production pays this subsidiary a fee under the lease-management agreement of 1 January 2009.
HEIDSIECK & C° MONOPOLE	Vranken-Pommery Production pays this subsidiary a fee under the production licence agreement of 1 January 2008.
ROZÈS S.A.	This 99.99%-owned subsidiary produces the Group's Ports and Douro wines. Rozès SA also distributes the Group's other products in Portugal.
GRANDS DOMAINES DU LITTORAL	This subsidiary manages vineyards and makes Château and Domaine wines.

Marketing subsidiaries

VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GmbH VRANKEN POMMERY BENELUX CHARBAUT AMERICA Inc. VRANKEN-POMMERY MONOPOLE U.K. Ltd VRANKEN-POMMERY SUISSE VRANKEN-POMMERY JAPAN VRANKEN POMMERY ITALIA VRANKEN-POMMERY AUSTRALIA	These subsidiaries are the backbone of foreign distribution and all help grow the sales of all the products marketed by the Group. The return on an investment in a subsidiary is seen not only in the subsidiary's results, but also in the Group's exports to the country in question. This flexible structure allows the Group to adapt to the demands and specific nature of the market in question.

Winegrowing subsidiaries

VRANKEN-POMMERY VIGNOBLES B.M.T. VIGNOBLES SAS LALLEMENT SAS DES VIGNOBLES VRANKEN SC DU PEQUIGNY SC DOMAINE DU MONTCHENOIS	The Group sources much of its grapes from its French winegrowing subsidiaries.
QUINTA DO GRIFO	This wholly-owned subsidiary of Vranken-Pommery Monopole is responsible for the winegrowing activities in Portugal, including the Quinta Do Grifo, Quinta Veiga Redonda (Anibal) and Quinta Da Canameira vineyards.

Acquisitions of new shareholdings and increases in existing shareholdings

In accordance with the law, we hereby inform you that the Company did not acquire any new shareholdings and did not increase its existing shareholdings during the financial year ended 31 December 2022.

1.2.2 Types of financial flows between Group companies

	VRANKEN-POMMERY MONOPOLE	VRANKEN-POMMERY PRODUCTION	POMMERY	CHAMPAGNE CHARLES LAFITTE	HEIDSIECK & CO MONOPOLE	VRANKEN-POMMERY VIGNOBLES	BMT
VRANKEN-POMMERY MONOPOLE		Administrative services/ Brokering contract/Real estate leasing/ Cash/Tax consolidation/VAT agreement	Administrative services Cash/Tax consolidation/ VAT agreement	Administrative services Cash/Tax consolidation/ VAT agreement	Administrative services Cash/Tax consolidation/ VAT agreement	Administrative services/ Training/Guarantee fees/ Cash/Tax consolidation/VAT agreement	Administrative services Cash Tax consolidation
VRANKEN-POMMERY PRODUCTION	Administrative services/ Brokering contract/Real estate leasing/ Cash/Tax consolidation/VAT agreement		Lease-management fee	Lease-management fee	Production licence fee Real estate leasing	Real estate leasing/ Pressing/Vinification/ Grape & wine trading/Guarantee fees	Grape & wine trading/ Pressing/Vinification/Real estate leasing
POMMERY	Administrative services Cash/Tax consolidation/ VAT agreement	Lease-management fee					
CHAMPAGNE CHARLES LAFITTE	Administrative services Cash/Tax consolidation/ VAT agreement	Lease-management fee					
HEIDSIECK & CO MONOPOLE	Administrative services Cash/Tax consolidation/ VAT agreement	Production licence fee Real estate leasing					
VRANKEN-POMMERY VIGNOBLES	Administrative services/ Training/Guarantee fees/ Cash/Tax consolidation/VAT agreement	Real estate leasing/ Pressing/Vinification/ Winegrowing services/ Grape & wine trading/ Guarantee fees					
BMT	Administrative services Cash Tax consolidation	Grape & wine trading/ Pressing/Vinification Real estate leasing					
SAS DES VIGNOBLES VRANKEN	Administrative services Cash Tax consolidation	Grape & wine trading/ Pressing/Vinification					
SAS RENE LALLEMENT	Administrative services Cash Tax consolidation	Grape & wine trading/ Pressing/Vinification Real estate leasing					
GV COURTAGE	Administrative services Cash/Tax consolidation/ VAT agreement	Commissions					
SC DOMAINE DU MONTCHENOIS	Administrative services Cash	Grape & wine trading/ Pressing/Vinification					
SC DU PEQUIGNY	Administrative services Cash Tax consolidation	Grape & wine trading/ Pressing/Vinification					
SCI LES ANSINGES MONTAIGU	Administrative services Cash Tax consolidation	Grape & wine trading/ Pressing/Vinification/ Real estate leasing/ Land rent					
SCI DES VIGNES D'AMBRUYERE	Administrative services Cash Tax consolidation	Real estate leasing					
GDL	Administrative services/ Brokering contract/Receptions/ Seminars/Provision of personnel/Cash/Tax consolidation/VAT agreement	Storage and transport services		Brand licensing fees			
VPHV	Administrative services Training/General contractor services for garden maintenance + Castaignes	Real estate leasing/Pressing services/ Transport/Vat room/General contractor services for outdoor maintenance/Partner support/Winegrowing services/Picking				Real estate leasing Winegrowing services/ Picking	Real estate leasing Winegrowing services/ Picking
AFC	Receptions/Provision of personnel/ Bottle sales/Current account interest						

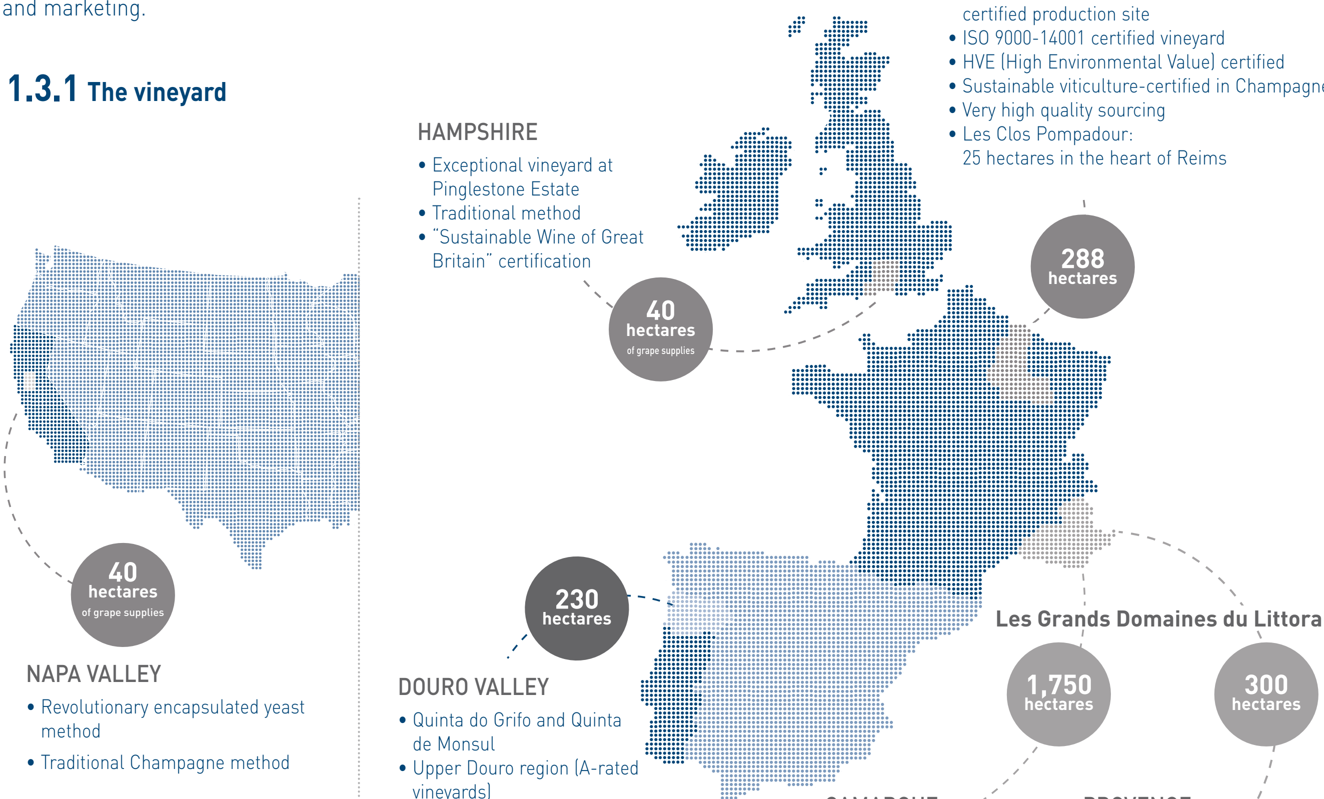
SAS DES VIGNOBLES VRANKEN	SAS RENE LALLEMENT	GV COURTAGE	SC DOMAINE DU MONTCHENOIS	SC DU PEQUIGNY	SCI LES ANSINGES MONTAIGU	SCI DES VIGNES D'AMBRUYERE	GDL	VPHV	AFC
Administrative services Cash Tax consolidation	Administrative services Cash Tax consolidation	Administrative services Cash/Tax consolidation/VAT agreement	Administrative services Cash	Administrative services Cash Tax consolidation	Administrative services Cash Tax consolidation	Administrative services Cash Tax consolidation	Administrative services/ Brokering contract/Receptions/ Seminars/Provision of personnel/Cash/Tax consolidation/VAT agreement	Administrative services Training/General contractor services for garden maintenance + Castaignes	Receptions/ Provision of personnel/ Bottle sales/Current account interest
Grape & wine trading/Pressing/ Vinification	Grape & wine trading/Pressing/ Vinification/Real estate leasing	Commissions	Grape & wine trading/Pressing/ Vinification	Grape & wine trading/Pressing/ Vinification	Grape & wine trading/ Pressing/Vinification/ Real estate leasing/ Land rent	Real estate leasing	Storage and transport services	Real estate leasing/Pressing services/ Transport/Vat room/General contractor services for outdoor maintenance/ Partner support/Winegrowing services/Picking	
							Brand licensing fees		
								Real estate leasing Winegrowing services/ Picking	
								Real estate leasing Winegrowing services/ Picking	
								Winegrowing services/ Picking	
								Winegrowing services/ Picking	
								Real estate leasing Winegrowing services/ Picking	
Winegrowing services/ Picking	Winegrowing services/ Picking				Real estate leasing Winegrowing services/ Picking				

1.3 Overview of the Group's business

From vine to wine

Vranken-Pommery Monopole is all about great wine, root and branch, from growing the grapes to making the wine to distribution and marketing.

1.3.1 The vineyard



NAPA VALLEY

- Revolutionary encapsulated yeast method
- Traditional Champagne method

HAMPSHIRE

- Exceptional vineyard at Pinglestone Estate
- Traditional method
- "Sustainable Wine of Great Britain" certification

DOURO VALLEY

- Quinta do Grifo and Quinta de Monsul
- Upper Douro region (A-rated vineyards)
- 130 hectares in conversion to organic
- IFS Food

CHAMPAGNE

- ISO 9001, 14001 and 22000 and IFS Food certified production site
- ISO 9000-14001 certified vineyard
- HVE (High Environmental Value) certified
- Sustainable viticulture-certified in Champagne
- Very high quality sourcing
- Les Clos Pompadour: 25 hectares in the heart of Reims

Les Grands Domaines du Littoral

CAMARGUE

- All organic or in conversion to organic
- "Franc de pied" Grenache (ungrafted vines)
- Night harvesting
- Natura 2000-classified area

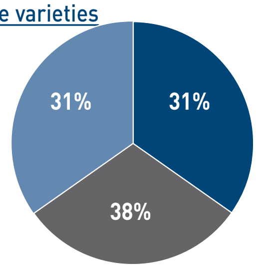
PROVENCE

- All organic
- Selection of plots for vinification
- Night harvesting for freshness

Champagne, the name of a PDO (protected designation of origin, or appellation d'origine contrôlée) wine and region with 34,000 hectares under vine whose hillsides, houses and cellars are a UNESCO World Heritage Site.

Breakdown of grape varieties

Meunier (mostly in Vallée de la Marne)
- good for ageing

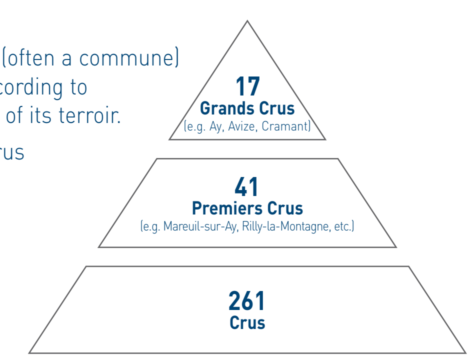


Chardonnay (mostly in Côte des Blancs)
- freshness, acidity, liveliness

Pinot Noir (mostly in Montagne de Reims)
- roundness, sweetness

Cru scale

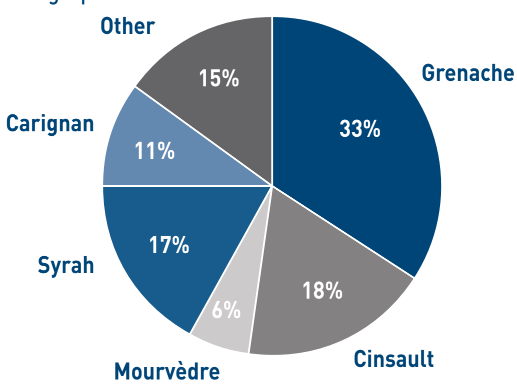
- Cru: a vineyard (often a commune) ranked according to the quality of its terroir.
- There are 319 crus in Champagne



Château la Gordonne (est. 1652), Côtes de Provence PDO

Provence's vineyards cover 26,680 hectares and produce three protected designation of origin wines (including the Côtes de Provence PDO), of which 89% are rosés, 7% are reds and 4% are whites.

Provence grape varieties



Domaine Royal de Jarras; Sable de Camargue PGI

Domaine Royal de Jarras is entirely organic, making it one of the largest organic vineyards in Europe.

Sables de Camargue is a PGI (protected geographical indication) wine whose vines are grown on sandbanks and which mainly comes in the form of "gris" or "gris de gris" (types of rosés).

An application was filed with the European Commission on 31 May 2022 to register the "Sable de Camargue" PDO with the aim of promoting local know-how.

Camargue grape varieties

- Gris de gris is made only from light-skinned grape varieties such as Grenache Gris
- Gris is made from black- and light-skinned grape varieties (e.g. Grenache Noir or Gris, Cinsault, etc.)
- Camargue also produces red and white wines
- Some vineyards contain ungrafted, original "Franc de pied" vines, which are old vines that survived the phylloxera outbreak
- The conversion to organic agriculture is well underway at the Domaine Royal de Jarras vineyards

Rozès, São Pedro das Aguias and Quinta do Grifo Porto PDO

The Douro produces two protected designation of origin wines, Douro PDO for still wines and Porto PDO for port wines (fortified with grape spirit).

Douro Valley grape varieties

- Red wines are made from Touriga Nacional, Touriga Francesa, Tinta Roriz and Tinto Cão, among others
- White wines are made from Viosinho, Malvasa Fina, Rabigato and Gouveio, among others

1.3.2 Industrial activity

1.3.2.1 Winemaking

CHAMPAGNE

HARVESTING: manual only.
From August to September depending on the year.

PRESSING: After sorting, the grapes are squeezed using different presses to obtain grape must.

FERMENTATION: Transformation of sugar into alcohol.

MALOLACTIC FERMENTATION: (optional) transformation of malic acid into lactic acid to make the wine more supple, more in keeping with our house style.

ASSEMBLAGE: Grape varieties, crus, wines of the year and/or reserve wines (Brut Sans Année) are blended.

TIRAGE: bottling with the addition of the liqueur de tirage to trigger the setting of bubbles in the bottle.

AGEING: Brut Sans Année: at least 15 months. Vintage: minimum 3 years. Constant temperature and humidity.

RIDDLING: The bottles are shaken to dislodge the deposit from the body to the neck, by hand or using automatic gyropalettes.

DISGORGEMENT: The deposit (dead yeast cells), which has been trapped in an ice plug, is ejected under pressure before the dosage liqueur is added.

LABELLING & SEALING: The bottles are labelled and capped on the packaging line.

FINAL AGEING: Time between disgorgement and shipping to harmonise the liqueur and the wine.

TASTING: After shipping and distribution, it's time to taste the wine.

PROVENCE

HARVESTING: Manual or mechanical.
Night harvesting when the grapes are most flavourful.

PRESSING: The grapes are squeezed using pneumatic presses, which apply gentler pressure (selection of the finest wines (têtes de cuvée)).

SETTLING: The grape must is clarified by separating the suspended solids from the liquid.

FERMENTATION: Yeast turns sugar into alcohol at low temperature in stainless steel vats for 15 days or so.

ASSEMBLAGE: The winemaker blends different grape varieties.

MATURATION: Stainless steel vats or concrete eggs.

Ageing on lees can make a wine rounder and smoother.

BOTTLING: Once filtered, the wine is bottled and labelled with the required legal information.

TASTING: Once the rosé wine has been shipped, it's time for tasting.

CAMARGUE

HARVESTING: Manual or mechanical.
Night harvesting when the grapes are most flavourful.

PRESSING: Draining (various presses from the grape must).
The grapes are squeezed using pneumatic presses, which apply gentler pressure (selection of the finest wines (têtes de cuvée)).

SETTLING: The grape must is clarified by separating the suspended solids from the liquid.

FERMENTATION: Yeast turns sugar into alcohol at low temperature in stainless steel vats for 15 days or so.

ASSEMBLAGE: The winemaker blends different grape varieties.

MATURATION: Stainless steel vats.
Ageing on lees can make a wine rounder and smoother.

BOTTLING: Once filtered, the wine is bottled and labelled according to the law.

TASTING: Once the rosé wine has been shipped, it's time for tasting.

VINS DE PORTO

HARVESTING: Vineyard terraces are harvested by hand between August and September.

CRUSHING: The grapes are crushed by a crusher that reproduces foot treading.
Maceration increases skin contact and thus enhances the colour of the wine.

FERMENTATION: Yeast turns sugar into alcohol.

FORTIFICATION: Grape spirit is added to the wine to stop fermentation.

All Port wines undergo these first four stages. Port wine comes in three categories based on how long the wine is aged, at what stage of fermentation it is fortified and which grape varieties are used:

RUBYS (fruity wines)	**TAWNYS** (oxidised wines)	**BLANCS** (dry to sweet depending on duration of fermentation)
Ageing in large casks and stainless steel vats	Ageing in oak barrels	Aged in stainless steel vats or small oak casks or barrels
Ruby: 3-5 years **Ruby Réserve:** superior quality **Late Bottled Vintage or LBV:** vintage that ages 4 to 6 years in casks or stainless steel vats + glass bottles **LBV Unfiltered:** unfiltered wine **Vintage:** vintage that ages 2 to 3 years in casks or stainless steel vats + glass bottles	**Tawny:** 3-5 years **Tawny Réserve:** at least 6 years **With an indication of age:** 10, 20, 30 or 40 years (average age of a multiple-year blend) **Colheita:** vintage	**Branco:** 3-5 years **Branco Réserve:** at least 6 years **Branco Extra-Dry:** less than 40g/l **With an indication of age:** 10, 20, 30 or 40 years (average age of a multiple-year blend) **Colheita:** vintage

1.3.2.2 The Group's industrial facilities

REIMS WINERY IN CHAMPAGNE
Historical heritage of the 19th century

- Surface area: 10,000 m² of production facilities and 18 km of cellars.
- Storage capacity: 25,000,000 bottles in Gallo-Roman galleries and chalk pits.
- A world-class winery with:
  - a tirage line with a capacity of 15,500 bottles/hour
  - a special transfer/disgorging line unique in Champagne
- A central laboratory and a Research & Development Department.
- A modern vat room integrated into traditional buildings with a capacity of 105,000 hl.
- A standard disgorging line with a capacity of 7,000 bottles per hour.

Pommery champagne production site.

THE TOURS-SUR-MARNE WINERY
IN CHAMPAGNE

- Surface area: over 55,000 m² of fully automated high-tech equipment.
- Capacity: 25,000,000 bottles.
- World-class production equipment:
  - 10 production lines (2 for disgorgement, 1 for tirage and 6 for all of the Group's brands);
  - labelling and sealing lines;
  - 1 vat room with a capacity of over 80,000 hl.

This is where the Pommery, Vranken, Demoiselle, Diamant, Charles Lafitte and Heidsieck & Co Monopole champagnes are made.

AIGUES-MORTES WINERY IN CAMARGUE

Domaine Royal de Jarras west of Aigues-Mortes
- Surface area: 10,000 m².
- Capacity: 10,000,000 bottles of rosé wines.

Domaine du Bosquet south of Aigues-Mortes
- Surface area: 4,300 m².
- Capacity: 5,000,000 bottles of sparkling wines.

Modern and efficient production equipment
- 8 pneumatic presses.
- A labelling, sealing and packaging line able to handle 8,000 bottles/hour.
- 1 vat room with a capacity of 240,000 hl.

From this most unlikely of vineyards, grown on sand between sea, lagoon and salt marsh, we create the finest wines (tête de cuvée) made solely from unpressed free-run juice.

CAMBRES WINERY
IN LAMEGO (PORTUGAL)

- Surface area: 7,500 m².
- Capacity: 3,000,000 bottles of Port and Douro wines.

Modern and efficient production equipment
- Stainless steel vats and variously sized casks and barrels with a combined capacity of about 44,000 hl.
- Able to handle all stages of the process from receiving the grapes to labelling & sealing and shipping the bottles.
- Vinification hall able to receive up to 80,000 kg of grapes a day.
- 2 labelling & sealing lines able to bottle or label & seal 7,000 bottles/hour.

This is where vinification takes place for the Rozès, Terras do Grifo and São Pedro das Aguias wines in the heart of the Douro Valley.

1.3.3 Research & Development

The Group's R&D Department works in the area of applied research with a triple focus on Research, Development and Innovation.

This Department is coordinated by a Chief Innovation Officer and has been led since 2018 by a project manager with a PhD. The project manager reports to the Group's Cellar Masters and Vineyard Managers and leads experiments in research areas defined jointly with General Management. She is responsible for monitoring technical and scientific developments, and her work ranges from translating the Group's needs to conducting field trials for current experiments and multi-year research programmes. She serves as the liaison between the Group's various entities by coordinating cross-functional research projects in the various vineyards. Working in a cross-disciplinary team, the Group's technicians, winemakers and agricultural engineers employ various specialised tools to do their research, for instance modern in-house laboratories capable of Fourier-transform infrared spectroscopy, enzyme analysis and spectrophotometry; experimental vats; and vineyard parcels used just for testing (e.g. fitted with sprayers).

Drawing on a vast network of national and international scientific partners made up of trade organisations, chambers of agriculture, research institutes, technical centres and universities, the Group tracks the leading research in the industry and follows the latest scientific and technological developments.

Wishing to respond to the new economic, social and environmental challenges we face, our Research & Development strategy aims to maintain the Group's technological advantage, adapt to changes in our environment (climate change), find innovative and technical solutions to accelerate the energy transition (zero carbon project) and, more generally, solve ad hoc technical problems identified as factors for improvement.

All R&D comes under the Group's Quality Policy with a view to guaranteeing customer satisfaction and food safety, as well as the continuous improvement of all our processes and products. This strategy is also based on the implementation of a Hazard Analysis Critical Control Point (HACCP) approach, which has led to risk analyses being conducted in all Group companies. The strategy is monitored, supplemented and improved from year to year.

At the same time, the Group's in-house laboratories ensure compliance with winegrowing and winemaking rules and make sure all job requirements are observed.

The R&D Department's main themes, defined for the 2022 financial year, meet the Company's needs in a variety of areas. Some are cross-functional at the Group level. We have been working for several years on harvest quality (BestQuali project) and on reducing the use of sulphites (Sulfiless project). Our viticulture projects focus on issues related to vineyard yield and decline (VitiTaille and FertiVigor projects), research into alternatives to herbicides (soil conservation techniques, RésiVIGNE project) and the stimulation of the vine's natural defences (biocontrol and UVs – VitiSTIM project).

Research on biological pest control in viticulture led to the filing of two patents (Biogel project). Since the end of 2018, we have also been working to develop precision viticulture in an effort to automate arduous and time-consuming tasks and reduce the use of phytopharmaceutical products. In particular, we are collaborating with a consortium of experts via two European research projects (Ai4Di (Artificial Intelligence for Digitizing Industry) and EdgeAI (Edge AI Technologies for Optimised Performance Embedded Processing)), with the aim of incorporating artificial intelligence methods into our processes through the use of sensors (one patent filed). As we also seek to preserve our heritage, we are interested in the development of solutions to control the growth of biofilms on cellar bas-reliefs (MBioChalk project) and in the need for changes to the legal framework for appellations, which are threatened by climate change. Our CC-AOP-Syst project thus aims to study the impact of climate change on nearly 200 specifications through thesis work alongside our university partner.

The Group has thus submitted 10 areas of research for the French research tax credit scheme (CIR).

At the other end of the production chain, the Group is constantly looking to improve its packaging, marketing and logistics. This work is undertaken by the Company in conjunction with specialised engineering offices. Three Group employees have been assigned to this area of research.

Over the course of 2022, the Company incurred total research and collection expenses of €45,308, making it eligible for a research expense tax credit of €13,592.

1.3.4 The market

The Vranken-Pommery Monopole Group is active in three main markets:

- the Champagne market,
- the Port market,
- the Wine market.

In a particularly complex economic environment, French exports of wines and spirits have continued to grow. Driven by the resurgence in inflation, revenue rose 10.8% to an unprecedented €17.2 billion.

- The balance of trade improved accordingly; results were positive at €15.7 billion (up 10.3%). The wine and spirits sector was once again confirmed as having the second-largest trade surplus in France.
- Volumes sold returned to their pre-Covid level at 195 million cases (-3.8% year on year) for two reasons: the low availability of still wines due to the 2021 frost (-9.0%) and geopolitical and logistics tensions.

- While some countries continue to be affected by the consequences of Covid (mainly China), most markets are seeing renewed wine and spirit export momentum.

FEVS - Press kit - Exports of French wines and spirits in 2022, February 2023

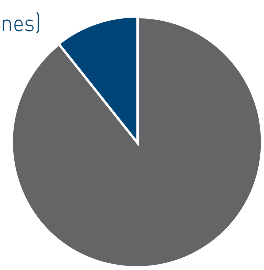
2022	Volume*	Change	Value	Change
	(x1,000 cases)	(as %)	(in €m)	(as %)
TOTAL WINES	**135,380**	**-6.6**	**11,611**	**10.2**
of which Champagne	15,418	8.5	4,214	20.0
PDO still wines	55,722	-6.0	5,598	6.0
PGI still wines	34,951	-10.9	902	-0.3
French varietal wines without geographical indication			9,724	-9.9
			264	8.6
French non-varietal wines without geographical indication			8,156	-18.1
			162	5.5
TOTAL VERMOUTHS & WINE-BASED APERITIFS		**3,757**	**20.9**	**121**
32.0				
TOTAL SPIRITS	**55,737**	**2.2**	**5,452**	**11.6**
TOTAL WINES & SPIRITS	**194,874**	**-3.8**	**17,183**	**10.8**

**Wines: cases of 12 bottles, i.e. 9 l - Spirits: cases of 12 bottles, i.e. 8.4 l at 40% vol.*
Source: FEVS - Press kit - Exports of French wines and spirits in 2022, February 2023

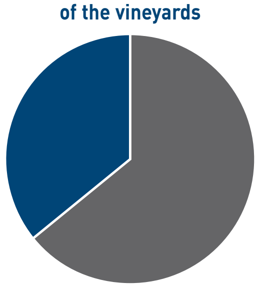
1.3.4.1 The Champagne market

A limited area:

- 34,300 hectares
- 3 regions: Grand Est, Hauts-de-France, Île-de-France
- 5 French "departments": Aube, Aisne, Haute-Marne, Marne, Seine-et-Marne
- 319 crus (communes)



Winegrowers operate 90% of the vineyards



The Maisons ship close to 2/3 of the volumes

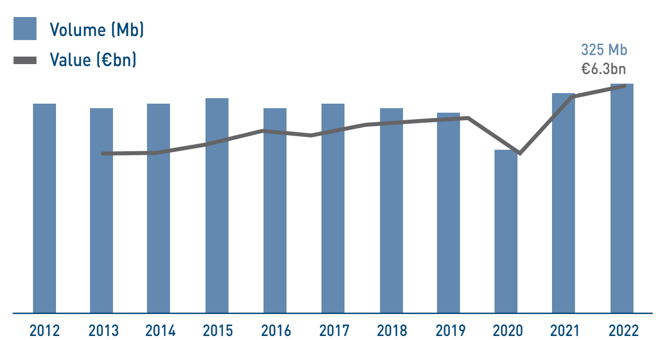
The Maisons de Champagne and their leading brands (Grandes Marques) account for nearly two-thirds of Champagne's sales by volume and three-fourths of total revenue. The organisation of the Champagne region can be seen as a unique model of success in the French wine industry. The principle established in the 19th century of having the winegrowers and Maisons de Champagne co-manage the segment continues to be refined to make it an efficient tool for promoting excellence in Champagne.

The sector's organisation is based on:

- a careful balance maintained by the Comité Champagne (the interbranch organisation);
- lasting relations between players in the market, mostly based on long-term supply contracts (five years) or operating leases;
- high-quality reserves assembled at each harvest to cushion the impact of poor harvests;
- tight control over changes in grape prices starting 10 years ago.

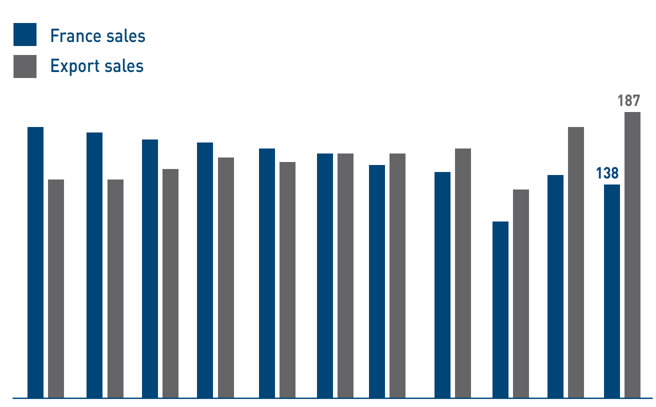
Comité Champagne circular no. 1712 of 22 August 2022 set the usable yield for the 2022 harvest at 12,000 kg of grapes per hectare, versus a usable yield in 2021 in the Champagne appellation of 10,000 kg of grapes per hectare.

Champagne shipments by volume and value in 2022:



Source: Comité Champagne, March 2023

Domestic and export shipments of Champagne in millions of bottles



Source: Comité Champagne, February 2023

Total Champagne shipments in 2022 amounted to 326 million bottles, up by 1.6% compared to 2021.

After an excellent 2021, these results confirm the overall strength of the Champagne market in both volume and value terms. The value of shipments thus exceeded €6 million for the first time.

France, at 138.4 million bottles, was down by a slight 1.7%.

Exports, at 187.5 million bottles, increased by 4.3% year on year and confirmed their dominance relative to the domestic market. The share of exports in total sales has risen from 45% 10 years ago to just over 57% today.

Maxime Toubart, Chairman of the Syndicat Général des Vignerons and Co-Chairman of the Comité Champagne, was "pleased with this performance, which rewards our efforts to ensure Champagne remains an exceptional wine".

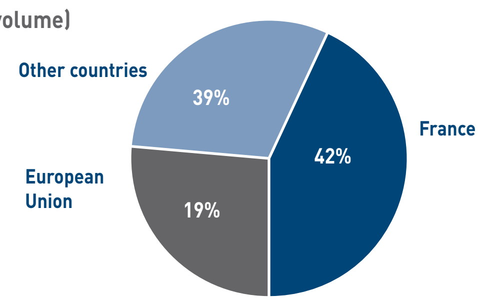
David Chatillon, Chairman of the Union des Maisons de Champagne and Co-Chairman of the Comité Champagne, commented that "Champagne, the wine for every celebration, was the natural choice for consumers around the world who were overjoyed to see the end of the lockdowns and were once again eager to have some fun, go out and travel".

The 2022 results confirmed that Champagne, which recovered quickly from the shock of the 2020 health crisis, continues to hold a special place in consumers' hearts and minds. In addition, the sunny 2022 harvest, which was extraordinary in terms of quantity and quality, will help rebuild inventories to meet market demand. While caution on the 2023 outlook may be warranted due to the global economic and geopolitical environment, those who work in the Champagne industry remain confident in its fundamentals.

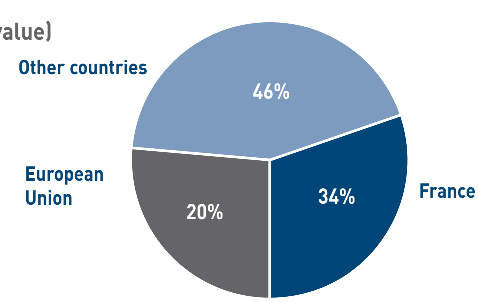
Source: Comité Champagne, Champagne shipment press release of 18/01/23

Champagne shipments in 2022 by end-market:

(by volume)



(by value)



Source: Comité Champagne.

Top 10 export markets by volume and value:

Rank	Country	2022 Volumes (in thousands of bottles)	Revenue (in thousands of euros)
1	United States	33,720	946,988
2	United Kingdom	28,062	548,955
3	Japan	16,574	432,189
4	Italy	10,609	247,906
5	Germany	12,239	245,150
6	Australia	10,532	188,314
7	Belgium	10,269	179,756
8	Switzerland	6,366	145,350
	Chinese world (China, Hong Kong, Taiwan)	3,833	122,915
9	Spain	4,907	115,415
10	Canada	3,497	97,682

Source: Comité Champagne, Report no. 050 - Export statistics by country - Volumes and values 14/03/23

All the countries in the top 10 markets, excluding the Chinese world which did not resume imports until July 2022, recorded double-digit revenue growth.

Most other countries worldwide also grew dramatically, such as Mexico, which is the 15th-largest importing country at 2.3 million bottles (+68.2%), for a value of €53 million (+143.4%).

Shipments to Qatar also increased sharply. Looking at the figures, it is clear that there really was a World Cup effect with 624,000 bottles shipped, i.e. a 157.8% increase, for €13.3 million (+149.4%). This effect was also seen in the neighbouring sultanate of Oman, with 23,000 bottles shipped (+2859%) for €347,000 (+684.2%), and in the Kingdom of Bahrain, with 30,000 bottles shipped (+97.4%) for €566,000 (+94.6%).

The sharpest declines in shipments in 2022 were due mainly to the ongoing conflict in Eastern Europe (-57.3% by volume in Ukraine, -81.4% in Russia, -71.8% in Belarus).

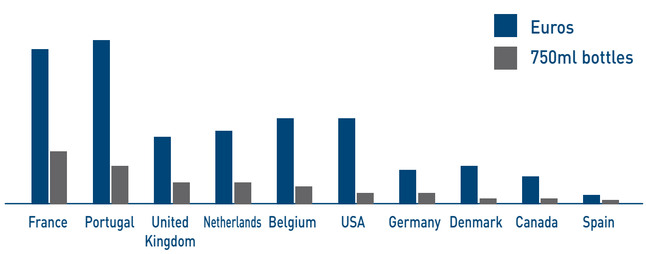
Source: La Champagne de Sophie Claeys – USA, Mexico, Qatar, Russia..... increases and decreases in champagne shipments in 2022 (volumes and revenue) - 16 March 2023

1.3.4.2 The Port market

For several centuries the vines grown on the schist hills of the Douro Valley in Portugal have yielded port wine. Port is one of Portugal's iconic products with an international following. In 2022 sales reached 10,329,498 750ml bottles, representing €380,665,379 in revenue.

France is the leading consumer and importer of port wines by volume.

Port market by value (€m) and volume (Mb) in 2022:



Source: Institut Mondial des Vins de Porto, 2023

1.3.4.3 The Wine market

Despite a slight decline in 2019 (-1%), global consumption of rosé wine has increased over the long term.

Rosé consumption reached 23.6 million hectolitres in 2019, a 23% increase relative to global consumption in 2002.

Nielsen panels indicate that sales of still wines in supermarkets fell by 5.3% in 2022 versus 2021. Red wines fell by 8.2%, while white wines were down 6.5% and rosé wines were up 0.7%: "the French gave wine the cold shoulder in 2022", according to Nielsen.

Source: Rosé Wines World Tracking – 2021 Rosé Wine Barometer, and Vitisphère, 18/01/2023

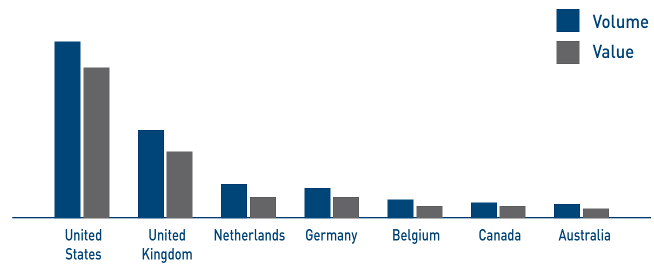
Top 10 rosé wine-consuming countries per capita:

Country	Rosé consumption in 2019 (l/capita > 15 years old)
France	15.1
Uruguay	9.7
Cyprus	5.2
Belgium	5.1
Switzerland	5.1
Denmark	3.4
Portugal	3.0
Hungary	2.7
Germany	2.4
Netherlands	2.4

- 9 of the top 10 consumers of rosé wines are European.
- France is by far the world leader in per capita consumption of rosé wine (15.1 l/capita/year).

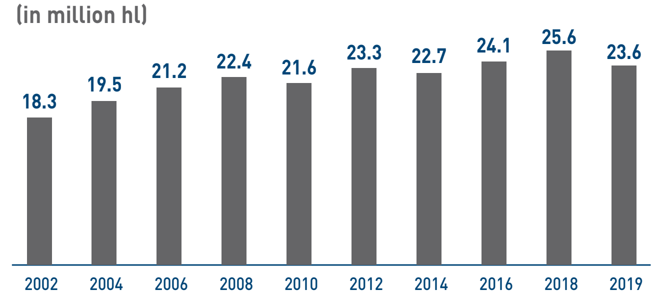
Source: Rosé Wines World Tracking – 2019 data. FranceAgriMer and Conseil Interprofessionnel des Vins de Provence (CIVP), 2021

Global consumption of Provence rosé wines: (in Mb and €m)

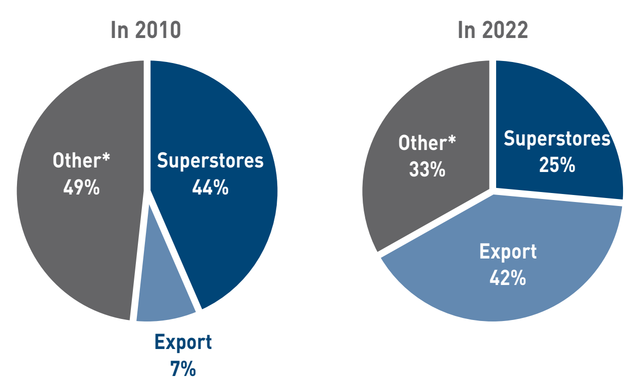


Source: Comité interprofessionnel des vins de Provence (CIVP), 2023

Worldwide consumption of rosé wine 2002-2019 (in million hl)



Source: Comité interprofessionnel des vins de Provence (CIVP), 2021



**Traditional channels (restaurants, hotels and cafés, wine shops, direct sales)*
Source: CIVP, Key figures – Provence rosé wine market – March 2023

1.3.5 The Group's brands and universe

Pommery Brut Royal, the elder statesman

Characteristics:

- Traditional champagne blend of Chardonnay, Pinot Noir and Meunier
- A selection of 40 crus
- A historic brand founded in 1836
- **Pommery:** creator of Brut in 1874
- **The essence of Pommery:** lively, fresh, refined
- **Tasting notes:** citrus, white flowers and small red berries
- Blue Pommery, also called Blue of France or Royal Blue, an emblematic and chic colour, easily identifiable

Pommery
Brut Rosé

Pommery
Grand Cru Vintage

Pommery
Royal Blue Sky

Cuvée Louise, the free spirit by Pommery

Characteristics:

- **Three Grands Crus:** Avize, Aÿ, Cramant
- A work of art in honour of Madame Pommery
- Brut, Brut Nature or Brut Rosé
- A dedicated, listed and demarcated vineyard
- The expression of a single year
- 15 years in the cellar
- Finesse and elegance
- **Tasting notes:** spicy and floral notes, ripe white-fleshed fruit

Cuvée Louise
Rosé 2004

Cuvée Louise
Nature 2006

Vranken Diamant, a unique champagne

Characteristics:

- Meticulous blend of Chardonnay and Pinot Noir
- Made mostly from grapes grown in Grands Crus and Premiers Crus
- A diamond shape for a gem of a wine
- A bottle design inspired by the straight lines of Art Deco
- Complexity, elegance, generosity
- Tasting notes: floral scents, fruity fragrance, sweet pastry on the tongue
- Matured for at least three years
- Bottle sizes ranging from Piccolo to Jeroboam

Diamant
Brut Rosé

Diamant
Blanc de Blancs

Diamant
Grand Cru Vintage 2014

Vranken Cuvée Demoiselle E.O. Finest wine (tête de cuvée), the aesthetic revolution in the world of Champagne

Characteristics:

- Vranken Cuvée Demoiselle E.O. Finest wine (tête de cuvée), the aesthetic revolution in the world of Champagne
- Blend predominantly of Chardonnay
- Finest wine (tête de cuvée): technique for extracting high-quality first-run juice
- Meticulous blend of quality grapes of exceptional origin
- First bottle with a special shape dedicated to a brut in Champagne
- Matured for at least three years
- The essence of Demoiselle: freshness, finesse, pleasure
- A light and airy wine

Demoiselle
E.O. Brut

Demoiselle
E.O. Rosé

Demoiselle
E.O. Sweet

Blue Top, the evergreen

Characteristics:

- Traditional blend: Chardonnay, Pinot Noir, Meunier
- A historic brand created in 1785
- An international brand
- **Matured** for at least three years
- **The essence of Heidsieck & Co Monopole:** big, round, complex
- **Tasting notes:** peach, white flowers

Red Top

Rosé Top

Gold Top

Pink Flamingo Gris, the heart of the Camargue

Characteristics:

- Blend of Grenache, Cinsault
- **Gris (a type of rosé):** Made from grape varieties that are light-skinned when ripe and produce very pale wines
- Direct pressing without maceration
- **Finest wine (tête de cuvée)** made solely from unpressed free-run juice
- **Tasting notes:** small red berries, peach, apricot, exotic fruits
- Sable de Camargue: a Protected Geographical Indication (PGI)
- Sand-based vines that survived the phylloxera outbreak
- Night harvested to capture the flavour of the grapes
- The fruit of organic viticulture

Pink Flamingo
Gris de Gris

Pink Flamingo
Sparkling

Le Cirque des Grives, an elegant and refined rosé

Characteristics:

- Blend of Grenache and Cinsault
- Côtes de Provence Pierrefeu PDO
- Remarkable terroir
- Vinified and aged in 400-litre concrete eggs
- Night harvested to capture the flavour of the grapes
- Freshness, delicacy, sweetness
- Tasting notes: wild strawberries, vanilla

Le Cirque des Grives | Sémaphore | Les Planètes

THE CHÂTEAU LA GORDONNE TRIO

Quinta Do Grifo, a unique signature

Characteristics:

- Made from grapes grown in vineyard parcels in the Upper Douro
- Produced in a modern, world-class winery
- Very fruity and highly concentrated
- Made from grapes grown on vineyard terraces with ideal sun exposure
- A fine maturity resulting from the unique schist the vines grow in
- Tasting notes: flowers, black berries, vanilla

Terras Do Grifo Blanc

Rozès 10 years old, the expression of Rozès savoir-faire

Characteristics:

- Rozès 10 years old, the expression of Rozès savoir-faire
- Rich, elegant and generous Port wine
- It is the result of a rigorous selection of wines aged in barrels in our Vila Nova de Gaia cellars for 10 years
- Made from the best red grape varieties of the Douro Valley
- **Tasting notes:** walnuts, figs, raisins

Reserve

White Reserve

1.3.6 Distribution networks

Vranken-Pommery Monopole distributes all of the Group's products under brokering contracts:

- In France: through its France Sales Department, which comprises the on-trade and off-trade networks;
- Internationally: through its Export Division (direct export, travel retail and duty free) and its network of foreign subsidiaries:
  - Rozès S.A. in Portugal,
  - Vranken-Pommery Benelux in Benelux,
  - Vranken-Pommery Deutschland & Österreich GmbH in Germany and Austria,
  - Vranken-Pommery America (Charbaut America Inc.) in the United States and Canada,
  - Vranken-Pommery Suisse in Switzerland,
  - Vranken-Pommery Japan in Japan,
  - Vranken-Pommery Italia in Italy,
  - Vranken-Pommery Australia in Australia,
  - Vranken-Pommery UK in the United Kingdom.

International distribution network marketing the Group's brands:

The sales teams are split between three major distribution channels to best serve their corresponding customer bases:

- On-Trade Network (cafés, hotels, restaurants and wine shops in France)

Vranken-Pommery Monopole's longstanding prominence in cafés, hotels, restaurants and wine shops ensures the recognition and visibility of its brands with end consumers.

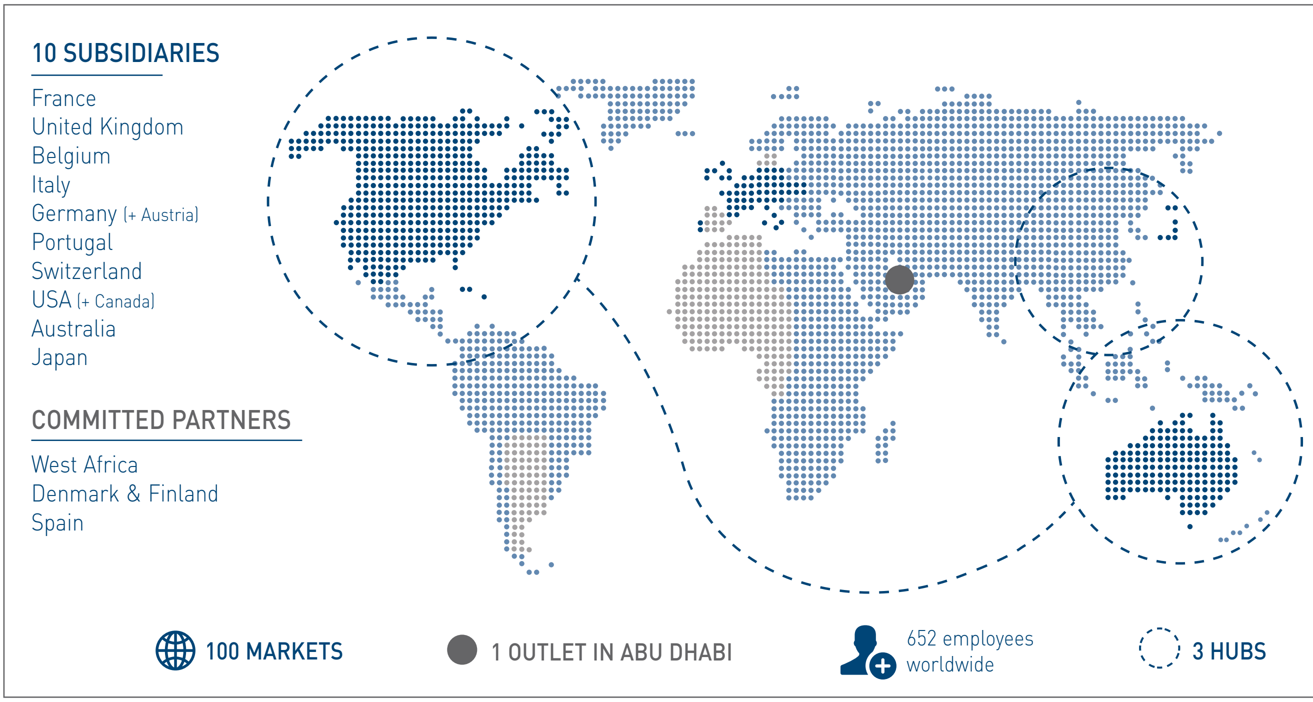
- Off-Trade Network (mass retail in Europe)

Vranken-Pommery Monopole has long served the off-trade market in France where it is one of the leading producers. Drawing on that expertise, this network also plays a role in negotiations with the European purchasing centres and thus bolsters its subsidiaries' positions in their domestic markets.

- Export

Vranken-Pommery Monopole's export strategy is based on a focused network of subsidiaries targeting the biggest Champagne consumers in the world. Markets that are not large enough to justify creating an international subsidiary are managed on a direct export basis. Lastly, travel retail and duty free are managed from the head office. The strategy's consistency and flexibility have enabled the Group to rapidly gain substantial market share. As a result, 67% of the Group's sales by volume are in Europe (excl. France), all networks combined.

International distribution network marketing the Group's brands:



**The Hub project in Singapore has been postponed due to the Covid-19 health crisis.*

Change in the breakdown of the three networks (as a % of Champagne sales revenue)

	2020	2021	2022
Export*	60%	67%	67%
Off-trade France	33%	25%	24%
On-trade France	7%	8%	9%

**Including Duty Free France.*

1.3.7 Competitive environment

The approximately one hundred Maisons de Champagne represented:

- two-thirds of revenue in 2021 (by major Maisons – 6 Groups – with revenue from "Champagne" in excess of €150 million); and
- over 85% of total exports (to 200 countries).

Their operations promote and enhance the prestige of that most illustrious of wines. The Maisons' revenue (including more than 65% exports) make a positive contribution to France's balance of trade. These Maisons account for almost 20% of the trade surplus of French wines and spirits, the second-highest positive balance after aeronautics. Today, exports account for 52% of total Champagne volumes.

More than four thousand employees at the Maisons de Champagne (with over five hundred in the vineyards) contribute to these results and enjoy more favourable working conditions dating back to 1936. This demonstrates the generosity the Maisons have always shown to their employees.

Ranking, from highest to lowest, of champagne producers by revenue reported to the CIVC for the previous calendar year (may differ from revenue published in the financial statements)

Shipper	Rank
MOËT HENNESSY (LVMH)	1
LAURENT PERRIER	2
VRANKEN-POMMERY MONOPOLE	3
LANSON – BCC	4
ROEDERER – DEUTZ	5
PERNOD RICARD (MUMM) - PERRIER JOUËT	6

Source: UMC, 2023

1.3.8 Strategy and outlook

Building on its momentum in 2022, the Group's revenue rose by 12.8% at end-March 2023. Based on the economic environment in France and abroad, as well as the outcome of its negotiations with key customers, the Vranken-Pommery Monopole Group is confident as it heads into 2023, as all income statement aggregates are expected to see further improvement.

After assessing all actions taken and in progress in the Group, the Mission Committee began the work of translating its "La Vérité du Terroir" Purpose into operating objectives over the course of 2022 and for the coming years.

The objectives of the Purpose have thus been grouped into four fundamental pillars:

- Biodiversity: act to preserve our ecosystems
- Environment: limit the impact of our activities and reduce the use of fossil fuels, mainly by developing renewable energies
- Heritage: act to preserve the natural and architectural heritage so it can be passed on to future generations under the best possible conditions
- Societal: adopt a global sustainable development strategy and invite all our stakeholders to uphold these values

The key performance indicators developed from these four fundamental pillars were defined by the Mission Committee and are currently undergoing an independent third-party audit. The Group has decided to pursue B Corp certification in 2023.

On the industrial front

Issues relating to food safety and the environment are ingrained in the management of all stages of Champagne production; this is reflected in the four certifications obtained: ISO 9001 (quality management system), ISO 14001 (for environmental protection), ISO 22000 (food traceability) and IFS (for food safety). Becoming a company with a mission (Société à mission) in 2021 gave Vranken-Pommery Monopole new impetus and it is only natural for the production units to be part of a global drive for decarbonisation. In order to continue to reduce its environmental impact, the Vranken-Pommery Monopole Group has decided to pursue its action plan and now wishes to focus on the transport and storage of its finished products, for both industrial flows and the customer distribution networks, and is thus the first group in the Champagne region to be part of the "Fret 21" approach. The temperature control required for our activities is also a real lever for the years to come. These objectives are taken into account in each of the Company's projects and in particular those aimed at improving working conditions: for example, the project to automate the placement of special bottles in gyropalettes was completed in 2022.

On the social front

In 2023, the Group will focus on developing its employer brand on various social media to attract the best candidates. It also intends to strengthen its relationships with schools by continuing to bring in work-study students and interns.

IT management system

The Group's IT strategy will be strengthened in 2023. The digitalisation of our company is a major component of our organisational strategy with, among others, the new electronic invoicing requirements. The year 2021 was marked by a project to digitalise our invoices, which resulted in a reorganisation of our document flow processing processes. In May 2022, a large-scale project to upgrade the SAGE X3 ERP was completed, with the aim of developing and optimising our processes through a more responsive, scalable and functional version of our ERP. The stated objective of the IT Department is to expand digitalisation to all of our company's flows and thus to continuously improve our internal processes by working jointly and collaboratively with the various departments to meet their needs. In 2022, we also rolled out a shared on- and off-trade CRM in France with the aim of standardising and more effectively monitoring our sales force to improve and optimise our customer relations. The aim is to expand this to our subsidiaries. Modern business intelligence tools are being rolled out to the Group's various business lines. The Group also acquired tools that help strengthen its cybersecurity. An EDR (endpoint detection and response) file analysis improvement tool and a supervision solution (PRTG Network Monitor) have been implemented. In 2023, we will roll out an ISO 27001-certified data backup solution, which will allow us to outsource our data with the assurance that they cannot be changed in the event of an attack.

1.4 Information on the share capital

1.4.1 Share capital

Vranken-Pommery Monopole's share capital at 31 December 2022 came to €134,056,275, divided into 8,937,085 fully paid-up shares with a par value of €15 each. Ordinary shares held in registered form for more than four years carry double voting rights. At 31 December 2022, the share capital comprised 6,494,149 shares with double voting rights and 2,384,825 ordinary shares, with treasury shares carrying no voting rights. The shares of Vranken-Pommery Monopole were listed on 3 April 1998 on the Second Marché of the Paris Stock Exchange and on 9 June 1999 on the Premier Marché of the Brussels Stock Exchange. They are traded by unit respectively under the following codes: ISIN FR0000062796 and ISIN NSCBE0002798.

1.4.2 Change in the share capital over the last five years

There have been no significant changes to the share capital in the past five years.

1.4.3 Statutory restrictions on the exercise of voting rights and share transfers or the clauses of the agreements brought to the attention of the Company in application of Article L. 233-11 of the French Commercial Code

In accordance with the law, please be aware that the voting rights attached to capital or dividend shares are proportional to the percentage of capital they represent. Accordingly, each share entitles the owner to one vote.

Shareholders may also vote by mail.

All shares that are fully paid-up and which are have been registered with the same Shareholder for at least four years have twice the voting right of shares that do not meet these conditions, in proportion to the share capital represented by the shares. If a share is converted to a bearer share or if its ownership is transferred, the aforementioned double voting right will be lost.

However, if the transfer of ownership is the result of a succession, liquidation of community property between spouses or inter vivos donation to a spouse or to a relative in the line of succession, the double voting right will be preserved and the aforementioned time periods will not be suspended. In addition, in the event of a capital increase by capitalisation of reserves, earnings or share premiums, double voting rights may be conferred on newly issued registered shares allocated as bonus shares to a Shareholder in proportion to the number of shares for which the Shareholder already has double voting rights.

The cancellation of double voting rights requires:

- a decision by all Shareholders at an Extraordinary General Meeting to amend the Articles of Association;
- the ratification of this decision by a Special Meeting of Shareholders with double voting rights, which must approve the cancellation by a two-thirds majority.

1.4.4 Direct or indirect holdings in the Company's capital pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code

By virtue of the Company's Articles of Association, in addition to the legal provisions applicable in such matters, any shareholder holding a fraction of at least 2.5% of the share capital or voting rights in the Company, or any multiple of this percentage, must inform the Company of their position. The information must be communicated to the Company within fifteen days by registered letter with acknowledgement of receipt sent to the head office. The reporting obligation also applies when each threshold is crossed downwards by a fraction of at least 2.5% of the capital or voting rights. In the event of failure to declare the crossing of thresholds under the aforementioned conditions, the shares or voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at Shareholders' Meetings, if the failure to declare has been identified and if one or more shareholders holding at least 5% of the share capital so request. This provision applies until the threshold crossed is equal to or greater than 35% without prejudice to the provisions of Article L. 233-7 of the French Commercial Code. However, since Compagnie Vranken owns 70.93% of the Company's share capital, as things stand the Company is protected from any risk of a hostile takeover. Vranken-Pommery Monopole did not receive any declarations of threshold crossings during the financial year ended 31 December 2022. In addition and to our knowledge, no person who is not a member of the administrative body holds, directly or indirectly, a percentage of the issuer's share capital or voting rights that must be notified to the Company.

1.4.5 List and description of the holders of any securities entailing special control rights

To date, there are no holders of securities of the Company with special control rights.

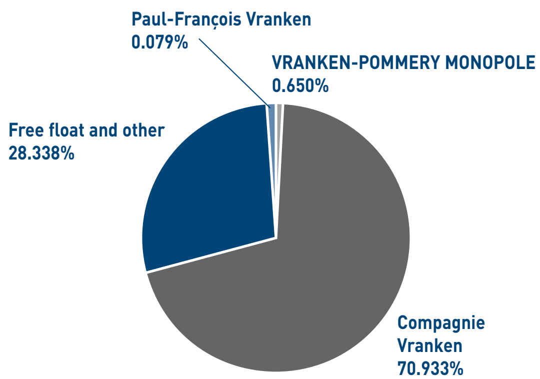
1.4.6 History of the share capital

Year	Incorporation/Capital increase	Par value/ share	Capital	Number of shares
04/10/1988	Incorporation by contribution in kind and in cash	€15.24	€3,048,980.35	200,000
30/11/1993	- 1st capital increase by contribution in kind and issue of 37,000 new shares	€15.24	€3,613,041.71	237,000
	- 2nd capital increase by incorporation of contribution premiums and by raising the par value of the shares	€41.92	€9,935,864.70	237,000
23/12/1994	Capital increase by incorporation of reserves and by raising the par value of the shares	€97.57	€23,123,466.93	237,000
26/12/1996	- 1st capital increase by contribution in kind and issue of 5,327 new shares	€97.57	€23,643,208.32	242,327
	- 2nd capital increase by incorporation of contribution premiums and by raising the par value of the shares	€100.01	€24,234,288.53	242,327
17/11/1997	- 1st capital increase by contribution in kind and issue of 16,973 new shares	€100.01	€25,931,699.80	259,300
	- 2nd capital increase by incorporation of contribution premiums and reserves	€114.33	€29,647,522.62	259,300
	- Decrease in the par value of the shares through a 10-1 stock split	€11.43	€29,647,522.62	2,593,000
14/04/1998	Capital increase by contribution in cash and issue of 947,370 new shares following the Company's listing on the Second Marché of the Paris Stock Exchange	€11.43	€40,479,444.53	3,540,370
01/07/2001	Capital increase for conversion into euros by incorporation of share premiums and by raising the par value of the shares	€15.00	€53,105,550.00	3,540,370
12/12/2002	Capital increase by contribution in cash and issue of 1,051,127 new shares	€15.00	€68,872,455.00	4,591,497
14/12/2005	Capital increase by contribution in cash and issue of 675,000 new shares	€15.00	€78,997,455.00	5,266,497
30/12/2009	Capital increase by contribution in cash and issue of 1,436,317 new shares	€15.00	€100,542,210.00	6,702,814
17/12/2012	Capital increase by contribution in cash and issue of 2,234,271 new shares	€15.00	€134,056,275.00	8,937,085

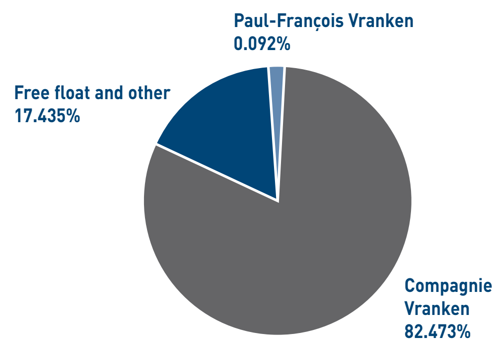
1.5 Shareholding

1.5.1 Breakdown of the share capital and voting rights at 31 December 2022

% of share capital:



% of total voting rights:



	As at 31/12/2022			As at 31/12/2021			As at 31/12/2020		
	Number of shares	% of capital held	% voting rights Number	Number of shares	% of capital held	% voting rights Number of shares	Number of shares	% of capital held	% voting rights Number of shares
Paul-François Vranken	7,100(*)	0.079%	0.092%	7,100(*)	0.079%	0.092%	7,100(*)	0.079%	0.092%
Compagnie Vranken (**)	6,339,306	70.933%	82.473%	6,339,306	70.933%	82.482%	6,339,306	70.933%	82.510%
Free float and other	2,532,568	28.338%	17.435%	2,533,119	28.344%	17.426%	2,533,226	28.345%	17.398%
Vranken-Pommery Monopole	58,111	0.650%		57,560	0.644%		57,453	0.643%	
TOTAL	**8,937,085**	**100.00%**	**100.00%**	**8,937,085**	**100.00%**	**100.00%**	**8,937,085**	**100.00%**	**100.00%**

(*) Shares held in registered form.
(**) As of 31 December 2022, Paul-François Vranken directly owned 99.99% of the Compagnie Vranken holding company.

Changes in the breakdown of the share capital in 2022:

	Start of the financial year	Reclassification of single voting rights/double voting rights	Issued	End of the financial year
Ordinary shares	2,445,226	-2,290	0	2,442,936
Shares with double voting rights	6,491,859	2,290	0	6,494 149
	8,937,085	**0**	**0**	**8,937,085**

There were no other significant changes to the Company's share capital breakdown during the financial year ended 31 December 2022.

1.5.2 Employee stock ownership

There were no employee stock ownership plans at 31 December 2022.

1.5.3 Shareholder agreements

The Company is not aware of any shareholder agreements that could inhibit the transfer of shares or the exercise of voting rights.

1.5.4 Treasury shares held by Vranken-Pommery Monopole

The Annual Combined Ordinary and Extraordinary General Meeting of 2 June 2022, under its sixth resolution and in order to proceed with the early renewal of the programme approved at the Annual Ordinary General Meeting of 3 June 2021, decided to authorise the Company to buy back its shares in accordance with Articles L. 22-10-62 and L. 22-10-34 of the French Commercial Code.

- Duration: 18 months, i.e. until 1 December 2023;
- Maximum purchase price per share: €37.5 (thirty-seven euros and fifty cents) excluding costs;
- Ceiling: 10% of the share capital;
- Commitment to use only 30% of this authorisation.

The share buyback programme was aimed at stabilising the share price and the transactions were carried out by an investment services firm. Accordingly, a liquidity agreement (in accordance with the Code of Ethics established by AMAFI) was entered into with Kepler Cheuvreux, for an initial period of twelve months; this contract could then be renewed automatically for additional twelve-month periods.

The purpose of this agreement was, in particular, to enhance transaction liquidity and stabilise the share price, and to avoid price discrepancies not justified by market trends.

During the financial year ended 31 December 2022 and as from 3 June 2022, the day after the General Meeting that renewed the programme for another eighteen months, the Company carried out the following transactions within the above-mentioned framework:

Number of shares purchased	**13,626**
Average purchase price	€16.71
Number of shares sold	12,404
Average selling price	**€16.90**

At 31 December 2022, the Company owned 58,111 treasury shares (including 14,744 under the liquidity agreement and 43,367 under the securities account custody agreement), for an overall value, at the stock market price, of €976,264.80, at €16.80 per share. The costs incurred stood at €30,000. Information on the use of the buyback programme during the period from 1 January to 31 December 2022:

Number of shares registered in the Company's name at 31/12/2021	**57,560**
Number of shares purchased during the 2022 financial year	30,772
Average price of shares repurchased in 2022	€17.33
Number of shares sold during the 2022 financial year	30,221
Average price of shares sold in 2022	€17.53
Number of shares registered in the Company's name at 31/12/2022	**58,111**
Under the liquidity agreement:	14,744
Under the securities account custody agreement	43,367
Overall value	€976,265
Value per share	€16.80
Percentage of share capital held by the Company at 31/12/2022	**0.650%**

	EURONEXT PARIS Eurolist Compartment B
Average daily trading volume in financial year 2022	
In number of shares	2,115
Average weighted share price	€17.19
Price range	
High	€19.55
Low	€15.70
Year-end closing price	**€16.80**

Share buyback programme

As the Company believed that there was no further need to maintain its liquidity agreement, it terminated the agreement entered into with Kepler Cheuvreux on 3 June 2019. This termination took effect on 31 December 2022 after the market close.

