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# UNIVERSAL REGISTRATION DOCUMENT

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Including the Annual Financial Report

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# UNIVERSAL REGISTRATION DOCUMENT 2021

Including the Annual Financial Report

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*This Universal Registration Document was filed on 13 April 2022 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 of and any amendments to the Universal Registration Document. All these documents are approved by the AMF in accordance with Regulation (EU) 2017/1129.*

Ladies and Gentlemen,  
Dear Shareholders,

VRANKEN-POMMERY MONOPOLE had a remarkable year in all respects in 2021.

All of the Group's teams, united around a new management team, showed extraordinary dynamism and a fierce desire to return to growth and achieve results. Now a company with a mission, VRANKEN-POMMERY MONOPOLE is stronger and more determined than ever. Born from the acquisition of the Maison de Champagne Heidsieck et Co Monopole, then that of the House of Champagne Pommery, VRANKEN-POMMERY MONOPOLE, created by Paul-François VRANKEN in 1976, has always been driven by a clear vision:

To promote the quality of its champagne and wines throughout the world!

The mission of VRANKEN-POMMERY MONOPOLE has always been to ensure the development of each of its Maisons de Champagne, Domaines and Châteaux while respecting their identity. To this end, VRANKEN-POMMERY MONOPOLE provides each of its brands with all the resources necessary for the creation, development, secondary fermentation, and finally the distribution of their wines and champagnes. VRANKEN-POMMERY MONOPOLE continues to preserve its family spirit, which enables it to have a long-term vision for the business. The spirit that forged us and which is ours is reflected in everything we do. As the leading wine grower in Europe, sustainable development is not 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 the carbon footprint of its activities, in particular by eliminating external logistics facilities in the short term. A user of lighter champagne bottles since 1994, the Group intends to continue research and development in this area to also reduce its carbon impact. Gender equality, recruitment and training of young people are also among our biggest issues. New partnerships with universities and schools will enable us to build training programmes dedicated to learning our professions and that are open to all employees of our companies.

Domaine Vranken-Pommery is recognised as one of the Domaines most involved in contemporary art. The "Pommery Experiences", which were interrupted by the pandemic, will resume this year allowing all visitors to come and discover the works created in situ by more than 30 artists. The "Experiences" also make it possible to set up large-scale mediation programmes for schoolchildren in the region.

The world is moving at high speed.

Not yet completely free from the health constraints, and we are already facing another crisis with geopolitical consequences and economic impacts that are still unpredictable in the global economic context at the gates of Europe. We are and will remain more mobilised than ever, and we intend to continue, relentlessly driven by our endless entrepreneurial spirit. VRANKEN-POMMERY MONOPOLE is only at the beginning of its history and whatever happens 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*

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## FAMILY-OWNED GROUP

founded and managed  
by Paul-François Vranken  
since 1976

## COMPANY VALUES

Innovation  
Know-how  
Boldness  
Good governance

## AN EXCEPTIONAL HERITAGE

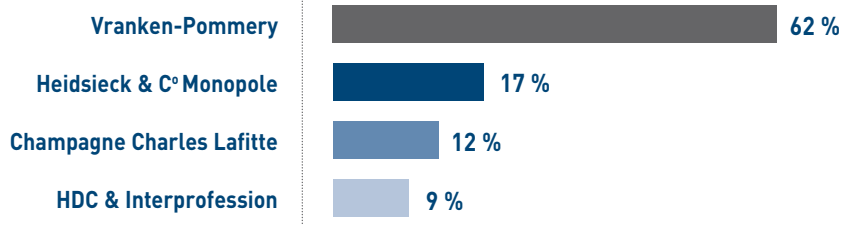
- Industrial (3 production centres)
- Historic (5 exceptional Domaines)
  - Artistic  
(16 "POMMERY EXPERIENCES")
  - Œnological (the largest collection of 20<sup>th</sup> century vintages)

## FROM VINE TO WINE

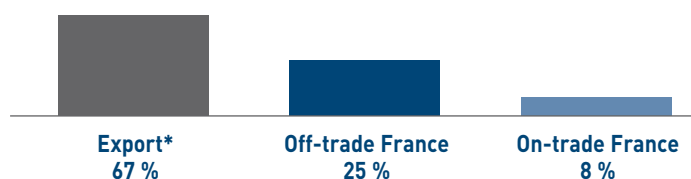
- Champagne
- Camargue
  - Provence
  - Portugal
  - Hampshire
  - Napa Valley

**659** EMPLOYEES  
worldwide

## Distribution of Champagne revenue (per brand)

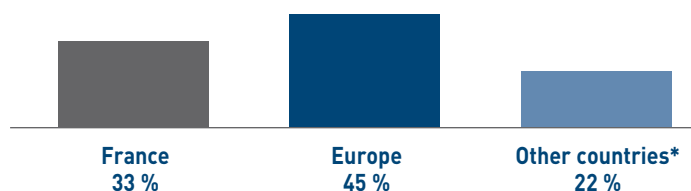


## Breakdown of the three distribution networks in 2021 (as a % of Champagne sales revenue)



\*Including Duty Free France.

## Revenue by geographical region in 2021 (as a % of Champagne sales revenue)



\*UK included in third countries in 2021.

## Statement of financial position

In M€	12/2021	%
<b>Total statement of financial position</b>	<b>1 246,3</b>	
Equity (Group share)	380,0	30,5 %
Inventories and work-in-progress	645,4	51,8 %

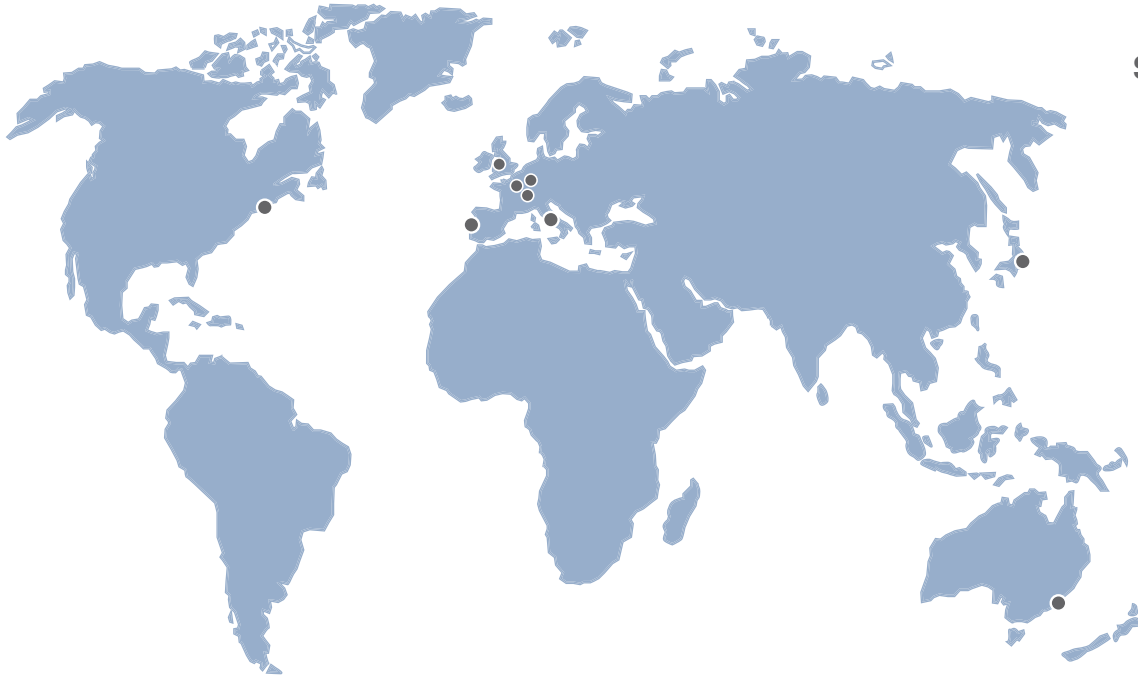
## Financial position

In €K	12/2021	12/2020
Investments	22 280	15 040
Investment as a % of revenue	7,4 %	6,2 %
Depreciation and amortisation	15 777	14 647
Gross cash flows	41 622	33 049
Net financial debt	653 487	683 619
Net financial debt/inventories ratio	1,01	1,02
Excluding IFRS 16 impact	0,98	0,98

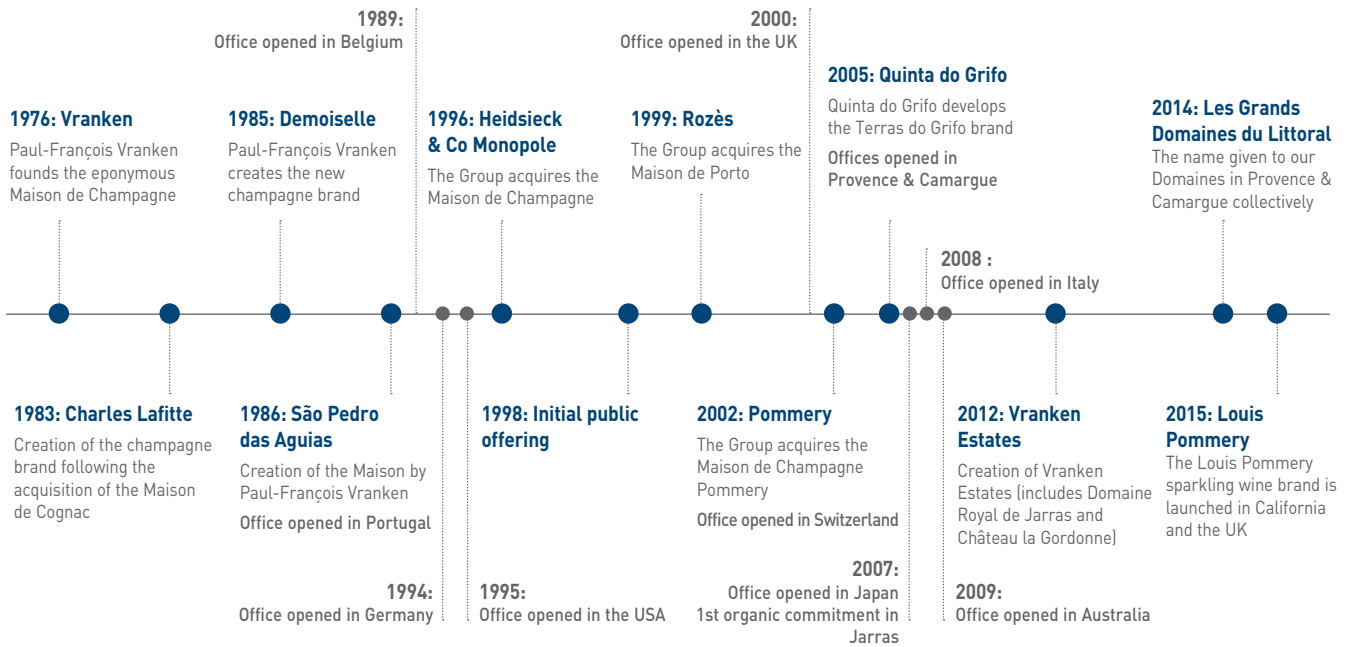
# Outline & key figures



## 10 SUBSIDIARIES



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





# 1

## GROUP OVERVIEW

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VRANKEN-POMMERY MONOPOLE is a French family-owned company operating worldwide whose business is making great quality wines under the label of its Maisons, Domaines and Châteaux.

One of the biggest owners of acres under vine in Europe boasting prime assets, some of which form part of the Champagne Hillsides, Houses and Cellars and the Alto Douro Wine Region UNESCO World Heritage Sites, the Group markets its renowned, prestigious brands and is the custodian of their heritage, quality and style.

From winegrowing to secondary fermentation and marketing, VRANKEN-POMMERY MONOPOLE excels at every step of the value chain from vine to wine across all of its terroirs. Permanent quality control, innovation and respect for the planet and people have enabled it to develop over time know-how whose excellence is recognised. By virtue of its continuous effort and constant care, its wines are household names all over the world.

The VRANKEN-POMMERY MONOPOLE Group is the second-largest producer in the Champagne region 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 towards the future with calm and confidence by relying on its values:**

INNOVATION - EXPERTISE - AUDACITY  
ETHICS AND GOVERNANCE

VRANKEN-POMMERY MONOPOLE is listed on Euronext B in Paris and Brussels.

The Group 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

### Company name:

VRANKEN-POMMERY MONOPOLE

### Register number, NAF and LEI code:

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

VRANKEN-POMMERY MONOPOLE's APE code is 4634Z.

VRANKEN-POMMERY MONOPOLE's LEI code is:  
969500M5EQJVASURW53.

### Head office

5, place Général Gouraud – 51100 REIMS

Any interested party may contact the Company at the address given below with the following contact details:

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

Website: [www.vrankenpommery.com](http://www.vrankenpommery.com)\*

E-mail: [comfi@vrankenpommery.fr](mailto:comfi@vrankenpommery.fr)

### Legal structure

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 was set at 99 years from the date of its registration in the Reims 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:

- acquiring holdings and interests, in whatever forms and by whatever means, in all French and foreign companies, enterprises and groupings, particularly in the field of wines, champagnes and spirits as well as all other products or items;
- all services to these companies, in particular in financial, economic, commercial, technical and administrative matters;
- all import, export, representation operations, and commission and brokerage activities related to it;
- acquiring, obtaining, granting and using patents, licences and trademarks of all kinds.

And, more generally, 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 transactions or that may promote the extension and development thereof.

### Company with a mission

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

#### Mission:

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 operate within a sustainable development strategy,
- As far as possible, to achieve organic conversion for the 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 propose to Group companies, employees, partners, customers and shareholders to adhere to the aforementioned values by offering champagnes and wines produced all over the world of an extreme quality but with limited environmental impact.
- The execution 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 the 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, historical financial information of VRANKEN-POMMERY MONOPOLE and its subsidiaries described in this Universal Registration Document, information pertaining to each of the two years preceding the filing of this Universal Registration Document as well as the Annual Reports and Registration Documents since 2010, quarterly information and all regulated information) can be requested, for as long as they are valid, from the Finance Department at the registered office of VRANKEN-POMMERY MONOPOLE located at 5, place Général Gouraud, 51100 Reims and, where available, consulted online at [www.vrankenpommery.fr](http://www.vrankenpommery.fr).

Some of these documents may also be consulted on the website of the French Financial Markets Authority (AMF):

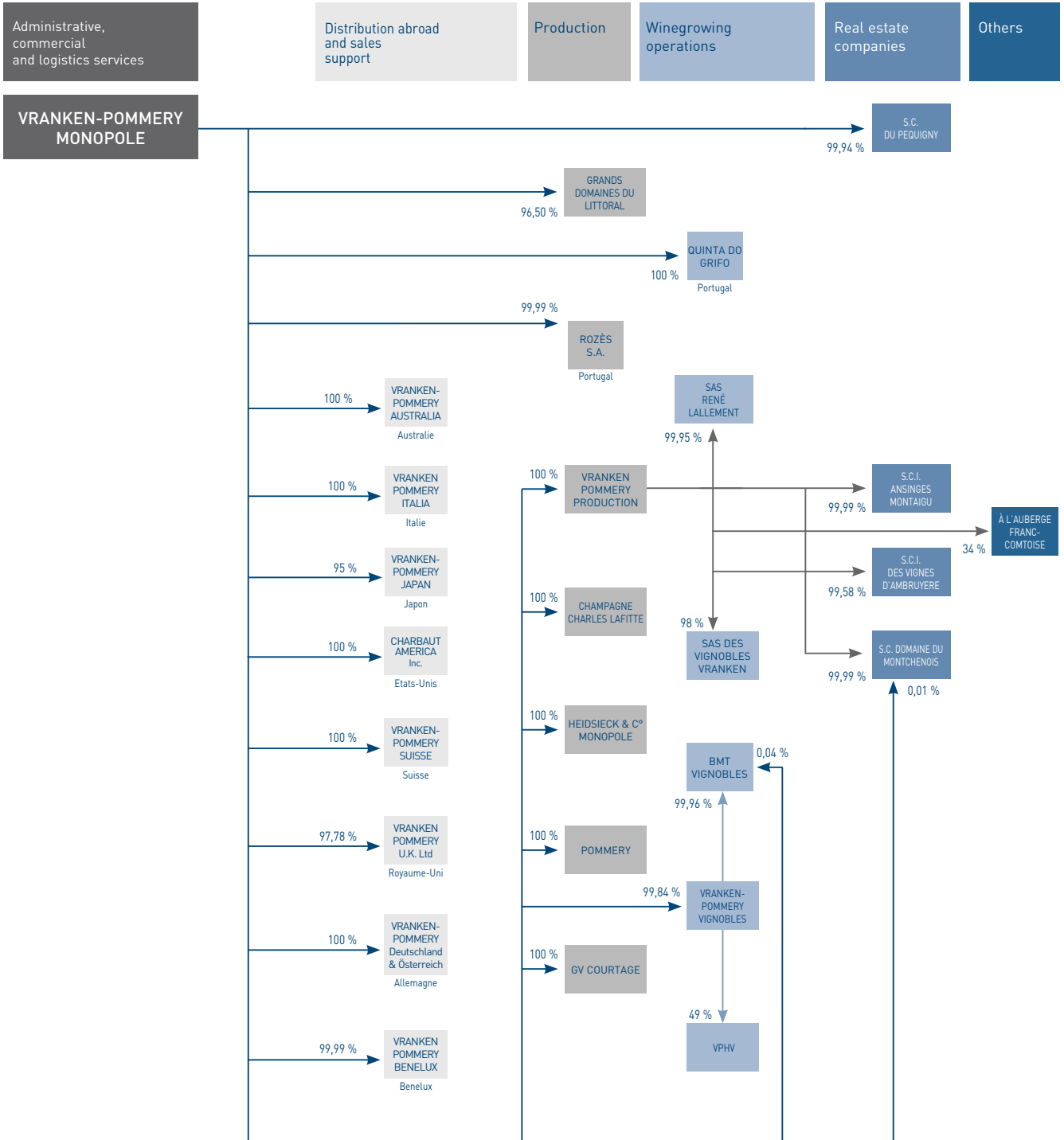
[www.amf-france.org](http://www.amf-france.org).

\*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 2021





## Maisons (Champagne, Porto, Camargue and Provence)

VRANKEN-POMMERY PRODUCTION	This subsidiary manages the Group's entire Champagne production.
POMMERY	The sole purpose of this subsidiary is to collect the fee paid by VRANKEN-POMMERY PRODUCTION in respect of the management lease of its business for the production, making and marketing of wines, champagnes and spirits, granted with effect from 1 January 2011.
CHAMPAGNE CHARLES LAFITTE	VRANKEN-POMMERY PRODUCTION pays this subsidiary a business licence fee under their lease-management agreement of 1 January 2009.
HEIDSIECK & C° MONOPOLE	VRANKEN-POMMERY PRODUCTION pays this subsidiary a business licence fee under their lease-management agreement of 1 January 2008.
ROZÈS S.A.	This 99.99% owned subsidiary is responsible for the production of the Group's Ports and Douro wines. At the same time, Rozès SA distributes the Group's other products in Portugal.
GRANDS DOMAINES DU LITTORAL	This subsidiary manages vineyards and makes Châteaux and Domaines wines.

## Marketing subsidiaries

VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GmbH	These subsidiaries are the pillars of foreign distribution and all serve to develop the sales of all products marketed by the Group.
VRANKEN POMMERY BENELUX	
CHARBAUT AMERICA Inc.	
VRANKEN POMMERY MONOPOLE U.K. Ltd	
VRANKEN-POMMERY SUISSE	
VRANKEN-POMMERY JAPAN	
VRANKEN POMMERY ITALIA	
VRANKEN-POMMERY AUSTRALIA	The investment in a subsidiary sees its return not only in the subsidiary's results, but also in the Group's exports to the country in question.
	The flexibility of this organisation makes it possible to adapt to the demands 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 winegrowing subsidiaries, which are held by VRANKEN-POMMERY VIGNOBLES.
QUINTA DO GRIFO	This wholly-owned subsidiary of VRANKEN-POMMERY MONOPOLE is responsible for the winegrowing activities in Portugal, including the vineyards of QUINTA DO GRIFO and QUINTA VEIGA REDONDA (Anibal) and QUINTA DA CANAMEIRA.

## Equity acquisitions and strengthening of existing shareholdings

In accordance with legal requirements, we also inform you that VRANKEN-POMMERY VIGNOBLES contributed to the incorporation of a winegrowing services company named VPHV, with an interest of 40%, it being specified that at the beginning of the 2021 financial year, it increased its interest in this company to 49%. The purpose of this company is to manage, under a single roof, all winegrowing services for the Group's winegrowing companies.

The Company did not acquire any new equity interests during the financial year ended 31 December 2021.



### 1.2.2 Type 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 rentals/Cash/Tax consolidation/VAT agreement		Lease-management fee	Lease-management fee	Production licence fee Real estate leasing	Real estate leasing/Pressing/Secondary fermentation/Grape & wine trading/Guarantee fees	Grape & wine trading/Pressing/Secondary fermentation/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/Winemaking/Winegrowing services/Grape & wine trading/ Guarantee fees					
BMT	Administrative services Cash Tax consolidation	Grape & wine trading/Pressing/Secondary fermentation/Real estate leasing					
SAS DES VIGNOBLES VRANKEN	Administrative services Cash Tax consolidation	Grape & wine trading/Pressing/Secondary fermentation					
SAS RENE LALLEMENT	Administrative services Cash Tax consolidation	Grape & wine trading/Pressing/Secondary fermentation/Real estate leasing					
GV COURTAGE	Administrative services/Cash/Tax consolidation/VAT agreement	Fees					
SC DOMAINE DU MONTCHENOIS	Administrative services Cash	Grape & wine trading/Pressing/Secondary fermentation					
SC DU PEQUIGNY	Administrative services Cash Tax consolidation	Grape & wine trading/Pressing/Secondary fermentation					
SCI LES ANSINGES MONTAIGU	Administrative services Cash Tax consolidation	Grape & wine trading/Pressing/Secondary fermentation/Real estate leasing/Land rents					
SCI DES VIGNES D'AMBRUYERE	Administrative services Cash Tax consolidation	Real estate leasing					
GDL	Admin. services/Brokering contract/Receptions/Seminars/Personnel procurement/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 - outdoor maintenance/Partner support/Winegrowing services/Picking				Real estate leasing Winegrowing services/picking	Real estate leasing Winegrowing services/picking
AFC	Receptions/Personnel procurement/ 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	Admin. services/Brokering contract/Receptions/Seminars/ Personnel procurement/ Cash/Tax consolidation/VAT agreement	Administrative services/ Training/General contractor services for garden maintenance + Castaignes	Receptions/Personnel procurement/Bottle sales/ Current account interest
Grape & wine trading/Pressing/ Secondary fermentation	Grape & wine trading/ Pressing/Secondary fermentation/Real estate leasing	Fees	Grape & wine trading/Pressing/ Secondary fermentation	Grape & wine trading/Pressing/ Secondary fermentation	Grape & wine trading/ Pressing/Secondary fermentation/Real estate leasing/Land rents	Real estate leasing	Storage and transport services	Real estate leasing/Pressing services/Transport/Vat room/General contractor services- 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				

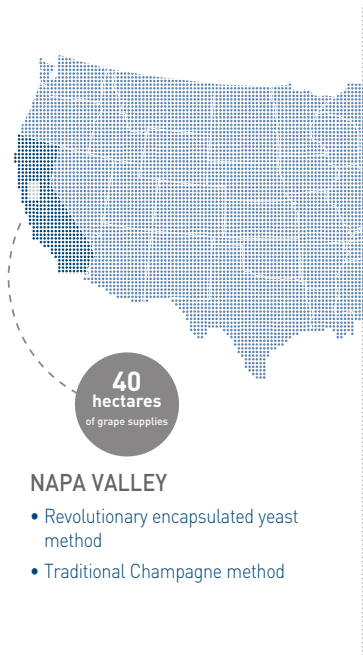


### 1.3 Overview of the Group's business

#### 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



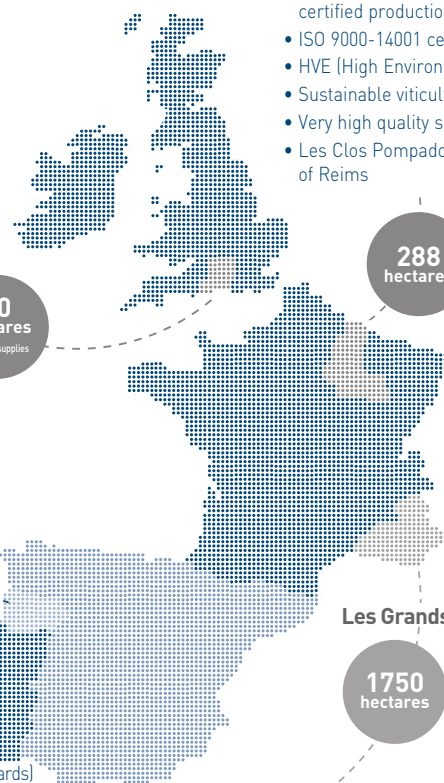
#### HAMPSHIRE

- Exceptional vineyard at Pinglestone Estate
- Revolutionary encapsulated yeast method
- Traditional Champagne method



#### VALLÉE DU DOURO

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



#### CHAMPAGNE

- ISO 9001, 14001 and 22000 and ISS 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
- Grenache "Franc de pied" (ungrafted vines)
- Night harvesting
- NATURA 2000 classified area

#### PROVENCE

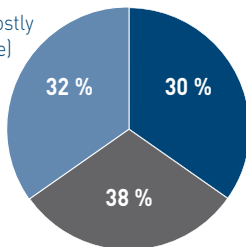
- All organic
- Selection of plots for secondary fermentation
- Night harvesting for freshness

Champagne, PDO wine and eponymous region with its 34,000 hectares under vine whose hillsides, houses and cellars are a UNESCO World Heritage Site.

