MARIE BRIZARD
WINE & SPIRITS

HALF-YEAR FINANCIAL REPORT

2023

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FIRST HALF 2023 ACTIVITY REPORT

The following information updates or supplements the information set out in the management report prepared by the Board of Directors in respect of the 2022 financial year.

1.1 FIRST HALF 2023 KEY FIGURES

Summary first half 2023 consolidated income statement

(€000)	H1 2023	H1 2022
Revenues excluding excise duties	**98,763**	**86,421**
Cost of goods sold	(62,578)	(51,978)
Gross margin	**36,185**	**34,443**
Gross margin ratio	*36.6%*	*39.9%*
EBITDA	**8,138**	**7,615**
Underlying operating profit	5,350	5,521
Net profit	**5,106**	**2,524**
Earnings per share	0.05	0.02

First half 2023 revenues excluding excise duties came to €98.8 million, up 14.3% versus H1 2022 (excluding currency impact). This improvement was achieved thanks to the resilience of our strategic brands in France and the strong performance delivered by part of our international business.

Against a backdrop of widespread high inflation, the gross margin ratio was 36.6% in H1 2023 compared to 39.9% in H1 2022. This 3.3-point decrease in 2023 reflects the impact of the sharp rise in raw material and energy prices, which have been felt since the second quarter of 2022, despite the rate increases implemented. As the Group has set itself the objective of offsetting the value of rising input costs, this rate reflects the dilutive impact of this inflationary environment on all our activities.

First half 2023 EBITDA amounted to €8.1 million, up €0.5 million from H1 2022 (excluding currency impact).

The France cluster contributed €6.0 million in H1 2023, up from €5.0 million in H1 2022. This improvement reflects the impact of the structural cost-saving programme initiated in 2022, in particular following the restructuring of the Major Retailers Sales Department in France, as well as the cluster’s strong resilience in the face of high inflation.

Meanwhile, the International cluster posted EBITDA of €4.1 million, down from €5.6 million in H1 2022. This decline is mainly attributable to MBWS International and Imperial Brands, which were hard hit by an extremely competitive vodka market and a hotly contested cognac segment since the beginning of the year, partially offset by strong performances in Spain and Bulgaria.

Group EBITDA also benefited from the continued reduction in holding company internal costs, which improved by €1.0 million.

Net profit amounted to €5.1 million in H1 2023, up €2.6 million compared to H1 2022, when results were impacted by a provision for non-recurring expenses related to the restructuring of the Off-Trade Sales Department in France.

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Analysis of revenues by region

H1 2023 revenues by cluster

(€m)	H1 2022	LFL change	Currency impact	H1 2023	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	**40.1**	**2.0**	**-**	**42.1**	+5%	+5%
INTERNATIONAL CLUSTER	**46.4**	**10.3**	**0.1**	**56.7**	+22.2%	+22.4%
TOTAL MBWS	**86.4**	**12.3**	**0.1**	**98.8**	**+14.3%**	**+14.4%**

H1 2023 EBITDA by cluster

(€m)	H1 2022	LFL change	Currency impact	H1 2023	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	**5.0**	**0.9**	**-**	**6.0**	**+18.6%**	**+18.6%**
INTERNATIONAL CLUSTER	5.6	**(1.5)**	-	**4.1**	**-27.1%**	**-27.0%**
HOLDING COMPANY	(3.0)	**1.1**	**-**	**(1.9)**	**+35.8%**	**+35.8%**
TOTAL MBWS	**7.6**	**0.5**	**-**	**8.1**	**+6.5%**	**+6.7%**

France cluster

The France cluster posted first half 2023 revenues of €42.1 million, up 5.0% versus H1 2022 despite the general slowdown in the spirits market. Revenue growth reflects the price increases applied since H1 2023 and restocking by some distributors. William Peel, Berger and San José posted growth in line with their respective market segments. Marie Brizard and Sobieski were impacted by a levelling effect in the on-trade business (customer restocking) that also impacted the off-trade business, where promotions were postponed and some product lines were suspended due to glass shortages.

Sales improved in the on-trade sector due to a price increase, but volumes were down.

This positive first half sales trend in the France cluster is likely to weaken in the face of adverse market developments and ongoing instability in raw material supply chains, notably for glass.

EBITDA amounted to €6.0 million, up €0.9 million compared to H1 2022.

International cluster

International revenues amounted to €56.7 million, up 22.2% versus H1 2022 at constant exchange rates, reflecting contrasting trends across regions:

- penetration of new markets by Lithuania, Bulgaria and their export regions, is also generating strong sales growth;
- solid business in Spain (in both brands and subcontracting), driving strong revenue growth;
- difficulties in Canada (Gautier), Australia (Marie Brizard and Gautier) and the UK (Marie Brizard);
- slow inventory rundown among US distributors leading to a decline in revenues.

MBWS International

Revenues amounted to €8.4 million, down €0.9 million (-9.6%) across all export regions except Western Europe.

Sales in Western Europe remained stable despite the difficulties encountered by the Marie Brizard brand in the UK, offset by higher sales of William Peel and Sobieski in Benelux and William Peel in Germany.

Asia Pacific: This region posted a decline of 10% (down €0.3 million), with revenues of €2.3 million. The decline in sales in South Korea (down 16% or €0.2 million) and Australia (down 34% or €0.3 million) was only partially offset by the 70% increase (€0.2 million) in Taiwan.

Canada: Revenues for the market totalled €1.2 million in H1 2023, a drop of €0.4 million compared with H1 2022 owing to poor cognac sales (mainly Gautier).

Poland: Poland H1 2023 revenues were impacted by lower sales of Cognac Gautier (down €0.3 million) and William Peel, partly offset by an improvement in Marie Brizard sales, bringing revenues to €0.7 million, down €0.3 million.

MBWS Spain

Revenues rose €4.1 million (up 37.8%) to €15.0 million, reflecting a combination of brand growth and an increase in subcontracting activities. As mentioned earlier, difficulties with glass supplies (bottles) temporarily slowed down this activity in the first half of 2022. The strategic brands Marie Brizard and William Peel also recorded positive growth, as did Berger.

MBWS Scandinavia

H1 2023 revenues in Scandinavia fell 13.1% to €1.3 million amid a challenging competitive environment, with price elasticity impacting volumes.

MBWS Baltics

The Baltic States posted revenues of €15.4 million in H1 2023, an increase of 38.1%, driven by William Peel export sales, particularly to the Ukrainian market, with the domestic market remaining stable.