END-OF-CONTRACT REPORT ON THE LIQUIDITY AGREEMENT WITH KEPLER CHEUVREUX

As at 31 December 2022 after the market close, the liquidity account held the following assets:

- 14,744 VRANKEN-POMMERY MONOPOLE shares
- €95,893.29 in cash

As of the 30 June 2022 half-year report, the liquidity account held the following assets:

- 14,521 VRANKEN-POMMERY MONOPOLE shares
- €96,647.50 in cash

And when the agreement was first established, the liquidity account held the following assets:

- 17,993 Vranken-Pommery Monopole shares
- €30,423.40 in cash

The shareholders will be asked to decide:

- to end the current share buyback programme approved by the Annual Combined Ordinary and Extraordinary General Meeting of 2 June 2022;
- in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, European Regulation 596/2014 of 16 April 2014, the European regulations related thereto, the French Monetary and Financial Code, the AMF's General Regulation and the market practices allowed by the AMF, to authorise the Board of Directors to purchase Company shares on the stock market with the following objectives, in decreasing order of priority:
  - to boost the share price or the liquidity of the share (through repurchase or sale), by an investment services provider acting independently under a liquidity agreement,
  - to purchase shares with a view to retaining them and subsequently using them in exchange or as payment in the context of external growth operations, up to a limit of 5% of the share capital,
  - to award these shares to employees and authorised corporate officers of the Company or its Group, award stock options under the provisions of Articles L. 225-179 et seq. of the French Commercial Code, or award free bonus shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial

Code, or for their participation in the fruits of the Company's expansion or as part of a shareholding plan or a company savings plan,
- to deliver these shares upon the exercise of rights attached to securities giving right by conversion, exercise, redemption or exchange to the allocation of shares of the Company, in accordance with stock market regulations, or cancel these shares in order, notably, to increase the return on equity and earnings per share and/or to neutralise the dilutive impact on shareholders of capital increase transactions; this last objective being subject to the exercise by the Board of Directors of the delegation granted to it by the Extraordinary General Meeting of 2 June 2022, to reduce the share capital by cancelling treasury shares, a delegation which is being renewed today,
- to, more generally, carry out any transaction that is, or may in the future be, authorised by the regulations in force, or that is part of a market practice that is, or may in the future be, authorised by the French Financial Markets Authority (AMF),

- that the maximum purchase price per share may be set at no more than €37.50 (thirty-seven euros and fifty cents) excluding costs, taking into account changes in the share price;
- that the Board of Directors may, however, adjust the aforementioned purchase price in the event of a change in the nominal value of the share, a capital increase by incorporation of reserves and allocation of free bonus shares, a stock split or reverse stock split, amortisation or reduction of capital, distribution of reserves or other assets and any other transactions affecting the equity, to take into account the impact of such transactions on the value of the share;
- that the number of shares likely to be held, under this authorisation, during the aforementioned period, may not exceed 10% of the share capital, or 893,708 shares, subject to legal and regulatory provisions limiting the number of shares that may be owned by the Company directly or through a person acting in their own name but on behalf of the Company, the Ordinary General Meeting noting that in consideration of the 58,111 treasury shares held on 30 March 2023, the maximum number of shares that Vranken-Pommery Monopole could acquire is 835,597 for a maximum amount of €31,334,888;
- that the theoretical maximum amount of funds allocated to this share buyback programme is €31,334,888 for 10% of the share capital, taking into account the 58,111 treasury shares held at 31 December 2022;
- that the shares may be purchased by any means, and in whole or in part, by interventions on the market or by purchases of blocks of shares and, where applicable, by over-the-counter sale, by public offering of purchase or exchange or through the use of options or derivative instruments and at the times that the Board of Directors deems appropriate, including during periods of public offerings within the limits of stock market regulations. The shares acquired under this authorisation may be held, sold or transferred by any means, including by the sale of blocks of shares, and at any time, including during a public offer;
- to confer, in view of ensuring the execution of this resolution, full powers to the Board of Directors, with the capacity to sub-delegate these powers, in particular to:
  - proceed with the actual completion of the transactions, decide on the procedures and conditions;
  - negotiate and sign all contracts with any investment services provider of its choice performing independently as part of a liquidity agreement;
  - place all orders on or off the market through equity or loan funds;
  - adjust the purchase price of the shares to take into account the impact of the aforementioned transactions on the value of the share;
  - enter into any agreements with a view, in particular, to the keeping of share purchase and sale records;
  - file all declarations with the AMF and all other bodies;
  - complete all other formalities, and generally do all that will be necessary;
- that this authorisation is granted for a period of 18 months beginning on the date of this Annual Ordinary General Meeting, i.e. until 30 November 2024.

At the end of the period, any shares acquired within the framework of the present share buyback programme that have not been re-sold shall be listed in the Company's separate financial statements under investment securities.

The shares held by the Company shall have no voting rights and the dividends attached to these shares are recognised in retained earnings.

In this regard, we specify that, pursuant to Article L. 22-10-62 of the French Commercial Code, the Company has prepared a special report to describe the objectives and procedures of the share buyback programme through to its expiration on 31 December 2022, and that this report has been subject to legal and regulatory disclosures and was filed with the AMF.

1.5.5 Pledges

The Company has not pledged any equity securities it holds and no pledge has been granted by its shareholders to cover the Company's financial commitments.

1.6 Stock market

The shares of Vranken-Pommery Monopole were listed on 3 April 1998 on the Second Marché of the Paris Stock Exchange and on 9 June 1999 on the Premier Marché of the Brussels Stock Exchange. They are traded by unit respectively under the following code: ISIN FR0000062796. The table below presents the performance of our shares, listed on the Paris Euronext Market, Eurolist compartment B, and the Brussels Euronext Market, for the financial year ended 31 December 2022.

Date	Volume	Capital (in €)	Average price (in €)	High (in €)	Low (in €)
January 2022	57,038	1,036,323.42	18.169	18.60	17.75
February 2022	91,245	1,670,924.06	18.3125	19.20	17.80
March 2022	87,140	1,498,049.88	17.1913	18	16.10
April 2022	32,136	563,986.80	17.55	18.05	17.35
May 2022	32,701	565,056.93	17.2795	17.40	17.05
June 2022	34,512	599,411.31	17.3682	17.70	17.10
July 2022	23,680	411,636.54	17.3833	17.80	17.10
August 2022	32,953	570,228.60	17.3043	17.65	17.05
September 2022	36,256	609,017.41	16.7977	17.55	15.80
October 2022	28,390	453,428.04	15.9714	16	15.90
November 2022	29,133	486,719.20	16.7068	16.95	16.40
December 2022	58,253	951,329.74	16.331	16.80	15.90

Source: Bloomberg

2

CORPORATE GOVERNANCE

2.1 Corporate Governance Procedures

2.1.1 Option of the Board of Directors as regards the Corporate Governance Code

VRANKEN-POMMERY MONOPOLE continues to refer voluntarily to the MiddleNext Code of corporate governance for mid- and small-cap companies (the "MiddleNext Code"), as amended in September 2021, as the reference code in matters of corporate governance, deeming that it is better suited to its size and the structure of its body of shareholders. The MiddleNext Code contains points of vigilance that recall the issues that the Board of Directors must address to promote good corporate governance.

Regarding this, it should be noted that, in accordance with Recommendation 22 of the MiddleNext Code, the Board of Directors took note and discussed the points of vigilance of the MiddleNext Code, concerning both "sovereign power", and those relating to "supervisory" or "executive" powers. As a result, the VRANKEN-POMMERY MONOPOLE has taken note of and adheres to most of the recommendations of the MiddleNext report, but some of them remain unsuited to the VRANKEN-POMMERY MONOPOLE's structure, particularly in terms of its capital (see the summary table attached to the Corporate Government Report).

MiddleNext Code recommendations	Total	Partial compliance	Non-compliance	Justifications
R1: Board member ethics	x			3.1
R2: Conflicts of interest		x		3.1 With regard to the recommendation to entrust services other than the certification of financial statements (SACC) to a firm other than its Statutory Auditors, the Company has retained this recommendation, which it endeavours to apply.
R3: Board composition - Presence of independent members	x			2.1
R4: Information provided to Board members		x		3.3, 3.6 The Board believes that its meetings are frequent enough and that their duration is flexible enough given the topics addressed to enable all the Directors to ask questions, acquire an in-depth understanding of the topic and share their comments with the other members. In addition, because the Group is a family-run business, the Directors, including the independent ones, have frequent contact with the Group's Management. As a result, the information needed between Board meetings can also be provided informally and not planned for in the Internal Rules.
R5: Board member training		x		3.4 The Company has prepared CSR training it will present to its Directors in 2023.
R6: Organisation of Board meetings	x			3.6
R7: Creation of committees	x			3.5
R8: Create a specialised committee on corporate social responsibility			x	3.5.1 The Company has appointed a Director in charge of CSR who will work in collaboration with the Mission Committee on promoting all of the Company's social and environmental initiatives.
R9: Draft internal rules	x			3.2
R10: Selection of Directors	x			2.1.4
R11: Terms of office of Board members	x			2.1.3
R112: Director compensation	x			2.4 No minimum compensation is awarded to independent Board members, and the Board has not deemed this necessary for the time being.
R13: Setting up a process for assessing the Board's work	x			3.7
R14: "Shareholder" relations		x		The Chairman and CEO and the members of the Management Committee regularly meet and communicate with the Group's investors. The Board of Directors has reviewed the votes of minority shareholders at the last General Meeting. Noting that most of the minority shareholders had voted in favour of the Board's recommendations, it was decided that no particular action was necessary regarding the resolutions proposed at the Meeting.
R15: The company's diversity and equity policy	x			2.1.2, IV
R16: Definition and transparency of the compensation of the executive corporate officers	x			2.4
R17: Preparing for the succession of the "senior executives"	x			6.13
R18: Combining an employment contract with a corporate office	x			2.4.3
R19: Severance payments	x			2.4
R20: Supplementary retirement plans	x			2.4
R21: Stock options and granting of bonus shares	x			2.4
R22: Review of points of vigilance	x			1.1

2.1.2 The exercise of General Management pursuant to Article L. 225-51-1 of the French Commercial Code

The Board of Directors decided, at its meeting of 14 June 2002, not to separate the duties of Chairman and Chief Executive Officer.

It indeed deemed that combining these duties was more favourable to the Company's proper functioning and to the efficiency of the decisional process.

The Board of Directors' meeting of 2 June 2022, which last established its bureau after completion of the Ordinary General Meeting that the same day, confirmed this option and reappointed Mr Paul-François Vranken as the Company's Chairman of the Board of Directors and Chief Executive Officer.

Thus, the Chairman of the Board is responsible for the Company's General Management, this option being adopted for an indefinite term.

As such, and in accordance with the law, he has the broadest powers vis-à-vis third parties to represent the Company, contract in its name and bind it for all acts and operations falling within the corporate purpose, without limitation, and without having to justify special powers.

However, pursuant to French law, he may not provide sureties, bonds, endorsements or guarantees in the name of the Company without the Board of Directors' prior consent in accordance with the statutory and regulatory requirements.

In exercising his powers, the Chairman may appoint any special agents he deems necessary with the power to delegate.

At the request of Mr Paul-François Vranken and in order to assist him in his duties, at its meeting of 2 June 2022 the Board of Directors appointed Mrs Nathalie Vranken as Deputy Chief Executive Officer for the duration of her term of office as Director, i.e. until the Annual General Meeting that will be held in 2025.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to Deputy Chief Executive Officers.

With respect to third parties, the Deputy Chief Executive Officer(s) shall have the same powers as the Chief Executive Officer.

The Board of Directors shall determine the remuneration of the Deputy Chief Executive Officers as set forth below.

In the event that the Chief Executive Officer ceases to hold office or is prevented from doing so, Deputy Chief Executive Officers shall, unless the Board of Directors decides otherwise, retain their functions and powers until the appointment of a new Chief Executive Officer.

The age limit for the Chairman of the Board of Directors is 80 years. If this age limit is reached during the Chairman of the Board of Directors's term of office, he shall be deemed to have resigned automatically at the end of the next meeting of the Board of Directors and a new Chairman shall be appointed.

The age limit for the Chief Executive Officer and Deputy Chief Executive Officers is 80 years. If this age limit is reached during the term of office, the Chief Executive Officer or Deputy Chief Executive Officer shall be deemed to have resigned automatically at the end of the next meeting of the Board of Directors and a new Chief Executive Officer or Deptuty Chief Executive Officer shall be appointed.

A proposal will be made to the Annual General Meeting to increase the age limit for the Company's Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer from 80 years to 99 years.

2.2 Administrative and management bodies

Independence rate: 62%

Average age of Directors: 62.6 years.

Average term of office: 10.7 years.

46 % 54 %

2.2.1 Composition of the Board of Directors

At 31 December 2022, the Board of Directors was composed of the following 13 members, all of whom are natural persons:

	Gender	First appointment	Term of office expires	Number of registered shares	Independent Directors	Audit Committee	Family relationship
Paul-François Vranken Born in 1947 Chairman and Chief Executive Officer		1988	2025	7,100	No		Husband of Mrs Nathalie Vranken and father of Ms Maïlys Vranken and Ms Pauline Vranken
Nathalie Vranken Born in 1964 Deputy Chief Executive Officer		2010	2025	7	No		Wife of Mr Paul-François Vranken and mother of Ms Pauline Vranken
Maïlys Vranken Born in 1978 Director		2009	2024	10	No	Member	Daughter of Mr Paul-François Vranken
Jacqueline Franjou Born in 1947 Director		2011	2025	5	Yes	Member	
Anne-Marie Poivre Born in 1952 Director Chair of the Audit Committee		2016	2025	5	Yes	Chair	
Pauline Vranken Born in 1999 Director		2017	2023	10	No		Daughter of Mr Paul-François Vranken and of Mrs Nathalie Vranken
Michel Foret Born in 1948 Director		2015	2024	5	Yes		
Thierry Gasco Born in 1952 Director		2012	2023	50	No		
Pierre Gauthier Born in 1954 Director		2014	2025	10	Yes	Member	
Stéphane Publie Born in 1963 Director		2021	2025	5	Yes		
Dominique Pichart Born in 1959 Director		1997	2025	1,311	No		
Elisabeth Billiemaz Born in 1966 Director		2022	2025	5	Yes		
Bertrand Marechaux Born in 1951 Director		2022	2025	5	Yes		

- **Directors appointed by employees:** none.
- **Directors with managerial duties in the Company or in the Group:** 4

None of the executive directors hold any other offices in listed companies, including foreign ones, outside of the VRANKEN-POMMERY MONOPOLE Group.

To the knowledge of VRANKEN-POMMERY MONOPOLE, none of the members of the Board of Directors nor any of the senior executives of VRANKEN-POMMERY MONOPOLE has been convicted of fraud during the last five financial years or has been involved in an executive capacity in a bankruptcy, receivership or liquidation during the last five financial years and none of the members of the Board of Directors, nor any of the senior executives of VRANKEN-POMMERY MONOPOLE has been the subject of any official public incrimination and/or sanction pronounced by a statutory or regulatory authority, or has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer of securities, or from being involved in the management or conduct of the affairs of an issuer of securities during the last five financial years.

Conflicts of interest among Administrative, Management and Supervisory bodies

There are no potential conflicts of interest between the duties of the members of the Board of Directors with regard to VRANKEN-POMMERY MONOPOLE and their private interests.

It is however specified, for information purposes, that in 2019, a strategic management and services contract was signed between VRANKEN-POMMERY MONOPOLE and COMPAGNIE VRANKEN, the main shareholder of VRANKEN-POMMERY MONOPOLE, which is chaired by Mr Paul-François Vranken, who is also the Chairman and CEO of VRANKEN-POMMERY MONOPOLE.

Under this agreement, COMPAGNIE VRANKEN provides VRANKEN-POMMERY MONOPOLE with assistance with the strategic and general management of the Group's companies and with their financial and administrative control.

2.2.2 Directors' terms of office

Paul-François VRANKEN
Born 18 May 1947
French national
Number of shares held: 7,100
Number of shares held indirectly (via COMPAGNIE VRANKEN): 6,339,306

Main position: Chief Executive Officer of VRANKEN-POMMERY MONOPOLE

Business address: 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2

Founder of the VRANKEN-POMMERY MONOPOLE Group
Management, business development and strategy

Other offices and duties within the VRANKEN-POMMERY MONOPOLE Group:
- Chairman of POMMERY
- Chairman, Chairman of the Board of Directors and Director of VRANKEN-POMMERY PRODUCTION
- Permanent representative of VRANKEN-POMMERY MONOPOLE, Chairman of CHAMPAGNE CHARLES LAFITTE
- Permanent representative of VRANKEN-POMMERY MONOPOLE, Chairman of HEIDSIECK & Co MONOPOLE
- Chairman of SAS RENE LALLEMENT
- Manager of S.C.I. DES VIGNES D'AMBRUYERE
- Chairman and Director of GRANDS DOMAINES DU LITTORAL
- Co-Manager of S.C.I. LES ANSINGES MONTAIGU
- Chairman of SAS DES VIGNOBLES VRANKEN
- Co-Manager of SC DU PEQUIGNY
- Co-Manager of SC DU DOMAINE DU MONTCHENOIS
- Vice-Chairman of the Board of Directors and Director of ROZES S.A.
- Chairman of the Board of Directors and Director of QUINTA DO GRIFO
- Chairman and Director of VRANKEN-POMMERY BENELUX
- Co-Manager of VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GMBH
- Chairman of the Board and Director of CHARBAUT AMERICA
- Director of VRANKEN-POMMERY JAPAN
- Chairman and Director of VRANKEN-POMMERY ITALIA
- Director of VRANKEN-POMMERY AUSTRALIA
- Director of VRANKEN-POMMERY UK Ltd

Other offices and duties held outside the Group:
- Chairman of COMPAGNIE VRANKEN
- Co-Manager of S.C.I. DES CASTAIGNES
- Co-Manager of SCI MOON
- Chairman of SAS LA CROIX MAGNE
- Manager of S.C.I. PAULINE
- Chairman of HENRY VASNIER
- Co-Manager of S.C.I. LE MOULIN DE LA HOUSSE
- Co-Manager of S.C.I. DES GLYCINES
- Co-Manager of SCI SUMMERTIME
- Co-Manager of S.C.I. WINTERTIME
- Co-Manager of S.C.I. PARIS-CHAMPAGNE
- Permanent representative of COMPAGNIE VRANKEN, Manager of COMPAGNIE VRANKEN DE BELGIQUE (Belgium)
- Permanent representative of COMPAGNIE VRANKEN, Chairwoman of L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE
- Chairman of SAS PFV
- Permanent representative of HENRY VASNIER, Chairwoman of STM VIGNES
- Chairman of the Board of PINGLESTONE

Mrs Nathalie Vranken Board 31 May 1964 French national Number of shares held: 7	Main position: Deputy Chief Executive Officer of VRANKEN-POMMERY MONOPOLE, Chief Executive Officer of COMPAGNIE VRANKEN, head of Marketing at the VRANKEN-POMMERY MONOPOLE Group Executive officer of several companies, Marketing Advisor Business address: 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2 Director in charge of Art and Corporate Patronage Other offices and duties within the VRANKEN-POMMERY MONOPOLE Group: - Chief Executive Officer of POMMERY - Permanent representative of VRANKEN-POMMERY MONOPOLE and Director of GRANDS DOMAINES DU LITTORAL - Director of ROZÈS S.A. - Director of VRANKEN-POMMERY UK LIMITED - Chairwoman and Director of VRANKEN-POMMERY SUISSE - Chairwoman of VRANKEN-POMMERY AUSTRALIA - Permanent representative of VRANKEN-POMMERY MONOPOLE and Director of VRANKEN-POMMERY BENELUX - Director of VRANKEN-POMMERY ITALIA SPA - Director of QUINTA DO GRIFO Other offices and duties held outside the Group: - Chief Executive Officer of COMPAGNIE VRANKEN - Manager of NICO S.A.R.L. - Chairwoman of AUBERGE FRANC COMTOISE - Chief Executive Officer of SAS PFV - Chief Executive Officer of HENRY VASNIER - Chief Executive Officer of SAS LA CROIX MAGNE - Co-Manager of S.C.I. DES CASTAIGNES - Co-Manager of S.C.I. PARIS-CHAMPAGNE - Co-Manager of S.C.I. MOON - Co-Manager of S.C.I. PAULINE - Co-Manager of S.C.I. LE MOULIN DE LA HOUSSE - Co-Manager of S.C.I. DES GLYCINES - Co-Manager of S.C.I. SUMMERTIME - Co-Manager of S.C.I. WINTERTIME - Chairwoman of VRANKEN HOSPITALITY
Maïlys Vranken Born 17 September 1978 French national Number of shares held: 10	Main position: CEO of the American subsidiary CHARBAUT AMERICA Inc Business address: 12 East 33rd Street - 7th Floor 10016 New York - United States Member of the Audit Committee
Ms Jacqueline Franjou Born 18 September 1947 French national Number of shares held: 5	Member of the Audit Committee A prominent figure in French industry, Jacqueline Franjou has served as the Chair and CEO of the Women's Forum for the Economy and Society. She previously held senior management positions in the private sector, at various companies including Cegos, Air France and Vivendi, as well as in the public sector, as Vice-president of the Ramatuelle tourist office, and subsequently as a technical advisor to the French Ministry of Industry and Foreign Trade. She is co-founder and President of the Ramatuelle Theatre Festival. She is a Commander of the French Order of Arts and Letters, an Officer of the French National Order of Merit, and a Knight of the French Legion of Honour. Other offices and duties held outside the Group: - Manager of GB CONSEILS

Ms Anne-Marie Poivre Born 18 September 1952 French national Number of shares held: 5	Chairwoman of the Audit Committee Anne-Marie Poivre headed the Champagne Department within the Group Caisse d'Epargne Loraine Champagne Ardenne group.
Ms Pauline Vranken Born 1 July 1999 French national Number of shares held: 10	Executive Assistant After earning a Bachelor's Certificate in 2020, a degree in Public Works Engineering in 2022, and a Master of Science (MS) degree in Civil Engineering, with emphasis on Real Estate, Construction and Finance, from the University of Columbia in New-York in 2022, Pauline Vranken joined VRANKEN-POMMERY MONOPOLE as an Executive Assistant in January 2023.
Mr Michel Foret Bord 19 April 1948 Community Number of shares held: 5	Honorary Governor of the Province of Liège. Former Federal Deputy, Senator, Walloon Deputy and MP the Wallonia-Brussels Parliament Former Walloon Minister of Regional, Urban and Environmental Planning and Development. Grand Officer of the Belgian Order of the Crown in Belgium and Officer of the French Legion of Honour. Honorary citizen of the City of Liege and holder of the gold medal of the Province of Liege. <u>Other offices and duties within the VRANKEN-POMMERY MONOPOLE Group:</u> - Director of VRANKEN-POMMERY BENELUX.
Mr Thierry Gasco Born 6 October 1952 French national Number of shares held: 50	Former Cellar Master of Maison Pommery Former President of Œnologues de Champagne Former President of Œnologues de France <u>Business address:</u> 21, rue Antoine Bourdelle – 51100 REIMS <u>Other offices and duties held outside the Group:</u> - Chairman of TG VINS CONSEIL
Mr Pierre Gauthier Born 24 February 1954 French national Number of shares held: 10	Member of the Audit Committee Former Chairman of SAS SERVIN - La Route des Vins Marseille Former Sales and Marketing Manager of the TRAMIER, REMY PANNIER and CRESPO Groups. <u>Other offices and duties held outside the Group:</u> - Manager of CLAPIE HOLDING
Mr Stéphane Publie Born on 30 November 1963 French national Number of shares held: 5	Head of Global Investment Banking for the Americas at Crédit Agricole/ Heads the ESG-CSR team

Mr Dominique Pichart Born 12 March 1959 French national Number of shares held: 1,311	Main position: The 1st and current Cellar Master of Maison Vranken Business address: 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2 Other offices and duties within the VRANKEN-POMMERY MONOPOLE Group: - Director and Deputy Chief Executive Officer of VRANKEN-POMMERY PRODUCTION - Cellar master of VRANKEN-POMMERY PRODUCTION - Chairman of VRANKEN-POMMERY VIGNOBLES - Permanent representative of VRANKEN-POMMERY VIGNOBLES, Chairman of BMT VIGNOBLES Other offices and positions held outside the Group: - Chairman and Chief Executive Officer de la S.I.C.A. L'ESSOR CHAMPENOIS - Chief Executive Officer of HENRY VASNIER
Ms Elisabeth Billiemaz Born 13 December 1966 French nationality Number of shares held: 5	Main position: Co-Chair and Partner of the independent group Change Chairwoman of the communications agency Brand station Chairwomen of COURT CIRCUIT CIRCUIT COURT communications agency Business address: 1-3, rue de Caumartin - 75009 PARIS Other offices and duties held outside the Group: - Co-Chair and Partner of the independent group Change - Chairwoman of the communications agency Brand station - Chairwomen of the COURT CIRCUIT CIRCUIT COURT communications agency
Mr Bertrand Marechaux Born 15 October 1951 French national Number of shares held: 5	Main position: Honorary Prefect Business address: "La Corneillère" 61 250 SEMALLE Business address: 1-3, rue de Caumartin - 75009 PARIS Other offices and duties held outside the Group: - Chairman of SAS France-Comitor - Manager of SCI BALTHAZAR - Director of L'Association Nationale des Médiateurs

• Diversity policy for Board Members

The Company fully subscribes to the principle of gender diversity as set out in Article L.225-17 of the French Commercial Code. To date, there are six women out of the thirteen members of the Board of Directors, i.e. 46%.

In addition, pursuant to the current law, more than half of the members of the Board of Directors, i.e. 7 out of 13, are independent, namely Jacqueline Franjou, Anne-Marie Poivre and Elisabeth Billiemaz and Michel Foret, Pierre Gauthier, Stéphane Publie and Bertrand Marechaux.

The definition of independent member is the one chosen pursuant to Recommendation 3 of the MiddleNext Code: "Five criteria prove the Board members' independence, which is characterised by the absence of a significant financial, contractual, family or proximity relationship that might alter independence of judgement… ".

Independence is reviewed for the appointment of the Director and annually when this Report is prepared.

Any departure of an outgoing Director should be managed with this objective of balanced representation in mind.

In addition, pursuant to Articles L 225-23 and L 225-27-1 of the Commercial Code, the Board of Directors has no Director representing employees and no Director representing employee shareholders.

The Board of Directors composition has been changed significantly over the past few years to achieve a better gender balance and make room for younger people.

• Terms of office

The Directors' term of office is 3 years.

• Selection of Directors

Directors are appointed on the basis of their expertise, their specific skills in one or more areas, or their particular relationship with the Company.

When each Director is appointed or reappointed, information on his or her experience and competence is provided in the annual report presented to the Annual General Meeting.

The appointment of each Director is the subject of a separate resolution that enables Shareholders to freely decide on the Board of Directors composition on the basis of sufficient information on the candidate's experience and competence.

• Proposals for Board of Director appointments submitted to the AGM of 1 June 2023

At its meeting on 1 June 2023, the Annual General Meeting of Shareholders will be asked to decide on the reappointment of Ms Pauline Vranken and Mr Thierry Gasco for a term of office of three financial years.

Ms Pauline Vranken
Director
Age 24
French national
First appointed in 2017
Term of office expires: AGM of 2023, number of VPM shares held directly: 10

Ms Pauline Vranken is a director of VRANKEN-POMMERY MONOPOLE and the daughter of Mr Paul-François Vranken, the founder of the VRANKEN-POMMERY MONOPOLE group and Mrs Nathalie Vranken.

After obtaining a Bachelor Certificate in September 2020, a Diploma in Public Works Engineering in 2022, and a Masters degree in Civil Engineering (with emphasis on Real Estate, Construction and Finance from the University of Columbia in New-York) in 2022, Ms Vranken joined VRANKEN-POMMERY MONOPOLE as an Executive Assistant in January 2023.

The full list of her offices and duties is presented above.

Her attendance rate at Board meetings was 67% in 2022.

Mr Thierry Gasco
Director
Age 70
French national
First appointed in 2012
Term of office expires: AGM of 2023, number of VPM shares: 92

Former Cellar Master of Maison Pommery, Former President of the Champagne Oenologists association and the French Oenologists association.

Business address: 1, rue Antoine Bourdelle – 51100 REIMS

Thierry Gasco joined Pommery in 1992, as its Cellar Master.

He was President of the Champagne Œnologists association for nine years, was appointed President of the French Oenologists association in 2007, and was subsequently the France's official delegate to the International Union of Oenologists.

He was appointed member of the INAO's National Committee, as a "Qualified Member".

Mr Gasco spearheaded Pommery's ISO 14001 certification initiative in 1994. He has been trained in environmental auditing to conduct internal audits.

He has provided training in environmental methods and has given masters-level courses on the application of ISO 14001 standard in the Champagne region.

He has overseen the VPM Group's membership in the United Nations Global Compact and has maintained this membership by substantiating the Group's good CSR practices year after year.

The full list of his offices and duties is presented above.

His attendance rate at 2022 Board meetings was 83%.

2.2.3 Information on the Board of Directors and on the preparation and organisation of its work

A. Ethics

The Chairman reminds all newly appointed Directors of their obligations, which include: attendance of Board and AGM meetings; loyalty; non-competition; disclosure of conflicts of interests and duty of abstention; and ensuring that they obtain all necessary information on Board meeting agendas before voting on any matter, and that they observe professional secrecy.

Because of the Company's stock market listing and the presence of employee representatives at Board meetings, the Board meeting that includes in its agenda the approval of the accounts or any other matter of which financial markets are likely to be inforrmed must necessarily be held after these markets are closed to avoid any behaviour that could constitute insider trading.

Furthermore, the Directors, who are already subject to a general obligation of confidentiality under the Company's Internal Rules, are informed during these meetings of the confidential nature of the market-sensitive information provided.

Apart from this precautionary approach, the Directors are informed of and undertake to comply with the legal and regulatory provisions concerning the reporting of transactions and the prohibition or restriction of their involvement in transactions in the securities of companies for which they have information not yet made public.

Furthermore, the Internal Rules of the Board of Directors explicitly state that the Board members are obligated to tell the Board of any conflict of interests, even potential, and must abstain from participating in the corresponding debates and deliberations.

To this end, the Directors are invited to inform the Board of Directors, at least once a year, of all offices held by each of them and of any conflicts of interest to which they may be subject.

The Board undertakes all reasonable investigations in order to assess the proportionate measures to be taken to ensure that decisions are made in the interests of the Company.

The Directors undertake to declare, before each Board meeting, depending on the agenda, any conflicts of interest and to refrain from participating in the deliberations and voting on any subject for which they may be in this situation.

B. Internal Rules

In order to set out the guiding principles of its operation in a set of Internal Rules, the Board of Directors decided, at its meeting of 17 July 2014, to adopt said Internal Rules, which were amended by the Board of Directors' decisions of 30 March 2020 (applicable as of 4 June 2020) and 31 March 2022.

The said Internal Regulations reaffirm in particular the rules of composition of the Board of Directors and the Audit Committee, their missions, and the terms and conditions for the exercise of these missions, specifying in particular the rules of operation, the holding of meetings in person or by videoconference and the ethical rules to be observed.

These Internal Rules apply to all current and future Directors and are intended to supplement the legal and statutory rules and specify the operating procedures to be observed by the Board of Directors and the Audit Committee in the interest of the Company and its Shareholders.

C. Information provided to the members of the Board of Directors

In addition to the agenda for each Board meeting, each Director has access to documents enabling him or her to take a fully informed position on the items on the agenda.

At each Board meeting, and whenever necessary, the Chairman informs its members of the main significant facts and events concerning the life of the Group that have occurred since the date of the previous Board meeting, in the manner he deems most appropriate (e-mail, letter, etc.).

In preparation for Board meetings as well as outside of meetings, the Company's Chairman and Chief Executive Officer shall provide each Director who so requests with all of the information that is necessary for the performance of his or her duties, in accordance with the provisions of Article L 225-35 paragraph 3 of the French Commercial Code, to which both are bound.

In addition, the Chairman shall ask, in the written notices of meeting sent to the members of the Board, if they wish to receive other documents or reports to complete their information.

Directors who wish to visit an entity in order to obtain the information necessary for the exercise of their office shall submit a written request to the Chairman, specifying the purpose of this visit. The Chairman shall determine when and how the entity may be visited.

As the Company is listed on a regulated market, the Directors are strictly bound by the legal and regulatory obligations that apply to insider trading.

It is recalled that the Board of Director meetings:

- of 12 April 2018 adopted the Stock Exchange Code of Ethics,
- of 4 June 2018 adopted the Anti-Corruption Code of Conduct,
- of 15 April and 4 June 2020 amended the Stock Exchange Code of Ethics,
- of 31 March 2022 modified its Responsible Purchasing Charter, which was previously called the Supplier Code of Conduct,

incorporated said Charters and Codes into the Company's Internal Rules and posted on the Company's website.

D. Training provided to Board members

When appointed, each newly appointed Director is given a "New Director's Kit", which includes the following inter alia: the Company's Articles of Association, the Board's Internal Rules, the Stock Exchange Code of Ethics, the Anti-Corruption Code of Ethics, the Code of Ethics, the BRAND STRATEGIC BOOK and the most recent Universal Registration Document.

In addition, the Company is setting up an induction programme for new Board members to enable them to learn about the Company, understand its challenges, how its Board functions, and the specificities of its business.

Among other things, this programme includes:

- raising awareness of the Group's Stock Exchange Code of Ethics,
- raising awareness of the Group's Anti-Corruption Code of Ethics,
- raising awareness of the principles of the General Data Protection Regulation (GDPR),
- an interview with the Chairman and Chief Executive Officer,
- an interview with certain members of the Management Committee,
- a visit to the Group's main sites.

CSR training for Directors is also planned for 2023.

E. Committees

• Creation of specialised committees

In line with the AMF's Final Report on Audit Committees, the Board of Directors voted to set up an Audit Committee in 2010 and a Mission Committee in 2021. These committees are described below. In accordance with Recommendation 8 of the MiddleNext Code, the Company is considering setting up a specialised Committee on Corporate Social Responsibility (CSR).

The Company considers that its structure and characteristics do not require the creation of another committee. However, the Board may, if necessary, set up one or more committees to enable it to carry out its work more effectively.

The Board of Directors' Internal Rules have nevertheless set out the main tasks of the Committees that could be created if the Board deems it necessary, including, if necessary, a CSR Committee, an Appointments and Compensation Committee and a Strategy and Development Committee.

For the time being, at its 30 March 2023 meeting the Board of Directors appointed Mr Bertrand Marechaux as Director in charge of CSR.

• Audit Committee

As per the Board of Directors' decision of 11 October 2010, the Board has an Audit Committee.

The Audit Committee comprises at least three members. At least one of the members must have financial and accounting expertise.

At 31 December 2022, the Audit Committee consisted of the following members:

- Anne-Marie Poivre, Committee Chair and Independent Director;
- Ms Maïlys Vranken;
- Mr Pierre Gauthier, Independent Director;
- Ms Jacqueline Franjou, Independent Director.

Without prejudice to the powers of the Board of Directors, the Audit Committee's tasks include monitoring:

- the effectiveness of risk management and internal control systems (covering all areas of the VRANKEN-POMMERY MONOPOLE Group entities);
- the preparation of financial information (understanding the architecture of the accounting and financial information systems and assisting the Board of Directors preparing for the review of the annual accounts and interim financial statements);
- the statutory auditing of the annual and consolidated accounts by the Statutory Auditors;
- the independence of the Statutory Auditors.

In monitoring financial informatino, the Audit Committee assures that accounting policies are relevant and applied consistently, particularly with respect to significant transactions.

In addition, when reviewing the Company's accounts, the Committee monitors the significant transactions in which a conflict of interest could have arisen.

The Audit Committee meets whenever it deems necessary, and also when convened by its Chair or the Chairman of the Board of Directors. The Audit Committee's proposals are adopted by a simple majority of the members present, with each member having one vote.

The work of the Audit Committee is regularly reported to the Board of Directors, and at least when the annual and interim accounts are closed.

The Audit Committee met four times in 2022, with an attendance and representation rate of 94% over the year.

	Audit Committee meetings	Attendance rate
2022	4	94%
2021	4	100%

• The Mission Committee

As a consequence of the adoption by the AGM of 3 June 2021 of the status of "Company with a mission" and the consequent amendments to the Articles of Association, at its meeting on this same day the Board appointed the first Members of the Mission Committee.

The Board of Directors assured that the people appointed to the Mission Committee would be representative of the Group's business.

At 31 December 2022, the Mission Committee was composed of the following members:

- Franck Delval, Director of Financial Controls, Committee Chairman,
- Dominique Pichart, Chairman of VRANKEN-POMMERY VIGNOBLES,
- Mr Clément Pierlot, Chief Executive Officer of VRANKEN-POMMERY VIGNOBLES, and of VRANKEN-POMMERY PRODUCTION,
- Mr Bruno Mailliard, Chief Executive Officer of GRANDS DOMAINES DU LITTORAL,
- Mr Julien Fort, Vineyard Manager - La Gordonne,
- Mr Antonio Saraiva, Chief Executive Officer of ROZES,
- Ms Caroline Rondeaux, Legal Officer of VRANKEN-POMMERY MONOPOLE,
- Mr Dominique Moncomble, formerly the CIVC's Director of Technical Services,
- Mr Hervé Hannin, Director of Development at the Institut des Hautes Etudes de la Vigne et du Vin,

for a period of two financial years, i.e. until the very first Board of Directors meeting to be held after the Company's AGM in 2023.

In addition, at its meeting of 30 March 2023, the Board of Directors appointed Mrs Pauline Vranken, Executive Assistant, to the Mission Committee for the same term as the other members.

The Mission Committee is exclusively responsible for monitoring the execution of the Company's mission.

The Mission Committee's role is therefore to guide the execution of the mission and set quantified objectives.

To carry out this monitoring, the Mission Committee shall be authorised to undertake any verification it deems necessary and to obtain any document that may be useful for monitoring the execution of its mission.

The Mission Committee may suggest best practices to be implemented by the Company, propose additional actions, and make comments or suggestions on performance indicators.

The Committee shall also ensures that an independent third party observes its obligations.

The Mission Committee shall meet whenever it deems necessary and when convened by its Chairman. The work of the Mission Committee is regularly reported to the Board of Directors.

The Mission Committee met four times in 2022, with an attendance and representation rate of 77% over the year.

Mission Committee meetings		Attendance rate
2022	4	77%
2021	4	89%

F. Meetings

• Convening of Directors

Directors shall be convened in the manner and within the time limits stipulated in Article 18 of the Articles of Association.

Notices of meetings shall be sent to each Director at least three days in advance by post or email.

Regarding this, it should be noted that Article 18 of the Articles of Association provides that the Board of Directors shall meet as often as the interests of the Company so require, at the call of its Chairman, and that Directors constituting at least one third of the members of the Board of Directors may ask the Chairman to call a meeting with a specific agenda if the Board of Directors has not met for more than two months.

This same article authorises the Chief Executive Officer to ask the Chairman to convene a meeting of the Board to address a given agenda.

Finally, it should be noted that the Board of Directors may be convened verbally and immediately if all the directors agree.

In addition, in accordance with the provisions of Article L 823-17 of the French Commercial Code, the Statutory Auditors were invited to attend the Board meetings that examined and approved the provisional, interim and annual financial statements.

The Statutory Auditors were also convened each time the Board deemed it necessary and in particular when reviewing the regulated agreements subject to Article L 225-38 of the French Commercial Code.

The Board has, however, disqualified a certain number of agreements said to be concluded under normal and usual conditions between companies of the same group and therefore falling under the provisions of Article L 225-39 of the Commercial Code.

Moreover, Article L. 225-39 of the French Commercial Code, amended by the Order of 31 July 2014, stipulates that the procedure for authorising regulated agreements under Article L. 225-38 no longer applies "to agreements concluded between two companies where one holds the entirety of the share capital of the other, directly or indirectly."

The quorum needed for Board of Directors' decisions was reached at each meeting convened in 2022, with the member attendance and representation rate for the year approaching 88%. The Statutory Auditors were present or represented at nearly every meeting.

• Meeting venue

The Board of Directors may hold its meetings at 5, place Général-Gouraud – 51100 Reims, France, which is the site of the head office of the VRANKEN- POMMERY MONOPOLE Group, at the Company's office in Paris, or at the premises of another Group company.

In accordance with Article 18 of the Articles of Association and the Internal Rules, Board of Director meetings may also be held by video-conference, except for meetings where accounts are to be approved, unless this is allowed by law, as was the case during the COVID-19 crisis.

• Meeting frequency and agenda

The Board of Directors shall meet as often as the Company's interests require.

During the financial year ended 31 December 2022, your Board of Directors met six times and consulted its members in writing in August.

Board meetings were held on 31 March, 13 April, 2 June, 11 July, 8 September and 17 October 2022.

	Board of Director meetings	Attendance rate
2022	7	88%
2021	7	94%

• Board meeting minutes

At the beginning of each Board meeting, each Director signs the attendance register.

At the end of each Board meeting, minutes of the proceedings are drawn up and, after being read by the members of the Board, are adopted before reviewing the agenda for the next meeting. The Chairman and one of the Directors then sign the register of proceedings in which the adopted version is published.

G. Assessment of the Board's functioning

In accordance with the recommendations of the MiddleNext Code and the Board's Internal Rules, at least once a year the Board of Directors devotes an agenda item to the assessment of its functioning.

This assessment focuses in particular on the Boards':

- overall functioning, role, powers, tasks, etc. ;
- relations with the Audit Committee;
- work.

Ms Anne-Marie Poivre, in her capacity as the Audit Committee's Chair, gave a self-assessment questionnaire to each member, collected and reviewed each member's responses to this questionnaire, and then reported on this to the Board.

This report shows that the Directors are generally satisfied with how the Board functions, Board meetings and the Board's relationshas with the Audit Committee, and that there are no dysfunctions that could have a significant impact on the Company's activity and accounts.

However, the Audit Committee's report also constructively shows that there are some areas for improvement, such as providing Board members more frequently with information on the Group's performance and with more information on the Group's key executives and positions, and making it possible to promose environmental resolutions.

The Board has taken note of this and undertakes to do its best to meet the expectations of its Directors.

H. Restrictions the Board of Directors may impose on the powers of the Chief Executive Officer and Deputy Chief Executive Officer

Regarding the Chief Executive Officer:

At its 2 June 2022 meeting, the Board of Directors reappointed Mr Paul-François Vranken as the Group's Chairman and Chief Executive Officer and reaffirmed his powers, namely:

"[...] he shall have the broadest powers to represent the Company vis-à-vis third parties, to enter into contracts in its name and to bind it for all acts and transactions falling within the corporate purpose, without limitation, and without having to justify special powers.

However, in accordance with the law, he shall not grant sureties, endorsements or guarantees in the name of the Company without prior authorisation by the Board of Directors pursuant to the applicable statutory and regulatory requirements."

Regarding the Deputy Chief Executive Officer:

At its meeting of 2 June 2022, the Board of Directors appointed Mrs Nathalie Vranken as Deputy Chief Executive Officer and defined her powers as follows:

"In this capacity, and in accordance with the law, she has the broadest powers to represent the Company vis-à-vis third parties, to enter into contracts in its name and to bind it to all acts and transactions that fall within the corporate purpose, without limitation, and without having to justify special powers.

However, in accordance with the law, she shall not grant sureties, endorsements or guarantees in the name of the Company without prior authorisation by the Board of Directors pursuant to the applicable statutory and regulatory requirements.

In exercising her powers, Ms Nathalie Vranken may appoint any special agents she deems necessary with the power to delegate.

However, although she has the broadest powers vis-à-vis third parties, vis-à-vis the Company and the Board of Directors, it is specified that for all decisions involving:

- The purchase or disposal of business assets,
- The purchase or disposal of land or buildings,
- The assumption or waiver of a commercial lease,
- The acquisition of a shareholding in any company, enterprise, group, association or other entity,
- Entering into a loan or lease-purchase agreement that exceeds €500,000 and is not provided for in the annual budget,
- Entering into, amending or terminating an agreement to which the Company is bound and which exceeds €500,000 and is not provided for in the annual budget,
- Any matters relating to trademarks and other intellectual property, other than renewing the registration of such property,
- The hiring of senior executives,

and, in general, any decision that is likely to have a significant effect on the Company's interests,

she must first obtain the prior consent of either the Chairman and Chief Executive Officer or the Board of Directors, in accordance with their respective powers."

2.2.4 Service contracts binding the members of the administrative, management and supervisory bodies to the Company or to any one of its subsidiaries

In 2019, VRANKEN-POMMERY MONOPOLE entered into a strategic management and services agreement with COMPAGNIE VRANKEN, as amended on 16 December 2019 and 1 March 2021, under which COMPAGNIE VRANKEN provides assistance with the strategic and general management of the Group's companies and with their financial and administrative control, which among other things includes actions to support:

- the strategy execution of all VRANKEN- POMMERY MONOPOLE Group companies;
- a common strategy for all of the VRANKEN- POMMERY MONOPOLE Group's companies
- the administrative and financial management of the VRANKEN-POMMERY MONOPOLE Group, including accounting and legal matters;
- the development and marketing of the VRANKEN- POMMERY MONOPOLE Group's products;
- the development of the VRANKEN- POMMERY MONOPOLE Group's production planning and logistics,
- the management control of French entities,
- the management control and strategy execution of foreign subsidiaries,
- the development of the VRANKEN- POMMERY MONOPOLE Group's purchases and investments;
- the organisation of the VRANKEN-POMMERY MONOPOLE Group's vineyards.

This agreement was initially authorised by the Board of Directors meeting of 28 January 2019, and its amendments were authorised by the Board meetings of 16 December 2019 and 1 March 2021.

All of the personnel costs, excluding specific expenses, which COMPAGNIE VRANKEN incurs within the scope of its services (including all benefits in kind and vested rights) of the people providing said services shall be recharged on a euro-by-euro basis as shown in the allocation table appended to the agreement, plus an additional margin of 5%, which mainly serves to cover the overhead costs associated wth the employment of these people. The payment of the services provided is made in monthly instalments and is adjusted at the end of the financial year.

Some executives who were on VRANKEN-POMMERY MONOPOLE's payroll were transferred to COMPAGNIE VRANKEN, which enables the Company to share this cost with other COMPAGNIE VRANKEN subsidiaries. However, were the strategic management and services agreement to be called into question for any reason whatsoever, the people transferred to COMPAGNIE VRANKEN and/or whose remuneration was transferred to COMPAGNIE VRANKEN, would return to their original positions. It is also understood that any rights acquired by the people thus transferred up until the date of transfer will be for the account of their initial company.

In addition, it is recalled that, as required by law, the special report on the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code for the 2021 financial year has been drawn up and is provided in its entirety in the Appendix to this Universal Registration Document.

2.3 Compensation of senior executives and members of the Board of Directors

2.3.1 The compensation policy for executive corporate officers prepared in accordance with Article L. 22-10-8 of the French Commercial Code

• The compensation policy for Directors

The total amount of the Directors' compensation is determined by the Board of Directors and is submitted to the General Meeting for approval.

It is determined in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code.

The allocation between the Directors of the total amount approved by the General Meeting for a given year is determined by the Board of Directors the following year.

This allocation is proportional to the Directors' responsibilities, attendance and time devoted to duties, and encourages their participation in Board meetings.

The General Meeting of 2 June 2022, in its 21st resolution, set the maximum annual sum to be paid to the Board of Directors for the remuneration of its members at €90,000. As of that date, the following allocation rules are observed:

- The Chair of the Audit Committee shall receive a fixed annual compensation of €1,600, and each Director who is also a member of the Audit Committee shall receive a fixed annual compensation of €800, due to the additional work involved;
- The balance of the total annual sum is divided between all of the Directors in proportion to the actual number of Board meetings they attended of the total Board meetings held.

In addition, the Board may in some cases allocate exceptional remuneration to a Director (generally a committee member) for a specific task entrusted in accordance with Article L.225-46 of the French Commercial Code. The granting of such remuneration is subject to the procedure that applies to regulated agreements.

- Director compensation policy for 2022

The Board of Directors, at its meeting of 31 March 2022, decided, subject to the General Meeting's approval of its policy, which was obtained on 2 June 2022, to increase the amount of the Directors' remuneration from €75,000 to €90,000 to account for the Board of Directors's enlargement.

- Director compensation policy for 2023

The Board of Directors, at its meeting of 30 March 2023, decided, subject to the General Meeting's approval, to maintain the amount of the Directors' compensation at €90,000

- The compensation policy for executive corporate officers prepared in accordance with to Article L. 22-10-8 of the French Commercial Code
- Principles and criteria for the compensation of senior executives

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the General Meeting called to approve the financial statements of 2022 will be asked to approve, on the basis of the Corporate Governance Report, the principles and criteria that are used to determine, allocate and grant the fixed, variable and exceptional components of the total compensation and any benefits that may be awarded to the executive corporate officers in respect of their offices. The General Meeting will thus be asked, on the basis of this report approved by the Board of Directors on 30 March 2023, to approve the compensation policy for the Chief Executive Officer, who is also Chairman of the Board of Directors, and the Deputy Chief Executive Officer for the 2023 financial year.

Neither Mr Paul-François Vranken, the Company's Chairman and Chief Executive Officer, nor Ms Nathalie Vranken, its Deputy Chief Executive Officer, have an employment contract with the Company.

The compensation policy for the executive corporate officers is established by the Board of Directors in accordance with Articles L. 22-10-8 et seq. of the French Commercial Code and is submitted to the General Meeting for approval.

This policy defines all fixed and variable components of executive corporate officer compensation, and sets out the procedures for taking decisions and for revising and implementing the policy.

The payment of any variable compensation will be based on performance as assessed using various financial and non-financial quantitative criteria, and qualitative criteria.

This compensation policy is aligned with the Company's corporate interest, contributes to its sustainability and is consistent with its strategy, insofar as most of the compensation of the Company's CEO is paid by other Group companies, and the compensation the Company pays for this position is comparable to that paid to the chief executive officers of the Group's various subsidiaries and serves to compensate only this position.

In addition, this policy takes into consideration all good governance principles in respect of compensation, in particular those of the MIDDLENEXT Code to which the Company refers, which are Exhaustiveness, Balance, Benchmark, Consistency, Clarity, Measurement and Transparency.

- Structure of the annual compensation paid to executive corporate officers

The compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer consists solely of fixed compensation (except for compensation received as a Director).

There is no provision for the payment of severance pay if their offices are terminated for any reason.

Paul-François Vranken, Chairman and Chief Executive Officer

Paul-François Vranken's annual fixed compensation was €18,000 in 2022.

The annual fixed compensation of the Chairman and Chief Executive Officer since first set by the Board of Directors on 21 April 2006.

At this Board meeting it was also decided that Mr Vranken would be reimbursed, upon the presentation of vouchers, for the expenses he incurs in the name and on behalf of the Company, and that his representation expenses would be paid by the Company.

Nathalie Vranken, Deputy Chief Executive Officer

Given her appointment on 2 June 2022, i.e. at the meeting of the Board of Directors held at the end of the Combined Annual and Extraordinary General Meeting of 2 June 2022, Ms Nathalie Vranken did not receive any remuneration in 2022 in respect of her office as Chief Executive Officer.

However, at this Board meeting it was also decided that Mrs Nathalie Vranken would be reimbursed, upon presentation of vouchers, for the expenses she incurs in the name and on behalf of the Company, and that her representation expenses would be paid by the Company.

Neither Mr Paul-François Vranken nor Ms Nathalie Vranken (as of 2 June 2022, when she was appointed Deputy Chief Executive Officer) receive variable compensation, stock options and/or bonus shares or are entitled to the profit-sharing agreement or to receive benefits in kind, share subscription options, performance shares, severance pay, private unemployment insurance, a supplementary collective pension plan or a supplementary medical and disability plan in respect of their respective offices as Chairman and Chief Executive Officer and Deputy Chief Executive Officer.

Given the absence of variable compensation, the ratio between the fixed and variable compensation is zero.

Mr Paul-François Vranken and Ms Nathalie Vranken have however received compensation for offices held in other Group companies.

This policy is in line with the Company's corporate interest, contributes to its sustainability and is consistent with its business strategy.

• Compensation policy for executive corporate officers for 2023

At its meeting of 30 March 2023, the Board of Directors decided the following for 2023:

- to maintain the annual fixed compensation of Mr Paul-François Vranken, the Company's Chairman and Chief Executive Officer, at €18,000, where it has been since 2006,
- to ask to the Ordinary Annual General Meeting to approve fixed annual compensation of €15,000 for Mrs Nathalie Vranken in respect of her office as the Company's Deputy Chief Executive Officer, prorated over six months in respect of the 2022 financial year.

2.3.2 Pay ratios of the compensation of executive corporate officers to the average and median compensation of the Company's employees and relative to the French minimum monthly wage (SMIC)

In accordance with Article L.22-10-9 paragraph 6 of the French Commercial Code, Vranken-Pommery Monopole must indicate the ratio of the compensation of the Chairman and Chief Executive Officer (the Deputy Chief Executive Officer received no compensation in 2022) to the average and median compensation of the Company's full-time employees, other than its corporate officers, and the changes in this ratio over the past five financial years.

Since the aforementioned compensation the Company pays to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer in respect of their duties over the last five financial years (other than Directors' fees) is relatively small compared to the compensation paid to the Company's employees, the pay ratios referred to under the aforementioned article of the French Commercial Code are immaterial.

2.3.3 Information on the employment contracts and compensation components of the Company's chief executive officers

Executive Corporate Officers	Employment Contract		Supplementary pension plan		Indemnities or benefits due or likely to be due upon termination of office or a change of duties		Non-compete indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
Paul-François Vranken		X		X		X		X
Nathalie Vranken		X		X		X		X

2.3.4 Compensation and benefits paid to Corporate Officers

All compensation paid to the Group's executive corporate officers:

Officer's name and office	Year ended 31/12/2021		Year ended 31/12/2022	
	Amounts due[1]	Amounts paid[2]	Amounts due[1]	Amounts paid[2]
Paul-François Vranken, *Chairman and Chief Executive Officer*				
Gross total fixed compensation*	€502,510.72	€502,510.72	€499,088.94	€499,088.94
Total gross variable compensation	-	-	-	-
Total gross exceptional compensation	-	-	-	-
Compensation as a member of the Board of Directors	€16,339.87	€12,467.00	€13,587.30	€16,339.87
Stock-options	-	-	-	-
Bonus share allocations	-	-	-	
Benefits in kind	€1,792.44	€1,792.44	€1,792.44	€1,792.44
Gross TOTAL	**€520,643.03**	**€516,770.16**	**€514,468.68**	**€517,221.25**
Nathalie Vranken *Deputy Chief Executive Officer*				
Total gross fixed compensatione*	€116,903.40	€116,903.40	€120,598.44	€120,598.44
Total gross variable compensatione**	-	-	-	-
Total gross exceptional compensation	€20,000	€20,000	€20,000	€20,000
Compensation as a member of the Board of Directors	€13,597.45	€11,355.89	€12,873.02	€13,597.45
Stock-options	-	-	-	-
Bonus share allocations	-	-	-	-
Benefits in kind	€9,242.76	€9,242.76	€9,242.76	€9,242.76
Gross TOTAL	**€159,743.61**	**€157,502.05**	**€162,714.22**	**€163,438.65**

(1) The amounts due correspond to the fixed salary for year Y and the variable part paid for year Y at the beginning of year Y+1.
(2) The amounts paid are the fixed salary for year Y and the variable part paid in year Y for year Y-1.
** The compensation of Paul-François Vranken includes the compensation he receives from the Company, VRANKEN-POMMERY PRODUCTION and POMMERY and COMPAGNIE VRANKEN, the company that controls the Company.*
*** The compensation of Nathalie Vranken includes the compensation she receives from COMPAGNIE VRANKEN, the company that controls the Company, and from POMMERY.*

Total gross fixed compensation includes salaries and wages received and contributions under Article 83 of the French General Tax Code when applicable.

Compensation allocated to the members of the Board of Directors and other compensation* paid to corporate officers who are not executives in the Group:

Non-executive corporate officers	Amounts awarded in 2021	Amounts paid in 2021	Amounts awarded in 2022	Amounts paid in 2022
Maïlys Vranken				
Compensation allocated to the members of the Board of Directors	€8,530.30	€7,740.51	€6,260.32	€8,530.30
Other gross compensation	€181,536.77	€181,536.77	€272,769.46	€253,708.48
Gross TOTAL	**€190,067.07**	**€189,277.28**	**€279,029.78**	**€262,238.78**
Jacqueline Franjou				
Compensation allocated to the members of the Board of Directors	€7,454.55	€6,841.77	€8,990.48	€7,454.55
Other gross compensation	-	-	-	-
Gross TOTAL	**€7,454.55**	**€6,841.77**	**€8,990.48**	**€7,454.55**
Anne-Marie Poivre				
Compensation allocated to the members of the Board of Directors	€8,530.30	€7,740.51	€9,790.48	€8,530.30
Other gross compensation	-	-	-	-
Gross TOTAL	**€8,530.30**	**€7,740.51**	**€9,790.48**	**€8,530.30**
Pauline Vranken				
Compensation allocated to the members of the Board of Directors	€6,454.55	€6,740.51	€5,460.32	€6,454.55
Other gross compensation	-	-	-	-
Gross TOTAL	**€6,454.55**	**€6,740.51**	**€5,460.32**	**€6,454.55**
Michel Foret				
Compensation allocated to the members of the Board of Directors	€7,530.30	€6,740.51	€8,190.48	€7,530.30
Other gross compensation	-	-	-	-
Gross TOTAL	**€7,530.30**	**€6,740.51**	**€8,190.48**	**€7,530.30**
Thierry Gasco				
Compensation allocated to the members of the Board of Directors	€7,530.30	€6,740.51	€6,825.40	€7,530.30
Other gross compensation	-	-	-	-
Gross TOTAL	**€7,530.30**	**€6,740.51**	**€6,825.40**	**€7,530.30**
Pierre Gauthier				
Compensation allocated to the members of the Board of Directors	€8,530.30	€7,740.51	€8,990.48	€8,530.30
Other gross compensation	-	-	-	-
Gross TOTAL	**€8,530.30**	**€7,740.51**	**€8,990.48**	**€8,530.30**
Stéphane Publie				
Compensation allocated to the members of the Board of Directors	€2,151.52	€7,740.51	€6,825.40	€2,151.52
Other gross compensation	-	-	-	-
Gross TOTAL	**€2,151.52**	**€7,740.51**	**€6,825.40**	**€2,151.52**
Dominique Pichart				
Compensation allocated to the members of the Board of Directors	€5,969.70	€7,230.66	€6,888.89	€5,969.70
Other gross compensation	€154,576.05	€154,576.05	€158,050.31	€158,050.31
Gross TOTAL	**€160,545.75**	**€161,806.71**	**€164,939.20**	**€164,020.01**
Elisabeth Billiemaz				
Compensation allocated to the members of the Board of Directors	-	-	€4,095.24	-
Other gross compensation	-	-	-	-
Gross TOTAL	**-**	**-**	**€4,095.24**	**-**
Bertrand Marechaux				
Compensation allocated to the members of the Board of Directors	-	-	€5,460.32	-
Other gross compensation	-	-	-	-
Gross TOTAL	**-**	**-**	**€5,460.32**	**-**

** Benefits in kind are included under "Other compensation".*

Gross compensation includes fees and salaries received and contributions under Article 83 where applicable.

It should be noted that the Company has implemented no supplementary pension plan.

Finally, we inform you that no corporate officer of a Group company is entitled to a "golden parachute" clause, or to a supplementary pension clause in respect of their corporate office, unless he or she has an employment contract with his or her company and such a clause is required under labour law or a collective barganing agreement.

2.3.5 Annual approval of Chairman and Chief Executive Officer's compensation

As is required for listed companies, it will be proposed to the Annual General Meeting to approve, as far as necessary, the compensation of Mr Paul-François Vranken in respect of his office as Chairman and Chief Executive Officer, for the previous financial year and which he is to receive in the future.

In addition to the compensation of €7,530.30 allocated to him for being a Director of the Company in 2021, in 2022 the Company paid Mr Vranken gross annual remuneration of €18,000 for his service as the Company's Chairman and Chief Executive Officer, which is the amount decided by the Board of Directors on 21 April 2006 and which was again approved by the Combined Ordinary and Extraordinary General Meeting of 3 June 2021.

The latter compensation was not changed for 2023 and that allocated to Mr Vranken as a Director of the Company for 2022 and to be paid in 2023 is €6,825.40.

For information, we remind that the Combined Ordinary and Extraordinary General Meeting of 2 June 2022 adopted the 18th resolution on Mr Vranken's compensation.

No other compensation or any other benefits were paid to Mr Vranken by VRANKEN-POMMERY MONOPOLE for his office of Chief Executive Officer and Chairman of the Board of Directors.

It is recalled that Mr Paul-François Vranken shall also be reimbursed, upon presentation of appropriate vouchers, for any costs incurred in the name of and on behalf of the Company.

2.3.6 Annual approval of the Deputy Chief Executive Officer's compensation

It is recalled that the compensation allocated for 2021 to Ms Nathalie Vranken as a member of the Board of Directors totaled €6,454.55 and that the compensation for 2022 to be paid in 2023 is €6,825.

VRANKEN-POMMERY MONOPOLE paid no compensation or benefits in 2022 to Ms Vranken for her office of Deputy Chief Executive Officer.

In accordance with the provisions that apply to listed companies, it will be proposed to the Annual Ordinary General Meeting to approve compensation of €15,000 for Ms Vranken for her office of Deputy Chief Executive Officer, to be paid in 2023 and in subsequent years, with pro rata adjustment of this compensation over 6 months for 2022.

It is also recalled that the Board of Directors meeting of 2 June 2023 decided that Ms Vranken, in her capacity as Deputy Chief Executive Officer, would be reimbursed for any expenses incurred in the name of and on behalf of the Company.

2.3.7 Approval by the General Meeting of the compensation of the Company's Directors and executive corporate officers

Pursuant to Article 22-10-34 of the French Commercial Code, the Annual General Meeting of 1 June 2023 will be asked to approve the following resolutions:

"EIGHTH RESOLUTION

The Annual Ordinary General Meeting, having taken note of the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code presented therein, namely the total amount of compensation and benefits in kind paid or granted by the Company to the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the members of the Board of Directors for the financial year ended 31 December 2022."

"NINTH RESOLUTION

The Annual Ordinary General Meeting, having taken note of the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the total compensation, the compensation allocated in his capacity as Director and the benefits in kind paid by the Company during the financial year ended 31 December 2022 or granted in respect of this same year to Mr Paul-François Vranken, Chairman Chief Executive Officer, which are indicated in said report."

2.4 Authorisations to increase share capital granted to the Board of Directors

The Extraordinary General Meeting of 3 June 2021 granted the following authorisations to increase share capital:

Type of authorisation	Limit	Duration of validity	Use in fiscal 2021
DELEGATION OF AUTHORITY AND POWERS			
Delegation of autority to the Board of Directors to increase share capital through a share issue reserved for employees with cancellation of preferential subscription rights	Maximum amount of 3%	26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of authority to the Board of Directors to issue shares and/or other securities linked to the Company's equity, with maintenance of preferential subscription rights	Maximum nominal amount of €240,000,000, non-cumulative with the authorisations below	26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of authority to the Board of Directors to issue shares and/or other securities linked to the Company's equity to the public, with cancellation of preferential subscription rights	Maximum nominal amount of €240,000,000, non-cumulative with the previous and following authorisations	26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of authority to the Board of Directors to issue shares and/or other securities linked to the Company's equity through a private placement, with cancellation of preferential subscription rights	Maximum nominal amount of €240,000,000, non-cumulative with the previous authorisations	26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of authority to the Board of Directors to increase the number of securities to be issued for a capital increase, with or without preferential subscription rights		26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of authority to the Board of Directors to increase share capital one or more times by capitalising reserves, earnings, share premiums or contributions	Maximum nominal amount of €240,000,000	26 months after the Extraordinary General Meeting of 3 June 2021	NO
Delegation of powers to the Board of Directors to charge against the payments received for the above-mentioned capital increases, the fees, taxes and other expenses incurred for said capital increases, and to also deduct from said payments the additional amount required for the legal reserve			NO
Delegation of authority to the Board of Directors to allocate bonus shares from the Company's existing shares or shares to be issued, to certain salaried employees or corporate officers of the Company and of its affiliated companies	Maximum 1% of share capital on the date the granting of said bonus shares is approved by the Board of Directors	38 months after the Extraordinary General Meeting of 3 June 2021	YES

2.5 Shareholder participation in General Meetings

• Requirements for participating in General Meetings (as per Article 27 of the Articles of Association)

Participation in General Meetings, in any form whatsoever, is subject to the registration or recording of shares as stipulated and within the time limits specified in the applicable regulations.

The Board of Directors may, at its discretion, accept voting forms and proxies that the Company receives after the time limit set by the applicable regulations.

1 - Holders of registered shares are entitled to participate in General Meetings and deliberations, regardless of the number of shares they hold upon justification of their identity, provided that their shares are fully paid up and registered in their name in accordance with the requirements and time limits specified in the applicable regulations.

2 - Any Shareholder who has the right to attend a General Meeting may be represented there by another Shareholder, by his or her spouse or by a partner with whom he or she has concluded a civil union contract. Shareholder may also be represented by any other natural person or legal entity of their choice. Proxies must contain the statements and information required by law. If a shareholder fails to designate a representative, he or she will be considered to vote in favour of the resolutions proposed to the Meetings.