#### Distribution of grape varieties

**Pinot Meunier** (mostly in Vallée de la Marne)

- good for ageing



**Pinot Noir** (mostly in Montagne de Reims)

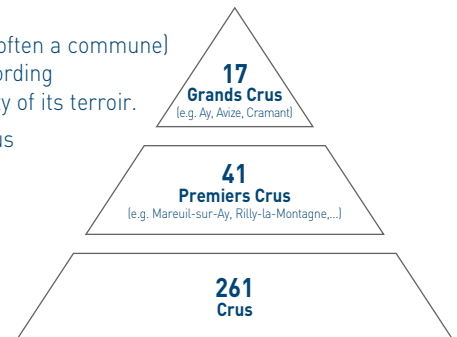
- roundness, sweetness

**Chardonnay** (mostly in Côte des Blancs)

- freshness, acidity, liveliness

#### Scale of Crus

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

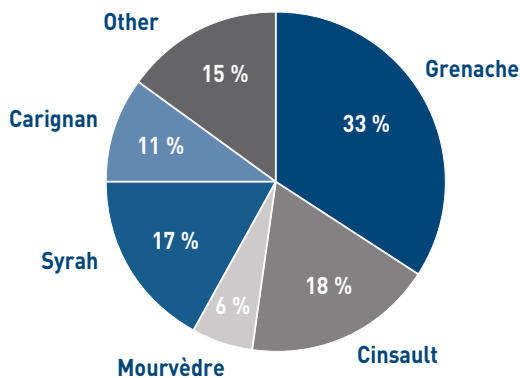




### Château la Gordanne (est. 1652), Côtes-de Provence PDO

Provence's vineyards cover 26,680 hectares and produce three controlled appellation wines, including 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 IGP

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

Sables de Camargue is an IGP wine whose vines are grown on sandbanks and mainly comes in the form of gris or gris de gris (types of rosés).

#### Camargue grapes varieties

- Gris de gris is made only from light-skinned grapes such as Grenache Gris
  - Gris is made from black and light 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
- Domaine Royal de Jarras vineyards are busy converting to organic agriculture

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

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

#### Douro Valley grapes 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 the style of our house.

**ASSEMBLAGE:** Grape varieties, vintages, 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 gyroallettes.

**DISGORGEMENT:** The deposit (dead yeast cells) is removed by means of the pressure built up in the bottle before adding the dosage liqueur.

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

**FINAL AGEING:** Time between disgorging and shipping to harmonise the liquor 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).

**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:** A selection of wines from different grape varieties is blended.

**MATURATION:** Stainless steel vats or concrete eggs. Ageing on the 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 dispatched, all that remains is to enjoy it.





**CAMARGUE**

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

**PRESSING:** Draining (various presses from the grape must). Pneumatic presses used, 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.

**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.

**ASSEMBLAGE:** A selection of wines from different grape varieties is blended.

**MATURATION:** Stainless steel vats. Ageing on the 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 dispatched, all that remains is to enjoy it.

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

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

<b>RUBYS</b> (fruity wines)	<b>TAWNYS</b> (oxidised wine)	<b>BLANCS</b> (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: 6 years at least With an indication of age: 10, 20, 30 and 40 years (average age of a multiple-year blend) Colheita: vintage	Branco: 3-5 years Branco Réserve: 6 years at least 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 m<sup>2</sup> 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/disgorgement 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 m<sup>2</sup> of fully automated high-tech equipment.
- Capacity: 15,000,000 bottles.
- World-class production equipment:
  - every stage of the champagne making process is present, from pressing to labelling & sealing;
  - a very recent pressing area commissioned in 2016 with a press capacity of 200,000 kg of grapes per day;
  - 10 production lines (2 for disgorgement, 2 for tirage and 6 for all of the Group's brands);
  - About 6,500 m<sup>2</sup> of floor space dedicated to labelling and packaging of special bottles, such as Demoiselle, Diamant, etc.;
  - 2 vat rooms each with a capacity of over 101,000 hl.

This is where 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: 15,000 m<sup>2</sup>.
- Production capacity: 10,000,000 bottles of rosé wines.

#### Domaine du Bosquet south of Aigues-Mortes

- Surface area: 10,000 m<sup>2</sup>.
- Production capacity: 5,000,000 bottles of sparkling wines.

#### Modern and efficient production tools

- 8 pneumatic presses.
- A labelling, sealing and packaging line able to handle 8,000 bottles / hour.
- 1 vat room of 240,000 hl.

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



### CAMBRES WINERY IN LAMEGO (PORTUGAL)

- Surface area: 7,500 m<sup>2</sup>.
- Production capacity: 3,000,000 bottles of Port and Douro wines.

#### Modern and efficient production tools

- Stainless steel vats and variously sized casks and barrels with a combined capacity of about 44,000 hl.
- Able to handle the entire secondary fermentation process, from receiving the grapes to labelling & sealing and shipping the bottles.
- Fermentation hall able to receive up to 80 tonnes of grapes a day.
- 2 labelling & sealing lines able to bottle or label & seal 7,000 bottles per hour.

This is where Rozés, Terras do Grifo and São Pedro das Aguias secondary fermentation is made 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. Reporting to the Group Cellar Managers and Vineyard Managers, the project manager guides the experiments in research areas defined jointly with the General Management. Responsible for technical and scientific monitoring, she is involved from translating the Group's needs to conducting field trials for current experiments and to multi-year research programmes. She acts as a link 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 means to do their research, for instance modern internal laboratories capable of Fourier-transform infrared spectroscopy, enzyme analysis and spectrophotometry, experimental vats and trial vineyard parcels (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), and 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 guarantee 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 led to risk analysis being conducted in all Group companies. It is monitored, supplemented and improved from year to year.

At the same time the Group's internal laboratories ensure compliance with winegrowing and secondary fermentation rules and make sure all job requirements are observed.

The priority themes, defined for the 2021 financial year, meet the Company's needs in viticulture and oenology. We focused in particular on the quality of the harvest (BestQuali project), reducing the use of sulphites (Sulfiless project), water stress in the vineyard (Neptune project), the search for alternatives to herbicides (soil conservation, 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). We are also working on the development of precision viticulture. Since the end of 2018, we have been part of a European research project (Project AI4DI, Artificial Intelligence for Digitizing Industry), with the aim of integrating artificial intelligence methods for the prediction of yields or diseases via the use of sensors. In this project, the Group is the leader in the tasks of the 4th supply chain linked to the production of Champagne and develops digital solutions for viticulture with its partners (1 patent filed). We are also working on reducing the doses of plant protection products through the use of sensors onboard tractors (NatuDOSE project). The Group has submitted seven areas of research for the French research tax credit scheme (CIR).

In order to preserve our heritage, we are also interested in the development of solutions to regulate the development of biofilms on the bas-reliefs of the cellar (MBioChalk project).

At the other end of the production chain, the Group is constantly looking to improve its packaging, marketing and logistics. They are paid for by the Company in connection with specialised engineering offices. Three employees are in charge of this.

### 1.3.4 The market

VRANKEN-POMMERY MONOPOLE is active in three main markets:

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

After the halt in 2020 due to Covid-19, French exports of wines and spirits rebounded strongly, up by 28.3%.

Exports of French wines and spirits reached €15.5 billion in 2021. This record figure marks a strong rebound compared to 2020 of 28%, but also a clear increase compared to 2019 of 11%.

This strong recovery concerned all product categories but also the various regions of the world. The balance of trade amounted to €14.2 billion, up by 29%, making the wines and spirits sector the second-largest trade surplus after aeronautics. "This positive result in 2021 is remarkable. In a context that remains marked by health, logistical and geopolitical difficulties, French wine and spirits companies have shown both their willingness and their ability to bounce back in the various regions of the world" underlines César Giron, Chairman of FEVS, the French wine and spirits export federation.

Driven by the growth momentum present in all markets and the resumption of exports of still wines to the United States following the suspension of "Airbus taxes", the volumes shipped exceeded



the threshold of 200 million cases for the first time since 2012, with an increase of 10.6%.

FEVS - Press kit - Exports of French wines and spirits in 2021, February 2022  
FEVS - Press release, 15/02/22

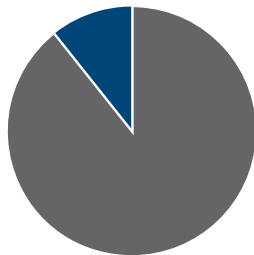
	Volume*		Value	
	2021	Change (%)	2021 (in €k)	Change (%)
<b>TOTAL WINES</b>	<b>144 889 775</b>	<b>10,1</b>	<b>10 518 283</b>	<b>27,5</b>
of which Champagne	14 203 286	35,1	3 510 128	42,2
AOC still wines	59 283 588	8,7	5 265 558	24,6
IGP still wines	39 193 590	3,9	903 695	7,6
Others	32 209 311	NC	838 902	NC
<b>TOTAL VERMOUTHS &amp; ABV</b>	<b>3 107 105</b>	<b>7,6</b>	<b>91 451</b>	<b>17,7</b>
<b>TOTAL SPIRITS</b>	<b>54 504 909</b>	<b>12,4</b>	<b>4 881 831</b>	<b>30,1</b>
<b>TOTAL WINES &amp; SPIRITS</b>	<b>202 501 790</b>	<b>10,6</b>	<b>15 491 566</b>	<b>28,3</b>

\*Wines: cases of 12 bottles, i.e. 9L - Spirits: cases of 12 bottles, i.e. 8.4l at 40% vol.  
Source: FEVS - Press kit - Exports of French wines and spirits in 2021, February 2022.

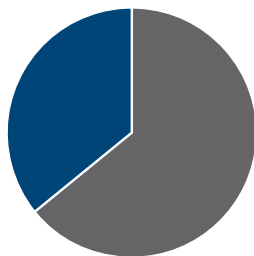
### 1.3.4.1 The Champagne market

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)



The winegrowers operate 90% of the vineyard



The Maisons ship close to 2/3 of the volumes

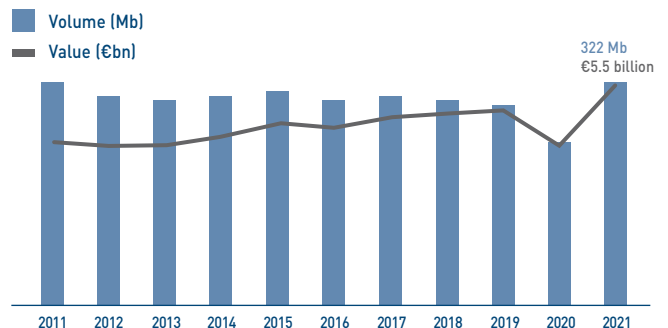
The Maisons de Champagne and their leading brands (Grandes Marques) account for nearly 2/3 of Champagne's sales by volume and 3/4 of total revenue. The organisation of the Champagne region can be seen as a unique model of success in the French wine industry. The principle of co-management of the segment by the winegrowers and the Maisons de Champagne, set up in the 19th century, has continued to be perfected to make it an efficient tool for promoting excellence in Champagne.

#### The business segment is based on:

- a careful balance maintained by the Comité Champagne;
- lasting relations between players in the market, mostly based on long-term supply contracts (5 years) or operating leases;
- qualitative reserves assembled at each harvest to cushion the impact of poor harvests;
- controlled changes in grape prices for 10 years.

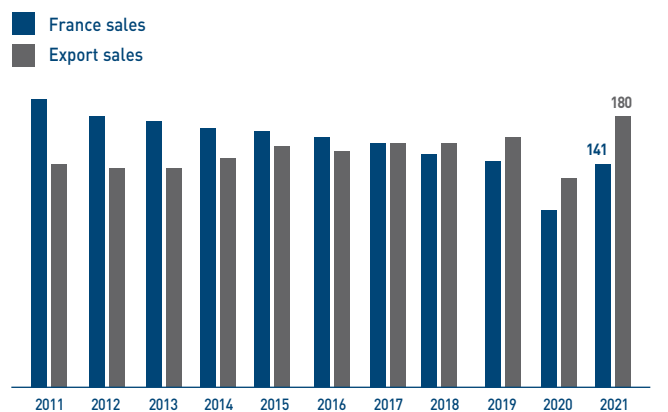
The CIVC circular 1712 of 3 September 2021 set at 10,000 kg of grapes per hectare, the yield available for the 2021 harvest, versus a yield available in 2020 in the Champagne appellation of 8,000 kg of grapes per hectare.

#### Champagne shipments by volume and value in 2021:



Source: Comité Champagne, March 2022

#### Champagne wine domestic and export sales in million bottles



Source: Comité Champagne, February 2022



Total Champagne shipments in 2021 amounted to 322 million bottles, up by 32% compared to 2020. The French market was up by 25% with nearly 142 million bottles and was back to the level of 2019; exports continued to grow with a new record of 180 million bottles.

"This rebound is a good surprise for the people of Champagne after a year in 2020 badly affected by the closure of the main places of consumption and the absence of events around the world", commented Maxime Toubart, Chairman of the Syndicat Général des Vignerons and co-Chairman of the Comité Champagne, who was also pleased with "the good performance of the domestic market".

With tourism and events still at depressed and the restrictions still in force due to the health crisis, it seems that off-trade market has taken over. Consumers have decided to have fun at home, to create new moments of conviviality and sharing, despite the gloomy environment.

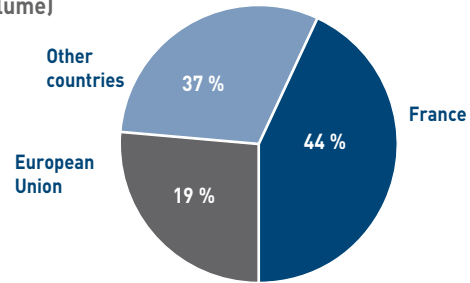
Wine professionals had reduced their inventories in 2020 in the face of uncertainty about the duration of the health crisis. They took the opposite path in 2021, sometimes taken by surprise by the acceleration in demand as of April. Difficulties were sometimes experienced due to logistics and the disorganisation of transport.

Jean-Marie Barillère, Chairman of the Union des Maisons de Champagne, co-Chairman of the Comité Champagne, is delighted that "thanks to exports and consumer appetite for fine vintages, Champagne will achieve a record revenue of more than €5.5 billion", but goes on to say that "the average of shipments for 2020-2021, 280 million bottles for €4.9 billion, remains lower than the level prior to the pandemic (300 million bottles and €5 billion)".

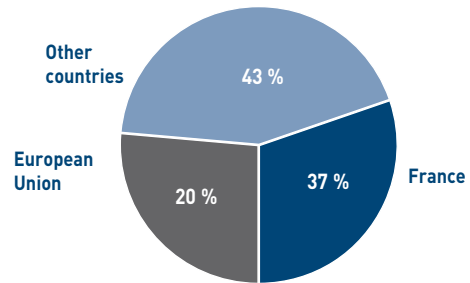
Battered by the health crisis in 2020 and by trying weather conditions in 2021, Champagne hopes that 2022 will pave the way for a new growth cycle.

Source: Comité Champagne, Champagne shipments press release, 19/01/22

Champagne shipments in 2021 by end-market: (by volume)



(by value)



Top ten export markets by volume and value:

Rank	Country	2021 Volumes (in thousands of bottles)	Revenue (in thousands of euros)
1	United States	34 120	793 489
2	United Kingdom	29 877	503 584
3	Japan	13 814	354 488
4	Germany	11 174	201 929
5	Italy	9 225	200 159
6	Belgium	10 310	166 904
7	Australia	9 919	159 885
	Chinese world (China, Hong Kong, Taiwan)	4 803	149 991
8	Switzerland	6 128	125 597
9	Spain	4 434	94 091
10	Canada	3 264	79 695

Source: Comité Champagne, March 2022

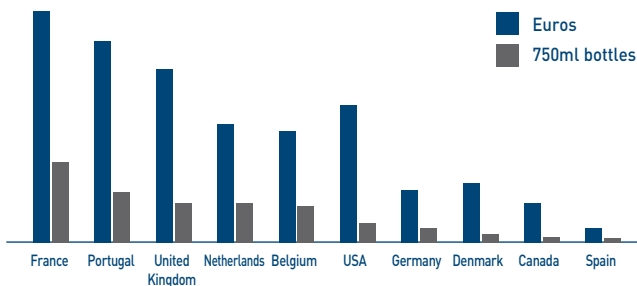


### 1.3.4.2 The Port market

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 2021 sales reached 100,704,000 750ml bottles, representing €391,360,000 in revenue.

France is the leading consumer and importer of port wines.

Port wine sales by value (€M) and volume (Mb) in 2021:



Source: Institut Mondial des Vins de Porto, 2021

### 1.3.4.3 The Wine market

"Having seen strong growth for the last 15 years, rosé wine consumption seemed to remain stable in a straight line between 2018 and 2019. In 2019, the two main consuming countries remained France and the USA. The smallest consuming countries (excluding the top 10) have decreasing consumption volumes, as does their share of global consumption, which has fallen from 28% to 23% over the last 10 years (net market concentration).

Rosé wine production in the three main producing countries - France, the United States and Spain - represents 57% of total volumes."

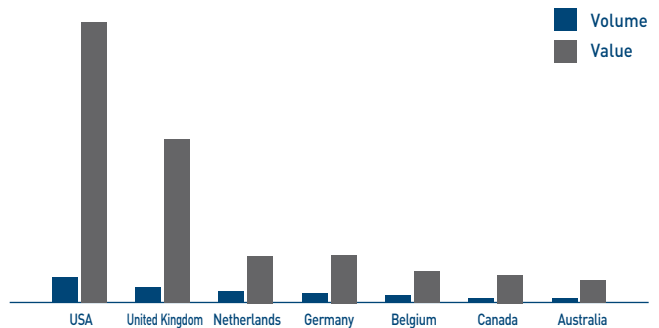
The top 10 consumption countries for rosé wine per inhabitant:

Country	Rosé consumption 2019 (l/inhabitant > 15 years)
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 10 biggest consumers of rosé wines are European.
- France is by far the world leader in per capita consumption of rosé wine (15.1 l/inhabitant/year).

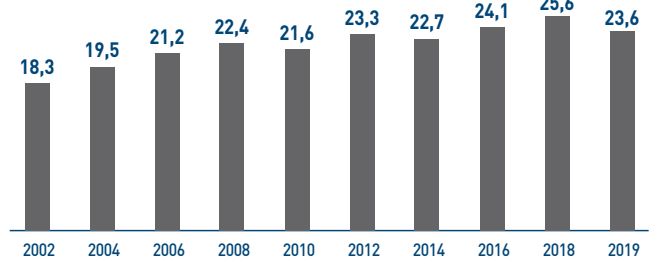
Source: Observatory for International Rosé Wine Markets (OIV) - 2019 data. France Agrimer and CIVP, 2021

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

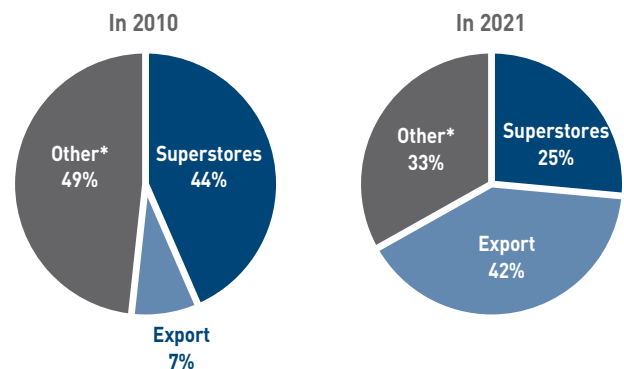


Source: Comité Interprofessionnel des Vins de Provence (CIVP), 2022.

Trends in worldwide consumption of rosé wine 2009 - 2019 (in million hl)



Source: Comité Interprofessionnel des Vins de Provence, 2021.



\*Traditional channels (restaurants, hotels and cafés, wine shops, direct sales)  
Source: CIVP press release, March 2022



### 1.3.5 The Group's brands and environment

#### Pommery Brut Royal—the elder statesman



#### Characteristics:

- Traditional champagne blend of Chardonnay, Pinot Noir and Pinot 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, Ay, 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 Jéroboam



Diamant  
Brut Rosé



Diamant  
Blanc de Blancs



Diamant  
Grand Cru Vintage

## 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): extraction technique of the first highly qualitative juice
- Meticulous blend of quality grapes of exceptional origin
- First bottle in 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, Pinot 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



## La Chapelle Gordonne, an elegant and refined rosé



### Characteristics:

- Blend of Grenache, Cinsault and Syrah
- Côtes de Provence Pierrefeu PDO
- Remarkable terroir
- Made from grapes grown in the oldest vineyard parcels on the schist hillsides of Pierrefeu-du-Var
- Night harvested to capture the flavour of the grapes
- Finest wine (tête de cuvée) made solely from unpressed free-run juice
- Freshness, delicacy, sweetness
- HVE (high environmental value) certified
- Tasting notes: pink grapefruit blossoms, lime, wild strawberry



Multi-vintage



Château la Gordonne  
Vérité du terroir



Château la Gordonne  
Le Cirque des Grives

## 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
- Pronounced maturity resulting from the unique schist the vines grow in
- Tasting notes: flowers, black berries, vanilla



Terras Do Grifo  
Blanc



### Late Bottled Vintage 2015, 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 manages the distribution of all of the Group's products by means of brokering contracts:

- the France Division handles the French on-trade and off-trade;
- the Export Division and its international subsidiaries handle exports:
  - 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:**

Sales are split between three major distribution channels to best serve their corresponding customer bases:

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

VRANKEN-POMMERY MONOPOLE's longstanding prominence in cafes, hotels, restaurants and wine shops ensure the recognition and visibility of its brands with end consumers.

- **Off-Trade Network (big retail in Europe)**

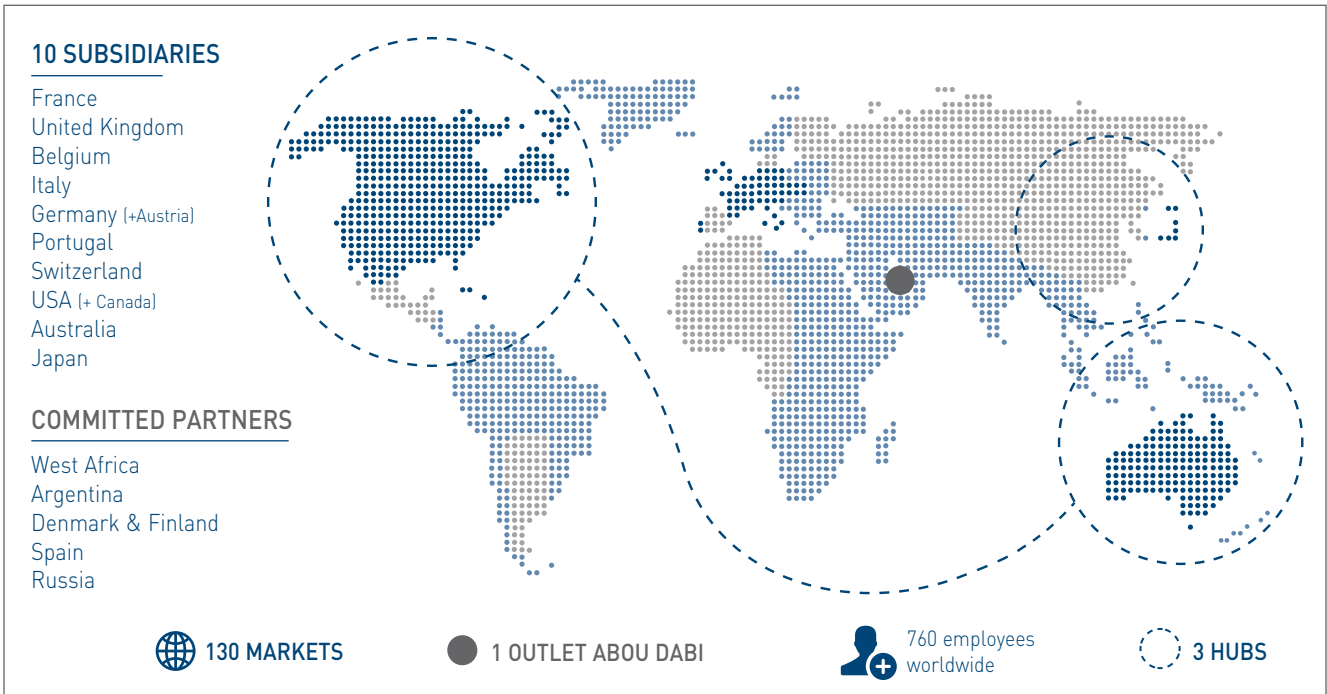
VRANKEN-POMMERY MONOPOLE has long served the off-trade market in France where it is a leading producer. The Group's size and weight strengthen its bargaining position with the big European retailers and thus that of its subsidiaries in their domestic markets.