MBWS Bulgaria

Bulgaria posted strong growth throughout H1 2023 with revenues up 36.1% to €10.7 million, driven by sales growth for William Peel in the domestic market and sustained export activity (particularly industrial subcontracting).

Imperial Brands

US revenues for the first half of 2023 came to €3.9 million, down 12.3% (excluding currency impact) versus H1 2022. Against a backdrop of operational, logistical and commercial difficulties, the decline in Sobieski sales slowed, offset by an excellent performance from Marie Brizard.

Dubar

In Brazil, local brands and the implementation of rigorous sales and pricing policies fuelled revenue growth in the first half of the year. As a result, revenues came to €1.9 million, up 54.8% (excluding currency impact) versus H1 2022.

Holding company

EBITDA amounted to a €1.9 million loss, an improvement of €1.1 million versus H1 2022, reflecting the ongoing reduction in holding company internal costs.

1.2 OUTLOOK

For many years, the Group has maintained its strategic direction and the principle of prioritising operations that help improve the profitability of the Group's businesses and significantly increase EBITDA. To achieve this growth in profitability, the Group is endeavouring to create the conditions for profitable development of its brand portfolio and key markets (subsidiaries and/or sales networks, direct export).

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

H1 2023 operating earnings, achieved against a backdrop of persistently high inflation, confirm the Group's capacity to maintain the positive trends observed since 2021 (stripping out non-recurring items), in a volatile local and global economic environment and with high inflation in raw material and energy costs in 2022. The challenges are set to continue in 2023, with shrinking markets such as under-12-year blended Scotch whisky in France, an extremely competitive vodka market in the USA, and more recently a significant decline in the cognac sector in the USA, but also in the European and Canadian markets.

These factors, which have already diluted margins in percentage terms, affect certain countries that are more sensitive to this changing landscape, such as France, where the market is concentrated and increasingly mature, with volumes trending significantly downwards. Visibility over the rest of the year is limited.

The increases applied in 2022 and 2023 to absorb the ongoing surge in input costs (mainly energy and liquid and dry raw materials, particularly glass), do not allow us to maintain our sales margins at this stage.

Despite this instability that has persisted for nearly three years, the Group will continue to do its best to maintain annual earnings growth through the combined effects of restructuring, structural cost savings and gradual improvement in profit margins through rigorous commercial and operational management, while remaining cautious regarding the short to medium-term business outlook.

The main risks faced by the Group are detailed in the "Risk management" chapter of the 2022 Universal Registration Document published on the AMF and Marie Brizard websites.

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FIRST HALF 2023 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 FIRST HALF 2023 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

First half consolidated income statement

(€000)	Note	H1 2023	H1 2022
Revenues		**116,955**	**105,995**
Excise duties		(18,192)	(19,574)
Net revenues excluding excise duties	**4**	**98,763**	**86,421**
Cost of goods sold		(62,578)	(51,978)
External expenses	5.1	(13,617)	(11,872)
Personnel expense	5.2	(13,894)	(14,013)
Taxes and levies		(835)	(953)
Depreciation and amortisation charges		(2,936)	(3,072)
Other operating income	5.3	1,834	1,887
Other operating expenses	5.3	(1,387)	(899)
Underlying operating profit		**5,350**	**5,521**
Non-recurring operating income	5.4	1,440	2,055
Non-recurring operating expenses	5.4	(1,489)	(5,152)
Operating profit		**5,300**	**2,424**
Income from cash and cash equivalents	5.5	59	29
Gross cost of debt	5.5	(124)	(96)
Net cost of debt		**(65)**	**(67)**
Other financial income	5.5	115	956
Other financial expenses	5.5	(123)	(593)
Net financial income/(expense)		**(74)**	**296**
Profit before tax		**5,226**	**2,720**
Income tax	5.6	(120)	(196)
Net profit from continuing operations		**5,106**	**2,524**
Net profit/(loss) from discontinued operations		0	0
NET PROFIT		**5,106**	**2,524**
Group share		5,102	2,511
of which Net profit from continuing operations		5,102	2,511
of which Net profit/(loss) from discontinued operations			
Non-controlling interests		4	13
of which Net profit from continuing operations		4	13
of which Net profit/(loss) from discontinued operations			
Earnings per share from continuing operations, Group share (€)	5.7	€0.05	€0.02
Diluted earnings per share from continuing operations, Group share (€)	5.7	€0.05	€0.02
Earnings per share, Group share (€)	5.7	€0.05	€0.02
Diluted earnings per share, Group share (€)	5.7	€0.05	€0.02
Weighted average number of shares outstanding		111,856,360	111,825,601
Diluted weighted average number of shares outstanding		111,856,360	111,825,601

First half consolidated comprehensive income statement

(€000)	H1 2023	H1 2022
Net profit/(loss) for the financial year	**5,106**	**2,524**
Items reclassifiable through profit & loss		
Cash flow hedges, net of tax		
Translation differences	(66)	1,721
Items not reclassifiable through profit & loss		
Revaluation of defined benefit plan liabilities, net of tax		434
Items of other comprehensive income for the financial year, net of tax	**(66)**	**2,155**
COMPREHENSIVE INCOME	**5,040**	**4,679**
Of which:		
Group share	5,036	4,665
Share attributable to non-controlling interests	4	14

Half-year consolidated balance sheet

ASSETS

(€000)	Note	30/06/2023	31/12/2022
Non-current assets			
Goodwill	6.1	14,704	14,704
Intangible assets	6.1	77,174	77,847
Property, plant and equipment	6.2	26,665	26,932
Financial assets	6.3	1,007	1,146
Non-current derivatives	6.12		
Deferred tax assets	5.6	4,008	3,781
Total non-current assets		**123,558**	**124,410**
Current assets			
Inventory and work-in-progress	6.4	56,519	51,934
Trade receivables	6.5	39,181	43,523
Tax receivables		1,023	734
Other current assets	6.6	10,222	10,468
Current derivatives	6.12	281	114
Cash and cash equivalents	6.7	44,892	47,495
Assets held for sale	1.25		
Total current assets		**152,118**	**154,268**
TOTAL ASSETS		**275,676**	**278,678**