3 - Shareholders may vote by mail using a form which may be obtained as indicated in the notice of the Meeting.

4 - If the Board of Directors so decides when convening the Meeting, Shareholders may use electronic admission application, proxy or remote voting forms in accordance with the applicable law and regulations. Accordingly, the electronic signature used must implement a reliable identification process to ensure that it corresponds to the intended voting form. Proxies or votes thus submitted before a Meeting by such electronic means, as well as the acknowledgement of their receipt, shall be considered irrevocable and universally enforceable documents, it being understood that in the event of a transfer of shares occurring before the time limit set by the applicable regulations, the company shall invalidate such proxies or votes submitted before said time limit, or modify them as may be necessary. Shareholders who use the proposed electronic voting or proxy form for this purpose within the specified time limit are counted among the Shareholders present or represented at the Meeting.

• **Voting rights (Article 29 of the Articles of Association)**

Single voting rights

The voting rights attached to equity shares or jouissance shares are proportional to the amount of capital they represent.

Each share entitles its holder to one vote.

Shareholders may also vote by mail.

Double voting rights

All shares that are fully paid-up and which are have been registered with the same Shareholder for at least four years have twice the voting right of shares that do not meet these conditions, in proportion to the share capital represented by the shares. If a share is converted to a bearer share or if its ownership is transferred, the aforementioned double voting right will be lost. However, if the transfer of ownership is the result of a succession, liquidation of community property between spouses or inter vivos donation to a spouse or to a relative in the line of succession, the double voting right will be preserved and the aforementioned time periods will not be suspended.

In addition, in the event of a capital increase by capitalisation of reserves, earnings or share premiums, double voting rights may be conferred on newly issued registered shares allocated as bonus shares to a Shareholder in proportion to the number of shares for which the Shareholder already has double voting rights.

The cancellation of double voting rights requires:

- a decision by all Shareholders at an Extraordinary General Meeting to amend the Articles of Association;
- the ratification of this decision by a Special Meeting of Shareholders with double voting rights, which must approve the cancellation by a two-thirds majority.

Shares without voting rights

Treasury shares have no voting rights at Meetings.

2.6 Regulated agreements

Pursuant to the applicable legal provisions, we inform you that a special report on related-party agreements (the "regulated agreements" referred to in Articles L.225-38 et seq. of the French Commercial Code) for fiscal 2022 has been prepared and is appended to this Universal Registration Document. To the best of the Company's knowledge, in 2022, there were no agreements other than those relating to ordinary transactions that were entered into on normal terms and conditions, either directly or through an intermediary, between a corporate officer of the Company, or one of its shareholders having over 10% of the Company's voting rights, and a company in which the Company directly or indirectly holds more than half of the capital. Furthermore, it is specified that the competent bodies of each of the VRANKEN-POMMERY MONOPOLE Group companies decided, on 20 December 2010, that intra-group agreements (i.e. services agreements, income tax consolidation agreements, VAT consolidation agreements, cash management agreements, trademark licensing agreements, etc.) would not be considered to be regulated agreements if they are truly ordinary transactions concluded under normal terms and conditions. There is therefore no reason to go into further detail concerning this matter. Similarly, and as it has done previously, the Board has decided that guarantees granted between Group companies do not fall within the scope of regulated agreements, given the 0.25% remuneration paid to the guarantor, which it considered to be a normal rate. Nevertheless, we mention below the agreements subject to the provisions of Articles L 225-38 et seq. of the French Commercial Code, entered into during previous years and which remain in effect:

With Mr Paul-François Vranken

Board of Directors meeting of 13 June 2003

• Provision, free of charge, by Mr Vranken of various pieces of furniture and works of art to VRANKEN- POMMERY MONOPOLE.

With POMMERY

Directors concerned: Mr Paul-François Vranken
Board of Directors meeting of 13 June 2003

• Agreement authorising VRANKEN-POMMERY MONOPOLE to use the name POMMERY in its name.

With VRANKEN-POMMERY JAPAN

Directors concerned: Mr Paul-François Vranken
Board of Directors meeting of 07 February 2011

• Waiver in favour of VRANKEN-POMMERY JAPAN of a trade debt of JPY 20,000,000 (i.e. €141,187 converted at the closing rate), subject to a better fortunes clause.

With VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH

Directors concerned: Mr Paul-François Vranken
Board of Directors meeting of 29 March 2010

- Waiver in favour of VRANKEN-POMMERY DEUTSCHLAND & OSTERREICH of a trade debt of €4,848,392.90, subject to a better fortunes clause.

Board of Directors meeting of 07 February 2011

- Waiver in favour of VRANKEN-POMMERY DEUTSCHLAND & OSTERREICH of a trade debt of €3,450,000, subject to a better fortunes clause.

With VRANKEN-POMMERY ITALIA

Directors concerned: Mr Paul-François Vranken
Board of Directors meeting of 19 December 2011

- Waiver in favour of VRANKEN-POMMERY ITALIA of a trade debt of €171,212.30, subject to a better fortunes clause.

2.7 Agreements entered into by the Company that are amended or terminated in the event of a change of control

The Group's loan agreements generally include change-of-control clauses that allow lending institutions to immediately require repayment of the debt should control change. Some business contracts also contain such a change-of-control clause.

2.8 Agreements providing for the payment of indemnities to members of the Board of Directors or employees, if they resign or are dismissed without just cause or if their employment is terminated as a result of a takeover bid or exchange offer

To date, there is no agreement to pay indemnities to Board members or employees who resign, are dismissed without just cause, or whose employment is terminated as a result of a takeover bid or exchange offer.

2.9 Procedure for assessing ordinary agreements

At its meeting of 15 April 2020, the Board of Directors set up a procedure for the Audit Committee to enable it to assess, with the assistance of the Statutory Auditors, the ordinary nature of agreements and their terms and conditions. In accordance with the applicable regulations, persons who are directly or indirectly interested in a particular agreement do not participate in its assessment.

2.10 The appointment and replacement of Board members and the amendment of the Company's Articles of Association

• Appointment and replacement of Board members

Appointments made by the Board of Directors shall be subject to ratification at the next Ordinary General Meeting. In the absence of ratification, the deliberations taken and acts accomplished previously by the Board shall still be valid.

Although Directors are normally appointed or reappointed at an Ordinary General Meeting of Shareholders, in the event of a merger or demerger, they may be appointed or reappointed at an Extraordinary General Meeting.

An employee of the Company may be appointed as Director if his or her employment contract predates his or her appointment and corresponds to actual employment. However, the number of Directors bound to the Company by an employment contract may not exceed one third of the Directors in office.

The number of Directors in office and of their appointment shall be validly substantiated, vis-à-vis third parties, solely by the statement in the minutes of each meeting of the names of the Directors present, represented or absent.

No one older than 80 years of age may be appointed Director if his or her appointment increases the number of Directors older than 80 to over one-third of the Board members. If a Director exceeds the age of 80 while in office and this causes the aforementioned one-third proportion to be exceeded, the oldest Director shall be deemed to have resigned automatically at the end of the next Ordinary General Meeting.

A proposal will be made to the Extraordinary General Meeting to raise the age limit for Directors from 80 to 99.

Directors may be natural persons or legal entities. The latter must, at the time of their appointment, designate a permanent representative who shall be subject to the same conditions and obligations and who shall incur the same liabilities as if he or she were a Director in his or her own name, without prejudice to the joint and several liability of the legal entity he or she represents.

The term of office of this permanent representative shall expire with that of the legal entity he or she represents.

If the legal entity dismisses its representative, it must notify the Company of this immediately by registered letter, while identifying its new permanent representative. The same shall apply in the event of the death, resignation or prolonged incapacity of the permanent representative.

In the event of one or more vacancies due to the death or resignation of one or more Directors, the Board of Directors may, between two General Meetings, make provisional appointments. If the number of Directors falls below three (3), the remaining Directors must immediately convene an Ordinary General Meeting of Shareholders to complete the Board.

Legal entity Directors may not sit simultaneously on more than five Boards of Directors or Supervisory Boards of public limited companies having their registered office in mainland France, except for the exceptions provided for by the Law, and in particular, the exemptions allowed for companies controlled directly or indirectly, within the meaning of Article L 233-16, by a company in which the Director is in its first term of office.

The Board of Directors may also include a Director representing the Employee Shareholders subject to the conditions stipulated by the French Commercial Code. This Director is, if necessary, appointed by the Ordinary General Meeting in accordance with the terms and conditions set out in the Frebcg Commercial Code and the Articles of Association.

Prior to the Ordinary General Meeting called to appoint the Director representing the Employee Shareholders, the Chairman of the Board of Directors shall refer the matter to the Supervisory Boards of the mutual funds invested in the Company's shares and shall consult the Employee Shareholders as set forth in these Articles of Association.

Candidates for appointment may be nominated as follows:

- When employee voting rights are exercised by the Supervisory Board of an FCPE company investment fund invested in the Company's shares, this Supervisory Board may appoint a candidate from among its members.
- When there is more than one FCPE company investment fund invested in the Company's shares whose voting rights are exercised by the Supervisory Board of these funds, these Boards may agree, in identical deliberations, to present a common candidate selected from among their collective members.
- When Employee voting rights are exercised directly by Employees, candidates may be designated during consultations organised by the Company. These consultations, which are preceded by calls for candidates, shall be made by the Company so as to ensure the confidentiality of voting, and using any means that are necessary to accommodate the way in which shares are held. To be admissible, candidacies must be presented by a group of Shareholders who represent at least 5% of shares that are held in the same manner.

The company may set up an ad hoc electoral commission to monitor the compliance of the voting process.

Only the two candidates presented by the Supervisory Boards of the FCPE company investment funds or by the Employee Shareholder groups holding the largest number of shares shall be submitted to the approval of the Ordinary General Meeting.

The minutes drafted by the Supervisory Board(s) and/or the ad hoc electoral commission presenting the candidacies must be sent to the Board of Directors no later than eight days before the date of the meeting tasked with approving the resolutions of the General Meeting on the appointment of the Director representing the Employee Shareholders.

To be admissible, all candidacies must include titular and substitute candidates. In the event that the titular candidate is unable to carry out his or her term of office, the substitute, who must fulfil the same conditions of eligibility as the titular candidate, will be co-opted by the Board of Directors to replace the representative appointed by the General Meeting.

In order to ensure the continuity in the representation of Employee Shareholders throughout the term of office, and in the event that the substitute also cannot complete the term of office, the Chairman of the Board of Directors shall refer the matter to the body that initially appointed the candidate (i.e. the FCPE fund Supervisory Board or the group of Employee Shareholders), to enable it to appoint a new candidate, whose co-optation by the Board of Directors will be submitted to the next General Meeting for ratification. All procedures for designating candidates that are not defined by law or in the Articles of Association shall be decided by General Management.

• Amendment of the Articles of Association

Extraordinary General Meetings are called to decide or authorise direct or indirect changes to the Articles of Association.

Extraordinary General Meetings may amend all provisions of the Articles of Association and may, inter alia, decide to convert the Company to another civil or commercial legal form. However, it may not increase the liabilities of shareholders, other than as resulting from a proper consolidation of shares.

Extraordinary General Meetings may only validly deliberate if the shareholders present, represented, or voting by mail hold at least one quarter of the shares with voting rights on the first call, or at least one-fifth on the second call. If this second quorum is not reached, the second Meeting may be postponed for up to two months after the date it was convened. Votes at Extraordinary General Meetings require a two-thirds majority of the shareholders present, represented or voting by mail, unless otherwise allowed by law.

2.11 Succession and business continuity

In accordance with recommendation No. 17 of the MiddleNext Code and with a view to the company's long-term future, decisions regarding the succession of the main members of the Group's General Management are taken by VRANKEN-POMMERY MONOPOLE's Board of Directors, whose members include members of the majority shareholder's family, senior executives and officers of the Company and its main subsidiaries, as well as independent directors whose experience helps ensure that the best decisions will be made.

2.12 Group diversity policy

In accordance with the provisions of Article L. 225-37-1 of the French Commercial Code and Recommendation 15 of the MiddleNext Code, the Board of Directors approved, during the past financial year, the Company's policy on professional equality and equal pay between women and men, by which:

The Company undertakes to respect the principle of gender equality, which must enable men and women, including those who are pregnant, to benefit from equal treatment in terms of access to employment and professional training, qualification, classification, promotion, working conditions, remuneration and the reconciliation of work with the exercise of family responsibilities.

A gender equality agreement covering the three years from 2021 to 2023 was signed on 23 September 2021. This new proactive and ambitious agreement aims to continue and consolidate the policy observed since the first agreement was signed in 2011.

The commitments and actions in favour of professional equality between women and men revolve around three themes (recruitment, professional training and remuneration) with quantified progress targets for each.

Recruitment

VRANKEN-POMMERY MONOPOLE bases its recruitment solely on the skills, professional experience, training and qualifications of the job candidates. The same internal and external recruitment processes are observed for both men and women candidates.

Irrespective of the type of job offered or the nature of the employment contract, VRANKEN-POMMERY MONOPOLE undertakes to ensure that job advertisements are drafted in a neutral manner, with no reference to gender or marital status or terminology that could be discriminatory. VRANKEN-POMMERY MONOPOLE takes care to maintain a necessary balance of new male and female recruits. When recruiting, the respective share of women and men among the selected candidates must tend – assuming equivalent qualifications, skills, experience and profiles – to reflect the proportion of women and men job applicants or degree-holders.

• Equal-remuneration actions:
- External recruitment agencies and internal recruiters will be informed of the company's gender-equality requirements, particularly for positions where women are under-represented.
- Diversify recruitment channels to increase the number of female and male job applicants for positions that lack gender diversity.
- Multi-person job interviews: To ensure complete objectivity, the recruitment process involves managers/executives from different departments (HR, the recruiting department, General Management, etc.).

VRANKEN-POMMERY MONOPOLE ensures that men and women are recruited at equivalent job classifications and salaries. Initial remuneration depends on the recruit's level of education, experience and responsibility, and does not take the person's gender into account.

• Equal-remuneration actions:
When recruiting an employee for a given position, determine the basic remuneration for the position before posting the job offer.

• Objective:
To increase the share of women hired under permanent contracts from 28% (2019-2020) to an average of 35% over the duration of the agreement (2021-2023).

• Result:
Women accounted for 36% of permanent hires over the first two years of the agreement, i.e. 2021 and 2022.

Training

VRANKEN-POMMERY MONOPOLE observes the principle of ensuring that all employees have equal access to professional training and to the CPF personal training account. Equal access to professional training is essential to ensuring that men and women have an equal opportunity to develop and progress their careers.

VRANKEN-POMMERY MONOPOLE sees to it that its men and women participate in the same training, so that they will develop their personal and professional skills and keep pace with changes within the company.

• Equal-remuneration actions:
- prioritise short training sessions
- reduce training-related travel constraints while maintaining the same level of training quality
- continue to develop distance learning at the employee's workstation or on a dedicated e-learning station which may enable employees to adapt specific training courses to their personal constraints
- ensure that training is provided during working hours.

• Objective:
Reduce the gender gap in training from an average of 13 points in 2019 and 2020: (68% for women and 55% for men) to an average of 8 points over the period of the agreement from 2021 through 2023.

Compensation

VRANKEN-POMMERY MONOPOLE prohibits any difference in remuneration between women and men, all other things being equal. Changes to employee compensation must be based on skills, professional experience, level of responsibility, results and expertise in the position held. The Company reaffirms that equal pay for women and men is one of the essential foundations of professional equality. As is currently the case, VRANKEN-POMMERY MONOPOLE will maintain strictly equal starting salaries for men and women. It will also ensure that pay gaps do not arise over time due to personal events or circumstances.

• Equal-remuneration actions:
- Each year, VRANKEN-POMMERY MONOPOLE will review pay gaps between women and men within each socio-professional category. In the absence of objective and relevant justification for any gaps observed, specific corrective action will be considered.
- Use every means to ensure that managers are informed of their statutory equal-pay obligations.
- To enable the balanced exercise of parenthood between women and men, 100% of the net salary of employees who have been with the company for at least one year will be maintained during paternity leave, net of the daily allowances paid by the French social security system.

• Objective:
The overall average score of the professional equality index for 2019 and 2020 was 76. The objective over the period of the agreement (2021-2023) will be to improve this score.

• Result:
The overall score of the company's professional equality index was 86 in 2021 and 88 in 2022.

3

RISK MANAGEMENT

3.1 Internal control and risk management mechanisms

3.1.1 Overview of general organisation of internal control procedures

Definition and objectives of internal control

The Group's internal audit and risk management is based on the standards of the French Financial Markets Authority (AMF).

According to the AMF standards to which the Company has chosen to refer, internal audit is a system that aims to ensure:

- Compliance with laws and regulations;
- The implementation of directives and guidelines set by the Chairman and Chief Executive Officer, notably those contributing to protection of assets;
- The due operation of the Group's internal processes;
- The reliability of the financial information.

This system consists of a set of resources, procedures and actions adapted to the Group's characteristics, which contribute to the management of its activities, the effectiveness of its operations and the efficient use of its resources. It aims to give reasonable assurance as to the achievement of the aforementioned objectives, particularly the management and prevention of the risks of error or fraud. However, like any general control system, it cannot provide an absolute guarantee of a total and complete elimination of risks. The Company's General Management is constantly demonstrating its clear commitment to maintaining and improving its internal control and risk management systems. Internal audit is one of the major concerns of the General Management, shared by the executive managers and the members of the Audit Committee, and is organised at all levels of Company and of the consolidated Group, as presented in Section 2 of the Universal Registration Document.

Scope of application

The scope retained for the internal audit is the parent company and all the subsidiaries it controls exclusively.

Internal audit players

The Group's internal control system is based on:

- Members of the Group's Administrative and Finance Department, in charge of issuing or updating the accounting and financial standards applicable within the Group and overseeing the application of the procedures, rules and best practices;
- Management control reporting to the General Management of the various businesses and functionally to the Group Management Control Department reporting to the Chairman and Chief Executive Officer; and
- the various operational and functional departments ensuring supervision functions in their field of competence.

The members of the Group Administrative and Finance Department play an important role in risk management. They control the establishment of the internal audit system in the Group and, as such:

- Supervise the local implementation of the directives, processes and checks identified in the foreign subsidiaries;
- assist the various operational and functional departments in their efforts to improve and remedy internal audit failures;
- Coordinate and prepare the assessment of internal audit system effectiveness in relation to financial information.

Their main missions are to oversee the documentation and to update internal delegations of powers, to make sure the principle of separation of tasks is followed, to monitor remedial actions relating to the deficiencies of the internal audit and to follow up on the recommendations of external audits.

The Board of Directors, via the Audit Committee, makes sure the Company has reliable procedures for monitoring the internal audit system and the system for identifying, assessing and managing risks.

Without calling into question the powers of the Board of Directors, the Audit Committee, which has been operational since early 2011, is notably responsible for monitoring:

- the effectiveness of risk management and internal control systems (covering all areas of the VRANKEN-POMMERY MONOPOLE Group entities);
- the preparation of financial information (understanding the architecture of the accounting and financial information systems and assisting the Board of Directors preparing for the review of the annual accounts and interim financial statements);
- the legal audit of the annual financial statements and of the consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

The composition of the Board of Directors and the Audit Committee as well as the organisation of their work contributing to the Group's due operation, in an efficient and transparent manner, are described in the Corporate Governance Report.

The Company's governing bodies are guided and supported in their tasks by the members of COMPAGNIE VRANKEN, which, as the leading holding company of the Company and the Group's companies, through the VRANKEN-POMMERY MONOPOLE Group corporate coordination and services agreement, provides the Company with leadership and support in the areas of management, financial control and general company administration.

As part of its leadership mission, COMPAGNIE VRANKEN has set up a Management Committee and two Steering Committees.

Preparation and control of accounting and financial information

Corporate financial statements

The general accounting conventions applied are compliant with the general principles for establishing and presenting annual financial statements as defined by the French Commercial Code and Regulation 2014-03 of the French Accounting Standards Authority.

Consolidated financial statements

The consolidated financial statements published for the year ended 31 December 2022 were drawn up in compliance with IFRS.

All consolidated companies close their accounts on the same date.

3.1.2 Description of the current internal control and risk management procedures

Internal audit components

The internal audit system is based on an internal organisation adapted to each Group activity and characterised by operational management being empowered by Management.

With the assistance of the COMPAGNIE VRANKEN teams, the Group implements, at the level of its subsidiaries, operating procedures and methods relating in particular to the preparation and processing of accounting and financial information, and taking into account the risks inherent in each of the business lines and markets in which the Group is present, in compliance with the general directives and rules defined by the Group.

In terms of information processing tools, the Group controls and checks the sequencing of its commercial activities and transcribes this into accounting information using integrated software packages recognised as market standards, or specific applications developed by the Group's Information Systems Department.

This system includes:

- weekly reviews of activities by the operational departments (country or subsidiary);
- monthly operational and financial reviews;
- monthly consolidated cash balance and debt reports;
- regular visits by the Chairman and CEO to all the subsidiaries during which the results and progress of commercial operations are presented to him, allowing him to assess the implementation of the directives, and facilitate discussions and decision-making.

Processing the accounting and financial data

Financial and management data is produced by the Administrative and Finance Department, assisted by the COMPAGNIE VRANKEN departments. The Group has a centralised accounting department for all the French companies in its Group. The Group's French companies as well as the main foreign subsidiaries use a "SAGE" ERP that provides a better level of security for the internal procedures of the sales, purchases, cash balance and staff management cycles.

The administration of sales and invoicing are integrated into this software.

The other foreign subsidiaries have their own accounting organisation and send their financial and accounting information to the Group according to standardised reporting. Aside from the checks made by the Group in each subsidiary, an external auditor checks the financial statements of each subsidiary annually. IT developments allowing a daily overview of a certain number of key data were put in place during deployment. The consolidated financial statements are generated from data entered locally in each entity in accordance with Group standards. This data is sent to the parent company on the basis of a single consolidation bundle established by the Group's Accounting Department.

The checks in place are carried out weekly, monthly or quarterly depending on the nature of the operations. In particular, they use approximations of the accounting and management data to make sure the operations are accounted for exhaustively and correctly.

At the reporting date, the accounting teams review the financial statements and compare them with Management Control to analyse and explain actual changes from one period to another and differences vis-à-vis the budget.

This system is complemented by the assignment and certification work of the Statutory Auditors on the annual and half-yearly corporate and consolidated financial statements.

3.2 Risk factors

Group risk mapping

In accordance with the requirements of the new regulations known as "Prospectus 3", applicable since 21 July 2019, the presentation of the "Risk factors" section of this Document has been reviewed to improve its readability, and only the significant risks specific to the Company are presented in it.

The risk mapping prepared by the Group's management was reviewed by the Audit Committee at its meeting of 8 December 2022.

As of the registration date of this Universal Registration Document, the risks described below are those identified by the Company as being likely to significantly affect its business, image, financial position, results, ability to achieve its objectives and shareholders. Under the Company's risk management procedures, all of these identified risks are analysed on a regular basis. The table below summarises the main risks, which are organised into four categories: business-related risks, industrial and environmental risks, legal, contractual and regulatory risks and financial risks. The analysis enables the Group to measure its exposure to risks and consider the corrective measures needed to mitigate the consequences thereof. As such, it is a management and decision-making tool. Only risks assessed as having a "significant" level of criticality are detailed in this chapter. The risks presented are not the only risks facing the Group, it being understood that other risks of which it is not currently aware or which it does not consider to be significant at the date of publication of this Universal Registration Document could also adversely affect its business, financial position, results or ability to achieve its objectives. Investors should carefully consider each of the risks presented below as well as all of the information contained in this Universal Registration Document. During the 2022 financial year, it appeared necessary to adapt the Group's risk mapping to take into account changes in its environment.

These changes resulted in:

- a change in the impact of the risk of a pandemic from "high" to "strong", given the vaccination coverage in France and in the main countries where the Group is present;
- a change in occurrence from "medium" to "high" and a change in impact from "low" to "medium" for the risk of supplier dependence, due to the availability of energy and dry materials rather than a diversification problem;
- the emergence of two new risks: inflation with a "high" probability of occurrence and a "medium" impact, and financial risks related to climate change with a "high" probability of occurrence and a "high" impact.

Impact of risks / Probability of occurrence	Low	Medium	Strong	High
High	- Loss of a production site - Toxic contamination			
Strong	- Asset maintenance	- Major litigation - Liquidity risk - Pandemic	- Regulatory developments - Cyber attacks - Attempted fraud - Changes in taxation	- Global warming and decline in biodiversity - Geopolitical and macroeconomic instability - Financial risk from climate change
Medium	- Safety of persons and property - Product quality and health risk - Inventory management	- Perpetuation of skills and know-how	- Unsuitability for new consumer uses - Intellectual property/ trademarks - Dependency on suppliers	- Financial risks (exchange rates and interest rates) - Competitive pressure - Inflation
Low			- Distribution networks	

Ranking of risks

The risks listed have been classified according to their type into four main categories presented in descending order of their degree of criticality: business-related risks, industrial and environmental risks, legal, contractual and regulatory risks, and financial risks. Within each category, the risks identified are themselves classified in descending order according to their level of criticality, taking into account their probability of occurrence, their impact on the Group and corrective measures that could reduce or control their consequences.

Business-related risks, including (but not limited to):
- Geopolitical and macroeconomic instability
- Pandemic
- Inflation
- Competitive pressure
- Unsuitability for new consumer uses
- Cyber attacks
- Attempted fraud
- Distribution networks
- Perpetuation of skills and know-how
- Dependency on suppliers

- Industrial and environmental risks, including (but not limited to):
- Global warming and decline in biodiversity
- Loss of a production site
- Toxic contamination
- Asset maintenance
- Safety of persons and property
- Product quality and health risk
- Inventory management

Legal, contractual, regulatory risks, including (but not limited to):
- Changes in the regulatory environment
- Changes in taxation (taxes and duties)
- Major litigation
- Intellectual property/trademarks

Financial risks, including (but not limited to):
- Financial risk from climate deregulation
- Interest rate and currency risks
- Liquidity risk

BUSINESS-RELATED RISKS, INCLUDING (BUT NOT LIMITED TO):

Geopolitical and macroeconomic instability

Identification and description of risk:	Potential effects:
The year 2022 was marked by the Russia-Ukraine conflict, and the geopolitical tensions still present in the China Sea. Relations between the US and Europe have normalised on the tariff side, but the prospect of US elections at the end of 2023 could revive 'protectionist' temptations as was the case with the Inflation Reduction Act in August 2022.	• Inability to sell the Group's products in certain markets. • Lower sales due to the anxiety-provoking climate generated by geopolitical instability. • Increased tariffs or barriers to entry in some countries.

Risk reduction and/or control measures:

Early on, VRANKEN-POMMERY MONOPOLE adopted measures to reduce geopolitical and macroeconomic risk through:
- geographical diversification, through its network of nine international subsidiaries and its Export Department, which provides coverage of over 100 countries worldwide;
- diversification into rosé, port and Douro wines, and, more recently, sparkling wines in the United States and Great Britain has enabled the Group to reduce its dependency on the Champagne market alone;
- the development of all distribution channels such as on-trade, off-trade, travel retail, B-to-B and sales to individuals, etc;
- targeted price increases to mitigate the impact on its margins.

Competitive pressure

Identification and description of risk:	Potential effects:
Competitive pressure takes the form of pressure on sales prices and the emergence of new competing products.	• Inability to maintain price and margin levels that will ensure the sustainability of the Group's results. • Consumers turning to new products.

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE has a portfolio of prestigious brands supported by a demand for product quality that enables it to maintain a high price level.

Although these are not products comparable to Champagne, the emergence of new sparkling wines on international markets has motivated the creation of sparkling wines in the United States and Great Britain to meet consumer expectations.

Pandemic

Identification and description of risk:	Potential effects:
According to the World Health Organisation (WHO), a pandemic is the global spread of a new disease. Since the vast majority of the population is not immune to this new virus, its impact and severity are potentially higher than for an already known virus.	• Halt in global economic activity, making it impossible to sell the Group's products in all its markets. • Production shutdown. • Switch from consumption in bars and restaurants to consumption at home.

Risk reduction and/or control measures:
In the context of the COVID-19 pandemic, the VRANKEN-POMMERY MONOPOLE Group has taken all the necessary measures in compliance with the government directives of each country where it operates, to ensure the safety of its staff as a priority, maintain business continuity and preserve its liquidity: Vaccination coverage in France and in all the countries where the Group is present is high, and we have learned as a society to "live with the virus". The Group continues to provide its staff with masks and hand santiser, and encourages teleworking for declared cases.

Inflation

Identification and description of risk:	Potential effects:
According to INSEE, inflation is defined as the loss of purchasing power of money resulting in a broad-based, sustained increase in prices. High inflation reappeared in 2022 as a result of: - the strong post-COVID economic rebound; - the unavailability of certain raw materials and other semi-finished or finished goods; - the consequences of economic sanctions related to the Russia-Ukraine conflict on gas and de facto on electricity prices.	• Inability to pass on "upstream" price increases to sales prices, which leads to a deterioration in margins. • The erosion of employees' "purchasing power" can worsen the social climate in the company. • Inflation can lead to an increase in interest rates and therefore in the financial burden of variable rate loans.

Risk reduction and/or control measures:
The VRANKEN-POMMERY MONOPOLE Group has the ability to pass on the increase in the price of agricultural raw materials under the Egalim Law. Furthermore, thanks to the quality of its products and the attractiveness of its brands, the Group also has additional levers for increasing its prices in order to cover the cost of replacing its bottles in stock, thus preserving its margins. With regard to the preservation of employees' purchasing power, the Group is in line with inter-professional decisions. The increase in interest rates is dealt with in the context of interest rate risk management. For several years, the Group has sought to reduce its debt and to reduce its exposure to changes in interest rates by reducing its variable-rate debt.

Unsuitability for new consumer uses

Identification and description of risk:	Potential effects:
VRANKEN-POMMERY MONOPOLE has to adapt to new consumer habits to attract new customers. The expectations of new generations of consumers are based on omni-channel distribution and the strengthening of the customer experience at all stages of the purchasing process, including pre-sales and after-sales. Social networks are more and more involved in the purchasing process.	• Failure to adapt to new trends can lead to a loss of market share, a deterioration in brand image and ultimately a loss of revenue.

Risk reduction and/or control measures:
The Group is constantly on the lookout for new market trends around the world thanks to its international network.
Its capacity for innovation and short decision-making circuits enable it to address market expectations with considerable responsiveness and a suitable marketing approach. The deployment of digital tools in the Group favours greater responsiveness on its markets.

Cyber attacks

Identification and description of risk:	Potential effects:
The Group has accelerated its digital transformation and is increasingly exposed to the risk of cyber attacks. Business continuity and the integrity of computer systems can be altered by a major malicious attack. Regulation of protection of personal data has been strengthened by the General Data Protection Regulation (GDPR).	• Impacts may include leaks, destruction, hostage-taking or theft of confidential and/or sensitive data. • The integrity of computer systems may be compromised and prevent the normal course of business. • Administrative sanctions for non-compliance with the GDPR result in fines of between 2% and 4% of the previous year's worldwide revenue.

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE keeps its computer protection systems constantly up-to-date and regularly informs its staff about the risk of cyber attacks.

Infrastructure security is ensured by regular maintenance and data redundancy to ensure business continuity.

Cyber security tests have been put in place to measure the reliability of computer systems.

The Group is studying the introduction of "cyber risk" insurance.

Attempted fraud

Identification and description of risk:	Potential effects:
Due to its international dimension, the increasing use of digital tools and its reputation, VRANKEN-POMMERY MONOPOLE is exposed to the risk of fraud. Because of the price of grapes, the risk of fraud also affects raw materials.	• The impact of fraud is primarily financial, but may also involve sensitive or strategic data as well as products and have a significant impact on the Group's reputation.

Risk reduction and/or control measures:

Given the constant increase of attempted fraud, the Group regularly reminds its employees of the safety rules and ensures that procedures are complied with through its internal control system.

A study on the subject of food fraud was conducted in the Champagne and Portuguese entities to highlight the biggest fraud risks and identify preventive actions.

Distribution networks

Identification and description of risk:	Potential effects:
Distribution networks are evolving more and more rapidly in line with changes in society. This phenomenon is reflected in a concentration of players in European mass retailing and the questioning of their traditional economic model, and a continuous reduction in the number of cafés, independent restaurants and discotheques in France. At the same time, the development of online sales ramped up during the lockdown periods.	• Decrease in sales volume that could lead to a decrease in revenue. • Economic weakening of the traditional distribution players, which could lead to pressure on prices and/or a deterioration in the quality of the Group's trade receivables.

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE ensures its development through omni-channel distribution in France and abroad in order to expand its customer base. The COVID-19 pandemic demonstrated the relevance of this distribution strategy through the resilience shown by the Group at the height of the crisis. The local presence provided by its international subsidiaries has favoured the resumption of doing business as close as possible to customers. The Group's trade receivables are long-standing domestic and international receivables.

Perpetuation of skills and know-how

Identification and description of risk:	Potential effects:
The attractiveness of the VRANKEN-POMMERY MONOPOLE "employer brand" should make it possible to recruit and retain talent in an increasingly competitive environment for the most sought-after profiles, combining technical expertise and an international dimension. The aspirations of younger generations must be taken into account when adapting career management in order to avoid high staff turnover.	• The impact can be measured in the long term by a gradual loss of skills and know-how, which is detrimental to the development of the Company. • Excessive staff turnover or excessively long vacancies may harm the Group's economic and financial performance in the long term and have an impact on its image.
Risk reduction and/or control measures: The Group has developed employee integration and training programmes. The VRANKEN-POMMERY MONOPOLE employer brand is promoted through recruitment on social media and the Company's website, while keeping to the principles of diversity and inclusion. Career development and internal promotion of young talent are encouraged and supported. The Group also pursues a proactive policy of work-study programmes, which encourages the transmission of knowledge and skills through intergenerational exchanges between the tutor and the student.	

Dependency on suppliers

Identification and description of risk:	Potential effects:
The price of grapes in Champagne is a particular area of vigilance, as it impacts the price of the bottles that, ultimately, will be marketed. The concentration of packaging suppliers and the availability of products can create a risk of dependency. Energy prices are experiencing sharp increases in line with the rapid evolution of economic activity and the availability of raw materials and/or infrastructure.	• A significant increase in the price of grapes in Champagne may not be reflected in the Group's sales prices. • A break in the "dry materials" supply chain may result in delays or even a production stoppage. • Changes in energy prices may adversely affect margins.
Risk reduction and/or control measures: The organisational structure of Champagne is based on co-management between traders and vineyards. The regulatory mechanisms adopted over time by the Comité Champagne, the volume of appellation defined at each harvest and quality reserves, in particular, help to smooth out the effects of cyclical or climatic hazards. Although the Champagne activity depends on the vineyards as a whole for its grape supplies, the risk is spread over a large number of winegrowers and is therefore extremely diffuse. For the other appellations, VRANKEN-POMMERY MONOPOLE has total control over its supply. The Group selects its suppliers based on their quality and practices in terms of the environment, employee relations and ethics, and favours short supply chains as part of its responsible purchasing policy. Energy prices are monitored in order to benefit from the best possible tariff conditions, and the extension of contractual terms ensures both availability and a limitation of increases.	

INDUSTRIAL AND ENVIRONMENTAL RISKS, INCLUDING (BUT NOT LIMITED TO):

Global warming and decline in biodiversity

Identification and description of risk:	Potential effects:
The preservation of the environment and biodiversity is a major fundamental issue for winegrowing activities. The impact of global warming on the Group's business is already observable, notably on water management in vineyards in the South of France. The decline in biodiversity linked to the massive use of agrochemicals could eventually lead to the disappearance of pollinating species and soil impoverishment.	• Irregularity of harvest yields due to the amplification of climatic phenomena. • Possible modification of the grape varieties in the various winegrowing regions where the Group is present. • Impact on product quality.
Risk reduction and/or control measures: VRANKEN-POMMERY MONOPOLE has taken measures to control and reduce its environmental impact by: - obtaining ISO 14001 certification in Champagne; - adapting its farming practices (certified organic vineyards in Provence and Camargue, Sustainable Viticulture in Champagne). The Group has announced the organic conversion of part of its Champagne vineyards, and the entire Portuguese vineyard in 2021; - reducing its carbon footprint (conversion of the fleet to electricity); - installing beehives around vineyards in Portugal; - optimising water management in Provence and the Camargue, and the partnership established with the city of Sète for the use of treated effluents. - creating the Réseau Vert Cot'Eau in partnership with Avize Viti-Campus and the Seine-Normandy Water Agency to protect soil through a zero herbicide policy and reduced use of phytosanitary products.	

Loss of a production site

Identification and description of risk:	Potential effects:
Phenomena that could lead to the loss of a production site are: - Fire - Natural risks - Malevolent acts	• The loss of an industrial site is a major risk that would rob the Group of its ability to manufacture its products for a prolonged period of time, which would result in an operating loss. • In the longer term, such a disruption could lead to a loss of market share.

Risk reduction and/or control measures:
Every year, VRANKEN-POMMERY MONOPOLE carries out a complete review of its insurance coverage (civil liability, damage, business interruption, etc.).
Preventive measures (operating procedures, plant maintenance, training, etc.) and protective measures (emergency procedures, retentions, automatic extinguishing, etc.) are present and reviewed at regular intervals.

Toxic contamination

Identification and description of risk:	Potential effects:
The Group purchases raw materials used in the composition or production of its products from winegrowers or industry suppliers. These materials may or may not be intentionally altered by chemical, biological or physical substances that may render the finished product unfit for consumption.	• Contamination may cause injury or damage to consumers for which the Group would be liable. • The harm to the Group could result in a loss of revenue and damage to its image and reputation.

Risk reduction and/or control measures:
The Group has set up protection and control systems to limit the risk of contamination as part of its ISO 22000 and IFS Food certification processes for food safety obtained in 2018 and 2019 respectively.
The IFS-certified sites have carried out a "Food Defence" study to assess the risk of malicious damage to products.
Due to its commitment to organic viticulture in Provence and in Camargue, and now in Champagne and Portugal, the Group aims to limit the use of chemical inputs.

Asset maintenance

Identification and description of risk:	Potential effects:
The Group's land and real estate portfolio is one of its main assets. The Group is the owner of the following UNESCO World Heritage sites: - Les Coteaux, Maison et Caves de Champagne, - The Upper Douro vineyards. It also has other properties located in exceptional Natura 2000 classified sites such as the Camargue. Even though they provide international visibility, these assets oblige us to act responsibly to perpetuate a unique heritage and be able to pass it on to future generations.	• Damage to heritage assets may harm the Group's image and reputation. • It may also call into question the valuation of assets.

Risk reduction and/or control measures:
The Group is aware of its social responsibility with regard to the maintenance of its assets, and it has set up an internal team responsible for preventive and/or curative action for buildings. Whenever necessary, the Group avails itself of recognised architects and companies with expertise in the restoration of old buildings.
The Group is insured at identical reconstruction value in the event of damage and has insurance coverage and a 10-year building guarantee for work carried out by its own staff.

Safety of persons and property

Identification and description of risk:	Potential effects:
The safety of persons and property is an obligation of the Company. Occupational risk is the probability, for an employee exposed to a dangerous situation during his or her work, of suffering harmful effects on his or her physical and mental health.	• The potential effects on the Group are the harm to the individual that may result in death, temporary or permanent disability, or occupational disease. • Damage to the reputation of the Group.

Risk reduction and/or control measures:
The Group's safety policy aims to reduce the criticality of professional risks by focusing prevention and training measures mainly on handling, risks related to movements and intervention on machines. The Group has strengthened the analysis of malfunctions in the field by carrying out regular audits, strengthening communication with staff, and analysing "near-misses". With regard to psychosocial risks, the Group has carried out a series of audits followed by action plans.

Product quality and health risk

Identification and description of risk:	Potential effects:
Product quality problems can be related to: - Their composition - The packaging - The development process In the most critical cases, a product may present a problem, making it potentially dangerous to the health of the consumer.	• A compliance problem for a product, and by extension for the health of a consumer, would have an impact on the Group's image and reputation and result in a loss of revenue.

Risk reduction and/or control measures:
FOR MANY YEARS, VRANKEN-POMMERY MONOPOLE has had quality management procedures based on the highest standards. The Group has obtained ISO 9001 and ISO 22000 certification for its production sites in Champagne and IFS Food certification for the Tours-sur-Marne, Jarras, and Rozès sites. It disseminates the best practices resulting from these initiatives to all of its production sites. All production sites have carried out a study of reasonably expected hazards according to the HACCP method.

Inventory management

Identification and description of risk:	Potential effects:
Poor inventory management may result in: - out-of-stock situations - surplus inventory - "dormant" inventories	• The effects for the Group of poor inventory management can be a reduction in turnover in the event of out-of-stock situations and, in any event, harm to its profitability.

Risk reduction and/or control measures:
Inventory management is an important variable for VRANKEN-POMMERY MONOPOLE, whose inventories, in champagne especially, are slow-moving due to the production process and related obligations.
The Group has inventory management tools that integrate the entire process from the harvest to the finished product, enabling it to manage its needs and expectations as closely as possible. Transport and logistics for finished products are outsourced.

LEGAL, CONTRACTUAL, REGULATORY RISKS, INCLUDING (BUT NOT LIMITED TO):

Changes in the regulatory environment

Identification and description of risk:	Potential effects:
Given its international dimension, in each country where it markets its products, the Group must deal with local regulations with regard to legal notices, promotional tools, and access to distribution. Local regulatory changes may modify the operating rules of a market at any time.	• The regulatory environment can have the effect of directly or indirectly limiting or even preventing access to certain markets and thus lead to a decline or even loss of business. • Changes in local laws and regulations may require significant expenditure to comply with them (labelling).

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE keeps an active watch on legislative and regulatory developments in each of the countries where it is present, with the support of its local partners where necessary.

Through its presence in the interprofessional bodies representing each vineyard where it is present, the Group is part of the collective defence of the interests of each appellation region.

Changes in taxation (taxes and duties)

Identification and description of risk:	Potential effects:
The risk associated with changes in taxation concerns all changes in taxes and duties, in particular customs tariffs and excise duties, but also changes in accounting standards. The Group may be subject to tax audits in France and in each of the states in which it has a subsidiary.	• Increases in taxes and duties have the effect of increasing the selling price to the final consumer, which may reduce the volume of sales. • A tax audit may result in a reduction in the Group's profitability.

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE's tax policy is prudent and honest. The Group's objective is to comply with the laws and regulations in force in each country in which it operates, with the assistance of local lawyers where necessary, in order to limit the consequences of a potential tax audit as much as possible.

In 2022, the Group updated its transfer pricing policy to take into account changes in its activities.

Major litigation

Identification and description of risk:	Potential effects:
The Group may be exposed to disputes or complaints from third parties, either exceptionally or in the normal course of its day-to-day business (commercial disputes).	• A major dispute may have an impact on the Group's results in the event of a conviction or fine. • The Group's image and reputation may be damaged by a significant penalty.

Risk reduction and/or control measures:

The Group deploys all necessary resources to anticipate and prevent the risk of major litigation, by including the Legal Department and outside firms upstream of its projects, both nationally and internationally.

All contracts are analysed to detect potential sources of litigation.

The Group centralises the regular monitoring of the progress of its ongoing litigation.

Intellectual property/trademarks

Identification and description of risk: The Group's brands are a major asset that enables it to ensure its commercial development in France and throughout the world. In the luxury sector, a brand is a priority to be protected because of the attacks that may target it, such as unfair competition, imitation, and counterfeiting.	**Potential effects:** • Deception of consumers regarding the product is the main risk and could harm the corporate image. • The value of the trademarks could be affected, and the presence of the trademarks or brands in certain countries could be compromised.
Risk reduction and/or control measures: Protection of the Group's brands in the main countries where its bottles are marketed is done through contracts signed with specialised firms (surveillance, management, etc.) and in collaboration with the Group's Legal Department. Operational staff in various countries are also called upon to report to the Legal Department any imitations they see in the field and to provide it with all information it may need to take action to protect the Group's brands. The Group undertakes all necessary actions to fight counterfeits and unfair competition, and whenever it feels that a request for registration of trademarks breaches its ownership rights. To date, there are no legal proceedings significantly affecting the brands owned by companies of the VRANKEN-POMMERY MONOPOLE Group.	

FINANCIAL RISKS, INCLUDING (BUT NOT LIMITED TO):

Financial risk from climate change

Identification and description of risk: The consequences of climate change are: - In the short term, an increase in the frequency and amplitude of drought or precipitation events. - In the long term, impacts on sea levels, soil fertility, access to freshwater resources, infrastructure, biodiversity etc. We can therefore distinguish between two types of risk linked to climate change: - Physical risk, whether acute (natural disaster) or chronic (long-term consequences of average temperature increase). - The transition risk in moving from a carbon economy to a low-carbon economy.	**Potential effects:** Physical hazards: • The consequences of a natural disaster can be the total or partial destruction of vineyards or means of production, which in turn leads to operating losses. • An increase in the cost or exclusion of natural disaster risk from insurance cover. • In the long term, the consequences of climate change may lead to a reduction or even a halt in wine production in certain regions and the devaluation of the corresponding assets. Transition risk: • The transition of a business model can challenge the growth and profitability of certain activities and requires additional investment to adapt. Financing the transition to a low-carbon economy therefore becomes crucial. • A "sudden" transition may lead to the disappearance of some economic actors unable to finance themselves and cause systemic contagion.
Risk reduction and/or control measures: Addressing the financial risks of climate change impacts is a priority issue for our Group. As a wine-producing company, our activities are dependent on the vagaries of the weather. In an attempt to limit or reduce our carbon footprint, we have undertaken a number of actions over the last few years, including: • Developing organic viticulture or Sustainable Viticulture in Champagne (VDC) on all our estates. • Reducing the weight of our champagne bottles. • Having our Champagne production sites certified under ISO 14001. • Carrying out a carbon assessment of our Champagne and Wine activities and reduce our greenhouse gas emissions. • Working on reducing energy consumption and encourage the development of renewable energies, particularly photovoltaic. • Conducting an energy assessment of certain activities to highlight ways in which to reduce our consumption. • Acting to preserve water resources. • Adopting a responsible purchasing charter and distribute it to its suppliers. The Group has already taken steps to address the financial challenges of climate change, notably by taking out "green" or "impact" loans to finance its ecological transition. Implicitly, our financial partners have thus validated the transition process that we have kicked off. The Group is also interested in parametric insurance, which makes it possible to cover the financial consequences of climatic hazards. VRANKEN-POMMERY MONOPOLE intends to pursue its approach, the objective of which is to strengthen our Group's resilience and adaptation to climate change. The sustainability of our activity over time is at the heart of our thinking and has led us to adopt the status of Company with a mission at our General Meeting on 3 June 2021.	

Interest rate and currency risks

Identification and description of risk:	Potential effects:
Due to its international dimension, VRANKEN-POMMERY MONOPOLE is exposed to fluctuations in the exchange rates of the currencies other than the euro, its reference currency, in which its operations are performed. The Group is exposed to changes in interest rates on its financial liabilities and financial income.	• Currency fluctuations may impact operating cash flows. • An impact on the Group's equity through the translation of the financial statements of foreign subsidiaries whose reference currency is other than the euro. • A sharp rise in interest rates could have a negative impact on the Group's financial income.
Risk reduction and/or control measures: The Group's foreign exchange policy is to invoice the end customer in euros or in the currency of the distribution subsidiary. The residual risk can be hedged by simple forward exchange transactions. The Group's financing objective is to reduce its indebtedness and the variable rate portion of its borrowings in favour of fixed rates. The residual risk can be hedged by simple hedging transactions such as swaps, caps or collars.	

Liquidity risk

Identification and description of risk:	Potential effects:
Liquidity risk is based on the Group's ability to meet its financial commitments.	• The Group would no longer be able to meet its deadlines and/or pay its suppliers.
Risk reduction and/or control measures: VRANKEN-POMMERY MONOPOLE takes all necessary measures to maintain a level of financing in line with its needs and to anticipate its future requirements. The Group regularly studies alternative financing solutions to take advantage of any opportunities for diversification. To optimise its cash management on a centralised basis, the Group has entered into a cash management agreement with all of its subsidiaries. The Group insures all of its trade receivables with a credit insurer on both the domestic and international markets, and for many years has adopted a prudent trade receivables policy.	

3.3 Insurance and risk cover policy

The Group carefully monitors the assessment of its risks in order to adjust its level of coverage as best as possible.

The Group has two types of coverage: firstly, Group insurance policies with well-known companies and, secondly, policies taken out locally.

Programmes at Group level are monitored by the Finance Department and the Audit Committee, which coordinates the insurance policy and risk management.

To date, the Group has therefore taken out various policies, both in France and in the countries where its subsidiaries are registered, to cover the various risks to which the Company and Group companies may be exposed in a certain and optimal manner, including coverage such as:
- civil liability;
- damage to assets;
- environmental civil liability;
- civil liability of the corporate officers;
- transport damages;
- automobile fleet insurance, etc.

To this is added complementary insurance contracted by some subsidiaries to meet particular needs (such as employer's liability insurance in England, etc.). All the contracts tend to ensure the potential risk on the main count, or come as a complement to the contracts subscribed by third parties (suppliers, transporters or other) when the coverage subscribed is insufficient or deficient. Furthermore, France and Export credit insurance programmes are in place to reduce risks related to trade receivables. The VRANKEN-POMMERY MONOPOLE Group did not deem it necessary to ensure risks that might affect the vineyards it owns and/or that it operates directly. This decision was made in view of the very widespread localisation of its various vineyards, which naturally divides the risk. Any damages incurred by one or more plots, either by way of disease or bad weather, or as a result of the actions of a third party (voluntary degradations, theft or other) only represent a very minor risk of affecting the vineyards as a whole. In any event, such clearly localised damages would have no significant effect on the other vineyards and therefore on production.

4

STATEMENT OF NON-FINANCIAL PERFORMANCE

"From time immemorial, excellence has been the product of the perfect balance between human efforts and nature's gifts."

MISSION

Providing our customers with quality Champagnes and Wines while protecting the environment and biodiversity

TREND

- Conversion to organic
- Climate change adaptation

REVENUE

€334.5 MILLION
86% Champagne
7.7% Rosé Wine
6.3% Port and others

EUROPE'S LEADING WINE PRODUCER:
Guaranteeing the quality of our wines from vine to bottle

1 RESOURCES

MEN AND WOMEN

523 EMPLOYEES*
23% vineyard employees
37% production employees
40% sales and support employees

2 PRODUCTION

Circular economy:
95% of our purchases are local

ROSÉ WINE
Provence & Camargue

25,000 m²
Capacity of 15,000,000 bottles
8 pneumatic presses
1 vat room of 240,000 hl

3 DISTRIBUTION

3 Hubs
North America
North Asia
Pacific

100 Markets

*Staff on open-ended contracts at 31/12/2022

VINEYARDS

Champagne • Camargue • Provence
Douro (Portugal)
Partnership to guarantee product quality
(Medium- and long-term supply contracts)
Sustainable Viticulture in Champagne
High Environmental Value
Organic viticulture

HERITAGE AND BRANDS

2 Domaines on sites registered as UNESCO's World Heritage
A portfolio of exclusive brands with global recognition

CHAMPAGNE
TOURS-SUR-MARNE & Reims

Over 50,000 m²
Capacity of 25,000,000 bottles
13 production lines
2 vat rooms with over 101,000 hl
6 pneumatic presses
ISO 9001 and 14001 since 2005 (TSM)
ISO 9001 and 14001 since 1998 (Reims)
ISO 22000 SINCE 2018
IFS since 2019

PORTO/DOURO
PORTUGAL

7,500 m²
Capacity: 5,000,000 bottles
Stainless steel vats, casks, etc.: approx. 44,000 hl
2 labelling lines: approx. 7,000 bottles per hour
IFS since 2018

FRET 21

Target to reduce CO_2 emissions by at least 5% by 2023

10 SUBSIDIARIES

France	Portugal
United Kingdom	Switzerland
Belgium	USA (+Canada)
Italy	Australia
Germany (+ Austria)	Japan

CUSTOMER NETWORK

ON TRADE
Cafés, hotels, restaurants, specialty shops, BtoB

OFF TRADE
Large retailers
Wine shops

EXPORT

Report on the activities of the VRANKEN-POMMERY MONOPOLE Group with regard to the "European Green Taxonomy"

1. Background

European Regulation 2020/852 of 18 June 2020, commonly known as the "European Green Taxonomy", is a central pillar of the European Union's financial sector empowerment strategy. It is a tool used to redirect capital flows towards sustainable investments.

This tool defines a reference framework and a common language aimed at identifying activities that substantially contribute to the achievement of six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Protection and sustainable use of water and marine resources;
- Transition to a circular economy, waste prevention and recycling;
- Pollution prevention and control;
- Protection of healthy ecosystems.

The companies concerned must publish three "green" activity ratios in their Statement of Non-Financial Performance:

- "Green" turnover (revenue);
- "Green" capital expenditure (CapEx);
- "Green" operating expenses (OpEx).

With this in mind, Vranken-Pommery Monopole has:

- identified the share of its activities eligible for targets covering climate change adaptation and mitigation;
- analysed the contribution of eligible activities to achieving such targets while ensuring that this contribution does not undermine other climate targets in order to validate their alignment.

2. Calculation scope and methodology

To determine the financial ratios presented in this note, VRANKEN-POMMERY MONOPOLE has applied the rules defined by the Delegated Act known as Article 8 of the European Union (EU) Taxonomy Regulation:

- The scope considered covers all of the Group's activities corresponding to the scope of consolidated companies. Companies over which the Group exercises joint control or influence are excluded;
- The financial data is taken from the consolidated financial statements at 31 December 2022. Revenue and capital expenditure can therefore be reconciled with the financial statements. The underlying financial information was jointly reviewed by the Finance and Operational Departments to ensure consistency and reconciliation with the consolidated financial statements;

- Capital expenditure corresponds to the costs capitalised for property, plant and equipment and intangible assets;
- Operating expenses are defined as direct costs that cannot be capitalised and include Research & Development costs, building renovation costs, maintenance and repair costs, rents recognised in the income statement and any other expenses related to daily asset maintenance.

3. Breakdown of eligible activities

Conducted jointly by the Finance and Operational Departments, VRANKEN-POMMERY MONOPOLE conducted a detailed analysis of all its activities in order to identify eligible activities and the associated ratios:

Eligible revenue	Eligible Capex	Eligible Opex
0%	20%	Non-material

3.1. Revenue

The activities of the VRANKEN-POMMERY MONOPOLE Group mainly concern the following activities

- Winegrowing;
- Production of wines, champagnes and ports;
- Distribution of wines, champagnes and ports.

To date, the Group's main activities are not listed by the Regulation for the achievement of climate targets. In the absence of the Delegated Act relating to agriculture, the share of eligible revenue for the 2022 financial year is therefore 0%, as was the case for the 2021 financial year.

3.2. Capital expenditure (CapEx)

Pursuant to Appendix 1 of Article 8 in the delegated regulation, VRANKEN-POMMERY MONOPOLE reports individual investment expenses that are not associated with an activity intended to be marketed (in particular, equipment promoting energy efficiency).

These investments mainly concern individual investments related to transport, construction, real estate activities and Research & Development costs.

Thus, the share of eligible CapEx expenses of the Vranken Pommery Monopole Group for the 2022 financial year was 20% out of a total capital expenditure of €19 million.

3.3. Operating expenses (OpEx)

The operating expenses as defined by the EU Taxonomy Regulation are not material compared to the total operating expenses appearing in the consolidated income statement of the VRANKEN-POMMERY MONOPOLE Group. Consequently, this indicator is not presented, as it is deemed irrelevant with regard to the Group's activities.

4. Alignment of activities

In accordance with the criteria set by the EU Regulation, only eligible indicators can potentially be aligned.

In the absence of the Delegated Act relating to agriculture, it is not possible to identify the share of activities that is aligned.

				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria										
Economic activities	Code(s)	Absolute revenue €	Proportion of revenue %	Climate change mitigation %	Climate change adaptation %	Water and marine resources	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of revenue, FY 2022 - %	Taxonomy-aligned proportion of revenue, FY 2021 - %	Category (Enabling activity) %	Category (Transitional activity) %
A. TAXONOMY-ELIGIBLE ACTIVITIES A.1 Environmentally-sustainable activities (taxonomy-aligned)																				
Revenue of environmentally-sustainable activities (taxonomy-aligned) (A.1)																				
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned)																				
Revenue of taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned) (A.2)																				
Total (A.1 + A.2)																				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES Revenue of taxonomy-non-eligible activities (B)		334,458,981,06	100%																	
Total (A.1 + A.2)		334,458,981,06	100%																	

				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria										
Economic activities	Code(s)	Absolute Capex €	Proportion of Capex %	Climate change mitigation %	Climate change adaptation %	Water and marine resources	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of revenue, FY 2022 - %	Taxonomy-aligned proportion of revenue, FY 2021 - %	Category (Enabling activity) %	Category (Transitional activity) %
A. TAXONOMY-ELIGIBLE ACTIVITIES A.1 Environmentally-sustainable activities (taxonomy-aligned)																			
CapEx of environmentally-sustainable activities (taxonomy-aligned) (A.1)																			
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned)																			
Close to market research, development and innovation	9,1	731,671																	
Construction, extension and operation of water collection, treatment and supply systems	5,1	583,367																	
Renovation of existing buildings	7,2	2,671,582																	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7,4	11,643																	
Installation, maintenance and repair of renewable energy technologies	7,6	6,540																	
CapEx of taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned) (A.2)		4,004,803	20%																
Total (A.1 + A.2)		4,004,803	20%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES CapEx of taxonomy-non-eligible activities (B)		15,854,197	80%																
Total (A.1 + A.2)		19,859,000	100%																

				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria										
Economic activities	Code(s)	Absolute Opex €	Proportion of Opex %	Climate change mitigation %	Climate change adaptation %	Water and marine resources	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of revenue, FY 2022 - %	Taxonomy-aligned proportion of revenue, FY 2021 - %	Category (Enabling activity) %	Category (Transitional activity) %
A. TAXONOMY-ELIGIBLE ACTIVITIES A.1 Environmentally-sustainable activities (taxonomy-aligned)																				
OpEx of environmentally-sustainable activities (taxonomy-aligned) (A.1)																				
A.2 Taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned)																				
Renting of vehicles	6,5	319,816																		
Maintenance and repair	7,2	2,787,000																		
OpEx of taxonomy-eligible but not environmentally-sustainable activities (not taxonomy-aligned) (A.2)		3,106,816	1.09%																	
Total (A.1 + A.2)		3,106,816	1.09%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES OpEx of taxonomy-non-eligible activities (B)		282,880,492	98.91%																	
Total (A.1 + A.2)		285,987,308	100%																	

4.1 Challenges facing the VRANKEN-POMMERY MONOPOLE Group

This Statement of Non-Financial Performance contains the employment, societal and environmental information required under Article L. 22-10-36 of the French Commercial Code, amended by Law 2018-938 of 30 October 2018 – Art. 55, Order 2017-1180 and Application Decree 2017-1265, which transposed Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 regarding the publication of non-financial information.

The Statement endeavours to present the measures implemented by the Group to control the employment, environmental and societal consequences of its business activities.

4.1.1 Company with a mission

In 2021, the Company took a further step in its commitment to sustainable development by becoming a "Company with a mission" and adopting a "Purpose".

In order to respect its "Purpose" as adopted by the General Meeting, the Company has set itself the task of:

- To adopt a sustainable development strategy,
- As far as possible, to achieve organic conversion for in-house vineyards but also for partner vineyards,
- To limit the impact of its activities and those of the Group's companies on the environment,
- To limit the use of fossil fuels, and promote the use of renewable energies,
- To treat and/or recycle waste,
- To preserve natural spaces and biodiversity,
- To preserve the natural but also historical and architectural heritage,
- To preserve the strong identity of the terroirs, their human base, their ecosystem, and also the specificity and the best quality of their products,
- Providing Group companies, employees, partners, customers and shareholders an opportunity to adhere to the aforementioned values by offering champagnes and wines produced the world over – of the utmost quality – but with limited environmental impact.

The Company has also appointed a Mission Committee tasked with monitoring the Company's progress in this regard.

4.1.2 Ethics and compliance

To uphold its reputation, the VRANKEN-POMMERY MONOPOLE Group ensures that its teams in all countries where it operates meet the highest ethical standards and comply with international and local regulations.

With this in mind, and in accordance with Article L. 22-10-36 of the French Commercial Code, the Company has decided to present tax evasion in the "risk" section of the Management Report.

1. Sapin II

Enacted on 9 December 2016, the Transparency, Anti-Corruption and Modernisation Act, known as the "Sapin II Law", came into force from 1 June 2017.

In order to combat corruption and thereby comply with this law, the VRANKEN-POMMERY MONOPOLE Group has implemented an anti-corruption programme, specifically producing an Anti-Corruption Code of Ethics, approved by the Board of Directors, which has also approved a Stock Market Code of Ethics. These Codes have been posted on the Group website – www.vrankenpommery.fr – in French and also in English. It has also been translated into all the languages spoken within the Group and distributed to employees.

In addition, the Group has selected the EQS Integrity Line solution for the implementation of its whistleblowing system, which offers all the guarantees of compliance with all necessary regulations, particularly those relating to the protection of personal data, and IT security. The deployment is being finalised.

2. GDPR

The European General Data Protection Regulation (GDPR) entered into force on 25 May 2018 and into French law under the Personal Data Protection Act of 20 June 2018. It emphasises the principle of accountability, which means the obligation for companies to implement internal mechanisms and procedures to demonstrate compliance with data protection regulations.

Thus, the VRANKEN-POMMERY MONOPOLE Group first employed an IT and Freedoms Officer (CIL – Correspondant informatique et Liberté), followed by a Data Protection Officer (DPO).

Several actions to identify personal data processing and risks have been carried out for France and the subsidiaries concerned, and a processing register has been drawn up.

Notably, the following actions have been undertaken:

- Processing requests and complaints from persons concerned on how to exercise their rights through a specially created email: gdpr@vrankenpommery.fr;
- Reviewing information statements on an annual basis;
- Checking that subcontractors are aware of their new obligations and ensuring that processing operations covered by contractual commitments present the required guarantees;
- Managing major risks to personal data (communication through marketing newsletters, compliance with internal policy, the website, public Wi-Fi and displays for video surveillance).

Two tools are used to address GDPR issues in the most effective way:

- An automated subscribe/unsubscribe management tool;
- A process log management tool.

4.1.3 Global Compact

In May 2003, we fully committed to respecting and promoting the principles of the Global Compact.

The Global Compact is an initiative that was launched in 1999 at the Davos summit by Kofi Annan, former UN Secretary General, addressing international business leaders. This initiative brings together a set of principles established on the basis of universally accepted agreements, namely the Universal Declaration of Human Rights, the Declaration of the International Labour Organization, the Rio Declaration on the Environment and the United Nations Convention against corruption.

By responding to this call, our Company undertakes, on a voluntary basis, to adopt, support and apply a set of fundamental values, broken down into ten principles in the areas of Human Rights, labour rights, environmental protection and the fight against corruption.

On the strength of its commitment to Sustainable Development and its adherence to the Global Compact, and aware of its responsibilities in the development of its products, our Group has created an Ethics Charter based around 6 values and 19 commitments:

- **Environmental protection**
  - Being innovative through reasonable viticulture
  - Preserving and enhancing local biodiversity
  - Managing the environmental impacts of our production processes
  - Extending the certification process to all entities within the Group
  - Leveraging new technologies and renewable energies
  - Creating and developing environmentally-friendly products
  - Promoting our environmental policy
- **Product Quality Assurance**
  - Ensuring product traceability
  - Guaranteeing complete food safety from product development to consumption
- **Anticipation of requirements**
  - Anticipating compliance with any requirements in terms of Quality, Safety and Environment
- **Human resources management**
  - Providing a healthy workplace and good working conditions and ensuring open social dialogue
  - Fostering professional development and harnessing potential
  - Promoting careers by participating in panels for schools, authorities and national bodies
- **Communication with stakeholders**
  - Meeting customer requirements and expectations by ensuring seamless communication
  - Ensuring transparency vis-à-vis stakeholders
  - Promoting healthy and responsible consumption
  - Involving our suppliers in a more social and environmental approach
- **Know-how**
  - Sharing our passion and knowledge to broaden the minds of future generations
  - Actively participating in the protection, development and sustainability of industrial and cultural heritage

The Group CSR Committee met to prioritise these 19 issues in order of importance, from which they identified the following 3 CSR commitments:

- Producing quality champagnes and wines while respecting the environment and biodiversity;
- Meeting the aspirations of our employees by ensuring equal opportunities and career development;
- Contributing to enhancing our regions and terroirs.

4.1.4 Gaïa Rating

The Gaïa Rating is an ESG indicator published by Ethifinance, an independent auditor that annually assesses the environmental, labour, societal and governance policies of companies, and creates an index based on different criteria and weightings (equality, human resources policy, inclusion of people with disabilities, respect for the environment, waste management, etc.). In 2022, the Group obtained a score of 65/100.

4.1.5 Carbon assessment

Aside from being a regulatory obligation for listed companies with more than 500 employees, the Mission Committee sought to conduct the Group's consolidated carbon assessment in 2022, as it had done previously in 2010.

Climate disruption and its effects, as well as the depletion of natural resources, are cornerstone issues for the Group, which require investment to deliver on its contribution to limiting greenhouse gas (GHG) emissions, as part of a target to achieve "Net Zero Emissions" by 2050.