- **Export**

VRANKEN-POMMERY MONOPOLE's export strategy is based on a focused network of subsidiaries targeting the biggest Champagne consumers in the world. Its consistency and flexibility have enabled the Group to rapidly gain substantial market share. As a result, over 60% of the Group's sales by volume are in Europe (excl. France) through its own subsidiaries.



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

	2019	2020	2021
Export*	57 %	60 %	67 %
Off-Trade France	33 %	33 %	25 %
On-Trade France	10 %	7 %	8 %

\*Including Duty Free France.

Sales to customers increased by 30.9% compared to 2020, with exports currently accounting for 67%, compared to 60% in 2020.

This performance is all the more remarkable given that the Covid-19 pandemic continued to disrupt the 2021 financial year, with a 5th wave at the end of the year.

The gradual return to moments of conviviality, the market share gains achieved in 2020, and the local presence of the Group with its nine international subsidiaries as close as possible to its customers have contributed to the strong recovery in its sales throughout the world, from North America to Australia and Japan, and all European countries.

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. By virtue of their revenue (including 65% exports), the Maisons make a positive contribution to France's balance of trade. They 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 the total volumes of Champagne.

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 always show to their employees.

Top five champagne producers by revenue for the previous calendar year declared to the CIVC (may differ from revenue recorded in the financial statements)

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



### 1.3.8 Strategy and outlook

At the end of March 2022, the Group's sales by revenue were up 20%. Pommery & Greno and Vranken Champagnes are the main contributors to this trend, both in France and internationally. For the 2022 financial year, VRANKEN-POMMERY MONOPOLE expects at least 5% growth in its revenue.

#### To support this growth objective, the Group:

- Continues its efforts internationally but also in France with the post-Covid period and the premiumisation of its brands;
- Wants to create a subsidiary in Spain to complete the integrated sales and distribution system;
- Innovates with the creation of the Gordonne multi-vintage cuvée, the first vertical blended rosé wine guaranteeing a constant and qualitative taste, the Diamant "Or" of Champagne Vranken, and the Cuvée Louise 2005 in a decorated bottle.

True to its values of innovation and sustainable value creation, VRANKEN-POMMERY MONOPOLE is continuing to deploy its strategy of promoting terroirs, its brands and products and their marketing throughout the world, relying on its distribution network, integrated in France as it is abroad.

#### On the industrial front

Issues relating to food safety and the environment are anchored in the management of all stages of Champagne production; this is evidenced by the four-fold certification of ISO 9001 (quality management system), ISO 14001 (for environmental protection), ISO 22000 (food traceability) and IFS (for food safety).

VRANKEN-POMMERY MONOPOLE, which became a company with a mission in 2021, also embarked on a real dynamic and it is only natural that the production units were part of a global drive for decarbonisation. In order to continue to reduce its environmental impact, the VRANKEN-POMMERY MONOPOLE Group has decided to continue its action plan and now wishes to focus on the transport and storage of its finished products, both for industrial flows and the distribution networks to customers and is thus the first group in the Champagne region to be part of the "Fret 21" approach. The thermal regulation 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: this is the case for the automation of placing shaped bottles in gyroalletes.

#### On the social front

In 2022, the Group will continue to develop the skills of its employees, particularly in the digitalisation of tools and processes.

#### IT management system

The Group's IT strategy will be strengthened in 2022. The digitalisation of the Company is a major part of the Group's organisational strategy. The year 2021 was marked by a project to digitalise invoices, which resulted in a reorganisation of the

document flow processing process. The goal now is to extend digitalisation to all of the Company's flows. The stated objective of the IT Department is thus to improve internal processes by working jointly and collaboratively with the various departments to meet their needs. In addition, a large-scale project to upgrade the SAGE X3 ERP was implemented in 2021 and will be completed in the first half of 2022, with the aim of developing and optimising processes through a more responsive, scalable and functional version of the ERP.

The Belgian and Italian subsidiaries have joined the VPM Digital Project through the adoption of Office 365 initiated with the German subsidiary. The data centres of the sites in Champagne have been renewed. 2021 saw the roll-out of Group messaging continue internationally. A monitoring solution, PRTG network monitor, was also installed. Modern business intelligence tools are being extended to the Group's various business lines. This year will also mark a strengthening of cybersecurity tools with the implementation of a solution to carry out anti-phishing campaigns with user training and a tool to strengthen the analysis of Endpoint Detection and Response (EDR) files.

## 1.4 Information on the share capital

### 1.4.1 Share Capital

The share capital of VRANKEN-POMMERY MONOPOLE a 31 December 2021 came to €134,056,275, divided into 8,937,085 shares fully paid up and of a par value of €15 each.

Ordinary shares held in registered form for more than four years carry double voting rights.

At 31 December 2021, the share capital comprised 6,491,859 shares with double voting rights and 2,387,666 ordinary shares, with treasury shares carrying no voting rights.

The shares of VRANKEN-POMMERY MONOPOLE were listed on 3 April 1998 on the Second Market of the Paris Stock Exchange and on the First Market of the Brussels Stock Exchange on 9 June 1999. They are negotiated by unit respectively under the following value codes: ISIN FR0000062796 and ISIN NSCBE0002798.

### 1.4.2 Change in the share capital over the last five years

The share capital underwent no changes 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

The provisions of the Articles of Association relating to shareholders' voting rights are set out in section 2.5 of this document. Moreover, the Company has not been informed of any clauses referred to in Article L. 233-11 of the French Commercial Code.

### 1.4.4 Direct or indirect interests in the Company's share 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 registered 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 its share capital, as things stand the Company is protected from any risk of a hostile takeover. VRANKEN-POMMERY MONOPOLE did not receive any declaration of threshold crossing during the financial year ended 31 December 2021. 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

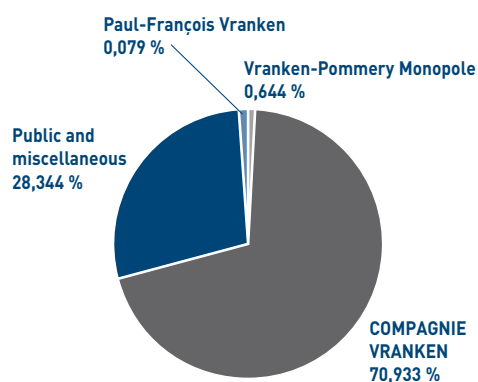
Year	Constitution/Increase of Capital	Par value/ share	Capital	Number of shares
04/10/1988	Constitution by contribution in kind and in cash	15,24 €	3.048.980,35 €	200.000
30/11/1993	- 1st capital increase by contribution in kind and issue of 37,000 new shares - 2nd capital increase by incorporation of contribution premiums and raising of the par value	15,24 € 41,92 €	3.613.041,71 € 9.935.864,70 €	237.000 237.000
23/12/1994	Capital increase by incorporation of reserves and raising of the par value	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 - 2nd capital increase by incorporation of contribution premiums and raising of the par value	97,57 € 100,01 €	23.643.208,32 € 24.234.288,53 €	242.327 242.327
17/11/1997	- 1st capital increase by contribution in kind and issue of 16,973 new shares - 2nd capital increase by incorporation of contribution premium and reserves - Lowering of par value through a 10-1 stock split	100,01 € 114,33 € 11,43 €	25.931.699,80 € 29.647.522,62 € 29.647.522,62 €	259.300 259.300 2.593.000
14/04/1998	Capital increase by contribution in cash and issue of 947,370 new shares following the Company's second stock market listing in Paris	11,43 €	40.479.444,53 €	3.540.370
01/07/2001	Capital increase for conversion into euros by incorporation of share premiums and raising of the par value	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



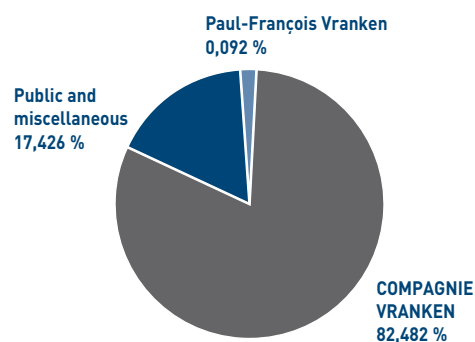
## 1.5 Shareholding

### 1.5.1 Breakdown of the share capital and voting rights at 31 December 2021

% of share capital:



% of total voting rights:



	As at 31/12/2021			As at 31/12/2020			As at 31/12/2019		
	Number of shares	% of capital held	% voting rights	Number of shares	% of capital held	% voting rights	Number of shares	% of capital held	% voting rights
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 %	82,482 %	6.339.306	70,933 %	82,510 %	6.339.306	70,933 %	82,528 %
Public and miscellaneous	2.533.119	28,344 %	17,426 %	2.533.226	28,345 %	17,398 %	2.528.689	28,294 %	17,379 %
VRANKEN-POMMERY MONOPOLE	57.560	0,644 %		57.453	0,643 %		61.990	0,694 %	
<b>TOTAL</b>	<b>8.937.085</b>	<b>100,00 %</b>	<b>100,00 %</b>	<b>8.937.085</b>	<b>100,00 %</b>	<b>100,00 %</b>	<b>8.937.085</b>	<b>100,00 %</b>	<b>100,00 %</b>

[\*] Shares held in registered form.

[\*\*] As of 31 December 2021 Paul-François Vranken directly owned 99.99% of the holding company COMPAGNIE VRANKEN.

Changes in the breakdown of the share capital in 2021:

	Start of the financial year	Reclassification single votes, double votes	Created	End of the financial year
Ordinary shares	2 450 514	-5 288	0	2 445 226
Shares with double voting rights	6 486 571	5 288	0	6 491 859
	<b>8 937 085</b>	<b>0</b>	<b>0</b>	<b>8 937 085</b>

No other significant change occurred in the Company's share capital distribution during the financial year ended 31 December 2021.





## 1.5.2 Employee stock ownership

At 31 December 2021 there was no employee stock ownership as defined in Article L. 225-102 par. 1 of the French Commercial Code.

## 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 3 June 2021, voting under its sixth resolution and renewing ahead of time the programme approved at the Annual Ordinary General Meeting of 4 June 2020, 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 2 December 2022;
- Maximum purchase price per share: €37.5 (thirty-seven euros and fifty cents) excluding costs;
- Ceiling: 10% of the share capital.

The share buyback programme was aimed at stabilising the share price and was carried out by an investment services firm. Accordingly, a liquidity agreement (in accordance with the Code of Ethics established by AMAFI) was concluded with KEPLER CHEUVREUX, for an initial period of twelve months; this contract may then be tacitly renewed for further periods of twelve months.

The purpose of this contract is in particular to foster the liquidity of the transactions and the regularity of the listing of the shares, and to avoid share price differences which are not justified by market trends.

During the financial year ended 31 December 2021 and as from 4 June 2021, the day following the General Meeting that renewed the programme for another eighteen months, the Company carried out the following operations in this regard:

<b>Number of shares purchased</b>	<b>24 999</b>
Average purchase price	17,54 €
Number of shares sold	18 405
<b>Average selling price</b>	<b>17,73 €</b>

At 31 December 2021, the Company owned 57,560 treasury shares (including 14,193 under the liquidity agreement and 43,367 under the custody contract - custody of securities accounts), for an overall value, at the stock market price, of €1,036,080, at €18 per share.

KEPLER was paid €30,000.

Information on the use of the purchase programme during the period from 1 January to 31 December 2021:

<b>Number of shares registered in the Company's name at 31/12/2020</b>	<b>57 453</b>
Number of shares purchased during the 2021 financial year	37 932
Average price of shares repurchased in 2021	17,24 €
Number of shares sold during the 2021 financial year	37 825
Average price of shares sold in 2021	17,47 €
<b>Number of shares registered in the Company's name at 31/12/2021</b>	<b>57 560</b>
Under the liquidity contract:	14 193
Under the custody contract (custody of security accounts)	43 367
Overall value	1.036.080 €
Value per share	18 €
<b>Percentage of share capital held by the Company at 31/12/2021</b>	<b>0,644 %</b>

<b>EURONEXT PARIS</b>	
Eurolist Compartment B	
<b>Trading daily averages in 2021</b>	
Number of shares	2 619
Average weighted share price	17,38 €
<b>Highest and lowest share price</b>	
High	19 €
Low	13,90 €
<b>Price at the end of the year</b>	<b>18 €</b>

## Share buyback programme

The shareholders will be asked:

- to end the current share buyback programme approved by the Annual Combined Ordinary and Extraordinary General Meeting of 3 June 2021;
- 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 contract;



- 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 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 3 June 2021, to reduce the share capital by cancelling treasury shares, a delegation which is being renewed today;
- to, more generally, carry out of 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),
- to set the maximum purchase price per share 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 par value of the share, a capital increase by incorporation of reserves and allocation of 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 shareholders' equity, to take into account the impact of such transactions on the value of the share;
- to cap the number of shares that may be held under this authorisation during the aforementioned period at 10% of the share capital, i.e. 893,708 shares, subject to legal and regulatory provisions limiting the number of shares that may be held by the Company directly or through a person acting in his or her own name but on behalf of the Company, the Ordinary General Meeting taking note that in view of the 56,762 treasury shares held on 24 March 2022, the maximum number of shares that VRANKEN-POMMERY MONOPOLE could acquire is 836,946 shares for a maximum amount of €31,385,475;
- that the theoretical maximum amount of funds intended for the completion of this share buyback programme is €31,355,550 for 10% of the share capital, without prejudice to the 57,560 treasury shares held at 31 December 2021;
- that the shares might be purchased by any means, in particular in full or in part by market transactions or by purchase of share blocks and, where applicable, by negotiated sale by public offer of purchase or exchange or by using optional mechanisms or derivatives and at the times the Board of Directors shall deem appropriate, including during a public offer within the limits set by stock market regulations. The shares acquired under this authorisation may be held, sold or transferred by any means, including by a sale of a block 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:
  - duly carry out the transactions, and determine the terms and conditions thereof;
  - negotiate and sign all contracts with any investment service provider of its choice acting in full independence in the framework of a liquidity contract;
  - 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 effect of the aforementioned transactions on the share value;
  - conclude all agreements, notably for the purpose of keeping records of share purchases and sales;
  - carry out all declarations with the AMF and other bodies;
  - complete all other formalities, and generally, do whatever is necessary;
- that this authorisation is given for a period of 18 months as from the present Annual Ordinary General Meeting, i.e. until 1 December 2023.



At the end of the period, any shares acquired in the framework of the present share buyback programme that have not been re-sold shall be listed in the Company's corporate 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.

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 this programme to buy back its own shares, and that this report has been subject to the 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 Market of the Paris Stock Exchange and on the First Market of the Brussels Stock Exchange on 9 June 1999. They are negotiated by unit respectively under the following value code: ISIN FR0000062796.

During the financial year ended 31 December 2021, our shares, listed on the Paris Euronext Market, Eurolist compartment B and the Brussels Euronext Market, have followed the stock market trend represented in the table below.

Dates	Volumes	Equity (in €)	Average price (in €)	Highest price (in €)	Lowest price (in €)
January 2021	58.393	842.027,06	14,42	14,95	13,90
February 2021	199.886	3.245.509	16,2368	19,00	13,90
March 2021	53.372	960.696	18,00	18,45	17,05
April 2021	42.619	777.264,01	18,2375	18,45	17,50
May 2021	23.584	431.292,40	18,2875	18,75	18,00
June 2021	17.821	322.560,10	18,10	18,35	17,80
July 2021	44.125	787.031,15	17,8364	18,35	17,30
August 2021	25.772	452.826,926	17,5705	18,00	17,15
September 2021	53.718	917.342,286	17,077	17,50	16,60
October 2021	41.895	732.865,045	17,4929	18,00	16,80
November 2021	26.594	472.950,35	17,7841	18,25	17,15
Décember 2021	34.890	606.402,156	17,3804	18,05	17,00

Source Bloomberg





# 2

## CORPORATE GOVERNANCE

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## 2.1 Corporate Governance Procedures

### 2.1.1 Option of the Board of Directors with regard to the Code of Corporate Governance

The Company 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, feeling 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 foster the due operation of governance.

In this respect, it is specified that, in accordance with Recommendation 22 of the MiddleNext Code, the Board of Directors, at its meeting held on 31 March 2022, 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 Company has taken note of and adheres to most of the recommendations of the MiddleNext report, but some of them remain unsuited to the Company's structure, particularly in terms of capital (see the summary table attached to this report).

MiddleNext Code recommendations	Total	Partial Compliance	Non-Compliance	Explanations
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 : Composition of the Board - Presence of independent members	x			2.1
R4 : Board member details		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 is studying the implementation of specific CSR training for Directors during the 2022 financial year.
R6 : Organising Board meetings	x			3.5, 3.6
R7 : Setting up committees	x			3.4
R8 : Establishment of a specialised Corporate Social Responsibility (CSR) Committee			x	The Company is studying the establishment of a CSR Committee in 2022.
R9 : Setting up Internal Rules	x			3.2
R10 : Choice of each Director	x			2.1.4
R11 : Term of Board members	x			2.1.3
R112 : Directors' compensation	x			2.4 No minimum compensation is awarded to independent Board members, and the Board has not deemed it necessary for the time being.
R13 : Setting up an assessment of the Board's work	x			3.6
R14 : Relations with shareholders		x		The Chairman and Chief Executive Officer and the members of the Management Committee have regular meetings and dialogue with the Group's investors. The Company intends to include on the agenda of the first meeting following each General Meeting, the analysis of the results of the votes of said Meeting, starting with the General Meeting to be held in 2022.
R15 : Company diversity and equity policy	x			2.1.3, IV
R16 : Determination and transparency of compensation of executive corporate officers	x			2.4
R17 : Preparing for executive succession	x			V
R18 : Employment contract and corporate duties	x			2.4.3
R19 : Severance payments	x			2.4
R20 : Additional retirement plans	x			2.4
R21 : Stock options and allocation of free shares	x			2.4
R22 : Review of points of vigilance	x			1.1



### **2.1.2 Procedures for exercising General Management provided for in Article L. 225-51-1 of the French Commercial Code**

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

It indeed deemed that this grouping was more favourable to the Company's correct operation and to the efficiency of the decisional process.

The Board of Directors' meeting of 6 June 2016, which last established its bureau following the end of the Ordinary General Meeting of the same day, confirmed this option and reappointed Mr Paul-François Vranken as Chairman of the Board of Directors and Chief Executive Officer of the Company.

As the terms of office of certain members, including that of the Chairman, are due to expire at the next Ordinary General Meeting of 2 June, the Board of Directors will the same day be called upon to reconstitute its officers at the end of said Meeting.

Thus, the Company's General Management is assumed under his responsibility by the Chairman of the Board, as this option was 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, under the law, he may not give out sureties, approvals or guarantees in the Company's name without prior permission by the Board of Directors under the legal and regulatory conditions.

In exercising his powers, the Chairman may constitute any special authorised agents with the power to delegate.

The age limit for the performance of Chairman of the Board of Directors duties is 80 years. 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.

The age limit for the performance of Chief Executive Officer duties is 80 years. 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.





## 2.2 Information on the administrative and management bodies

### 2.2.1 Composition of the Board of Directors











At 31 December 2021, the Board of Directors was composed of 10 members, all natural persons, namely:

Independence rate: 50%.

Average age of Directors: 62 years.

Average term: 10.7 years.

 50%  50%

	Gender	First appointment	End of term of office	Number of shares	Independent Dir.	Audit Committee	Principal professional activities and expertise of the Directors
Paul-François VRANKEN Born in 1947 Chairman and Chief Executive Officer		1988	2022	7.100	No		Eponymous founder of the VRANKEN-POMMERY MONOPOLE Group, management, development and strategy
Nathalie VRANKEN Born in 1964 Director		2010	2022	7	No		Director of Communications Consultancy companies
Mailys VRANKEN-THIERRY Born in 1978 Director		2009	2024	10	No	Member	Chairwoman of the American subsidiary CHARBAUT AMERICA Inc.
Jacqueline FRANJOU Born in 1947 Director		2011	2022	5	Yes	Member	Chairwoman of the Ramatuelle Festival; Former Chief Executive Officer of WEF COS, which organises the "WOMEN'S FORUM"
Anne-Marie POIVRE Born in 1952 Director		2016	2022	5	Yes	Chairwoman	Chairwoman of the Audit Committee Former Head of the Champagne Department of the Caisse d'Epargne Lorraine Champagne Ardennes group
Pauline VRANKEN Born in 1999 Director		2017	2023	10	No		Student
Michel FORET Born in 1948 Director		2015	2024	5	Yes		Honorary Governor of the Province of Liège; Former Member of Parliament in Belgium Former Belgian Senator Former Member of the Walloon Government for Regional Planning, Urban Planning and the Environment
Thierry GASCO Born in 1952 Director		2012	2023	50	No		International Wines Maker Former Cellar Master of Maison Pommery, Former Chairman of the Œnologists of Champagne, Former Chairman of the œnologists of France
Pierre GAUTHIER Born in 1954 Director		2014	2022	10	Yes	Member	Former Chairman of SAS SERVIN - La Route des Vins Marseille - Former Sales and Marketing Director of the TRAMIER, REMY PANNIER and CRESPO groups
Stéphane PUBLIE Born in 1963 Director		2021	2022	5	Yes		Head of Global Investment Banking for the Americas at Crédit Agricole



- Directors appointed by employees: none.
- Directors exercising a management function in the Company or in the Group: 3

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

To the knowledge of VRANKEN-POMMERY MONOPOLE, no member of the Board of Directors nor any of the main directors of VRANKEN-POMMERY MONOPOLE has been condemned for fraud during the last five years, or has participated as director in a bankruptcy, placement under trusteeship or liquidation during the last five years, and no member of the Board of Directors nor any of the main directors of VRANKEN-POMMERY MONOPOLE has been the subject of an accusation and/or official public sanction pronounced by a statutory or regulatory authority, nor has been prevented by a court to act as member of an administration, management or supervisory body of an issuer, nor to intervene in the management or administration of the business of an issuer during the last five 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.

However, it is specified, for information purposes, that in 2020 VRANKEN-POMMERY MONOPOLE and

COMPAGNIE VRANKEN, main shareholder of VRANKEN-POMMERY MONOPOLE, chaired by Paul-François VRANKEN, himself Chairman and Chief Executive Officer of VRANKEN-POMMERY MONOPOLE, signed a management and services contract.

In accordance with said agreement, COMPAGNIE VRANKEN provides VRANKEN-POMMERY MONOPOLE, in exchange for fair compensation, with assistance in management, financial auditing and general business administration.





### 2.2.2 Information on the 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: Chairman and 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

Other offices and positions 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, 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, Director of CHARBAUT AMERICA
- Director of VRANKEN-POMMERY JAPAN
- Chairman, Director of VRANKEN-POMMERY ITALIA
- Director of VRANKEN-POMMERY AUSTRALIA
- Director of VRANKEN-POMMERY UK Ltd

Other offices and positions held outside the Group:

- Chairman of COMPAGNIE VRANKEN
- Co-Manager of S.C.I. DES CASTAIGNES
- Co-Manager of S.C.I. 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 S.C.I. 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 the company L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE
- Chairman of SAS PFV
- Permanent representative of HENRY VASNIER, Chairman of STM VIGNES
- Chairman of the Board of PINGLESTONE



**Nathalie VRANKEN**  
Born 31 May 1964  
French national  
Number of shares held: 7

Main function: Chief Executive Officer of COMPAGNIE VRANKEN,  
in charge of marketing for the VRANKEN-POMMERY MONOPOLE Group

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

Director for Art and Patronage

Other offices and positions within the VRANKEN-POMMERY MONOPOLE Group:

- Chief Executive Officer of POMMERY
- Permanent representative of VRANKEN-POMMERY MONOPOLE, Director of GRANDS DOMAINES DU LITTORAL
- Director of ROZES S.A.
- Director of VRANKEN-POMMERY UK LIMITED
- Chairwoman of VRANKEN-POMMERY AUSTRALIA
- Permanent representative of VRANKEN-POMMERY MONOPOLE, Director of VRANKEN-POMMERY BENELUX
- Director of VRANKEN-POMMERY ITALIA SPA
- Director of QUINTA DO GRIFO

Other offices and positions 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

**Mailys VRANKEN-THIERRY**  
Born 17 September 1978  
French national  
Number of shares held: 10

Main position: CEO of the American subsidiary CHARBAUT AMERICA Inc

Business address: 45, West 45th Street - 10036 NEW YORK - UNITED STATES  
Member of the Audit Committee

**Jacqueline FRANJOU**  
Born 18 September 1947  
French national  
Number of shares held: 5

Member of the Audit Committee

Jacqueline Franjou is a prominent figure in French industry who has served as Chairwoman and Chief Executive Officer of the Women's Forum for the Economy and Society. She previously held senior management positions in the private sector, at companies including Cegos, Air France and Vivendi, as well as in the public sector, as Deputy CEO of the Ramatuelle Tourist Office, and then as Technical Consultant to the French Ministry of Industry and Foreign Trade. She is co-founder and President of the Ramatuelle Theatre Festival. Commander of the French Order of Arts and Letters, Officer of the French National Order of Merit, Knight of the French Legion of Honour.