EQUITY & LIABILITIES

(€000)	Note	30/06/2023	31/12/2022
Shareholders' equity			
Share capital	6.8	156,786	156,786
Additional paid-in capital		72,815	72,815
Consolidated and other reserves		(26,477)	(25,529)
Translation reserves		(8,586)	(8,520)
Consolidated net profit/(loss)		5,102	(945)
Shareholders' equity (Group share)		**199,640**	**194,607**
Non-controlling interests		79	333
Total shareholders' equity		**199,719**	**194,940**
Non-current liabilities			
Employee benefits	6.9	1,747	1,769
Non-current provisions	6.10	2,582	2,540
Long-term borrowings – due in > 1 year	6.11	2,079	2,218
Other non-current liabilities	6.13	1,568	1,518
Non-current derivatives	6.12		
Deferred tax liabilities	5.6	179	139
Total non-current liabilities		**8,155**	**8,184**
Current liabilities			
Current provisions	6.10	4,513	5,417
Long-term borrowings – due in < 1 year	6.11	602	641
Short-term borrowings	6.11	3,698	3,702
Trade and other payables		38,344	36,694
Tax liabilities		230	1,932
Other current liabilities	6.13	20,403	26,899
Current derivatives	6.12	13	269
Liabilities held for sale			
Total current liabilities		**67,803**	**75,554**
TOTAL EQUITY AND LIABILITIES		**275,676**	**278,678**

First half consolidated cash flow statement

(€000)	H1 2023	H1 2022
Total consolidated net profit	**5,106**	2,524
Depreciation and provisions	1,580	4,930
Gains/(losses) on disposals and dilution	18	(51)
Operating cash flow after net cost of debt and tax	**6,704**	7,403
Income tax charge/(income)	120	196
Net cost of debt	63	67
Operating cash flow before net cost of debt and tax	**6,887**	**7,666**
Change in working capital 1 (inventories, trade receivables/payables)	607	(10,473)
Change in working capital 2 (other items)	(5,270)	(7,497)
Tax paid/received	(2,317)	3,716
Cash flow from operating activities	**(93)**	**(6,588)**
Purchase of PP&E and intangible assets	(1,858)	(1,412)
Decrease in loans and advances granted	116	2,733
Disposal of PP&E and intangible assets		2,872
Impact of change in consolidation scope	(116)	
Cash flow from investment activities	**(1,858)**	**4,193**
Capital increase		19
New borrowings	37	159
Borrowings repaid	(360)	(791)
Net interest paid	(11)	(67)
Net change in short-term debt	(55)	525
Cash flow from financing activities	**(389)**	**(155)**
Impact of exchange rate fluctuations	(263)	1,778
Change in cash and cash equivalents	**(2,603)**	**(772)**
Opening cash and cash equivalents	47,496	54,169
Closing cash and cash equivalents	44,893	53,397
Change in cash and cash equivalents	**(2,603)**	**(772)**

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Statement of changes in shareholders' equity

(€000)	Share capital	Additional paid-in capital	Consolidated reserves	Revaluation of defined benefit plan liabilities	Fair value adjustments	Translation reserves	Treasury shares	Shareholders' equity (Group share)	Non-controlling interests	Total shareholders' equity
OPENING POSITION AT 01/01/2022	**156,729**	**72,751**	**(16,848)**	**197**		**(9,807)**	**(9,742)**	**193,280**	**332**	**193,612**
Profit for the period			(945)					(945)		(945)
Translation differences						1,262		1,262		1,262
Items of other comprehensive income				398				398		398
Comprehensive income for the period			**(945)**	**398**		**1,262**		**715**		**715**
Capital increase	57	64						121	1	122
Treasury shares							102	102		102
Change in consolidation scope						25		25		25
Other changes			364					364		364
Transactions with shareholders	**57**	**64**	**364**			**25**	**102**	**612**	**1**	**613**
CLOSING POSITION AT 31/12/2022	**156,786**	**72,815**	**(17,429)**	**595**		**(8,520)**	**(9,640)**	**194,607**	**333**	**194,940**
Profit for the period			5,102					5,102	4	5,106
Translation differences						(66)		(66)		(66)
Items of other comprehensive income										
Comprehensive income for the period			**5,102**			**(66)**		**5,036**	**4**	**5,041**
Capital increase										
Treasury shares							(51)	**(51)**		(51)
Change in consolidation scope			143					**143**	(259)	(116)
Other changes			(95)					**(95)**		(95)
Transactions with shareholders			**48**				**(51)**	**(3)**	**(259)**	**(262)**
CLOSING POSITION AS AT 30/06/2023	**156,786**	**72,815**	**(12,279)**	**596**		**(8,587)**	**(9,691)**	**199,640**	**79**	**199,719**

NOTES TO THE FIRST HALF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

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

- The condensed consolidated financial statements for the six months ended 30 June 2023 were approved by the Board of Directors on 28 September 2023.

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

Note 1 : Accounting rules and policies

Note 1.1 : Accounting principles and policies applied

The condensed consolidated financial statements of MBWS SA and its subsidiaries (the Group) for the six months ended 30 June 2023 have been prepared in compliance with IAS 34 "Interim Financial Reporting" under the IFRS framework and with all standards and interpretations adopted by the European Union that are compulsorily applicable to financial years beginning on or after 1 January 2023.

These standards include the standards approved by the IASB (International Accounting Standards Board), i.e. IFRS, and their interpretations as adopted by the European Union.

The condensed financial statements do not contain all of the information required by IFRS for the presentation of annual financial statements and should therefore be read in conjunction with the Group annual consolidated financial statements for the year ended 31 December 2022 as presented in the 2022 Annual Financial Report, which may be viewed on the Company website at http://www.mbws.com.

The accounting policies and methods applied to the condensed consolidated financial statements for the six months ended 30 June 2023 are identical to those applied to the consolidated financial statements for the year ended 31 December 2022, with the exception of the following accounting standards which are mandatory for financial years beginning on or after 1 January 2023:

- Amendments to IAS 1: *Presentation of Financial Statements - Practice Statements 2 "Disclosure of Accounting Policies"*, applicable from 1 January 2023;
- Amendments to IAS 8: *Definition of Accounting Estimates*, applicable from 1 January 2023;
- Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, applicable from 1 January 2023;
- IFRS 17 + amendments: *Insurance Contracts*, applicable from 1 January 2023.

These standards did not have a material impact on the financial statements for the six months ended 30 June 2023.

The preparation of the consolidated financial statements requires Group Management to make a number of estimates and assumptions that affect the amounts recorded in assets and liabilities, as well as the amounts recorded in income and expenses for the financial year. These estimates are based on the going concern assumption and on the information available at the time of preparation. These estimates may be revised if the circumstances on which they were based change or if new information becomes available. Actual results may differ from these estimates. At 30 June 2023, management was not aware of any factors that might call into question the estimates used to prepare the annual financial statements for the year ended 31 December 2022.