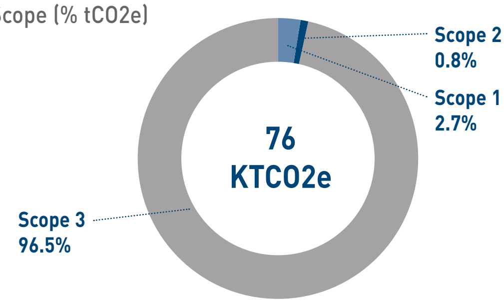
Despite the variations presented by the different scenarios for tomorrow's climate, according to the Intergovernmental Panel on Climate Change (IPCC) report, the vine and wine business is set to change considerably.

As part of its sustainable value creation model, VRANKEN-POMMERY MONOPOLE has long since incorporated such issues into its strategy.

Completion of the Group's carbon assessment is a prerequisite for identifying the main sources of greenhouse gas emissions and kick-starting corrective measures as part of a transition plan, which is the next step.

OVERALL ASSESSMENT
Visual breakdown of results by Scope

Total emissions for Vranken Pommery Monopole, by Scope (% tCO2e)



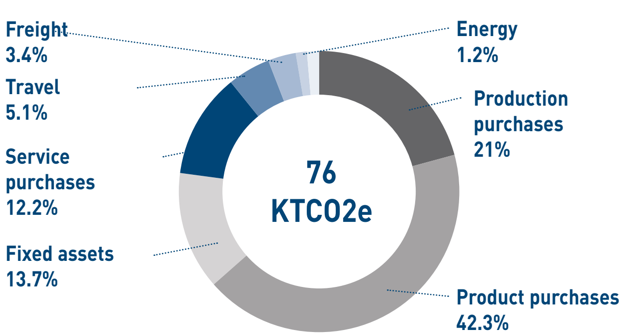
	Vranken-Pommery Monopole tCO2e/employee	Reduction potential
Scope 1 2.8		
Scope 2 0.9		
Scope 3 102		

76 ktCO2e is equivalent to:

1. 43,000 round trips between Paris and New York*
1. Annual emissions for 7,700 French people*
1. The amount of CO2 sequestered annually by 6,900 hectares of growing forest*.

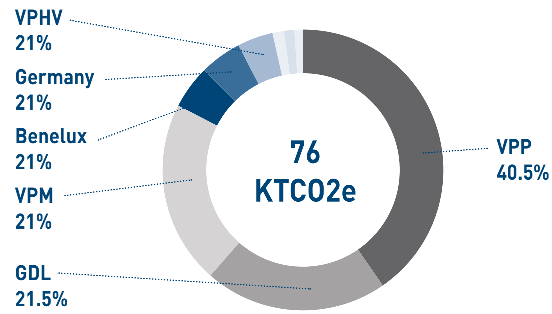
**Sources: Datagir by ADEME (French Environmental Agency), French Ministry of Ecological Transition and MyCO2, ONF (France's National Forests Office).*

Total emissions for Vranken Pommery Monopole, by activity (% tCO2e)

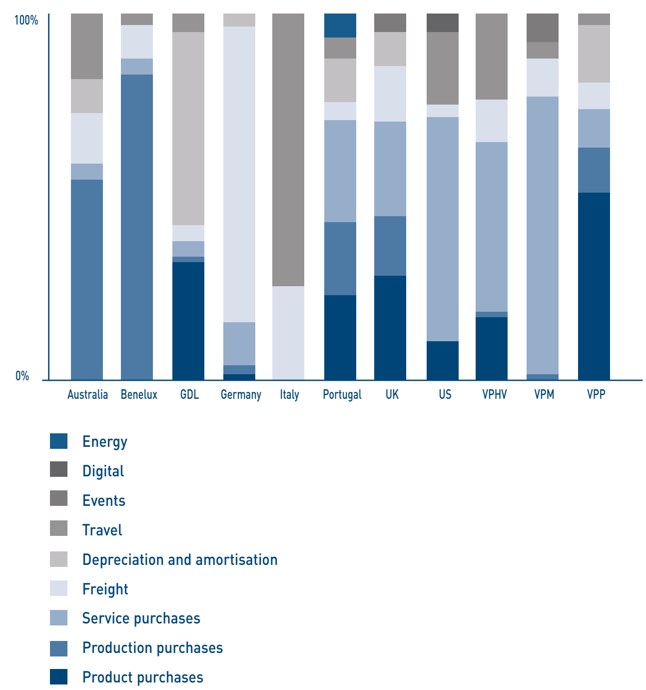


	Vranken-Pommery Monopole tCO2e	Per employee tCO2e/employee
Product purchases	16k	22
Production purchases	32.1k	45
Fixed assets	10k	15
Service purchases	9.2k	13
Travel	3.9k	5.4
Freight	2.6k	3.6
Other	1.8k	2.5

Total emissions for Vranken Pommery Monopole, by entity, (% tCO2e)



Emissions per entity, by source, (% tCO2e)



Methodology

This financial data is produced from the accounting records of each entity.

It has been restated for physical data available in each entity.

With respect to commuting data, emissions were estimated on a per employee basis.

This graph does not include the Group's Swiss and Japanese entities. For these subsidiaries, we instead opted to extrapolate, using data from the other commercial entities

**Energy, Digital, Activities and events, etc.*

4.2 Risk management through good governance

The Group's internal control and risk management system is based on the legislation in force.

According to the AMF standards to which the Company has chosen to refer, internal audit is a system that aims to ensure:
- Compliance with laws and regulations;
- The implementation of directives and guidelines set by the Chairman and Chief Executive Officer, notably those contributing to protection of assets;
- The due operation of the Group's internal processes;
- The reliability of the financial information.

This system consists of a set of resources, procedures and actions adapted to the Group's characteristics, which contribute to the management of its activities, the effectiveness of its operations and the efficient use of its resources.

It aims to give reasonable assurance as to the achievement of the aforementioned objectives, particularly the management and prevention of the risks of error or fraud. However, like any general control system, it cannot provide an absolute guarantee of a total and complete elimination of risks.

The Company's General Management is constantly demonstrating its clear commitment to maintaining and improving its internal control and risk management systems. Internal audit is one of the major concerns of the General Management, shared by the executive managers and the members of the Audit Committee, and is organised at all levels of Company and of the consolidated Group, as presented in Section 2 of the Universal Registration Document.

4.2.1 Internal control stakeholders

The Group's internal control system is based on:
- Members of the Group's Administrative and Finance Department, in charge of issuing or updating the accounting and financial standards applicable within the Group and overseeing the application of the procedures, rules and best practices;
- Management control reporting to the General Management of the various businesses and functionally to the Group Management Control Department reporting to the Chairman and Chief Executive Officer; and
- The Legal Department;
- The various operational and functional departments ensuring supervision functions in their field of competence.

Their main missions are to oversee the documentation and to update internal delegations of powers, to make sure the principle of separation of tasks is followed, to monitor remedial actions relating to the deficiencies of the internal audit and to follow up on the recommendations of external audits.

The Board of Directors, via the Audit Committee, makes sure the Company has reliable procedures for monitoring the internal audit system and the system for identifying, assessing and managing risks.

4.2.2 Risk analysis and management

A risk represents the possibility that an event will occur, which could affect the Group's objectives.

Knowledge of risks can come from a variety of sources:
- data feedback through operational and technical structures;
- interviews with Group management;
- Studies carried out by the CSR Working Group.

The management of these risks is integrated into the responsibilities of the different levels of operational management. As a result, each of the services takes stock of the key risk factors that are unique to them and has its own control, response and risk coverage procedures.

The cross-cutting risk management and internal control functions ensure the synthesis and supervision of the coordination of risk coverage, intervention and control procedures.

The members of the Group Administrative and Finance Department play an important role in risk management. They control the establishment of the internal audit system in the Group and, as such:
- Supervise the local implementation of the directives, processes and checks identified in the foreign subsidiaries;
- Assist the various operational and functional departments in their efforts to improve and remedy internal audit failures;
- Coordinate and prepare the assessment of internal audit system effectiveness in relation to financial information.

A summary of the main risks to which the Group is exposed is presented annually in the Company Management Report.

The Group has also developed "training" called "Detecting and preventing fraud risk", which covers best practices for all employees to adopt.

VRANKEN-POMMERY MONOPOLE intends to pursue its approach, the objective of which is to strengthen our Group's resilience and adaptation to climate change. The sustainability of our business over time is at the heart of our thinking.

4.2.3 Audit Committee

As per the Board of Directors' decision of 11 October 2010, the Board has an Audit Committee.

This committee consists of at least three members, of whom at least one must have financial and accounting expertise.

The Group's Audit Committee comprises four members, of whom three are independent. It is chaired by an Independent Director.

The Audit Committee is tasked with monitoring the effectiveness of the risk management and internal audit systems (covering all fields for the VRANKEN-POMMERY MONOPOLE Group entities).

4.2.4 QSE (Quality-Safety-Environment) Department

The QSE Department coordinates the roll-out of the QSE policy of the industrial sites in order to reduce their respective impact.

To be able to duly carry out its different missions (communicating the Quality-Environment policy, running the existing system, managing non-compliance, monitoring the corrective actions implemented, etc..), each entity Director has appointed a Quality-Environment Manager. At the Group level, a Quality-Environment Manager is also present, on the one hand, to provide their support to the entities in place and, on the other, to monitor the audits. The Group employs a Staff Safety Manager, who focuses on actions that relate to health, safety and the environment.

Whether it concerns the fields of quality, food safety or the environment, all Group companies follow the same logic of compliance with regulations. Monitoring environmental regulations is an essential point, which encourages the Group to anticipate, as far as possible, any changes in regulations and to reflect on changes in our practices.

To achieve this, the Group draws on an extensive range of expertise such as inter-professional sources. On the strength of its experience with ISO 14001, the Group has established an observatory to identify any new laws and changes to existing ones, serving as a database for the Group.

4.2.5 Regulatory monitoring

The Group also benefits from extensive and enhanced regulatory monitoring through the professional network to which it belongs, including:

- The activities of the Cellar Master in Champagne (Member of the Technical and Environmental Commission for the Champagne Committee and Co-Chair of the Equipment Commission for the Champagne Vineyard Committee);
- Interprofessional Committee for Champagne Wines;
- Union des Maisons de Champagne (France's Union of Champagne Houses);
- Interprofessional Committee for Provence Wines;
- Interprofessional Committee for Port Wines;
- Middlenext member.

4.2.6 Proof of commitment

Acquiring ISO certifications is a voluntary initiative by the Company. We strive to offer our customers complete satisfaction with the aim of building trust by developing the in-house capabilities required to deliver consistently high-quality products.

Applying these standards may be subject to separate certifications or, as in certain Group entities, requires an integrated approach.

Our quality management takes into account the key aspect of consumer safety. The Group has retained a recognised and widely applied method of risk analysis: the HACCP (Hazard Analysis Critical Control Points) method.

Based on this method, the Group has successfully conducted risk analysis that is monitored, complemented and improved periodically.

This analysis defines:

- The potential risk to the consumer;
- The preventive measures taken;
- The limits not to be exceeded in order to preserve food safety;
- The surveillance and control rules;
- Any corrective actions to take if the limits set are exceeded.

In Portugal, the Rozès site, which had been ISO 22000 certified since 2010, earned IFS Food (International Featured Standard) certification in 2018, confirming its commitment to food safety and consumer protection. In August 2022, this commitment was renewed.

The Champagne production sites have been ISO 9001 and ISO 14001 certified for several years. Significant work was carried out in 2018 in order to implement the 2015 versions of ISO 9001 and ISO 14001 as well as ISO 22000, which was obtained in August 2018.

This third food safety certification complements the first two standards on product quality and environmental protection.

In addition, the Tours-sur-Marne site achieved IFS Food certification in January 2019, which was reconfirmed in January 2022.

The Jarras site aims to obtain IFS Food certification in 2023.

In 2022, 51.16% of our production employees worked on production sites that were certified according to food safety standards.

Group sites are protected against risks to products and this is notably done through monitoring, surveillance and CCTV systems. Indeed, on premises considered to be at risk, permanent alarm systems connected to CCTV have been installed. As part of the IFS certification, the certified sites conducted a "Food Defence" analysis intended to protect products against malicious actions.

4.3 Producing quality champagnes and wines while respecting the environment and biodiversity

To produce in the most eco-friendly way possible is the duty of those working on products which benefit from a renowned label of protected designation of origin (appellation d'origine contrôlée).

Already long-standing, this concern has been amplified over the last fifteen years and is in line with our aim to sustainably develop our activities. The following actions contribute directly to the 17 Sustainable Development Goals (SDGs) established by the United Nations (UN).

4.3.1 A voluntary and stable commitment, towards our vineyards

• Certifications and commitments

6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimising emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and dramatically scaling up safe recycling and water reuse worldwide.

12.2 By 2030, sustainably manage and rationally use natural resources.

12.4 Establish environmentally sound management of chemicals and all wastes throughout their life cycle, in compliance with internationally agreed guidelines, and significantly reduce their release in the air, water and land, in an effort to minimise their negative effects on health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

15.5 Urgently and resolutely take action to reduce environmental degradation, halt biodiversity loss, protect endangered species and prevent their extinction.

Our environmental commitments are also reflected in different forms of certification for our vineyards.

The Camargue and Provence sites are certified organic wine producers and processors and produce several organic vintages. Approximately 1,396 hectares have been certified as organic and over 622 hectares are currently in the process of conversion.
In 2022, this means that 68% of the vineyards in the south of France are certified organic and that nearly 99% of the vineyards are certified or are currently in the process of conversion to organic production. The amount of certified vineyards increased by 16% between 2021 and 2022.

In our Champagne vineyards, in 2020, we undertook an organic conversion process, following on from the Camargue and Provence vineyards. Climatic conditions, and particularly the high rainfall in 2021, have altered our approach. Organic viticulture no longer appeared sustainable due to the extensive use of copper and many treatments which resulted in large-scale losses. We decided to stop the organic conversion in June 2021, with the exception of almost 13 hectares while maintaining a zero herbicide policy on all Champagne vineyards.

The VRANKEN-POMMERY MONOPOLE Group remains a committed player in the other environmental certifications already obtained for our Champagne vineyards in 2014 (High Environmental Value and Sustainable Viticulture in Champagne) and continues to support its winegrower partners towards achieving Sustainable Viticulture in Champagne.

After conducting an extremely thorough audit, the High Environmental Value Certification is awarded by an independent body and only recognises agricultural sites meeting the highest standards required by the French Environment Pact ("Grenelle") initiative, first launched in 2007.

The Vranken-Pommery vineyards are among a handful to claim this honour.

The Quinta Do Grifo vineyard, located in the Upper Douro in Portugal and which began conversion to organic viticulture in 2021, has continued this trend.

This conversion, which will last at least three years, will be gradual in order to adapt our vineyards and our structure to the high standards required by this type of viticulture. This decision was given much thought and is the result of many years of large-scale experimentation across all our vineyards.

It has taken many years of work to move the Maison towards sustainable viticulture which today ensures that the amount of products used to protect the vines is substantially reduced by using new methods such as organic processes to control insect pests.

Our grape purchasing policy aims to engage as many people as possible in a 100% ecological approach. Since 2014, the Vineyard Technical Team has expanded: a "Vineyard Relations Technical Department" has worked to provide support to our wine producer partners throughout the country.

The Group plays a pivotal role in the Vineyard by informing all Champagne region stakeholders of the various environmental issues as well as consumer safety and regulatory or prefectural requirements. Through its teams, it provides the analysis and expertise required to deliver the best possible support and technical assistance to its wine producer partners. A case in point is the Vineyard Team's organisation of Sustainable Viticulture days for the House's partners.

As part of the Group's Sustainable Viticulture approach, support for wine producer partners is structured into four priorities or stages:

• Training

Each year, several training sessions are held on "Sustainable Viticulture in Champagne (VDC)". They enable trained wine producers to discover the standard with an outline of each requirement and to assess their operations: a progress plan is then drawn up for each operation to ensure that operations follow a gradual approach.

• Self-assessment

Wine producers may conduct an at-home self-assessment in order to accurately assess their site operations against the "Sustainable Viticulture in Champagne (VDC)" standards. This diagnosis is based on wine producer practices, the condition of their vineyards and buildings, and the traceability and archiving of their data. It serves to provide a snapshot of their sites and can be used as a mock audit before certification.

• One-to-one support

In the case of expert wine producers, the VRANKEN-POMMERY Vineyard Technical Department provides one-to-one support with certification that is tailored to wine producers' sites.

Depending on wine producer needs, the support includes self-assessment of site operations, the implementation of a progress plan to eliminate discrepancies (non-compliance) and a mock audit to verify that the site meets VDC requirements prior to audit certification. In certain scenarios, Vranken-Pommery Monopole will also help wine producers comply with certain specific aspects of the standard: identification of biodiversity features and calculation of the SET/SAU (equivalent area of biodiversity/useful agricultural area) ratio (% of biodiversity / surface area of the site), research into potential areas to identify "biodiversity" in their vineyard (e.g., hedges, trees, natural supports, etc.), carbon footprint calculation, topography, etc.

• **Certification**

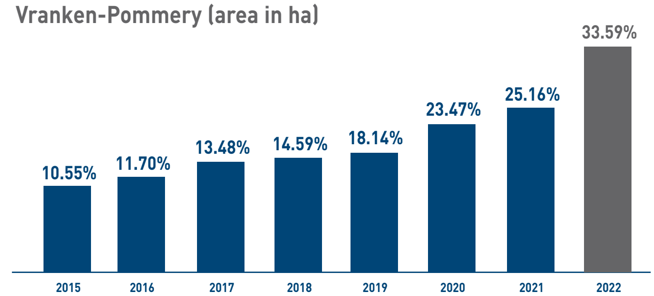
The technical team prepares the audit and may also attend on the day as and when requested by wine producers.

The Maison also produces centralised collective certification for partners involved in the process, in order to combine the audits of several sites.

Since December 2021, Vranken-Pommery has signed an agreement with one of its long-standing partners and tenants: Avize Viti-Campus. This agreement sparked the creation of the Vert Cot'Eau training network which is intended for the Maison's wine producer partners. Financed by the Seine-Normandy Water Agency, this network aims to educate, train and support winegrowers seeking to cut down on the use of phytosanitary products. In this spirit, technical meetings are regularly arranged to discuss how to adapt to the reduced use of phytosanitary products in addition to exploring other potential levers.

Thanks to its in-depth work, the Maison of Vranken-Pommery sees its certified sourcing areas increase each year, as shown by the following indicator:

Change in grape supplies that have VDC (Viticulture Durable en Champagne, Sustainable Viticulture in Champagne) at Maison Vranken-Pommery (area in ha)



	Hectares in operation (lease) or full ownership conversion	Hectares converted to organic	Hectares conversion	% organic 2022	% organic 2021	% converted to organic in 2022	% converted to organic in 2021	% organic and conversion 2022	% organic and conversion 2021
Champagne	288	0	13	0%	0%	4,5%	3%	4,5%	3%
Provence – La Gordonne	293	283	4	96%	100%	0%	0%	98%	100%
Camargue – IGP Sables	1 754	1 114	618	63,5%	44%	35%	52%	98,8%	96%
Portugal	230	18	49	8%	8%	21%	8%	29%	16%
TOTAL	**2 565**	**1 415**	**684**	**55%**	**42%**	**27%**	**37%**	**81,8%**	**79%**

• Vineyards that revolve around biodiversity

11.4 Step up efforts to protect and preserve the world's cultural and natural heritage.

15.1 Ensure the preservation, restoration and sustainable use of land and freshwater ecosystems and related services, particularly forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.

In Champagne

The Vranken-Pommery vineyard has nearly 20 hectares in the NATURA 2000 sector. This is a protected area for endangered bird habitats and nesting migratory species, created in November 2014 under the aegis of the European Union. In this respect, the Vranken-Pommery vineyard complies with a Natura 2000 Charter which signals the Group's commitment to the day-to-day sustainable management of natural environments. This is also a requirement of the "Sustainable Viticulture in Champagne" standards.

Special attention is also paid to the protection of pollinizing species (especially bees), by drastically reducing the use of insecticides, fostering sexual confusion, favouring treatments outside pollen- The Group's Champagne vineyards are a driving force in promoting sexual confusion as a recognised alternative to pesticide treatments. In 2022, more than 98% of the vineyards vulnerable to grape fruit moths was "in confusion". In 2022, vineyard operations were herbicide-free. The Herbicide treatment frequency index is now close to zero.

In 2019, the Group developed a 5-hectare landscaped park near its production site in Tours-sur-Marne, including a wide variety of tree species. This park has a twofold objective: Not only does it protect woodland heritage, but it also offsets part of the biodiversity potentially lost as a result of the site establishment.

In addition to its renowned Clos Pompadour, produced in the heart of Reims, the Maison Pommery focuses on preserving the seven historical Champagne grape varieties, namely: Arbane, Chardonnay, Meunier, Petit Meslier, Pinot Blanc, Pinot Gris and Pinot Noir.

In Camargue

As a responsible landowner, Grands Domaines du Littoral has made a commitment as regards the Domaine de Jarras to adopt a management model which makes it possible to produce wine using the land in a sustainable manner.

More than 4,000 hectares of Camargue land is classified as "NATURA 2000", of which 2,000 are owned and maintained by the Group. Our environmentally friendly approaches have enabled us to develop an extraordinary biodiversity. Nearly a thousand living species have been identified by biologists-ecologists on our estates.

This wealth of biodiversity has highlighted the high ecological and environmental quality that exists on the Domaine de Jarras estate.

What's more, the landscape of the Camargue sands makes it possible to plant free-standing vines, i.e., without requiring rootstocks, thereby preserving the vines in their entirety and in their original state, prior to the arrival of grape phylloxera. In addition, the technique of massal selection is used to extend the genetic diversity of the vine plants.

In Provence

After several years of large-scale rehabilitation, which was completed in 2022, Château La Gordonne has restored its garden, including an exceptional rose garden which is regarded as one of the region's most splendid rose collections.

Moreover, Château La Gordonne is in the process of obtaining the "Remarkable Garden" label for its initiative involving a 3-hectare plot, alternately planted with vines (1.3 hectares) and peonies.

The "Remarkable Garden" label is awarded for a five-year period, and renewed by France's Ministry of Culture. It distinguishes gardens of cultural, aesthetic, historical and botanical interest which uphold environmental quality standards.

Aesthetics aside, the rose garden and "remarkable garden" represent both a "conservatory of plant heritage" and a reservoir of biodiversity. This particularly applies to pollinating insects, but also other species that can potentially protect the vine from specific pathogens.

In the Douro Valley

The Group's Portuguese vineyards in the Upper Douro are located at the heart of a natural reserve (National Park), and the Douro vineyards (Porto) have in part been classified as a UNESCO Intangible Cultural Heritage site since 2001. This level of stringency ensures the sustainability of Douro sites.

Proud of its heritage, Porto Rozès strives to maintain and protect it every day by implementing "integrated production". In this context, it uses "natural fertilisers" by crushing vine shoots and spreading them over the vines rather than burning them. Sexual confusion methods are employed and the use of phytopharmaceutical products is prohibited on the vine plots.

A drip-feed system has been introduced to keep seedlings under covered basins rather than irrigating them continually.

Since the beginning of viticulture, the development of grape varieties has mirrored the development of the different wine regions, as well as within these regions. As a result of such developments, many of the previously used grape varieties have been used less frequently, or have even disappeared from our vineyards altogether. Fully aware of the need to preserve historical grape varieties and wine heritage, at its Douro sites, Vranken-Pommery Monopole safeguards the ancestral grape varieties that have contributed to growing the viticulture of this region, up to the present day. To address climate disruption and mounting health pressures, these efforts to preserve wine heritage could prove immensely useful in ensuring resilience.

4.3.2 A voluntary and stable commitment, towards our production

As part of its industrial and commercial activities, the Group may be exposed to environmental risks. We are aware of the effect that global warming may have on our business. Over several decades, in an attempt to limit and reduce our carbon footprint, we have taken a number of steps for action that fall within the scope of our Ethics Charter. These include:

- Reducing the weight of our champagne bottles by approximately 65 g in glass weight;
- Having our Champagne production sites certified under ISO 14001;
- Conducting a carbon assessment of our Champagne and Wines operations;
- Working on reducing consumption of resources, particularly energy;
- Conducting an energy assessment of certain activities to highlight ways in which to reduce our energy consumption.

It is important to note that the French production sites, due to the large capacity of the vat rooms, are subject to stringent regulations on facilities classified for environmental protection (ICPE). Equally, the Group regularly reports its activities to government agencies (Prefectures, DREAL – Direction régionale de l'Environnement, de l'Aménagement et du Logement, France's Regional Directorate for Environment, Development and Housing) with monthly and quarterly reporting.

In particular, this regulation applies when establishing new facilities and when renovating existing ones. Any change to an existing facility must be brought to the attention of the DREAL which proposes an amendment to the prefecture's decision to operate.

• Sustainable supplier relationships

6 CLEAN WATER AND SANITATION

6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimising emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and dramatically scaling up safe recycling and water reuse worldwide.

6.4 By 2030, significantly increase the efficient use of water resources in all sectors and ensure sustainable withdrawals and freshwater supplies to address water scarcity and substantially reduce the number of people suffering from water scarcity.

7 AFFORDABLE AND CLEAN ENERGY

7.3 By 2030, double the global rate of energy efficiency improvement

13 CLIMATE ACTION

13.3 Level up education, awareness and individual and institutional capacity for climate change adaptation and mitigation as well as impact reduction and early warning systems

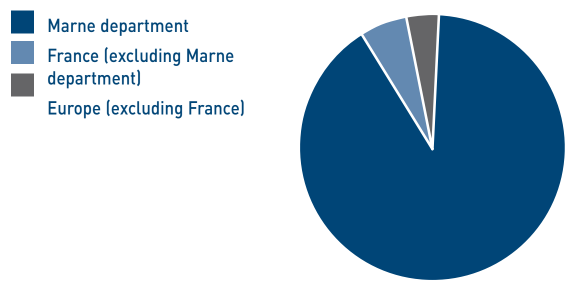
14 LIFE BELOW WATER

14.1 By 2025, prevent and considerably reduce all types of marine pollution, particularly from land-based activities, including marine litter and nutrient pollution.

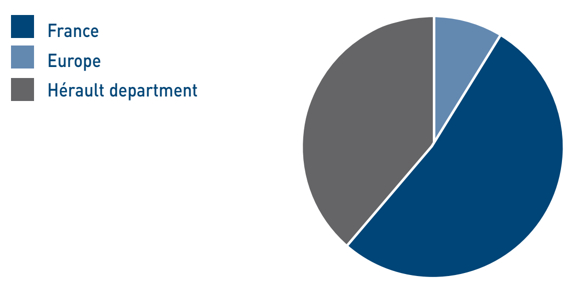
Packaging purchases are centralised by the Group. The quality/price criterion is no longer the only one being negotiated. Environmental criteria also come into play. Being close to our suppliers is decisive to our business success.

Our preferred suppliers are those closest to our production sites. More than 95% of the packaging that arrives in Champagne is sourced from France, and more than 89% of the packaging comes from the Marne department.

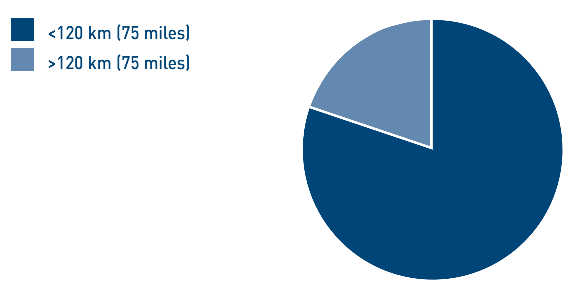
Sourcing of packaging supplies for the Champagne segment



Sourcing of packaging supplies for GDL



Sourcing of packaging supplies for Rozès S.A.



All suppliers subject to specifications are committed to upholding the following environmental values:

- Saving water and ensuring that water discharged into the networks does not contain pollutants or products;
- Reducing energy consumption at our production facilities;
- Using products that are the least irritating or polluting, as regards health and the environment;
- Preventing and limiting any risk of pollution during operations carried out as part of its services;

- Collecting and recycling waste by opting for best-in-class treatment processes.

Product and environmentally friendly packaging

13.3 Level up education, awareness and individual and institutional capacity for climate change adaptation and mitigation as well as impact reduction and early warning systems.

15.1 Ensure the preservation, restoration and sustainable use of land and freshwater ecosystems and related services, particularly forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.

15.2 Promote sustainable management of all forestry, curb deforestation, restore degraded forests and drastically augment afforestation and reforestation the world over.

Working on packaging at source, wherever possible, is one of the Group's top priorities. Packaging weight must be optimised while maintaining the quality of the product and service provided to the consumer. The major innovation made in this field at VRANKEN-POMMERY MONOPOLE has been to make the glass weight for champagne bottles and half-bottles lighter (see "Did you know?").

Did you know? Lightweight bottles

In partnership with one of our glass suppliers, we were the first Champagne producer to use bottles with glass which is lighter. So-called "light" bottles were first used in 1997. Where a standard bottle of Champagne weighs 900 g, a "light" bottle weighs 65 g less. Implementing this policy has substantially reduced overall used glass tonnage. This has led to a significant reduction in the amount of energy needed to manufacture glass bottles and a reduction in the amount of glass to be recycled locally. Needless to say, the quality of the bottle remains unchanged, the pressure resistance has been tested and consumer safety remains in tact. On top of that, the benefits extend much further than merely the product's end-of-life. Crucially, by making bottles lighter, delivery truck load capacities from production sites also increase. This, in turn, has reduced the number of vehicles on the road, thereby limiting the impact on air pollution.

Eco-friendly cardboard

All our products come in cardboard packaging. It groups them together, protects them during transport and preserves their qualities. Its impact on the environment is to be taken into account but it is still virtually indispensable. However, a positive aspect of paper and cardboard packaging is that it can be recycled, with the material reused to make new packaging.

Our cardboard suppliers ensure that raw materials for their corrugated packaging are procured in a controlled and sustainable way. Cellulose fibre is the base component of paper and cardboard packaging and has two combined sources: virgin fibre and recycled fibre.

- Virgin fibre is obtained from wood by-products – log clearings, sawmills, etc., which without this industry would be rendered useless. This initial step already constitutes recycling. Our paper mill products come from suppliers who are Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified. This provides a credible guarantee that their products are sourced from properly managed forests.
- Recycled fibre (3/4 of the fibre used in packaging) is made from used cardboard paper packaging, which the cellulose fibre is extracted from. Therefore, the life cycle for paper and cardboard packaging depends on the continual optimisation of potential fibre sourced from "natural capital" and end-of-life products.

Far from destroying the forest, this industry contributes to sustainable forestry management, (alleviating the pressure on natural resources and combatting the greenhouse effect) and recycling used paper and cardboard (lower impact at product end-of-life, reusing materials and energy). Its actions are fully aligned with the sustainable development of the planet.

• Reducing energy consumption

7.3 By 2030, double the global rate of energy efficiency improvement.

Energy is supplied to the Group's production sites through the consumption of electricity and gas. Electricity is used mainly for lighting buildings, operating equipment and cooling facilities. Gas is used for heating the buildings and regulating wine temperatures in the vat rooms.

In 2020, we updated the energy audit of the Champagne division's production activities. It provides us with guidelines for progress in the use of electricity and gas.

In 2021, the VRANKEN-POMMERY MONOPOLE administrative premises were also audited on their energy consumption in 2020. This audit consisted of analysing energy bills, thermal insulation systems, the technical characteristics of the main energy-consuming equipment, etc. It resulted in proposals for actions to reduce energy consumption at the site in the long term.

In 2022, the Company established a task force, aimed at reducing energy consumption within the Champagne production sites. Its multiple initiatives centred on:

- Staggering the operating hours of certain high-consumption appliances;
- Reviewing inefficient lighting practices;
- Reducing the pressure of some air compressors;
- Installing electricity sub-meters;
- Replacing many light fixtures with LED lamps.

Investments are planned in 2023 to continue improving energy consumption.

Consumption of electricity at the production sites in MWh

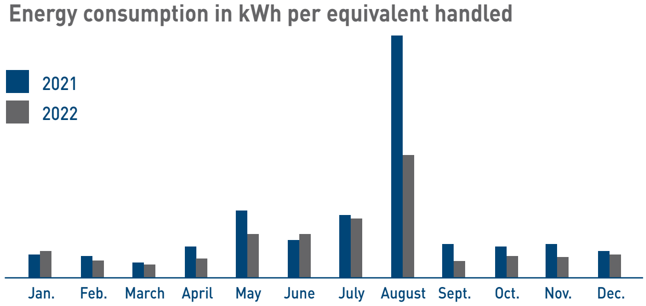
Production site	2018	2019	2020	2021	2022	Change 2021-2022
Domaine Royal de Jarras	2,021	2,040	1,860	1,771	2,001	+13%
Château La Gordonne	346	401	404	427	514	+20%
VPP Reims	3,620	3,513	3,331	3,094	3,293	+6.4%
VPP Tours-Sur-Marne	4,308	4,557	3,928	4,295	3,365*	-21.6%
Quinta de Monsul	380	361.56	292	330	281	-14.8%

**Change in scope, see Methodological Note.*

The 20% rise in electricity consumption at Château La Gordonne is related to the increased use of refrigeration at the site in 2022. As part of ISO 14001 certification, Champagne site consumption is monitored by site activity, and improvement targets are set annually by Management.

By monitoring meter readings, we observed an energy consumption/ bottle-equivalent units produced ratio of 0.048 kWh/ bottle-equivalent units at the Tours-sur-Marne site in 2022.

Energy consumption in kWh per equivalent handled



In Portugal, taking advantage of favourable sun conditions, we invested in an area of around 400 m², encompassing photovoltaic panels which were intended to supplement electricity at the Quinta de Monsul production site, particularly during the harvest season. The share of electricity produced that is not consumed will be returned to the electricity distribution network. This investment in green energy will enable a significant reduction in the site's electricity consumption. The commissioning was carried out in April 2022 and resulted in a decrease in energy consumption, as shown in the above table. Pasteurisation is the process of food preservation by heating it to a temperature between 60 and 100°C for a set period of time, followed by rapid cooling. To cut its fuel consumption and greenhouse gas emissions, Grands Domaines du Littoral decided to adapt its vinification methods and to almost completely stop pasteurising its wines. Adapting this secondary fermentation process has led to a tenfold increase in fuel reductions for this item.

- **Reducing water consumption and protecting the resource**

6 CLEAN WATER AND SANITATION

6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimising emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and dramatically scaling up safe recycling and water reuse worldwide.

6.4 By 2030, significantly increase the efficient use of water resources in all sectors and ensure sustainable withdrawals and freshwater supplies to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Consumption of this resource is a critical factor in the environmental policy of the Group's production sites. In the current climate, we could not ignore the impact of our main natural resource.

Water consumption at the production sites in m³

Production site	2018	2019	2020	2021	2022	Change 2021-2022
Domaine Royal de Jarras	21,554	15,304	15,258	14,369	16,907	+17.7%
Château La Gordonne	5,823	9,781	8,137	9,622	10,548	+9.6%
VPP Reims	12,775	11,956	10,919	9,626	14,594	+51.6%
VPP Tours-Sur-Marne	9,852	10,996	8,508	13,117	9,924*	-24.3%
Quinta de Monsul	6,045	8,035	8,370	5,706	7,344	+28.7%

**Change in scope, see Methodological Note.*

Rising water consumption between 2021 and 2022 at the southern France and Portugal sites is linked to the increased activity at these sites in 2022.

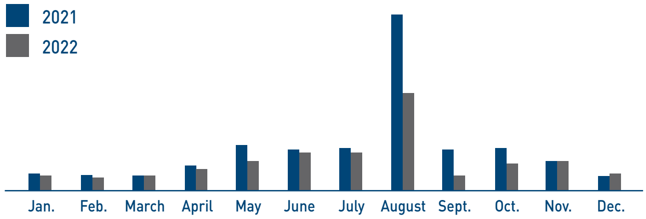
In Champagne, fully-developed action plans were carried out to combat over-consumption and leakage while maintaining the same product quality. The 50% increase in water consumption at the Reims site between 2021 and 2022 is owing to the restart of a production line and the 2022 harvest.

In order to best monitor water consumption in each shop of the Champagne branch, consumption targets and monitoring indicators were created. Reducing such consumption is integral to our environmental policy, but remains highly dependent on activity fluctuations.

By monitoring meter readings, we observed a water consumption/ bottle-equivalent units produced ratio of 0.14 m3 of water/bottle-equivalent units at the Tours-sur-Marne site in 2022.

In an effort to engage all employees in a drive to limit expenses for water, which is a valuable resource, the Group calculates a portion of employee profit-sharing based on employees' water consumption.

RATIO General water consumption in litres of the Tours-sur-Marne site per equivalent of wine handled*



Protection of water resources

On 10 December 2021, VRANKEN-POMMERY MONOPOLE, Avize VitiCampus and the Seine-Normandie Water Agency signed a partnership agreement and created a network called "Vert Cot'eau".

The partners coordinated three successive wine campaigns to train, raise awareness and support winegrowers seeking to upskill on subjects such as soil maintenance practices to achieve zero herbicides, and the reduction in the use of phytosanitary products including residues is one of the leading causes of deterioration in the quality of groundwater and rivers in the Champagne region.

Concretely, the partners want to mobilise 30 holdings whose vineyards are in catchment areas which are deemed a priority. As such, the network could be extended within the Champagne appellation area. The development network is composed of three levels of progressive environmental objectives, which are essential to enable winegrowers to adapt. After a first level focused on Sustainable Viticulture Certification in Champagne, the second level will be devoted to the discontinuation of herbicides and the elimination of the most harmful products. The third level will be focused on organic viticulture and/or biocontrol practices. All of this work will be facilitated by the provision of the collective certification structure created by the VRANKEN-POMMERY MONOPOLE Group, enabling winegrowers to obtain administrative and technical support in the preparation of audits.

In November 2021, the Grands Domaines du Littoral signed an agreement with the Urban Community of Sète and SUEZ Eau allowing the reuse of wastewater produced by the Marseillan wastewater treatment plant for vineyards, SALT EAU irrigation.

GDL operates approximately 260 hectares of vines on the Lido de Thau, between Sète and Marseillan Plage, which, due to climate change-related water stress, do not obtain optimal yields.

The project for the reuse of treated wastewater, which was initiated in 2016, aims to pump the treated water to a storage basin and then transport it to a desalination unit before injection into the irrigation network.

The water supply from this system to the vines represents more than 264,000 m^3 of water per year.

• Optimising waste treatment

12.4 Establish environmentally sound management of chemicals and all wastes throughout their life cycle, in compliance with internationally agreed guidelines, and significantly reduce their release in the air, water and land, in an effort to minimise their negative effects on health and the environment.

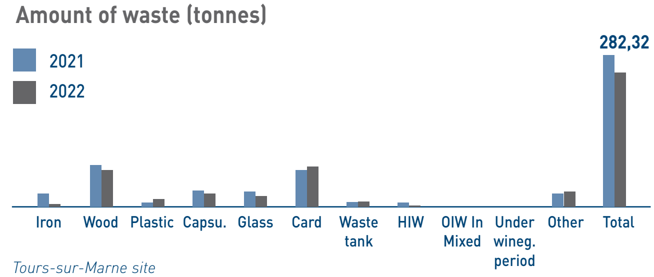
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

14.1 By 2025, prevent and considerably reduce all types of marine pollution, particularly from land-based activities, including marine litter and nutrient pollution.

Waste sorting on the production sites is one of the first measures implemented on these certified production sites. As part of a circular economy approach, we separate and ship the maximum amount of waste material possible to approved contractors for the waste to have a second life or be repurposed. Much progress has been made in recent years, both in sorting waste, 98%–100% of which is recycled at the Reims site, and in terms of the costs to process it.

By monitoring the amount of waste sent and the costs incurred, in 2022 we achieved a ratio of waste/bottle-equivalent units produced of 4 g and a ratio of waste cost per tonne of €5.35 at the Tours-sur-Marne site in 2022*; in addition to a ratio of waste/bottle-equivalent units produced of 3.28 g and €43.92 per tonne of waste at the Reims site in 2022. Previously, the results for the ratio of waste to bottle handled were 4.36 grams per bottle equivalent (g/eqb) at TSM and 3.80 g/eqb at Reims.

Amount of waste (tonnes)



Tours-sur-Marne site
**Change in scope, see Methodological Note*

• Improving effluent treatment

6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimising emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and dramatically scaling up safe recycling and water reuse worldwide.

12.4 Establish environmentally sound management of chemicals and all wastes throughout their life cycle, in compliance with internationally agreed guidelines, and significantly reduce their release in the air, water and land, in an effort to minimise their negative effects on health and the environment.

14.1 By 2025, prevent and considerably reduce all types of marine pollution, particularly from land-based activities, including marine litter and nutrient pollution.

Water is the main natural resource that the vinification and bottling activities impact. We need to control the water consumption to the best of our abilities, and we must also manage the effluents produced by our operations. This is a critical environmental impact in our industry. Each production site has its own effluent treatment method.

Effluent analyses and daily checks are conducted, post-processing for the Tours-sur-Marne site, and pre-processing for the Reims site, which has signed an effluent disposal agreement with the Communauté d'Agglomération de Reims, Reims Agglomeration Community (CAR).

Aimed at reducing pollution through chemicals, Grands Domaines du Littoral took the initiative of sterilising its chain with water at 90°C for 30 minutes, rather than deploying the usual products. This sterilisation is made possible by heating the water to over 80°C via a heat pump, and then using a heating element only for the last few degrees.

4.3.3 A voluntary and stable commitment, towards our shipments

13.3 Level up education, awareness and individual and institutional capacity for climate change adaptation and mitigation as well as impact reduction and early warning systems.

Since 2021, VRANKEN-POMMERY MONOPOLE has committed – alongside ADEME (French Environmental Agency) and AUTF (French Association of Freight Transport Users) – to a voluntary approach to reducing greenhouse gas emissions from the transport of goods related to its activities.

The objective of the "FRET 21" approach is to encourage companies acting as customers of hauliers to better integrate the impact of transport into their sustainable development strategy.

The commitment covers a period of 36 months, from 1 January 2021 to 31 December 2023, and consists of the implementation of six reduction initiatives in the field of Wines and Champagne, split into three priorities:

- Elimination of the storage facility in Vatry and replacement by a buffer flow;
- Use of B100 with several hauliers;
- Incentive for carriers to adopt the "Objective CO2" Charter;

Our objective is to reduce our CO2e emissions from transport by at least 5% by 2023, thereby reducing CO2e by 28 tonnes.

The flows that were studied are upstream transport, inter-site transport and downstream transport in France by road.

In 2022, we reduced our CO2 emissions by 4.75% and avoided the production of 21 tonnes of CO2e.

4.4 Meeting the aspirations of our employees by ensuring equal opportunities and career development

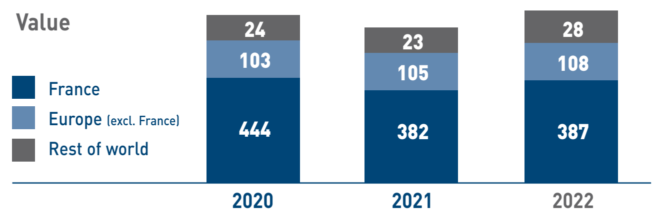
The Group had 561 employees in its workforce at 31 December 2022 and 545 at 31 December 2021, on both open-ended and fixed-term contracts.

Staff on fixed-term contracts corresponded to 147 Full-Time Equivalents (FTE) in 2022. Due to the large size of its winegrowing estate, the Group primarily uses these contracts to conduct the vineyards' seasonal work, which represent approximately 80% of employees on fixed-term contracts.

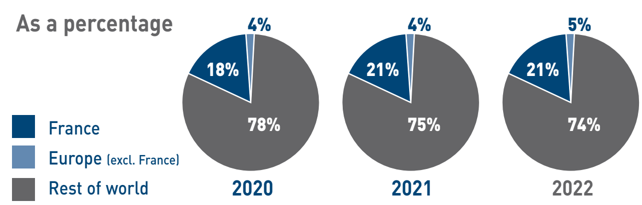
The Group's key indicators

Workforce on open-ended contracts at 31/12 by geographical area

Value

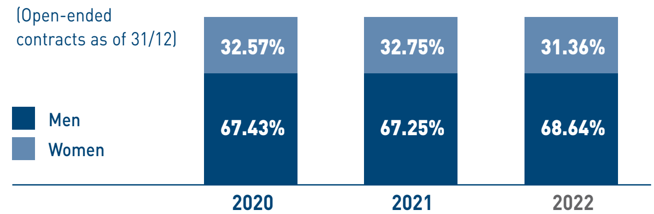


As a percentage

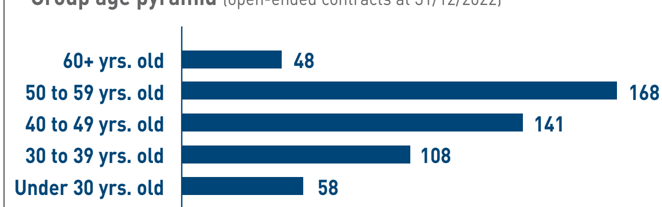


Breakdown of women and men in Group

(Open-ended contracts as of 31/12)



Group age pyramid (open-ended contracts at 31/12/2022)



4.4.1 Ensuring balance and diversity in the workforce

Across its subsidiaries, the Group is committed to refraining from direct and indirect discrimination and to promoting equal opportunity for employees throughout their careers.

• Professional integration of young people

4.3 By 2030, ensure that all women and men have equal access to affordable and high-quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of young people and adults with the skills – whether technical or vocational – needed to ensure gainful employment, decent work and entrepreneurship

8.4 By 2030, substantially increase the number of young people and adults with the skills – whether technical or vocational – needed to ensure gainful employment, decent work and entrepreneurship

8.6 Drastically reduce the proportion of out-of-school youth without the necessary employment or training.

The Group is committed to providing an opportunity to young talents and to championing diversity in its teams.

For example, it is developing close links with universities through patronage or educational partnerships to integrate interns and/or young graduates into the Group.

Work-study programmes are also a lever for integrating young people and maintaining skills within the Group.

Against this backdrop, in 2022, the Group's French companies welcomed 33 work-study students, representing an increase of 27% compared to 2021.

No. of work-study participants in a year (French entities)
2022, 33
2021, 26

• Gender equality

4.3 By 2030, ensure that all women and men have equal access to affordable and high-quality technical, vocational and tertiary education, including university

4.5 By 2030, eradicate gender inequalities in education and deliver on equal access for vulnerable persons – including people with disabilities, indigenous people and children in delicate situations – across the board, with respect to education and vocational training

5.5 Guarantee women's full and effective participation as well as equal access to leadership positions at all decision-making levels in the political, economic and public spheres.

Different Group companies have negotiated company agreements on the occupational equality of men and women, stipulating measures concerning pay and recruitment. The Group reiterates its ambition for its human resources management to align with professional equality principles.

It pays particular attention to practising a policy of equal pay. Below are the indicators comprising the professional equality index for French companies, which demonstrate our entities' specific commitment:

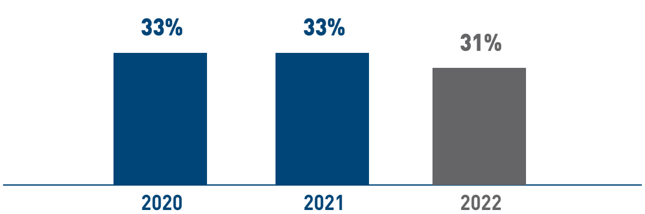
		Points scored	
	2020	**2021**	**2022**
1- Pay gap (as a %) out of 40			
Vranken-Pommery Monopole	34	31	33
Vranken-Pommery Production	33	40	Incalculable
Grands Domaines du Littoral	Incalculable	Incalculable	Incalculable
2 - Gap in individual salary increases (in % points or equivalent number of employees) out of 35			
Vranken-Pommery Monopole	25	35	35
Vranken-Pommery Production	35	35	35
Grands Domaines du Littoral	35	35	35
3 - Percentage of employees receiving a raise after return from maternity leave (as a %) out of 15			
Vranken-Pommery Monopole	34	15	15
Vranken-Pommery Production	Incalculable	Incalculable	Incalculable
Grands Domaines du Littoral	Incalculable	Incalculable	15
4 - Number of employees of the under-represented sex among the top 10 highest earners, out of 10			
Vranken-Pommery Monopole	5	5	5
Vranken-Pommery Production	-	5	5
Grands Domaines du Littoral	10	5	10
OVERALL INDEX SCORE, OUT OF 100			
Vranken-Pommery Monopole	75	86	88
Vranken-Pommery Production	80	94	Incalculable
Grands Domaines du Littoral	Incalculable	Incalculable	Incalculable

It may not be possible to calculate the index when some of its component indicators are not calculable and the maximum number of points for valid indicators is less than 75.

The following scenarios apply to incalculable indicators:

- Men-to-women pay gap indicator: not calculable when all valid groups (i.e., at least 3 women and 3 men per age group and professional category) represent less than 40% of the total workforce.
- Indicator percentage of employees receiving a raise in the year following their return from maternity leave: not calculable in the event of no return from maternity leave.

Percentage of women representation (open-ended contracts)



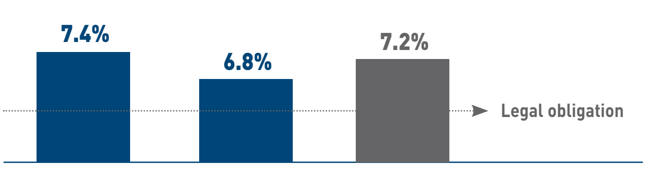
• 4.4.1.3 Integration and retention in employment of workers with disabilities

4.5 By 2030, eradicate gender inequalities in education and deliver on equal access for vulnerable persons – including people with disabilities, indigenous people and children in delicate situations – across the board, with respect to education and vocational training

8.5 By 2030, achieve full and productive employment and ensure decent work and equal pay for work of equal value for all women and men, including young people and people with disabilities. The VRANKEN-POMMERY MONOPOLE Group considers that disability is not an obstacle to occupational competence.

With this in mind, in France, the direct and indirect employment of people with disabilities exceeds the legal obligation, averaging 7.2% of employees. The Group's commitment to the professional integration of people with disabilities is also reflected in the regular use of establishments or services for assistance through work (ESAT) for the maintenance of green spaces or for certain packaging operations. The Group seeks to find solutions for adapting workstations necessary to maintain employment. By way of example, one hearing-impaired employee was presented with a telephone compatible with hearing aids.

Overall employment rate of employees with disabilities, Champagne branch (direct employment rate + indirect employment rate)



4.4.2 Acting for the safety and well-being of employees

• Occupational health and safety

3.4 By 2030, reduce by one third, through prevention and treatment, the rate of premature mortality from non-communicable diseases as well as promote mental health and well-being.

8.8 Defend workers' rights, promote safety at work and ensure the protection of all workers, including migrants, especially women, and those with unstable employment.

The Group is pursuing its objective of protecting its staff's health and that of its subcontractors, by prioritising prevention.

Prevention is based on employee involvement, regular and targeted communication, and action plans. It takes the form of initiatives to develop more user-friendly workstations, reduce handling and exposure to chemical agents, and to organise training and awareness sessions.

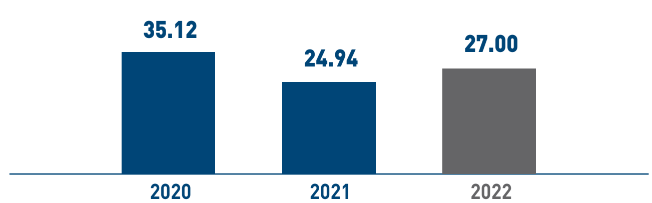
Actions are carried out every year at the production sites to improve workstation ergonomics, safety, comfort and productivity: training and awareness sessions (gestures and posture, fire risk, etc.), ergonomic studies of workstations and improvements to equipment.

For instance, in 2022, the Group tested 3 prototypes of exoskeletons in partnership with the MSA (Mutualité Sociale Agricole) for its vineyard in the south of France.

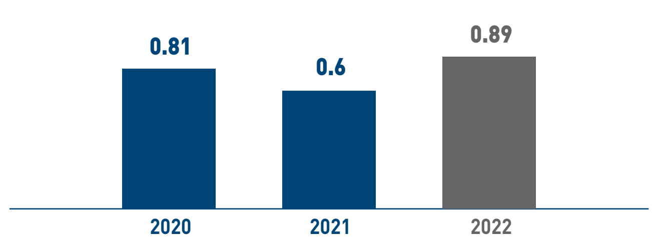
The exoskeleton supports operators in the manual execution of their tasks, and in doing so, relieves tension in the shoulders and arms.

The frequency rate of workplace accidents declined in 2022, versus 2020.

Change in Group work-related accident frequency rate



Change in Group severity of work-related accidents



As for physical and mental well-being, the Group has organised sophrology sessions for its staff at the Reims site for several years. In 2022, such wellness sessions were bolstered by the arrangement of yoga workshops.

The entities of the Champagne division have adopted, in consultation with employee representatives, a charter on the right to disconnect and on the regulation of the use of digital tools.

The purpose of this charter is to improve quality of life at work, in order to contribute to the well-being and fulfilment of each employee.

Employees of companies in the Champagne division are encouraged to be vaccinated against the flu as part of a seasonal vaccination campaign. To achieve this, the Company makes their vaccine available to them each year. This approach seeks to preserve the health of employees and reduce absenteeism at work.

• Human Rights

8.7 Take immediate and effective measures to eliminate forced labour, end modern slavery and human trafficking, prohibit and eradicate the worst forms of child labour, including the recruitment and use of child soldiers and, by 2025, end all forms of child labour.

16.2 End abuse, exploitation and trafficking, and all forms of violence and torture inflicted upon children. The VRANKEN-POMMERY MONOPOLE Group has chosen to adhere to the Global Compact Charter since 2003. In this endeavour, the Group undertakes to support and comply with the protection of human rights within its sphere of influence and to scrupulously follow international labour law and the regulations applicable in the different countries where it operates.

This undertaking entails compliance with the right to join a union, respect for people and the prohibition of child labour and forced labour.

VRANKEN-POMMERY MONOPOLE operates in France and many countries worldwide through its subsidiaries (USA, Japan, UK, Italy, Germany, Belgium, Portugal, Switzerland and Australia). These countries generally present few risks regarding the respect for human rights. However, we remain vigilant and committed to their compliance in all our activities.

Internally, the commitments undertaken by VRANKEN-POMMERY MONOPOLE regarding respect for human rights are translated in our Ethics Charter.

In our supplier specifications, suppliers are directly implicated in these efforts in a paragraph obliging them to comply with the International Labour Organization, as well as sustainable development standards. Some duties are clearly explained. Regarding labour standards and human rights, for example, the text underlines the following specifications:

- Eliminate any form of forced or compulsory work;
- Effectively abolish child labour and, more generally, that of any minor;
- Not use illegal labour;
- Uphold the principles for the protection of human rights;
- Adhere to the principles of non-discrimination in employment;
- Respect freedom of association and the right to collective bargaining.

100% of dry materials suppliers in Champagne have signed these sustainability requirements.

• Human Rights

3.4 By 2030, reduce by one third, through prevention and treatment, the rate of premature mortality from non-communicable diseases as well as promote mental health and well-being.

8.5 By 2030, achieve full and productive employment and ensure decent work and equal pay for work of equal value for all women and men, including young people and people with disabilities.

The Group believes that providing a fair, motivating and equitable compensation system instils a combined appeal and competitive spirit for its jobs. The Group is committed to providing comprehensive compensation, at all levels of the Company, which is equitable, empowering, competitive and non-discriminatory. Employee compensation directly involves teams in the Company's performance while rewarding motivation and commitment as well as individual and collective achievement. The compensation structure is specific to each entity. For non-managerial staff, there are pay scales that are likely to change on a yearly basis during annual negotiations with employee representatives from each company.

The individual share of pay can be added to a collective portion. All divisions of the Group have signed an incentive agreement based on progress in terms of economic performance.

In 2022, the incentive schemes for French entities totalled €890,566.

With regard to social benefits, the Group also strives to ensure that all employees benefit from an optimal basic social protection package concerning health, disability and death.

Employees of the Champagne division benefit from a 24/7 medical teleconsultation system.

The Company also offers these employees a single family contribution for additional health care costs.

• Social dialogue

8.8 Defend workers' rights, promote safety at work and ensure the protection of all workers, including migrants, especially women, and those with unstable employment.

The Social Dialogue within the VRANKEN-POMMERY MONOPOLE Group is fostered at various levels (establishment, companies, Group) and Management is focused on ensuring that the exercise of staff representation takes place in a constructive spirit that maintains a fair balance between employee interests and the Group's economic interests.

Organisational changes are made in consultation with labour partners.

In France, Group companies benefit from Social and Economic Committees. The Group Council was formally established in 2003.

In 2022, five company agreements were signed in the Champagne division. These agreements made it possible to create a sustainable mobility package for employees involved in commuting.

Ever-concerned with environmental issues, Management sought to create a sustainable mobility package for its employees who have already adopted a "virtuous" mode of travel but also to encourage those who are considering it.

The implementation of this sustainable mobility package within these companies is part of a global CSR approach, the purpose of which is to promote eco-friendly behaviour.

Prioritising the well-being of their employees, the companies in the Douro and southern France have administered anonymous staff satisfaction surveys. These surveys serve to pinpoint sensitive points which employees might find difficult to discuss openly and in a "normal" way. These surveys also produce a score for employee satisfaction, as was largely the case in the surveys conducted.

- **Promotion of physical activity and sports**

3.4 By 2030, reduce by one third, through prevention and treatment, the rate of premature mortality from non-communicable diseases as well as promote mental health and well-being.

As part of its drive for well-being and quality of life at work, VRANKEN-POMMERY MONOPOLE has arranged relaxation therapy / relaxation sessions for its employees since December 2017. On a voluntary basis, these sessions aim to offer interested employees a moment of relaxation and a break. They consist of relaxation and visualisation exercises, and physical exercises to gain self-confidence and discover your body as well as manage stress and emotions. Like many other activities, it was halted during Covid-19. It resumed in the first quarter of 2022. In addition, the Company made the Cellier Pompadour at Domaine Pommery in Reims available to the "Run In Reims" (a running event that goes from 10 km to a full marathon) in Reims, in 2019 and 2021, so that it could set up the "bib collection village" for the 14,000 participants. Forever operating in the interests of its employees' well-being and in order to promote physical activity, for many years, VRANKEN-POMMERY MONOPOLE has reimbursed Group employees for the "Run In Reims" entry fee. In the Camargue, Grands Domaines du Littoral provides a room for employees who wish to participate in yoga classes.

4.4.3 Fostering skills development

- **Facilitating employee integration**

8.3 Promote development-driven policies that encourage productive activities, decent job creation, entrepreneurship, creativity and innovation as well as stimulate the growth of micro, small and medium-sized enterprises and facilitate their integration into the formal sector, including through access to financial services

Integration into the Company is a critical phase that must allow each new employee to become aware of the Company, its operating modes, heritage and culture. It acts as a pivotal step so that the person hired can take up their position to the best of their ability by being mentored and supported. For several years, VRANKEN-POMMERY MONOPOLE has implemented an integration programme. In addition to offering a global vision of the Company, these integration days help develop a sense of belonging to the Group and sharing its values. The objective is also to create connections and forge bonds between the teams. An integration assessment carried out before the end of the trial period is also performed jointly by the line manager and the new employee.

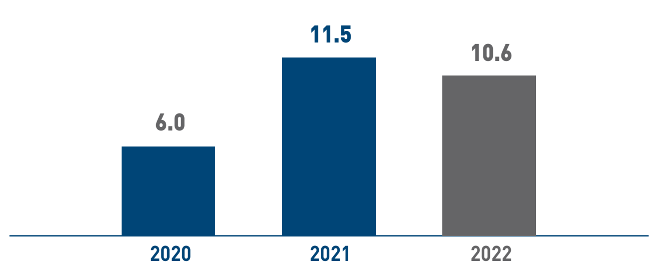
The goal of this step is to monitor the employee's progress and propel their growth within the structure. It includes identifying any obstacles faced by the employee and implementing corrective actions (additional training, etc.).

- **Developing skills and employability**

4.4 By 2030, substantially increase the number of young people and adults with the skills – whether technical or vocational – needed to ensure gainful employment, decent work and entrepreneurship. The Group recognises that vocational training is a lever of performance and is committed to preserving its employees' knowledge and employability for the long term by running internal training plans to meet their needs.

Investment in training is regular. The decrease observed in 2020 is related to the health crisis that occurred in 2020 and the challenge of providing certain training sessions designed to be delivered through class-room training only. Remote training was developed in 2021.

Average number of training hours per employee



The VRANKEN-POMMERY MONOPOLE Group places special emphasis on the training plans that help to develop and perfect the skills of its employees.

They can cover the mastery of a technical field (line foreman training) or learning computer skills (ERP, business specific software, etc.). In 2022, a special effort was made to upskill our French sales force, with a focus on coaching and team development, negotiation and reasoning techniques.

To support its employees in its digitalisation strategy, in 2022, Vranken-Pommery Monopole decided to deliver personalised training in the use of IT and digital tools.

In practice, these courses were structured into free access training modules on the most common day-to-day topics and tools. Employees were able to attend their preferred training courses, by selecting from a catalogue of courses and dates offered over several months. This new training initiative was successfully implemented with 114 actions. New sessions will take place in 2023.

Based on the Company's projected skills needs, each French entity devises its own training plan, which is monitored by a specific indicator in each continuous improvement plan.

4.5 Contributing to enhancing our regions and terroirs

4.5.1 Patronage

11 SUSTAINABLE CITIES AND COMMUNITIES

11.4 Step up efforts to protect and preserve the world's cultural and natural heritage
The VRANKEN-POMMERY MONOPOLE Group is a Patron that invests in its region.

• VRANKEN-POMMERY MONOPOLE encourages contemporary creation

It has continually collaborated with international artists to enhance its Domaine, or more simply, "support the levity of art". True to the memory and wishes of Louise Pommery, Paul-François and Nathalie Vranken have chosen contemporary art as the main focus of our patronage. Indeed, it is in the subterranean world imagined by Madame Pommery, between galleries and chalk quarries, that the Contemporary Art exhibitions entitled "Pommery Experience" unfold, interloping and fascinating.

These "monumental exhibitions of contemporary art" attract more than 160,000 visitors each year to the sumptuous chalk quarries of the Domaine in Reims.

• La Villa Demoiselle, a rediscovered gem

In 2005, the Demoiselle vintage of Champagne Vranken was 20 years old. At the foot of the Domaine Pommery, the abandoned Villa waited for its lustre and splendour to return.

Paul-François Vranken acquired it to set up the registered office of Vranken Champagnes. He then initiated an ambitious renovation project to restore it to its original condition.

Relying on historical archive documents as well as material traces preserved in situ, the team of master builders, mostly from Champagne, worked for nearly four years on the restoration of the entire building, both exterior and interior. Thanks to their know-how, these craftsmen revived the brilliance of the stencil-painted wall decorations, revealing once again the floral and geometrical patterns of the stained-glass windows. One hundred years after its construction, this architectural masterpiece was renamed "Villa Demoiselle".

> *"The moment we met, it was love at first sight. For more than four years we sent in the best-known artisans, plumbers, roofers, painters, decorators, carpenters and glass-makers. "* Nathalie Vranken

It took more than the wave of a magic wand to wake the Villa from its slumber: thousands of working hours, the involvement of great craftsmen, and a good dose of boldness. The Sleeping Beauty was reopened to the world in spring 2008. Since then, almost twenty thousand visitors discover it annually.

In a few numbers

- 4 wood essences: Padauk, Ash, Sycamore, Oak;
- 9.4 metres, the size of the large chandelier that merges into the sweeping staircase;
- 24 lights make up the Baccarat Zenith chandelier;
- 49 flush-mounted wall-lights ordered from Cristallerie Saint Louis;
- 65 kilos, the weight of a globe light made by Cristallerie Saint Louis;
- 13,100 hours of indoor woodwork;
- 20,000 sheets of 22 carat gold used by the gilder;
- 30,000 litres, the volume of one of the four Jarras casks, where the floor of the large Demoiselle lounge was hollowed out;
- 60 alcoves housing Vranken Collection Gold Vintages;

• VRANKEN-POMMERY MONOPOLE

commits to Reims

Patron of the City of Reims and its Beaux-Arts Museum, VRANKEN-POMMERY MONOPOLE is also a preferred partner of Flâneries Musicales, responsible for the development of music in Reims and its surrounding area, notably through the organisation of the Classical Music Festival "Les Flâneries Musicales de Reims".

• Restoration of Château La Gordonne in Provence

Immensely keen to pass on a natural, established heritage to future generations, 2019 saw Paul-François and Nathalie Vranken embark on restoring Château La Gordonne. Their purpose: to make the site a symbol for the excellence of French know-how, concocting a setting which is befitting of the Château's wines, not to mention worthy of this exceptional terroir. This restoration project drew in France's finest craftspeople, focusing on Château and garden alike, to turn the site into one of Provence's most splendid wine estates. After more than three years of work disrupted by the health crisis, this residence built in 1754 is now restored to its full splendour thanks to the uniquely gifted craftspeople France.