Other offices and positions held outside the Group:

- Manager of GB CONSEILS



<p><b>Anne-Marie POIVRE</b> Born 18 September 1952 French national Number of shares held: 5</p>	<p>Chairwoman of the Audit Committee</p> <p>Anne-Marie Poivre served as Director, Champagne Department at Caisse d'Epargne Lorraine Champagne-Ardenne.</p>
<p><b>Pauline VRANKEN</b> Born 1 July 1999 French national Number of shares held: 10</p>	<p>Student</p> <p>Daughter of Paul-François Vranken, Chairman and Chief Executive Officer of VRANKEN-POMMERY MONOPOLE and Founder of the VRANKEN-POMMERY MONOPOLE Group, and of Nathalie Vranken.</p>
<p><b>Michel FORET</b> Born 19 April 1948 Belgian national Number of shares held: 5</p>	<p>Michel Foret is Honorary Governor of the Province of Liège. Il a notamment été Sénateur, Député wallon et Membre du Parlement de la Communauté He has served as Senator, Wallon Deputy and Member of Parliament of the French Community, Wallon Minister for Land Use Planning, Town Planning and the Environment, Wallon Deputy and Member of Parliament of the Wallonia-Brussels Community. In addition, among other honours, Michel Foret was named a Grand Officer of the Order of the Crown, Knight of the French Legion of Honour and Honorary Citizen of the City of Liège, and he has received a Silver Medal from the Province of Liège.</p> <p><u>Other offices and positions within the VRANKEN-POMMERY MONOPOLE Group:</u> - Director of VRANKEN-POMMERY BENELUX.</p>
<p><b>Thierry GASCO</b> Born on 6 October 1952 French national Number of shares held: 50</p>	<p>International WineMaker Former Cellar Master of Maison Pommery Former Chairman of the Œnologists of Champagne Former Chairman of the Œnologists of France</p> <p><u>Business address:</u> 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2</p> <p><u>Other offices and positions held outside the Group:</u> - Chairman of TG VINS CONSEIL</p>
<p><b>Pierre GAUTHIER</b> Born 24 February 1954 French national Number of shares held: 20</p>	<p>Member of the Audit Committee</p> <p>Former Chairman of SAS SERVIN - La Route des Vins Marseille, Former Sales and Marketing Manager for the TRAMIER, REMY PANNIER and CRESPO Groups.</p> <p><u>Other offices and positions held outside the Group:</u> - Manager of CLAPIE HOLDING</p>
<p><b>Stéphane PUBLIE</b> Born on 30 November 1963 French national Number of shares held: 5</p>	<p>Head of Global Investment Banking for the Americas at Crédit Agricole.</p>



### • Resignation of Directors

You will recall that during the 2021 financial year, Hervé Ladouce resigned from his duties as Director and Deputy Chief Executive Officer of Production and Trading, effective 11 January 2021, for personal reasons. In addition, we hereby inform you that Dominique Pichart resigned from his directorships with effect from 18 October 2021 for personal reasons.

### • Diversity policy applicable to Board Members

The Company subscribes fully to the gender diversity principle as provided for in Article L. 225-17 of the French Commercial Code; to date, five out of the ten members of the Board of Directors, or 50%, are women.

In addition, in accordance with the law in force, nearly half of the members of the Board of Directors, five out of the total of ten, are independent, namely, Jacqueline Franjou, Anne-Marie Poivre, Michel Foret, Pierre Gauthier and Stéphane Publie.

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 at the time of the appointment of the Director and annually at the time of the drafting of this Report. Any departure of an incumbent Director must be managed in accordance with this objective of balanced representation. Furthermore, pursuant to Articles L. 225-23 and L. 225-27-1 of the French Commercial Code, the Board of Directors has no Director representing the employees, nor a Director representing employee shareholders.

As part of a procedure that has been undertaken, in recent years the composition of the Board of Directors has changed noticeably as the Board strives to achieve a better gender balance and include younger members.

### • Term of office

Pursuant to the decision of the Company's Extraordinary General Meeting of 4 June 2020 to shorten the term of office of Directors, the term of office of Directors reappointed or appointed as from 2020 will be three financial years. Directors reappointed or appointed prior to this decision will continue their term of office until the end of the period of six financial years set at the time of their reappointment or appointment, unless their term of office is ended for a reason provided for by law and the Articles of Association.

### • Choice of Directors

The Directors are appointed according to their expertise, their specialised competences in rather diversified fields or their particular ties with the Company.

When a Director is appointed or reappointed, information about his or her experience and competence is communicated in the annual report presented to the General Meeting. The appointment

of each Director is the subject of a distinct resolution allowing the Shareholders to decide freely on the Board's composition in view of sufficient information about the experience and competence of the parties concerned.

### • Change in the composition of the Board of Directors submitted for the approval of the General Meeting of 2 June 2022

During its meeting of 2 June 2022, the General Meeting will be asked to state its position on:

- Ratification of the Board of Directors' decision to co-opt a Director to replace a Director who has resigned

Dominique Pichart resigned from his directorship with effect from 18 October 2021, for personal reasons.

In accordance with the powers granted to it, the Board of Directors took note of this and decided, subject to ratification of this decision by the next General Meeting, to co-opt, at its meeting of 18 October 2021, in his stead, Stéphane Publie, residing at 391 Beechmont Drive, 10804 New Rochelle, New York, USA, for the remainder of the term of office of his predecessor, meaning until the end of the 2022 Ordinary Annual General Meeting 2022.

Stéphane Publie is Head of Global Investment Banking for the Americas at Crédit Agricole.

- the reappointment of Paul-François Vranken, Nathalie Vranken, Jacqueline Franjou, Anne-Marie Poivre, Pierre Gauthier and Stéphane Publie for a period of three financial years.



#### **Paul-François VRANKEN**

Director

75 years

French national

First appointment in 1988

Term of office expires: General Meeting in 2022

Marketable shares (directly held): 7,100

Paul-François Vranken is the Chairman and Chief Executive Officer of VRANKEN-POMMERY MONOPOLE and the founder of the VRANKEN-POMMERY MONOPOLE Group.

Member of the Board of Directors of the Company since its creation in 1988.

Paul-François Vranken is also one of the twelve members of the Executive Committee of the Interprofessional Committee for Champagne Wines (CIVC), Chambellan of the Confrérie de l'Ordre des Coteaux de Champagne, Member of FEVS, Director of Bocese d'Or, Knight of the Order of the Legion of Honour, Knight of the National Order of Arts and Letters and Commander of the Order of Leopold II. The full list of terms of office is presented in Section 2.2.2 of this Document.



Lastly, in 2021, the attendance rate at the Board meetings of Paul-François Vranken was 100%.



**Nathalie VRANKEN**

Director

58 years

French national

First appointment in 2010

Term of office expires: General Meeting in 2022

Marketable shares: 7

After studying History at the Sorbonne faculty in Paris, Nathalie Vranken began her career at the Comité Montaigne, which brings together, in association, all the luxury houses of Avenue Montaigne and Rue François 1er in Paris. She runs this fine institution and has created the most emblematic event of the Comité Montaigne: "Les Vendanges Montaigne", known around the world, which takes place every two years in Paris.

Nathalie Vranken is also a Knight of the Order of the Legion of Honour and a Knight of the National Order of Arts and Letters.

Nathalie Vranken also heads the Marketing Department of the VRANKEN-POMMERY MONOPOLE Group.

Member of the Board of Directors of the Company since 2010, Nathalie VRANKEN brings to this governance body her experience in marketing and her in-depth knowledge of the art world.

The full list of terms of office is presented in Section 2.2.2 of this Document.

Lastly, in 2021, the attendance rate of Nathalie Vranken at Board meetings was 86%.



**Jacqueline FRANJOU**

Director

75 years

French national

First appointment in 2011

Term of office expires: General Meeting in 2022

Marketable shares: 5

Jacqueline Franjou is a prominent figure in French industry who has served as Chairwoman and Chief Executive Officer of the Women's Forum for the Economy and Society.

She previously held senior management positions in the private sector, at companies including Cegos, Air France and Vivendi, as well as in the public sector, as Deputy CEO of the Ramatuelle Tourist Office, and then as Technical Consultant to the French Ministry of Industry and Foreign Trade.

Co-founder and President of the Ramatuelle Theatre Festival, Jacqueline Franjou is a Commander of the Arts and Letters, Officer of National Merit and Knight of the Legion of Honour.

Member of the Board of Directors of the Company since 2011, Jacqueline Franjou brings to this governance body the benefit of her

experience in economic strategy and her in-depth knowledge of the industry. The full list of terms of office is presented in Section 2.2.2 of this Document.

Lastly, in 2021, Jacqueline Franjou's attendance rate at Board meetings was 86%.



**Anne-Marie POIVRE**

Director

70 years

French national

First appointment in 2016

Term of office expires: General Meeting in 2022

Marketable shares: 5

Anne-Marie Poivre served as Director, Champagne Department at Caisse d'Epargne Lorraine Champagne Ardenne. Member of the Board of Directors of the Company since 2016, Anne-Marie Poivre gives this governance body the benefit of her experience in financial strategy.

Anne-Marie Poivre has also been a member and Chairwoman of the Company's Audit Committee since 2016.

The full list of terms of office is presented in Section 2.2.2 of this Document.

Lastly, in 2021, Anne-Marie Poivre's attendance rate at Board meetings was 100%.



**Pierre GAUTHIER**

Director

68 years

French national

First appointment in 2014

Term of office expires: General Meeting in 2022

Marketable shares: 10

Pierre Gauthier was Chairman of SAS SERVIN - La route des Vins de Marseille and former Sales and Marketing Director of the TRAMIER, REMY PANNIER and CRESPO groups.

A member of the Company's Board of Directors since 2014, Pierre Gauthier brings to this governance body the benefit of his experience in commercial strategy.

Pierre Gauthier has also been a member of the Company's Audit Committee since 2014.

The full list of terms of office is presented in Section 2.2.2 of this Document.

Lastly, in 2021, Pierre Gauthier's attendance rate at Board meetings was 100%.

**Stéphane PUBLIE**Director

59 years

French national

First appointment in 2021

Term of office expires: General Meeting in 2022

Marketable shares: 5

Stéphane Publie is Head of Global Investment Banking for the Americas at Crédit Agricole.

Co-opted by the Board of Directors on 18 October 2021 to replace Dominique Pichart, who resigned, Stéphane Publie shares his experience in financial strategy with this governance body.

The full list of terms of office is presented in Section 2.2.2 of this Document.

Lastly, in 2021, Stéphane Publie's attendance rate at Board meetings was 100%.

- the appointment of three new Directors, Dominique Pichart, Elisabeth Billiemaz and Bertrand Maréchaux, with effect from 1 July 2022 for a period of three financial years, meaning until the Ordinary General Meeting held in 2025 to approve the financial statements for the financial year ending 31 December 2024.

**Dominique PICHART**

63 years

residing at 4, lotissement Val Aubry  
51130 VILLERS AUX BOIS

Dominique Pichart is the first and current Cellar Master of Maison VRANKEN. He had to resign from his directorship for personal reasons during 2021. As these reasons are no longer valid, the Board proposes to reappoint him.

**ELISABETH BILLIEMAZ**

55 years

residing at 68, rue de Rivoli  
75004 PARIS

Elisabeth Billiemaz was Head of Advertising and then Head of Development; Head of Development of the EURORSCG Group; Partner in the Enjoy agency (subsequently acquired by the Havas Group); Chief Executive Officer of the new Agence H then of the Les Gaulois agency; Chairwoman of the Les Gaulois agency, which became HumanSeven; Vice-Chairwoman of Havas Paris. She is currently co-Chair and Partner of the independent group Change.

**Bertrand MARECHAUX**

70 years

residing at La Corneillere  
61250 SEMALLE

Bertrand Maréchaux, for his part, has been Deputy Prefect, Director of the Office of the Prefect of Haute-Corse; Secretary General of the Prefecture of Ariège; Deputy Prefect of Dreux; Head of the Office of the Minister of Health, Social Affairs and Integration (Jean-Louis Bianco); Chief Executive Officer of SONACOTRA; Secretary General of the Prefecture of Val d'Oise; Deputy Prefect of Reims; Chairman and Chief Executive Officer of CIVIPOL Conseil; Ministry of the Economy, Finance and Industry (Head of Mission Mobilité France Télécom and Mission Emploi Imprimerie Nationale); Ministry of the Interior, Overseas Departments and Collectivities (Director of Information and Communication Systems); Prefect of Orne; Director of Agence Nationale des Titres Sécurisés; Prefect in charge of the mission of the Secretary General of the Ministry; Chief Executive Officer of the Departmental Council of Eure-et-Loir; Interim Chief Executive Officer of Services of the Departmental Council of Haute-Savoie.

It is specified, in this respect, that Dominique Pichart, Elisabeth Billiemaz and Bertrand Maréchaux have already indicated that they intend to accept the offices that would be conferred on them and that they do not fall within the scope of any of the grounds for incompatibility provided for by law.

It is recalled, for all practical purposes, that in accordance with Article 16 of the Company's Articles of Association, Directors appointed during the life of the Company may not be shareholders at the time of their appointment, but must then become shareholders within a period of three months, failing which they will be automatically deemed to have resigned.

### 2.2.3 Functioning of the Board, conditions of preparation and organisation of the work of the Board of Directors

#### A. Ethics rules

The Chairman highlights the Directors' duties whenever a new Director is named, namely attendance (at Board meetings and General Meetings), loyalty, non-competition, disclosure of conflicts of interest and duty of abstention. The Chairman must make sure that he has all the necessary information on the agenda of the Board meetings before making any decision and must comply with professional secrecy.

Because the Company is listed and staff representatives are present at the Board of Directors sessions, the Board of Directors meeting that includes the closing of the accounts or any other question entailing communication of information that might be used on the Market on the agenda is held necessarily after the closing of the markets in order to avoid any deed constituting insider trading. In addition, the Directors, already subject to a general obligation of confidentiality under the Company's Internal Rules, are made aware, during these meetings, of the confidential nature of the information





communicated. In addition to taking these precautions, the Directors are informed about and undertake to comply with the legal and regulatory provisions regarding the reporting of transactions and the prohibition or restriction of their involvement in transactions in the securities of the 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 interest, 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 down its functioning guidelines in a set of Internal Rules, the Board of Directors decided to adopt a set of Internal Rules in its session of 17 July 2014, which was amended pursuant to decisions of the Board of Directors at its meetings of 30 March 2020 (applicable from 4 June 2020) and 31 March 2022.

These Internal Rules notably highlight the rules on the composition of the Board of Directors and the Audit Committee, their missions, and the processes for exercising these missions. It specifies in particular the rules for its operation and to hold meetings, physically or by videoconference, and the rules of ethics.

These Internal Rules are applicable to all Directors, current or future, and their purpose is to complement the legal, regulatory and statutory rules in order to specify the functioning processes of the Board of Directors and the Audit Committee in the Company's and Shareholders' interests.

### C. Information about members of the Board of Directors

In addition to the agenda of each Board meeting, each Director has documents allowing him or her to take positions with full knowledge of the facts and circumstances surrounding the items on the agenda. At each Board meeting, and whenever necessary, the Chairman informs the members of the main facts and significant events affecting the life of the Group and that have occurred since the date of the previous Board meeting, in such a way that the Chairman deems the most appropriate (email, post, etc.).

In preparation for Board meetings, and outside the meetings, the Chairman and Chief Executive Officer communicates to each Director who so requests all information needed to accomplish his or her mission in accordance with Article L. 225-35 paragraph 3 of the French Commercial Code, by which both are bound. In the written notices of meeting sent to the Board members, the Chairman also asks if they wish to receive any other documents or reports to complement their information.

Any Director who, in order to have the necessary information for the exercise of his or her mandate, wishes to visit a site, submits a request in writing to the Chairman, specifying the purpose of this visit. The Chairman defines the conditions of access and organises the ways and means of this visit.

As the Company is listed on a regulated market, the Directors are subject to strict compliance rules in relation to their legal and regulatory obligations in the event of misconduct constituting insider trading.

It should be recalled that the Board of Directors:

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

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

### D. Training of members of the Board of Directors

At the time of each new appointment, the newly appointed Director is given an "incoming Director's kit", which includes 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 current Universal Registration Document.

In addition, the Company runs an induction programme to find out about the Company, to understand its challenges, the functioning of its Board and the specificities of its business.

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.

### E. Committees

#### • Establishment of committees

In line with the final report on the Audit Committee prepared by the AMF, the Board of Directors decided in 2010 to establish an Audit Committee and, in 2021, a Mission Committee, the detailed characteristics of which are given 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 call for the institution of another committee. However, if need be, the Board may set up one or more committees allowing it to conduct its work more efficiently.

The Board's Internal Rules nevertheless set the main missions of committees that might be created if the Board deems it necessary, including, when necessary, for the CSR Committee, the Appointments and Compensation Committee or for a Strategy and Development Committee.

#### • Audit Committee

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 competences.

The Audit Committee currently comprises the following members:

- Anne-Marie Poivre, Committee Chair, Independent Director;
- Mailys Vranken;
- Pierre Gauthier, Independent Director;
- Jacqueline Franjou, Independent Director.

Without calling into question the powers of the Board of Directors, the Audit Committee's mission is notably to monitor:

- the effectiveness of the risk management and internal audit systems (covering all the Domaines of the VRANKEN-POMMERY MONOPOLE Group's entities);
- the process to prepare financial information (understanding of the overall architecture of the accounting and financial information systems and support for the preparation of the work of the Board of Directors within the framework of approving the annual financial statements and reviewing the 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 committee ensures the relevance and consistency of accounting policies, in particular for processing significant transactions, as part of the monitoring of financial information.

In addition, when examining the Company's financial statements, the committee verifies the significant transactions on the occasion of 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 simple majority of the members present, with each member having one vote.

The work of the Audit Committee is the subject of regular reports to the Board of Directors, and at least at each closing of the annual and interim financial statements. The Audit Committee met four times in 2021, with an attendance and representation rate of 100% during the year.

	Audit Committee meetings	Attendance rate
2021	4	100 %
2020	4	100 %

#### • Mission Committee

As a result of the adoption by the General Meeting held on 3 June 2021 of the status of a "Company with a mission" and the resulting amendments to the Articles of Association, the Board of Directors, meeting on the same day, appointed the first members of the Mission Committee.

The Board of Directors appointed members of the Mission Committee, that it wanted to be representative of the Group's business.

The Mission Committee is currently composed of the following members:

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

for a period of two financial years, meaning until the very first Board of Directors meeting following the Company's General Meeting, which will be called in 2023 to approve the financial statements for the financial year ending on 31 December 2022.

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

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

To carry out this monitoring, the Mission Committee carries out any verification it deems necessary and has the power to request any document useful for monitoring the performance of its mission.

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

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

The Mission Committee meets whenever it deems necessary and when convened by its Chairman.

The Mission Committee's work is regularly reported on to the Board of Directors.

The Audit Committee met once 2021, with an attendance and representation rate of 88.89% during the year.



### E. Meetings

- The Directors are convened in the ways and timeframes stipulated in Article 18 of the Articles of Association.

A notice of meeting is sent at least three days in advance by post or email. On this point, it should be noted that Article 18 of the Articles of Association states that the Board of Directors meets as often as the Company's interest so requires, when convened by its Chairman, and that Directors representing at least one third of the Board members may ask the Chairman to convene a meeting on a given agenda if the Board 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.

It should be noted, lastly, that the notice of a Board of Directors meeting may be verbal and immediate if all the Directors consent to it. Furthermore, pursuant to Article L. 823-17 of the French Commercial Code, the Statutory Auditors were asked to participate in the Board meetings that examined and approved the provisional, interim and annual financial statements. The Statutory Auditors were also convened whenever the Board deemed it necessary, notably when it reviewed the regulated agreements falling under Article L. 225-38 of the French Commercial Code.

The Board nonetheless disqualified a certain number of agreements that were said to be concluded under routine and normal conditions between companies of the same group, and therefore falling under Article L. 225-39 of the French 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 is now no longer applicable "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, each time a meeting was convened, with the figure for members present or represented approaching 94% during 2021, and the Statutory Auditors, for their part, were present or represented at nearly every meeting.

- Holding of meetings

The Board of Directors holds its meetings at 5, place Général-Gouraud – 51100 REIMS, the main administrative office of the VRANKEN-POMMERY MONOPOLE Group, or in Paris at either the Company's offices or the offices of other Group companies.

In accordance with Article 18 of the Articles of Association and the Internal Rules, Board meetings may also be held by videoconference (except for meetings to approve the financial statements, unless authorised by law to do so - as in the case of Covid-19); this occurred several times in 2021.

- Frequency of meetings and agenda

The Board of Directors meets as often as the Company's interest require.

During the financial year ended 31 December 2021, the Board of Directors met seven times.

The Board meetings were held on 1 March, 29 March, 14 April, 3 June, 9 September, 18 October and 13 December 2021.

	Meetings of the Board of Directors	Attendance rate
2021	7	94 %
2020	7	95 %

- Minutes of Board meetings

At the start of each Board of Directors session, each Director signs the attendance register.

At the end of each Board meeting, minutes of the deliberations are drafted, which, after being read by the Board members, are adopted prior to reviewing the agenda for the following session.

The Chairman and one of the Directors then sign the register of deliberations in which the version adopted is published.

### F. Assessment of Board functioning

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

This assessment covers the following topics:

- functioning, role, powers, tasks, etc.;
- relations of the Board with the Audit Committee;
- the Board's work.

The summary of the responses of the Directors to the self-assessment questionnaire of the Board of Directors carried out during the 4th quarter of 2019 made it possible to identify areas for improvement in the functioning of the Board and the role of Directors. In summary, the Directors expressed their wish to better understand the richness of the range of products and to become more involved in the life of the Group.

To meet the aspirations of the Board Members, it was proposed to adapt the "All Ambassadors" approach, along two lines:

- A better understanding of the extensive variety and breadth of the Group's product range;
  - Creation of the Director's kit with training by the Legal Department;
  - Presentation of new vintages at each product launch with tasting notes from the Cellar Master;
  - Access to visits of the Domaine and the Villa Demoiselle at preferential rates;
  - Presentation of the Grands Domaines du Littoral and Rozès sites;
- A concrete and direct contribution to the evolution of the Group from Directors in the form of colleges of experts in innovation, social, societal and environmental responsibility, institutional relations, partnerships and brand promotion;



An expert director would take charge of an issue, and the Group would appoint a coordinator for the work of the Board who:

- would put the Director in touch with the appropriate Group departments;
- would arrange feedback to the Board (timetable, agenda, presentations).

However, the major epidemic crisis that the world has been through once again disrupted the holding of Board meetings and the life of companies in general.

But, during 2021, the following were sent to the Board:

- The new Cuvée Blanc de Noir
- The price lists
- Club Pommery email campaigns (information on the Group's activity)
- Invitations to various events

It was proposed that four Board meetings per year (among those not requiring approval of the financial statements), could be subject to feedback from the expert directors on the proposed topics. The debate remaining open as to the subjects and/or expertise presented.

The MiddleNext Code of Corporate Governance recommends, in its Recommendation 11, that once a year the members of the Board of Directors express themselves on the functioning and work of the Board.

At its meeting on 18 October 2021, the Board of Directors decided that it was not necessary to introduce a new questionnaire for 2021, considering the actions undertaken to be satisfactory, and renewed the appointment of the Committee for the management and monitoring of the self-assessment of the Board.

#### G. Possible limitations by the Board of Directors of the powers of the Chief Executive Officer

The Board of Directors' meeting of 6 June 2016 confirmed for the position as Chairman and Chief Executive Officer, Paul-François Vranken, and his powers, as follows:

"[...] 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 operations falling within the corporate purpose, without limitation, and without having to justify special powers.

However, in accordance with the law, he may not give any sureties, endorsements or guarantees in the name of the Company without prior authorisation by the Board of Directors according to legal and regulatory conditions."

### 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 and COMPAGNIE VRANKEN entered into a coordination and services agreement, amended through an addenda dated 16 December 2019 and 1 March 2021, in accordance with which COMPAGNIE VRANKEN provides

the Company with assistance in management, financial auditing and general business administration, including:

- the coordination of all the companies that comprise the Group;
- a common strategy to all the companies making up the VRANKEN-POMMERY MONOPOLE Group;
- the administrative and financial management of the VRANKEN-POMMERY MONOPOLE Group, including accounting and legal auditing;
- the development and marketing of products of the VRANKEN-POMMERY MONOPOLE Group;
- the development of logistics and production planning of the VRANKEN-POMMERY MONOPOLE Group;
- management control,
- management control and the coordination of foreign subsidiaries,
- the development of purchases and investments of the VRANKEN-POMMERY MONOPOLE Group;
- the organisation of the vineyards of the VRANKEN-POMMERY MONOPOLE Group.