Note 1.2 : Going concern

The Group first half 2023 financial statements have been prepared on a going concern basis, taking into account the known situation at the reporting date, as described above, and the latest cash requirement estimates made against an inflationary climate and in particular:

(i) persistently high raw materials and energy costs, despite a number of relatively small targeted cuts to date;

(ii) price elasticity that has a significant impact on consumer demand, which is subject to sharp price rises and an uncertain economic environment that varies depending on the different geographical regions in which the Group operates.

Note 1.3 : Underlying valuation principles

The financial statements have been prepared according to the historical cost principle, with the exception of certain asset and liability categories measured at fair value in accordance with the rules imposed by IFRS.

Note 1.4 : Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements and estimates and to use assumptions that affect the accounting principles applied, as well as the valuation of assets, liabilities, income and expenses. Such estimates and assumptions are based on experience and on a set of criteria that management considers reasonable and realistic.

The underlying estimates and assumptions are reviewed on an ongoing basis. The impact of these reviews is recorded in the accounting period in which the reviews took place, or in future accounting periods, where applicable.

Note 1.5 : Financial liabilities

Financial liabilities primarily consist of IFRS 16 adjusted future lease liabilities. These financial liabilities are initially measured at fair value less direct transaction costs. They are subsequently valued at their amortised cost using the effective interest rate method.

Note 1.6 : Discontinued operations

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

In accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), an asset is considered as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate sale and its sale must be highly probable. Assets or asset groups held for sale are presented separately on the balance sheet at the lower of carrying amount and fair value less costs to sell. These assets are no longer depreciated or amortised.

Note 1.7 : Indicators used to measure the Group's performance

The Group uses revenues, gross margin and EBITDA as its main performance indicators, which are calculated as follows:

Revenues

Revenues are recorded net of discounts, commercial benefits granted, promotional expenses paid to customers and sales taxes.

Gross margin

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

Like-for-like change

Like-for-like change corresponds to change:

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

EBITDA

(€000)	H1 2023	H1 2022	
UNDERLYING OPERATING PROFIT	**5,350**	**5,521**	
Items to be added back:			
- Depreciation and amortisation charges	2936	3072	
- Retirement provisions	-22	125	Note 5.2
- Additions to provisions	302	185	Note 5.3
Items to be excluded:			
- Provision reversals	(428)	(1,288)	Note 5.3
= EBITDA	**8,138**	**7,615**	

Note 2 : Main highlights

Note 2.1: Monitoring the Russia-Ukraine conflict

The MBWS Group remains particularly vigilant regarding the evolution of the situation and the possible direct or indirect impact that this ongoing conflict could have on its activities, given that the pressure on the Group's supplies since 2022 and on the financial conditions of the market (mainly grain, packaging and energy) may be partly linked to the short- and medium-term development of this armed conflict.

To date, the diverse nature of the Group's sources of supply and the strategic inventories it has built up have enabled it to continue to operate under normal conditions, but they have continued to have a dilutive effect on margins and the overall profitability of its operations. The Group's stated target is to offset the value of rising input costs by price rises.

Note 3 : Change in consolidation scope

MBWS SA increased its stake in Vilnius Degtine (a Lithuanian subsidiary) to 100% during the first half of 2023.

Note 4 : Segment information

The financial information for each segment is presented along the same lines as the internal reporting process used to measure the Group's performance. Following several disposals carried out since 2019 (in particular the Polish businesses and Moncigale), with effect from 1 January 2021 the Group restructured its management into two clusters (France cluster and International & wines cluster) under the overall management of the holding company. Pursuant to IFRS 8, the Group's businesses are now presented according to the two clusters, France and International.

Segment information - income statement

(€000)	France	International	Holding company	H1 2023
Revenues	**42,099**	**74,856**		**116,955**
Excise duties	(19)	(18,173)		**(18,192)**
Net revenues excluding excise duties	**42,080**	**56,683**		**98,763**
UNDERLYING OPERATING PROFIT/(LOSS)	**5,653**	**2,509**	**(2,812)**	**5,350**

(€000)	France	International	Holding company	H1 2022
Revenues	**40,075**	**65,920**		**105,995**
Excise duties	(13)	(19,561)		**(19,574)**
Net revenues excluding excise duties	**40,062**	**46,359**		**86,421**
UNDERLYING OPERATING PROFIT/(LOSS)	**4,435**	**4,473**	**(3,387)**	**5,521**

Segment information - balance sheet

(€000)	*France*	*International*	*Holding company*	30/06/2023
Goodwill	**14,704**			**14,704**
Intangible assets	73,030	1,238	2,905	**77,174**
Property, plant and equipment	8,663	17,281	721	**26,665**
NON-CURRENT ASSETS	**96,398**	**18,518**	**3,626**	**118,542**

(€000)	*France*	*International*	*Holding company*	31/12/2022
Goodwill	**14,704**			**14,704**
Intangible assets	72,977	1,155	4,535	**78,667**
Property, plant and equipment	8,659	17,512	836	**27,007**
NON-CURRENT ASSETS	**96,340**	**18,667**	**5,371**	**120,377**

Note 5 : Notes to the income statement

Note 5.1 : External expenses

(€000)	H1 2023	H1 2022
Marketing and promotion	(2,647)	(2,611)
Rent and maintenance	(1,250)	(1,027)
Transport	(1,535)	(989)
Other external services	(8,184)	(7,245)
EXTERNAL EXPENSES	**(13,617)**	**(11,872)**

Note 5.2 : Personnel expense

(€000)	H1 2023	H1 2022
Payroll	(10,779)	(10,537)
Social security and personal insurance charges	(3,137)	(3,351)
Retirement provisions	22	(125)
PERSONNEL EXPENSE	**(13,894)**	**(14,013)**

Note 5.3 : Other operating income and expenses

A breakdown of other operating income and expenses is provided below:

(€000)	Income	Expense	H1 2023	H1 2022
Provisions and reversals	1,354	(727)	626	852
Total other operating income and expenses	480	(660)	(180)	136
TOTAL OTHER OPERATING INCOME AND EXPENSES	**1,834**	**(1,387)**	**446**	**988**

The €0.5 million decrease in other operating income and expenses was mainly due to an increase in other operating expenses in Lithuania and a provision for impairment of inventories and work-in-progress in Bulgaria.