In summer 2022, Château La Gordonne reopened its doors, once again welcoming the public onto its exceptional premises.

4.5.2 Heritage protection

11.4 Step up efforts to protect and preserve the world's cultural and natural heritage Vineyards and domaines of an exceptional quality.

- **VRANKEN-POMMERY MONOPOLE has the largest vineyard in Europe.**

"As the foremost European winemaker, we cannot sit back and contemplate nature without participating in its conservation and beautification. " Paul-François Vranken

The VRANKEN-POMMERY MONOPOLE Group has the will and strength to make the big changes of our time.

In Champagne

Most of the VRANKEN vineyard is made up of parcels in premier and grand cru classes, repurchased and gathered over time.

This precious heritage is placed under the direction of a Vineyard Manager, who follows the vine cycle throughout the year alongside all their teams, before producing the most beautiful grapes.

The house vineyard is an extraordinary land heritage whose value is also supported by human commitment, and whose work and know-how contributes daily to the invaluable capital of the Group.

Some of our supplies come from the house vineyard and some from our partner winegrowers. Whether affiliated or not, their grapes are nurtured the same, with the same stringency and the same rigour.

The Pommery cellars, a century-old heritage and UNESCO World Heritage Site, are to be protected, particularly from regular biological attacks. Phototrophic organisms attack the walls of such cellars, which proves problematic with respect to their conservation. In response, the MBioChalk project seeks to find ways of resisting phototrophics, not to mention elevating the chances of preserving this heritage.

In Provence

Le Château La Gordonne is one of the largest properties in Provence with over 350 hectares including 300 vineyards. In 2022, the Château was fully repurposed, with a new look making it fully accessible to the public. A property that shines a light on its own architecture, interior design and inimitable gardens.

Pierrefeu's terroir at the west end of the Massif des Maures is an exceptional place. Set in a shale crater, the vineyards at Château La Gordonne enjoy a special micro-climate. The winters are mild and the summers are hot and dry, sometimes scorching, enabling grapes to capture the full heat of the Provençal sun with 3,000 hours of sunshine a year.

The mistral, a violent, dry wind, is a major player as it sweeps through the vineyards, protecting them from humidity-related diseases.

The vine is cultivated in a clay-limestone plain and on shale hillsides. Low in humus, the soil is also permeable, shallow, pebbly and well-drained with ideal growth conditions for the vineyards.

A wide variety of grapes, typical of Provence, can be found on our Domaine. They include Grenache Noir, Syrah, Cinsault, Tibouren, Mourvèdre and Rolle.

These noble grape varieties allow us to develop rosé, white and red wines all with the Côtes de Provence PDO.

In Camargue

The Domaine La Camargue in Camargue is renowned for its beautiful landscapes, and its typical fauna and flora. What is less well-known is that it also houses a remarkable vineyard like no other: the Les Sables vineyard. This perfect balance of vineyard and wilderness areas (lagoons, moors, forests, etc.) is essential for sustainable viticulture and biodiversity. Most of this vineyard is located around the "capital" of the Sables wine: Aigues-Mortes.

Jarras is the largest of the twelve "domaines", which are all remarkable thanks to their beautiful dimensions and landscapes.

The Domaine Royal de Jarras is a unique, one-piece property with 429 hectares of vineyards spread over the third fossil coastline. Soil is cultivated traditionally without herbicides. To avoid wind erosion, a plant canopy made of rye protects the ground from October to May. More than five thousand sheep pasture in the area throughout winter. Fertilisation is essentially organic. The vineyards of Domaine Royal de Jarras survived the epidemic outbreak of Phylloxera back in 1863.

The protected geographical designation of Sable de Camargue produces wines with extremely low acidity. The main grape variety of Domaine Royal de Jarras is grenache. It is a grape variety whose juice after pressing is a unique "grey rosé" colour, hence its "Gris de Gris" name.

In the Douro Valley

The Group's Portuguese vineyards in the Upper Douro are located at the heart of a natural reserve (National Park), and the Douro vineyards (Porto) have in part been classified as a UNESCO Intangible Cultural Heritage site.

In Portugal, vineyards have been planted in the Douro region for almost two thousand years. This spectacular region has been a UNESCO World Heritage Site since 2001. The level of stringency ensures the sustainability of Douro sites.

This unique example illustrates the connection between humans and their natural environment. The Douro region was formed jointly by the "Douro" river, which carved out the mountain to make it its bed, and people, who adapted to the steep slopes to cultivate vineyards. Through the ages, terraces backed by hundreds of miles of dry stone walls have been built. The landscape results from the work of a multitude of anonymous artists who have created a collective work that can qualify as "land art".

The Douro landscape features a full host of viticulture-related activities including terraces, quintas (wine estates), villages, chapels and trails.

This region is an exceptional example of traditional European wine country, reflecting the evolution of this human activity over time.

- **Exceptional Domaines**

The Group leverages its exceptional heritage and global scale, where each Brand draws on its image, resources and roots:

- Domaine Pommery in Reims
- Villa Demoiselle, a jewel of Modern Art in Reims (restored to original condition by the Group);
- Château La Gordonne à Pierrefeu
- Quinta de Monsul à Lamego (Portugal)
- Domaine de Jarras in Aigues-Mortes.

In 2015, the UNESCO Committee validated the registration of the Hillsides, Maisons and Champagne Cellars on the world heritage site list. The registration consists of three sites including the Saint Nicaise Hill in Reims where Domaine Pommery and Villa Demoiselle are built. The wine cellars in the Champagne "maisons" located in this area are unique.

These were ancient chalk quarries in medieval times that have been converted into Champagne cellars. Basements, protected from the light and kept at a constant temperature (10°C), house the production of six large champagne "maisons" including Maison Pommery.

4.5.3 Knowledge transfer

4 QUALITY EDUCATION

4.4 By 2030, substantially increase the number of young people and adults with the skills – whether technical or vocational – needed to ensure gainful employment, decent work and entrepreneurship.

- **Research & Development**

3 GOOD HEALTH AND WELL-BEING

3.9 By 2030, drastically diminish the number of deaths and illnesses caused by hazardous chemicals, pollution and contamination of air, water and soil.

6 CLEAN WATER AND SANITATION

6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimising emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and dramatically scaling up safe recycling and water reuse worldwide.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.2 By 2030, sustainably manage and rationally use natural resources.

15 LIFE ON LAND

15.1 Ensure the preservation, restoration and sustainable use of land and freshwater ecosystems and related services, particularly forests, wetlands, mountains and drylands, in accordance with obligations under international agreements.

Since 2018, the Group's R&D Department is coordinated by a Chief Innovation Officer and Project Manager and works in the field of applied research with a triple focus on Research, Development and Innovation (RDI).

Group-wide research is conducted by the Project Manager (with a PhD), working in a cross-disciplinary team that features technicians, winemakers and agricultural engineers as well as national and international scientific partners (trade organisations, chambers of agriculture, universities, research institutes and laboratories). Through our research, we deploy state-of-the-art laboratory techniques such as Fourier-Transform Infrared (FTIR) spectroscopy, enzyme analysis and spectrophotometry, in addition to trial vineyard parcels (fitted with sprayers) and experimental vats.

In response to the new economic, social and environmental challenges we face, our Research & Development strategy aims to maintain the Group's technological advantage, adapt to changes in our environment (climate change), find innovative and technical solutions to accelerate the energy transition (zero carbon project) and, more generally, to resolve specific technical problems identified as areas for improvement.

The Group's various research projects tackle issues in the vineyard (soil conservation, reduction in the use of phytopharmaceutical products, development of new technologies, grape quality, etc.), in the cellar (reduction in inputs, wine quality, etc.) and in the preservation of heritage (preservation of bas-reliefs, changes in appellations). Below are some of our standout research projects:

RésiVIGNE

The RésiVIGNE project focuses on soil conservation practices in the context of climate change. As an alternative to the use of herbicides, tillage has an impact on greenhouse gas emissions and soil compaction. In our opinion, regenerative agriculture may serve as an alternative to sustainable soil management. We adopted a series of mulching and plant cover methods on-site at various terroirs. In this project, we strive to limit climate change by promoting carbon storage in soils and minimising the use of mechanical machinery, but also to stop the use of herbicides and to ramp up soil organic conservation by reducing water erosion and restoring organic matter and soil fertility.

VitiSTIM

The vitiSTIM project aims to develop alternative solutions to phytopharmaceutical products. For this project, our endeavour is to stimulate the vine's natural defences with elicitors (natural defence stimulators) and micro-organisms. These technologies are intended to reduce inputs and devise a more sustainable biological control system. Our aim is to develop new technical benchmarks that are both reliable and scalable while reducing the environmental impact of our crop and securing their yield.

AI4WINE and EdgeAI

The AI4DI (Artificial Intelligence for Digitizing Industry 2019-2022) and EdgeAI (EDGE AI Technologies for Optimised Performance Embedded Processing, 2022-2025) projects are part of collaborative research conducted at the European level. To this end, the Group has partnered with a consortium of academic and industrial participants with expertise in new technologies. These projects centre on the deployment of Artificial Intelligence (AI) throughout our industrial processes. We give priority to addressing "vineyard" and "cellar" challenges (yield and disease prediction, development of a sensor network). For example, the Vranken-Pommery vineyard is the first to have paired the Bakus robot with the Physiocap tool, an innovative technology for assessing the strength of the vines and enabling the deployment of "precision" tools. This tool will enable the adjustment of nitrogen and other fertiliser volumes to be applied to the vines, depending on the strength detected in a given section of the plot.

Sand fertilisation

Led by GDL, the Fertivigor project seeks to define a fertilisation strategy adapted to the Sables terroir. The Camargue Sands have specific characteristics (limited soil memory and inertia, extremely draining soil, high salt pressure). This requires an adequate split between the water and mineral supply, and it is crucial to adapt fertilisation to this particular environment. Following this step, the best strategy must be identified from the perspectives of quantity applied, time divided and fertilisation method. This project highlights the Group's ambition to categorise the benefits of fertigation on the vine's tolerance to salt, which is decisive to achieving yield and production quality.

Vititaille

Coordinated by GDL, the Vititaille project aims to limit vineyard decline, all the while increasing the yield through pruning techniques. In the last 40 years, Grands Domaines du Littoral has observed a decrease in yield which is partly due to vineyard decline (wood diseases, rising salt levels in the Camargue) as well as techniques (fertilisation, pruning). In response, the Group decided to test out new non-mutilating pruning techniques, first in Camargue and Provence, followed by Champagne. This project centres on categorising the impact of pruning on yield, vineyard sustainability and wine quality.

SulfiLess

The purpose of the SulfiLESS research project is to study and implement alternatives to the use of sulphites on an industrial scale, by replacing them with techniques and products that have zero impact on human health and the environment. Against this background, the Group seeks to reduce pre-fermentation SO_2 doses by using non-Saccharomyces yeasts whose development protects the must from undesirable micro-organisms while fostering the growth of yeasts for fermentation. The trial is therefore designed to compare the efficacy of two different yeasts against differently sulphured conditions.

CC-AOP-Syst

The CC-AOP-Syst project focuses on appellation systems and climate change. The existing protection system wine protected designation of origin (PDO) was designed to endorse and guarantee consistent cultural and cultivation practices. The aim of the system is to ensure a certain degree of authenticity and typicity in the appellation's product, taking into account changes in natural and human factors. Climate change is disrupting the natural evolution of the vine. This disruption tends to force players in the wine sector to substantially review their practices and therefore risks jeopardising the system of protected designation of origin (PDO). The Group is involved in a doctoral legal thesis, aimed at drawing up an inventory of the legal adaptations already in place and to present solutions to effectively protect the designations of today and tomorrow.

• Expertise and know-how

Knowledge transfer is paramount within the Group, as it relates to the specialised know-how of our business. It is focused on:

- a "Knowledge Transfer Path" established at VRANKEN-POMMERY VIGNOBLES, which covers the highly specific driving practices of straddle tractors and the use of special equipment such as groundwork tools.

With this in mind, each new employee joining the Group must follow an internal training and vocational course under the guidance of a mentor (qualified and experienced employee).

In particular, this internal training course ensures that knowledge is transferred to the new recruit and that they comply with the Company's current health and safety rules.

- The same knowledge transfer system is also implemented at Vranken-Pommery Production, particularly for strategic line manager positions;
- the integration of young oenologists into the tasting panels is a gradual process. They are trained on the panel in question (e.g., evaluation of the cork batches) and join the tasting panels, first as observers before being appointed permanently.

• Access to culture: Pommery and the "kid's experience" mediation

To raise awareness among young people of contemporary art, Domaine Pommery set up a partnership with the French Ministry of Education.

Visits to the various "Pommery Experience" exhibits are offered annually to teachers and their students.

Initially aimed at primary school students, the Domaine now also opens its doors to secondary school students. The purpose of these visits is for teachers to get to know and understand their students as part of a class project. Accompanied by a pedagogical counsellor and plastic arts teacher, they visit the exhibition and choose the works on which the students will work. After visiting the exhibition, the children give free rein to their imagination by producing work as a nod to the items showcased in the exhibition.

This mediation is a remarkable example of regional sponsorship that also takes artistic and cultural education into account.

Working hand-in-hand with Pommery's Town Hall, this Artistic and Cultural Education (EAC) initiative:

- provides a shared assessment tool, which is designed with local authorities and representatives of the Grand Est region's Cultural Affairs Department (DRAC) as well as Local Education Authorities;
- fosters the commitment of local authorities to a partnership-based approach which is likely to encourage the widespread roll-out of the EAC initiative, in accordance with the Charter for Artistic and Cultural Education, which accounts for the interests of young people, from birth to adulthood, and throughout their lives.

At the start of the 2022-2023 academic year, 14 classes, comprising 284 pupils, visited the "Pommery Experience #16: Rêveries" experience.

4.6 Non-financial performance

This Statement of Non-Financial Performance covers all the activities of the VRANKEN-POMMERY MONOPOLE Group.

However, some parts of the Statement of Non-Financial Performance are particularly focused on presenting the data in Champagne since most of the Group's business is conducted there. The Group has initiated an extension to this approach for the monitoring of such data in other regions. Reporting is based on the calendar year to ensure consistency with the financial year. The Group's CSR Committee met to identify and rank the CSR risks on the basis of:

- data feedback through operational and technical structures;
- interviews with Group management;
- studies conducted by the CSR Committee.

The Statement of Non-Financial Performance presents the main CSR challenges and information on other CSR challenges which the Group intends to disclose.

A more detailed presentation of the risks (in particular CSR) is provided in Section 3 of this Universal Registration Document.

Risks	Challenges	Practice	Indicators monitored	Ref.
ENVIRONMENTAL				
Decline in biodiversity		Obtain the VDC certification in Champagne and extend this principle to our vineyard partners	Hectares of VDC-certified vineyards/total hectares of vineyards	3.1
		Obtain organic conversion in Provence and Camargue	Hectares of certified organic vineyards/total hectares of vineyards	3.1
Climate change	Reduce our energy and carbon footprint	Manufacture lighter bottles	VPM reduced the glass weight of 100% of its standard 75 cl champagne bottles by approximately 65 g	3.5
		Search for suppliers locally		3.4
		Prioritise transport outside the European Community (EC) by boat	Almost all of our transportation outside the European Union is conducted by boat	
		Reduce our gas and electricity consumption	Electricity consumption at the production sites in MWh Water consumption at TSM/bottle equivalent	3.7
	Reduce greenhouse gases	Reduce greenhouse gas emissions by converting the vehicle fleet and agricultural machinery into petrol engines and conversion to electric engines underway	Indicator under development. In 2020, six petrol-light vehicles were replaced by electric-light engine vehicles. In 2021, 34 new electric-light vehicles replaced petrol-powered vehicles. In total for 2022: - 3 straddles and 1 autonomous robot are now electric out of the 30 in the Champagne vineyards, i.e., 10% 45 electric-light vehicles out of the 98 vehicles in the fleet, i.e., 46%	

	Sustainable water management	Implement a water consumption monitoring and management plan	Production sites' water consumption at the production sites in m^3. Electricity consumption at TSM/bottle equivalent	3.8
	Waste management	Implement a waste reduction and hazardous waste sorting and management plan	Waste/bottle-equivalent units produced ratio and waste cost per tonne	3.9
SOCIETAL				
Skill gaps concerning food safety obligations	Provide our customers with quality products	Obtain/Maintain certifications	Percentage of people working for a food safety certified production site	2.6
LABOUR				
Work-related accidents	Reduce the number and severity of work-related accidents	Implementation of prevention and awareness-raising campaigns Improvement of equipment	Frequency and severity rates	4.2.1
Breakdown in social dialogue	Promote harmonious working conditions	Develop consultation with employee representatives	Number of labour agreements signed in the Champagne branch	4.2.4
Skill gap concerning the organisation and perpetuation of knowledge	Foster skills development	Development of integration and training programmes	Average number of training hours per employee	4.3.2
Existence of inequalities and discrimination	Ensure balance and diversity in the workforce	HR policy for business equality and diversity	Proportion of women in management roles Employment rate of employees with disabilities	4.1 4.1

4.7 Methodological Note on the reporting of CSR data

As regards the sections referring to environmental information, the scope is defined as follows:

- water and electricity consumption indicators concern only the production companies;
- for the other information, unless specified otherwise, the production and winegrowing companies are taken into consideration.

Items relating to societal information may pertain to the entire VRANKEN-POMMERY MONOPOLE Group.

Reporting is based on the calendar year to ensure consistency with the financial year.

Methodological information concerning labour data:

The workforce registered at 31 December 2022 included only staff on open-ended or fixed-term contracts and covered all the Companies of the VRANKEN-POMMERY MONOPOLE Group.

To remain consistent with the data appearing in the Universal Registration Document as well as the various statistics of the profession in terms of volumes and revenue, three geographic areas have been identified: France, Europe (excluding France) and the rest of the world. The HR indicators are developed for France using payroll and time management software.

They are calculated at the level of the Champagne branch directly by the Human Resources Department teams at the head office, by those of GDL for the wines branch and by the various management teams of subsidiaries using a single format. All this data is consolidated by the Human Resources Department at head office, which checks and validates them.

Some of the information provided does not concern subsidiaries abroad. This includes:

- labour relations where obligations are not comparable between countries;
- occupational illnesses whose names have a medical-legal meaning or recognition criteria that vary from one country to another.

It should be noted that travel accidents are included in the calculation of indicators on work-related accidents.

The average number of training hours per employee is calculated on the basis of the number of training hours divided by the average workforce (open-ended and fixed-term contracts) over the year.

Training hours include courses provided to employees for the Group as a whole, under open-ended or fixed-term contracts. These are courses that may or may not be considered as on-the-job training, depending on whether they are internal or external internships, but also courses completed as part of the personal training account.

The indicator relating to the overall employment rate of employees with disabilities was reworked over the three years, to extend it to all French entities.

The method used to calculate the employment rate of employees with disabilities was reworked to factor in the regulatory amendment regarding employment obligations for workers with disabilities, applicable as of 1 January 2020.

The number of employees subject to the obligation and beneficiaries of the obligation to employ workers with disabilities (BOETH) is now calculated as an annual average Full-Time Equivalent (FTE) figure.

The workforce subject to obligation to employ workers with disabilities (OETH) corresponds to the average annual workforce (excluding apprentices, holders of vocational training, employment initiative (CIE) or employment support contracts (CAE), employees on a fixed-term contract when they replace an absent employee or whose employment contract has been suspended, employees seconded to the Company by an external company, temporary workers and interns).

However, prior to this regulatory amendment – whenever a company used indirect employment methods by signing contracts to subcontract workers through sheltered employment schemes (Entreprises adaptées – EA), establishments or services for assistance through work (ESAT) and/or independent employees with disabilities (TIH) – they were recognised in the employment rate totalling 6%, i.e., the employer could promote these services as deductible profit interests. Since 2020, only direct employment methods (any worker with a disability, regardless of their contract type or duration) are promoted as profit interests in the compulsory declaration of employment of workers with disabilities (DOETH), while enlisting the services of the sheltered and adapted sector (ESAT, EA, TIH) entitles this sector to deductions from their financial contribution.

To continue assessing the Company's overall efforts to employ people with disabilities, the Group regularly calculates and monitors the overall employment rate of employees with disabilities (direct + indirect employment rates).

Indirect employment continues to be promoted on the basis of the terms and conditions established prior to the regulatory amendment in 2020. This applies to contracts for subcontracting, supplies and services:

(Pre-tax price of supplies, works and services - Cost of raw materials, products, materials and selling expenses) / (2000 x hourly rate of France's minimum wage in force on 31/12);

Methodological clarifications concerning environmental data:

In light of the Group's rapid development in recent years, different Group companies are at different stages, with respect to environmental approaches. Some are ISO 14001 certified while others are working towards continuous improvement, in compliance with law. This situation, therefore, means it is not possible to monitor with precision identical indicators at the Group level.

Each production unit in France is listed as a "Facility Classified for the Environment" ("ICPE"), with each having its own authorisation to operate from the Prefecture, but also, in the framework of these rulings, more or less strict requirements depending on the environmental risks and impacts. The two Champagne sites and the Jarras site are classified for registration and the Provence site is classified for declaration.

For all these reasons, disclosures in relation to the Group's environmental approach are illustrated by examples taken from certain sites or certain branches that make up this Group.

The scope chosen to provide information on vineyard certification includes the vines under ownership located in southern France, Champagne and Portugal for organic certification and all Champagne vines for Sustainable Viticulture Certification (VDC).

The standard used for all the production sites is ISO 14001 and it is on the basis of this standard, through an environmental analysis and a dangers and impacts study, and the action plans stemming from them and the ensuing ongoing improvement, that the sites take the environment into account in accordance with their geographical positioning, local constraints and the risks generated by their activities.

For the entire Food Safety component, all the Production Companies rely on the HACCP (Hazard Analysis Critical Control Point) method of risk analysis in order to permanently ensure that the products put up for sale guarantee the consumer's safety.

This HACCP approach is an integral part of the Hygiene Pack regulation.

As a signatory to the Global Compact, the Group is mindful of applying the compact's 10 principles to meet its commitments, while also preventing corruption and involving its suppliers in its environmental and societal policy.

In France, the water consumption indicator is based on manual meter readings carried out weekly or monthly on the production facilities by the teams on-site. Each production site has several meters for analysing consumptions and at least one general meter. Only drinking water consumption is presented.

The ratio of water consumption to bottle-equivalent units used is calculated on the basis of untreated water consumption divided by the sum of the volumes produced on-site in bottle-equivalent terms. This ratio is calculated only for the Tours-sur-Marne site.

A bottle-equivalent unit is equal to 0.75 cl.

The electricity consumption indicator is produced by monthly remote data from EDF, which is then sent to the production sites via a web portal. The data is extracted monthly by the site. Sites not benefiting from this remote reading obtain information on their electricity consumption from EDF bills.

The ratio of electricity consumption to bottle-equivalent units used is calculated on the basis of the overall electricity consumption divided by the sum of the volumes produced on-site in bottle-equivalent terms. This ratio is calculated only for the Tours-sur-Marne site.

A bottle-equivalent unit is equal to 0.75 cl.

Once the annual data is collected, it is sent at the beginning of year Y+1 to the Group's Quality-Environment Department. It should be noted that this is gross consumption data for production sites alone.

For Portugal, the QE Department recovers the data from the water and electricity bills.

The figures are calculated from the differences between meter readings.

The data is supplied by a representative of each production site. They work as the engineer in charge of the Sable de Camargue site, the Quality Manager in Portugal, the Manager in Provence and the QE Manager for Champagne.

On 01/01/2022, the Vranken-Pommery Monopole Group sold the operation of a real estate and industrial complex located on the Tours-sur-Marne site to the Henry Vasnier company. Against this background, the water, electricity and waste data posted for the 2022 financial year do not include figures for the "Henry Vasnier" site. Figures for the period prior to 2022 disclose the consumption of the entire Tours-sur-Marne site, including the share now operated by the Henry Vasnier company.

Ratio: The amount of waste to bottle-equivalent units used is calculated on the basis of the amount of waste produced, which is then divided by the sum of the volumes produced on-site in bottle-equivalent terms.

A bottle-equivalent unit is equal to 0.75 cl.

The cost ratio of waste to tonne is calculated by dividing the overall cost of treating site waste by the amount of waste produced in tonnes. This ratio is calculated only for the Tours-sur-Marne site.

The selected scope for the Group's carbon assessment includes the following entities:

- Vranken Pommery Monopole
- Vranken Pommery Production
- Grands Domaines du Littoral
- Rozes S.A.
- Quinta do Grifo
- Vranken Pommery Australia
- Vranken Pommery Italia
- Vranken Pommery Japan
- Charbaut America
- Vranken Pommery Suisse
- Vranken Pommery UK
- Vranken Pommery Deutschland & Osterreich
- Vranken Pommery Benelux
- 49% of Vranken Pommery Henry Vasnier (VPHV), booked for its employees

To conduct our carbon assessment, we were assisted by Greenly, a carbon footprint consulting firm. In the first instance, the calculation tool applies the ADEME Bilan Carbone (French Environmental Agency carbon assessment) and GHG Protocol methods to accounting and financial data.

The Group included physical data to hone the accuracy of this monetary approach, particularly to refine Scopes 1 & 2 (direct emissions, and indirect emissions from energy production), with respect to wine companies and production.

With regard to Scope 3 (emissions generated), most of the calculations were based on monetary data, with the exception of sector-specific raw material supplies. In respect of grapes, musts and wines, emission factors specific to Champagne were provided by the Champagne Committee in order to produce the most accurate data. This data is taken from the carbon assessment conducted for the Champagne segment, which was overseen by the Carbone 4 consulting firm.

The data makes assumptions regarding:
• downstream freight
• employee commuting
• impact of use and end-of-life for products sold.

Exclusion:

In view of its business, the Company is not directly concerned with the fight against food waste, sustainable food supply, animal welfare or the fight against food insecurity and has not, therefore, made any specific commitment in this field, except as regards the by-products from pressing and secondary fermentation, which are recycled.

External audit:

External verification of the data reported in the CSR report is provided by the independent third-party MAZARS (accredited), which has validated all the CSR information and performed detailed tests on the following items:
- staff and its breakdown;
- frequency and severity of accidents;
- water consumption;
- energy consumption;
- waste prevention, recycling and elimination measures;
- use of soil;
- biodiversity protection;
- measures taken to support consumer health and safety (Food Safety).

4.8 Independent third-party report on the consolidated Statement of Non-Financial Performance presented in the Management Report Financial year ended 31 December 2022

To the Shareholders,

In our capacity as an independent third party, member of the Mazars network, Statutory Auditor of Vranken-Pommery Monopole, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on the website www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of limited assurance on the historical information (recorded or extrapolated) of the consolidated Statement of Non-Financial Performance, prepared in accordance with the entity's procedures (hereinafter the "Standard"), for the financial year ended 31 December 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's Management Report pursuant to 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 have implemented, as described in the "Nature and scope of work" section, and the information we have collected, we have not identified any significant anomaly that would call into question the fact that the Statement of Non-Financial Performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is truthfully presented in accordance with the Standard.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we present the following comments:
- the reporting scope varies depending on the indicators published and covers:
• 72% of the workforce at 31 December 2022 for the indicators relating to the risk of a breakdown in social dialogue and the proportion of employees with disabilities;
• 36% of the Group's energy consumption and 17% of its water consumption (the Tours-sur-Marne site) for Key Performance Indicators (KPIs) relating to climate change (energy consumption per bottle-equivalent unit and water consumption per bottle-equivalent unit).

Preparation of the Statement of Non-Financial Performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time. Consequently, the Information must be read and understood with reference to the Standard, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The Information may be subject to inherent uncertainty given the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used during preparation and presented in the Statement.

Company's responsibility

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria during preparation of the Information;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including KPIs and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- as well as implementing the internal control measures that it deems necessary to prepare the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared in accordance with the entity's Standard as mentioned above.

Responsibility of the independent third-party organisation

It is our job, based on our work, to formulate a motivated opinion expressing a conclusion of limited assurance on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness and authenticity of the information provided in accordance with paragraph 3 of Parts I and II of Article R. 225-105 in the French Commercial Code, namely the results of the policies, including the KPIs, and the actions, relating to the key risks.

As we are responsible for making an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information provided in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- where applicable: the fairness and authenticity of the information provided in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional guidance

The below work was carried out in accordance with the provisions of Articles A. 2251 et seq. of the French Commercial Code, the professional guidance issued by the "Compagnie Nationale des Commissaires aux Comptes" (French National Association of Statutory Auditors) relating to this audit in lieu of an audit programme and the ISAE 3000 (revised) international standard.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Statutory Auditors' Code of Ethics. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, rules of ethics and the professional guidance of the French National Association of Statutory Auditors as they apply to this assignment.

Means and resources

Our work drew on the skills of three people and took place between February and April 2023 over a total of three weeks. We conducted four interviews with those responsible for preparing the Statement, representing the Administrative and Finance, Legal, Human Resources, and Quality, Safety and Environment Departments.

Nature and scope of work

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

We believe that the procedures we used, exercising our professional judgement, enabled us to formulate a conclusion of limited assurance:

- we reviewed the business activities of all the entities included in the scope of consolidation and their exposure to the key risks;
- we assessed the appropriateness of the Standard in view of its pertinence, exhaustiveness, reliability, neutrality and readability, taking into consideration, where necessary, the sector's best practices;
- we verified that the Statement covers each category of information provided in III of Article L. 225-102-1 regarding social and environmental issues, respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement contains the information set forth in Part II of Article R. 225-105 when it is relevant with regard to the key risks, and that, where applicable, it includes an explanation of the reasons for the omission of the information required by paragraph 2 of Part III in Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the key risks related to the activities of all the entities included in the scope of consolidation, including, where relevant and proportional, the risks created by its business relations, products or services, as well as the policies, actions and results, including KPIs relating to the key risks;
- we reviewed the documentary sources and conducted interviews in order to:
  - assess the process for choosing and vetting the key risks and the consistency of the results, including the KPIs used, with regard to the key risks and policies presented;
  - and to corroborate the qualitative information (actions and results) we deemed the most important, as presented in Appendix 1. Our work was carried out at the level of the consolidating entity;

- we verified that the Statement covers the consolidated scope, namely all entities included in the scope of consolidation pursuant to Article L. 233-16 within the limits specified in the Statement;
- we reviewed the internal control and risk management procedures implemented by the entity, and assessed the collection process intended to ensure the completeness and truthfulness of the Information;
- we implemented, for the KPIs and other quantitative results that we deemed the most important and are listed in Appendix 1:
  - analytical procedures to verify the correct consolidation of the data collected and the consistency of the changes thereof;
  - and detailed tests on the basis of surveys or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. The work was conducted with a selection of contributing entities and covered between 32% and 100% of the consolidated data selected for these tests;
- and we assessed the overall consistency of the Statement with respect to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a limited assurance assignment are less extensive than those required for a reasonable assurance assignment performed in accordance with the professional guidance of the French National Association of Statutory Auditors; a higher level of assurance would have required more extensive verification work.

Paris La Défense, 13 April 2023

Independent third-party organisation

MAZARS SAS

Tristan Mourre - Partner, Sustainability Services

Appendix 1 – Qualitative information (actions and results) on the key risks

- Decline in biodiversity
- Climate change
- Skill gaps concerning food safety obligations
- Work-related accidents
- Breach of fundamental labour rights
- Breakdown in social dialogue
- Skill gap concerning the organisation and perpetuation of knowledge
- Existence of inequalities and discrimination

Quantitative indicators including Key Performance Indicators (KPIs)	Contributing entities
- Hectares of vineyards certified as Sustainable Viticulture/Total hectares of vineyards in Champagne (1) - Hectares of vineyards certified as organic/Total hectares of vineyards (2) - Hectares of vineyards certified as organic or in conversion/Total hectares of vineyards (2)	(1) Vranken-Pommery Vignobles (2) Grands Domaines du Littoral
- Electricity consumption at the production sites - Water consumption at the production sites - Electricity consumption/bottle-equivalent unit (3) - Water consumption/bottle-equivalent unit (3) - Waste quantity/bottle-equivalent unit (3)	Vranken-Pommery Production (3) Tours-sur-Marne site only
- % of our production workforce currently working at production sites were certified according to food safety standards	Vranken-Pommery Monopole (Group)
- Total workforce and breakdown of employees by sex, age and geographic area - Percentage of women representation - Employment rate of workers with disabilities - Number of training hours provided / Full-Time Equivalent (FTE) - Number of collective agreements signed (France) - Work-related accident frequency rate - Work-related accident severity rate	Vranken-Pommery Monopole in France Vranken-Pommery Production in France Vranken-Pommery Vignobles in France

5

FINANCIAL STATEMENTS

Accounting policies and presentation of financial statements

In accordance with European Commission Regulation 1606/2002 of 19 July 2002, the Vranken-Pommery Monopole Group applies IAS/IFRS standards as from the financial year starting 1 January 2005, following the Recommendation of the French Financial Markets Authority (Autorité des Marchés Financiers).

We inform you that the accounting principles followed by the Group are identical to those applied for preparing the Group's financial statements as at 31 December 2021, with the exception of the amended regulations and interpretations the application of which is mandatory in the European Union as at 1 January 2022. The financial statements were presented by the Board of Directors on 31 March 2023 and 13 April 2023.

5.1 Consolidated financial statements

5.1.1 Consolidated income statement as at 31 December 2022 – IFRS

in thousands of €	Note	2022 Restated*	2021
Turnover	1	**334,459**	**301,249**
Consumed purchases	2	**-246,784**	**-219,365**
Staff costs	4	-38,531	-34,773
Other operating income	5	3,962	3,715
Other operating expenses	5	-672	-701
Taxes and duties	6	-3,500	-3,120
Reversals on deprec., amort. and prov.	7	683	906
Depreciation, amortisation and provisions	8	-15,040	-16,552
Profit from continuing operations		**34,577**	**31,359**
Other income	9	2,088	5,948
Other expenses	9	-2,654	-9,593
Operating earnings		**34,011**	**27,714**
Financial income	10	592	343
Financial expenses	10	-18,978	-18,055
Pre-tax income		**15,625**	**10,002**
Income taxes	11	-5,244	-2,070
Share of income from equity affiliates	16	-109	-412
Net income		**10,272**	**7,520**
Breakdown of consolidated net income			
Consolidated net income		**10,272**	**7,520**
- of which minority interests		112	22
- of which Group share		**10,160**	**7,498**
Earnings per share, in €	12	1.14	0.84
Diluted earnings per share in €	12	1.14	0.84

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. The comparative income statement for the 2021 financial year has been restated with a negative impact of €0.8 million compared to the reported 2021 net income. These corrections have no impact on the income statement for the 2022 financial year.*

5.1.2 Comprehensive statement of consolidated gains and losses

Statement of net income and of income and expenses recognised directly in equity

in thousands of €	Note	2022 Restated*	2021
Net income		**10,272**	**7,520**
Items not recyclable in income, net of tax		**30,134**	**1,586**
Commitments to staff	23	2,610	492
Treasury shares		-4	7
Revaluation of assets	15	27,528	1,087
Items recyclable in income, net of tax		**447**	**1,514**
Foreign entity conversion differences		443	1,523
Financial instruments	29	4	-9
Total income		**40,853**	**10,620**
Breakdown of total income			
Group		39,932	10,581
Minority interests		**921**	**39**

**See footnote 1.3.*

5.1.3 Consolidated statement of financial position as at 31 December 2022 – IFRS

Assets

in thousands of €	Note	2022 Restated*	2021
Goodwill	13	24,479	24,479
Intangible fixed assets	14	98,789	99,597
Tangible fixed assets	15	414,448	376,858
Other non-current assets	16	7,482	7,291
Investments in affiliates	16	1,385	1,149
Deferred taxes	24	648	839
Total non-current assets		**547,231**	**510,213**
Inventories and work-in-progress	17	645,774	640,119
Trade and other receivables	18	72,686	46,210
Other current assets	19	33,171	29,194
Current financial assets	29	-	-
Cash	20	8,522	15,249
Total current assets		**760,153**	**730,772**
Assets held for sale		-	-
Total assets		**1,307,384**	**1,240,985**

Liabilities

in thousands of €	Note	2022 Restated*	2021
Capital	21	134,056	134,056
Reserves & Premiums	21	264,689	234,508
Income	21	10,160	7,498
Equity (Group share)	**21**	**408,905**	**376,062**
Non-controlling interests		**5,172**	**4,305**
Total equity		**414,077**	**380,367**
Loans & financial debt	22	558,220	305,820
Commitments to staff	23	8,940	11,811
Deferred taxes	24	69,969	57,517
Total non-current assets		**637,129**	**375,148**
Suppliers and other receivables	25	122,178	87,385
Provisions for risks and charges	26	243	75
Tax liabilities	27	11,895	14,029
Other current liabilities	28	23,056	19,934
Bank loans and overdrafts	22	98,806	364,042
Current financial liabilities	29	-	5
Total current liabilities		**256,178**	**485,470**
Liabilities held for sale		-	-
Total liabilities		**1,307,384**	**1,240,985**

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. Total equity impacts as at 31 December 2021 were negative at €3.9 million.*

5.1.4 Financial table by analysis of the cash flow statement – IFRS

in thousands of €	Note	2022 Restated***	2021
Cash flows from operations			
Net income from consolidated companies		10,272	7,520
Elimination of non-cash income and expenses or those not related to the business			
- amortisation and provisions		14,538	16,072
- net financial expenses		10	18,391
17,712			
- change in deferred taxes		24	2,416
-138			
- gains and losses on disposals	9	-261	44
- financial instruments	22	-5	-11
- commitments to staff	23	441	-1,088
- impact of equity method companies	16	109	412
Cash flow from operations of consolidated companies		**45,901**	**40,523**
Change in working capital requirements related to activity			
- inventories and work-in-progress	17	-5,481	28,881
- trade receivables	18	-26,536	17,940
- trade payables	25	34,689	-19,984
- other receivables and payables		-1,690	-3,448
Net cash flow generated by operations		**46,883**	**63,912**
Cash flow related to investments			
Acquisition of fixed assets**		-12,242	-14,290
Disposal of fixed assets		9	1,867
964			
Changes in scope of consolidation		-176	-118
Net change in loans and other financial assets		-204	-4,992
Investment subsidies received		352	82
Cash flow related to investment operations		**-10,403**	**-18,355**
Cash flow related to financing			
Dividends paid to shareholders of the parent company		-7,103	-
Dividends paid to minority shareholders of consolidated companies		-4	-69
Transactions on treasury shares		-4	7
Financial expenses	10	-18,391	-17,712
Borrowings**	22	466,944	84,775
Repayment of loans	22	-486,545	-130.793
Change in short-term financing	22	-2,534	171
Cash flow related to financing		**-47,637**	**-63,621**
Negative impact of changes in exchange rates		**138**	**505**
Change in cash position			
Opening cash position		-27,499	-9,940
Closing cash position		22	-38,518
-27,499			
Change in cash position		**-11,019**	**-17,559**

**The cash balance is equal to the difference between available cash and bank overdrafts (see Note 22).*
***Restated for leasing agreements entered into during the year.*
***See footnote 1.3.*

5.1.5 Statement of changes in equity – IFRS

in thousands of €	Capital	Premiums	Reserves and income	Revaluation reserves	Income directly entered in equity	Total equity	Group share	Non-controlling interests
Equity and minority interests as at 1 January 2021 – Restated*	**134,056**	**45,013**	**132,246**	**67,495**	**-8,933**	**369,876**	**365,546**	**4,330**
Financial year results			7,520			7,520	7,498	22
Distributions of dividends			-69			-69		-69
Foreign exchange gains and losses					1,523 1,523 1,522 1			
Transactions on treasury shares					7	7	7	
Commitments to staff					492	492	498	-6
Change in financial instruments for the year					-9	-9	-9	
Change in scope			-1			-1	-1	
Revaluation of assets				1,087		1,087	1,065	22
Other			-59			-59	-64	5
Equity and minority interests as at 31 December 2021 – Restated*	**134,056**	**45,013**	**139,637**	**68,581**	**-6,920**	**380,367**	**376,062**	**4,305**
Financial year results			10,272			10,272	10,160	112
Distributions of dividends			-7,107			-7,107	-7,106	-1
Foreign exchange gains and losses					443 443 448 -5			
Transactions on treasury shares					-4	-4	-4	
Change in scope			-9			-9	48	-57
Commitments to staff					2,610	2,610	2,608	2
Change in financial instruments for the year					4	4	4	
Revaluation of assets				27,528		27,528	26,716	812
Other			-27			-27	-31	4
Equity and minority interests as at 31 December 2022	**134,056**	**45,013**	**142,766**	**96,109**	**-3,867**	**414,077**	**408,905**	**5,172**

See footnote 1.3.

5.1.6 Notes to the consolidated financial statements

The Group's financial statements were approved by the Board of Directors on 30 March 2023 and the notes were given final approval by the Board of Directors on 13 April 2023. They will not be final until they are approved by the Annual Ordinary General Meeting of 1 June 2023.

Accounting policies

1. General principles

1.1. References

The accounting principles used are the same as those used for the previous financial year with the exception of the adoption of the following standards, applicable as of 1 January 2022:

• Amendment to IAS 16, Property, plant and equipment - Income before intended use
• Amendment to IAS 37, Onerous contracts - Cost of fulfilling a contract
• Amendment to IFRS 3, Reference to the conceptual framework
• Improvement of IFRS 2018-2020 cycle – Standards concerned:
  - IFRS 1 - Subsidiary becoming a first-time adopter
  - IFRS 9 – Derecognition of a financial liability: fees and commissions to be included in the 10% test,
  - IFRS 16 – Lease incentives
  - IAS 41 – Taxes in fair value measurements

The standards, amendments to standards or interpretations that entered into force on 1 January 2022 did not have a material impact on the Group's consolidated financial statements. The financial statements do not take into account the standards and interpretations published by the IASB at the end of the financial year in December 2022 but that were not mandatory within the European Union at that date.

It should also be noted that the consolidated income statement of the VRANKEN-POMMERY MONOPOLE Group is an income statement by type.

1.2. New texts whose application is not mandatory

The standards, amendments and interpretations adopted by the European Union whose application is not mandatory for financial years beginning on or after 1 January 2022 are as follows:

• Amendments to IAS 1 – Disclosure of accounting policies
• Amendments to IAS 8 – Definition of an accounting estimate
• Amendments IAS to 12 - Deferred tax on assets and liabilities arising from the same transaction
• IFRS 17 – Insurance Contracts, with Amendments.

The Group did not apply these new texts early as of 1 January 2022 and is currently analysing their potential effects.

1.3. Corrections of errors in the consolidated accounts of previous financial years

*At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors.

The impact on the consolidated income statement as at 31 December 2021 is as follows:

in thousands of €	2021 Published	Restatements	2021 Restated
Consumed purchases	-218,266	-1,099	-219,365
Profit from continuing operations	32,458	-1,099	31,359
Income taxes	-2,354	284	-2,070
Net income	**8,335**	**-815**	**7,520**

Breakdown of consolidated net income

Consolidated net income	**8,335**	**-815**	**7,520**
- of which minority interests	22		22
- of which Group share	**8,313**	**-815**	**7,498**
Earnings per share, in €	0.94	-0.10	0.84
Diluted earnings per share in €	0.94	-0.10	0.84

Total income	**11,435**	**-815**	**10,620**
Breakdown of total income			
Group	11,396	-815	10,581
Minority interests	39	-	39

Profit from continuing operations

Assets

in thousands of €	2021 Published	Restatements	2021 Restated
Inventories and work-in-progress	645,389	-5,270	640,119
Total current assets	736,042	-5,270	730,772
Total assets	**1,246,255**	**-5,270**	**1,240,985**

Liabilities

in thousands of €	2021 Published	Restatements	2021 Restated
Capital	134,056		134,056
Reserves & Premiums	237,602	-3,094	234,508
Income	8,313	-815	7,498
Equity (Group share)	**379,971**	**-3,909**	**376,062**
Non-controlling interests	**4,305**		**4,305**
Total Equity	**384,276**	**-3,909**	**380,367**
Deferred taxes	58,878	-1,361	57,517
Total non-current liabilities	**376,509**	**-1,361**	**375,148**
Total liabilities	**1,246,255**	**-5,270**	**1,240,985**

The impact on inventories and work-in-progress as at 1 January 2021 was negative and amounted to €4.2 million, compared to €5.3 million as at 31 December 2021. The impact on deferred tax liabilities as at 1 January 2021 was negative and amounted to €1.1 million, compared to €1.4 million as at 31 December 2021. The impact on the cash flow analysis funding statement as at 31 December 2021 is as follows:

in thousands of €	2021 Published	Restatements	2021 Restated
Cash flows from operations			
Net income from consolidated companies	8,335	-815	7,520
Elimination of non-cash or non-business-related income and expenses			
- change in deferred taxes	146	-284	-138
Cash flow from operations of consolidated companies	**41,622**	**-1,099**	**40,523**
Change in working capital requirements related to activity			
- inventories and work-in-progress	27,782	1,099	28,881
Net cash flow generated by operations	**63,912**		**63,912**

Total equity impacts as at 1 January 2021 were negative at €3.1 million.

in thousands of €	Capital	Premiums	Reserves and income	Revaluation reserves	Income directly entered in equity	Total equity	Group share	Non-controlling interests
Equity and minority interests as at 1 January 2021	**134,056**	**45,013**	**135,340**	**67,495**	**-8,933**	**372,970**	**368,640**	**4,330**
Restatements			-3,094			-3,094	-3,094	
Equity and minority interests as at 1 January 2021 Restated	**134,056**	**45,013**	**132,246**	**67,495**	**-8,933**	**369,876**	**365,548**	**4,330**

2. Highlights

The highlights of the 2022 financial year are as follows:

- The 2022 consolidated turnover of the VRANKEN-POMMERY MONOPOLE Group amounted to €334.5 million, an increase of 11% mainly linked to the development in France and international sales of Champagne Pommery & Greno and Champagne Vranken, which represent 64% of Champagne sales.
- Champagne sales increased by 12% and sales increased in the three geographical areas (France, EU, Third Countries) with an export weighting that remained relatively stable at 67%, supported by greater sales momentum in third countries, particularly Australia, Japan and Switzerland.
- The recovery of post-Covid activity in out-of-home consumption explains the positive performance of sales in France in 2022.
- After a very sharp decline in the 2021 harvest in the Camargue, which affected sales negatively, the 2022 harvest was fortunately up 20% and made it possible to partially catch up with the sector's turnover at the end of the year.
- Every effort has been made to return to normative yields in the Camargue, thanks to water supplies and the application of new efficient farming methods.
- Progress in Portugal, with the renewal of tourism there, has supported the increase in the overall activity of the branch.
- On Sparkling wines, turnover remains modest but the growth of the sector is rapid and confirms the ambition to make Sparkling wines a growth driver for the future both for the "bubbles" developed in England and California under the Louis Pommery brand, and for those made in the Camargue.
- Current Operating Income increased by +10.3% to €34.6 million, after €15 million in depreciation and €3 million in commercial investments in major retailers in order to maintain the balance of 1/3 France – 2/3 export. Excluding the impact of this commercial investment and taking into account the change in scope that occurred in 2021(*), the increase was 14.6%.

  (*) In the first half of 2021, the Group transferred the staff of Vranken-Pommery Vignobles to VPHV, created in 2021 and consolidated by a 49% equity method. This change in scope led to a reversal of provisions related to pension commitments of €1.2 million in 2021.
- Current Operating Margin remained stable at 10.3%.
- Operating income amounted to €34 million (+22.7%), an operating margin of 10.2%.
- The Financial Result remains relatively stable in view of the evolution of interest rates over the last quarter.
- Net income reached €10.3 million, an increase of 36.6%.
- The financial structure further strengthened with equity standing at €414.1 million, or 31.7% of the total statement of financial position, with net financial debt reduced further by €7.3 million as at 31 December 2022 to finish the year at €646.1 million.
- Restated for the €19.4 million related to the application of IFRS 16, net financial debt amounted to €626.7 million, entirely covered by inventories of €645.8 million.
- The Group repaid €75 million of bonds maturing in the 2022 financial year, and has no bond maturity before 2024.
- After having drawn up the balance sheet of all the actions undertaken and in progress within the Group, the Mission Committee set about translating its raison d'être "La Vérité du Terroir" into operational objectives during 2022.
- The objectives of the Raison d'Etre have been grouped around four fundamental pillars:
  - Biodiversity: acting to preserve our ecosystems
  - Environment: to limit the impact of our activities and reduce the use of fossil fuels, particularly through the development of renewable energies
  - Heritage: to act for the preservation of the natural and built heritage in order to be able to transmit it in the best conditions to future generations
  - Societal: be part of a global sustainable development strategy and propose to all our stakeholders to adhere to these values.
- The key performance indicators from these four fundamental pillars have been defined by the Mission Committee, and are currently being audited by an independent third party.
- The Group has taken the decision to initiate the B Corp approach in 2023.

3. Consolidation principles

The consolidated financial statements include all subsidiaries deemed significant in which VRANKEN-POMMERY MONOPOLE exercises exclusive or joint control or notable influence.

All significant internal transactions are eliminated in consolidation.

All companies in the scope of consolidation close their financial statements on 31 December.

These companies on which the Group exercises exclusive control are fully consolidated. SAS A l'Auberge Franc-Comtoise and SAS VPHV are consolidated using the equity method.

4. Scope of consolidation

Companies in the scope of consolidation (Full consolidation)	2022 % interest	2022 % control	2021 % interest	2021 % control
France				
SA VRANKEN-POMMERY MONOPOLE SIRET No. 348 494 915 00054 5, Place du Général Gouraud 51100 REIMS	100.00%	100.00%	100.00%	100.00%
SAS VRANKEN-POMMERY PRODUCTION SIRET No. 337 280 911 00120 56, Bd Henri Vasnier 51100 REIMS	100.00%	100.00%	100.00%	100.00%
SAS VRANKEN-POMMERY VIGNOBLES SIRET No. 314 208 125 00067 Le Champ Chapon 51150 TOURS-SUR-MARNE	99.84%	99.84%	99.84%	99.84%
SAS RENE LALLEMENT SIRET No. 415 299 023 00028 Le Champ Chapon 51150 TOURS-SUR-MARNE	99.95%	99.95%	99.95%	99.95%
SAS B.M.T. VINEYARDS SIRET No. 353 422 397 00045 Le Champ Chapon 51150 TOURS-SUR-MARNE	99.84%	100.00%	99.84%	100.00%
SAS CHAMPAGNE CHARLES LAFITTE SIRET No. 328 251 590 00050 Le Champ Chapon 51150 TOURS-SUR-MARNE	100.00%	100.00%	100.00%	100.00%
SAS HEIDSIECK & C° MONOPOLE SIRET No. 338 509 045 00054 34 Boulevard Diancourt 51100 REIMS	100.00%	100.00%	100.00%	100.00%
SCI DES VIGNES D'AMBRUYERE SIRET No. 332 416 397 00030 Le Champ Chapon 51150 TOURS SUR MARNE	99.58%	99.58%	99.58%	99.58%
SCI LES ANSINGES MONTAIGU SIRET No. 398 362 988 00030 Le Champ Chapon 51150 TOURS SUR MARNE	100.00%	100.00%	100.00%	100.00%
POMMERY SAS SIRET No. 441 990 132 00025 5, Place du Général Gouraud 51100 REIMS	100.00%	100.00%	100.00%	100.00%
SAS GV COURTAGE SIRET No. 382 710 564 00032 Ferme du Château des Castaignes 51270 MONTMORT LUCY	100.00%	100.00%	100.00%	100.00%
SC DU PEQUIGNY SIRET No. 410 025 134 00025 Domaine des Castaignes 51270 MONTMORT LUCY	99.94%	99.94%	99.94%	99.94%
SAS DES VIGNOBLES VRANKEN SIRET No. 411 224 900 00018 Ferme des Castaignes 51270 MONTMORT LUCY	100.00%	100.00%	98.00%	98.00%

Companies in the scope of consolidation (Full consolidation)	2022 % interest	2022 % control	2021 % interest	2021 % control
France				
SC DOMAINE DU MONTCHENOIS SIRET No. 421 321 068 00015 Domaine du Montchenois 51140 CHENAY	100.00%	100.00%	100.00%	100.00%
SAS GRANDS DOMAINES DU LITTORAL SIRET No. 722 041 175 00034 Domaine Royal de Jarras RD 979 30220 AIGUES MORTES	96.50%	96.50%	96.50%	96.50%
Abroad				
VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GmbH Mohrenstrasse 34 D-10117 BERLIN - Germany	100.00%	100.00%	100.00%	100.00%
VRANKEN-POMMERY BENELUX SA Square Sainctelette 11/12 1000 BRUSSELS – Belgium	99.99%	99.99%	99.99%	99.99%
CHARBAUT AMERICA Inc. 12 East 33rd Street – 7th Floor 10016 NEW YORK – United States	100.00%	100.00%	100.00%	100.00%
ROZÈS SA Quinta de Monsul – Cambres – Lamego Portugal	99.99%	99.99%	99.99%	99.99%
VRANKEN-POMMERY U.K. Ltd c/o BRND – 128 Buckingham Palace Road LONDON SW1W 9SA – UNITED KINGDOM	97.78%	97.78%	97.78%	97.78%
VRANKEN-POMMERY SUISSE SA Av de la Gare 10 1003 LAUSANNE - Switzerland	100.00%	100.00%	100.00%	100.00%
QUINTA DO GRIFO S.A.C. S.A. E.N. 221 KM 100, Poiares, Freixo E. Cinta Portugal	100.00%	100.00%	100.00%	100.00%
VRANKEN-POMMERY JAPAN Co., Ltd #3 Toranomon Denki Bldg 8F 1-2-20 Toranomon Minato-Ku, TOKYO – 105-0001 Japan	95.00%	95.00%	95.00%	95.00%
VRANKEN POMMERY ITALIA, Spa Piazza Pio XI,5 - 20123 MILAN Italy	100.00%	100.00%	100.00%	100.00%
VRANKEN-POMMERY AUSTRALIA PTY LTD Level 1, 63 Exhibition Street, MELBOURNE 3000 Australia	100.00%	100.00%	100.00%	100.00%

Companies in the scope of consolidation % (Equity method)	2022 % interest	2022 % control	2021 % interest	2021 % control
SAS A L'AUBERGE FRANC COMTOISE SIRET No. 572 112 423 00015 9 Place de la Madeleine 75008 PARIS	34.00%	34.00%	34.00%	34.00%
SAS VPHV SIRET No. 891 085 888 00016 5 Place du Général Gouraud 51100 REIMS	48.92%	49.00%	48.92%	49.00 %

5. Accounting principles and valuation methods

Preparation of the financial statements in accordance with IFRS accounting principles requires the consideration by Management of estimates and assumptions for the determination of the amounts recognised for certain assets, liabilities, income and expenses, as well as some data in the notes to the assets and liabilities.

The estimates and assumptions used are those that the Management considers most relevant and achievable in the Group environment based on available feedback.

Given the uncertain nature inherent in these valuation methods, the final amounts may be different from those initially estimated. To limit these uncertainties, the estimates and assumptions are reviewed periodically and modifications are immediately recognised.

The use of estimates and assumptions is of special importance for the following themes:

- retirement commitments and other employee benefits
- provisions (including provisions for commercial resources)
- recoverable value of intangible and tangible assets, as well as their useful life
- recoverable value of receivables, inventories and other receivables
- fair value of derivative financial instruments
- deferred tax assets

5.1 Conversion of foreign currency accounts

The accounts of foreign companies outside the euro zone (CHARBAUT AMERICA, VRANKEN-POMMERY UK, VRANKEN-POMMERY SWITZERLAND, VRANKEN-POMMERYJAPAN, VRANKEN-POMMERY AUSTRALIA) are converted into euros at:

- the closing exchange rate for the balance sheet
- the average exchange rate for the income.

The resulting exchange difference is recorded as equity.

The currencies affected are:

	Closing rate	Average rate
United States	EUR 1 = USD 1.0666	EUR 1 = USD 1.0500
United Kingdom	EUR 1 = GBP 0.8869 GBP	EUR 1 = GBP 0.8548
Switzerland	EUR 1 = CHF 0.9847 CHF	EUR 1 = CHF 1.0017
Japan	EUR 1 = JPY 140.660	EUR 1 = JPY 138.139
Australia	EUR 1 = AUD 1.5693	EUR 1 = AUD 1.5154

5.2 Transactions in foreign currencies

In the Group's companies, foreign currency transactions are converted at the exchange rate prevailing in the month in which they are carried out. Monetary assets and liabilities in foreign currencies are converted at the exchange rate in force at the reporting date.

Currency differences resulting from the above-mentioned transactions are recognised in the income statement, except for the effect of changes in receivables and debts considered as net investments in a foreign business activity.

Blocked current accounts corresponding to the Group's financial support of its subsidiaries are considered to be financial support by the Group of a foreign business activity, in particular the Australian and Japanese subsidiaries, which are in a development phase; in the UK, where the consequences of Brexit must be addressed; and Charbaut America, which continues to invest in the production and marketing of the "Louis Pommery California" sparkling wine in North America.

5.3 Business Combinations

Business combinations are recognised using the acquisition method, in accordance with IFRS 3 – Business Combinations. The assets, liabilities and any possible liabilities of the acquired entity are recognised at their fair value at the acquisition date, after an evaluation period of a maximum of 12 months from acquisition.

The acquisition cost is measured at the fair value of the assets acquired, the equity issued and the liabilities incurred or assumed at the date of acquisition, increased by all costs attributable directly to the acquisition. Any surplus between the acquisition cost and the Group share in the fair value of the assets, liabilities and any identifiable liabilities is recognised as goodwill and subject to impairment tests, at least annually, and as soon as a loss-of-value indicator is identified.

5.4 Goodwill

Goodwill is subject to an impairment test at least once annually and as soon as a loss-of-value indicator is identified. For this test, goodwill is broken down on the basis of asset groupings at the date of each business combination. These asset groupings correspond to sets of assets that jointly generate identifiable, largely independent cash flows.

The processes for these impairment tests for asset groups are detailed in paragraph 5.9. If a loss of value occurs, the impairment is recognised in income for the year.

5.5 Intangible fixed assets

Intangible assets consist mostly of the trademarks, leasing rights and other intangible assets if they meet the recognition criteria of IAS 38.

The trademarks and property rights and other intangible assets are assessed at their acquisition cost. Trademarks are not amortised. Property rights mainly involve software amortised over its useful life and other intangible assets (lease rights, entry rights, usufruct) are amortised based on the contract terms or useful life.

If the net carrying amount of these assets falls below the highest amount of their utility or market value, an impairment is recorded for the amount of the difference.

A value test is performed on the intangible assets at each annual reporting using the procedures indicated in paragraph 5.9, to determine if there are any impairment of those items.

5.6 Tangible fixed assets

The following property, plant and equipment are valued in accordance with the rules prescribed by IAS 16:

- **Land, vineyards and buildings:** application of revaluation model. The vineyards in Champagne, Camargue, Provence and Portugal, in view of the existence of an active market, are subject to a market value estimate at the reporting date in which market value comes from official data published on recent transactions in the same region, or independent expert appraisals, if the difference is significant. The value of the vine stock cannot be measured reliably if separate from the value of the land. As a consequence, the vine is valued at the costs incurred.

  As regards the revaluation of the vineyards in Champagne, the market values from official data in light of transactions over the period are expressed in value brackets. The median or upper value is used depending on the specific characteristics of each plot, i.e. its geographic location, plots in the Marne valley around the same village that form a single holding, the age of the vine, etc.

  Buildings and land are revalued periodically by independent experts in accordance with the methods prescribed by the IVCS (in particular comparison with market prices for similar assets and capitalisation of rental income).

  The difference between the historical cost and the fair value is recognised in equity in "Revaluation reserves". At the time of revaluation, of property, plant and equipment, the Group has opted for a deduction of the cumulative depreciation of the gross value of the asset. The net value is thus restated to obtain the revalued amount.

  In accordance with the revaluation model, the assets are amortised over the remaining lifetime.

In the event of a downward valuation, the counterpart of this decrease will be recognised in other comprehensive income as soon as there is a positive credit balance in the revaluation reserve in respect of this asset. Beyond that, it must be recognised in expenses. If the fair value falls below the amortised acquisition cost, an impairment is recognised in income in the amount of the difference.

- **Other property, plant and equipment:** the cost model is applied for all goods falling within the categories concerned; historic costs corresponding to original acquisition costs minus cumulative depreciation and impairment.

The following complementary points should also be noted as regards property, plant and equipment:

- Goods consisting of significant components with different useful lives are tracked by component and depreciated over their life of use.
- The main depreciation periods used are as follows:

Buildings	10 to 150 years
Vineyards (plantations and developmemnt)	25 to 40 years
Wine ageing facilities	15 to 30 years
Technical facilities	4 to 15 years
Equipment or tools	4 to 10 years

- Investment subsidies are subtracted from the value of property, plant and equipment.
- Application of IFRS 16 to leases is detailed in paragraph 5.13.

5.7 Assets held for sale

A fixed asset or a group of assets and liabilities are classified as held for sale if their carrying amount will be covered mainly by a sale and not continued use. Assets held for sale are no longer amortised starting at the date of the decision to sell.

5.8 Other non-current assets

This item mainly includes stakes held by the Group as well as deposits and guarantees paid. Equity instruments, as defined by IFRS 9, are recognised at their fair value through profit or loss.

5.9 Recoverable value of assets

According to IAS 36 – Impairment of assets, the recoverable value of property, plant and equipment and intangible assets is tested as soon as loss-of-value indicators appear, which are examined at each reporting date. The recoverable value is the greater of the two values, between value in use and market value. The value test is conducted at least once per year for indefinite life assets, which are essentially the trademarks.

The test results are presented on Note 13 "Goodwill", Note 14 "Intangible assets" and Note 15 "Property, plant and equipment".

5.10 Risk management

The Group uses derivative financial instruments primarily to manage currency exchange and interest rate risks that it faces in its current operations.

Valuation and recognition of derivative instruments:

- **General case** Derivative instruments are measured at their fair value. Except as described below, changes in the fair value of derivative instruments are recognised in the income statement;
- **Hedging instruments:** Derivative instruments may be designated as hedging instruments, either in a fair value relationship, or as future cash flows:
  - a fair value hedge makes it possible to hedge the risk that the value of any asset or liability item will change due to changing interest or exchange rates,
  - a future cash flow hedge makes it possible to hedge the changes in the value of future cash flows attached to existing or future assets or liabilities.

  Hedge accounting is applicable if:
  - the hedging relationship is clearly defined and documented at its date of implementation,
  - the efficiency of the hedging relationship is demonstrated from its origin, and for as long as it lasts.

  Application of hedge accounting has the following consequences:
  - for fair value hedging of existing assets or liabilities, the hedged part of those items is measured at its fair value in the statement of financial position. Changes in fair value are recorded in the income statement, where they are offset by symmetrical changes in the fair value of the hedging instruments to the extent that they are effective,
  - for future cash flows hedges, the efficient part of the change in fair value of the hedging instrument is recorded directly as equity, as the change in fair value of the hedged part of the item is no longer in the statement of financial position. The change in value of the inefficient part is recognised in income. Amounts recorded in equity are restated in the income statement symmetrically vis-à-vis the recognition of the hedged items when the hedged items impact the income statement.

In accordance with IFRS 13, the breakdown of the financial assets and liabilities is presented in Note 22, based on the following hierarchy to determine fair value:

- **level 1:** fair value measured by reference to prices (not adjusted) listed on markets for the same assets and liabilities
- **level 2:** fair value measured by reference to level 1 listed prices that are observable for the asset or liability in question, either directly (namely prices) or indirectly (namely data derived from prices)
- **level 3:** fair value assessed by reference to data pertaining to the asset or liability that are not based on observable market data.

Foreign exchange risk:

The instruments the Group uses for hedging against foreign exchange risk are "conventional" instruments. Due to VRANKEN-POMMERY MONOPOLE's position as a currency exporter, these are forward sales.

In compliance with IFRS, these exchange derivatives are revalued at their market value at the end of the financial year. The revaluations are recognised net of deferred taxes.

A distinction is made between hedging of future cash flows and hedging of work-in-progress at the end of the financial year. For hedging of work-in-progress appearing in the statement of financial position, the translation differences are recorded as financial income.

The fair value of those financial instruments is calculated on the basis of the valuations made by the banks.

Rate risk:

The Group's debt at 31 December 2022 consisted mainly of fixed-rate borrowings in the proportion of 51.64%. The ageing loans intended to finance inventories are at variable rates.

On loans, the interest rate risk is hedged by conventional instruments of the Swap and Collar type.

The efficient part of the hedge is entered in the statement of financial position as equity, and the part considered to be inefficient is recorded as financial income for the period.

The fair value of those financial instruments is calculated on the basis of the valuations made by the banks.

5.11 Inventories and work-in-progress

Valuation:

In accordance with IAS 2 – Inventories, inventories are measured based on cost and their net value of creation, whichever is lower.

Their cost is calculated according to the "first in/first out" method.

The raw materials and finished products purchased are measured at their purchase price.

Products under construction and finished products are measured at cost price. This incorporates all direct and indirect production costs except financial costs.

The net creation value of inventories held for sale is the estimated sale price in consideration of market conditions and any external sources of information, minus the estimated costs needed to make the sale (direct sales resources, etc.). In accordance with IAS 41, the harvest from grapes produced by the Group is assessed at market value.