This agreement was initially authorised by the Board of Directors on 28 January 2019, its addenda having been authorised by the Board of Directors at meetings held on 16 December 2019 and 1 March 2021.

All employee benefits expenses, aside from specific costs, incurred by COMPAGNIE VRANKEN in the context of its duties, are re-invoiced on a euro-by-euro basis, from the payroll charged (including all benefits in kind and acquired rights) to all the line items concerned by said duties, according to an allocation key appended to the agreement, with an uplift of 5% to cover the overhead costs attached to said items. The services are paid in monthly instalments corrected at year's end.

Some managers who drew a salary from the VRANKEN-POMMERY MONOPOLE staff register were transferred from the Company to COMPAGNIE VRANKEN, and this allows the Company to share this cost with other COMPAGNIE VRANKEN subsidiaries. However, were the Company strategy and services agreement to be challenged for some reason, all the staff transferred to COMPAGNIE VRANKEN and/or whose compensation is transferred to COMPAGNIE VRANKEN would return to their original positions. Also, the rights acquired by the persons thus transferred up to the date of transfer would remain at the expense of their company of origin.

In addition, we would remind you that, in accordance with the legal provisions, a 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 prepared and is fully set out in an Appendix to this Universal Registration Document.



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

### 2.3.1 Presentation of the compensation policy for executive corporate officers established pursuant to Article L. 22-10-8 of the French Commercial Code

- Presentation of the compensation policy for Directors

The total amount of the Directors' compensation is set by the Board of Directors and 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 distribution among the Directors of the total amount approved by the General Meeting in a given year is determined by the Board of Directors the following year.

This distribution corresponds to the Directors' levels of responsibility, and attendance and the time they devote to their duties, and it encourages Directors to attend Board meetings.

The General Meeting of 4 June 2018, in its 7th resolution, set at €75,000 the maximum annual amount to be paid to the Board of Directors to compensate its members. Since that date, the distribution rules are as follows:

- A fixed compensation of €1,000 per year for each Director as a member of the Audit Committee, taking into account the additional work involved;
- The balance of the total annual amount is distributed among all the Directors, in the form of an overriding variable compensation based on the Directors' actual attendance at Board meetings, by dividing said balance by the number of total Board meetings attended.

In addition, where applicable, the Board may grant a Director a one-time compensation for a specific task assigned in accordance with Article L. 225-46 of the French Commercial Code (notably a Committee member); the award of such compensation would be subject to the procedure for regulated agreements.

- Compensation policy for Directors for 2021

The Board of Directors, at its meeting of 29 March 2021, decided, subject to approval by the General Meeting of its policy, obtained on 3 June 2021, to maintain the amount of Directors' compensation at €75,000, unchanged since 2018.

- Compensation policy for Directors for 2022

The Board of Directors, at its meeting of 31 March 2022, decided, subject to the approval by the General Meeting of its policy, to take into account the expansion of the Board of Directors and to increase the amount for the compensation of Directors to €90,000.

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

- Principles and criteria for the compensation of 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 closed on 31 December 2021 will be asked to approve, based on the Corporate Governance Report, the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total compensation and all benefits that may be awarded to the executive corporate officers in respect of their duties.

In addition, based on this report as approved by the Board of Directors at the meeting of 31 March 2022, the General Meeting will be asked to approve the compensation policy for the Chairman and Chief Executive Officer, who is also the Chairman of the Board of Directors, in respect of the 2022 financial year.

Paul-François Vranken, Chairman and Chief Executive Officer of the Company, does not have an employment contract within the Company.

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

This policy identifies all the components of the fixed and variable compensation of the executive corporate officers, and the process for deciding on, revising and implementing it.

In the case of variable compensation, the assessment of the achievement of performance will take into account quantitative, financial and non-financial criteria as well as qualitative criteria.

This compensation policy adheres to the Company's corporate interest, contributes to its permanence and aligns with its strategy insofar as the main compensation of the Company executives is paid by other Group companies, so the compensation paid by the Company in respect of the position is comparable to the compensation of the general management positions in the Group's various subsidiaries, and it remunerates this sole responsibility.

In addition, this policy takes into account all the characteristics of good governance principles, particularly those cited in the MiddleNext Code, which the Company uses as guidance: Exhaustive, Balanced, Benchmarked, Consistent, Clear, Measured, Transparent.

- Structure of the annual compensation received by the executive corporate officers

The compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer consists solely of fixed compensation (excluding Director compensation).

No severance pay is stipulated should the duties of executives be terminated.

**Paul-François VRANKEN**, Chairman and Chief Executive Officer

Paul-François Vranken's annual fixed compensation was €18,000 in 2021.



The annual fixed compensation of the Chairman and Chief Executive Officer has not changed since the decision by the Board of Directors of 21 April 2006.

However, this same Board meeting stipulated that Paul-François Vranken would be reimbursed, upon provision of supporting documents, for costs he incurs in the name and on behalf of the Company, while his business expenses will continue to be covered by the Company.

**Hervé LADOUCE**, Deputy Chief Executive Officer

The annual fixed compensation of Hervé Ladouce amounted, in 2021, to €443.55, corresponding to the pro rata of €15,000 of his annual fixed compensation, calculated for the 11 days of his term of office until 11 January 2021. The annual fixed compensation of the Deputy Chief Executive Officer has not changed since the decision taken by the Board of Directors on 30 March 2017.

However, this same Board meeting stipulated that Hervé Ladouce would be reimbursed, upon provision of supporting documents, for costs he incurs in the name and on behalf of the Company.

In conclusion, neither Paul-François Vranken nor Hervé Ladouce (until 11 January 2021, for the latter, the date of his resignation from his duties) received and, for the former, does not receive any variable compensation, stock options and/or bonus shares or did not benefit and, for Paul-François Vranken, does not benefit from the profit-sharing agreement, benefits in kind, stock options and performance shares, severance pay, private unemployment insurance, collective and supervised supplementary pension scheme or supplementary health and welfare scheme in respect of their respective offices as Chairman and Deputy Chief Executive Officer (up to and including 11 January 2021).

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

Nevertheless, Paul-François Vranken and Hervé Ladouce did receive compensation in respect of the offices they held in other Group companies and/or their employment contracts.

This policy adheres to the Company's corporate interest, contributes to its permanence and aligns with its commercial strategy.

• Compensation policy for executive corporate officers for 2022

During its meeting of 31 March 2022, the Board of Directors decided to continue this same compensation policy for 2022 and thus to maintain the amount of the fixed annual compensation of Paul-François Vranken, Chairman and Chief Executive Officer of the Company, at an amount of €18,000, unchanged since 2006.

**2.3.2 Equity ratio between the levels of compensation of executive corporate officers and the average and median compensation of the Company's employees on the one hand and the Minimum Growth Rate on the other**

In accordance with paragraph 6 of Article L. 22-10-9 of the French Commercial Code, VRANKEN-POMMERY MONOPOLE is required to state the level of compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer (prior to his resignation) compared with the mean and median compensation, on a full-time equivalent basis, of Company employees other than the corporate officers, and the changes in this ratio over the last five financial years.

Because the aforementioned compensation paid by the Company to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in respect of their duties over the last five financial years (other than Directors' fees) is small compared to the compensation of the Company's employees, each equity ratio, as defined by the aforementioned article of the French Commercial Code, is immaterial.

**2.3.3 Information on holding multiple offices by the Chairman and Chief Executive Officer and Deputy Chief Executive Officer with an employment contract**

Executive corporate officers	Employment contract		Additional pension plan		Indemnities or benefits due or likely to be due in the event of termination or change of duties		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Paul-François VRANKEN		X		X		X		X
Hervé LADOUCE		X		X		X		X





### 2.3.4 Amount of compensation and benefits paid to corporate officers

#### Summary of total compensation of the Group's executive corporate officer:

Executive's name and position	Year ended 31/12/2019		Year ended 31/12/2020		Year ended 31/12/2021	
	Amount due <sup>(1)</sup>	Amount paid <sup>(2)</sup>	Amount due <sup>(1)</sup>	Amount paid <sup>(2)</sup>	MAmount due <sup>(1)</sup>	Amount paid <sup>(2)</sup>
<b>Paul-François VRANKEN,</b> <i>Chairman and Chief Executive Officer</i>						
Total fixed gross compensation*	622 865,50 €	622 865,50 €	620 879,67 €	620 879,67 €	502 510,72 €	502 510,72 €
Total variable gross compensation	-	-	-	-	-	-
Total gross exceptional compensation	-	-	-	-	-	-
Compensation for duties as a member of the Board of Directors	11 121,37 €	12 462,23 €	12 467,00 €	11 121,37 €	14 196,97 €	12 467,00 €
Stock options	-	-	-	-	-	-
Allocations of bonus shares	-	-	-	-	-	-
Benefits in kind	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €
<b>Gross TOTAL</b>	<b>635 909,32 €</b>	<b>637 120,17 €</b>	<b>635 523,73 €</b>	<b>633 793,48 €</b>	<b>518 500,13 €</b>	<b>516 770,16 €</b>
<b>Hervé LADOUCE,</b> <i>Deputy Chief Executive Officer</i>						
Total fixed gross compensation**	213 166,91 €	213 166,91 €	212 350,62 €	212 350,62 €	76 169,72 €	76 169,72 €
Total variable gross compensation**	-	453,19 €	-	294,52 €	-	615,02 €
Total gross exceptional compensation	-	40 000,00 €	-	40 000,00 €	-	66 684,00 €***
Compensation for duties as a member of the Board of Directors	11 121,37 €	12 462,23 €	11 118,90 €	11 121,37 €	-	11 118,90 €
Stock-options	-	-	-	-	-	-
Allocations of bonus shares	-	-	-	-	-	-
Benefits in kind	3 411,52 €	3 411,52 €	4 058,90 €	4 058,90 €	-	1 001,57 €
<b>Gross TOTAL</b>	<b>228 878,69 €</b>	<b>269 493,85 €</b>	<b>267 913,04 €</b>	<b>267 825,41 €</b>	<b>76 169,72 €</b>	<b>155 589,21 €</b>

(1) The amounts due correspond to the fixed salary for the whole year N and the variable part at the beginning of N+1, for financial year N.

(2) The amounts paid are the fixed salary for the year N and the variable part collected in N for the year N-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.

\*\* Hervé Ladouce's compensation for his VRANKEN-POMMERY PRODUCTION office was included in fixed compensation.

\*\*\* Under his employment contract at VRANKEN-POMMERY PRODUCTION.

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\* received by corporate officers who are not executives in the Group:**

Non-executive corporate officers	Amounts awarded during the 2020 financial year	Amounts paid in the 2020 financial year	Amounts awarded during the 2021 financial year	Amounts paid in the 2021 financial year
<b>Nathalie VRANKEN</b>				
Compensation allocated to the members of the Board of Directors	11 355,89 €	9 871,37 €	11 454,55 €	11 355,89 €
Other gross compensation	145 942,75 €	145 942,76 €	146 146,16 €	146 146,16 €
<b>Gross TOTAL</b>	<b>157 298,64 €</b>	<b>155 814,13 €</b>	<b>157 600,71 €</b>	<b>157 502,05 €</b>
<b>Maïlys VRANKEN-THIERRY</b>				
Compensation allocated to the members of the Board of Directors	7 740,51 €	6 958,33 €	8 530,30 €	7 740,51 €
Other gross compensation	91 350,12 €	120 142,56 €	181 536,77 €	181 536,77 €
<b>Gross TOTAL</b>	<b>99 090,63 €</b>	<b>127 100,89 €</b>	<b>190 067,07 €</b>	<b>189 277,28 €</b>
<b>Jacqueline FRANJOU</b>				
Compensation allocated to the members of the Board of Directors	6 841,77 €	6 458,33 €	7 454,55 €	6 841,77 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>6 841,77 €</b>	<b>6 458,33 €</b>	<b>7 454,55 €</b>	<b>6 841,77 €</b>
<b>Anne-Marie POIVRE</b>				
Compensation allocated to the members of the Board of Directors	7 740,51 €	6 958,33 €	8 530,30 €	7 740,51 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>7 740,51 €</b>	<b>6 958,33 €</b>	<b>8 530,30 €</b>	<b>7 740,51 €</b>
<b>Pauline VRANKEN</b>				
Compensation allocated to the members of the Board of Directors	6 740,51 €	5 958,33 €	6 454,55 €	6 740,51 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>6 740,51 €</b>	<b>5 958,33 €</b>	<b>6 454,55 €</b>	<b>6 740,51 €</b>
<b>Michel FORET</b>				
Compensation allocated to the members of the Board of Directors	6 740,51 €	5 958,33 €	7 530,30 €	6 740,51 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>6 740,51 €</b>	<b>5 958,33 €</b>	<b>7 530,30 €</b>	<b>6 740,51 €</b>
<b>Thierry GASCO</b>				
Compensation allocated to the members of the Board of Directors	6 740,51 €	5 958,33 €	7 530,30 €	6 740,51 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>6 740,51 €</b>	<b>5 958,33 €</b>	<b>7 530,30 €</b>	<b>6 740,51 €</b>
<b>Pierre GAUTHIER</b>				
Compensation allocated to the members of the Board of Directors	7 740,51 €	6 958,33 €	8 530,30 €	7 740,51 €
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>7 740,51 €</b>	<b>6 958,33 €</b>	<b>8 530,30 €</b>	<b>7 740,51 €</b>
<b>Stéphane PUBLIE</b>				
Compensation allocated to the members of the Board of Directors	-	-	2 151,52 €	-
Other gross compensation	-	-	-	-
<b>Gross TOTAL</b>	<b>-</b>	<b>-</b>	<b>2 151,52 €</b>	<b>-</b>

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

\*\* The compensation for Nathalie Vranken includes the compensation she receives from COMPAGNIE VRANKEN, the company that controls the Company, and from POMMERY.

Gross compensation includes fees and salaries collected and the contributions of Article 83 when that is applicable.

In addition, the Company states that there is no Supplementary Pension Plan.

Lastly, we inform you that 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.





### 2.3.5 Annual approval of the compensation of the Chairman and Chief Executive Officer

In accordance with provisions concerning companies listed on the Stock Market, it will be proposed to the Annual Ordinary General Meeting to approve, as required, the compensation of Paul-François Vranken, for his term as Chairman and Chief Executive Officer, collected for the previous year and to collect for the future.

In addition to the compensation allocated to the members of the Board of Directors in an amount of €6,740.51 for 2020, in 2021 the Company paid Paul-François Vranken, Chairman and Chief Executive Officer, based on a decision of the Board of Directors dated 21 April 2006, gross annual compensation of €18,000 in respect of this position, an amount that did not change when his term of office was renewed and which was approved by the Combined Ordinary and Extraordinary General Meeting of 3 June 2021.

This most recent compensation remains unchanged for 2022, and the compensation allocated and to be paid in 2022 to Paul-François Vranken in his capacity as a member of the Board of Directors for 2021 amounts to €7,530.30.

For information, we remind you that the Combined Ordinary and Extraordinary General Meeting of 3 June 2021 adopted the 10th resolution concerning the compensation of Paul-François Vranken.

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

It should be recalled that Paul-François Vranken is also reimbursed, upon receipt of proof of purchase, for the costs he incurs in the name and on behalf of the Company.

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

In accordance with provisions concerning companies listed on the Stock Market, it will be proposed to the Annual Ordinary General Meeting to approve, as required, the compensation of Hervé Ladouce, for his term as Deputy Chief Executive Officer for Coordination of Production and Trading, paid in respect of the previous year, for the 11 days he was in office.

In addition to the compensation allocated as a member of the Board of Directors, in the amount of €5,392.41 in respect of 2020, the Company paid, in 2021, according to the decision of the Board of Directors on 30 March 2017 and approved by the Combined Ordinary and Extraordinary General Meeting of 3 June 2021, to Hervé Ladouce, Deputy Chief Executive Officer for Coordination

of Production and Trading, a gross annual compensation in the amount of €443.55, corresponding to the €15,000 of compensation calculated pro rata for the 11 days of his term of office until 11 January 2021.

No compensation was allocated to Hervé Ladouce as a Director for 2021.

For information, we remind you that the Combined Ordinary and Extraordinary General Meeting of 3 June 2021 adopted the 11th resolution concerning the compensation of Hervé Ladouce.

No other compensation or any other benefit have been paid to Hervé Ladouce for his position as Deputy Chief Executive Officer for Coordination of Production and Trading by VRANKEN-POMMERY MONOPOLE.

It should be recalled that Hervé Ladouce was also reimbursed, upon receipt of proof of purchase, for the costs he incurred in the name and on behalf of the Company.

### 2.3.7 Approval by the Shareholders' Meeting of the compensation of Directors and executive corporate officers of the Company

Pursuant to Article L. 22-10-34 of the French Commercial Code, the Ordinary Annual General Meeting will be asked to approve the following resolutions:

#### "EIGHTEENTH RESOLUTION

The Annual Ordinary General Meeting, having read the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8-II of the French Commercial Code, the compensation policy for executive corporate officers for the 2022 financial year as described therein."

#### "NINETEENTH RESOLUTION

The Annual Ordinary General Meeting, having read the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to Article L. 22-10-8-II of the French Commercial Code, the compensation policy for Directors for the 2022 financial year as described therein."



## 2.4 Current delegations granted to the Board of Directors in terms of capital increases

We present you with the list of all delegations granted by the Extraordinary General Meeting of 3 June 2021 regarding capital increases:

Corresponding delegation	Limit	Validity period	Use in the 2021 financial year
<b>DELEGATION OF POWERS</b>			
Delegation of powers to the Board of Directors to increase the share capital reserved for Company employees with the removal of preferential subscription rights	Maximum amount of 3%	26 months from the Extraordinary General Meeting of 3 June 2021	NO
Delegation of powers to the Board of Directors for the issue of shares and/or securities giving access to the Company's share capital, with maintenance of preferential subscription rights	Maximum nominal of €240,000,000 non-cumulative with the following delegations	26 months from the Extraordinary General Meeting of 3 June 2021	NO
Delegation of powers to the Board of Directors for the issue of shares and/or securities giving access to the Company's share capital, with removal of the preferential subscription rights in the context of a public offer	Maximum nominal of €240,000,000 non-cumulative with the previous delegation and the one that follows	26 months from the Extraordinary General Meeting of 3 June 2021	NO
Delegation of powers to the Board of Directors for the issue of shares and/or securities giving access to the Company's share capital, with removal of preferential subscription rights, in the context of an offer by private placement	Maximum nominal of €240,000,000 non-cumulative with the previous delegations	26 months from the Extraordinary General Meeting of 3 June 2021	NO
Delegation of powers to the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights		26 months from the Extraordinary General Meeting of 3 June 2021	NO

## 2.5 Specific procedures relating to Shareholder participation in the General Meeting

- The terms and conditions of Shareholder participation in the General Meeting appear in Article 27 of the Articles of Association

Participation in the General Meetings in any form whatsoever is subject to the registration of the shares under the conditions and timeframes stipulated by the regulations in force.

The Board of Directors may, if it so chooses, accept the voting forms and proxies that reach the Company after the deadline set by the regulations in force.

- 2 - The holders of nominative shares have the right to participate in General Meetings and deliberations, whatever the number of shares, upon simple proof of their identity, providing that their shares are fully paid up and registered in an account in their name under the conditions and within the timeframes stipulated by the regulations in force.

- 3 - Any Shareholder who has the right to attend the General Meetings 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 Solidarity Pact (PACS). The shareholder may also be represented by any other natural person or legal entity of his or her choice. The proxy must contain the indications and information provided for by law. If the principal does not name a proxy, a vote in favour of adoption of the draft resolutions submitted to the Meetings will be issued.

- 4 - Any Shareholder may vote by post using a form obtained under the conditions indicated in the meeting notice.

- 5 - If the Board of Directors so decides when convening the Meeting, Shareholders may use electronic application forms to request admission, a proxy or a remote vote under the conditions laid down by applicable laws and regulations. Accordingly, the electronic signature used must result from the use of a reliable identification process to guarantee that it matches with the voting form to which it is attached. The proxy or the vote thereby expressed before the Meeting by such electronic means, as well as the corresponding acknowledgement



of receipt, will be deemed to be irrevocable written instructions enforceable on all, it being specified that in the event of a transfer of securities occurring before the date set by applicable regulations, the Company will invalidate or amend accordingly, as the case may be, the proxy or the vote cast before that date. Shareholders using the electronic voting or proxy form available for this purpose, within the timeframe, are deemed to be present or represented.

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

#### Single voting rights

The voting rights attached to the shares of capital or the exercise thereof is proportional to the amount of capital they represent.

Each share entitles the owner to one vote.

Shareholders may also vote by mail.

#### Double voting rights

A voting right double that conferred on the other shares, in view of the percentage of share capital they represent, is attributed to all fully paid-up shares for which proof of registration in the name of the same Shareholder for at least four years can be provided. If a share is converted to a bearer share, the transfer of its ownership results in the loss of the aforementioned double voting right. Nevertheless, transfer as a result of inheritance, liquidation of community of property between spouses or gift inter vivos to a spouse or relative in the degree of succession shall not cause the acquired right to be lost and shall not interrupt the periods provided for above.

In addition, in the event of a capital increase by incorporation of reserves, profits or share premiums, double voting rights may be conferred, as soon as they are issued, on registered shares allocated free of charge to a Shareholder on the basis of existing shares for which he or she benefits from this right.

The removal of double voting rights requires:

- a decision of the Extraordinary General Meeting by all the Shareholders in order to modify the Articles of Association;
- a ratification of this decision by a Special Shareholders' Meeting of beneficiaries of double voting rights, which must approve this removal by a two-thirds majority.

#### Shares having no voting rights

Treasury shares are deprived of voting rights at Meetings.

## 2.6 Regulated agreements

In accordance with the legal provisions, a special report on regulated agreements as referred to in Articles L. 225-38 et seq. of the French Commercial Code, for the 2021 financial year, has been drafted and may be found in the Appendices to this Universal Registration Document. To the Company's knowledge, no agreements were concluded in 2021 other than those pertaining to routine operations concluded under normal conditions, directly or by an intermediary, between any of the corporate officers or shareholders holding a fraction of voting

rights greater than 10% in the Company and any company where the Company owns, directly or indirectly, more than half the share capital. Furthermore, it is specified that the competent bodies of each of the VRANKEN-POMMERY MONOPOLE Group companies made a decision on 20 December 2010 to disqualify all of the intra-group agreements (service agreements, tax consolidation agreements, VAT consolidation agreements, cash management agreements, trademark licensing agreements, etc.) as long as these agreements are indeed routine operations concluded under normal conditions and, as a consequence, there is no reason to enter into greater detail. In the same sense, and it has done previously, the Board decides to consider as a commitment-free agreement any surety granted between Group companies, taking into account a 0.25% remuneration of the surety, a rate that it qualifies as a normal condition.

However, we highlight, hereafter, the agreements falling under the provisions of Articles L. 225-38 et seq. of the French Commercial Code, concluded in previous years and the effects of which are still in force:

#### With Paul-François VRANKEN

##### Board of Directors meeting of 13 June 2003

- Various items of furniture and pieces of artwork made freely available by Paul-François Vranken to VRANKEN-POMMERY MONOPOLE.

#### With the POMMERY company

Directors concerned: Paul-François Vranken

Board of Directors meeting of 13 June 2003

- Agreement allowing the use of the name POMMERY by VRANKEN-POMMERY MONOPOLE in its corporate name.

#### With the VRANKEN-POMMERY JAPAN company

Directors concerned: Paul-François Vranken

Board of Directors meeting of 7 February 2011

- Debt waiver benefitting VRANKEN-POMMERY JAPAN concerning a trade debt of €184,000 (i.e. €158,115 converted at the closing rate), subject to a return-to-better-fortune clause.

#### With VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH

Directors concerned: Paul-François Vranken

Board of Directors meeting of 29 March 2010

- Debt waiver benefitting VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH concerning a trade debt of €4,848,392.90, subject to a return-to-better-fortune clause.

#### Board of Directors meeting of 7 February 2011

- Debt waiver benefitting VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH concerning a trade debt of €3,450,000, subject to a return-to-better-fortune clause.



### With the VRANKEN-POMMERY ITALIA company

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

- Debt waiver benefitting VRANKEN-POMMERY ITALIA concerning a trade debt of €171,212.30, subject to a return-to-better-fortune clause.

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

The Group's loan agreements generally include change-of-control clauses that allow lending institutions to require the repayment of the debt should control change. Likewise, some commercial agreements 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 real and serious cause or if their employment is terminated due to a takeover or exchange offer

To date, there is no agreement providing indemnities for Board members or employees if they resign or are dismissed without real and serious cause or if their employment is terminated due to a takeover or exchange offer.

## 2.9 Procedure for assessing ordinary agreements

At its meeting of 15 April 2020, the Board of Directors established a procedure for the Audit Committee, along with the Statutory Auditors, to assess the ordinary nature of transactions and procedures for entering into agreements deemed ordinary. In accordance with the regulations, persons who are directly or indirectly affected by one of these agreements do not participate in its assessment.