Note 5.4 : Non-recurring operating income and expenses

(€000)	Income	Expense	H1 2023
Impairment of goodwill, PP&E and intangible assets	131		131
Restructuring income and expenses	1,213	(1,395)	(182)
Gains/losses on asset disposals, acquisition costs		(18)	(18)
Other	96	(76)	20
NON-RECURRING OPERATING INCOME AND EXPENSES	**1,440**	**(1,489)**	**(50)**

(€000)	Income	Expense	H1 2022
NON-RECURRING OPERATING INCOME AND EXPENSES	**2,055**	**(5,152)**	**(3,097)**

- The previous financial year was marked by restructuring and a job protection plan (PSE) at MBWS France, which included a provision of €4.2 million, of which €1.1 million had been used by 30 June 2023.

Note 5.5 : Net financial income/(expense)

(€000)	Income	Expense	H1 2023	H1 2022
Income from cash and cash equivalents	59		59	29
Interest and similar charges		(124)	(124)	(96)
Net cost of debt	**59**	**(124)**	**(65)**	**(67)**
Provisions and reversals				
Exchange gains/losses	43	(72)	(29)	401
Other financial income and expenses	72	(51)	21	(38)
Other financial income and expenses	**115**	**(123)**	**(8)**	**363**
NET FINANCIAL INCOME/(EXPENSE)	**173**	**(247)**	**(74)**	**296**

Exchange gains and losses had a lesser impact on net financial income than in H1 2022.

Note 5.6 : Income tax

First half income tax is calculated using projected annual rates in each of the Group's tax jurisdictions, corrected for the main permanent differences. The current tax charge for first half 2023 amounted to €0.1 million.

The Group also recognised deferred tax assets of €4 million and deferred tax liabilities of €0.2 million.

Note 5.7 : Earnings per share

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

(€000 unless specified otherwise)	H1 2023	H1 2022
Numerator (€000)		
Net profit, Group share	5,102	2,511
Net profit from continuing operations, Group share	5,102	2,511
Denominator (number of shares)		
Number of shares outstanding	111,856,360	111,825,601
Number of shares outstanding after dilution	111,856,360	111,825,601
Earnings per share (€)		
Earnings per share, Group share (€)	€0.05	€0.02
Diluted earnings per share, Group share (€)	€0.05	€0.02
Earnings per share from continuing operations, Group share (€)	€0.05	€0.02
Diluted earnings per share from continuing operations, Group share (€)	€0.05	€0.02

Note 6 : Notes to the balance sheet

Note 6.1 : Intangible assets and goodwill

(€000)	31/12/2022	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	30/06/2023
Goodwill	143,254							143,254
Concessions and patents	1,582							1,582
Right-of-use assets - concessions and patents	973							973
Trademarks	131,618				6		47	131,671
Other intangible assets	15,355	194			(1)			15,549
Right-of-use assets – other intangible assets								
Gross value	**292,782**	**194**			**5**		**47**	**293,029**
Goodwill	(128,550)							(128,550)
Concessions and patents	(1,267)			(9)				(1,275)
Right-of-use assets - concessions and patents	(781)				(96)			(877)
Trademarks	(57,300)				(6)			(57,306)
Other intangible assets	(12,333)			(810)				(13,143)
Right-of-use assets – other intangible assets								
Depreciation and provisions	**(200,231)**			**(819)**	**(102)**			**(201,151)**
NET VALUE	92,551	194		(819)	(97)		47	91,878

(€000)	31/12/2021	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	31/12/2022
Goodwill	143,254							143,254
Concessions and patents	1,571				11			1,582
Right-of-use assets - concessions and patents	973							973
Trademarks	131,537				6		75	131,618
Other intangible assets	15,229	216	(89)		(1)			15,355
Right-of-use assets – other intangible assets								
Gross value	**292,564**	**216**	**(89)**		**16**		**75**	**292,782**
Goodwill	(128,550)							(128,550)
Concessions and patents	(1,238)			(18)	(11)			(1,267)
Right-of-use assets - concessions and patents	(585)			(81)	(115)			(781)
Trademarks	(57,294)				(6)			(57,300)
Other intangible assets	(10,832)		83	(1,585)				(12,333)
Right-of-use assets – other intangible assets								
Depreciation and provisions	**(198,499)**		**83**	**(1,684)**	**(132)**			**(200,231)**
NET VALUE	94,065	216	(6)	(1,684)	(116)		75	92,551

GOODWILL

Goodwill is derived from historical acquisitions of companies and brands made by the MBWS Group, the largest items being Marie Brizard and William Peel.

TRADEMARKS

At 30 June 2023, the net book value of trademarks was €74.4 million. The main trademarks valued were the Marie Brizard trademarks acquired by the Group in 2006.

IMPAIRMENT OF NON-CURRENT ASSETS

At each interim reporting date, pursuant to IAS 34 the Group is required to identify potential indications of impairment and carry out additional tests if necessary. The Group has not identified any potential indications of impairment at 30 June 2023. As a result, there has been no update to the tests performed at the time of the 2022 annual closing.

Note 6.2 : Property, plant and equipment

(€000)	31/12/2022	Acquisitions	Disposals	Net depr./ impairment	Other changes	Change in consolidation	Translation differences	30/06/2023
Land	5,621						45	5,666
Right-of-use assets – land	1,070							1,070
Buildings	34,352	160	(61)		133		32	34,615
Right-of-use assets – buildings	2,384	37			(9)		()	2,411
Plant, machinery and equipment	49,143	836	(11)		719		47	50,735
Right-of-use assets – plant, machinery and equipment	442	1					2	445
Other PP&E	7,342	245	(36)		96		3	7,649
Right-of-use assets – other PP&E	1,418	172	(34)		(161)		4	1,399
PP&E in progress	1,716	238			(880)			1,074
Gross value	**103,488**	**1,688**	**(143)**		**(102)**		**133**	**105,065**
Land	(886)			(15)				(901)
Right-of-use assets – land	(269)			(51)				(320)
Buildings	(26,360)		50	(490)	(50)		(17)	(26,868)
Right-of-use assets – buildings	(866)			(157)	9			(1,014)
Plant, machinery and equipment	(40,693)		11	(895)			(37)	(41,614)
Right-of-use assets – plant, machinery and equipment	(331)			(45)			(1)	(377)
Other PP&E	(5,264)		30	(142)	(76)		(4)	(5,456)
Right-of-use assets – other PP&E	(1,392)		34	(145)	153		()	(1,350)
PP&E in progress	(495)			(5)				(500)
Depreciation and provisions	**(76,556)**		**125**	**(1,946)**	**36**		**(59)**	**(78,400)**
NET VALUE	**26,932**	**1,688**	**(18)**	**(1,946)**	**(66)**		**73**	**26,665**