Stockpiled Champagne from the 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 harvests:

Stockpiled wines consist of the difference between volumes harvested within the limits of the Champagne PDO (otherwise called marketed) and the base yield. Under CIVC regulations, they can be made available for inclusion in the manufacturing process in reaction to a poor harvest or increased sales forecasts.

Considering the volume and quality of the harvest, all grapes claiming the Champagne designation were reserved for quality:

- from the 2013 grapes, obtained beyond the base yield of 10,000 kg/ha and within the limit of 13,100 kg/ha;
- from the 2014 grapes, obtained beyond the base yield of 10,100 kg/ha and within the limit of 13,200 kg/ha;
- from the 2015 grapes, obtained beyond the base yield of 10,000 kg/ha and within the limit of 13,100 kg/ha;
- from the 2016 grapes, obtained beyond the base yield of 9,700 kg/ha and within the limit of 12,800 kg/ha;
- from the 2017 grapes, obtained beyond the base yield of 10,300 kg/ha and within the limit of 13,400 kg/ha;
- from the 2018 grapes, obtained beyond the base yield of 10,800 kg/ha and within the limit of 15,500 kg/ha;
- from the 2019 grapes, obtained beyond the base yield of 10,200 kg/ha and within the limit of 15,500 kg/ha;
- from the 2020 grapes, obtained beyond the base yield of 8,000 kg/ha and within the limit of 15,000 kg/ha;
- from the 2021 grapes, obtained beyond the base yield of 10,000 kg/ha and within the limit of 13,100 kg/ha;
- from the 2022 grapes, obtained beyond the base yield of 12,000 kg/ha and within the limit of 16,500 kg/ha;

5.12 Receivables

Receivables are recorded at their transaction price. The applicable commercial receivables impairment methodology takes into account the expected level of loss in the client portfolio. This risk is further limited due to the customer insurance policy followed by the Group.

IFRS 9 specifies the rules for derecognition of contracts for the assignment of receivables. The Group keeps assigned receivables in assets on the statement of financial position if nearly all inherent risks and benefits are not transferred.

5.13 Leases

Leases and similar contracts that meet the criteria for finance leases, for which the risks and benefits have been transferred to the lessee, are recorded as assets in accordance with the principles of IAS 17, which is included in IFRS 16. IFRS 16 – Leases states that all leases are treated as finance leases within the meaning of IAS 17, whether they are finance leases or operating leases. With respect to operating leases, items on the statement of financial position include non-current assets corresponding to the rights of use of the leased assets and the financial debt corresponding to the discounted value of the lease payments. In the income statement, the rent expense is replaced by an amortisation of the right of use and the interest on the rental debt.

The Group chose to apply the following exemptions proposed by the standard:

- leases with a term of up to 12 months;
- leases for properties with an individual replacement value of less than USD 5,000.

In addition, the standard does not apply to leases whenever there are:
- compensation based on variable components. Rural leases in the form of sharecropping are therefore excluded;
- the existence of a substantive right of substitution of the asset by the lessor.

The lease term of real estate contracts corresponds to the non-cancellable period, plus any renewal (or termination) options whose exercise by the Group is deemed reasonably certain (or not). The discount rate used to calculate the rental liability corresponds to the marginal interest rate determined according to the nature of the leased asset, the country of the lessee and the term of the contract. The implicit rate is applied only for non-real estate contracts if the legal documentation specifies such rate. The main operating leases restated in accordance with the principles of IFRS 16 are rural leases, commercial leases and medium-term vehicle leases for sales teams.

5.14 Deferred taxes

As the Group applies IAS 12 – Current and Deferred Taxes, deferred taxes are recorded under temporary differences. These differences result in the recognition of deferred taxes calculated by the liability method. Tax assets are recorded insofar as it is likely that future taxable profits will be available. The effect of any changes in the tax rate on deferred taxes previously recognised in the income statement or in equity is recognised in the income statement or in equity, respectively, in the year in which these rate changes were adopted.

The positions of deferred taxes are compensated in each tax group.

5.15 Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised if the Group has an obligation with regard to a third party and is likely or certain that it will give rise to an outflow of resources to the benefit of said third party.

5.16 Commitments to staff

The Group's employees collect retirement allocations under the laws in force in the countries where the companies employing them are located, along with supplemental pensions and departure indemnities. The corresponding actuarial commitments are recorded in the form of a provision on the statement of financial position. The other social and similar commitments covered by a provision are:
- payment of a bonus when long-service awards are granted
- coverage of medical expenses.

At each annual reporting date of the financial statements, and in accordance with standard IAS 19, as amended - Employee Benefits, retirement and similar commitments are valued by an independent actuary according to the projected credit units method. According to that method, each period of service gives rise to an additional unit of rights to services, and each of these units is assessed separately to obtain the final obligation. This obligation is then discounted. Actuarial gains and losses are generated by changes of assumptions or experience differences (difference between projected and actual) for the commitments or the financial assets of the system. The actuarial differences found in calculating the various commitments are recognised in equity.

Following the entry into force of the national inter-professional agreement, when assessing social commitments, the Group chose to take into account only the retirement indemnities in the assumption of a departure at the employee's initiative.

The main parameters used for measuring these commitments at the reporting date are:
- retirement age: 62 to 67 years for managers depending on the companies and according to the Fillon Act for non-managers
- salary development: 1.75%
- rate of social security expenses: 38.16% to 47.04%, depending on the companies
- discount rate: 2.90% (0.80% as at 31 December 2021)
- revaluation rate for long-service awards: 1.00%
- medical expenses revaluation rate: 1.50%

5.17 Borrowings and financial debt

This item consists mainly of ageing loans. Bank overdrafts include the mobilisation of receivables, financing of inventories of finished products and authorised overdrafts.

Borrowings and other debt are generally assessed at amortised cost, calculated using the effective interest rate. Those hedged by financial instruments are covered by hedge accounting, i.e. they are partially revalued on the hedged portion, which is related to the various interest rates. Changes in value are recognised as income for the period and offset by the symmetrical changes in financial instruments.

Net financial debt is a financial indicator not defined by IFRS. According to the Group's definition, it corresponds to the following calculation:

Bank borrowings and debts (non-current)
+ Bank borrowings and overdrafts (current)
+ Current debt

- Cash flow
- Current financial assets
- Advances granted in associates' current accounts.

This definition has not changed in the Group since 2014. The breakdown of financial assets and liabilities between current and non-current is determined by their term at the reporting date: less than or more than one year. Since 1 January 2019 and the application of IFRS 16, debts related to operating leases are now included in net financial debt. However, the documentation of the main financing agreements states that the effects of this accounting standard are to be neutralised.

5.18 Treasury shares

All treasury shares held by the Group are recognised at their acquisition cost less equity. The proceeds from any sale of treasury shares is recognised directly as an increase of equity, such that any gains or losses on disposals do not affect the net income for the financial year.

5.19 Tax information

Vranken-Pommery Monopole constituted a tax group starting 1 January 1999, with all French companies within the scope of consolidation more than 95% owned.

The consolidated subsidiaries determine the tax they would have paid if they had been taxed separately. The tax savings benefit the parent company.

6. Presentation of financial information

6.1 Turnover

The Group's revenue consists of sales of finished or semi-finished goods and services related to the Group's wine-making activities.

In accordance with IFRS 15, income from the sale of finished or semi-finished goods is recognised in the income statement when the significant risks and rewards inherent to the ownership of the goods have been transferred to the buyer.

Therefore, the Company recognises the goods when the following criteria are met:
- the Company can demonstrate the existence of an agreement
- the product is delivered or made available
- the sale price is set or determinable
- recovery of the sales price is effective or expected.

Expenses related to the listing of products or those corresponding to advertising activities and logistical mandates with our distributors are listed as deductions from the revenue.

The services are recognised in the income statement, based on the degree of completion of the services as of the reporting date.

6.2 Operating segments

Pursuant to IFRS 8 – Operating Segments, the information presented is based on the internal reporting used by the Management for valuing the performance of the various segments. The information published below, which comes from this internal reporting, is established in compliance with the IFRS standards as adopted by the European Union. The reference sector income is the current operational income.

The Group is managed in two main segments, with Champagne activity remaining preponderant:

- production and marketing of Champagne and Port wines (historic scope)
- production and marketing of Les Sables and Provence wines.

6.3 Other Income and Expenses

Non-current transactions of any significant amount that might affect the legibility of the current performance are classified under "Other income" and "Other expenses". These lines include in particular:

- reorganisation and restructuring costs;
- non-recurring indemnities
- gains or losses on disposals of assets.

6.4 Cash and cash equivalents (cash flow table)

The cash balance as it appears in the statement of cash flows is defined as the sum of the cash and of the available cash equivalents less current bank overdrafts. Cash equivalents consist of monetary proceeds assessed at their market value on the reporting date of the financial statements. The financial expenses are presented as a reduction of cash flows from operations to present operational and financing transactions separately.

6.5 Income from equity affiliates

In accordance with ANC Recommendation 2013-01 published in April 2013 relating to the presentation of the share of income from equity affiliates, the income of companies that are not of an "operational nature as an extension of the Group's business" is presented before "net income".

Notes on the consolidated financial statements at 31 December 2022

Note 1. Revenue

Breakdown of revenue in thousands of €	France	Export	2022	2021
Production sold, goods and merchandise	128,414	197,946	326,360	293,970
Services and other	7,562	537	8,099	7,279
TURNOVER	**135,976**	**198,483**	**334,459**	**301,249**

The distribution of revenue by operating segment is presented in Note 31.

Distribution of consolidated revenue by geographic area in thousands of €	2022	2021
France	135,976	119,919
Europe	128,052	121,626
Third Countries	70,431	59,704
Total	**334,459**	**301,249**

One single customer represented approximately 12% of revenue at 31 December 2022.

Note 2. Consumed purchases

Determination of purchases consumed in thousands of €	Note Appendix	2022 Restated*	2021
Purchases of Raw Materials and Merchandise		184,781	133,657
Other external purchases and expenses		67,484	56,826
Change in inventory	17	-5,481	28,881
CONSUMED PURCHASES		**246,784**	**219,365**

Determination of Value Added in thousands of €	2022	2021 Restated*
Turnover	334,459	301,249
Consumed purchases	-246,784	-219,365
VALUE ADDED	**87,675**	**81,884**

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. Consumed purchases for the 2021 financial years have been restated, with a negative impact of €1.1 million compared to the reported 2021 net income. These corrections have no impact on the income statement for the 2022 financial year.*

Note 3. Statutory Auditors' fees

in thousands of €	12/2022 Mazars	12/2022 Audit & Strategy	12/2021 Mazars	12/2021 Audit & Strategy
Fees for the certification assignment	301	123	251	130
Fees for other services	47	5	53	3
Total	**348**	**128**	**304**	**133**

Note 4. Staff expenses

In thousands of €	2022	2021
Wages & salaries	27,806	25,951
Social security expenses	9,975	9,409
Employee commitments	99	-1,225
Employee profit-sharing & incentive schemes	651	638
Total	**38,531**	**34,773**

As part of the improvement of its operational efficiency, the Group decided to transfer the staff of VRANKEN-POMMERY VIGNOBLES and the VRANKEN-POMMERY MONOPOLE Visits and Receptions Department to dedicated structures outside the scope of consolidation of VRANKEN-POMMERY MONOPOLE in the first half of 2021. The Group also reduced its workforce during the financial year, with some departures which were not replaced. For their 2022 term of office, the remuneration of the corporate officers amounted to €98,000.

AVERAGE WORKFORCE – Breakdown France - Abroad	2022	2021
France	505	516
Abroad	147	143
Total	**652**	**659**

AVERAGE WORKFORCE – Breakdown by category	2022	2021
Workers	343	349
Employees	88	89
Supervisory staff	76	76
Executives	145	145
Total	**652**	**659**

Note 5. Other income and expenses

In thousands of €	2022	2021
Operating subsidies	2,447	1,541
Other operating income	1,515	2,174
Operating income	**3,962**	**3,715**
Royalty fees for trademarks and other rights	162	150
Directors' fees	137	122
Bad debts	74	309
Other operating expenses	299	120
Operating expenses	**672**	**701**
Total	**3,290**	**3,014**

In 2022, €74,000 in receivables were written off as a loss and were the subject of a provision amounting to €105,000. Expenses related to bad debts, which amounted to €309,000 as at 31 December 2021, were covered by €571,000 in reversals of provisions (see Note 7).

Note 6. Taxes and duties

In thousands of €	2022	2021
Taxes and duties on compensation	818	745
Other taxes and duties: CET, IFA, Real Estate Taxes, Rights, etc.	2,682	2,375
Total	**3,500**	**3,120**

Note 7. Reversals of provisions

In thousands of €	2022	2021
Receivables	105	571
Inventory	578	329
Other operating income	-	6
Total	**683**	**906**

Note 8. Depreciation, amortisation & provisions

In thousands of €	2022	2021
Fixed assets	14,118	15,777
Amortisation	**14,118**	**15,777**
Receivables	192	373
Inventory	402	321
Miscellaneous	328	81
Provisions	**922**	**775**
Total	**15,040**	**16,552**

Note 9. Other Income and Expenses

in thousands of €	2022 Expenses	2022 Income	2021 Expenses	2021 Income
On fixed assets (transfers, waste, depreciation)	1,819	2,079	5,891	5,839
On provisions, disputes, indemnities and breaches of contract	695	9	787	43
Other	140	-	2,915	66
Total	**2,654**	**2,088**	**9,593**	**5,948**

The other expenses include costs generated in France and Europe for reorganising sales activities and for commercial and social litigation initiated during previous financial years.
Exceptional transactions on non-current assets corresponds to IFRS 16 reclassifications for €134,000 in expenses and €211,000 in income.
"Other transactions" mainly consist of sub-activity in the Camargue for €1,833,000 linked to the yield of the 2021 harvest.

Breakdown by zone of geographical location – in thousands of €	2022 Expenses	2022 Income	2021 Expenses	2021 Income
France	2,496	2,057	9,020	5,777
Europe	158	31	573	161
Other	-	-	-	10
Total	**2,654**	**2,088**	**9,593**	**5,948**

Note 10. Financial income and expenses

in thousands of €	2022 Expenses	2022 Income	2021 Expenses	2021 Income
Interest	17,999	365	17,070	174
Foreign exchange financial instruments (non-effective portion)	-	-	-	3
Interest-related financial instruments (non-effective portion)	-	-	-	8
Employee commitments	93	-	111	-
Exchange rate differences	179	192	10	155
Rate hedging	-	-	51	-
Allowances for / reversals of provisions and other	707	35	813	3
Total	**18,978**	**592**	**18,055**	**343**

Note 11. Income tax

In thousands of €	2022	2021 Restated*
Pre-tax income for the consolidated group	15,625	10,002
Theoretical tax rate	25.83%	28.41%
Theoretical amount of tax	**4,035**	**2,841**
Theoretical effect on tax of:		
Changes in tax rates	-1	-327
Deficits carried forward from previous years or not activated	25	-1,071
Tax credits	-134	-83
Rate differential of foreign subsidiaries and permanent differences	1,319	681
Effective tax rate	33.56%	20.70%
Effective tax amount	**5,244**	**2,070**

In thousands of €	2022	2021 Restated*
Tax due	2,828	2,208
Deferred tax	2,416	-138
Total	**5,244**	**2,070**

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. The impact on deferred tax liabilities as at January 1, 2021 was a decrease of -€1.1 million, compared to -€1.4 million as at 31 December 2021, representing income of +€0.3 million recorded in 2021.*

Note 12. Earnings per share

In thousands of €	2022	2021 Restated*
Net income, Group share, in thousands of €	10,160	7,498
Weighted average number of ordinary shares outstanding	8,937,085	8,937,085
Weighted average number of ordinary treasury shares	57,476	57,560
Weighted average number of shares	**8,879,609**	**8,879,525**
Earnings per share, in €	**1.14**	**0.84**

Diluted income: There are no dilutive financial instruments. The diluted earnings per share are equal to the earnings per share.
See footnote 1.3.

Note 13. Goodwill

Values in thousands of €	Gross
As at 01/01/2022	24,479
New goodwill	-
Lost goodwill	-
Transfer between positions	-
As at 31/12/2022	**24,479**

The results of the impairment tests performed at 31 December 2022 are presented in Note 15.

Note 14. **Intangible assets**

Values in thousands of €		As at 01/01/2022	Increase	Decrease	Goodwill	Transfer between pos.	As at 31/12/2022
Brands	Gross	80,148					80,148
	Prov.	*-41*					*-41*
	Net	80,107					80,107
Other property rights – non-amortisable		1,423				1,677	3,100
Other property rights – amortisabl	Gross	23,359	308	-36	222		23,853
	Dep./amort.	*-14,462*	*-567*	*36*	*-135*		*-15,128*
	Net	8,897	-259		87		8,725
Other intangible assets – non-amortisable*		5,618			-35	-1,685	3,898
Other intangible assets – amortisable	Gross	20,574	720	-4,161		8	17,141
	Dep./amort.	*-17,022*	*-991*	*3,814*	*17*		*-14,182*
	Net	3,552	-271	-347	17	8	2,959
Total	**Gross**	**131,122**	**1,028**	**-4,197**	**187**		**128,140**
	Dep./amort.	***-31,525***	***-1,558***	***3,850***	***-118***		***-29,351***
	Net	**99,597**	**-530**	**-347**	**69**		**98,789**

**Includes mainly the Pommery business goodwill of €2,500,000.*

Net Brand values in thousands of €	2022
Champagne Charles Lafitte	29,786
Champagne Demoiselle	16,439
Champagne Pommery	13,684
Champagne Heidsieck & C° Monopole	3,156
Champagne Vranken - Diamant	830
Champagne Germain	3,811
Ports: Sao Pedro - Rozès - Grifo	12,209
Other	192
Total	**80,107**

The multi-criteria approach implemented on 31 December 2022 confirmed the value of the trademarks. The following assumptions were used:

- All Champagne and Port wine trademarks underwent impairment tests using the economic surplus method (which determines a value in use based on cash flows) and/or the margin differential method (method usually used in Champagne, which consists of determining the difference in revenue compared with equivalent non-trademarked products).

The calculations made for the economic surplus and margin differential methods are based on the following data:

• 2022: real data from the publication of the financial statements (volumes, NSI prices, net revenue) or analytical accounting (costs of products sold, marketing costs, sales and administrative costs);

• future years: anticipated trends for 2023 to 2026 (budget forecasts established in 2022 for 2023-2026);

• the infinite growth rate used in the calculation of the economic surplus is 2.5% for Champagne and 3.5% for wines from Portugal;

• rate assumption: the weighted average cost of capital is 8.6% for Champagne and 8.2% for Port.

The multi-criterion approach gives a bracket of values in which the net carrying amounts of the Trademarks are written, thus confirming the value of those assets;

- A sensitivity study was conducted on the Group's trademarks, with the main assumptions changing as follows:

• change in the reference discount rate of +/-0.5%;

• change in the infinite growth rate of +/-0.5%.

In 2022, these changes in the main assumptions taken individually confirm the value of the brands, for both Champagne and Port.

Note 15. **Tangible assets**

Values in thousands of €		As at 01/01/2022	Increase	Decrease	Goodwill	Change in Transfer	between scope pos.	As at 31/12/2022
Land	Gross	52,649	-669	-30			-687	51,263
	Dep./amort.	*-1,187*	*-210*	*30*			*843*	*-524*
	Net	51,462	-879				156	50,739
Vineyards	Gross	213,326	31,436	-4,869			-306	239,587
	*Dep./amort.**	*-17,513*	*-2,575*	*4,163*			*184*	*-15,741*
	Net	195,813	28,861	-706			-122	223,846
Buildings	Gross	132,073	20 895	-2,154	-29		-8,522	142,263
	Dep./amort.	*-37,195*	*-4,955*	*1,631*	*2*		*4,638*	*-35,879*
	Net	94,878	15,940	-523	-27		-3,884	106,384
Sub-total Real estate	**Gross**	**398,048**	**51,662**	**-7,053**	**-29**		**-9,515**	**433,113**
	Dep./amort.	***-55,896***	***-7,739***	***5,824***	***2***		***5,665***	***-52,144***
	Net	**342,152**	**43,923**	**-1,229**	**-27**		**-3,850**	**380,969**
Technical and equipment installations	Gross	108,751	4,280	-1,368	11	-496	91	111,269
	Dep./amort.	*-74,045*	*-4,824*	*1,140*	*-14*	*135*	*-182*	*-77,790*
	Net	34,706	-544	-228	-3	-361	-91	33,479
Total	**Gross**	**506,799**	**55,942**	**-8,421**	**-18**	**-496**	**-9,424**	**544,382**
	Dep./amort.	***-129,941***	***-12,563***	***6,964***	***-12***	***135***	***5,483***	***-129,934***
	Net	**376,858**	**43,379**	**-1,457**	**-30**	**-361**	**-3,941**	**414,448**

**Amortisation of plantations.*
In accordance with IAS 16, which aims to deduct depreciation and amortisation from the gross value of remeasured assets, the gross value and depreciation and amortisation were offset in the amount of €3,297,000 in 2022.

The Group holds leases as defined by IFRS 16, which represent:

Values in thousands of €		As at 01/01/2022	Increase	Decrease	For. exch. gains and losses	Change in scope	Other changes	As at 31/12/2022
Vineyards	Gross	14,166	679	-1,093				13,752
	Dep./amort.	*-3,109*	*-793*	*1,093*				*-2,809*
	Net	11,057	-114					10,943
Buildings	Gross	19,094	6,736	-242	-29		-5,646	19,913
	Dep./amort.	*-9,995*	*-1,630*	*120*	*2*		*1,721*	*-9,782*
	Net	9,099	5,106	-122	-27		-3,925	10,131
Technical and equipment installations	Gross	28,965	491	-472		-496	127	28,615
	Dep./amort.	*-24,773*	*-1,321*	*460*		*135*	*-144*	*-25,643*
	Net	4,192	-830	-12	-361		-17	2,972
Total	**Gross**	**62,223**	**7,908**	**-1,807**	**-29**	**-496**	**-5,519**	**62,280**
	Dep./amort.	***-37,877***	***-3,744***	***1,673***	***2***	***135***	***1,577***	***-38,234***
	Net	**24,346**	**4,164**	**-134**	**-27**	**-361**	**-3,942**	**24,046**

Vineyards recognised using the revaluation model were subjected to a value test by independent experts. The latest assessment took place at 31 December 2022.

During the year, the Group revalued vineyards taking into account the values given by the independent experts. The impact amounted to €37,112,000, or €27,528,000 net of deferred taxes listed under revaluation reserve.

The values of real estate assets under the cost model are as follows:

Values in thousands of €		As at 01/01/2022	Increase	Decrease	For. exch. gains and losses	Change in scope	Other changes	As at 31/12/2022
Land	Gross	25,778	12	-30			154	25,914
	Dep./amort.	*-1,228*	*-209*	*30*				*-1,407*
	Net	24,550	-197				154	24,507
Vineyards	Gross	191,673	6,167	-4,869			-122	192,849
	Dep./amort.	*-28,809*	*-2,575*	*4,163*				*-27,221*
	Net	162,864	3,592	-706			-122	165,628
Buildings	Gross	126,826	8,370	-2,154	-30		-5,604	127,408
	Dep./amort.	*-58,488*	*-4,416*	*1,631*	*3*		*1,721*	*-59,549*
	Net	68,338	3,954	-523	-27		-3,883	67,859
Sub-total Real estate	**Gross**	**344,277**	**14,549**	**-7,053**	**-30**		**-5,572**	**346,171**
	Dep./amort.	***-88,525***	***-7,200***	***5,824***	***3***		***1,721***	***-88,177***
	Net	**255,752**	**7,349**	**-1,229**	**-27**		**-3,851**	**257,994**

Impairment tests

The Group subjected all non-current assets to impairment tests at 31 December 2022 as per the method of discounted future cash flows.

The calculations relied on the following data:

- 2022: real data from the publication of the financial statements (volumes, NSI prices, net revenue) or analytical accounting (costs of products sold, marketing costs, sales and administrative costs);
- future years: anticipated trends for 2023 to 2027 (budget forecasts established in 2022 for 2023-2027);
- the growth rate ad infinitum used in the calculation is 2.5% for Champagne and 3.5% for wines from Portugal;
- rate assumption: the weighted average cost of capital is 5% for Champagne and 6.7% for wines from Portugal. The tests lead to an estimate equivalent to 226% of the carrying amount for Champagne and 147% for wines from Portugal, thus confirming the values of those assets.

- A sensitivity study was conducted on the Group's non-current assets, with the main assumptions changing as follows:
  - change in the reference discount rate of +/-0.5%;
  - change in the infinite growth rate of +/-0.5%.

In 2022, these changes to the main assumptions taken individually did not lead to values in use that are less than the net carrying amounts for Champagne.

Note 16. Other non-current assets

Values in thousands of €	As at 01/01/2022	Increase	Decrease	Foreign exch. gains and losses	Other changes	As at 31/12/2022
Equity securities	693				12	705
Other fixed securities	5,400	2				5,402
Other financial fixed assets	1,198		-14	-4	195	1,375
Total	**7,291**	**2**	**-14**	**-4**	**207**	**7,482**

Non-consolidated companies – Gross values of securities in thousands of €		2022
SADEVE SA	Stake in the order of 6.6% No control or power	635
SICA Essor Champenois	Agricultural co-operative	23
SAS L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	Stake of 17.57% Negligible size	32
AGROGARANTE - MUTUA SA	Negligible stake	10
Caixa de crédito agricola - Tabuaço	Negligible stake	2
CSGV	Negligible stake	3
Total		**705**

Investments in affiliates in thousands of €	2022	2021
A l'Auberge Franc-Comtoise	931	950
SAS VPHV	454	199
Share of equity	**1,385**	**1,149**
A l'Auberge Franc-Comtoise	-185	-93
SAS VPHV	76	-319
Share of income from equity affiliates	**-109**	**-412**

The data concerning L'Auberge Franc-Comtoise and VPHV is not communicated since it is insignificant at the level of the Vranken-Pommery Monopole Group.

Note 17. Inventory

In thousands of €	2022	2021 Restated*
Raw materials	133,509	98,544
Work-in-progress	446,879	485,930
Intermediate and finished products	65,788	56,223
Provisions	-402	-578
Total	**645,774**	**640,119**

In thousands of €	Note	2022	2021 Restated*
Start of period		640,119	668,289
Change in inventory	2	5,481	-28,881
Foreign exchange gains and losses		-2	698
Provision changes		176	13
End of period		**645,774**	**640,119**

See footnote 1.3.

The impact of the mark-to-market of grapes from the Group's vineyards breaks down as follows:

In thousands of €	2022	2021
Effect on inventories	16,165	12,418
Effect on income	3,748	641
Deferred taxes	-939	2
Net effect on income	**2,809**	**643**

Note 18. Trade and other receivables

In thousands of €	2022	2021
Gross	74,896	48,331
Depreciation	-2,210	-2,121
Total	**72,686**	**46,210**

Trade receivables are all due in less than one year.

Credit risk

The Group's customers can naturally generate a financial risk, especially if they are confronted with cash flow problems or stemming from collective proceedings such as a recovery or judicial liquidation.

For these reasons, and in order to ensure that receivables are collected as effectively as possible, the Group has taken out credit insurance with COFACE for the French and export markets.

Furthermore, the top ten customers account for 39.2% of revenue.

A provision is made for overdue and unsettled receivables if there is a risk of non-recovery.

As at 31 December 2022, the amount of receivables assigned amounted to €85,019,000.

Note 19. Other current assets

In thousands of €	2022	2021
Advances and down payments paid on orders	**2,762**	**3,390**
Trade payables	1,866	915
Staff and related accounts	104	75
Social welfare institutions	290	256
Other receivables	10,345	10,205
Associates' current accounts	2,363	1,131
Status	12,946	10,691
Depreciation	-36	-36
Other receivables	**27,878**	**23,237**
Miscellaneous prepaid expenses	2,531	2,567
Accrual accounts	**2,531**	**2,567**
Total	**33,171**	**29,194**

Breakdown by maturities in thousands of €	2022	2021
<1 year	30,748	26,765
1-5 years	2,423	2,429
Total	**33,171**	**29,194**

Note 20. Cash flow

In thousands of €	2022	2021
Cash and cash equivalents	8,522	15,249
Total	**8,522**	**15,249**

Liquidities mainly consist of bank accounts.

Liquidity Risk

The Group's capacity to handle its financial commitments is overseen by the Finance Department. Liquidity is based on keeping liquid assets, on confirmed credit facilities, on the assignment of receivables and on setting up ageing loans in order to finance the ageing of the wines.

In order to optimise management of its liquidities in a centralised manner, VRANKEN-POMMERY MONOPOLE has entered into a cash balance agreement with all its French subsidiaries.

This agreement lets VRANKEN-POMMERY MONOPOLE centralise almost all available surpluses of the controlled companies.

The Group's subsidiaries may also set up financing in accordance with their projects and/or their acquisitions. These may include purchases of vineyards, or industrial equipment. For foreign subsidiaries, as far as possible, the Group favours local funding in the relevant currency.

The Group has specifically reviewed its liquidity risk and feels it is able to meet its upcoming terms. The Group regularly renews all of its bank its ageing loans.

The Group repaid €75 million of bonds maturing in the 2022 financial year, and has no bond maturity before 2024.

Note 21. Equity (Group share)

Composition of equity in thousands of €	2022	2021 Restated*
Capital of parent company	134,056	134,056
Premiums	45,013	45,013
Reserves	219,676	189,495
Income for the period	10,160	7,498
Total	**408,905**	**376,062**

Composition of capital by volume	2022	Nominal value
At opening	8,937,085	15
Capital increase		
Acquisition		
Assignment		
At closure	8,937,085	15

Composition of equity in thousands of €	2022	2021 Restated*
Equity (Group share)	408,905	376,062
Non-controlling interests	5,172	4,305
Equity	**414,077**	**380,367**

See footnote 1.3.

Note 22. Loans, financial debt and bank overdrafts

Change in thousands of €	As at 01/01/22	New loans	Reimb.	Change in short-term loans	For. exch. gains/los.	Change in scope	Other move.	As at 31/12/2022
Listed bond loans	280,000	-	-75,000	-	-	-	-	205,000
Bank loans*	116,982	39,043	-15,506	-	-26	-286	-3,941	136,266
Ageing loans	225,010	435,810	-395,920	-	-	-	-	264,900
Bank overdrafts	42,748	-	-	4,292	-	-	-	47,040
Other financial liabilities	4,738	-	-	-1,209	-	-	-	3,529
Associates' current accounts**	384	-	-	-93	-	-	-	291
Loans, financial liabilities & bank overdrafts	**669,862**	**474,853**	**-486,426**	**2,990**	**-26**	**-286**	**-3,941**	**657,026**
**Of which leases (IFRS 16).*	*20,399*	*7,909*	*-3,434*	*-26*	*-286*	*-3,941*	*20,621*	
***Of which dividends payable.*	-							-

Breakdown by maturities in thousands of €	Current liabilities <1 year	Non-current liabilities 1-5 years	>5 years	TOTAL
Bond loans		145,000	60,000	205,000
Bank loans*	37,946	72,010	26,310	136,266
Ageing loans	10,000	254,900		264,900
Bank overdrafts	47,040			47,040
Other financial liabilities	3,529			3,529
Associates' current accounts	291			291
Loans, financial liabilities & bank overdrafts	**98,806**	**471,910**	**86,310**	**657,026**
**Of which leases (IFRS 16).*	*3,129*	*7,852*	*9,640*	*20,621*

Net financial debt In thousands of €	Note	2022	2021
Bank loans and debts (non-current)	22	558,220	305,820
Bank loans and overdrafts (current)	22	98,806	364,042
Group debt		**657,026**	**669,862**
Debtor partner current accounts	19	-2,363	-1,131
Current financial assets and liabilities	29	-	5
Cash	20	-8,522	-15,249
Net financial debt		**646,141**	**653,487**

The Group regularly renews its ageing loans and has anticipated its 2024 bond maturities.

Net cash position	Note	2022	2021
Bank overdrafts	22	-47,040	-42,748
Cash	20	8,522	15,249
Net cash position		**-38,518**	**-27,499**

Payment risk

Several loans taken out by the VRANKEN-POMMERY MONOPOLE Group contain clauses that can trigger early repayment, depending on compliance with financial ratios calculated at the consolidated level to be verified at each annual reporting date.

Bonds

During its latest bond issues, the Group has sought to gradually harmonise all of its financial covenants in order to facilitate their management and monitoring, but also and above all to respect the equal treatment of the various subscribers, whether institutional or individual investors: All of the group's bonds are currently subject to the following ratios:

Net Financial Debt / Consolidated Assets ≤ 80% and

- And Recovered Equity > Defined Amount or 90% of Recovered Equity for year n-1

The Defined Amount has been determined according to the different bond issues as follows:
- €50,000,000 bond loan €276,600,000
- €145,000,000 bond loan €279,200,000

The definition of the terms applying to the bonds quoted are as follows:
- Recovered Equity: Consolidated equity minus reserves linked to the hedging instruments and any change under "Deferred Tax Liabilities" in the statement of financial position of the previous financial year's statements, as long as this change results from an increase, after the date of the Prospectus, of the corporation tax on capital gains to be achieved by the sale of assets;
- Net Financial Debt: amount of Net Financial Indebtedness, excluding receivables financing, minus liquidities and investment securities;
- Consolidated Assets: non-current assets (restated for unallocated goodwill and deferred tax assets) and the entire inventories item.

As at 31 December 2022, all ratios were observed.

On 15 December 2021, the Group set up a bond issue of €60,000,000.

This bond is subject to the following ratio:

• Net Financial Debt / Consolidated Assets < 80%

The definition of the terms applying to the bonds quoted are as follows:

• Net Financial Debt: amount of Net Financial Indebtedness, excluding receivables financing, minus liquidities and investment securities;

• Consolidated Assets: non-current assets (restated for unallocated goodwill and deferred tax assets) and the entire inventories item.

As at 31 December 2022, this ratio was observed.

Bank borrowings

A loan of €16,000 thousand is currently also subject to the following ratios:

- Net Financial Debt / Consolidated Assets < 80%
- And Recovered Equity > Defined Amount or 90% of Recovered Equity for year n-1

The definition of the terms applying to the bonds quoted are as follows:

- Recovered Equity: Consolidated equity minus reserves linked to the hedging instruments and any change under "Deferred Tax Liabilities" in the statement of financial position of the previous financial year's statements, as long as this change results from an increase, after the date of the Prospectus, of the corporation tax on capital gains to be achieved by the sale of assets;
- Net Financial Debt: amount of Net Financial Indebtedness, excluding receivables financing, minus liquidities and investment securities;
- Consolidated Assets: non-current assets (restated for unallocated goodwill and deferred tax assets) and the entire inventories item.
- Defined Amount: €257,500,000.

As at 31 December 2022, all ratios were observed.

Concerning the bank loans, two ageing loans for a total amount of €10,000,000 are subject to a covenant that could result in early repayment in the event of non-compliance. Thus, the value of the inventories of wines and/or other fixed assets as stated in the Group's financial statements, left free of guarantee, must have a value equivalent to three times the credit. This ratio was respected as at 31 December 2022.

An ageing loan in the amount of €10,000,000 is accompanied by two financial covenants whose non-compliance could result in early repayment. This involves the following ratios:

- R1: Equity/Statement of financial position total > 20%;
- R2: Net Financial Debt / Consolidated Assets < 80%

As at 31 December 2022, these two ratios were observed.

For the remainder of the debt, there are no particular covenants that might entail early repayment aside from those usually appearing in loan contracts, such as:

- payment default at the term date;
- discontinuation or disposal of all or a significant part of the business.

Moreover, any reference to a level of gearing in certain loans obligates the Group to take all necessary measures to remain in the agreed ratio or, as required, return to it.

Rate risk

As at 31 December 2022, the Group's debt consisted of a proportion of 51.64% of fixed-rate loans and borrowings. Variable-rate borrowings and debt are mainly indexed to the 1-month Euribor. To manage its interest rate risk, the Group uses financial instruments like SWAPs and COLLARs depending on the position and outlook of the interest rate market.

The average 1-month Euribor for 2022 was 0.09% (source: Banque de France).

The exposure of the unhedged portion to the increase in the interest rate level had a limited impact on the financial result for the 2022 financial year, with the 1-month Euribor returning positive only as of 18 August 2022.

Asset and non-asset contracts as at 31 December 2022 break down as follows:

In thousands of €	2022	2021
COLLAR	-	-
SWAP	67	200
Total	**67**	**200**

As at 31 December 2022, the level of hedging represented less than 1% of variable-rate financial debt, consisting almost exclusively of ageing loans. With regard to financial instruments outstanding at 31 December 2022, the interest rate hedging levels were as follows:

SWAP type hedging	In thousands of €
Fixed rate below 2%	0
Fixed rate between 2% and 4%	67

The maturities and fair value of financial instruments held as at 31 December 2022 break down as follows:

Years of maturity – in thousands of €	Notional	Fair Value
Contracts maturing in 2023	67	-
Contracts with maturities after 2023	-	-

As at 31 December 2022, the Group's work on the documentation of the hedging relationship under IFRS 9 concluded the following breakdown:

Hedging relationship – in thousands of €	Notional	Fair Value
Satisfactory	67	-
Unsatisfactory	-	-

Financial expenses for 2022 included the amortisation in net income of debt that do not meet hedge accounting criteria.

Foreign exchange risk

There were no longer any currency hedges at 31 December 2022.

The share of 2022 revenue in foreign currencies was 11.5%.

To manage foreign exchange risk, the Group uses firm forward financial instruments.

The impact on the Group's revenue and income of a 5% change in currency rates after the hedges are taken into account would be €2,136,000. This impact remains a theoretical one, because the Group recalls that in the event of a change in a currency, its rate policy would be revised to take that change into account and pass it along to its distributors.

Fair value of financial assets and liabilities

In thousands of €	Level of appreciation of fair value	Balance sheet value at fair value	Balance sheet value at amortised cost*	TOTAL 2022
ASSETS				
Non-consolidated equity securities	3	705		705
Other non-current financial assets			5,402	5,402
Trade receivables			72,686	72,686
Operating current accounts and other receivables			30,640	30,640
Current financial assets	2	-		-
Cash			8,522	8,522
Total financial assets		**705**	**117,250**	**117,955**

**The net carrying amounts of the assets and liabilities measured at cost or amortised cost is equal to the fair value.*

In thousands of €	Level of appreciation of fair value	Balance sheet value at fair value	Balance sheet value at amortised cost*	TOTAL 2022
LIABILITIES				
Current and non-current financial liabilities			657,026	657,026
Other non-current liabilities			-	-
Trade payables			122,178	122,718
Tax debts			11,895	11,895
Other current liabilities			22,596	22,596
Current financial liabilities	2	-		-
Total financial liabilities		**-**	**813,695**	**813,695**

**The net carrying amounts of the assets and liabilities measured at cost or amortised cost is equal to the fair value.*

The Group did not identify adjustments for counterparty risk (risk of non-collection of an asset) or of its own credit risk (risk of failing to honour a liability). No reclassification was made in 2021 and 2022 between the various categories. No financial assets were pledged as collateral.

The Group uses the IFRS 13 fair value hierarchy to determine the classification level of financial assets and liabilities recognised at fair value (see Note 5.10 of the Accounting principles and assessment methods). No assessment level is indicated when the net carrying amount is close to the fair value.

The only financial instruments assessed at fair value are the currency and interest rate derivatives (see Note 29), which fall under category 2 of IFRS 13 (data observable directly based on rate information communicated by financial institutions). Changes in fair value have been recognised in income for the non-effective portion (see Note 10), with the effective portion being recorded in equity (+€4,000 net of tax).

The impairments recognised for financial assets mainly concern impairments of Trade Receivables. They are only recognised in income. The use of IFRS 7 did not lead to the recognition of an adjustment for non-performance risk (counterparty risk and own credit risk).

Changes in financial instruments recognised at fair value

In thousands of €	Financial assets	Financial liabilities	Flows with no impact on cash
Start of period	**693**	**5**	
Change in Fair Value by income	5		-5
Change in Fair Value by equity		-5	-5
Other movements	7		
End of period	**705**	**-**	

Derecognition of financial assets and debt

Over the financial year, the Group derecognised:

- VAT receivables and payables on reciprocal transactions for an amount of €7,432 thousand taking into account the consolidation agreement for VAT that exists within the Group;
- receivables sold (Note 18) when they meet the criteria described in Note 5.12 of the Accounting principles and methods.

Note 23. Provisions for pensions and employee benefits

In thousands of €	Appendix note	2022	2021
Start of period		**11,811**	**13,599**
Revaluation in other comprehensive income		-3,312	-700
Operating expenses and income, income account	4	99	-1,225
Operating expenses and income, income account	10	93	111
Other changes		249	27
End of period		**8,940**	**11,811**

In addition, the discount rate increased from 0.80% to 2.90%.

Analysis of the financial situation

In thousands of €	2022	2021
Gross commitment	9,003	11,872
Hedging assets	-63	-61
Accounting provision	**8,940**	**11,811**
End-of-career benefits	3,840	4,098
Coverage of medical expenses	4,849	7,413
Long-service awards	251	300

Analysis of regime expenses

In thousands of €	End of career indemnities	Coverage of medical expenses	Seniority awards	As at 31/12/2022	As at 31/12/2021
Cost of services rendered	232	187	-37	382	-779
Services paid	-136	-132	-15	-283	-446
Operating component of the expense	**96**	**55**	**-52**	**99**	**-1,225**
Financial component of the expense	32	59	2	93	111
Total	**128**	**114**	**-50**	**192**	**-1,114**

Actuarial differences generated in the period on post-employment plans

In thousands of €	End of career indemnities	Coverage of medical expenses	Seniority awards	As at 31/12/2022	As at 31/12/2021
Actuarial differences stemming from changes in demographic assumptions	4	3	-	7	2
Actuarial differences stemming from changes in financial assumptions	-646	-2,657	-	-3,303	-514
Experience differences	9	-25	-	-16	-188
Total revaluations in other comprehensive income	**-633**	**-2,679**	**-**	**-3,312**	**-700**

All employee benefits were valued by an independent actuary at 31 December 2022.
A sensitivity study that involved changing the reference rates was carried out. The change in rates of +/- 0.25% is set out below:

Sensitivity test in % 12/2022	Actuarial debt	+0.25% Cost of services	Actuarial updating	Cost of debt	-0.25% Cost of services	updating
Updating rates	-3.42%	-4.14%	4.82%	3.64%	4.44%	-5.22%
Wage adjustment rate	0.91%	1.99%	0.93%	-0.88%	-1.91%	-0.90%
Revaluation rate of medical expenses	2.73%	2.62%	2.79%	-2.54%	-2.40%	-2.60%

Note 24. Deferred taxes

In thousands of €	2022	2021 Restated*
Deferred tax assets	648	839
Deferred tax liabilities	-69,969	-57,517
Net deferred taxes	**-69,321**	**-56,678**

Deferred taxes in detail:

In thousands of €	2022	2021 Restated*
Deficits carried forward	2,760	4,982
Temporary difference	-1,239	-2,047
Fixed assets	-67,884	-58,152
Organic assets	-3,979	-3,040
Financial instruments	-	1
Commitments to staff	2,151	2,944
Inventory margin eliminations	1 736	790
Leases	-888	-1,017
Spreading expenses & Miscellaneous	-1,978	- 1,140
Net deferred taxes	**-69,321**	**-56,678**

In thousands of €	2022	2021 Restated*
Start of period	**-56,678**	**-56,289**
Change through income	-2,416	138
Change through equity	-10,424	-516
Foreign exchange gains and losses	197	-11
End of period	**-69,321**	**-56,678**

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. The impact on deferred tax liabilities as at 1 January 2021 was a decrease of -€1.1 million, compared to -€1.4 million as at 31 December 2021, representing income of +€0.3 million recorded in 2021. This deferred tax is related to the "Spreading expenses & Miscellaneous" entry.*

Note 25. Suppliers and related accounts

In thousands of €	2022	2021
Suppliers and other receivables	122,178	87,385
Total	**122,178**	**87,385**

Trade payables and related accounts are due in less than one year.

Note 26. Provisions for risks and liabilities

In thousands of €	2022	2021
Start of period	**75**	**6**
Provisions	168	75
Recoveries	-	-6
End of period	**243**	**75**
Meaning: Foreign exchange risk & rate hedging		
Risk on current receivables	**243**	**75**

Note 27. Tax liabilities

In thousands of €	2022	2021
Tax debt		
Total	**11,895**	**14,029**

The term of tax debts is less than one year.

Note 28. Other current liabilities

In thousands of €	2022	2021
Advances and down payments received	**13,486**	**9,258**
Social security expenses	7,696	7,870
Miscellaneous	1,414	2,327
Other payables	**9,110**	**10,197**
Prepaid income	460	479
Accrual accounts	**460**	**479**
Total	**23,056**	**19,934**

The term of the other current liabilities is less than one year.

Risks related to labour disputes

The liabilities noted in this matter are determined on the basis of the amounts claimed and depend on the probability of the corresponding costs and are recorded in social liabilities.

Note 29. Current financial assets and liabilities

In thousands of €	2022	2021
Current financial assets	-	-
Current financial liabilities	-	-5
Total	**-**	**-5**

In thousands of €	2022	2021
Rate hedging	-	-5
Currency hedging	-	-
Total	**-**	**-5**

In thousands of €	2022	2021
Start of period	**-5**	**5**
Change through income	-	3
Change through equity	5	-13
End of period	**-**	**-5**

Breakdown by maturities in thousands of €	2022	2021
< 1 year	-	-1
1-5 years	-	-4
Total	**-**	**-5**

Note 30. Off-statement of financial position commitments

Financial commitments in thousands of €	2022	2021
Endorsement & guarantees	122	122
Single leases	-	-
Interest on borrowings not yet due	50,140	41,303
Total financial commitments made	**50,262**	**41,425**

Debts secured by collateral in thousands of €	2022	2021
Debts secured by collateral (champagne wine inventory)	261,690	215,301
Debts secured by collateral (intangible assets)	-	-
Debts secured by collateral (other assets)	49,157	31,922
Total debts secured by collateral	**310,847**	**247,223**

Financial commitments received in thousands of €	2022	2021
Endorsement & guarantees	5,284	390
State guarantee under EMPs	21,096	21,600
Total financial commitments received	**26,380**	**21,990**

State-guaranteed loans

In the context of the Covid-19 health crisis, the Group used the State-guaranteed loan in the amount of €24 million. The State guarantee is granted to banks up to 90% of the amount borrowed, i.e. €21.6 million.

Reciprocal commitments

- Commitments in matters of supply. Certain subsidiaries are contractually committed to various suppliers for the purchase of a significant share of their grape supply. These commitments relate to surface areas: if the random nature of the harvest both in terms of yield in the appellation and prices does not provide grounds for a reliable estimate.
- Stockpiled wines: These commitments relate to hectolitres of champagne wines that make up a qualitative reserve belonging to winegrowers and cooperatives. Their value will be set at the date when it is decided to no longer stockpile these wines. The current estimate of the value of the stockpiled wines is difficult for us to make in a reasonable manner, considering that this date is not known. We know neither the price of the last harvest before un-stockpiling nor the negotiation that will make it possible to value them.

Note 31. Operating segments

Distribution of consolidated revenue by geographic area in thousands of €	2022	%	2021	%
Champagne and other	308,627	92%	275,671	92%
Les Sables and Provence wines	25,832	8%	25,578	8%
Total	**334,459**	**100%**	**301,249**	**100%**

Distribution of consolidated current operating income by business segment in thousands of €	2022	%	2021 Restated*	%
Champagne and other	30,775	89%	27,986	89%
Les Sables and Provence wines	3,802	11%	3,373	11%
Total	**34,577**	**100%**	**31,359**	**100%**

** See footnote 1.3.*

Distribution of net intangible assets by business segment in thousands of €	12/2022	12/2021
Champagne and other	97,276	98,415
Les Sables and Provence wines	1,513	1,182
Total	**98,789**	**99,597**

Distribution of net property, plant and equipment by business segment in thousands of €	12/2022	12/2021
Champagne and other	229,221	224,388
Les Sables and Provence wines	185,227	152,470
Total	**414,448**	**376,858**

Distribution of net financial assets by business segment in thousands of €	12/2022	12/2021
Champagne and other	7,314	7,130
Les Sables and Provence wines	168	161
Total	**7,482**	**7,291**

Distribution of net financial assets by business segment in thousands of €	12/2022	12/2021 Restated*
Champagne and other	621,153	619,830
Les Sables and Provence wines	24,621	20,289
Total	**645,774**	**640,119**

** See footnote 1.3.*

Distribution of investments by business segment in thousands of €	12/2022	12/2021
Champagne and other	12,285	12,468
Les Sables and Provence wines	7,574	9,812
Total	**19,859**	**22,280**

Note 32. Related parties

In accordance with IAS 24, information about related parties is presented hereafter:

The relations between the related parties are grouped into three categories:

- the Compagnie Vranken Group, the main shareholder in VRANKEN-POMMERY MONOPOLE
- entities consolidated using the equity method
- directors or shareholders, managers and natural persons.

All transactions are invoiced.

Type of flows:

Raw materials and products in inventory: Grapes, must, clear wines, bottles on battens.
Services: Champagne, Port, Listel wines, Other wines and spirits
Services: Winegrowing, wine producing, industrial, administrative, rents, royalties, brokerage and del credere agent
Financial income and expenses: Interest on current accounts
Compensation paid: Employment contracts, mandates, benefits in kind, directors' fees.

Composition of related parties:

- Companies in the Compagnie Vranken (CV) Group, which controls Vranken-Pommery Monopole.
- Entities consolidated using the equity method.
- Directors, shareholders and close family members, directly or indirectly via companies.

The relationship of the VRANKEN-POMMERY MONOPOLE Group with the consolidated entities, according to the equity method

Concerning transactions with A l'Auberge Franc-Comtoise SAS and SAS VPHV, the amounts presented correspond solely to transactions carried out using the equity method for those companies.

In thousands of €	2022	2021
Turnover - Finished products	39	146
Turnover – Services	5	-
Turnover - Miscellaneous sales	154	189
Financial income	27	9
Proceeds on disposal of non-current assets	6	354
Other purchases of services and commissions	3,297	3,591
Creditor partner current accounts	282	353
Non-current liabilities	22	-
Current liabilities	1,640	262
Debtor partner current accounts	2,342	1,110
Current assets	310	223

The relationship between the Vranken-Pommery Monopole Group and the Compagnie Vranken Group

In thousands of €	2022	2021
Turnover – Finished products (including sale of harvest	13,888	5,324
Turnover - Services	3,831	4,083
Turnover - Miscellaneous sales	2,758	1,241
Other income	25	27
Purchases of raw materials, products under production and finished goods	31,363	20,798
Services of leading holding company	3,156	2,309
Property leasing	249	82
Other purchases of services and commissions	166	159
Employee expenses and compensation paid	-	692
Expenses on trademark royalties	155	91
Financial expenses	396	304
Creditor partner current accounts	-	-
Lease liabilities	5,578	4,404
Other non-current liabilities	74	72
Other current liabilities	10,525	66
Debtor partner current accounts	21	21
Non-current assets	230	408
Current assets	25,482	9,859

Relations of the VRANKEN-POMMERY MONOPOLE Group with natural persons, directors or shareholders directly or indirectly

In thousands of €	2022	2021
Turnover - Finished products	56	52
Turnover - Services	56	37
Turnover - Miscellaneous sales	13	12
Proceeds on disposal of non-current assets	517	-
Other purchases of services and commissions	542	357
Tax expenses	-	2
Employee expenses and compensation paid*	2,067	722
Expenses on trademark royalties	54	58
Lease liabilities	-	92
Current liabilities	397	682
Creditor partner current accounts	9	32
Current assets	244	50

**None of the corporate officers of the Group's companies benefits from parachute clauses or supplementary pension clauses by virtue of their corporate office, apart from the clauses prescribed by labour law and collective agreements for those who also have an employment contract. Executive compensation consists solely of short-term benefits.*

Despite the commercial ties with some Compagnie Vranken Group companies, none of them are included in the scope of consolidation of the Vranken-Pommery Monopole Group, as these entities provide distinct autonomous services and conduct their business under market conditions, while the COMPAGNIE VRANKEN Group prepares consolidated financial statements.

Note 33. **Post-closing event**

No change occurred at the closure of the accounts for the 2022 financial year.

Note 34. **Parent company key figures (in €K)**

Income account	**2022**	**2021**
Turnover	340,307	298,333
Operating expenses	3 741	357
Current income	3,786	4,591
Net income	**4,044**	**4,185**

Statement	**2022**	**2021**
Share capital	134,056	134,056
Equity	290,219	293,280
Bond issues (including accrued interest)	147,682	223,874
Financial debt with credit institutions	44,428	47,013
Fixed assets	382,345	384,233
Statement Total	**650,270**	**741,199**

5.1.7 Statutory Auditors' report on the consolidated financial statements Financial year ended on 31 December 2022

To the General Meeting of VRANKEN-POMMERY MONOPOLE,

Opinion

In performing the assignment entrusted to us by your General Meeting, we audited the consolidated financial statements of VRANKEN-POMMERY MONOPOLE for the year ended 31 December 2022, as appended to this report. We certify that the consolidated financial statements are, in view of the IFRS standards as adopted in the European Union, true and fair and give an accurate presentation of the results of operations over the past financial year as well as of the financial position and the assets and liabilities, at the reporting date, of the people and entities included in the scope of consolidation. The opinion expressed above is consistent with the content of our report to the Audit Committee.

Grounds for the opinion

Audit standards

We performed our audit in accordance with professional standards applicable in France. We believe that the information we collected is sufficient and appropriate to form the basis of our opinion. The responsibilities incumbent upon us under these standards are indicated in the "Responsibilities of the Statutory Auditors pertaining to the audit of the consolidated financial statements" section of this report.

Independence

We performed our audit in compliance with the rules of independence laid down in the French Commercial Code and the Code of Ethics of the Profession of Statutory Auditors, over the period from 1 January 2022 to the date of publication of our report, and we have provided no services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

Observation

Without calling into question the opinion expressed above, we draw your attention to note 1.3 of the notes to the consolidated financial statements, which sets out the correction of error relating to the valuation of inventories for the financial years 2018 to 2021 and whose effects have been apprehended in its accounts by your company, in accordance with the provisions of IAS 8 "Accounting Policies, changes in accounting estimates and errors".

Justification of assessments – Key points of the audit

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatement, which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the year, as well as our responses to those risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the context of forming our audit opinion. We express no opinion on any items of these consolidated financial statements taken in isolation.

• Stock-taking

Risk identified

As at 31 December 2022, inventories amounted to €645.8 million, or 49.4% of the Group's total assets. The inventory book value entered in the statements corresponds to their lowest cost and net realisable value, as set out in note 5.11 of the "Accounting principles and valuation methods". The Management determines the net realisable value of the inventories held for sale on the basis of the estimated net sale price, based on market assumptions and any outside information sources. The Group's activity is subject to climatic constraints and to market price fluctuations. We have considered that the valuation and net realisable value of the inventories, which is an especially large share of the Group's total assets, is a key point in the audit because the valuation of the inventories and the net realisable value are based on significant assumptions, estimates or judgments of Management.

Our response

Our work consisted of assessing the data and assumptions used by the Management to value the inventories, determine their net realisable value, and identify the items that should be booked at that value.

In the context of our services, we:

- reviewed the internal control procedures implemented by management;
- compared the quantities in inventory on the ledgers and the results of the physical inventories, in which we participated by sampling, in order to check for the existence and correct classification of the goods at the reporting date;
- conducted a critical review of the direct and indirect production costs incorporated in the inventoried products and compared it with the management data used to determine the costs that can be incorporated in accounting;
- arithmetic accuracy of cost calculations checked
- compared, through sampling, the cost of inventoried items with the net sale price charged, as well as the promotional sale price chosen at the end of the season;
- analysed the flow outlook estimated by the Group with regard to historic results and the latest available budgets.

Lastly, we assessed the information communicated in Note 5.11, "Inventory and work-in-progress" of the "Accounting principles and valuation methods" and in note 17, "Inventory" in the appendix to the consolidated accounts.

• Revaluation of assets

Risk identified

VRANKEN-POMMERY MONOPOLE Group holds full ownership of or leases vineyards, real estate properties, technical equipment and production plants. As at 31 December 2022, real estate assets totalled €380.9 million, (29.2% of total assets), and included vineyards for €223.8 million, buildings for €106.4 million and land for €50.7 million. The VRANKEN-POMMERY MONOPOLE Group has adopted the revaluation model stipulated by IAS 16 for land, vineyards and buildings. These real estate assets are recognised at market value at each reporting date, with the difference between historical value and fair value being recognised in equity, in accordance with the procedures set out in note 5.6 of the "Accounting principles and valuation methods". Management determines the market value of the vineyards on the basis of the range of values resulting from official transactions recorded over the period, collected by notaries or determined by independent experts, and also in view of the intrinsic characteristics of each plot. Buildings and land are periodically revalued on the basis of independent expert reports in accordance with the procedures set out in note 5.6, "Tangible capital assets" of "Accounting principles and valuation methods" and in note 15, "Tangible fixed assets" in the notes to the consolidated financial statements. Our work consisted of assessing the reasonableness of the market assumptions used for valuing the real estate assets.

Our response

We reviewed the mission letters and evaluation reports of the independent experts and carried out a critical review of the valuation methods used and the independence of the experts;

In the context of our services, we:

- reviewed the mission statements and independent expert assessment reports and conducted a critical examination of the valuation methods used and the independance of the said experts
- book values used by the Group reconciled with the value ranges derived from the reports of the independent experts and the data published by SAFERs for comparable transactions
- compared the carrying amounts used with recent transactions made by the Group for similar assets
- compared the revaluations recognised for the previous periods with current market values from the reports by the experts to assess the reliability of the process.

Lastly, we assessed the information communicated in note 5.6, "Tangible capital assets" of "Accounting principles and valuation methods" and in note 15, "Tangible fixed assets" in the notes to the consolidated financial statements.

• Valuation of trademarks

Risk identified

As at 31 December 2022, the trademarks held by the Vranken-Pommery Monopole Group are recognised in the amount of €80.1 million in the financial statements, representing 6.1% of total assets. For the impairment tests, Management measures all Champagne and Port wine trademarks using the economic surplus method and the differential margin method, according to the procedures set out in note 5.9, "Recoverable amount of capital assets" and in note 14, "Intangible fixed assets" in the notes to the consolidated financial statements. The recoverable value is determined by reference to the value in use from the multi-criteria approach. We considered that the recoverable value of the trademarks, which represents a significant amount in the Group's total assets, is a key point of the audit because of the significant level of judgment required in establishing cash flow projections and in choosing the growth rate and the discount rate.

Our response

We carried out a critical review of the methods used by Management to analyse the loss-of-value indicators and the performance of impairment tests. With the help of our valuation specialists, our work consisted of:

- gaining an understanding of the process for establishing estimates and assumptions made by the Group in the context of impairment tests;
- checking that the discounted future cash flow forecasts used to determine the value in use of the trademarks corresponded to those generated by the items making up the tested carrying amount;
- assessing the reasonableness of the assumptions made, in particular the cash flow forecasts, the discount rate and the long- term growth rate, by comparison with historic performance and by corroboration with the external assessments available in the market;
- reviewing the tests performed by Management on the sensitivity of the recoverable amount of the trademarks to a reasonable change in the discount rate or the long-term growth rate.

Lastly, we assessed the appropriateness of the information provided in note 5.9, "Recoverable amount of capital assets" and in note 14, "Intangible fixed assets" in the notes to the consolidated financial statements.

Specific audits

In accordance with professional standards applicable in France, we have also performed the specific verifications required by legal and regulatory texts on the information relating to the Group given in the management report of the Board of Directors.

We have no comments to make on their accuracy and their consistency with the consolidated financial statements.

We certify that the consolidated Statement of Non-Financial Performance provided for by Article L. 225-102-1 of the French Commercial Code is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of the said Code, the information contained in this statement has not been verified by us for fairness or consistency with the consolidated financial statements and must be the subject of a report by an independent third party.

Other checks or information provided for by laws and regulations

Presentation format of the consolidated accounts included in the Annual Financial Report

In accordance with the professional standards on the work of statutory auditors relating to annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format as defined by the delegated European Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements included in the Annual Financial Report mentioned in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation. On the basis of our work, we conclude that the presentation of the consolidated financial statements included in the Annual Financial Report complies, in all material respects, with the single European electronic reporting format. Due to the technical limitations inherent in the macro-tagging of consolidated accounts according to the single European electronic information format, the content of certain tags in the notes may not be returned in the same way as the consolidated accounts attached to this report.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Vranken-Pommery Monopole by the General Meeting of 5 June 2019.

At 31 December 2022, Mazars was in the 28th consecutive year of its mission and Audit & Strategy Révision Certification in the 22nd year, the 25th and 22nd years respectively since the Company's shares were admitted to trading on a regulated market.

Responsibilities of the Management and the persons in charge of corporate governance pertaining to the consolidated financial statements

It is the management's responsibility to prepare consolidated financial statements presenting a true and accurate view in accordance with IFRS as adopted in the European Union, and to institute the internal control it deems necessary to prepare consolidated financial statements containing no material misstatements, whether from fraud or error.

In preparing these consolidated financial statements, it is incumbent on the Management to assess the Company's capacity to continue its operations, to present in these financial statements any necessary information pertaining to the continuity of operations, and to apply the accounting convention of continuity of operations, unless there is a plan to liquidate the Company or cease its activity.

The Audit Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems and, where applicable, any internal audit with respect to the procedures relating to the preparation and processing of accounting and financial information. The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors pertaining to the audit of the consolidated financial statements

Audit objective and approach

It is incumbent upon us to write a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the standards of professional practice will systematically detect any material misstatements. The misstatements may originate from fraud or result from errors, and are considered material when one can reasonably expect that they may, individually or cumulatively, influence the economic decisions that the users of the financial statements make on the grounds of said statements. As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of your company's management.

As part of an audit carried out in accordance with standards of professional practice applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. Furthermore:

- they identify and assess the risks that the consolidated financial statements include material misstatements, whether due to fraud or error, define and implement audit procedures to counter these risks, and gather the information they deem sufficient and appropriate to establish their opinion. they identify and assess the risks that the annual financial statements include material misstatements, whether due to fraud or error, define and implement audit procedures to counter these risks, and gathers the information they deem sufficient and appropriate to establish their opinion. The risk of not detecting a material misstatement due to fraud is greater than that of a material misstatement due to error, because fraud may involve collusion, falsification, voluntary omissions, false declarations or bypassing the internal audit;
- they become familiar with the internal audit procedures for audit in order to define audit procedures appropriate for the circumstances, and not for the purpose of expressing an opinion on the efficiency of the internal control;
- they take into account the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information concerning them in the consolidated financial statements;
- they assess the appropriateness of management's application of the accounting convention of going and, according to the information collected, the existence or not of a material uncertainty related to events or circumstances that might call into question the Company's ability to continue its operations. This assessment relies on elements collected up to the date of the report, though it is noted that later circumstances or events might call into question the continuity of operations. If they conclude that there is a material uncertainty, they draw the attention of the readers of the report to the information provided in the consolidated financial statements about that uncertainty or, if that information is not provided or is not relevant, they express a qualified opinion or a refusal to certify;
- they assess the overall presentation of the consolidated financial statements and determine if they reflect the underlying operations and events in such a manner as to give a faithful image;
- concerning the financial information on persons or entities included in the consolidation scope, they collect the information they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and completion of the audit of the consolidated financial statements as well as for the opinion expressed concerning them..

Report to the Audit Committee

We submit a report to the Audit Committee, which specifically presents the scope of the audit and the programme of work followed, as well as the findings of our work. We also bring to its attention any significant weaknesses we have identified in the internal audit, concerning the procedures for preparing and processing accounting and financial information. Amongst the items communicated in the report to the Audit Committee are the risks of material misstatements that we deem of greatest importance for the audit of the year's consolidated financial statements, and which constitute by this fact the key points of the audit, which it is incumbent upon us to describe in this report. We also provide the Audit Committee with the statement provided for by Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the Profession of Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks influencing our independence and the safeguards applied.

Quincy Voisin and Bezannes, 13 April 2023

The statutory auditors

AUDIT & STRATEGY REVISION CERTIFICATION:	Philippe Dandon
MAZARS:	Marianne Carlier
MAZARS:	Jean-Maurice El Nouchi

5.2 Analysis of consolidated results

5.2.1 Group business situation

The group's 2022 consolidated revenue grew by 11% to €334.5 million, mainly thanks to the development, in France and abroad, of sales of Champagne Pommery & Greno and Champagne Vranken, which accounted for 64% of Champagne sales.

Exports are stable at 67% of customer sales.

CHAMPAGNES

Champagnes revenue increased by 12% in 2022 and sales increased across the three geographical areas (France, EU and Third Countries). Their distribution remains relatively stable with an export weighting of 67%, supported by greater sales momentum in third countries, particularly Australia, Japan and Switzerland.

The recovery of post-Covid activity in out-of-home consumption explains the positive performance of sales in France in 2022.

CÔTES DE PROVENCE AND SABLE DE CAMARGUE

After a very sharp decline in the 2021 harvest in the Camargue, which affected sales negatively, the 2022 harvest was fortunately up 20% and made it possible to partially catch up with the sector's turnover at the end of the year. Every effort has been made to return to normative yields thanks to water supplies and the application of new efficient farming methods.