## 2.10 Rules applicable to the appointment and replacement of Board members and the amendment of the Company's Articles of Association

### • Appointment/replacement of Board members

Appointments by the Board of Directors are subject to ratification by the next Ordinary General Meeting. In the absence of ratification, the deliberations taken and acts accomplished previously by the Board shall nevertheless remain valid.

During the life of the Company, Directors are appointed or reappointed by the Ordinary General Shareholders' Meeting; however, in the event of merger or de-merger, the appointment can be made by the Extraordinary General Meeting.

An employee of the Company can be appointed Director if his or her employment contract is prior to his or her appointment and corresponds to

an effective job. However, the number of Directors linked to the Company by an employment contract may not exceed one-third of the existing Directors.

The justification of the number of Directors in office and of their appointment shall be validated, with respect to third parties, by the mere mention in the minutes of each meeting of the names of the Directors present, represented or absent.

No one may be appointed Director if, having passed the age of 80, 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 80, 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.

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 this permanent representative is for the duration of that of the legal entity he or she represents.

If the legal entity revokes the mandate of its representative, it must notify this decision to the Company immediately by registered letter, along with the identity of its new permanent representative. The same holds in the event of death, resignation or prolonged impediment of the permanent representative.

In the event of a vacancy, by death or resignation, of one or more Directors' seats, the Board of Directors may, between two General Meetings, proceed with provisional appointments.

If the number of Directors falls under three (3), the remaining Directors must convene an Ordinary General Shareholders' Meeting immediately with a view to completing the membership of the Board.

Legal entity Directors may not sit simultaneously on more than five Boards of Directors or Supervisory Boards of "sociétés anonymes" (French limited companies) whose registered offices are in mainland France, other than for exceptions stipulated by law, and particularly the exemptions instituted for companies that are directly or indirectly controlled, within the meaning of Article L. 233-16, by a company in which the Director holds a first office.

The Board of Directors may also include a Director representing Employee Shareholders under the conditions stipulated by the French Commercial Code. This Director is, where applicable, appointed by the Ordinary General Meeting according to the procedures set by the French Commercial Code and by the Articles of Association.

Prior to the meeting of 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 under the conditions set forth in these Articles of Association.



Candidates are designated under the following conditions:

- when the voting right attached to shares held by employees is exercised by the Supervisory Board of a mutual fund invested in shares of the Company, this Supervisory Board may appoint a candidate from among its members;
- when there are several company mutual funds invested in the Company's shares, for which the voting right attached to the shares is exercised by the Supervisory Board, the Supervisory Boards of these funds may agree, by identical deliberations, to present a common candidate, chosen from among all of their members;
- when the voting right attached to the shares held by the Employees is directly exercised by them, candidates may be appointed during consultations organised by the Company.

These consultations, which are preceded by calls for candidacies, are organised by the Company through ballots that respect the confidentiality of the vote, by all means adapted to the specificities of the method of holding the securities. To be admissible, applications must be submitted by a group of Shareholders representing at least 5% of the shares held under the same method.

An ad hoc electoral commission, set up by the company, may be responsible for monitoring the legality of the process.

Only the two candidacies presented to the Ordinary General Meeting are submitted, either by the Supervisory Boards of company mutual funds or by groups of Employee Shareholders holding the largest number of shares.

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, each candidacy must include a principal and a substitute. The substitute, who fulfils the same eligibility conditions as the principal representative, is co-opted by the Board of Directors, to succeed the representative appointed by the General Meeting if the principal representative cannot exercise his or her mandate up to the end of the term set.

In order to ensure continuity in the representation of Employee Shareholders until the end of the term of office, and in the event that the substitute cannot also serve until the end of the term, the Chairman of the Board of Directors shall refer the matter to the body that initially appointed the candidate (Supervisory Board of mutual funds, or group of Employee Shareholders), so that the latter may appoint a new candidate; the ratification of the cooptation by the Board of Directors will be submitted to the next General Meeting.

Procedures for naming candidates that are not defined by law or by the Articles of Association are decided by the General Management.

#### • Amendments to the Articles of Association

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

The Extraordinary General Meeting may amend all the provisions of the Articles of Association and decide, notably, to convert the Company into a Company of another form, whether civil or commercial. It cannot, however, increase the shareholders' commitments, subject to transactions resulting from a regular grouping of shares.

The Extraordinary General Meeting may deliberate validly only if the shareholders present or represented, or voting by mail, own at least one-quarter (when convened for the first time) or one-fifth (when convened for the second time) of the shares having voting rights. In the absence of said quorum, the second Meeting may be postponed to a date no later than two months after the date on which it had been convened.

The Extraordinary General Meeting adopts decisions by a two-thirds majority of the shareholders present or represented, or voting by mail, unless there is a legal dispensation.

## 2.11 Business continuity

Pursuant to Recommendation 17 of the MiddleNext Code, and with a view to the business continuity of the Company in terms of the succession of the main members of the Group's General Management, these decisions are made by the Board of Directors of VRANKEN-POMMERY MONOPOLE, partly consisting of family members of the majority shareholder, and partly of Company managers and corporate officers and independent directors whose experience contributes to the quality of the options selected.

## 2.12 Group diversity policy

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

The Company undertakes to respect the principle of gender equality, which must enable men and women, including during pregnancy, to benefit from equal treatment in terms of access to employment and professional training, qualification, classification, promotion, working conditions, compensation and the balance between professional activity and the exercising of family responsibilities.

A gender equality agreement was signed on 23 September 2021 and covers the period from 2021 to 2023. This new proactive and ambitious agreement aims to continue and consolidate the policy applied since the signing of a first agreement in 2011.



Commitments and actions in favour of gender equality in the workplace are structured around three themes (recruitment, training and compensation) with quantified targets for progress for each.

### Recruitment

VRANKEN-POMMERY MONOPOLE bases its recruitment solely on the skills, professional experience, training and qualifications of candidates. The internal and external recruitment processes are identical and applied in the same way whether the candidates are women or men. The Company undertakes to ensure that the wording and content of job advertisements are drafted in a neutral manner, without reference to gender or family status or to terminology likely to be discriminatory, whatever the nature of the employment contract and the type of job offered. The Company strives to maintain the necessary balance in recruitment between women and men. At the time of recruitment, the respective proportion of women and men among the selected candidates must tend, with equivalent qualifications, skills, experience and profiles, to correspond to the representation of women and men noted in the applications received or that of the qualifications.

- **Chosen actions:**

- External service providers and those responsible internally for recruitment will be made aware of the Company's requirements in terms of gender equality, particularly for positions with low diversity.
- Improve the flow of female or male applications for functions with an imbalance in terms of gender equality by diversifying the sources of recruitment.
- Interviews conducted jointly: a recruitment process with several company executives from different departments (HR and recruitment teams, general management, etc.) meeting to ensure complete objectivity in recruitment.

VRANKEN-POMMERY MONOPOLE guarantees the same level of classification and salary upon hiring for men and women. Compensation upon hiring is linked to the level of training and experience acquired and the type of responsibilities entrusted; it does not take into account the gender of the person recruited.

- **Chosen actions:**

Determine, when recruiting an employee for a given position, the basic level of compensation for this offer, before the offer is published.

- **Objective:**

Increase the proportion of women in permanent hires from 28% (2019-2020) to 35% on average over the term of the agreement (2021-2023).

- **Result:**

Women accounted for 45% of permanent hires in 2021.

### Training

VRANKEN-POMMERY MONOPOLE guarantees the general principle of equal access for all employees to vocational training and to the CPF (Personal Training Account) system. Access to vocational training is a decisive factor in ensuring real equality of opportunity in the careers and professional development of men and women. The Company

ensures that men and women participate in the same training courses both to develop individual and professional skills and to adapt to changes in the Company.

- **Chosen actions:**

- focus on short training sessions
- reduce travel constraints related to training activities while maintaining the same level of training quality
- continue to develop remote training on the workstation or on a dedicated workstation [e-learning] which makes it possible to respond, for certain training courses, to the personal constraints of employees
- ensure that training is provided during working hours

- **Objective:**

Reduce the gap between the proportion of employees trained by gender from an average of 13 points (2019-2020: 68% for women and 55% for men) to an average of 8 points over the period of the agreement (2021-2023).

### Compensation

The Company prohibits any difference in compensation 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. It reaffirms that equal pay for women and men is one of the essential foundations of gender equality in the workplace. As currently, the Company will maintain strictly equal starting salaries for men and women. In addition, it will ensure that gaps are not created over time due to personal events or circumstances.

- **Chosen actions:**

- Each year, the Company will study the existing pay gaps between women and men within each SPC. In the absence of objective and relevant justification for any discrepancies observed, specific corrective action will be considered.
- Make managers aware by all possible means of legal obligations related to equal pay.
- Concerning the balanced exercise of parenthood between women and men, the Company undertakes to maintain 100% of net salary in the event of paternity leave, less the daily allowances paid by social security, for employees with seniority of more than 1 year.

- **Objective:**

The overall score of the gender equality index was an average of 76 over the period 2019-2020, and the objective is to increase this score over the period of the agreement (2021-2023).

- **Result:**

The Company's overall gender equality index score for 2021 was 86.



# 3

## RISK MANAGEMENT

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### 3.1 Internal control and risk management mechanisms

#### 3.1.1 Overview of general organisation of internal control procedures

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 the protection of assets;
- the due operation of the Group's internal processes;
- the reliability of 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, in particular 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 notably 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 controls 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, an Audit Committee, which has been operational since early 2011, is notably responsible for monitoring:

- the effectiveness of the risk management and internal audit systems (covering all the fields of the VRANKEN-POMMERY MONOPOLE Group's entities);
- the process to prepare financial information (understanding of the overall architecture of the accounting and financial information systems and support for the preparation of the work of the Board of Directors within the framework of approving the annual financial statements and reviewing the 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 specialised 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 assisted in their tasks by the members of COMPAGNIE VRANKEN, which, through the VRANKEN-POMMERY MONOPOLE Group corporate coordination and services agreement, provides the Company with assistance in the areas of management, financial control and general company administration.

#### 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 2021 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 a strong responsibility tree of operational management 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 are currently being put in place. 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

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 10 December 2021.

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.

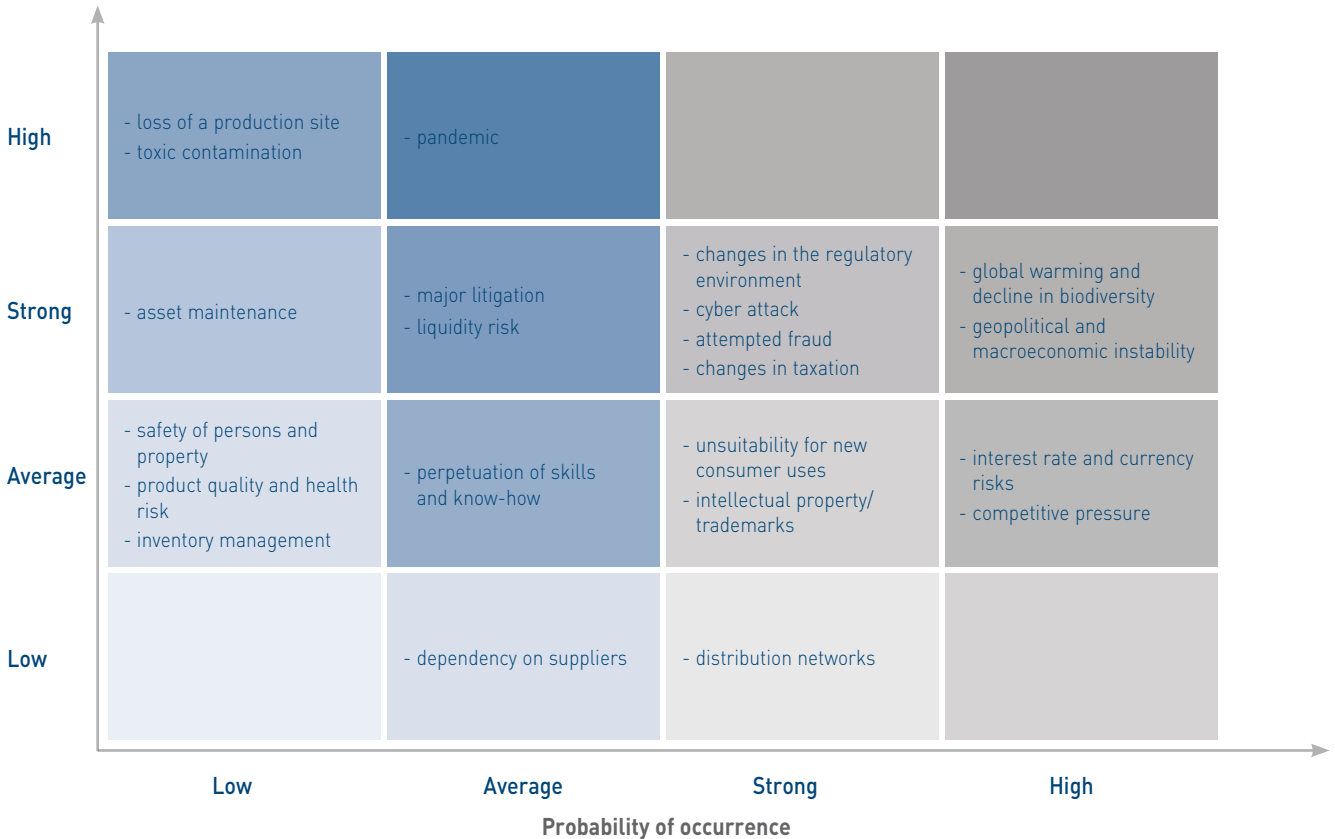
The risks presented are not the only risks facing the Group, it being understood that other risks of which it is not currently aware or which it does not consider to be significant at the date of publication of this Universal Registration Document could also adversely affect its business, financial position, 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 2021 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 risk impact that went from medium to high for the risk of attempted fraud, given the increasing prevalence of this type of risk.
- A probability of occurrence that goes from high to medium for the liquidity risk given the change in the Group's business during the financial year, and the implementation of a USPP in December 2021 to anticipate the 2022 bond maturities.

Impact of risks





**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
- competitive pressure
- unsuitability for new consumer uses
- cyber attack
- 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):**

- interest rate and currency risks
- liquidity risk

**BUSINESS-RELATED RISKS**

**Geopolitical and macroeconomic instability**

<p><b>Identification and description of risk:</b></p> <p>Although less noticeable in 2021 given the health situation, the terrorist threat is still present, as evidenced by the continuation of the "vigipirate plan" - enhanced security risk of attack - in France. Geopolitical tensions at the global level have shifted to the China Sea and Ukraine, while relations between the United States and Europe have returned to normal in terms of customs tariffs with the new American administration.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Inability to sell the Group's products in certain markets.</li> <li>• Price increase as a result of the increase in customs duties.</li> <li>• Lower sales due to the anxiety-provoking climate generated by geopolitical instability.</li> </ul>
<p><b>Risk reduction and/or control measures:</b></p> <p>Early on, VRANKEN-POMMERY MONOPOLE adopted measures to reduce geopolitical and macroeconomic risk through:</p> <ul style="list-style-type: none"> <li>- Geographical diversification, through its network of 9 international subsidiaries and its Export Department, which provides coverage of over 100 countries worldwide;</li> <li>- 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;</li> <li>- The development of all distribution channels such as on-trade, off-trade, travel retail, B-to-B and sales to individuals, etc.</li> <li>- Targeted price increases to mitigate the impact on its margins.</li> </ul>	

**Competitive pressure**

<p><b>Identification and description of risk:</b></p> <p>Competitive pressure takes the form of pressure on sales prices and the emergence of new competing products.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Inability to maintain price and margin levels that will ensure the sustainability of the Group's results;</li> <li>• Consumers turning to new products.</li> </ul>
<p><b>Risk reduction and/or control measures:</b></p> <p>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.</p> <p>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.</p>	



### Pandemic

<p><b>Identification and description of risk:</b></p> <p>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.</p> <p>In its 2019 report, the WHO indicated that the pandemic risk was high according to the repeated statistical figures regarding the emergence of a virulent strain of virus.</p> <p>The WHO also specified that the spreading was more rapid with the development of international trade. Accordingly, a virus can spread worldwide in only 36 hours.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Halt in global economic activity, making it impossible to sell the Group's products in all its markets;</li> <li>• Production shutdown</li> <li>• Switch from external consumption to consumption at home.</li> </ul>
<p><b>Risk reduction and/or control measures:</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>- Implementation of health pass checks at the entrance to places open to the public when they were required;</li> <li>- Maintaining essential activities in compliance with government directives;</li> <li>- Use of short-time working when necessary;</li> <li>- Implementation of teleworking whenever necessary;</li> <li>- End of all non-essential travel and widespread use of videoconferences;</li> <li>- Communication to employees and third parties;</li> <li>- Compliance with government rules and procedures in cases of contamination and "contact cases" for employees;</li> <li>- Provision of self-tests for employees;</li> <li>- Deferral of the repayment and amortisation of State-guaranteed loans in order to preserve liquidity.</li> </ul>	

### Unsuitability for new consumer uses

<p><b>Identification and description of risk:</b></p> <p>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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Risk reduction and/or control measures:</b></p> <p>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 Group's digital transformation continues with the deployment of new tools.</p>	



Cyber attacks

<p><b>Identification and description of risk:</b>                  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).</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Impacts may include leaks, destruction, hostage-taking or theft of confidential and/or sensitive data;</li> <li>• The integrity of computer systems may be compromised and prevent the normal course of business;</li> <li>• Administrative sanctions for non-compliance with the GDPR result in fines of between 2 and 4% of the previous year's worldwide revenue.</li> </ul>
<p><b>Risk reduction and/or control measures:</b>                  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.</p>	

Attempted fraud

<p><b>Identification and description of risk:</b>                  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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Risk reduction and/or control measures:</b>                  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 most important fraud risks and identify preventive actions.</p>	

Distribution networks

<p><b>Identification and description of risk:</b>                  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 period.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Decrease in sales volume that could lead to a decrease in revenue;</li> <li>• 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.</li> </ul>
<p><b>Risk reduction and/or control measures:</b>                  For many years, VRANKEN-POMMERY MONOPOLE has been developing new distribution networks such as B to B, events and travel retail in order to broaden its customer base and reduce the share of traditional channels in its business. The Covid-19 pandemic enabled to demonstrate the relevance of the omni-channel distribution strategy adopted by the Group.                  The Group's trade receivables are long-standing domestic and international receivables.</p>	



#### Perpetuation of skills and know-how

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> The Group has developed employee integration and training programmes. The VRANKEN-POMMERY MONOPOLE employer brand is promoted through recruitment on social networks and the Company’s website. Career development and internal promotion of young talent are encouraged and supported.</p>	

#### Dependency on suppliers

<p><b>Identification and description of risk:</b> The price of grapes in Champagne is a particular area of vigilance for the Group, as it impacts the price of the bottles that, ultimately, will be marketed. The phenomenon of concentration of wrapping and packaging suppliers 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• A significant rise in the price of grapes in Champagne can lead to an increase in operating costs;</li> <li>• The Group may not be able to pass on this increase in its selling prices;</li> <li>• A break in the supply chain for packaging products or packaging may result in a production stoppage.</li> <li>• Changes in energy prices may adversely affect margins.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 Group depends on the Champagne 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 pricing conditions.</p>	

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

##### Global warming and decline in biodiversity

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Irregularity of harvest yields due to the amplification of climatic phenomena;</li> <li>• Possible modification of the grape varieties in the various winegrowing regions where the Group is present;</li> <li>• Impact on product quality.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> VRANKEN-POMMERY MONOPOLE has taken measures to control and reduce its environmental impact by:</p> <ul style="list-style-type: none"> <li>- Obtaining ISO 14001 certification in Champagne;</li> <li>- 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.</li> <li>- While reducing its carbon footprint (conversion of the fleet to electricity);</li> <li>- Installing beehives around vineyards in Portugal;</li> <li>- Optimising water management in Provence and the Camargue, and the partnership established with the city of Sète for the use of treated effluents.</li> <li>- The creation of 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 the reduction of the use of phytosanitary products.</li> </ul>	



Loss of a production site

<p><b>Identification and description of risk:</b> Phenomena that could lead to the loss of a production site are:</p> <ul style="list-style-type: none"> <li>- Fire;</li> <li>- Natural risks;</li> <li>- Malevolent acts.</li> </ul>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• In the longer term, such a disruption could lead to a loss of market share.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	

Toxic contamination

<p><b>Identification and description of risk:</b> The Group purchases raw materials used in the composition or production of its products from winegrowers or industry suppliers. These materials may be intentionally altered by chemical, biological or physical substances that may render the finished product unfit for consumption.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Contamination may cause injury or damage to consumers for which the Group would be liable;</li> <li>• The harm to the Group could result in a loss of revenue and damage to its image and reputation.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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, the Group aims to limit the use of chemical inputs.</p>	

Asset maintenance

<p><b>Identification and description of risk:</b> 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:</p> <ul style="list-style-type: none"> <li>- Les Coteaux, Maison et Caves de Champagne;</li> <li>- The Upper Douro vineyards.</li> </ul> <p>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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Damage to heritage assets may harm the Group's image and reputation.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 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 for works and 10-year building guarantee for work carried out by its own staff.</p>	





### Safety of persons and property

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• The potential effects on the Group are the harm to the individual that may result in death, temporary or permanent disability, or occupational disease;</li> <li>• Damage to the reputation of the Group.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	

### Product quality and health risk

<p><b>Identification and description of risk:</b> Product quality problems can be related to:</p> <ul style="list-style-type: none"> <li>- Their composition;</li> <li>- Packaging;</li> <li>- The development process.</li> </ul> <p>In the most critical cases, a product may present a problem, making it potentially dangerous to the health of the consumer.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 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.</p>	

### Inventory management

<p><b>Identification and description of risk:</b> Poor inventory management may result in:</p> <ul style="list-style-type: none"> <li>- out-of-stock situations;</li> <li>- surplus inventory;</li> <li>- "dormant" inventories.</li> </ul>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• 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, a reduction in profitability.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	



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

**Changes in the regulatory environment**

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• The regulatory environment can have the effect of directly or indirectly limiting or even preventing access to certain markets and thus lead to a loss of business.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	

**Changes in taxation (taxes and duties)**

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Increases in taxes and duties have the effect of increasing the selling price to the final consumer, which may reduce the volume of sales;</li> <li>• A tax audit may result in a reduction in the Group's profitability.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 2019, the Group updated its transfer pricing policy to comply with the transposition of EU transfer pricing regulations into French law.</p>	

**Major litigation**

<p><b>Identification and description of risk:</b> 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).</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• A major dispute may have an impact on the Group's results in the event of a conviction or fine;</li> <li>• The Group's image and reputation may be damaged by a significant penalty.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	



## Intellectual property/trademarks

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Deception of consumers regarding the product is the main risk and could harm the corporate image;</li> <li>• The value of the trademarks could be affected, and the presence of the trademarks or brands in certain countries could be compromised.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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.</p>	

## FINANCIAL RISKS, INCLUDING (BUT NOT LIMITED TO):

## Interest rate and currency risks

<p><b>Identification and description of risk:</b> 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.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• Currency fluctuations may impact operating cash flows;</li> <li>• 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;</li> <li>• A sharp rise in interest rates could have a negative impact on the Group's financial income.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 objective in terms of financing is to rebalance the fixed-rate portion and the floating-rate portion. The residual risk can be hedged by simple hedging transactions such as swaps, caps or collars.</p>	

## Liquidity Risk

<p><b>Identification and description of risk:</b> Liquidity risk is based on the Group's ability to meet its financial commitments.</p>	<p><b>Potential effects:</b></p> <ul style="list-style-type: none"> <li>• The Group would no longer be able to meet its deadlines and/or pay its suppliers.</li> </ul>
<p><b>Risk reduction and/or control measures:</b> 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 credit insurers on both the domestic and international markets, and for many years has adopted a prudent trade receivables policy.</p>	



### 3.3 Insurance and risk cover policy

The Group carefully monitors the assessment of its risks in order to adjust the level of hedging of the risks incurred as best 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 contracts, 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, credit insurance programmes are in place to reduce risks related to trade receivables.

As is the case with its main competitors, 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 means the risk is naturally divided.

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) therefore 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

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“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**

- Creation of Vranken Brut Nature
- Conversion to organic
- Adaptation to climate change



**REVENUE**

**€301.2 MILLION**

- 85% Champagne
- 8% Rosé Wine
- 7% Port

**EUROPE'S LEADING WINE PRODUCER:**

Guaranteeing the quality of our wines from vine to bottle

1

**RESOURCES**



**MEN AND WOMEN**

**510 EMPLOYEES\***

- 23% vineyard employees
- 38% production employees
- 39% sales and support employees

2

**PRODUCTION**

**Circular economy:**  
95% of our purchases locally



**ROSÉ WINE**  
Provence & Camargue

- 25 000 m<sup>2</sup>
- 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



**130 Markets**

\*Staff on open-ended contracts at 31/12/21



## VINEYARDS

Champagne • Camargue • Provence  
 Douro (Portugal)  
 Partnership guaranteeing 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 World Heritage  
 A portfolio of exclusive brands with  
 global recognition



## CHAMPAGNE TOURS-SUR-MARNE & Reims

Over 50,000 m<sup>2</sup>  
 Production capacity of 25,000,000 bottles  
 13 production lines  
 2 vat rooms with over 101,000 hl  
 4 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 m<sup>2</sup>  
 Capacity: 5,000,000 bottles  
 Stainless steel vats, casks,  
 etc.: approx. 44,000 hl  
 2 labelling lines: approx. 7,000 bottles/hour  
 IFS since 2018

## FRET 21

**Target to reduce  
 CO2 emissions  
 by at least 5%  
 by 2023**



## 10 SUBSIDIARIES

France	Portugal
United Kingdom	Switzerland
Belgium	USA
Italy	(+ Canada)
Germany	Australia
(+ 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;
- Adaptation to climate change;
- 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).