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

Note 6.3 : Financial assets

(€000)	31/12/2022	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	30/06/2023
Equity investments	7,159				1			7,160
Other long-term securities	10							10
Other financial assets	8,375		(116)		1		()	8,260
Other receivables	6,250							6,250
Gross value	**21,795**		**(116)**		**2**		**()**	**21,681**
Equity investments	(7,159)							(7,159)
Other financial assets	(7,241)			(24)				(7,265)
Other receivables	(6,250)							(6,250)
Impairment charges	**(20,649)**			**(24)**				**(20,673)**
NET VALUE	**1,146**		**(116)**	**(24)**	**2**		**()**	**1,007**

(€000)	31/12/2021	Acquisitions/ increases	Disposals/ decreases	Net charges	Other changes	Change in consolidation	Translation differences	31/12/2022
Equity investments	7,159							7,159
Other long-term securities	10							10
Other financial assets	11,230		(2,866)		11			8,375
Other receivables	6,250							6,250
Gross value	**24,650**		**(2,866)**		**11**			**21,795**
Equity investments	(7,159)							(7,159)
Other financial assets	(7,241)							(7,241)
Other receivables	(6,250)							(6,250)
Impairment charges	**(20,649)**							**(20,649)**
NET VALUE	**4,001**		**(2,866)**		**11**			**1,146**

EQUITY INVESTMENTS

Equity investments primarily correspond to investments in companies with no operations or companies that are in the process of being shut down.

Most of these investments have been fully written off.

OTHER FINANCIAL ASSETS

Other financial assets primarily correspond to the commercial paper purchased from Cisco Investment Bank in 2006.

Note 6.4 : Inventory and work-in-progress

The breakdown of inventory and work-in-progress at the closing date was as follows:

(€000)	30/06/2023	31/12/2022
Raw materials	33,726	31,232
Work-in-progress	5,777	3,757
Semi-finished and finished goods	10,348	10,090
Traded goods	8,213	8,142
Gross value	**58,065**	**53,221**
Raw materials	(727)	(680)
Work-in-progress	(9)	(53)
Semi-finished and finished goods	(477)	(252)
Traded goods	(333)	(302)
Impairment charges	**(1,546)**	**(1,287)**
NET VALUE	**56,519**	**51,934**

Note 6.5 : Trade receivables

(€000)	30/06/2023	31/12/2022
Trade receivables	40,142	45,267
Impairment of trade receivables	(962)	(1,744)
NET TRADE RECEIVABLES	**39,181**	**43,523**

Some Group companies have signed direct factoring agreements with their main customers in order to boost their cash position. Off-balance sheet factoring agreements meet the derecognition conditions set out in IFRS 9.

Accordingly, the trade receivables assigned are not shown under balance sheet assets. The amount received in consideration for assigned receivables not due was €0.7 million, similar to the amount at 30 June 2022.

Note 6.6 : Other current assets

(€000)	30/06/2023	31/12/2022
Advances and payments on account	2,021	2,565
Payroll and tax receivables	1,975	2,021
Short-term deposits		
Other receivables	9,289	8,956
Gross value	**13,285**	**13,542**
Other receivables	(3,063)	(3,074)
Impairment charges	**(3,063)**	**(3,074)**
NET VALUE	**10,222**	**10,468**

Note 6.7 : Cash and cash equivalents

(€000)	30/06/2023	31/12/2022
Cash equivalents	102	81
Cash	44,791	47,414
CASH AND CASH EQUIVALENTS	**44,892**	**47,495**

Note 6.8 : Shareholders' equity

BREAKDOWN OF SHARE CAPITAL AND DILUTIVE INSTRUMENTS

	30/06/2023	31/12/2022
Share capital (€)	**156,785,748**	**156,785,748**
Number of shares	111,989,820	111,989,820
Par value (€)	1.4	1.4
Treasury shares		
Number of shares	133,460	107,557

Shares held as at 30 June 2023 are shares held in registered accounts. The treasury shares held by the Group have no voting or dividend rights.

POTENTIAL DILUTION

	30/06/2023	31/12/2022
Number of shares comprising the share capital	**111,989,820**	**111,989,820**
Potential dilution from share warrants	-	-
Potential dilution from bonus shares		
Potential dilution from bonus preference shares		
Potential dilution from exercise of stock options	-	-
Potential number of shares	**111,989,820**	**111,989,820**
SHARE CAPITAL IN EUROS (PAR VALUE OF €1.4)	**156,785,748**	**156,785,748**

There was no potential dilution from share warrants as at 30 June 2023, as the exercise price was higher than the average share price in first half 2023.

SHARE WARRANTS AS AT 30 JUNE 2023

	Conversion ratio	Subscription price per share	Exercise price per warrant	Final exercise date	30/06/2023	31/12/2022
2023 share warrants	1.00	25.00	25.00	31/12/2023	1,659,758	1,659,758
NUMBER OF SHARE WARRANTS OUTSTANDING					**1,659,758**	**1,659,758**

Note 6.9 : Employee benefits

The Group's commitments comprise end-of-career benefits and long-service awards. These defined benefit plans are accounted for in accordance with IAS 19 revised. The main country concerned by employee benefits is France. At 30 June 2023, the commitments amounted to €1.7 million. The non-material impact of the pension reform has been taken into account in the first half 2023 consolidated financial statements.

Note 6.10 : Provisions

(€000)	31/12/2022	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	30/06/2023
PROVISIONS FOR PENSIONS AND EMPLOYEE BENEFITS (SEE NOTE 6.9)	**1,769**	**27**		**(49)**				**1,747**
Social security provisions	781	72	(30)					823
Other non-current provisions	1,759							1,759
OTHER NON-CURRENT PROVISIONS	**2,540**	**72**	**(30)**					**2,582**
Social security provisions – due in < 1 year	4,426	5	(1,181)	(154)				3,096
Other provisions – due in < 1 year	991	156		(55)	290		35	1,417
CURRENT PROVISIONS	**5,417**	**161**	**(1,181)**	**(209)**	**290**		**35**	**4,513**

(€000)	31/12/2021	Charges	Reversal (prov. used)	Reversal (prov. not used)	Other changes	Change in consolidation	Translation differences	31/12/2022
PROVISIONS FOR PENSIONS AND EMPLOYEE BENEFITS (SEE NOTE 6.9)	**2,214**	**170**		**(115)**	**(500)**			**1,769**
Social security provisions	1,481	752	(356)	(1,096)				781
Other non-current provisions	2,635		(816)	(60)				1,759
OTHER NON-CURRENT PROVISIONS	**4,116**	**752**	**(1,172)**	**(1,156)**				**2,540**
Social security provisions – due in < 1 year	1,712	3,079	(309)	(57)				4,426
Other provisions – due in < 1 year	834	456	(238)	(77)	(1)		17	991
CURRENT PROVISIONS	**2,546**	**3,535**	**(547)**	**(134)**	**(1)**		**17**	**5,417**

SOCIAL SECURITY PROVISIONS

Social security provisions are mainly related to the restructuring plans implemented in France in 2022. They amounted to €4 million at 30 June 2023, down €1.2 million from 31 December 2022.