PORTS AND DOURO WINES

Progress in sales in Portugal, with the renewal of tourism there, has supported the increase in the overall activity of the branch.

SPARKLING WINES

Turnover remains modest but the growth of the sector is rapid and confirms the ambition to make sparkling wines a growth driver for the future , both for the "bubbles" developed in England and California under the Louis Pommery brand, and for those made in the Camargue.

Vranken-Pommery Monopole, a Company with a Mission since June 2021, has adopted "La Vérité du Terroir" as its signature. Aware of its social responsibility and strong in its action to protect the environment and biodiversity, the group expresses its commitment to the promotion of its Champagnes and wines from exceptional terroirs throughout the world.

The desire to create sustainable value is thus concretised.

5.2.2 Group turnover and income

The consolidated financial statements of the Vranken-Pommery Monopole Group are as follows:

Consolidated data in millions of €	31/12/2022	31/12/2021 Restated*	Change (€m)
Turnover	334.5	301.2	+33.2
Profit from continuing operations	34.6	31.4	+3.2
Operating income	34.0	27.7	+6.3
Financial income	*-18.4*	*-17.7*	*-0.7*
Net income	**10.3**	**7.5**	**+2.8**
Group share	10.2	7.5	+2.7

**At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. The comparative income statement for the 2021 financial year has been restated with a negative impact of €0.8 million compared to the reported 2021 net income. These corrections have no impact on the income statement for the 2022 financial year.*

With an EBITDA of €49 million in 2022, the Group confirms the solidity of its sustainable value creation model

- Current Operating Income increased by 10.3% to €34.6 million, after €15 million in depreciation and €3 million in commercial investments in major retailers in order to maintain the balance of 1/3 France – 2/3 export. Excluding the impact of this commercial investment and taking into account the change in scope that occurred in 2021(**), the increase was +14.6%.
- Current Operating Margin remained stable at 10.3%.
- Operating income amounted to €34 million (+22.7%), an operating margin of 10.2%.
- The Financial Result remains relatively stable in view of the evolution of interest rates over the last quarter
- Net income reached €10.3 million, an increase of 36.6%.

(*) As specified in the financial release on the results for the first half of 2022, the Group transferred the staff of Vranken-Pommery Vignobles to VPHV, created in 2021 and consolidated by a 4% equity method. This change in scope led to a reversal of provisions related to pension commitments of €1.2 million in 2021.

5.2.3 Consolidated statement of financial position

The financial structure of the Consolidated Group as at 31 December 2022 is as follows:

Consolidated data in millions of €	2022	2021 restated*
Total assets	**1,307.4**	**1,241.0**
Non-current assets	547.2	510.2
Inventories and work-in-progress	645.8	640.1
Clients and other current assets	105.9	75.4
Cash	8.5	15.3
Total liabilities	**1,307.4**	**1,241.0**
Equity	414.1	380.4
- of which minority interests	5.2	4.3
Non-current liabilities	637.1	375.1
Current liabilities	256.2	485.5

** At the end of the 2022 financial year, there was an inventory valuation error for the 2018 to 2021 financial years. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the VPM consolidated financial statements have therefore been processed retrospectively for this correction of errors. Total equity impacts as at 31 December 2021 were negative at €3.9 million.*

The financial structure further strengthened with equity standing at €414.1 million, or 31.67% of the total statement of financial position, with net financial debt reduced further by €7.3 million as at 31 December 2022 to finish the year at €646.1 million.

Restated for the €19.4 million related to the application of IFRS 16, net financial debt amounted to €626.7 million, entirely covered by inventories of €645.8 million.

The Group repaid €75 million of bonds maturing in the 2022 financial year, and has no bond maturity before 2024.

5.2.4 Investments and financial structure

5.2.4.1 Statement of investments over three years

The following table presents the Group's consolidated investments for the last three years:

Investments in thousands of €	2022	2021	2020
Trademarks and other property rights	308	569	1,135
Other intangible assets	720	445	370
Intangible fixed assets	**1,028**	**1,014**	**1,505**
Property	14,549	9,528	8,795
Technical and equipment installations	4,280	6,476	4,684
Tangible fixed assets	**18,829**	**16,004**	**13,479**
Equity securities	-	-	-
Other fixed assets	2	5,001	5
Other financial fixed assets	-	261	51
Total other non-current assets	**2**	**5,262**	**56**
Total	**19,859**	**22,280**	**15,040**

Acquisitions of property, plant and equipment by geographic area are as follows:

Values in thousands of €	2022	2021	2020
France	18,264	20,649	13,006
Europe	965	1,280	964
Third Countries	630	351	1,070
Total	**19,859**	**22,280**	**15,040**

Key investments made in 2022

In 2022, the Group continued its efforts to transform its fleet of internal combustion vehicles and agricultural machinery to electric. The technical installations and equipment acquired during the year were for replacement purposes or adaptation to organic farming.

The Group has also invested in 400 m^2 of photovoltaic panels in Portugal, and intends to continue its investments in renewable energies in France. The year 2022 also marks the end of the renovation work of Château La Gordonne in Provence.

Key investments committed in 2022

During the 2023 financial year, the Group intends to continue its efforts to transform its fleet of internal combustion vehicles and agricultural machinery to electric.

The Group is also continuing with its plans to build a logistics building on its Tours-sur-Marne site that will optimise its flows by reducing inter-site transport and, consequently, its CO2 emissions. Vranken-Pommery Monopole has undertaken renovation work on the offices of its Domaine Pommery Head Office in Reims, which should be completed before the end of 2023.

Les Grands Domaines du Littoral has launched a call for tenders for the creation of a 26.6-ha photovoltaic power plant near Aigues-Mortes. For more information, refer to Sections 1.3.2.2 "The Group's production facilities" and 1.3.3 "Research and development" of this document.

5.2.4.2 Financial structure

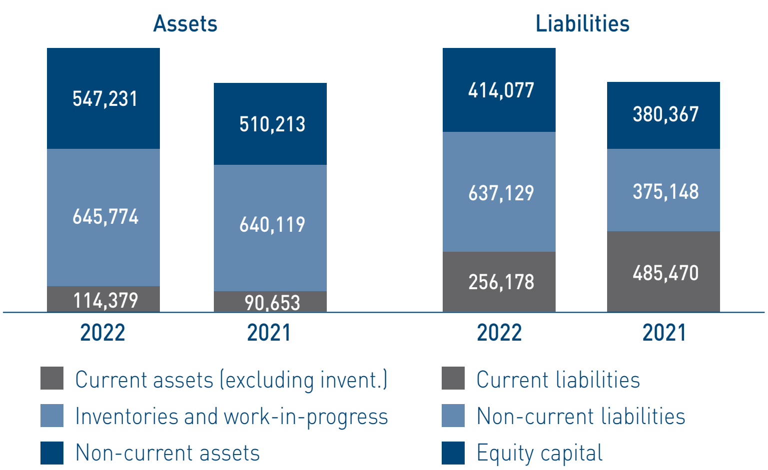
Composition of equity

In thousands of €	2022	2021 Restated*
Equity (Group share)	408,905	376,062
Non-controlling interests	5,172	4,305
Equity	**414,077**	**380,367**

Net financial debt

In thousands of €	2022	2021 Restated*
Bank loans and debts (non-current)	558,220	305,820
Bank borrowings and overdrafts (current)	98,806	364,042
Group debt	**657,026**	**669,862**
Debtor partner current accounts	-2,363	-1,131
Current financial assets and liabilities	-	5
Cash	-8,522	-15,249
Total	**646,141**	**653,487**

Statement structure (**in thousands of €**)



The cash flow statement for the period can be summarised as follows:

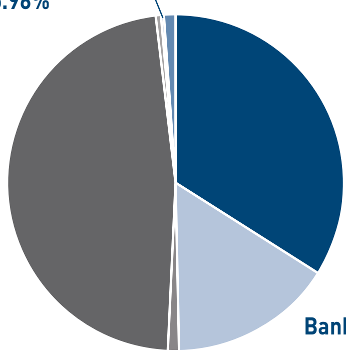
In thousands of €	2022	2021
Net cash flow generated by operations	46,883	63,912
"including gross cash flow"	45,901	41,622
Cash flow related to investment operations	-10,403	-18,355
Cash flow related to financing	-47,637	-63,621
Cash and cash equivalents	38,518	27,500
Net financial debt	**646,141**	**653,487**

The financing table is presented in the consolidated financial statements at 31 December 2022, in Section 5 "Financial statements". The net cash flows for investment operations are explained mainly by the investments the Group made and are described in Section 5.2.5.1 "Investments". Net cash flows from financing activities mainly consist of issues and repayments of borrowings during the financial year.

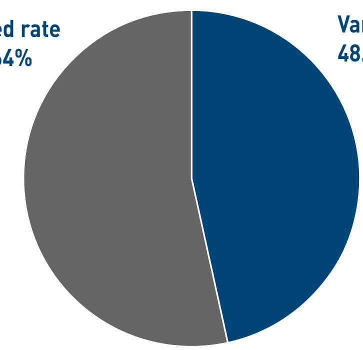
Borrowing conditions and financing structure

The Group's financing sources are diversified. Long-term bond resources represent 32% of debt and ageing loans intended to finance inventories 41%. As at 31 December 2022, the Group's debt structure can be broken down as follows:

Debt by type:



Distribution by type of rate:



**Net liabilities from bank overdrafts after deduction of available cash.*

Detailed information is provided in Note 2 "Borrowings, financial debt and bank overdrafts" to the consolidated financial statements for the year ended 31 December 2022, Section 5 "Financial statements".

In thousands of €	Consolidated accounts	Credit agreements
Bank loans and debts (non-current)	558,220	541,276
Bank borrowings and overdrafts (current)	98,806	96,283
Current financial liabilities	-	-
Cash	-8,522	-8,522
Current financial assets		
Debtor partner current accounts	-2,363	
Net financial debt	**646,141**	**629,037**

The Group has not identified any restrictions on the use of capital. The investments considered for 2023 will receive appropriate financing depending on their type:

Type	Preferred funding method
Expenditure on upgrading to standards	Self-financing
Vineyards	Bank borrowings
Industrial equipment	Lease financing

5.3 Corporate financial statements

5.3.1 Income statement as at 31 December 2022

In thousands of €	Note	2022	2021
Turnover	1	**340,307**	**298,333**
Production in stock		-	-
Capitalised production		263	231
Production in the financial year		**340,570**	**298,564**
Consumption in the financial year	2	**-326,709**	**-289,484**
Value added		**13,860**	**9,080**
Operating subsidies		1,459	792
Taxes and duties	3	-535	-469
Staff costs	4	-9,580	-8,456
Gross operating surplus		**5,204**	**947**
Reversals on deprec., amort. and prov., transfer of expenses	5	-31	656
Depreciation, amortisation and provisions	6	-1,560	-1,328
Other operating income	7	471	390
Other operating expenses	8	-343	-308
Operating income		**3,741**	**357**
Financial income and expenses	9	45	4,234
Current pre-tax income		**3,786**	**4,591**
Exceptional income and expenses	10	420	-410
Tax on profits of self-employment	11	-162	4
Net accounting income		**4,044**	**4,185**

5.3.2 Statement of financial position as at 31 December 2022

Assets

In thousands of €	Note	2022	2021
Intangible fixed assets	12	1,731	1,629
Tangible fixed assets	13	4,917	4,539
Financial expenses	14	375,698	378,065
Fixed assets		**382,345**	**384,233**
Inventories and work-in-progress	15	-	-
Advances and down payments paid on orders	16	1,313	1,545
Trade and other receivables	16	74,368	52,642
Other receivables	16	184,586	296,631
Investment securities	17	949	1,000
Cash	18	3,471	1,942
Current assets		**264,687**	**353,760**
Accrual accounts	19	3,239	3,206
Total assets		**650,270**	**741,199**

Liabilities

In thousands of €	Note	2022	2021
Capital		134,056	134,056
Issuance premiums		45,013	45,013
Reserves		29,705	29,660
Carried over		77,397	80,360
Financial year income		4,044	4,185
Investment subsidies		4	6
Equity	**20**	**290,219**	**293,280**
Provisions for risks and charges	21	1,675	1,069
Debts	**22**	**357,873**	**446,406**
Accrual accounts	23	503	444
Total liabilities		**650,270**	**741,199**

5.3.3 Notes to the corporate financial statements as at 31 December 2022

• Key events of the year

The turnover for the Company financial year increased by 14.07% to €340,307,000 compared to €298,333,000 in 2021. This increase is mainly linked to the development in France and international sales of Champagne Pommery & Greno and Champagne Vranken, which represent 64% of Champagne sales.

Equity holdings

The stake held in SA SADEVE has been reduced by 6.60%.

• Accounting rules and methods

The annual financial statements for the financial year were prepared in accordance with the legal and regulatory provisions applicable in France laid down by ANC accounting regulation 2014-03 on the French General Accounting Plan, amended by regulations published subsequently.

The general accounting conventions were applied in accordance with the prudence principle and with the basic assumptions of:

- going concern
- permanence of accounting methods
- independence of financial years.

The basic method used for assessing the items booked is the historic costs method.

Approach by components

To comply with the accounting rules governed by Article 214-9 of the new PCG 2016, since 1 January 2005, the Company has used the component approach to register fixed assets.

For reference, the retrospective method has been retained (as if the new accounting method had always been applied) to evaluate all its fixed assets at 1 January 2005. The impact of applying the new rules was recognised directly in the Company's equity at 31 December 2005.

It should also be noted that special depreciation and amortisation is recorded when the actual useful life recommended in the accounts is greater than the useful life allowed for tax purposes, as provided for in Article 39 1 2° of the French General Tax Code. If, on the other hand, the actual useful life is less than the useful life, the depreciation and amortisation not admitted for taxation is re-integrated.

Intangible assets

These meet the criteria defined by Article 211-5 of the new 2016 General Accounting Plan. They are assessed at their acquisition or production cost. The Company amortises the real term of use of the asset.

Set-up costs

None.

Research and development costs

Pursuant to Article 212-3 of the new PCG 2016, the costs borne in the research phase are recognised under expenses. Costs involved in the development phase are recognised in assets if they refer to clearly individualised projects that have strong potential for technical success and commercial profitability.

Trademarks and models

The trademarks acquired from third parties are recognised under assets at their acquisition cost.

Goodwill

Business assets are not amortised. A value test is made each year and any impairments are recognised.

Merger losses

The Universal Transmission of Assets and Liabilities with DOURO INVEST in 2014 had generated a technical loss of €1,504 thousand, recognised under intangible assets. In 2015, the Company also recognised a technical loss of €6,477 thousand under intangible assets pursuant to the Universal Transmission of Assets and Liabilities with CAMARGUAISE DE PARTICIPATIONS.

In 2016, in accordance with the new accounting rules, the Company allocated these technical losses to the underlying assets to which these unrealised gains related, i.e. equity securities.

The amortisation terms according to the linear method are as follows:

- Research & Development costs: 3 years
- Concessions, patents, licences and similar rights: 2 to 5 years.

Tangible assets

In practice, the Company breaks down the items only if the asset has a significant value of at least €500 and if it represents at least 10% of the cost price for a movable asset and 1% for a fixed asset.

- assets not broken down are assessed at their acquisition cost. The amortisable base of these assets is the gross base (not counting the residual value), and the amortisation term is the actual useful life of the asset;
- degraded assets are valued at the cost price (acquisition of the asset minus reductions, discounts and rebates, plus the costs of preparing the asset, plus accrued interest on loans, plus acquisition costs of the asset) broken down into a structure depreciated over the useful life, and components, depreciated over the actual period of use.

The amortisation terms are as follows:

- Plantations	Straight-line	17 years	- Transport equipment	Straight-line	1 to 7 years
- Fixtures	Straight-line	3 to 17 years	- Office and IT	Straight-line	
- Equipment and tools	Straight-line	3 to 8 years	equipment	and Declining	1 to 5 years
- General installations	Straight-line	3 to 10 years	- Furniture	Straight-line	1 to 10 years

Depreciation and amortisation is recorded in an operating expense account of depreciation and amortisation.

Non-current financial assets

The gross value consists of the acquisition cost.
Foreign subsidiaries and equity holdings are valued at the historical acquisition cost.
The inventory value of the securities is determined by reference to the activity developed, the results obtained, equity and the prospects for growth.
When the inventory value is less than the gross value at the reporting date, a provision is made for impairment.

Receivables and payables

Receivables and payables are measured at nominal value.

A provision is made for the impairment of receivables when their inventory value is less than the carrying amount.

Provisions for risks and charges

The provisions for observed labour risks are determined on the basis of the amounts claimed and in accordance with the likelihood of the corresponding costs.

Transactions in foreign currencies

Foreign currency income and expenses are recorded for their counter-value at the date of the transaction. Payables and receivables in foreign currencies appear in the statement of financial position at their counter-value at the reporting date rate. The discount differences are listed under translation differences.

Deferred expenses

This item only includes loan issuance costs.

Extraordinary income and expenses

Extraordinary income and expenses include not only items that are not related to the Company's normal business, but also those that are exceptional in amount.

Own shares

VRANKEN-POMMERY MONOPOLE shares held as part of regulation of prices appear under "Investment securities". The income from these operations is recognised under extraordinary income and expenses. A provision for impairment is observed when the share price is less than the net value of the treasury shares held.

• Post-closing events

No significant developments have occurred since closing.

Notes on the annual financial statements as at 31 December 2022

Note 1. Revenue

Breakdown of turnover in thousands of €	France	Export	2022
Champagne	103,265	175,911	279,176
Port	2,397	92	2,489
Provence and Camargue wines	4,754	5,141	9,895
Other	507	1,277	1,784
Merchandise sales	**110,923**	**182,419**	**293,343**
Intra-group provision of services	44,436	1,201	45,637
Other	1,262	65	1,327
Services and other	**45,698**	**1,266**	**46,964**
Turnover	**156,621**	**183,685**	**340,307**

Change in turnover in thousands of €	2022	2021	Change
Champagne	279,176	244,481	34,695
Port	2,489	2,459	30
Camargue and Provence wines	9,895	9,694	201
Other	1,784	1,297	487
Merchandise sales	**293,343**	**257,931**	**35,412**
Intra-group provision of services	45,637	39,290	6,347
Other	1,327	1,112	215
Total services and other	**46,964**	**40,402**	**6,562**
Turnover	**340,307**	**298,333**	**41,973**

The Company's revenue for the financial year was up by 14.07% to €340.307,000 compared to €298,333,000 in 2021.

Note 2. Consumption for the year

In thousands of €	2022	2021
Purchases	271,134	238,133
Change in inventory	-	-
Other external purchases and expenses	55,575	51,351
Total	**326,709**	**289,484**

Note 3. Taxes and duties

In thousands of €	2022	2021
Taxes and duties on compensation	302	281
CET and property tax	173	115
Social solidarity contribution	37 29	
Other taxes and duties	23	44
Total	**535**	**469**

Note 4. Staff expenses

In thousands of €	2022	2021
Wages & salaries	6,481	5,913
Social security expenses	2,762	2,565
Employee incentives	337	84
Part-time work indemniities	-	-106
Total	**9,580**	**8,456**

Note 5. Depreciation and provisions, transfers of expenses

In thousands of €	2022	2021
Reversal of provisions - Doubtful debts*	271	175
Transfer of operating expenses**	-358	591
Transfer of staff costs***	56	-110
Total	**-31**	**656**

*Since 2019, the Company has included the provisions made on disputed receivables older than 5 years and at the same time recognizes these receivables as irrecoverable due to their age (see note 8).
**In 2022, the transfer of operating expenses item is mainly affected by reversals of expenses relating to future projects (€377,000).
***In 2021, the transfer of personnel expenses item is mainly impacted by reversals of expenses relating to future projects (-€194 thousand) which, given the economic and health context linked to COVID 19, had been recorded in 2020.

Note 6. Depreciation, amortisation & provisions

In thousands of €	2022	2021
Fixed assets	509	601
Spreading expenses & Miscellaneous	209	276
Amortisation	**718**	**877**
Inventories	-	-
Receivables	105	195
Risks & liabilities*	737	256
Provisions	**842**	**451**
Total	**1,560**	**1,328**

*Provisions for risks and liabilities are attributable to active foreign exchange gains and losses.

Note 7. Other operating income

In thousands of €	2022	2021
Indemnities Client Creditor insurance	33	100
Hire purchase rebilling		
Positive exchange rate differences*	427	244
Other operating income	11	46
Total	**471**	**390**

*Currency exchange differences arising from trade receivables and payables have been recognised in operating income since 01/01/2018.

Note 8. Other operating expenses

In thousands of €	2022	2021
Miscellaneous management expenses	101	113
Hire purchase	-	-
Positive exchange rate differences	208	85
Bad debts	34	110
Total	**343**	**308**

Note 9. Financial income and expenses

Financial income in thousands of €	2022	2021
Financial income from holdings	660	3,327
Other interest and similar income*	8,030	9,003
Financial reversals on depreciation, amortisation and provisions**	1,274	1,970
Positive exchange rate differences	217	196
Other financial income	325	155
Total	**10,506**	**14,651**

*Other interest and similar income consists essentially of interest on Group current accounts (€6,280,000 compared to €7,288,000 in 2021) and Group re-invoicing (€1,749,000 compared to €1,712,000 in 2021).
**Of which €692,000 in reversals of provisions for foreign exchange risks relating to translation differences in 2021. The reversal of provisions on securities amounted to €578,000 compared to €722,000 in 2021.

Financial expenses in thousands of €	2022	2021
Depreciation, amortisation and provisions*	913	851
Interest and similar expenses	9,352	9,519
Exchange rate differences	195	47
Other financial expenses	-	-
Total	**10,461**	**10,417**

Financial allocations mainly consist of provisions for foreign exchange risks (€880,000 compared to €692,000 in 2021) and provisions on VMP financial risks (€33,000 compared to €0 in 2021).
**Since 2020, there have been no financial instruments.*

Note 10. Extraordinary expenses and income

Extraordinary income in thousands of €	2022	2021
Extraordinary income from management transactions*	110	155
Income from disposal of assets**	987	275
Other extraordinary expenses from capital transactions	2	2
Reversals of provisions and transfers of expenses	57	141
Total	**1,156**	**573**

Extraordinary expenses in thousands of €	2022	2021
Extraordinary expenses from management transactions***	458	620
Net accounting values of asset items sold****	245	255
Other extraordinary expenses from capital transactions	24	51
Exceptional allocations to depreciation, amortisation and provisions	9	57
Total	**736**	**983**

**Extraordinary income on 2022 management transactions consists primarily of environmental bonuses (€30,000) and Group rebilling (€73,000).*
***Proceeds from the sale of assets in 2022 mainly correspond to the disposal of furniture (€176,000).*
****Exceptional expenses on management operations mainly include penalties (€413,000).*
*****The net book values of assets sold in 2022 mainly consist of the disposal of furniture (€245,000).*

Note 11. Breakdown of income tax (excluding effects related to tax consolidation)

Breakdown under common law in thousands of €		2022	2021
Current pre-tax income		3,786	4,591
	tax	-64	211
	After ttax	**3,850**	**4,380**
of which dividends received		*527*	*3,141*
Extraordinary pre-tax income		420	-410
	Tax	-	-
	After tax	**420**	**-410**
Pre-tax accounting income		4,206	4,181
Miscellaneous adjustments		-	-
		4206	4181
	Tax*	-64	211
	VPDO tax	-	469
Miscellaneous adjustments		-	-
		-64	680
	After tax	**4,270**	**3,501**

**Tax credits included.*

Since the 1999 financial year, VRANKEN-POMMERY MONOPOLE S.A. has been the parent company of the tax-consolidated group formed by the French subsidiaries. The consolidation agreement sets out the procedures for the allocation of tax between the member companies as follows:

- the tax expenses are borne by the consolidated companies, as is the case in the absence of consolidation;
- ,the tax savings made by the consolidated group are kept in the parent company and are considered as an immediate gain for the year.

In 2022, as the parent company, VRANKEN-POMMERY MONOPOLE recognised an overall tax income of €226,000 including tax credits. The tax income specific to the Company in the absence of tax consolidation amounted to €1,059,000, an overall gain of €833,000.

The breakdown of the above tax in terms of current and exceptional income is based on the tax specific to the Company in the absence of consolidation.

The breakdown in view of tax savings due to tax consolidation is as follows:

Integrated breakdown in thousands of €	2022	2021
Pre-tax accounting income	**3,785**	**4,181**
Tax	162	-4
Miscellaneous adjustments	-	-
After tax	**3,623**	**4,185**

The Company has a tax loss carry-forward at the end of the period of €11,279,000.

Incidence of tax provisions

Future income tax debt in thousands of €	Tax basis	25% tax rate
Increases	**1,618**	**404**
Miscellaneous deductions	1,618	
Relief	**2,260**	**565**
Provisions and accrued liabilities	1,664	
Miscellaneous reinstatement	503	
Works of art by living artists	93	

The subsidiaries in the tax consolidation scope are as follows:

List of subsidiaries in the scope of tax consolidation	SIRET	Direct and indirect holding rate
S.A.S. Champagne Charles LAFITTE	32 825 159,000,050	100.00%
S.A.S. HEIDSIECK & C° MONOPOLE	33 850 904 500,047	100.00%
S.A.S. VRANKEN-POMMERY PRODUCTION	33 728 091 100,120	100.00%
S.A.S. VRANKEN-POMMERY VIGNOBLES	31 420 812,500,067	99.84%
S.A.S. Champagne René LALLEMENT	41 529 902,300,028	99.95%
S.A.S. B.M.T. Vignobles	35 342 239 700,045	99.84%
S.C.I. Des Vignes d'Ambruyères	32 241 639 700,030	99.58%
S.C.I. Les Ansinges Montaigu	39 836 298 800,030	99.99%
S.A.S. GRANDS DOMAINES DU LITTORAL	72 204 117 500,034	96.50%
S.A.S. POMMERY	44 199 013 200,025	100.00%
S.A.S. GV COURTAGE	38 271 056 400,032	100.00%
S.C. DU PEQUIGNY	41 002 513 400,025	99.94%
S.A.S. des Vignobles VRANKEN	41 122 490 000 018	100.00%

Note 12. Intangible assets

Gross values in thousands of €	As at 01/01/2022	Acquisitions	Outputs	Transfers	As at 31/12/2022
Research and development costs	503	-	-	-	503
Research and development costs	**503**	**-**	**-**	**-**	**503**
Trademarks, models	37	-	-	-	37
Software	8,863	118	-	30	9.011
Other rights	383	-	-	-	383
Concessions, patents and similar rights	**9,283**	**118**	**-**	**30**	**9,431**
Goodwill	**381**	**-**	**-**	**-**	**381**
Other intangible fixed assets	**429**	**186**	**-**	**-30**	**585**
Total	**10,596**	**304**	**-**	**-**	**10,900**

Goodwill consists of acquired clientele. The other intangible assets consist of software under development (€585,000).

Depreciation in thousands of €		As at 01/01/2022	Provisions	Decreases	As at 31/12/2022
Research and development costs	503	-	-	503	
Concessions, patents and other rights		8,464	202	-	8,666
Total		**8,967**	**202**	**-**	**9,169**

Certain trademarks created are amortised over the period of their protection, i.e. 10 years. Software is amortised over 2 to 5 years.

Note 13. Tangible assets

Gross values in thousands of €	As at 01/01/2022	Acquisitions	Outputs	Transfers	As at 31/12/2022
Plantations	27	-	-	-	27
Building fixtures and fittings	3,518	1	1,560	-	1,959
Machinery and equipment	152	-	-	-	152
General facilities	618	55	-	87	761
Means of transport	339	-	-	-	339
Office and computer hardware, furniture	4,916	123	243	-	4,796
Fixed assets in constructions in progress	-	-	-	-	-
Other property, plant and equipment in progress	133	750	-	-87	796
Advances on other property, plant and equipment	-	-	-	-	-
Total	**9,703**	**929**	**1,803**	**-**	**8 830**

Amortisation in thousands of €	As at 01/01/2022	Provisions	Decreases	Transfers	As at 31/12/2022
Plantations	27	-	-	-	27
Building fixtures and fittings	2,702	172	1,314	-	1,560
Equipment and tools	147	1	-	-	148
General facilities	333	43	-	-	376
Means of transport	207 34	-	-	-	241
Office and computer hardware, furniture	1,748	56	243	-	1,561
Total	**5,164**	**306**	**1,557**	**-**	**3,913**

Note 14. Non-current financial assets

Gross values in thousands of €	As at 01/01/2022	Acquisitions	Outputs	Transfers	Revaluations	As at 31/12/2022
Equity securities	352,703	–	–	-	-	352,703
Equity receivables*	22,124	-	2,641	-	-317	19,166
Other fixed securities	5,008	-	-	-	-	5,008
Loans and other financial fixed assets**	736	7	-	-	-	743
Total	**380,571**	**7**	**2,641**	**-**	**-317**	**377,620**

** Receivables related to equity holdings correspond mainly to trade receivables from the subsidiaries CHARBAUT AMERICA (€2,717,000), VRANKEN-POMMERY JAPAN (€3,878,000), VRANKEN-POMMERY UK (€4,710,000) and VRANKEN-POMMERY AUSTRALIA (€3,568,000 converted at the closing rate, for a total amount of €14,873,000. These receivables are revalued annually at the closing rate.*
***The other financial assets consist of deposits and sureties for €291,000, a security deposit of €450,000 on borrowings and loans for associates for €2,000 coming from the "transfer of all assets and liabilities" (TUP) of CAMARGUAISE DE PARTICIPATIONS in 2015.*

Provisions in thousands of €	As at 01/01/2022	Provisions	Reversals	As at 31/12/2022
Equity securities	2,506	-	583	1,923
Total	**2,506**	**-**	**583**	**1,923**

Table on subsidiaries and equity holdings

In €K	Capital*	Equity other than capital**	Share of capital held (%)	Gross value of securities held by the Company	Net value of securities held by the Company
Subsidiaries					
S.A.S. CHAMPAGNE CHARLES LAFITTE	10,170	1,382	100.00	25,243	25,243
S.A.S. VRANKEN-POMMERY VIGNOBLES	7,497	2,800	99.84	12,301	12,301
S.A.S. VRANKEN-POMMERY PRODUCTION	70,550	-404	100.00	175,293	175,293
S.A.S. HEIDSIECK & C° MONOPOLE	7,000	757	100.00	7,318	7,318
S.A.S. POMMERY	10,125	1,261	100.00	13,300	13,300
S.A.S. GV COURTAGE	40	152	100.00	763	239
S.C. DU PEQUIGNY	29	-35	99.94	1,045	1,045
S.A.S. GRANDS DOMAINES DU LITTORAL	41,280	10,060	96.50	57,834	57,834
VRANKEN POMMERY ITALIA SPA	640	252	100.00	1,124	917
VRANKEN-POMMERY AUSTRALIA PTY LTD	1,437	-684	100.00	1,447	777
VRANKEN-POMMERY JAPAN Co. LTD	632	426	95.00	908	908
VRANKEN-POMMERY Deutschland & Österreich GmbH	3,725	57	100.00	7,855	7,855
VRANKEN POMMERY BENELUX S.A.	2,534	1,818	99.99	2,688	2,688
CHARBAUT AMERICA INC.	10,774	-880	100.00	10,104	10,104
VRANKEN POMMERY U.K. LTD	3,550	-1,791	97.78	3,476	3,476
VRANKEN POMMERY SUISSE S.A.	808	1,776	100.00	730	730
ROZÈS S.A.	15,000	8,992	99.99	21,855	21,855
QUINTA DO GRIFO	4,825	1,152	100.00	8,227	8,227
Equity holdings					
SADEVE S.A.***	5,137	-338	6.60	1,117	635
S.A.S. L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	87	96	17.57	74	32
Overall details		**26,849**			
French subsidiaries (combined)				293,097	292,623
Foreign affiliates (combined)				58,414	57,537
Holdings in French companies (combined)				74	32
Interests in foreign companies (combined)				1,117	635

**Converted at the historical rate.*
***Converted at closing rate.*
****Based on the accounts closed on 31/12/2021.*

	Loans and advances agreed by the Company and not yet reimbursed	Amount for endorsements and guarantees given by the Company	Revenue excluding tax for the past financial year	Income (profit or loss for the past financial year)	Dividends collected by companies over the financial year
	114	0	1,237	342	170
	7,642	31	3,747	1,474	250
	130,812	70,447	284,458	79	0
	19	0	0	57	93
	9,092	0	5,026	260	0
	70	0	268	115	19
	579	0	51	18	0
	2,350	7,702	25,174	1,180	0
	0	0	13,765	162	0
	0	0	6,821	302	0
	0	0	8,227	309	0
	0	0	50,201	43	0
	0	489	12,994	158	0
	0	0	14,921	61	0
	0	34	9,371	518	0
	0	0	5,833	279	0
	0	4,311	9,142	434	0
	0	1,720	1,267	69	0
	0	0	1,432	18	0
	21	0	496	29	0
	150,678	78,180			532
	0	6,554			0
	21	0			0
	0	0			0

Note 15. Inventory

None.

Note 16. Receivables

Net values in thousands of €	2022	2021
Advances and down payments paid on orders	**1,313**	**1,545**
Clients and related accounts**	**74,368**	**52,642**
Suppliers and other receivables	20,161	18,270
Staff and related accounts	133	140
Status and related accounts	4,174	4,011
Group and associates***	156,860	271,575
Miscellaneous debtors****	3,258	2,635
Other miscellaneous receivables	**184,586**	**296,631**
Total	**260,267**	**350,818**
**This consists essentially of advances on advertising and promotional budgets made to major customers.*		
***Including deducted receivables.*	*65,365*	*61,040*
***Including receivables represented by commercial paper.*	*27*	*12*
****Including receivable on subsidiaries linked to the tax consolidation scheme.*	*1,329*	*1,830*
****Including receivables on subsidiaries linked to the VAT consolidation scheme.*	*2,217*	*8,192*
*****Including guarantee fund linked to assignment of trade receivables.*	*-*	*-*
*****Including cash from the assignment of trade receivables.*	*200*	*-334*
*****Including restrictions related to the assignment of trade receivables.*	*1,333*	*502*
*****Including settlement and adjustment account related to the assignment of trade receivables.*	*1,649*	*2,422*

Provisions in thousands of €	2022	2021
Clients and related accounts	928	840
Financial instruments	-	-
Total	**928**	**840**

Trade receivables are systematically impaired as soon as all collection procedures have been exhausted.

Accrued income in thousands of €	2022	2021
Trade receivables		
Clients and related accounts	28,743	24,124
Other receivables		
Suppliers, credits receivable	20,161	17,881
Staff and related accounts	133	139
Status and related accounts	176	220
Group and associates	-	-
Miscellaneous receivables	-	-
Cash flow	**-**	**-**
Total	**49,213**	**42,364**

Maturity of receivables

All receivables are due in less than one year.

Note 17. Investment securities

Net values in thousands of €	2022	2021
Equity	949	1,000
Other investment securities	-	-
Total	**949**	**1,000**

Share buybacks are carried out with a view to boosting share prices.

Note 18. Cash flow

Net values in thousands of €	2022	2021
Accrual accounts	3,471	1,942
Accrued income	-	-
Total	**3,471**	**1,942**

Currency account

Liquidities in foreign currencies (outside the European monetary union) are converted to euros on the basis of the latest exchange rate. They amounted to €343,000 as at 31 December 2022.

Note 19. Accruals - assets

Expenses to be spread in thousands of €	As at 01/01/2022	Increases	Provisions	Change in method	As at 31/12/2022
Loan issuance costs	516	-	209	-	307
Total	**516**	**-**	**209**	**-**	**307**

Loan issuance costs are amortised over the term of the loan and the allocation is fiscally re-integrated.

In thousands of €	2022	2021
Miscellaneous prepaid expenses	**1,314**	**1,743**
Operating	1,314	1,743
Financial	-	-
Active foreign exchange gains and losses	**1,618**	**947**
Total	**2,932**	**2,690**

A provision for liabilities and charges has been set aside on the liabilities side of the statement of financial position to cover the translation differences on the assets side.

Note 20. Equity capital

Changes in equity

Financial year income in €		2022	2021
Accounting income		4,043,908	4,185,164
Number of shares		8,937,085	8,937,085
	Per share, in €	**0.45**	**0.47**
Proposed dividends		7,149,668	-
Number of shares		8,937,085	8,937,085
	Per share, in €	**0.80**	**-**

Table of changes in equity in the financial year	in thousands of €
Equity at year-end before allocations	289,095
Allocation of profit or loss to net position by General Meeting	4,185
Equity at the start of the financial year	**293,281**
Changes during the financial year:	
Change in capital	-
Change in capital premiums	-
Other changes*	45
Dividends	-7,150
Investment subsidies	-2
Equity in the balance sheet at the end of the financial year before GeneralMeeting	**286,176**
Total change in equity during the financial year	**-7,105**
Change in shareholders' equity during the financial year excluding structural transactions	**-7,105**

**This change corresponds to the dividends received from treasury shares.*

Allocation of 2021 net income	in euros
The previous financial year's income was appropriated as follows:	
- Carried forward	-3,009,035.27
- Dividend distribution	7,149,668.00
- Legal reserve	
- Other reserves	44,531.56
Income	**4,185,164.29**

Additional notes

Numbers of successive shares and changes in capital	Number of securities	in euros Nominal value of securities	in euros Impact on on the capital
At the start of the financial year	8,937,085	15.00	134,056,275
At the end of the financial year	**8,937,085**	**15.00**	**134,056,275**

Treasury securities	Number of securities
At the start of the financial year	57,560
At the end of the financial year	**58,111**

Composition of share capital	At year start	Reclassification of year	At year end	Created during of year	Redemption value	Nominal
Ordinary shares	2,445,226	-2,290	2,442,936	-	-	15
Shares with double voting rights	6,491,859	2,290	6,494,149	-	-	15
Total	**8,937,085**	**-**	**8,937,085**	**-**	**-**	**15**

Note 21. Provisions for risks and charges

Values in thousands of €	2022	2021
Provisions for exchange losses excluding Group	-	-
Provisions for exchange losses Group	1,618	947
Provisions for customer risks	9	57
Provision for long-service awards*	48	65
Total	**1,675**	**1,069**
Provisions	1,627	1,004
Reversals used	-	-
Reversals not used	-	1,229

**In accordance with accounting rules, the provision for long-service awards is recognised.*
It is no longer presented as an off-statement of financial position commitment. The long-service awards were assessed by an independent expert. The revaluation rate used is 1%.

Foreign exchange risk: The Company has had no financial instruments since 31 December 2021.

Rate risk: The Company has had no financial instruments since 31 December 2020.

Note 22. Accounts payable

Detail of debt in thousands of €	2022	2021
Other bond issues	145,000	220,000
Interest accrued	2,682	3,874
Other bond issues	**147,682**	**223,874**
Loans from credit institutions*	36,621	40,701
Cash credits and overdrafts	7,448	6,000
Interest accrued	359	312
Borrowing and debts with credit institutions	**44,428**	**47,013**
Groupe and associates**	29,832	37,959
Other miscellaneous financial debt	-	-
Loans and miscellaneous financial debt	**29,832**	**37,959**
Advances and down payments paid on orders	**8**	**6**
Supplier and other receivables* **	**121,255**	**122,320**
Tax and social security debts	**12,733**	**12,078**
Debts on fixed assets and related accounts	**-**	**-**
Other payables	**1,935**	**3,156**
Total	**357,873**	**446,406**
**Including State-guaranteed loans in the context of Covid-19.*	*11,920*	*15,051*
***Including debts on subsidiaries related to the tax consolidation scheme.*	-	*36*
***Including debts on subsidiaries linked to the VAT consolidation system.*	*8*	-
****Including debts represented by commercial paper.*	-	-

Changes in capital in borrowings in thousands of €	As at 31/12/2022	Subscribed	Redeemed	As at 31/12/2022
Other bond loans*	**220,000**	**-**	**75,000**	**145,000**
Loans from credit institutions**	40,701	1,500	5,580	36,621
Cash credits and overdrafts	6,000	1,448	-	7,448
Borrowing and debts with credit institutions*	**46,701**	**2,948**	**5,580**	**44,069**

**Excl. accrued interest.*
***Including €15,051,000 of SGLs taken out in 2020 as part of the Covid-19 support measures.*

Debt due dates

Maturity of loans in thousands of €	In under 1 y.	In more than 1 y. and less than 5 y.	In more than 5 y.	Total
Other bond issues*	**-**	**145,000**	**-**	**145,000**
Borrowing and debts with credit institutions	24,939	10,346	1,336	36,621
Cash credits and overdrafts 7,448	-	-	7,448	
Borrowing and debts with credit institutions	**32,387**	**10,346**	**1,336**	**44,069**

**Excl. accrued interest.*

All other debts are due in one year at most.

Expenses payable in thousands of €	2022	2021
Other bond issues	2,682	3,874
Borrowing and debts with credit institutions	359	312
Borrowings and misc. financial debt	-	2
Suppliers and other receivables	20,636	17,843
Tax and social security debts	1,676	1,237
Other payables	1,749	2,999
Total	**27,102**	**26,266**

Debts guaranteed by collateral in thousands of €		
Pledges of professional receivables	-	-
Borrowing and debts with credit institutions	-	-
Total	**-**	**-**

The Company has had no debt secured by collateral since 2017.

Financial commitments in thousands of €	2022	2021
Endorsement & guarantees [1]	97,899	
Assignment of trade receivables	-	-
Foreign exchange hedging commitment	-	-
Rate hedging commitment	-	-
Lease purchases and long-term	291	435
Intérêts sur Interest on borrowings not yet due	14,648	21,858
Commitments concerning pensions and medical costs	2,336	3,304
[1]Of which intra-group commitments	*84,733*	*97,889*

The main parameters in 2022 for the actuarial valuation of these commitments were:

Retirement age .... 67 for executives and full-rate age (based on the Fillon Law) for non-executives

Pay rise rate 1.75%

Medical contribution revaluation rate .... 1,50 %

Social security expenses rate .... 45,94 %

Discount rate .... 2.90 %

These parameters were defined on the basis of the recommendations of an independent expert.

Commitments received in thousands of €	2022	2021
Collateral [1]	5,220	5,228
Return to better fortune clause [1]	8,612	8,623
State Guaranteed Loans (SGLs)	13,500	13,500
Total	**27,332**	**27,351**
[1]Of which intra-group commitments..	*8,612*	*8,623*

Lease-purchase and long-term leasing

Fixed assets in lease-purchase and long-term leasing (in €K)

Non-current asset		**Land**	**Buildings**	**Technical facilities equipment and tooling**	**Other property, plant and equipment**	**Non-current assets under construction**	**Totals**
Cost of entry					720		720
Provisions for amortisation	Total of previous financial years				232		232
	Financial year				167		167
	Totals	**-**	**-**	**-**	**399**	**-**	**399**
Net value		-	-	-	321	-	321

Lease-purchase and long-term leasing (in €K)

Royalties		Land	Buildings	Technical facilities equipment and tooling	Other property, plant and equipment	Non-current assets under construction	Totals
Paid	Cumulative previous years				261		261
	Of the financial year				169		169
	Totals	**-**	**-**	**-**	**430**	**-**	**430**
Remaining to be paid	one year at most				167		**167**
	more than one year and five years at most				124		**124**
	more than five years				-		-
	Totals	-	-	-	**291**	-	**291**
Residual value	one year at most				-		**-**
	more than one year and five years at most				-		**-**
	more than five years				-		**-**
	Totals	**-**	**-**	**-**	**-**	**-**	**-**
Amount borne during the financial year					169		**169**

Note 23. Accrual accounts - liabilities

In thousands of €	2022	2021
Prepaid income	-	-
Passive foreign exchange gains and losses	503	444
Total	**503**	**444**

Note 24. Other information

Average breakdown of staff by category*	2022	2021
EXECUTIVES	76	77
SUPERVISORS	19	21
EMPLOYEES	13	15
WORKERS	3	3
Total	**110**	**116**

Excluding sandwich course students.

Note 25. Compensation of administrative and management bodies

In €	Governing body	Management body	Total
Compensation allocated to a corporate officer	-	18,000	18,000
Directors' compensation	-	90,000	90,000
Retirement commitments	-	-	-
Allocated advances or credits	-	-	-

Note 26. Identity of the consolidating company

VRANKEN-POMMERY MONOPOLE is the parent company of the VRANKEN-POMMERY MONOPOLE Group and, as such, is the consolidating entity.

Note 27. 2022 Statutory Auditors' fees

In €	Mazars	Audit & Strategy
Fees for the certification assignment	165,716	91,329
Fees for other services	22,031	4,855
Total	**187,747**	**96,184**

Note 28. Information on items relating to affiliated companies

In thousands of €	Amount concerning businesses	
Items	Related	With which the Company has a participating interest
Holdings (gross value)	-	351,511
Receivables attached to equity holdings	-	19,166
Deposits	196	63
Other financial fixed assets	-	-
Clients and related accounts receiveable	1,974	64,373
Other receivables	21	176,423
Borrowings and misc. financial debt	-	29 824
Suppliers and other receivables	558	97,865
Debts on fixed assets and related accounts	-	-
Other debts	-	1,489
Income from equity holdings	-	660
Other financial income	-	8,029
Financial expenses	22	719

Note 29. Related parties

The main significant transactions conducted with related parties are considered as concluded under normal market conditions.

5.3.4 Statutory Auditors' report on the corporate financial statements Financial year ended 31 December 2022

To the General Meeting of VRANKEN-POMMERY MONOPOLE,

Opinion

In performing the assignment entrusted to us by your General Meeting, we audited the annual financial statements of VRANKEN-POMMERY MONOPOLE for the year that ended on 31 December 2022, as attached to this report.

We certify that the annual financial statements are, with regard to French accounting rules and principles, true and fair and give an accurate view of the results of operations over the past financial year as well as of the financial position and the assets and liabilities of the company at the end of the reporting period. The opinion expressed above is consistent with the content of our report to the Audit Committee.

Grounds for the opinion

Audit standards

We performed our audit in accordance with professional standards applicable in France. We believe that the information we collected is sufficient and appropriate to form the basis of our opinion. The responsibilities incumbent upon us under these standards are indicated in the "Responsibilities of the Statutory Auditors pertaining to the audit of the annual financial statements" section of this report.

Independence

We performed our audit in compliance with the rules of independence laid down in the French Commercial Code and the Code of Ethics of the Profession of Statutory Auditors, over the period from 1 January 2022 to the date of publication of our report, and we have provided no services prohibited by Article 5, paragraph 1 of Regulation (EU) 537/2014.

Justification of assessments – Key points of the audit

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key points of the audit relating to the risks of material misstatement, which, in our professional judgement, were the most significant for the audit of the annual financial statements for the year, as well as our responses to those risks.

These assessments were made in the context of our audit of the annual financial statements taken as a whole, prepared as described above, and in the context of forming our audit opinion. We express no opinion on any items of these annual financial statements taken in isolation.

• Evaluation of equity securities

Risk identified

As at 31 December 2022, equity securities were recorded on the statement of financial position for a net carrying amount of €350.8 million. Equity securities are valued at the historical cost of acquisition. At the reporting date, the Company measures its securities at their value in use. When this value is less than the carrying amount, an impairment is recorded in the amount of this difference.

The value in use is determined using the criteria detailed in the "Accounting rules and methods", adapted to the interests valued: activity developed, net income, equity and prospects for change.

In view of their particularly significant amount, the uncertainties inherent in certain elements and their sensitivity to management's forecasts, we considered that the measurement of equity securities, related receivables and provisions for related risks represent a key point of the audit.

Our response

In order to assess the reasonableness of the estimate of the values in use of the equity securities, on the basis of the information obtained, we carried out procedures which consisted mainly of verifying that the estimate of these values is based on an appropriate justification of the valuation method and data used and, depending on the securities concerned, to:

- compare the data used in the impairment tests on equity securities with accounting data and, where applicable, management's cash flow projections;
- check the arithmetic accuracy of the values in use used by the Company;
- assess how recoverable the related receivables are with regard to the analyses made on equity securities;
- check that a provision for risks is recognised in cases where the Company is committed to bearing the losses of a subsidiary with negative equity.

Lastly, we assessed the content of the information communicated in the "Financial fixed assets" and "Accounting rules and methods" notes and in note 14 of the notes to the annual financial statements.

• Specific audits

Also, in accordance with professional standards applicable in France, we carried out the specific checks provided for by laws and regulations.

Information provided in the management report and in the other documents on the financial position and the annual financial statements sent to the shareholders.

We have no comments to make on the accuracy and consistency with the annual financial statements of the information presented in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements addressed to shareholders.

We certify the fairness and consistency with the financial statements of the information relating to the payment terms specified in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We certify the existence of the information required by Articles

L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code in the Board of Director's report on corporate governance. With regard to the information provided in application of the provisions of Article L. 22-10-9 of the French Commercial Code on compensation and benefits paid or allocated to corporate officers as well as on the commitments granted to them, we verified their consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information collected by your company from the companies controlled by it that are included in the scope of consolidation. On the basis of this work, we certify the accuracy and truthfulness of this information.

Other information

Pursuant to the law, we verified that the information concerning the purchase of shareholdings and controlling interests has been duly disclosed in the management report.

- **Other checks or information provided for by laws and regulations**

Presentation format of the annual financial statements included in the Annual Financial Report

In accordance with the professional standards on the work of statutory auditors relating to annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format as defined by the delegated European Regulation 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements included in the Annual Financial Report mentioned in Section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements included in the Annual Financial Report complies, in all material respects, with the single European electronic reporting format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of VRANKEN-POMMERY MONOPOLE by the General Meeting of 5 June 2019.

At 31 December 2022, Mazars was in the 28th consecutive year of its mission and Audit & Strategy Révision Certification in the 22nd year, the 25th and 22nd years respectively since the Company's shares were admitted to trading on a regulated market.

- **Responsibilities of the Management and the persons in charge of corporate governance pertaining to the consolidated financial statements**

It is the responsibility of management to prepare annual financial statements that present a true and fair view in accordance with French accounting rules and principles and to implement the internal controls that it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the principle of going concern, and apply the going concern accounting policy, unless there is a plan to liquidate the company or cease its activity.

The Audit Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems and, where applicable, any internal audit with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

- **Responsibilities of the Statutory Auditors pertaining to the audit of the consolidated financial statements**

Audit objective and approach

It is incumbent upon us to establish a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole contain no material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the standards of professional practice will systematically detect any material misstatements. The misstatements may originate from fraud or result from errors, and are considered material when one can reasonably expect that they may, individually or cumulatively, influence the economic decisions that the users of the financial statements make on the grounds of said statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment to certify the financial statements does not consist of guaranteeing the viability or the quality of your company's management.

As part of an audit carried out in accordance with standards of professional practice applicable in France, the Statutory Auditor exercises its professional judgement throughout this audit. Furthermore:

- they identify and assess the risks that the consolidated financial statements include material misstatements, whether due to fraud or error, define and implement audit procedures to counter these risks, and gather the information they deem sufficient and appropriate to establish their opinion. they identify and assess the risks that the annual financial statements include material misstatements, whether due to fraud or error, define and implement audit procedures to counter these risks, and gathers the information they deem sufficient and appropriate to establish their opinion. The risk of not detecting a material misstatement due to fraud is greater than that of a material misstatement due to error, because fraud may involve collusion, falsification, voluntary omissions, false declarations or bypassing the internal audit;

- they become familiar with the internal audit procedures for audit in order to define audit procedures appropriate for the circumstances, and not for the purpose of expressing an opinion on the efficiency of the internal control;
- they take into account the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them in the annual financial statements;
- they assess the appropriateness of management's application of the accounting convention of going and, according to the information collected, the existence or not of a material uncertainty related to events or circumstances that might call into question the Company's ability to continue its operations. This assessment relies on elements collected up to the date of the report, though it is noted that later circumstances or events might call into question the continuity of operations. If they conclude that there is a material uncertainty, they draw the attention of the readers of the report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is not relevant, they express a qualified opinion or a refusal to certify;
- they assess the overall presentation of the annual financial statements and assess whether the financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee, which specifically presents the scope of the audit and the programme of work followed, as well as the findings of our work. We also bring to its attention any significant weaknesses we have identified in the internal audit, concerning the procedures for preparing and processing accounting and financial information.

Amongst the items communicated in the report to the Audit Committee are the risks of material misstatements that we deem of greatest importance for the audit of the year's annual financial statements, and which constitute by this fact the key points of the audit, which it is incumbent upon us to describe in this report.

We also provide the Audit Committee with the statement provided for by Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics of the Profession of Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks influencing our independence and the safeguards applied.

Quincy Voisin and Bezannes, 13 April 2023

The statutory auditors

AUDIT & STRATEGY REVISION CERTIFICATION:	Philippe Dandon
MAZARS:	Marianne Carlier
MAZARS:	Jean-Maurice El Nouchi

5.4 Analysis of corporate results

5.4.1 Company business overview

The Company's revenue for the financial year was up by 14.07% to €340,307,000, compared to €298,333,000 in 2021.

As a reminder, the Company's revenue stems:
- on the one hand, from the marketing of the products of the Group's companies, including those of GRANDS DOMAINES DU LITTORAL, for an amount of €293,343,000, compared to €257,931,000 in 2021, of which €110,923,000 in France and €182,419,000 abroad; and
- on the other, from services, essentially to subsidiaries, for €46,964,000, compared to €40,402,000 in 2021, of which €45,698,000 in France and €1,265,000 abroad.

Overall, taking into account other income, subsidies and reversals on depreciation, amortisation and provisions, and transfers of expenses, operating income amounted to €342,467,000, compared to €300,507,000 in 2021, an increase of 13.96%. With operating expenses of €338,727,000, compared to €300,151,000 in 2021, the Company's operating income reached €3,741,000, compared to €357,000 in 2021. The financial result amounted to €45,000, compared to a financial result of €4,234,000 for the previous financial year. Pre-tax income was therefore €3,786,000, compared to €4,591,000 in 2021. Ultimately, taking into account an exceptional negative income of €420,000 and €162,000 in tax on profits of self-employment, the net profit of VRANKEN-POMMERY MONOPOLE in 2022 was €4,044,000, compared to a net profit of €4,185,000 in 2021.

5.4.2 Changes in statement of financial position structure

As at 31 December 2022, the fixed assets of VRANKEN-POMMERY MONOPOLE amounted, after €15,005,000 in depreciation and impairment, to €382,345,000, including €1,731,000 in intangible assets, €4,917,000 in fixed assets, and €375,697,000 in financial assets. Current assets amounted to €264,687,000, including €1,313,000 in advances and prepayments on orders, €258,954,000 in trade receivables and related accounts, €4,420,000 in marketable securities and cash and cash equivalents, and prepaid expenses of €1,314,000.

In addition, accruals amounted to €307,000 and unrealised exchange losses to €1,618,000. As a result, in view of the income for the financial year, the Company's equity at 31 December 2022 amounted to €290,219,000. Provisions for risks and liabilities amounted to €1,675,000. Debts amounted to €357,873,000, of which €147,682,000 in bonds, €44,428,000 in bank borrowings and debts to credit institutions, €29,832,000 in miscellaneous borrowings and debt, €121,255,000 in trade payables and related accounts, €12,733,000 in tax and social security debts and €1,935,000 in other liabilities. Accrual account liabilities came to €503,000. In total, as at 31 December 2022, the statement of financial position of VRANKEN-POMMERY MONOPOLE came to €650,270,000. Taking into account €3,471,000 in cash and €949,000 in marketable securities for €44,428,000 in bank borrowings and debts to credit institutions and €147,682,000 in bonds, the net financial debt ratio (debts to credit institutions less cash and marketable securities) to equity stood at 0.65 as at 31 December 2022, compared to 0.91 as at 31 December 2021, while the net financial debt to revenue ratio was 0.56 in 2022, compared to 0.90 at 31 December 2021.

The re-financing rate of the VRANKEN-POMMERY MONOPOLE Group companies came to an average of around 2.72%.

We also remind you that the Company's debt results mainly from bond issues, the financing of accounts receivable and, in particular, the financing of bank overdrafts (mobilisation of receivables), the financing of the back-up credit with a medium-term loan, investment financing, cash credits and support for subsidiaries.

5.4.3 Allocation of net income

The Board of Directors, at its meeting on 30 March 2023, noted that the net profit for the financial year ended 31 December 2022 was:

	€4,043,908.00
• to which is added previous retained earnings of:	€77,396,929.48
Totalling:	€81,440,837.48

And proposes to break it down as follows:

- to the special reserve for works of art, amounting to:	€48,451.96
- to retained earnings, amounting to:	€74,242,717.52
the balance of:	€7,149,668.00

being distributed to the Shareholders in the amount of €0.80 per share.

This dividend will be paid as of 13 July 2023, corresponding to a gross yield of 4.52% based on the share price of 29 March 2023.

We ask you to acknowledge that:

- dividends and similar distributions received by natural persons domiciled in France are subject to the non-full-discharge withholding tax (NWFP) of 12.8% provided for in Section I.-1. Article 117 quater of the French General Tax Code, as well as social security contributions of 17.20%, i.e. a total of 30.00%;
- these deductions are declared and paid by the distributing company no later than the 15th of the month following the month in which the dividends are paid (registration of the dividend as a credit to the shareholder's current account being proof of payment);
- in the absence of an express and irrevocable option by the taxpayer for taxation using the progressive income tax scale when the tax return is prepared, the income tax is definitively liquidated on a basis equal to the gross dividend, without rebate, by application of the single flat-rate withholding tax (PFU) of 12.80% provided for in Article 200 A of the French General Tax Code, less the NWFP paid by the distributing company,
- it is specified, in this respect, that in the event of the option for taxation using the progressive scale, this option is comprehensive and covers all income, net gains, profits and receivables falling within the scope of application of the PFU;
- in the event of an option for taxation using the progressive income tax scale, in accordance with the tax provisions in force and Article 243 bis of the French General Tax Code, and only for individuals who are tax residents in France having so opted, this dividend will be eligible in full for the 40.00% rebate provided for in Article 158-3 of the French General Tax Code;
- still for the aforementioned options for taxation using the progressive scale, the abovementioned deduction of 40.00% is applicable to the amount of the gross dividend received and 6.8% of the social security (CSG), paid when the income is received, is deductible from income; the NWFP paid by the distributing company is then offset against income tax, the surplus being refunded;
- natural persons belonging to a taxable household whose benchmark taxable income for the year before last is less than €50,000, for single, divorced or widowed taxpayers, or €75,000 for taxpayers subject to joint taxation, may ask to be dispensed from paying the NWFP. The request for dispensation must be made at latest on 30 November of the year preceding the year of payment.

5.4.4 Reminder of dividends paid

In respect of the last three financial years, dividend distributions were as follows:

Financial year	Total dividend	Dividend per share	Amount eligible for tax rebate of 40%(*). (Art. 158-3 of the French General Tax Code)
For 2019	-	-	-
For 2020	-	-	-
For 2021	€7,149,668.00	€0.80	€0.80(*)

(*) A 40% tax rebate is available only for dividends distributed to individuals who are tax residents in France.

5.4.5 Non-tax-deductible expenses

In accordance with the provisions of Articles 223-quater and quinquies of the French General Tax Code, we ask you to approve the amount of other "sumptuary" expenses and charges and the amount of excess depreciation, not deductible from the taxable income of the Company, as defined in Article 39.4 of the said Code, respectively €306,604 and €15,938 and the total amount of tax that they represent, i.e. approximately €80,636 at a theoretical corporate income tax rate of 25% not including additional contribution.

5.4.6 Company results over the last five financial years

In euros	2018	2019	2020	2021	2022
CAPITAL AT THE REPORTING DATE					
Share capital	134,056,275	134,056,275	134,056,275	134,056,275	134,056,275
Number of shares issued	8,937,085	8,937,085	8,937,085	8,937,085	8,937,085
Number of bonds convertible into shares	-	-	-	-	-
INCOME TRANSACTIONS FOR THE YEAR					
Turnover before tax	340,802,822	273,692,729	234,906,864	298,332,505	340,306,570
Profit (loss) before tax, employee profit-sharing and depreciation and provisions	-1,637,735	277,689	1,917,761	4,131,045	5,085,552
Income taxes	-2,732,029	-1,902,844	-1,178,193	-3,893	161,634
Profit (loss) after tax, employee profit-sharing, and depreciation and provisions	1,602,944	1,672,731	1,532,802	4,185,164	4,043,908
Income proposed for allocation	7,149,668	-	-	7,149,668	7,149,668
EARNINGS PER SHARE					
Profit (loss) after tax, employee profit-sharing, but before provisions for depreciation and provisions	0.12	0.24	0.35	0.46	0.55
Earnings after tax, employee profit-sharing, and depreciation and provisions	0.18	0.19	0.17	0.47	0.45
Dividend allocated to each share	0.80	-	-	0.80	0.80
STAFF					
Average staff employed during the year*	174	165	147	118	119
Annual payroll amount	8,738,353	8,225,815	6.852,524	5,921,336	6,489,173
Amount of benefits paid social security (social security, social work, etc.)	4,291,471	4,010,411	3,010,510	2,640,880	3,090,125

Sandwich course students included.

5.4.7 Information on payment terms

In accordance with the law, you will find below a table summarising the information on payment terms for the Company's suppliers and customers (in euros):

Article D. 441 Section I.-1°: invoices received and unpaid at the reporting date whose term has expired	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days plus	Total (1 day plus)
(A) Tranches of delayed payment						
Number of invoices concerned	323	65	110	65	572	812
Total invoice amount (incl. tax)	2,798,697	440,110	1,460,736	673,254	7,848,631	10,422,731
Percentage of total purchases for the financial year (incl. tax)	0.80%	0.10%	0.40%	0.20%	2.10%	2.80%
Percentage of revenue for the financial year (inc. tax)	-	-	-	-	-	-
(B) Invoices excluded from (A) relating to disputed or unpaid debts						
Number of excluded invoices						0
Total invoice amount (incl. tax)						0.00
(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Terms of payment used for the calculation of late payments	☒ Legal deadlines: Customers: 60 days – Transport: 30 days date of invoice ☒Contractual deadlines:					
Of which subsidiaries						9,919,638.53

Article D. 441 I-1°: invoices issued and unpaid on the closing date of the financial year that has elapsed	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days plus	Total (1 day plus)
(A) Tranches of delayed payment						
Number of invoices concerned	139	599	303	271	2,434	3,607
Total invoice amount (incl. tax)	959,546	9,203,880	4,489,855	1,060,399	1,796,350	16,550,484
Percentage of total amount of purchases for the financial year (incl. tax)	-	-	-	-	-	-
Percentage of revenue for the financial year (inc. tax)	0.26%	2.47%	1.21%	0.28%	0.48%	4.45%
Article D. 441 Section I.-1°: invoices issued and unpaid at the reporting date						
Number of excluded invoices	553					
Total invoice amount (incl. tax)	1,190,853.91					
(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Terms of payment used for the calculation of late payments	☒ Legal deadlines: 30 days end of month delivery date (alcoholic beverages subject to consumption duties) or 60 days net delivery date (alcoholic beverages subject to circulation duties and other products) ☐ Contractual documents: (please specify):					
Of which subsidiaries						2,978,690.14

5.4.8 Exceptional events and disputes

To the knowledge of the Company, to date there are no exceptional facts or disputes that may have or have in the past had a significant impact on the business, results, financial situation or assets of the Company and its subsidiaries.

5.4.9 Post-closing date events

No events occurred after the closure of the 2022 financial year.

6

ADDITIONAL INFORMATION AND CROSS-REFERENCE TABLE

6.1 Person responsible for the Universal Registration Document and the financial information

6.1.1 Persons responsible

• Person responsible for the Universal Registration Document
Paul-François Vranken
Chairman and Chief Executive Officer

• Person responsible for the financial information
Franck Delval
Chief Financial Officer
Phone number: +33 (0)3-26-61-62-34
E-mail: comfi@vrankenpommery.fr

6.1.2 Statement by person responsible for the Universal Registration Document

I hereby certify, to the best of my knowledge, that the information contained in this Universal Registration Document is accurate and contains no omission that may affect the scope thereof.

I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the Board of Director's management report referred to in the cross-reference table on page 190 of this Universal Registration Document presents a true and fair view of the evolution of the business, results and financial position of the Company and the financial position of all companies included in the consolidation and that it describes the main risks and uncertainties to which they are exposed.