For the first year of application for the 2021 financial year, simplified provisions have been planned. Companies must disclose these three ratios relating to the so-called "eligible" economic activities, meaning classified in the European Green Taxonomy, and contributing to the first two climate objectives only.

### 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 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 2021. Revenue and capital expenditure can therefore be reconciled with the financial statements. The underlying financial information was checked jointly 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. Details 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%	28,90 %	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.

Pending the publication of the Delegated Act relating to agriculture, the share of eligible revenue for the year 2021 is therefore 0%.

#### 3.2. Capital expenditure (CapEx)

Pursuant to Appendix 1 of the Article 8 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 investment expenses of the VRANKEN-POMMERY MONOPOLE Group for the 2021 financial year was 28.9% out of a total capital expenditure of €17 million.

The figure used of €17 million of capital expenditure corresponds to the Group's share of property, plant and equipment and intangible assets out of a total investment of €22 million for the 2021 financial year.

#### 3.3. Operating expenses (OpEx)

The operating expenses as defined by the Taxonomy Regulation are not material compared to the total operating expenses appearing in the consolidated income statement of the VRANKEN-POMMERY MONOPOLE Group (less than 5%). Consequently, this indicator is not presented, as it is deemed irrelevant with regard to the Group's activities.



## 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 of the 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" adopted by the General Meeting, the Company has set itself the task of:

- Adopting a sustainable development strategy;
- As far as possible, achieving organic conversion for the in-house vineyards but also for partner vineyards;
- Limiting the impact of its activities and those of the Group's companies on the environment;
- Limiting the use of fossil fuels, and promoting the use of renewable energies;
- Treating and/or recycling waste;
- Preserving natural spaces and biodiversity;
- Preserving the natural but also historical and architectural heritage;
- Preserving the strong identity of the terroirs, their human base, their ecosystem and also the specificity and the best quality of their products;
- Offering Group companies, employees, partners, customers and shareholders the opportunity to adhere to the aforementioned values by offering champagnes and wines produced all over the world of an extreme 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](http://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 GDPR Regulation 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 firstly employed an IT and Freedoms Officer (CIL – Correspondant informatique et Liberté) and then 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:

- Raising awareness and coordinating data feedback (on the importance of keeping this log and best practices, mainly via newsletters);
- Processing requests and complaints from persons concerned on how to exercise their rights through a specially created email: [gdpri@vrankenpommery.fr](mailto:gdpri@vrankenpommery.fr);
- Reviewing information statements;
- 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 broadband 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 Organisation, 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
  - Using new technologies and renewable energies
  - Creating and developing environmentally-friendly products
  - Promoting our environmental policy
- **Product Quality Assurance**
  - Ensuring product traceability
  - Ensuring total 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 valuing potential
  - Promoting careers by participating in panels for schools, authorities and national bodies

#### • Communication with stakeholders

- Meeting customer requirements and expectations by ensuring a good level of 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 open 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 which allowed them to determine 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 2021, the Group obtained a score of 69/100.

## 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, in particular 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 players

The Group's internal control system is notably 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

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 competences.

The Audit Committee is charged 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-conformities, 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 his or her support to the entities in place and, on the other, to monitor the audits. Since early 2014, the Group has employed a Staff Safety manager, who focuses on actions that relate to health, safety and the environment.



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

To do this, the Group draws from a large number of sources such as inter-professional sources. On the strength of its experience with ISO 14001, the Group has set up 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 enriched 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;
- Interprofessional Committee for Port Wines;
- Middenext 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 capabilities needed 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.

This method has allowed the Group to arrive at a 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 Features Standard) certification in 2018, confirming its commitment to food safety and consumer protection.

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.

The Jarras site aims to obtain IFS Food certification in 2022.

In 2021, 55% 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 with the greatest respect for the environment is the duty of those working on products which benefit from a renowned label of protected designation of origin (appellation d'origine contrôlée).

This concern, already long-standing, has been reinforced over the past fifteen years and is in line with our objective of the sustainable development of our activities.

### 4.3.1 A voluntary and sustainable commitment

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 1,075 hectares have been certified as organic and over 940 hectares are currently being converted.

In 2021, this means that 52% of the vineyards in the south of France are certified organic and that 97% of the vineyards are certified or are currently being converted to organic production.

Nearly 100% of our vineyards in Camargue and Provence will have organic viticulture certification by the harvest of 2023.

In our Champagne vineyards, in 2020 we undertook an organic conversion process, following on from the Camargue and Provence vineyards. Climatic conditions, in particular the high rainfall in 2021, have modified our approach. Organic viticulture no longer appeared sustainable due to the use of a lot of copper and many treatments resulting, in the end, in a lot of losses. We decided to stop the organic conversion in June 2021, with the exception of 15 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 carrying out an extremely detailed and precise 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.

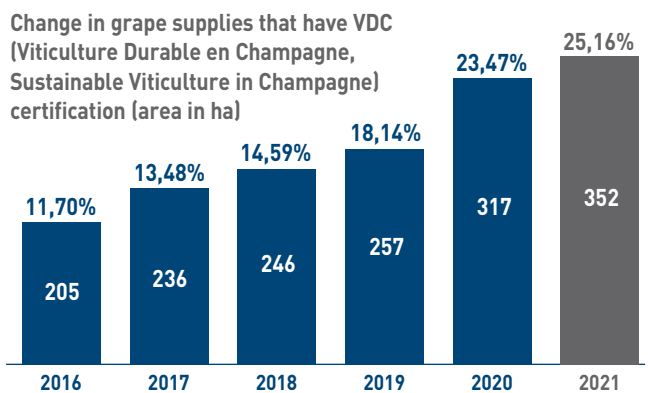
The VRANKEN-POMMERY vineyards are among a handful to claim this honour.

The Quinta Do Grifo vineyard, located in the Upper Douro in Portugal, which began conversion to organic viticulture in 2021, continues in this direction.

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 a lot of 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 greatly reduced by using new methods such as organic processes to control insect pests.

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



	Hectares in operation (lease or full ownership conversion)	Hectares converted to organic	Hectares in conversion	% organic conversion	% conversion	% organic and in conversion
Champagne	288	0	7,6	0%	3%	3%
Provence - La Gordonne	283	283	0	100%	0%	100%
Camargue - IGP Sables	1 802	792	940	44%	52%	96%
Portugal	230	18	19	8%	8%	16%
<b>TOTAL</b>	<b>2 603</b>	<b>1 093</b>	<b>967</b>	<b>42%</b>	<b>37%</b>	<b>79%</b>

### 4.3.2 A voluntary and sustainable commitment, in terms of shipments



Since 2021, VRANKEN-POMMERY MONOPOLE has been committed with ADEME and AUTP 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 areas:

- 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, meaning a reduction of 28 tonnes of CO2e. The flows that were studied are upstream transport, inter-site transport and downstream transport in France by road.

### 4.3.3 Vineyards that revolve around biodiversity

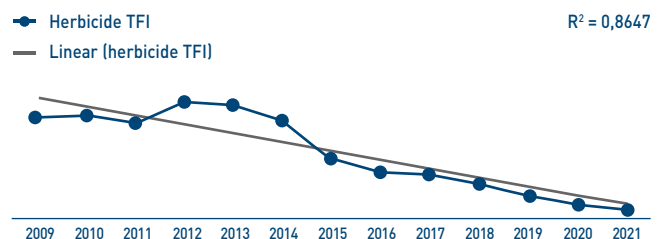


#### In Champagne

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. The process to obtain membership in this area is underway and will give VRANKEN-POMMERY vineyards a new dimension in their commitment to environmental protection. This is also a requirement of the "Sustainable Viticulture in Champagne" standards. Special attention is also paid to the protection of pollinating species (especially bees), by drastically reducing the use of insecticides, fostering sexual confusion, favouring treatments outside pollen-gathering phases and implanting honey-producing species around the parcel border. The Group's Champagne vineyards are a driving force in promoting sexual confusion as a recognised alternative to pesticide treatments. In 2021, more than 99% of the vineyards vulnerable to grape fruit moths was "in confusion".

In 2021, vineyard operations were herbicide-free. The Herbicide treatment frequency index is now close to zero.

#### Change in the herbicide TFI (Treatment Frequency Indicator) from 2009 to 2021





**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". 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.

**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.

PORTO ROZÉS, proud of its heritage, strives to maintain and protect it every day, notably 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.

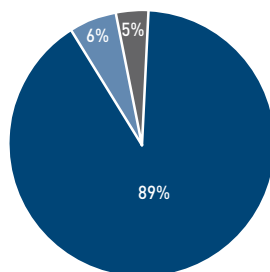
**4.3.4 Sustainable supplier relationships**

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 an important factor of 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 Marne.

**Packaging Supply**

- Marne
- France (excluding Marne)
- Europe (excluding France)



All suppliers subject to specifications are committed to respecting 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 pollutant to 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 employing the best treatment processes.

In order to ensure that these values are met and to be able to promote them among our customers, an assessment of our suppliers has been carried out. This was done through a questionnaire about various CSR topics. A part of this questionnaire covered the principles of the Global Compact relating to human rights and labour standards, and included:

- CSR policy;
- Ethics Charter;
- Employment conditions certifications;
- Actions on improving working conditions;
- Anti-discrimination policy.

This questionnaire also covered other topics, such as the environment. It was carried out with our major dry material suppliers which includes around 20 companies..

**4.3.5 Product and environmentally friendly packaging**

Working on packaging at source, wherever possible, is one of the Group's key goals. 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?**

*In partnership with one of our glass suppliers, we have been 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 resulted in a significant reduction in 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. It goes without saying that the quality of the bottle remains unchanged, the pressure resistance has been tested and consumer safety has not changed. The benefits at the product's end-of-life are not the only ones to consider. It is important to remember that by making bottles lighter, delivery truck load capacities from the production sites also increase. This in turn has reduced the number of vehicles on the road and this reduces 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, what is positive with paper or cardboard packaging is that it can be recycled and the material is 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 cardboard packaging and comes from 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 otherwise be useless. This initial step is already recycling in itself. Our paper mill products come from suppliers who are FSC or PEFC certified. This provides a credible guarantee that their products come 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 is dependent on constantly optimising potential fibre coming from “natural capital” and end-of-life products.

Far from destroying the forest, this industry contributes to sustainable forestry management, (lower demands on natural resources and combating the greenhouse effect) and recycling used paper and cardboard (lower impact at product end-of-life, reusing materials and energy). It is fully in line with the sustainable development of the planet.

## 4.3.6 Environment: water, waste, effluents

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 actions that come under our Ethics Charter, such as:

- Reducing the weight of our champagne bottles by about 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, especially 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 very strict regulations on facilities classified for environmental protection (ICPE). Equally, the Group regularly reports its activities to government agencies (Prefecture, DREAL) with monthly and quarterly reports.

This regulation applies in particular when setting up new facilities and for the renovation of existing ones. Any change to an existing facility must be brought to the attention of the DREAL (Direction régionale de l’Environnement, de l’Aménagement et du Logement – the Regional Directorate for Environment, Development and Housing) which proposes an amendment to the prefecture’s decision to operate.

Moreover, the ROZÈS production site, the Quinta de Monsul, received its “industrial permit” in September 2005, proof of its respect for the environment, safety and hygiene, as well as working conditions.

## 4.3.7 Reducing energy consumption

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.

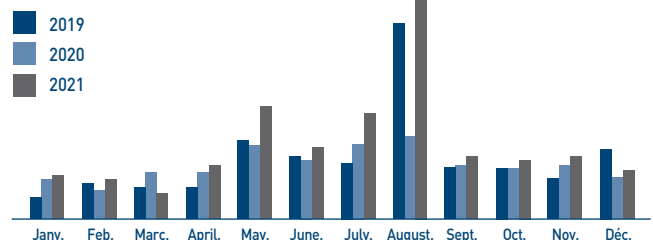
In 2021, the VRANKEN-POMMERY MONOPOLE administrative premises were also audited on the energy consumption in 2020. This audit consisted of analysing energy bills, thermal insulation systems, the technical characteristics of the main energy-consuming equipment, etc. It resulted in proposals for actions to reduce energy consumption at the site in the long term.

### Consumption of electricity at the production sites in MWh

Production site	2016	2017	2018	2019	2020	2021
Domaine Royal de Jarras	1 777	1 792	2 021	2 040	1 860	1 771
Château La Gondonne	535	446	346	401	404	427
VPP Reims	3 723	3 673	3 620	3 513	3 331	3 094
VPP Tours-Sur-Marne	4 453	4 412	4 308	4 557	3 928	4 295
Quinta de Monsul	373	444	380	361,56	292	330

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 0.058 kWh/bottle-equivalent units at the Tours-sur-Marne site in 2021.

### Energy consumption of the TSM site in kWh per litres handled







In Portugal, taking advantage of favourable sun conditions, we invested in an area of around 400 m<sup>2</sup> of photovoltaic panels intended to supplement electricity at the Quinta de Monsul production site, particularly during the harvest. 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. Commissioning is scheduled for March 2022.

### 4.3.8 Reducing water consumption and protecting the resource

Consumption of this resource is an important factor of the environmental policy of the Group's production sites. In the current climate, we could not ignore the impact of our main natural resource.

#### Production sites' consumption in m<sup>3</sup>

Production site	2016	2017	2018	2019	2020	2021
Domaine Royal de Jarras	21 534	18 697	21 554	15 304	15 258	14 369
Château La Gondonne	29 608*	10 843	5 823	9 781	8 137	9 622
VPP Reims	10 984	12 393	12 775	11 956	10 919	9 626
VPP Tours-Sur-Marne	10 641	9 383	9 852	10 996	8 508	13 117
Quinta de Monsul	5 457	7 042	6 045	8 035	8 370	5 706

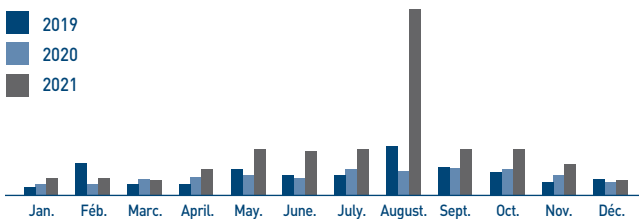
\*Use for irrigation of the vines.

In Champagne, veritable action plans were carried out to combat over-consumption and leakage while maintaining the same product quality.

In order to best monitor water consumption in each shop of the Champagne branch, consumption targets and monitoring indicators were created. The reduction of this consumption is an integral part of 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 0.18 m<sup>3</sup> of water/bottle-equivalent units at the Tours-sur-Marne site in 2021.

#### RATIO General water consumption in litres of the Tours-sur-Marne site per equivalent of wine handled\*



\*See definition in Methodological Note.

### Protection of water resources



On 10 December 2021, VRANKEN-POMMERY MONOPOLE, Avize Viti-Campus and the Seine-Normandie Water Agency signed a partnership agreement and created a network called "Vert Cot'eau".

The partners set up three successive wine campaigns to train, raise awareness and support winegrowers wishing to evolve on subjects such as soil maintenance practices to achieve zero herbicides, and the reduction in the use of phytosanitary products, including residues are one of the major 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 on catchment areas, considered as priority areas. Subsequently, 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 devoted to 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 vineyard irrigation.

GDL operates approximately 260 hectares of vines on the Lido de Thau, between Sète and Marseillan Plage, which, due to water stress related to the effects of climate change, 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<sup>3</sup> of water per year.

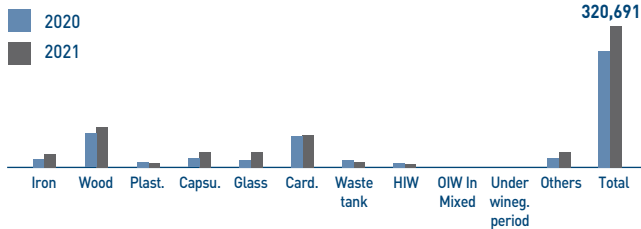
### 4.3.9 Optimising waste treatment

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 over recent years, in both sorting waste, 98%-100% of which is recycled at the Reims site, and in terms of the cost of processing it.



By monitoring the amount of waste sent and the costs incurred, in 2021 we achieved a ratio of waste/bottle-equivalent units produced of 4.36 g and a ratio of waste cost per tonne of €0.34 at the Tours-sur-Marne site, and a ratio of waste/bottle-equivalent units produced of 3.80 g and a ratio of waste cost per tonne of €41.4 at the Reims site.

### Amount of waste (tonnes)



## 4.3.10 Improving effluent treatment

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 done, 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 (CAR).

## 4.4 Meeting the aspirations of our employees by ensuring equal opportunities and career development

The Group had 545 employees in its workforce at 31 December 2021 and 602 at 31 December 2020, on both open-ended and fixed-term contracts.

As part of the improvement of its operational efficiency, the Group decided to transfer the staff of the company VRANKEN-POMMERY VIGNOBLES and the Visits and Receptions Department to dedicated structures outside the scope of consolidation of VRANKEN-POMMERY MONOPOLE. On 1 January, the employees of VRANKEN-POMMERY VIGNOBLES joined VPHV, and on 1 June the staff of the Visits and Receptions Department joined Vranken Hospitality.

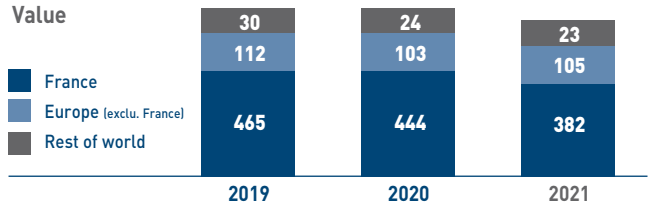
The decrease from 602 employees to 545 employees between 2020 and 2021 is therefore linked to these scope effects.

Staff on fixed-term contracts corresponded to 152 full-time equivalents in 2021.

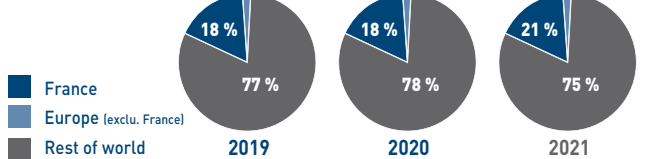
Due to the large size of its winegrowing estate, the Group primarily uses these contracts to conduct the vineyards' seasonal work, which represent 85% of employees on fixed-term contracts.

### The Group's key indicators

#### Workforce on open-ended contracts at 31/12 by geographical area

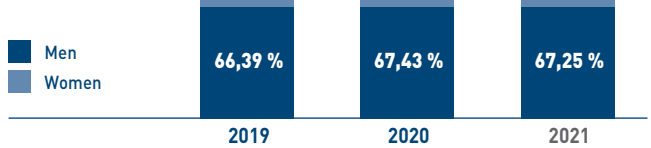


#### As a percentage

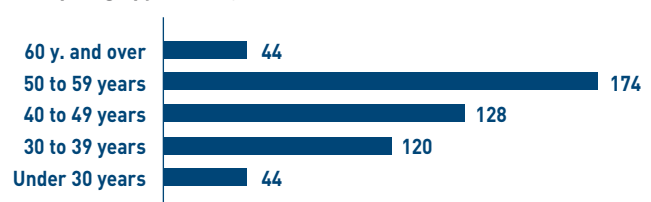


#### Breakdown of women and men in Group

(Open-ended contract staff distribution as of 31/12)



#### Group's age pyramid (open-ended contracts at 31/12/2021)



## 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.

### 4.4.1.1 Professional integration of young people

The Group is committed to giving young talents a chance and thus promoting 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.

Thus, in 2021, VRANKEN-POMMERY MONOPOLE welcomed seven work-study students, an increase compared to 2020.

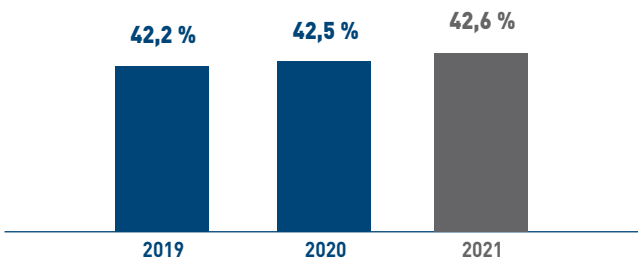


**4.4.1.2 Gender equality**

Different Group companies have negotiated company agreements on the occupation equality of men and women, stipulating measures concerning pay and recruitment.

The Group reaffirms its desire for its human resources management to be in line with professional equality principles and to promote diversity within its workforce. Over the last three years, the proportion of women among management staff has generally increased.

**Change in the proportion of women among Group managers**



Group companies have an increasing gender equality index of 86 or higher.

**4.4.1.3 Integration and retention in employment of disabled workers**

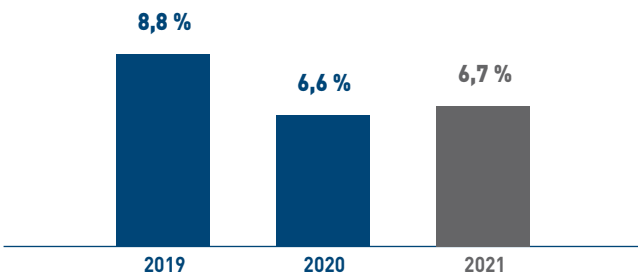
The VRANKEN-POMMERY MONOPOLE Group considers that disability is not an obstacle to occupational competence.

Thus, in our Champagne division establishments the direct and indirect employment of persons with a disability exceeds the legal obligation and represents on average 6.7% 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.

**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**

**4.4.2.1 Occupational health and safety**

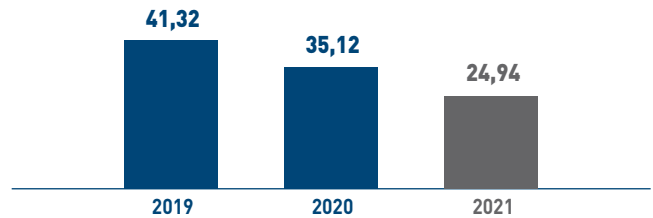
The Group is pursuing its objective of protecting its staff's health and that of its subcontractors, by prioritising prevention.

Prevention is based on employee involvement, regular and targeted communication, and action plans. It takes the form of initiatives to improve the ergonomics of workstations, reduce handling and exposure to chemical agents, and organise training and the raising of awareness.

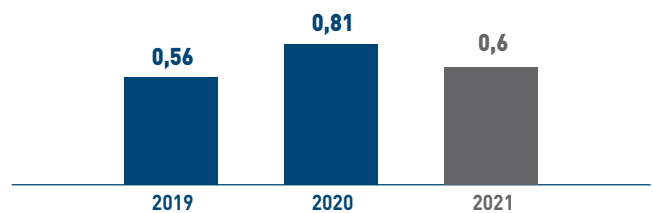
Actions are carried out every year at the production sites to improve workstation ergonomics, safety, comfort and productivity: training and the raising of awareness (gestures and posture, fire risk, etc.), ergonomic studies of workstations and improvements to equipment.

The frequency rate of workplace accidents has been steadily decreasing since 2019.

**Change in work-related accident frequency rate**



**Change in severity of work-related accidents**



In terms of physical and mental well-being, relaxation therapy sessions have also been offered to staff at the Reims site over the last five years and this support will be renewed in 2022.

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 the 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 do this, the Company makes available to them each year. An approach that aims to preserve the health of employees and reduce absenteeism at work.



Since the beginning of the Covid-19 health crisis, the Group took steps to assess the impact of this crisis on its sites and activities.

A health charter and protocol were drawn up based on the spread of the virus and changes in risk levels.

Regular meetings with labour partners enabled to constantly adapt and roll out protection and prevention rules at an early stage and to monitor the implementation of actions.

The Group has set up an appropriate organisation to ensure the health and safety of its employees and subcontractors.

The measures have been adapted to each entity with, in particular, widespread mask-wearing, the strict application of barrier gestures, a strict cleaning protocol at facilities, teleworking and remote meetings, the introduction of directions for pedestrian traffic flows, the redevelopment of work areas, break and meal rooms to ensure social distancing.

Hydro-alcoholic gel and sanitisers have been made available in work areas to allow everyone to protect themselves and clean their work surfaces regularly.

The protocol in place also includes measures for managing contamination or suspected contamination situations.

Business was able to continue at all of our Group sites, in full compliance with strict health measures.