Note 6.11 : Borrowings

Group borrowings remained stable at €6.4 million at 30 June 2023, including €2.7 million of lease liabilities.

BREAKDOWN OF BORROWINGS BY TYPE AND MATURITY

(€000)	30/06/2023	Current	Non-current	31/12/2022	Current	Non-current
Other medium to long-term borrowings	2	1	1	2	1	1
Lease liabilities (1)	2,679	601	2,078	2,857	640	2,217
Short-term financing and overdrafts	3,698	3,698		3,702	3,702	
Gross debt	**6,379**	**4,299**	**2,079**	**6,561**	**4,343**	**2,218**
Cash & cash equivalents	**(44,892)**	**(44,892)**		**(47,495)**	**(47,495)**	
NET BORROWINGS	**(38,514)**	**(40,593)**	**2,079**	**(40,934)**	**(43,152)**	**2,218**

BREAKDOWN OF BORROWINGS BY CURRENCY

(€000)	30/06/2023	31/12/2022
Euro	1,891	2,068
Other currencies	4,488	4,493
GROSS BORROWINGS	**6,379**	**6,561**

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Note 6.12 : Financial instruments and management of financial risk

ACCOUNTING CLASSIFICATION AND MARKET VALUE OF FINANCIAL INSTRUMENTS

The following table presents the fair value of financial assets and liabilities, as well as their carrying amount.

The Group distinguishes between three categories of financial instruments based on the valuation methods used, and uses this classification, in accordance with international accounting standards, to present the characteristics of the financial instruments recognised on the balance sheet at fair value through profit or loss at the closing date:

Level 1: financial instruments quoted in active markets;

Level 2: financial instruments for which the fair value assessment calls for valuation techniques based on observable market data;

Level 3: financial instruments for which the fair value assessment calls for valuation techniques based on non-observable data (inputs with a value resulting from assumptions not based on transaction prices observable on the markets, on the same instrument or on observable market data available at the closing date) or which are only partially observable.

(€000)	VALUATION LEVEL	BREAKDOWN BY ACCOUNTING CLASSIFICATION Fair value through profit or loss	Fair value through equity	Financial assets at amortised cost	Liabilities at amortised cost	Book value 30/06/2023
Assets:						
Non-consolidated equity investments	Level 3		1			**1**
Other financial assets				1,006		**1,006**
Trade receivables				39,181		**39,181**
Other current assets				10,222		**10,222**
Asset derivatives	Level 2		281			**281**
Cash & cash equivalents				44,892		**44,892**
Liabilities:						
Long-term borrowings and Lease liabilities					2,681	**2,681**
Short-term borrowings					3,698	**3,698**
Liability derivatives	Level 2		13			**13**

(€000)	VALUATION LEVEL	BREAKDOWN BY ACCOUNTING CLASSIFICATION Fair value through profit or loss	Fair value through equity	Financial assets at amortised cost	Liabilities at amortised cost	Book value 31/12/2022
Assets:						
Non-consolidated equity investments	Level 3					
Other financial assets				1,146		**1,146**
Trade receivables				43,523		**43,523**
Other current assets				10,464		**10,464**
Asset derivatives	Level 2		114			**114**
Cash & cash equivalents				47,495		**47,495**
Liabilities:						
Long-term borrowings and Lease liabilities					2,859	**2,859**
Short-term borrowings					3,702	**3,702**
Liability derivatives	Level 2		269			**269**

The valuation methods adopted for financial instruments are as follows:

- Other non-financial assets: book values represent reasonable estimations of their market value.
- Derivatives: fair value is determined according to the standard valuation methods including market conditions at the closing date.

MANAGEMENT OF FINANCIAL RISK

Liquidity risk

At 30 June 2023, Group cash and cash equivalents amounted to €44.9 million. Group financing arrangements include short-term credit facilities and factoring agreements.

The following table presents the maturity of each financing arrangement:

(€000)	Amounts outstanding at 30/06/2023	< 1 year	2 years	3 years	4 years	5 years +
Other medium to long-term borrowings	2	1	1			
Finance lease	2,679	601	778	215	465	620
Short-term financing and overdrafts	3,698	3,698				
TOTAL GROSS DEBT	**6,379**	**4,299**	**779**	**215**	**465**	**620**

Market risk

Market risk corresponds to the risk that changes in market prices, such as exchange rates, interest rates and the price of equity instruments, will affect Group earnings or the value of financial instruments held. The main market risk that the Group faces is currency risk. The Group is exposed to currency risk insofar as sales, purchases, receivables and borrowings are denominated in a different currency to the functional currency of each Group entity. The functional currencies of Group entities are primarily the euro and the US dollar. The types of transaction listed above are mainly denominated in euro, US dollar and pound sterling.

The Group's main exposure relates to purchases of whisky in pounds sterling.

(€000 unless specified otherwise)	Fair value – assets	Fair value – liabilities	Net value 30/06/2023	Net value 31/12/2022
Forward currency purchases / Options (GBP)	281		268	(155)
Forward currency purchases / Options (USD)		(13)		
TOTAL FOREIGN EXCHANGE DERIVATIVES	**281**	**(13)**	**268**	**(155)**

Risk relating to shares and other financial investments

With the exception of treasury shares held under the liquidity agreement, the Group has no financial investments likely to be exposed to the risk of price fluctuations.

Counterparty risk on financial transactions

The Group may be exposed to counterparty risk, including on temporary cash investments, the value of hedging instruments and the recovery of trade receivables. The Group selects its counterparties in a thorough and diverse manner in order to limit its exposure. The counterparty risk relating to trade receivables is limited, due to the significant number of customers included in the portfolio and their geographical diversification.