Reims, 13 April 2023

Mr Paul-François Vranken
Chairman and Chief Executive Officer
of VRANKEN-POMMERY MONOPOLE

6.2 Statutory Auditors

PRINCIPAL

MAZARS
37, rue René CASSIN - 51430 BEZANNES
Date of appointment: 31 May 1995
Renewed for 6 financial years by the General Meeting of 5 June 2019

AUDIT & STRATEGY REVISION CERTIFICATION
15, Rue de la Bonne Rencontre - 77860 QUINCY-VOISINS
Date of appointment: 15 June 2001
Renewed for 6 financial years by the General Meeting of 5 June 2019

ALTERNATE

Pascal Ego
37, rue René CASSIN - 51430 BEZANNES
Date of appointment:
5 June 2019, to replace Christian Ameloot (for a term of six years)

RSA
11-13, avenue de Friedland - 75008 PARIS
Date of appointment: 11 June 2007
Renewed for 6 financial years by the General Meeting of 5 June 2019

Fees of the Statutory Auditors and members of their network

	Cabinet MAZARS						Cabinet AUDIT, STRATEGY, REVISION CERTIFICATION					
	Amounts (excl. VAT)			%			Amounts (excl. VAT)			%		
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020
Audit												
Statutory auditing, certification, review of individual and consolidated financial statements												
Issuer	€165,716	€126,000	€126,000	48%	41%	43%	€91,329	€87,382	€91,444	72%	66%	68%
Subsidiaries	€135,330	€125,400	€131,055	39%	41%	45%	€31,451	€42,007	€42,182	25%	32%	32%
Subtotal	€301,045	€251,400	€257,055	86%	83%	88%	€122,780	€129,389	€133,626	96%	98%	100%
Other due diligence procedures and services directly related to the mission of the Statutory Auditor												
Issuer	€22,031	€20,400	€14,000	6%	7%	5%	€4,855	€3,250	-	4%	2%	-
Subsidiaries	€25,200	€32,655	€20,854	7%	11%	7%	-	-	-	-	-	
Subtotal	€47,232	€53,055	€34,854	14%	17%	12%	€4,855	€3,250	-	4%	2%	-
Other services provided by the networks to fully consolidated subsidiaries												
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**€348,277**	**€304,455**	**€291,909**	**100%**	**100%**	**100%**	**€127,635**	**€132,639**	**€133,626**	**100%**	**100%**	**100%**

6.3 Information included by reference in the Universal Registration Document

Pursuant to Article 19 of European Regulation 2017/1129 of 14 April 2017, this Universal Registration Document, including the Annual Financial Report, incorporates by reference the following information:

- the management report, separate financial statements and consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group and the Statutory Auditors' report on the consolidated financial statements for the financial year ended 31 December 2021, as presented respectively on pages 172, 141 to 158, 99 to 132, 133 to 135 and 159 to 161 of the Universal Registration Document filed with the AMF on 13 April 2022 under number D.22-0287.
- the management report, separate financial statements and consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group and the Statutory Auditors' report on the consolidated financial statements for the financial year ended 31 December 2020, as presented respectively on pages 172, 141 to 158, 99 to 132, 133 to 135 and 159 to 161 of the Universal Registration Document filed with the AMF on 14 April 2021 under number D.21-0309.

The information included in these two Registration Documents other than that mentioned above is, as necessary, replaced and/or updated by the information included in this Registration Document.

6.4 Documents accessible to the public

All regulated information disseminated by VRANKEN-POMMERY MONOPOLE pursuant to Articles 221-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF) is available at the following address:

www.vrankenpommery.fr.

All documents relating to VRANKEN-POMMERY MONOPOLE that must be made available to the public (Articles of Association, reports, historical financial information on VRANKEN-POMMERY MONOPOLE and its subsidiaries referred to in this Registration Document, those relating to each of the two the financial years preceding the filing of this Registration Document as well as the Annual Reports and Registration Documents since 2000, the quarterly information and all regulated information) may be consulted, during the period of validity of the document, at the Group Secretariat General, the VRANKEN-POMMERY MONOPOLE registered office located at 51100 REIMS - 5, Place Général Gouraud and, where applicable, also in electronic format on the site:

www.vrankenpommery.fr

- **Information policy**

Contact: comfi@vrankenpommery.fr
Address: 5, place Général Gouraud BP 1049 - 51689 REIMS Cedex 2.
Website: www.vrankenpommery.com

• Management of shares - Pure registered accounts
Uptevia (replacing BNP PARIBAS SECURITIES SERVICES)
Grands Moulins de Pantin
CTO - Relation Actionnaire VRANKEN-POMMERY MONOPOLE
9, rue du Débarcadère - 93500 Pantin
Email:
PARIS.BP2S.SERVICE.ACTIONNAIRES.NOMINATIF@bnpparibas.com

Provisional timetable for financial announcements

General Meeting:	1 June 2023
2023 first half revenue	18 July 2023
2023 first half results:	11 September 2023

6.5 Cross-reference tables

CROSS-REFERENCE TABLE WITH THE HEADINGS IN APPENDICES 1 AND 2 OF THE EUROPEAN DELEGATED REGULATION 2019/980

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017, the following information is included in this Universal Registration Document:

- the main headings provided for in Appendices 1 and 2 of delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the provisions of Regulation (EU) 2017/1129 of 14 June 2017;
- the information that constitutes the Annual Financial Report required by Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation;
- the information that constitutes the Board of Director's management report required by the French Commercial Code;
- the information that constitutes the Board of Director's management report required by the French Commercial Code.

As a result and in accordance with the AMF position-recommendation DOC-2021-02, this Universal Registration Document is presented in the form of a "3-in-1 URD". The purpose of the cross-reference tables below is to facilitate the identification and location in this document of the information referred to above.

Number (continued)	Informations	Pages
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**	
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT**	
Section 12.1	Board of Directors and General Management	38-44
Section 12.2	Conflicts of interest in the administrative, management and supervisory bodies and General Management	36, 39 , 44-48
SECTION 13	**COMPENSATION AND BENEFITS**	
Section 13.1	Compensation and benefits in kind	49-54
Section 13.2	Amounts provisioned or otherwise recognised for the purpose of paying pensions, retirement or similar benefits	49- 54
SECTION 14	**FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES**	
Section 14.1	Date of expiration of current terms of office	38
Section 14.2	Service contracts	48-49
Section 14.3	Information about the Audit Committee and the Compensation Committee	46-47
Section 14.4	Statement of compliance with the applicable corporate governance regimes	36
Section 14.5	Potential material impacts on the corporate governance	N/A
SECTION 15	**EMPLOYEES**	
Section 15.1	Number of employees and breakdown of workforce	94-95
Section 15.2	Equity holdings and stock options	49-51
Section 15.3	Agreement on employee profit-sharing	32
SECTION 16	**MAIN SHAREHOLDERS**	
Section 16.1	Crossing of thresholds	30
Section 16.2	Existence of different voting rights	30, 55-56
Section 16.3	Control of the Company	31
Section 16.4	Agreement that may result in a change in control of the Company	N/A
SECTION 17	**RELATED-PARTY TRANSACTIONS**	**12-13, 148-149,176**
SECTION 18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS, LIABILITIES, FINANCIAL POSITION AND RESULTS**	
Section 18.1	Historical financial information	113-150, 159-176, 182
Section 18.2	Interim and other financial information	N/A
Section 18.3	Auditing of historical annual financial information	151-153, 177-179,207
Section 18.4	Pro forma financial information	N/A
Section 18.5	Dividend policy	180-181
Section 18.6	Judicial and arbitration proceedings	71, 132
Section 18.7	Significant change in the issuer's financial position	N/A
SECTION 19	**ADDITIONAL INFORMATION**	
Section 19.1	Share capital	
19.1.1	Capital subscribed	29-31
19.1.2	Other shares	29-31
19.1.3	Treasury shares	31-33
19.1.4	Securities	170
19.1.5	Conditions of acquisition	N/A
19.1.6	Options and agreements	N/A
19.1.7	History of the share capital	30
Section 19.2	Constitution and Articles of Association	
19.2.1	Corporate purpose	9
19.2.2	Rights and privileges of shares	55-56
19.2.3	Change of control provisions	N/A
SECTION 20	**MAJOR CONTRACTS**	**48-49**
SECTION 21	**DOCUMENTS AVAILABLE**	**187**

MANAGEMENT REPORT CROSS-REFERENCE TABLE

This Universal Registration Document includes all information contained in the Management Report as required by the French Commercial Code.

This information is presented on the following pages:

CORPORATE GOVERNANCE REPORT CROSS-REFERENCE TABLE

This Universal Registration Document includes all the information contained in the Corporate Governance Report as required by the French Commercial Code.

This information is presented on the following pages:

**Excluding the Covid-19 health crisis, the effects of which affect the Company's business and the entire Champagne branch.*

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

This Universal Registration Document includes all the elements of the Annual Financial Report, as mentioned in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

This information is presented on the following pages:

DOCUMENTS PRESENTED TO THE GENERAL MEETING

Agenda of the Combined General Meeting of 1 June 2023

Agenda of the Ordinary General Meeting:

- Report of the Board of Directors on the separate financial statements of VRANKEN-POMMERY MONOPOLE and the consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group at 31 December 2022;
- Board of Director's report on corporate governance;
- Special report on the share buyback programme;
- Reports of the Statutory Auditors;
- Approval of the VRANKEN-POMMERY MONOPOLE Group's annual financial statements for the financial year ended 31 December 2022;
- Approval of the VRANKEN-POMMERY MONOPOLE Group's consolidated financial statements for the financial year ended 31 December 2022;
- Appropriation of income - VRANKEN-POMMERY MONOPOLE;
- Approval of the agreements covered by Articles L. 225-38 et seq. of the French Commercial Code;
- Approval of the expenses referred to in Article 39.4 of the French General Tax Code;
- Share buyback programme;
- Directorships of Pauline VRANKEN,
- Directorships of Thierry GASCO,
- Approval of the compensation policy for Corporate Officers;
- Setting the compensation awarded to the members of the Board of Directors,
- Annual approval of the compensation of the Executive Corporate Officers,
- Other business,
- Powers to be conferred.

Agenda of the Extraordinary General Meeting:

- Report by the Board of Directors,
- Reports by the Statutory Auditors,
- Delegation of powers to the Board of Directors to alter the age limit for Corporate Officers and make consequential amendments to the articles of association,
- Share capital increase, capped at 3% of the share capital, restricted to the Company's employees, disapplying preferential subscription rights, delegation of authority granted to the Board of Directors for a period of 26 months and for a subscription price per share that may not be higher than the average of the prices quoted over the twenty trading sessions preceding the date of the Board of Directors' decision setting the start date for subscriptions, or more than 20% lower than that average,
- Delegation of powers to the Board of Directors to increase the Company's share capital through the issue, with preferential subscription rights, of shares and/or other securities in the Company that may provide immediate or future access to the Company's share capital and capped at a maximum nominal amount of €240,000,000, not to be combined with the following two delegations of authority,
- Delegation of powers to the Board of Directors to increase the Company's share capital through the issue, disapplying preferential subscription rights, of shares and/or other securities in the Company that may provide immediate or future access to the Company's share capital and capped at a maximum nominal amount of €240,000,000, not to be combined with the delegation of authority above or the delegation of authority below,
- Delegation of powers to the Board of Directors to issue shares and/or securities giving access to the Company's capital, disapplying preferential subscription rights, in connection with an offer via a private placement referred to in Article L.411-2 (II) of the French Monetary and Financial Code, capped at the nominal amount of €240,000,000, not to be combined with the two previous delegations of powers,
- Extension Clause in the event of an issue of shares or securities applying or disapplying preferential subscription rights,
- Delegation of powers to be granted to the Board of Directors to increase the share capital by capitalising reserves, profits, or issue or contribution premiums, capped at the nominal amount of €240,000,000,
- Authority to be granted to the Board of Directors to deduct from the payments relating to the aforementioned capital increases the costs, duties and fees incurred in connection with such capital increases, together with the additional payment to the legal reserve,
- Bonus awards of existing shares or shares to be issued in the company to categories of recipients chosen from the employees or corporate officers of the Company or its affiliates; authorisation granted to the Board of Directors,
- Delegation of powers to the Board of Directors to reduce the share capital by cancelling treasury shares held by the Company;
- Powers to be conferred,
- Other business.

Draft resolutions of the Combined General Meeting of 1 June 2023

RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

FIRST RESOLUTION

Approval of the separate financial statements for the year ended 31 December 2022

The Annual Ordinary General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors' reports on the annual financial statements of VRANKEN-POMMERY MONOPOLE for the financial year ended on 31 December 2022, approves those financial statements as presented, which show a net profit of €4,043,908.00.

It also approves all measures and operations reflected in those financial statements, or summarised in these reports.

Consequently, it discharges the Board of Directors from its duties.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended 31 December 2022

The Annual Ordinary General Meeting, having reviewed the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group for the financial year ending 31 December 2022, approves those financial statements, as presented to it, which show a net profit for the consolidated group of €10,272k and a Group share of consolidated net profit of €10,160k.

It also approves all measures and operations reflected in these financial statements, or summarised in these reports.

THIRD RESOLUTION

Allocation of income for the year ended 31 December 2022

The Annual Ordinary General Meeting resolves to allocate the net profit for the financial year ended 31 December 2022,

amounting to:	€4,043,908.00
• to which is added previous retained earnings of:	€77,396,929.48
Totalling:	€81,440,837.48

as follows:

• to the special reserve for works of art, amounting to:	€48,451.96
• to retained earnings, amounting to:	€74,242,717.52
• the balance of:	€7,149,668.00

being distributed to the Shareholders in the amount of €0.80 per share.

This dividend will be paid from 13 July 2023.

The Ordinary Annual General Meeting acknowledges that:

- dividends and similar distributions received by natural persons domiciled in France are subject to the non-full-discharge withholding tax (NWFP) of 12.80 % provided for in Section I.-1. Article 117 quater of the French General Tax Code, as well as social security contributions of 17.20%, i.e. a total of 30.00%;
- these deductions are declared and paid by the distributing company no later than the 15th of the month following the month in which the dividends are paid (registration of the dividend as a credit to the shareholder's current account being proof of payment);
- in the absence of an express and irrevocable option by the taxpayer for taxation using the progressive income tax scale when the tax return is prepared, the income tax is definitively liquidated on a basis equal to the gross dividend, without rebate, by application of the single flat-rate withholding tax (PFU) of 12.80% provided for in Article 200 A of the French General Tax Code, less the NWFP paid by the distributing company,
- it is specified, in this respect, that in the event of the option for taxation using the progressive scale, this option is comprehensive and covers all income, net gains, profits and receivables falling within the scope of application of the PFU;
- in the event of an option for taxation using the progressive income tax scale, in accordance with the tax provisions in force and Article 243 bis of the French General Tax Code, and only for individuals who are tax residents in France having so opted, this dividend will be eligible in full for the 40.00% rebate provided for in Article 158-3 of the French General Tax Code;
- still for the aforementioned options for taxation using the progressive scale, the abovementioned deduction of 40.00% is applicable to the amount of the gross dividend received and 6.80% of the social security (CSG), paid when the income is received, is deductible from income; the NWFP paid by the distributing company is then offset against income tax, the surplus being refunded;
- natural persons belonging to a taxable household whose benchmark taxable income for the year before last is less than €50,000, for single, divorced or widowed taxpayers, or €75,000 for taxpayers subject to joint taxation, may ask to be dispensed from paying the NWFP. The request for dispensation must be made no later than 30 November of the year preceding the year of payment.

Furthermore, and in accordance with the law, the Ordinary Annual General Meeting duly notes that over the last three years, the dividends paid have been as follows:

Financial year	Total dividend	Dividend per share	Amount eligible for tax rebate of 40%(*) (Art. 158-3 of the French General Tax Code)
For 2019	-	-	-
For 2020	-	-	-
For 2021	€7,149,668.00	€0.80	€0.80

(*) A 40% tax rebate is available only for dividends distributed to individuals who are tax residents in France.

FOURTH RESOLUTION

Approval of regulated agreements

The Annual Ordinary General Meeting duly notes that the Statutory Auditors' report on regulated agreements mentioned in Articles L. 225-38 et seq. of the French Commercial Code has been presented to it, and approves as required the agreements described therein.

FIFTH RESOLUTION

Approval of non-deductible expenses

The Annual Ordinary General Meeting, in accordance with the provisions of Articles 223 quater and quinquies of the French General Tax Code, approves the amount of other so-called "sumptuary" expenses and charges and the amount of excess depreciation, not deductible from the taxable income of the Company, as defined in Article 39.4 of that Code, respectively €306,604 and €15,937 and the total amount of tax that they represent, i.e. approximately €80,636 at a theoretical corporate income tax rate of 25% excluding the additional contribution.

SIXTH RESOLUTION

Authorisation to be granted to the Board of Directors to purchase, hold or transfer shares in the Company

The Annual Ordinary General Meeting, having reviewed the Board of Directors' report, resolves:

- to end the current share buyback programme approved by the Annual Combined Ordinary and Extraordinary General Meeting of 2 June 2022;
- in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, European Regulation 596/2014 of 16 April 2014, the European regulations related to it, the French Monetary and Financial Code, the General Rules of the French Financial Markets Authority (AMF) and market practices allowed by the AMF, to authorise the Board of Directors to purchase Company shares on the stock market with the following objectives, in decreasing order of priority:
  - to boost the share price or the liquidity of the share (through repurchase or sale), by an investment services provider acting independently under a liquidity agreement,
  - to purchase shares with a view to retaining them and subsequently using them in exchange or as payment in the context of external growth operations, up to a limit of 5% of the share capital,
  - to award these shares to employees and authorised corporate officers of the Company or its Group, award stock options under the provisions of Articles L. 225-179 et seq. of the French Commercial Code, or award free bonus shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, or for their participation in the fruits of the Company's expansion or as part of a shareholding plan or a company savings plan.
  - to deliver these shares upon the exercise of rights attached to securities giving right by conversion, exercise, redemption or exchange to the allocation of shares of the Company, in accordance with stock market regulations, or cancel these shares in order, notably, to increase the return on equity and earnings per share and/or to neutralise the dilutive impact on shareholders of capital increase transactions; this last objective being subject to the exercise by the Board of Directors of the delegation granted to it by the Extraordinary General Meeting of 2 June 2022, to reduce the share capital by cancelling treasury shares, a delegation which is being renewed today;
  - to, more generally, carry out any transaction that is, or may in the future be, authorised by the regulations in force, or that is part of a market practice that is, or may in the future be, authorised by the French Financial Markets Authority (AMF),
- that the maximum purchase price per share may be set at no more than €37.50 (thirty-seven euros and fifty cents) excluding costs, taking into account changes in the share price;
- that the Board of Directors may, however, adjust the aforementioned purchase price in the event of a change in the nominal value of the share, a capital increase by incorporation of reserves and allocation of free bonus shares, a stock split or reverse stock split, amortisation or reduction of capital, distribution of reserves or other assets and any other transactions affecting the equity, to take into account the impact of such transactions on the value of the share;
- that the number of shares likely to be held, under this authorisation, during the aforementioned period, may not exceed 10% of the share capital, or 893,708 shares, subject to legal and regulatory provisions limiting the number of shares that may be owned by the Company directly or through a person acting in their own name but on behalf of the Company, the Ordinary General Meeting noting that in consideration of the 58,111 treasury shares held on 30 March 2023, the maximum number of shares that VRANKEN-POMMERY MONOPOLE could acquire is 835,597 for a maximum amount of €31,334,888;
- that the theoretical maximum amount of funds allocated to this share buyback programme is €31,334,888 for 10% of the share capital, taking into account the 58,111 treasury shares held at 31 December 2022;
- that the shares may be purchased by any means, and in whole or in part, by interventions on the market or by purchases of blocks of shares and, where applicable, by over-the-counter sale, by public offering of purchase or exchange or through the use of options or derivative instruments and at the times that the Board of Directors deems appropriate, including during periods of public offerings within the limits of stock market regulations. The shares acquired under this authorisation may be held, sold or transferred by any means, including by the sale of blocks of shares, and at any time, including during a public offer;
- to confer, in view of ensuring the execution of this resolution, full powers to the Board of Directors, with the capacity to sub-delegate these powers, in particular to:
  - proceed with the actual completion of the transactions, decide on the procedures and conditions;
  - negotiate and sign all contracts with any investment services provider of its choice performing independently as part of a liquidity agreement;

- place all orders on or off the market through equity or loan funds;
- adjust the purchase price of the shares to take into account the impact of the aforementioned transactions on the value of the share;
- enter into any agreements with a view, in particular, to the keeping of share purchase and sale records;
- file all declarations with the AMF and all other bodies;
- complete all other formalities, and generally do all that will be necessary;

• that this authorisation is granted for a period of 18 months beginning on the date of this Annual Ordinary General Meeting, i.e. until 30 November 2024.

At the end of the period, any shares acquired within the framework of the present share buyback programme that have not been re-sold shall be listed in the Company's separate financial statements under investment securities. The shares held by the Company shall have no voting rights and the dividends attached to these shares shall be carried forward.

SEVENTH RESOLUTION

Reappointment of a Director

The Ordinary Annual General Meeting,

The Annual Ordinary General Meeting, after noting that the term of office of Pauline Vranken expires at the end of this Meeting,

resolves to reappoint her for a period of three financial years, expiring on the date of the General Meeting called in 2026 to vote on the financial statements for the period ending 31 December 2025.

EIGHTH RESOLUTION

Reappointment of a Director

The Annual Ordinary General Meeting, after noting that the term of office of Thierry Gasco expires at the end of this Meeting,

resolves to reappoint him for a period of three financial years, expiring on the date of the General Meeting called in 2026 to vote on the financial statements for the period ending 31 December 2025.

NINTH RESOLUTION

Approval of the information relating to the compensation of the corporate officers referred to in Section I of Article L. 22-10-9 of the French Commercial Code for the 2022 financial year

The Annual Ordinary General Meeting, having taken note of the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code presented therein, namely the total amount of compensation and benefits of any kind paid during or granted by the Company to the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the members of the Board of Directors for the financial year ended 31 December 2022.

TENTH RESOLUTION

Approval of the components of the compensation paid during or granted for the financial year ended 31 December 2022 to Paul-François Vranken, Chairman and Chief Executive Officer

The Annual Ordinary General Meeting, having taken note of the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the total compensation, the compensation allocated for acting as Director and the benefits of any kind paid by the Company during the financial year ended 31 December 2022 or granted in respect of the same financial year to Paul-François Vranken, Chairman and Chief Executive Officer, as described in that report.

ELEVENTH RESOLUTION

Approval of the compensation policy for executive corporate officers for the 2023 financial year

The Annual Ordinary General Meeting, having reviewed the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, in accordance with Article L. 22-10- 8-II of the French Commercial Code, the compensation policy for executive corporate officers for the 2023 financial year as described therein.

TWELFTH RESOLUTION

Approval of the compensation policy for Directors for the 2023 financial year

The shareholders at the Annual Ordinary General Meeting, having reviewed the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approve, in accordance with Article L. 22-10- 8-II of the French Commercial Code, the compensation policy for Directors for the 2023 financial year, as described therein.

THIRTEENTH RESOLUTION

Powers to be conferred

The shareholders at the Annual Ordinary General Meeting confer full powers on the bearer of an excerpt or copy hereof to carry out all legal formalities.

RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY GENERAL MEETING

FOURTEENTH RESOLUTION

Change to the age limit for Corporate Officers in Articles 15, 17 and 20 of the Articles of Association

The Extraordinary General Meeting,

Resolves to set the age limit for Corporate Officers at 99, to replace the current age limit of 80,

Resolves to set the age limit for Directors at 99, to replace the current age limit of 80, and to accordingly amend Section II of Article 15 of the Articles of Association as follows:

"ARTICLE 15 - BOARD OF DIRECTORS

.../...

II - Their term of office shall last three years.

A Director's term of office shall expire at the end of the Ordinary General Meeting called to approve the financial statements for the previous financial year, held in the year in which that Director's term of office expires.

Directors may always be reappointed.

They may be removed from office at any time by the Ordinary General Meeting.

No one may be appointed a Director if, having passed the age of 99, his or her appointment has the effect of raising the number of Directors that have passed this age to more than one-third of the Board members. If, due to the fact that a Director in office exceeds the age of 99, the aforementioned proportion of one-third is exceeded, the oldest Director shall be deemed to have resigned automatically at the end of the next Ordinary General Meeting

.../..."

Resolves to set the age limit for the Chairman at 99, to replace the current age limit of 80, and to accordingly amend Section I of Article 17 of the Articles of Association as follows:

"ARTICLE 17 - OFFICERS OF THE BOARD

I - Chairman

The Board of Directors elects a chairman from its members who must be a natural person, failing which the appointment shall be invalid. It shall set the level of his or her remuneration.

The Chairman of the Board of Directors must be less than 99 years old in order to hold office.

If this age limit is reached during the course of his or her duties, the Chairman of the Board of Directors shall be considered to have left office at the end of the next Board of Directors' meeting and a new Chairman shall be named on the conditions set out in this article.

The Chairman shall be appointed for a term that may not exceed his or her term of office as a director. He or she may be reappointed. The Board of Directors may remove the Chairman from office at any time. In the event that the Chairman dies or is temporarily unable to carry out his or her duties, the Board of Directors may delegate the Chairman's duties to a Director.

In the event that the Chairman is temporarily unable to carry out his or her duties, this delegation shall be granted for a limited period and is renewable. In the event that the Chairman dies, the delegation shall apply until the appointment of a new Chairman.

.../..."

And resolves to set the age limit for the Chief Executive Officers and Deputy Chief Executive Officers at 99, to replace the current age limit of 80, and to accordingly amend Section II-1 of Article 20 of the Articles of Association as follows:

"ARTICLE 20 - EXECUTIVE MANAGEMENT - DELEGATION OF POWERS - SIGNING AUTHORITY

.../...

II - Chief Executive Officer

1 - Appointment - Removal

Depending on the choice made by the Board of Directors in accordance with the provisions of § I above, Executive Management is carried out either by the Chairman, or by a natural person appointed by the Board of Directors with the title of Chief Executive Officer. Where the Board of Directors chooses to separate the roles of Chairman and Chief Executive Officer, it shall appoint the Chief Executive Officer, set the length of his or her term of office, which may be different from the term of office of the Chairman, determines his or her remuneration on the conditions set out below and places any limits on his or her powers. The Chief Executive Officer must be less than 99 years old in order to hold office. If this age limit is reached during the course of his or her duties, the Chief Executive Officer shall be considered to have left office at the end of the next Board of Directors' meeting and a new Chief Executive Officer shall be named. The Chief Executive Officer may be removed from office by the Board of Directors at any time. Where the Chief Executive Officer is not also the Chairman of the Board of Directors, he or she may claim damages if dismissed without just cause.

.../...

III - Deputy Chief Executive Officers

On a proposal by the Chief Executive Officer, irrespective of whether this office is held by the Chairman of the Board of Directors or by any other person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The maximum number of Deputy Chief Executive Officers is five.

A Deputy Chief Executive Officer must be less than 99 years old in order to hold office. If this age limit is reached during the course of his or her duties, the Deputy Chief Executive Officer shall be considered to have left office at the end of the next Board of Directors' meeting and a new Deputy Chief Executive Officer may be named.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to Deputy Chief Executive Officers.

With respect to third parties, the Deputy Chief Executive Officer(s) shall have the same powers as the Chief Executive Officer.

The Board of Directors shall determine the remuneration of the Deputy Chief Executive Officers as set forth below.

In the event that the Chief Executive Officer ceases to hold office or is prevented from doing so, Deputy Chief Executive Officers shall, unless the Board of Directors decides otherwise, retain their functions and powers until the appointment of a new Chief Executive Officer.

.../..."

FIFTEENTH RESOLUTION

Share capital increase, capped at 3% of the share capital, restricted to the Company's employees, disapplying preferential subscription rights, delegation of authority and decision-making and implementation powers to be granted to the Board of Directors,

The Extraordinary General Meeting, having reviewed the Report of the Board of Directors and the special report of the Statutory Auditors and pursuant to Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code relating to capital increases restricted to employees:

1) delegates to the Board of Directors the power to issue, on one or more occasions, at its discretion, in the proportions and at the times it sees fit, shares or securities conferring access to the Company's share capital, restricted to employees, corporate officers and eligible former employees of the Company and French or non-French companies connected to it within the meaning of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, that are members of a Company Savings Plan;
2) resolves to disapply, in favour of the employees, corporate officers and eligible former employees of the Company and French or non-French companies connected to it within the meaning of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, which are members of a Company Savings Plan, the preferential subscription rights for shareholders attached to shares or securities conferring access to the Company's share capital, it being specified that the shares or securities conferring access to the Company's share capital issued pursuant to this resolution may be subscribed for through company mutual funds, in particular "formula" company mutual funds within the meaning of the regulations of the AMF or of any other collective body authorised by those regulations;
3) sets at 26 months, beginning on the date of this General Meeting, the period of validity of this delegation of authority, and notes that this delegation supersedes, in respect of its unused portion, any previous delegation of authority with the same purpose, it being understood that in the event of a public offer for the Company's shares being made by a third party, the Board of Directors may not, without the prior authorisation of the General Meeting, use this authorisation during the offer period;
4) resolves to set at 3% of the share capital in existence at the date of this General Meeting, the amount of the capital increase that may be carried out (i.e., for information purposes, as at 31 December 2022, a share capital increase of a nominal amount of €4,021,695 through the issue of 268,113 new shares);
5) resolves that the subscription price may include a discount based on the average of the prices listed on the Euronext Paris market during the twenty trading days preceding the date of the decision that sets the opening date of the subscription period, which may not exceed 20% of such average, it being specified that the Board of Directors, or its delegatee, as it sees fit, is expressly authorised to reduce or cancel the discount, in particular to comply with the legal and tax regimes applicable in the countries in which the beneficiaries of the capital increase are resident;
6) resolves, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors may decide to award to the recipients referred to above, existing or new bonus shares, in respect of any matching contribution that may be paid under the rule(s) of the Company Savings Plan(s), and/or in respect of the discount, provided that their equivalent monetary value, calculated based on their subscription price, does not cause the limits provided for in Articles L. 3332-11 and L. 3332-19 of the French Labour Code to be breached;
7) resolves that the Board of Directors shall have all powers, with the right to sub-delegate on the conditions set by law, to implement this delegation, within the limits and under the conditions set out above, to:
   - set the conditions that need to be met by eligible employees and former employees to be able to subscribe, individually or through a company mutual fund, for the securities issued pursuant to this delegation of authority,
   - draw up a list of the companies whose employees may benefit from the issue of such shares,
   - determine the amount to be issued, any characteristics of the securities conferring access to the Company's share capital, the issue price, the dates of the subscription period and the terms of each issue,
   - set the period granted to beneficiaries to pay up their shares and the payment procedures,
   - set the date, which may be retroactive, on which the new shares will carry the right to dividends, deduct any costs, duties and fees resulting from such issues from the amount of the issue premiums and deduct from the amounts of the issue premiums any amounts required in order to increase the legal reserve to the level required under applicable laws and regulations, and, in the event that new bonus shares are issued in respect of the matching contribution and/or discount, deduct, where applicable, the amounts required to pay up such shares from the reserves, profits or issue premiums, at its discretion,
   - in general, carry out all acts and formalities, make all decisions and enter into all agreements that are useful or necessary to the successful completion of the issues carried out pursuant to this delegation of authority and to record the completion of the capital increase(s) carried out pursuant to this delegation of authority and amend the Articles of Association accordingly.

SIXTEENTH RESOLUTION

Delegation of authority, decision-making and implementation powers to be granted to the Board of Directors to increase the Company's share capital through the issue, with preferential subscription rights, of shares and/or other securities in the Company that may provide immediate or future access to the Company's share capital and capped at a maximum nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and having noted that the share capital was fully paid up, and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-132, L. 228-91 and L. 228-92 of the French Commercial Code:

1. delegates to the Board of Directors its authority to decide to issue, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, shares in the Company and any securities of any nature whatsoever conferring access, immediately and/or in the future, to shares in the Company.
2. resolves that the amount of the share capital increases that may be carried out immediately and/or in the future pursuant to this delegation of authority may not exceed a nominal value of €240,000,000, plus, where applicable, the nominal amount of the additional shares to be issued to protect, in the manner required by law, the rights of holders of securities conferring a right to shares, it being specified that the amount of the capital increases that may be carried out pursuant to the seventeenth and eighteenth resolutions of this General Meeting shall count towards this amount.
3. further resolves that the nominal amount of the debt securities that may be issued pursuant to this delegation of authority may not exceed €240,000,000, it being specified that the amount of the debt securities that may be issued pursuant to the seventeenth and eighteenth resolutions of this General Meeting shall count towards this amount.
4. resolves that the Shareholders may exercise, under the conditions provided for by law, their preferential subscription rights on a proportional basis. The Board of Directors shall also have the option of granting the Shareholders the right to subscribe for a number of securities in excess of the number for which they may subscribe on a proportional basis, pro rata to the subscription rights they hold and, in any event, they shall not be issued with a number of shares that exceeds the number for which they applied.

   If subscriptions in proportion to existing holdings and, where applicable, for excess shares are insufficient to absorb the entire issue of shares or securities as described above, the Board may, pursuant to Article L. 225-134 of the French Commercial Code and in the order it deems appropriate, do either or both of the following:
   - limit the issue to the amount of the subscriptions received, provided that this amount is at least equal to three-quarters of the approved issue;
   - award some or all of the unsubscribed shares as it sees fit;
   - offer some or all of the unsubscribed shares to the public.
5. resolves that warrants over shares in the Company may be issued, pursuant to Articles L. 228-91 et seq. of the French Commercial Code, either through a subscription offer under the conditions set out above, or through an award of bonus shares to the owners of existing shares.
6. notes that, where applicable, this delegation of authority shall automatically require the Shareholders to waive, in favour of the holders of securities issued pursuant to this resolution and conferring access in the future to shares that may be issued in the Company, their preferential right to subscribe for the shares to which such securities give right.
7. resolves that the issue price of the equity securities that may be issued pursuant to this delegation of authority shall be determined by the Board of Directors and that the amount paid or to be paid to the Company for each of the shares issued pursuant to this delegation of authority shall be at least equal to the nominal value of the shares on the date of issue of such securities.
8. resolves that the Board of Directors shall have full authority, with the option to sub-delegate to the Chairman and Chief Executive Officer, or to the Chief Executive Officer, as the case may be, under the conditions provided for by law, to implement this delegation of authority, including to determine the dates and terms of the issues and the type and characteristics of the securities to be created, to determine the prices and conditions of the issues, to set the amounts to be issued, to set the date, which may be retroactive, on which the securities to be issued will carry the right to dividends, to determine the procedure for paying up the shares or other securities issued and, where applicable, to determine the conditions on which they may be purchased on the stock market, the option of suspending the exercise of the right to award shares attached to the securities to be issued for a period that may not exceed three months, to set the terms and conditions on which the rights of holders of securities conferring access to the share capital will be protected in accordance with laws and regulations.

   The Board may also, where necessary, deduct any amount from the issue premium(s), including any costs incurred in connection with the issues, and any costs, duties and fees resulting the issues, from the amount of the corresponding premiums and deduct from that amount the sums required to be added to the legal reserve and, more generally, take all necessary steps and enter into any agreements in order to successfully complete the proposed issues and record the capital increase(s) resulting from any issue carried out pursuant to this delegation and amend the Articles of Association accordingly. In the event that debt securities are issued, the Board of Directors shall have full authority to determine whether or not such securities shall be subordinated, to set their interest rate, their maturity and their fixed or variable redemption price, with or without premium, the terms of repayment in accordance with market conditions and the conditions under which these securities will confer a right to shares in the Company.
9. Resolves that this delegation of authority supersedes any previous delegation relating to the immediate and/or future issue of shares in the Company with preferential subscription rights.

The delegation thus granted to the Board of Directors is valid from this Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

SEVENTEENTH RESOLUTION

Delegation of authority, decision-making and implementation powers to be granted to the Board of Directors to increase the Company's share capital through the issue, disapplying preferential subscription rights, of shares and/or other securities in the Company that may provide immediate or future access to the Company's share capital and capped at a maximum nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and, pursuant to Articles L. 225-129 et seq. of the French

Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of that Code, and Articles L. 228-91 et seq. of that Code:

1. delegates to the Board of Directors, with the option to sub-delegate, under the conditions provided for by law, its authority to issue, on one or more occasions, in the proportions and at the times it sees fit, subject to the provisions of Article L. 233-32 of the French Commercial Code, either within or outside France, by way of a public offering, in euros or in any other currency or monetary unit established by reference to several currencies, shares in the Company (excluding preference shares), as well as any securities of any nature whatsoever conferring access, by any means, immediately and/or in the future, to the Company's share capital, whether new or existing shares, whether or not in return for payment, it being specified that such shares or securities may be subscribed for either in cash or by offsetting amounts owed by the Company.
2. resolves to set limits on the amounts of authorised capital increases, in the event that the Board of Directors exercises its rights under this delegation, as follows:
   - the maximum nominal amount of the capital increases that may be carried out immediately and/or in the future under this delegation of authority is set at €240,000,000, it being specified that this amount shall count towards the total amount of the cap provided for in the sixteenth and eighteenth resolutions of this General Meeting or, where applicable, towards the amount of the overall cap that may be provided for in a resolution of the same nature that may replace such resolution during the period of validity of this delegation of authority;
   - to these caps will be added the nominal amount of any additional shares to be issued to protect the rights of holders of securities conferring access to the share capital, in accordance with applicable laws and regulations and, where applicable, applicable contractual provisions;
   - the maximum nominal amount (or its equivalent value in euros in the event of an issue in a foreign currency or in a monetary unit established by reference to several currencies) of debt securities conferring access to the Company's share capital is limited to €240,000,000, it being specified that this amount shall count towards the amount of the overall cap provided for in paragraph 3 of the sixteenth and eighteenth resolutions of this General Meeting.
3. resolves to set at twenty-six months, beginning on the date of this General Meeting, the validity period of the delegation of authority that is the subject of this resolution.
4. resolves to waive Shareholders' preferential subscription rights over the securities that are the subject of this resolution, with the option granted to the Board of Directors to grant shareholders, during a period and in accordance with procedures that it shall determine, in accordance with applicable laws and regulations, and in respect of all or part of an issue, a priority subscription period that shall not result in the creation of negotiable rights and which must be exercised pro rata to the number of shares owned by each shareholder and which may be supplemented by a subscription for any surplus shares, it being specified that any securities not subscribed for in this manner shall be the subject of a public placement in France or abroad.
5. notes that, in the event that the subscriptions including any subscriptions by the Shareholders are insufficient to absorb the entire issue of shares or securities as described above, the Board may, in the order it deems appropriate, do either or both of the following:
   - limit, where applicable, the issue to the amount of subscriptions, provided that this amount is at least three-quarters of the approved issue;
   - award some or all of the unsubscribed shares as it sees fit.
6. notes that this delegation of authority shall automatically require the shareholders to explicitly waive, in favour of the holders of securities issued and conferring access to the Company's share capital, their preferential right to subscribe for the shares to which such securities give right.
7. resolves that the issue price of the shares or securities conferring access to the share capital to be issued pursuant to this resolution shall be determined in accordance with the provisions of Article L. 225-136 of the French Commercial Code.
8. resolves that the Board of Directors shall have the authority, with the option to sub-delegate under the conditions determined by law, to implement this delegation of authority, specifically to:
   - decide on the issue and determine the securities to be issued;
   - determine the amount of the issue, the issue price and the amount of any premium payable on issue;
   - determine the dates and the terms of the issue, the type, number and characteristics of the securities to be created, including, in relation to bonds or debt securities, whether or not they are subordinated, their interest rate, maturity, fixed or variable redemption price, whether or not a premium is payable and their repayment method;
   - determine the procedure for paying up the new shares or securities conferring access, immediately or in the future, to the share capital;
   - set, where applicable, the procedures for exercising rights (where applicable, conversion, exchange and redemption rights, including through the delivery of assets owned by the Company, such as treasury shares or securities previously issued by the Company) attached to the shares or securities conferring immediate or future access to the share capital to be issued, including the date, which may be retroactive, on which the new shares will carry the right to dividends, and any other conditions and procedures for implementing the capital increase;
   - set the terms under which the Company shall, where applicable, be able to purchase the securities that are issued or that may be issued in the future or trade such securities on the stock market, at any time or during defined periods, whether or not with a view to cancelling such securities in accordance with the law;
   - provide for the option of suspending the rights attached to the securities issued, in accordance with laws and regulations;
   - in the event that securities are issued in consideration for securities contributed as part of a public offering with an

exchange component carried out in France or abroad, draw up a list of the securities contributed as part of the exchange, determine the conditions of the issue, the exchange ratio and the amount of any cash balancing payment to be made and record the number of securities contributed to the exchange;
- at its sole discretion, deduct the costs of the capital increases from the amount of the associated premiums and deduct from that sum the amounts required to be paid into the legal reserve;
- make any adjustments to reflect the effect of the transactions in the Company's capital or to protect the rights of holders of securities conferring access to the share capital, in accordance with applicable laws and regulations and, where applicable, applicable contractual provisions;
- record the completion of each capital increase and make any consequential amendments to the articles of association;
- more generally, sign all agreements, in particular to successfully complete the proposed issues, take all necessary steps and complete all formalities that are useful to the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority, as well as for the exercise of the related rights.

9. notes that this delegation of authority supersedes, as from the date hereof, any previous delegation of authority of the same nature.

The delegation thus granted to the Board of Directors is valid from this Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. twenty-six months.

EIGHTEENTH RESOLUTION

Delegation of powers to the Board of Directors to increase, by way of a private placement, the number of securities to be issued in the event of an issue of shares of securities giving access to the Company's share capital, disapplying preferential subscription rights, capped at the nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and, pursuant to Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136, and Articles L. 228-91 et seq. of that Code:

1. delegates to the Board of Directors, with the option to sub-delegate, under the conditions provided for by law, its authority to issue, on one or more occasions, in the proportions and at the times it sees fit, either within or outside France, by way of a private placement referred to in Article L. 411-2 of the French Monetary and Financial Code, either in euros or in any other currency or in any other currency or monetary unit established by reference to several currencies, shares (excluding preference shares) or securities conferring access, by any means, immediately and/or in the future, to the Company's share capital, whether new or existing shares, whether or not in return for payment, it being specified that such shares or securities may be subscribed for either in cash or by offsetting amounts owed by the Company.
2. notes that the issues of equity securities that may be carried out pursuant to this delegation of authority are limited to 20% of the share capital each year, it being specified that annual periods shall begin on the date of each issue carried out pursuant to this delegation of authority.
3. resolves to set limits on the amounts of authorised capital increases, in the event that the Board of Directors exercises its rights under this delegation, as follows:
   - the maximum nominal amount of the capital increases that may be carried out immediately or in the future under this delegation of authority is set, without prejudice to section 2 above, at €240,000,000, it being specified that this amount shall count towards the total amount of the cap provided for in paragraph 2 of the sixteenth and seventeenth resolutions of this General Meeting or, where applicable, towards the amount of the overall cap that may be provided for in a resolution of the same nature that may replace such resolution during the period of validity of this delegation of authority;
   - to these caps will be added the nominal amount of any shares to be issued to protect the rights of holders of securities conferring access to the share capital, in accordance with applicable laws and regulations and, where applicable, applicable contractual provisions;
   - the maximum nominal amount (or its equivalent value in euros in the event of an issue in a foreign currency or in a monetary unit established by reference to several currencies) of debt securities conferring access to the Company's share capital is limited to €240,000,000, it being specified that this amount shall count towards the amount of the overall cap provided for in paragraph 3 of the sixteenth and seventeenth resolutions of this General Meeting.
4. sets at twenty-six months, beginning on the date of this General Meeting, the validity period of the delegation of authority that is the subject of this resolution.
5. resolves to waive Shareholders' preferential subscription rights over the securities that are the subject of this resolution, with the option granted to the Board of Directors, under paragraph 5 of Article L. 225-135 of the French Commercial Code, to grant the Shareholders, during a period and in accordance with procedures that it shall determine, in accordance with applicable laws and regulations, and in respect of all or part of an issue, a priority subscription period that shall not result in the creation of negotiable rights and which must be exercised pro rata to the number of shares owned by each shareholder and which may be supplemented by a subscription for any surplus shares, it being specified that any securities not subscribed for in this manner shall be the subject of a private placement referred to in Article L. 411-2 of the French Monetary and Financial Code either in France or abroad.
6. notes that, in the event that the subscriptions including any subscriptions by the Shareholders are insufficient to absorb an entire issue, the Board may limit the amount of the transaction to the amount of subscriptions received, provided that amount is at least equal to three-quarters of the approved issue.
7. notes that this delegation of authority shall automatically require the shareholders to explicitly waive, in favour of the holders of securities issued and conferring access to the Company's share

capital, their preferential right to subscribe for the shares to which such securities give right.

8. resolves that the issue price of the shares or securities conferring access to the share capital to be issued pursuant to this resolution shall be determined in accordance with the provisions of Article L. 225-136 of the French Commercial Code.
9. resolves that the Board of Directors shall have the authority, with the option to sub-delegate under the conditions determined by law have all powers, to implement this delegation of authority, specifically to:
   - decide on the issue and determine the securities to be issued;
   - determine the amount of the issue, the issue price and the amount of any premium payable on issue;
   - determine the dates and the terms of the issue, the type, number and characteristics of the securities to be created, including, in relation to bonds or debt securities, whether or not they are subordinated, their interest rate, maturity, fixed or variable redemption price, whether or not a premium is payable and their repayment method;
   - determine the procedure for paying up the new shares or securities conferring access, immediately or in the future, to the share capital;
   - set, where applicable, the procedures for exercising rights (where applicable, conversion, exchange and redemption rights, including through the delivery of assets owned by the Company, such as treasury shares or securities previously issued by the Company) attached to the shares or securities conferring immediate or future access to the share capital to be issued, including the date, which may be retroactive, on which the new shares will carry the right to dividends, and any other conditions and procedures for implementing the capital increase;
   - set the terms under which the Company shall, where applicable, be able to purchase the securities that are issued or that may be issued in the future or trade such securities on the stock market, at any time or during defined periods, whether or not with a view to cancelling such securities in accordance with the law;
   - provide for the option of suspending the rights attached to the securities issued, in accordance with laws and regulations;
   - at its sole discretion, deduct the costs of the capital increases from the amount of the associated premiums and deduct from that sum the amounts required to be paid into the legal reserve;
   - make any adjustments to reflect the effect of the transactions in the Company's capital or to protect the rights of holders of securities conferring access to the share capital, in accordance with applicable laws and regulations and, where applicable, applicable contractual provisions;
   - record the completion of each capital increase and make any consequential amendments to the articles of association;
   - more generally, sign all agreements, in particular to successfully complete the proposed issues, take all necessary steps and complete all formalities that are useful to the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority, as well as for the exercise of the related rights.
10. notes that this delegation of authority supersedes, as from the date hereof, any previous delegation of authority of the same nature.

The delegation thus granted to the Board of Directors is valid from this Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

NINETEENTH RESOLUTION

Delegation of powers to the Board of Directors to increase the number of securities to be issued in the event of an issue of shares or securities conferring access to the share capital, applying or disapplying preferential subscription rights, at the same price used on the initial issue and capped at 15% of that issue

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with Article L. 225-135-1 of the French Commercial Code:

1. delegates to the Board of Directors its authority, with the option to sub-delegate, under the conditions provided for by law, to increase the number of securities to be issued in the event of the issue of shares or securities conferring access to the share capital, applying or disapplying preferential subscription rights, at the same price used on the initial issue, within the timeframes and subject to the limits set out in the regulations in force on the date of the issue (currently within thirty days of subscriptions being closed and capped at 15% of the initial issue), in particular with a view to granting an over-allocation option in accordance with market practices.
2. resolves that the amount of the issues carried out pursuant to this resolution shall count towards the cap applicable to the initial issue.
3. notes that this delegation of authority supersedes, as from the date hereof, any previous delegation of authority of the same nature.

This delegation of authority is granted for a period of twenty-six months beginning on the date of this General Meeting.

TWENTIETH RESOLUTION

Delegation of authority, decision-making and implementation powers to be granted to the Board of Directors to increase the share capital by capitalising reserves, profits, or issue, merger or contribution premiums, capped at the nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the Report of the Board of Directors, delegates to the Board its authority to increase the share capital, on one or more occasions, capped at a maximum nominal amount of €240,000,000, through the successive or simultaneous capitalisation of all or part of the reserves, profits or issue, merger or contribution premiums, to be carried out via the creation and allotment, for no consideration, of shares, or via an increase in the nominal value of the shares or via the combined use of these two processes.

The Extraordinary General Meeting resolves that any fractional rights shall not be negotiable or transferable and that the corresponding shares shall be sold. The sums derived from the sale shall be paid to the holders of the rights subject to the conditions and time limits set out in applicable regulations. The Extraordinary General Meeting confers full authority on the Board, under the conditions provided for by law, to determine the dates and terms of the issues, to set the price and conditions of the issues, to set the amounts to be issued and, more generally, to take all steps to ensure the successful completion of the issue, to carry out all acts and formalities to complete the corresponding capital increase(s) and amend the Articles of Association accordingly.

This delegation of authority is valid from this Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

TWENTY-FIRST RESOLUTION

Authority to be granted to the Board of Directors to deduct from the payments relating to the aforementioned capital increases the costs, duties and fees incurred in connection with such capital increases, together with the additional payment to the legal reserve

The Extraordinary General Meeting, as a result of approving the resolutions above, authorises the Board of Directors to deduct the costs, duties and fees resulting from the capital increases referred to in the previous resolutions from the amount of the premiums relating to those increases and deduct from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each increase.

TWENTY-SECOND RESOLUTION

Authorisation to be granted to the Board of Directors to carry out bonus allotments of shares in issue or to be issued to categories of recipients chosen by the Board of Directors from among the employees and/or corporate officers of the Company and its affiliates (parent companies or subsidiaries)

The Extraordinary General Meeting, having heard the report of the Board of Directors and the special report of the Statutory Auditors,

Authorises the Board of Directors, in accordance with Articles L. 22-10-59, L. 225-197-2 to L. 225-197-5 and L. 225-208 of the French Commercial Code, to award existing or new bonus shares in the Company, on one or more occasions, to employees and corporate officers of the Company and the companies connected to it (parent companies or subsidiaries) that the Board of Directors shall choose, in accordance with Articles L. 225-197-1, L. 225-197-2 to L. 225-197-5 and L. 225-208 of the French Commercial Code;

Notes that the total number of bonus shares awarded may not exceed 10% of the share capital on the date on which the Board of Directors resolves to award the shares and that no shares may be awarded to recipients who individually hold more than 10% of the share capital, and an award of bonus shares may not result in any recipient individually holding more than 10% of the share capital;

Resolves that the existing or new shares to be issued and to be awarded pursuant to this authorisation, may not exceed 1% of the share capital on the date on which the Board of Directors resolves to award the bonus shares;

Resolves that the award of the bonus shares to their recipients will become final at the end of a vesting period, the length of which shall be set by the Board of Directors, such period lasting at least one year, and that the recipients must hold their shares for a period set by the Board of Directors, such lock-up period lasting at least one year;

Also authorises the Board of Directors, to the extent that the vesting period for some or all of any share awards is two years or more, to reduce or cancel the lock-up period for the shares in question, Notes that, as the shares in the Company are admitted to trading on a regulated market, at the end of the lock-up period, the shares may not be sold:

1° In the ten trading days preceding and the three trading days following the date on which the consolidated financial statements, or the annual financial statements, are published;

2° During the period between the date on which the Company's corporate bodies become aware of any information which, if made public, could have a material impact on the Company's share price, and the date falling ten trading days after the date on which that information is published.

Resolves, however, that, in the event of the recipient's death, the bonus shares that are awarded shall become immediately transferable by the recipient's heirs;

Consequently, delegates its authority to the Board of Directors to:

- purchase, or arrange for the purchase of, for the purposes of their allotment, pursuant to Article L. 225-208 of the French Commercial Code, or dispose of treasury shares; or
- carry out one or more capital increases through the issue of new ordinary shares, by capitalising reserves, profits or issue premiums, pursuant to Article L. 225-129-2 of the French Commercial Code;

subject to an overall cap of 1% of the Company's share capital on the date on which the Board of Directors resolves to award the bonus shares,

Notes that, in the event that a resolution is passed to award bonus shares by way of a capital increase, this delegation of authority automatically entails an express waiver by the Shareholders, in favour of the recipients of the ordinary bonus shares, of their right to be allotted the ordinary shares that are issued as a result of the capital increases carried out through the capitalisation of reserves, profits or issue premiums and decided by the Board of Directors pursuant to this delegation of authority, and to any rights over the fraction of reserves, profits or issue premiums so capitalised, subject to the definitive award of such shares to the recipients at the end of the vesting period,

Grants full authority to the Board of Directors, with the right to sub-delegate as permitted by law, potentially with the assistance of a committee made up of members chosen by it, subject to the limits set out above, to:

- determine the categories of recipients of the bonus share awards and their identities, from among the employees and corporate officers of the Company and the companies connected to it (parent companies or subsidiaries) that the Board of Directors shall choose, as well as the number of shares to be awarded to each of them;
- determine whether the bonus shares will be awarded through the award of existing shares held by the Company or shares acquired for such purpose, or through an increase in the Company's share capital and an issue of new shares;
- set the conditions and, where applicable, the criteria for the award of shares, in particular the vesting period and the lock-up period imposed on each recipient, under the conditions set out above;

- purchase, arrange for the purchase of, or dispose of treasury shares, for the purposes of awarding them under the conditions set out above;
- provide for the option to temporarily suspend entitlements to be awarded shares;
- record the final allocation dates and the dates from which the shares may be freely transferred, in view of legal restrictions and those provided for by the General Meeting;
- register the bonus shares to be awarded in a registered account in the name of their holder, together with details, including the length, of the lock-up period, and terminate such lock-up period in any scenario in which applicable regulations allow such lock-up periods to be terminated;
- record the existence of sufficient reserves and, at the time of each award, transfer to a blocked reserve account the amounts required to pay up the new shares that are to be awarded and/or to acquire them with a view to them being awarded;
- determine the effect on the rights of recipients, adjust, where necessary, the number of bonus shares awarded to protect the rights of the recipients, by reference to any transactions in the Company's share capital, more specifically in the event of a change in the nominal value of the shares, a capital increase through the capitalisation of reserves, the award of bonus shares, the issue of new equity securities with preferential subscription rights restricted to Shareholders, stock splits or reverse stock splits, distributions of reserves, issue premiums or any other assets, repayments of share capital, changes in the allocation of profits through the creation of preference shares or any other transaction involving shareholders' capital. The shares awarded as a result of such adjustments shall be deemed to have been awarded on the same day as the shares initially awarded;
- record, where applicable, the completion of the capital increases carried out pursuant to the authorisation to be granted by the Extraordinary General Meeting, carry out all necessary formalities in relation to the issue, amend the Articles of Association accordingly and, more generally, in accordance with the regulations in force, do everything necessary to implement such authorisation and carry out all necessary acts and formalities;

Notes that, in the event that the Board of Directors implements this authorisation, it shall inform the Ordinary General Meeting each year of the transactions carried out pursuant to the provisions of Articles L. 225-197-1, L. 225-197-2 and L. 225-197-3 of the French Commercial Code, under the conditions provided for in Article L. 225-197-4 of that Code;

Notes that this delegation of authority supersedes, as from the date hereof, any previous delegation of authority of the same nature.

And resolves that this delegation of authority is granted for a period of 38 months from the date hereof.

TWENTY-THIRD RESOLUTION

Delegation of powers to the Board of Directors to reduce the share capital by cancelling treasury shares held by the Company

The Extraordinary General Meeting,

having reviewed the report of the Board of Directors and the report of the Statutory Auditors and in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, resolves:

- to authorise the Board of Directors to reduce the share capital by cancelling, on one or more occasions, all or part of the shares that the Company holds or may come to hold following a buyback carried out pursuant to Article L. 22-10-62 of the French Commercial Code, limited to 10% of the total number of shares per period of 24 months, by deducting the difference between the purchase value of the cancelled shares and their nominal value from available premiums and reserves, including 10% of the cancelled capital from the legal reserve;
- to authorise the Board of Directors to record the completion of the capital reduction(s), to amend the Articles of Association accordingly and carry out all necessary formalities;
- to authorise the Board of Directors to delegate all powers required in order for its resolutions to be implemented, in accordance with the legal provisions in force at the time this authorisation is used;
- to set the period of validity of this authorisation at 18 months from this Extraordinary General Meeting, i.e. until 30 November 2023, it being specified that these delegations and authorisations replace and cancel any delegations and authorisations of this nature that may have been be given to the Board previously, up to the unused portion of this authorisation.

TWENTY-FOURTH RESOLUTION

Powers to be conferred

The Extraordinary General Meeting confers full powers on the bearer of an excerpt or copy hereof to carry out all legal formalities.

The Board of Directors

Special Report on the treasury share buyback programme authorised by the 6th resolution of the Annual Ordinary General Meeting of 2 June 2023

Dear Shareholders,

This report is prepared in accordance with Article L. 22-10-62, and its purpose is to inform the Ordinary General Meeting each year of the completion of the share buyback transactions it has authorised.

It takes the form of a statement by VRANKEN-POMMERY MONOPOLE of the transactions carried out on its own shares between 3 June 2022 and 31 December 2022, the date on which the Company terminated the liquidity agreement between it and KEPLER CHEVREUX.

Situation as at 31 December 2022:
- Percentage of treasury shares: 0.65% of the share capital
- Number of shares cancelled during the past 24 months: None
- Number of shares held in the portfolio: 58,111
- Market value of the portfolio: €976,264.80 (at the closing price on 31 December 2022 of €16.80)

These securities were allocated:
- as to 43,367 shares, with a view to them being held or delivered prior to exchange or as payment in the context of external growth transactions;
- as to 14,744 shares, to the liquidity agreement entered into with KEPLER CHEUVREUX.

In the context of the liquidity agreement, over the period beginning on 3 June 2022, the day following the Ordinary General Meeting that authorised the last share buyback programme, and ending on 31 December 2022, the date on which the liquidity agreement was terminated, VRANKEN-POMMERY MONOPOLE:
- acquired 13,626 of its own shares for a total value of €227,690.46, or an average unit purchase price of €16.71;
- sold 12,404 of its own shares for a total value of €209,627.60, or an average unit sale price of €16.90.

Expenses incurred amounted to €30,000 including VAT.

VRANKEN-POMMERY MONOPOLE used no derivatives in the framework of this share buyback programme. There were no open positions via derivatives, either to buy or to sell, at the date of this report.

The Board of Directors

Board of Directors' special report on awards of bonus shares during the 2022 financial year

Dear Shareholders,

Pursuant to Article L. 225-197-4 of the French Commercial Code, we describe, in this special report, the awards of bonus shares in the Company by the Company's Board of Directors in the 2022 financial year under the delegation of authority granted by the Extraordinary General Meeting of 3 June 2021.

By way of reminder, that Meeting authorised the Board, in accordance with Articles L. 22-10-59, L. 225-197-2 to L. 225-197-5 and L. 225-208 of the French Commercial Code, to award, on one or more occasions, existing or new bonus shares in the Company to employees and corporate officers of the Company and the companies connected to it (parent companies or subsidiaries) that the Board of Directors shall choose.

It should be noted that, under Article L. 225-197-4 of the French Commercial Code, the total number of bonus shares awarded may not exceed 10% of the share capital on the date on which the Board of Directors resolves to award the shares and that no shares may be awarded to recipients who individually hold more than 10% of the share capital, and an award of bonus shares may not result in any recipient individually holding more than 10% of the share capital.

That Meeting resolved that the existing or new shares awarded under this authorisation could not represent, in aggregate, more than 1% of the share capital on the date on which the Board of Directors resolved to award the bonus shares, and that the award of the bonus shares to their recipients would become final at the end of a vesting period, the length of which would be set by the Board of Directors, such period lasting at least one year, and that the recipients must hold their shares for a period set by the Board of Directors, such lock-up period lasting at least one year.

The Meeting authorised the Board of Directors, to the extent that the vesting period for some or all of any share was is two years or more, to reduce or cancel the lock-up period for the shares in question.

It delegated its authority to the Board of Directors to:
- purchase, or arrange for the purchase of, for the purposes of their allotment, pursuant to Article L. 225-208 of the French Commercial Code, or dispose of treasury shares; or
- carry out one or more capital increases through the issue of new ordinary shares, by capitalising reserves, profits or issue premiums, pursuant to Article L. 225-129-2 of the French Commercial Code;

subject to an overall cap of 1% of the Company's share capital on the date on which the Board of Directors resolves to award the bonus shares.

In the 2022 financial year, under the aforementioned delegation of authority, the Board of Directors resolved, on 2 June 2022, to award to a named recipient a total of 2,000 treasury shares held by the Company, i.e. 1,000 bonus shares awarded on 2 June 2022 and, 12 months after that date, an additional 1,000 bonus shares in the Company, to be awarded to the same beneficiary, subject to the award conditions and criteria described in the rules of the bonus share plan.

The Board of Directors set the length of the vesting period for each tranche of the bonus shares at one year, such period having begun on 2 June 2022 and ending at midnight on 1 June 2023 for the first tranche of 1,000 bonus shares, together with a one-year lock-up period, i.e. beginning on 2 June 2023 for the first tranche of 1,000 bonus shares and ending at midnight on 1 June 2024.

At the end of the lock-up period for each tranche, the recipient may freely transfer the shares awarded under that tranche, subject to Article L 22-10-59 of the French Commercial Code and the Company's Stock Market Code of Ethics.

Accordingly, on 2 June 2022, the Company awarded Yann Leroux, an employee and senior executive at COMPAGNIE VRANKEN, who is not an officer of the Company, 1,000 treasury shares held by the Company with a nominal value of €15, and 1,000 treasury shares held by the Company with a nominal value of €15, on the date falling 12 months after 2 June 2022, for no consideration.

No other awards of shares within the scope of Articles L. 225-197-1 et seq. of the French Commercial Code were made in the 2022 financial year.

The Board of Directors

Statutory Auditor's special report on related-party agreements

General meeting of shareholders called to approve the financial statements for the year ended 31 December 2022

To the General Meeting of VRANKEN-POMMERY MONOPOLE,

In our capacity as Statutory Auditors of your company, we hereby present our report on related-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential methods and conditions as well as the reasons justifying the Company's interest in, the agreements of which we have been informed or which we may have discovered during our assignment, without having to express an opinion on their usefulness and merits or to search for the existence of other agreements. It is your responsibility, under Article R. 225-31 of the French Commercial Code, to assess the benefit of entering into these agreements prior to approving them.

In addition, it is our responsibility, where applicable, to report to you on the information referred to in Article R. 225-31 of the French Commercial Code relating to the implementation, during the past financial year, of the agreements previously approved by the shareholders at a General Meeting.

We carried out the due diligence procedures we deemed necessary with regard to the professional guidance of the National Statutory Auditors' Association (Compagnie nationale des commissaires aux comptes) for this assignment. These procedures involved verifying that the information provided to us was consistent with the source documents from which it was extracted.

Agreements submitted for the approval of the shareholders at the General Meeting

Agreements authorised and entered into during the past financial year

We hereby report that we have not been informed of any agreements authorised and entered into during the past financial year to be submitted for the approval of the shareholders at the General Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements previously approved by the shareholders at a General Meeting

a) that continued to be performed in the past financial year.

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, approved by the General Meeting in previous financial years, continued to be performed during the past financial year.

Agreement between your Company and Paul-François Vranken, Chairman and Chief Executive Officer of your Company

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 13 June 2003, your Board of Directors authorised Paul-François Vranken to make various pieces of furniture and works of art available free of charge to VRANKEN-POMMERY MONOPOLE.

Agreement between your Company and POMMERY

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 13 June 2003, your Board of Directors authorised the use of the name POMMERY by VRANKEN-POMMERY MONOPOLE as part of its corporate name.

b) that were not performed in the past financial year.

We have been informed that the following agreements, approved by the General Meeting of Shareholders in previous financial years, continued to be performed but no services were performed thereunder during the past financial year.

Agreement between your company and VRANKEN-POMMERY JAPAN

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 7 February 2011, your Board of Directors authorised a waiver in favour of VRANKEN-POMMERY JAPAN of a commercial debt of 20,000,000 yen (i.e. €142,187 at the euro/yen rate on 31 December 2022), subject to a return to better fortunes clause.

Agreement between your Company and VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICHH

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 29 March 2010, your Board of Directors authorised a waiver for VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH of a commercial debt of € 4,848,392.90, subject to a return to better fortunes clause.

Agreement between your Company and VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICHH

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 07 February 2011, your Board of Directors authorised a waiver for VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH of a commercial debt of € 3,450,000, subject to a return to better fortunes clause.

Agreement between your Company and VRANKEN-POMMERY ITALIA

Person Concerned: Mr Paul-François Vranken

Nature, purpose, terms: At its meeting of 19 December 2011, your Board of Directors authorised a waiver for VRANKEN-POMMERY ITALIA of a commercial debt of €171,212.30, subject to a return to better fortunes clause.

Quincy Voisin and Bezannes, 13 April 2023

The statutory auditors

AUDIT & STRATEGY REVISION CERTIFICATION:	Philippe Dandon
MAZARS:	Marianne Carlier
MAZARS:	Jean-Maurice El Nouchi

Personal notes

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CHAMPAGNE
VRANKEN
Maison fondée en 1976

CHAMPAGNE
POMMERY
À REIMS-FRANCE
Maison fondée en 1836

CHAMPAGNE
MONOPOLE
HEIDSIECK & C°
Maison fondée en 1785

CHAMPAGNE
Charles LAFITTE
SUCCESSEUR DE GEORGE GOULET
Maison fondée en 1834

Château La Gordonne
CÔTES DE PROVENCE
Depuis 1652
Depuis 1652

Domaine Royal de
Jarras
SABLE DE CAMARGUE
Maison fondée en 1883

ROZÈS
PORTO
Maison fondée en 1855

TERRAS DO
GRIFO
DOURO WINES
Depuis 2001

VRANKEN POMMERY
MONOPOLE

French listed company (*société anonyme*) with share capital of €134,056,275
Head office: 5, place Général Gouraud - BP 1049 - 51689 Reims Cedex 2
Tel. +33 (0)3 26 61 62 63 - Fax +33 (0)3 26 61 63 88
Reims Trade and Companies Register 348 494 915