The ageing schedule for trade receivables at 30 June 2023 and 31 December 2022 was as follows:

(€000)	30/06/2023	Not due	< 90 days overdue	90-180 days overdue	> 180 days overdue
Trade receivables	40,142	31,455	7,822	252	613
Impairment charges	(962)				(962)
Net trade receivables	**39,181**	**31,455**	**7,822**	**252**	**(349)**

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

Note 6.13 : Other liabilities

OTHER NON-CURRENT LIABILITIES

(€000)	30/06/2023	31/12/2022
Investment subsidies	1,214	1,264
Other	354	254
OTHER NON-CURRENT LIABILITIES	**1,568**	**1,518**

OTHER CURRENT LIABILITIES

(€000)	30/06/2023	31/12/2022
Advances and down payments received	976	2,273
Tax and social security payables (incl. excise duty)	14,986	19,430
Deferred income	137	143
Other payables	4,304	5,053
OTHER CURRENT LIABILITIES	**20,403**	**26,899**

The reduction in tax and social security liabilities is mainly due to the €3.5 million excise tax payment in Lithuania.

Note 7 : Additional information

Note 7.1 : Pledging of assets and off-balance sheet commitments

PLEDGES

Country	Nature of the obligation	Nature of the assets	Value of pledge at 30/06/2023 (€000)
Bulgaria	Credit facility	Real estate	8,074
Lithuania	Loans and credit facilities	Real estate, warehouse, inventories, operating receivables, current account deposit, right to use the Sobieski trademark in Vilnius	18,710

OFF-BALANCE SHEET COMMITMENTS

Alcohol duty deposits

In some countries where Group subsidiaries operate (France, Lithuania, Bulgaria and Denmark), deposits must be paid to Customs as security for payment of excise duties on alcohol. These deposits are generally paid by insurance companies and banks on behalf of the subsidiaries concerned.

Long-term purchase commitments

Cognac Gautier has contracted long-term commitments to purchase cognac raw materials.

MBWS France has contracted long-term commitments to purchase whisky raw materials.

(€000)	30/06/2023	< 1 year	1 to 3 years	> 3 years
Commitments relating to the issuer's operating activities				
Commitment to purchase raw materials	219,341	13,426	46,675	159,241

Note 7.2 : Litigation and contingent liabilities

DISPUTE IN UKRAINE

The Company's Ukrainian subsidiary, Belveder Ukraine LLC, was placed in court-ordered liquidation in January 2014, on the basis of a ruling handed down by the Kiev Commercial Court following proceedings instituted at the request of one of the company's creditors in July 2011.

MBWS holds around 85% of Belveder Ukraine LLC's overall debt.

Belveder Ukraine LLC's assets (including shares in the subsidiaries owned by the company in liquidation and assets belonging to its subsidiaries, which are now controlled by the liquidator appointed by the Kiev Commercial Court) were transferred to a third party outside the Company's control in November 2014.

Following several proceedings initiated by the Company, the Kiev Court upheld the Company's claims in early April 2015, (i) overturned the November 2014 sale of its assets in Ukraine and (ii) ordered the liquidation proceedings to be reopened.

This decision was upheld by the Ukraine High Commercial Court on 22 March 2016. However, several decisions have been handed down since then, including one approving the resale of assets by the first purchaser, despite the first sale having been declared invalid.

Proceedings were still pending at the reporting date.

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

OTHER POINTS

On 11 April 2019, the French antitrust authorities conducted unannounced visits and seizures at the Company's premises as part of an investigation into suspected anti-competitive practices, namely the exchange of information between (i) COFEPP and MBWS and between (ii) MBWS and Castel, in breach of cartel regulations. The Company provided all available information and remained at the disposal of the investigation department of the French antitrust authorities to provide any additional information. As part of this procedure, the Group had also contested the legality of the order of the liberty and custody judge, which was the basis of the visit and seizures, and of the manner in which the visit and seizures were conducted, before the Paris Court of Appeal. In a ruling dated 9 December 2020, the Paris Court of Appeal upheld the order handed down by the liberty and custody judge and dismissed the Company's appeal.

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

Note 7.3 : Related parties

Material transactions with related parties mainly include transactions with subsidiaries of the COFEPP group. In H1 2023, they comprised:

- services and raw material purchases totalling €7.4 million,
- sales of finished goods totalling €7.6 million,

During the six months ended 30 June 2023, relations between the Group and related companies remained comparable to those for the year ended 31 December 2022. No transactions of an unusual nature or amount occurred during the period.

Note 7.4 : Post-balance sheet events

There is no particular event that has occurred since the end of H1 2023 such as to require specific communication.

2.2 STATUTORY AUDITORS' REPORT ON THE FIRST HALF 2023 FINANCIAL STATEMENTS

Period from 1 January to 30 June 2023

To the Shareholders,

In execution of the engagement entrusted to us by your general meetings and in application of Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

• carried out a limited review of the consolidated financial statements of Marie Brizard Wine & Spirits SA for the six months from 1 January to 30 June 2023, as appended to this report;

• verified the information provided in the half-year activity report.

The first half consolidated financial statements were prepared under the responsibility of the Board of Directors. It is our responsibility to express an opinion on these financial statements, based on our limited review.

I – Opinion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review consists mainly of discussions with senior executives responsible for financial and accounting matters and the conduct of analytical procedures. This work is less extensive than that required for a full audit conducted in accordance with professional standards applicable in France. Accordingly, the assurance obtained from a limited review that the financial statements, taken as a whole, are free from material misstatement is a limited assurance, less than that obtained from an audit.

Based on our limited review, we have not identified any material misstatements that would render the first half consolidated financial statements non-compliant with IAS 34 "Interim Financial Statements" as adopted by the European Union.

II – Specific verifications

We have also verified the information provided in the half-year activity report commenting on the first half consolidated financial statements, on which we conducted a limited review.

We have no matters to report regarding the fair presentation of that information and on its consistency with the first half consolidated financial statements.

Paris La Défense, 28 September 2023

The Statutory Auditors

MAZARS	**KPMG**
Jessica Cluzeau	Adrien Johner
Partner	Partner

3

STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST HALF 2023 FINANCIAL REPORT

3.1 STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST HALF 2023 FINANCIAL REPORT

"I hereby certify that, to the best of my knowledge, the condensed financial statements for the six months ended have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and earnings of the company and all companies included in the consolidation, and that the half-year activity report presented at the beginning of the report gives a fair view of the events that occurred during the first half of the year, the impact of those events on the financial statements and the main related party transactions during the period and includes a description of the main risks and uncertainties applicable to the remaining six months of the year."

28 September 2023

Fahd Khadraoui

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MARIE BRIZARD
WINE & SPIRITS