#### 4.4.2.2 Human Rights

The VRANKEN-POMMERY MONOPOLE Group has chosen to adhere to the Global Compact Charter since 2003. It thus 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 is established.

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 little risk 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 the suppliers' specifications, a paragraph directly commits them by asking them to comply with the International Labour Organisation and sustainable development standards. Some duties are clearly explained. Regarding labour standards and human rights, for example, the following elements are found in the text:

- Eliminate any form of forced or compulsory work;
- Effectively abolish child labour and, more generally, that of any minor;

- Not use illegal labour;
- Respect the principles of the protection of human rights;
- Follow 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.

#### 4.4.2.3 Compensation and benefits

The Group believes that providing a fair, motivating and equitable compensation system allows for a combination of attractiveness and competitiveness.

The Group is committed to providing comprehensive compensation, at all levels of the Company, that is equitable, empowering, competitive and non-discriminatory. Employee compensation connects the teams to the Company's performance while rewarding motivation, commitment and 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 annually during annual negotiations with the staff representatives of 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 2021, the incentive schemes for entities in the Champagne division €221,540.

In terms of 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. A call for tenders launched in 2020 made it possible to maintain the same level of contributions and coverage.

#### 4.4.2.4 Social dialogue

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 have Social and Economic Committees. The Group Council was instituted in 2003.

In 2021, 12 company agreements were signed in the Champagne division.

These agreements made it possible to set up a sustainable mobility package for employees' commuting.

Indeed, concerned about environmental issues, management wanted to set up 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.

#### 4.4.2.5 Promotion of physical activity and sports

As part of the well-being and quality of life at work, VRANKEN-POMMERY MONOPOLE has been offering relaxation therapy / relaxation sessions to 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, discover your body, and manage stress and emotions.

Like many other activities, it suffered a halt due to 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.

Always in the interest of the well-being of its employees and in order to promote physical activity, VRANKEN-POMMERY MONOPOLE has for many years been reimbursing Group employees for the "Run In Reims" entry fee.

In Camargue, the Grands Domaines du Littoral make a room available to employees who wish to participate in yoga classes.

### 4.4.3 Fostering skills development

#### 4.4.3.1 Facilitating employee integration

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. This is therefore a critical step so that the person hired can take up his or her position to the best of his or her ability by being mentored and supported.

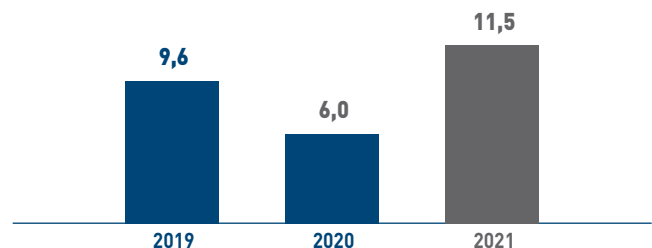
For several years, VRANKEN-POMMERY MONOPOLE has implemented an integration programme. In addition to offering a global vision of the Company, these integration days help develop the feeling of belonging to the Group and sharing its values. The objective is also to create links between the teams. An integration 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 reinforce their growth within the structure. This includes identifying any difficulties faced by the employee and implementing corrective actions (additional training, etc.).

#### 4.4.3.2 Developing skills and employability

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), learning computer skills (ERP, business specific software, etc.), access to aspects of management and communication, or sales techniques for our sales staff.

Established in accordance with the Company's projected needs in terms of skills, each French entity has its own training plan covered by an indicator monitored under each continuous improvement plan.

## 4.5 Contributing to enhancing our regions and terroirs

### 4.5.1 Patronage

The VRANKEN-POMMERY MONOPOLE Group is a Patron that invests in its region.

#### 4.5.1.1 VRANKEN-POMMERY MONOPOLE encourages contemporary creation

Maison Pommery, patron and producer, has been a major player in the world of Art for over 180 years. 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 Vranken has 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 135,000 visitors each year to the sumptuous chalk quarries of the Domaine in Reims.

Domaine Pommery reopened its doors to visitors after the lockdown period on 19 May 2021. As the start-up in May and June was timid and the resurgence of Covid cases in early December slowed down the momentum, the Domaine welcomed around 66,000 visitors in 2021, for only half a year of full operation.

#### 4.5.1.2 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, 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.

#### 4.5.1.3 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".

### 4.5.2 Heritage protection

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 along with all of their teams, thus 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, whose grapes are nurtured with the same stringency and rigour.

### In Provence

Le Château La Gordonne is one of the largest properties in Provence with over 350 hectares including 300 vineyards.

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 well-known 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 fundamental for sustainable viticulture and biodiversity. The vast majority 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 here throughout the 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 varietal 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 relationship of men to 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 variety of viticulture-related activities 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 benefits from an exceptional heritage and a global dimension where each Brand draws 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 in Pierrefeu;
- Quinta de Monsul in 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 Transfer of knowledge

#### 4.5.3.1 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. Working in a cross-disciplinary team, the Group's technicians, winemakers and agricultural engineers employ various specialised means to do their research, for instance modern internal laboratories capable of Fourier-transform infrared spectroscopy, enzyme analysis and spectrophotometry, experimental vats and trial vineyard parcels (e.g. fitted with sprayers).

In order to benefit from the knowledge of the leading researchers in the sector and to make sure that the essential scientific and technological developments are monitored, we draw on a vast network of French and international scientific partners.

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, to resolve specific technical problems identified as factors for improvement.

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

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

In addition, the Company and URCA wished to conduct a collaborative study to examine "Vitivicultural PDOs / PGIs faced with climate change: a study on regulatory changes in France and in Europe", and signed a research collaboration agreement in December 2021.

The PhD student in charge of this research studies the current system of wine protected designation of origin (PDO), which was designed to endorse and guarantee consistent cultivation and cultural practices, with the aim of ensuring a certain authenticity and typicality of 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 modify their practices and therefore risks jeopardising the system of protected designation of origin (PDO).

The aim of the planned research is to draw up an inventory of the legal adaptations put in place and to present solutions to effectively protect the designations of today and tomorrow.

#### 4.5.3.2 Expertise and know-how

The transmission of knowledge is very important within the Group, as it relates to the specialised know-how of our business. It involves, notably:

- a "Knowledge Transmission Path" established at VRANKEN-POMMERY VIGNOBLES, which covers the very specific driving of straddle tractors and the use of special tools such as groundwork tools. Thus, each new employee joining the Group must follow an internal training and vocational course under the responsibility of a mentor (qualified and experienced employee). In particular, this internal training course ensures that knowledge is transferred to the new recruit and that he or she complies with the Company's current health and safety rules;
- the same knowledge transmission system is also implemented at VRANKEN-POMMERY PRODUCTION, notably for key line manager positions;
- the integration of young oenologists into the tasting panels is progressive. 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.

#### 4.5.3.3 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 goals of these visits are to get teachers 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 that echoes work in the exhibition. This mediation is a remarkable example of regional sponsorship that also takes artistic and cultural education into account.

The Covid-19 pandemic has unfortunately put a stop to school visits and visits in general.

A new exhibition "Pommery Experience #16: Rêveries" is open to the public from 8 April 2022, and it will be an opportunity to reactivate the partnership with the Academy of Reims.





## 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 other CSR challenge about which the Group would like to share information. 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.
<b>ENVIRONNEMENTAL</b>				
Decline in biodiversity	Reduce greenhouse gases	Obtain the VDC certification in Champagne and extend this principle to our vineyard partners	Hectares of VDC-certified vineyards/total hectares of vineyards	4.3.1
		Obtain organic conversion in Provence and Camargue	Hectares of certified organic vineyards/total hectares of vineyards	4.3.1
		Reducing 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 engine vehicles. In 2021, 34 new light electric vehicles replaced petrol powered vehicle. In total in 2021: - 3 straddles and 1 autonomous robot are now electric out of the 24 in the Champagne vineyards, i.e. 17%. - 34 light electric vehicles out of the 100 vehicles in the fleet, i.e. 34%.	
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	4.3.5
		Search for suppliers locally		4.3.4
		Give priority to transport outside the EC by boat	Almost all of our transportation outside the European Union is done by boat	
		Reduce our gas and electricity consumption	Electricity consumption at the production sites in MWh Water consumption at TSM/bottle equivalent	4.3.7

# Statement of non-financial performance

4



4.6

Sustainable water management	Implement a water consumption monitoring and management plan	Production sites' consumption in m <sup>3</sup> . Electricity consumption at TSM/bottle equivalent	4.3.8	
Waste management	Implement a waste reduction and hazardous waste sorting and management plan	Waste/bottle-equivalent units produced ratio and waste cost per tonne	4.3.9	
<b>SOCIETAL</b>				
Skill gaps concerning food safety obligations	Provide our customers with quality products	Get/Maintain certifications	Percentage of people working for a food safety certified production site	4.2.6
<b>LABOUR</b>				
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	4.4.2.1
Breach of fundamental labour rights	Comply with International Labour Organisation standards	Compliance with an Ethics Charter Setting up of supplier charters		4.4.2.2
Degradation of social dialogue	Promote harmonious working conditions	Develop consultation with labour partners	Number of labour agreements signed in the Champagne branch	4.4.2.4
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	4.4.3.2
Existence of inequalities and discrimination	Ensuring balance and diversity in the workforce	HR policy for business equality and diversity	Proportion of women in management roles Employment rate of workers with a disability	4.4.1 4.4.1



### 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.

Elements 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 2021 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 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. These are:

- 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.

Distribution of staff movements over the year concerns only entries and exits of open-ended (CDI) or fixed-term (CDD) contracts.

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.

Hours of training take into consideration 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 on-the-job training, depending on whether they are internal or external internships, but also courses taken in the framework of the personal training account.

The method used for calculating the employment rate of employees with disabilities was modified over the three years to factor in the regulatory amendment regarding disabled worker employment obligations applicable as of 1 January 2020.

The number of employees subject to the obligation and beneficiaries of the obligation to employ disabled workers (BOETH) is now calculated as an annual average FTE figure.

The workforce subject to OETH corresponds to the average annual workforce (excluding apprentices, holders of vocational training, employment initiative or employment support contracts, employees with 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).

#### Methodological clarifications concerning environmental data:

As the Group has developed rapidly over recent years, different Group companies are at different stages in terms of their environmental approaches. Some are certified ISO 14001 and others are working in a context of ongoing improvement, in compliance with the laws. 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 for organic certification and Champagne vines for sustainable viticulture certification.

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 sites by the teams on site. Each production site has several meters for analysing consumptions and at least one general meter. Only drinking water consumptions are 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 comes from data recorded remotely each month by EDF and transmitted to the production sites via a web portal. The data is extracted monthly by the site. Sites not benefitting from this remote reading get their electricity consumption from the 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 EQ Department recovers the data from the water and electricity bills.

The figures come from the differences between the meter readings. The data is supplied by a representative of each production site. He or she is the engineer in charge of the Sable de Camargue site, the Quality Manager in Portugal, the Manager in Provence and the EQ Manager for Champagne.

Ratio: The amount of waste to bottle-equivalent units used is calculated on the basis of the amount of waste produced 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.

#### Exclusion:

In view of its business, the Company is not directly concerned with the fight against food waste, sustainable food supply, animal well-being 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 has 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;
- protection of biodiversity;
- measures taken in support of 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 2021

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](http://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 2021 (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 make the following comments:

- the reporting scope is variable depending on the indicators published and covers:
  - 46% of the workforce at 31 December 2021 for the indicators relating to the risk of a breakdown in social dialogue and the proportion of disabled employees;
  - 43% of the Group's energy consumption and 25% of its water consumption (the Tours-sur-Marne site) for key performance indicators 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 to prepare it and presented in the Statement.

### Company's responsibility

It behoves the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare 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 key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- as well as to put in place the internal control 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 moderate conclusion of assurance on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided in accordance with 3° of Parts I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including the key performance indicators, 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 (in particular with regard to the information provided for in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- where applicable: the accuracy of the information provided for 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

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 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 2022 over a total of three weeks. We conducted three 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 social and environmental information provided for in Article L. 225-102-1 III;
- 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 the 2nd paragraph of Part III of 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 key performance indicators 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 key performance indicators used, with regard to the key risks and policies presented, and



- to corroborate the qualitative information (actions and results) we deemed to be the most important 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 key performance indicators and other quantitative results that we considered to be the most important and that appear 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 25% 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 2022*

### Independent third-party organisation

MAZARS SAS

Tristan MOURRE - Associée RSE & Développement Durable

### 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
- Degradation of social dialogue
- Skill gap concerning the organisation and perpetuation of knowledge
- Existence of inequalities and discrimination

Quantitative indicators including key performance indicators	Contributing entities
<ul style="list-style-type: none"> <li>- Hectares of vineyards certified as Sustainable Viticulture/Total hectares of vineyards in Champagne (1)</li> <li>- Hectares of vineyards certified as organic/Total hectares of vineyards (2)</li> <li>- Hectares of vineyards certified as organic or being converted/Total hectares of vineyards (2)</li> </ul>	<ul style="list-style-type: none"> <li>(1) Vranken-Pommery Vignobles</li> <li>(2) Grands Domaines du Littoral</li> </ul>
<ul style="list-style-type: none"> <li>- Electricity consumption at the production sites</li> <li>- Water consumption at the production sites</li> <li>- Electricity consumption/bottle-equivalent unit (3)</li> <li>- Water consumption/bottle-equivalent unit (3)</li> <li>- Waste quantity/bottle-equivalent unit (3)</li> </ul>	<ul style="list-style-type: none"> <li>Vranken-Pommery Production</li> <li>(3) Tours-sur-Marne site only</li> </ul>
<ul style="list-style-type: none"> <li>- % of our production workforce currently working at production sites were certified according to food safety standards.</li> </ul>	<ul style="list-style-type: none"> <li>Vranken-Pommery Monopole (Group)</li> </ul>
<ul style="list-style-type: none"> <li>- Total workforce and breakdown of employees by gender, age and geographic area (4)</li> <li>- Percentage of women in management roles (4)</li> <li>- Employment rate of workers with disabilities (5)</li> <li>- Average number of training hours (4)</li> <li>- Number of collective agreements signed in the Champagne branch (5)</li> <li>- Work-related accident frequency rate (4)</li> <li>- Work-related accident severity rate (4)</li> </ul>	<ul style="list-style-type: none"> <li>Vranken-Pommery Monopole in France</li> <li>Vranken-Pommery Production in France</li> <li>Vranken-Pommery Vignobles in France</li> <li>(4) Vranken-Pommery Monopole (Group)</li> <li>(5) Champagne Division</li> </ul>



# 5

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### 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 at 31 December 2020, with the exception of the following point:

#### Decision of the IFRS IC - Attribution of rights to periods of service (IAS 19)

In May 2021, the IASB approved the IFRS IC decision on the granting of rights under post-employment benefit plans.

This decision concerns a change in the way of calculating the commitments relating to certain defined benefit plans.

This decision, retroactive from 1 January 2020, concerns retirement benefits and leads to a decrease in the actuarial liability (adjustment of equity by €0.4 million net of deferred tax) and an increase in the cost of services rendered in future years.

Its application has no material impact on the Group's results for the year ended 31 December 2021. The financial statements were presented by the Board of Directors on 31 March and 13 April 2022.





## 5.1 Consolidated financial statements

### 5.1.1 Consolidated income statement at 31 December 2021 – IFRS

In €€	Note	2021	2020
<b>Revenue</b>	1	301 249	244 006
<b>Consumed purchases</b>	2	-218 266	-169 688
Employee expenses	4	-34 773	-38 999
Other operating income	5	3 715	3 478
Other operating expenses	5	-701	-1 040
Taxes and duties	6	-3 120	-4 042
Reversals on deprec., amort. and prov.	7	906	198
Depreciation, amortisation and provisions	8	-16 552	-15 109
<b>Current operating income</b>		<b>32 458</b>	<b>18 804</b>
Other income	9	5 948	4 088
Other expenses	9	-9 593	-4 932
<b>Operating income</b>		<b>28 813</b>	<b>17 960</b>
Financial income	10	343	275
Financial expenses	10	-18 055	-17 606
<b>Pre-tax income</b>		<b>11 101</b>	<b>629</b>
Income tax	11	-2 354	-176
Share of income from equity affiliates	16	-412	-130
<b>Net income</b>		<b>8 335</b>	<b>323</b>
<b>Breakdown of consolidated net income</b>			
<b>Consolidated net income</b>		<b>8 335</b>	<b>323</b>
- of which minority interests		22	88
<b>- of which Group share</b>		<b>8 313</b>	<b>235</b>
Earnings per share in €	12	0,94	0,03
Diluted earnings per share in €	12	0,94	0,03

### 5.1.2 Comprehensive statement of consolidated gains and losses

#### Statement of net income and of income and expenses recognised directly in equity

In €€	Note	2021	2020
<b>Net income</b>		<b>8 335</b>	<b>323</b>
<b>Items not recyclable in income, net of tax</b>		<b>1 586</b>	<b>291</b>
Commitments to staff	23	492	-158
Treasury shares		7	72
Revaluation of assets	15	1 087	377
<b>Items recyclable in income, net of tax</b>		<b>1 514</b>	<b>-1 633</b>
Foreign entity conversion differences		1 523	-1 847
Financial instruments	29	-9	214
<b>Total income</b>		<b>11 435</b>	<b>-1 019</b>
<b>Breakdown of total income</b>			
Group		11 396	-1 128
Minority interests		39	109



### 5.1.3 Consolidated statement of financial position at 31 December 2021 – IFRS

#### Assets

In €€	Note	2021	2020
Goodwill	13	24 479	24 479
Intangible assets	14	99 597	100 359
Property, plant and equipment	15	376 858	379 876
Other non-current assets	16	7 291	2 297
Investments in affiliates	16	1 149	1 061
Deferred taxes	24	839	413
<b>Total non-current assets</b>		<b>510 213</b>	<b>508 484</b>
Inventories and work-in-progress	17	645 389	672 460
Trade and other receivables	18	46 210	63 637
Other current assets	19	29 194	36 269
Current financial assets	29	-	70
Cash balance	20	15 249	17 469
<b>Total current assets</b>		<b>736 042</b>	<b>789 905</b>
Assets held for sale		-	-
<b>Total assets</b>		<b>1 246 255</b>	<b>1 298 389</b>

#### Liabilities

In €€	Note	2021	2020
Capital	21	134 056	134 056
Reserves and Premiums*	21	237 602	234 349
Income	21	8 313	235
<b>Equity attributable to owners of the parent*</b>	<b>21</b>	<b>379 971</b>	<b>368 640</b>
<b>Non-controlling interests</b>		<b>4 305</b>	<b>4 330</b>
<b>Total Equity*</b>		<b>384 276</b>	<b>372 970</b>
Borrowings and financial debt	22	305 820	623 761
Commitments to staff*	23	11 811	13 600
Deferred taxes*	24	58 878	57 779
<b>Total non-current liabilities*</b>		<b>376 509</b>	<b>695 140</b>
Suppliers and related accounts	25	87 385	107 110
Provisions for risks and charges	26	75	6
Tax liabilities	27	14 029	13 000
Other current liabilities	28	19 934	31 131
Bank borrowings and overdrafts	22	364 042	78 967
Current debt	29	5	65
<b>Total current liabilities</b>		<b>485 470</b>	<b>230 279</b>
Liabilities held for sale		-	-
<b>Total Liabilities</b>		<b>1 246 255</b>	<b>1 298 389</b>

\*The IFRS IC decision, "Attribution of benefits to periods of service", concerning the methods for distributing the cost of post-employment benefit plans with certain characteristics, had a positive impact of €0.41 million on equity attributable to owners of the parent at the beginning of the 2020 financial year, i.e. -€0.55 million on employee benefit obligations and +€0.14 million on deferred tax liabilities.



### 5.1.4 Financing table by analysis of the cash flow statement - IFRS

In €€	Note	2021	2020
<b>Cash flows from operations</b>			
Net income from consolidated companies		8 335	323
Elimination of non-cash income and expenses or those not related to the business			
- amortisation and provisions		16 072	16 046
- net financial expenses	10	17 712	17 331
- change in deferred taxes	24	146	-332
- gains and losses on disposals	9	44	-438
- financial instruments	22	-11	-36
- commitments to staff	23	-1 088	25
- impact of equity method companies	16	412	130
<b>Cash flow from operations of consolidated companies</b>		<b>41 622</b>	<b>33 049</b>
Change in working capital requirements related to activity			
- inventories and work-in-progress	17	27 782	12 376
- trade receivables	18	17 940	-403
- trade payables	25	-19 984	12 908
- other receivables and payables		-3 448	148
<b>Net cash flow generated by operations</b>		<b>63 912</b>	<b>58 078</b>
<b>Cash flow related to investments</b>			
Acquisition of fixed assets**		-14 290	-14 252
Disposal of non-current assets	9	964	3 215
Changes in scope of consolidation		-118	-469
Net change in loans and other financial assets		-4 992	-76
Investment subsidies received		82	347
<b>Cash flow related to investments</b>		<b>-18 355</b>	<b>-11 236</b>
<b>Cash flow related to financing</b>			
Dividends paid to shareholders of the parent company		-	-
Dividends paid to minority shareholders of consolidated companies		-69	-38
Transactions on treasury shares		7	-9
Financial expenses	10	-17 712	-17 331
Borrowings**	22	84 775	35 938
Repayment of loans	22	-130 793	-27 984
Change in short-term financing	22	171	-1 624
<b>Cash flow related to financing</b>		<b>-63 621</b>	<b>-11 048</b>
<b>Negative impact of changes in exchange rates</b>		<b>505</b>	<b>-213</b>
<b>Change in cash position</b>			
Opening cash position		-9 940	-45 522
Closing cash position	22	-27 499	-9 940
<b>Change in cash position*</b>		<b>-17 559</b>	<b>35 582</b>

\*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.



### 5.1.5 Changes in equity – IFRS

In K€	Capital	Premiums	Reserves and income	Revaluation reserve	Income recognised directly in equity	Total equity	Owners of the parent	Non-controlling interests
<b>Equity and non-controlling interests as at 1 January 2020</b>	<b>134 056</b>	<b>45 013</b>	<b>135 042</b>	<b>67 118</b>	<b>-7 628</b>	<b>373 600</b>	<b>369 349</b>	<b>4 251</b>
IFRS IC, Attribution of benefits to periods of service					414	414	414	
<b>Equity and non-controlling interests as at 1 January 2020 after IFRS IC impact</b>	<b>134 056</b>	<b>45 013</b>	<b>135 042</b>	<b>67 118</b>	<b>-7 214</b>	<b>374 014</b>	<b>369 763</b>	<b>4 251</b>
Income for the year			323			323	235	88
Distributions of dividends			-38			-38	-	-38
Translation differences					-1 847	-1 847	-1 844	-3
Transactions on treasury shares					72	72	72	
Commitments to staff					-158	-158	-161	3
Change in financial instruments for the year					214	214	214	
Revaluation of assets				377		377	356	21
Others			13			13	5	8
<b>Equity and minority interests as at 31 December 2020</b>	<b>134 056</b>	<b>45 013</b>	<b>135 340</b>	<b>67 495</b>	<b>-8 933</b>	<b>372 970</b>	<b>368 640</b>	<b>4 330</b>
Income for the year			8 335			8 335	8 313	22
Distributions of dividends			-69			-69	-	-69
Translation differences					1 523	1 523	1 522	1
Transactions on treasury shares					7	7	7	
Change in scope of consolidation			-1			-1	-1	
Commitments to staff					492	492	498	-6
Change in financial instruments for the year					-9	-9	-9	
Revaluation of assets				1 087		1 087	1 065	22
Others			-59			-59	-64	5
<b>Equity and minority interests as at 31 December 2021</b>	<b>134 056</b>	<b>45 013</b>	<b>143 546</b>	<b>68 581</b>	<b>-6 920</b>	<b>384 276</b>	<b>379 971</b>	<b>4 305</b>



## 5.1.6 Notes to the consolidated financial statements

The Group's financial statements were approved by the Board of Directors on 31 March 2022 and the notes were given final approval by the Board of Directors on 13 April 2022. They will not be final until they are approved by the Annual Ordinary General Meeting of 2 June 2022.

### Accounting methods

#### 1. General principles

##### 1.1. Standards

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 2021:

- Amendments to IFRS 4 "Insurance contracts - Extension of the temporary exemption from the application of IFRS 9";
- Amendments to IFRS 9, IAS 39, and IFRS 7 "Interest Rate Benchmark Reform (Phase II)";
- Amendments to IFRS 16 "Covid-19-related rent concessions beyond 30 June 2021".

The Group reports the amount recognised in the income statement in order to reflect the rent concessions obtained and for which the Group uses this practical expedient.

The Group took into account the impacts of the IFRIC decision made in April 2021 in the valuation of employee pension obligations. The impact of this decision on the allocation over time of the cost of post-employment benefit plans with certain characteristics had a positive impact of €0.41 million on equity attributable to owners of the parent at the start of the 2020 financial year, i.e. -€0.55 million on employee benefit obligations and +€0.14 million on deferred tax liabilities.

Other standards, amendments to standards or interpretations that entered into force on 1 January 2021 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 2021 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 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 2021 are as follows:

- Amendment to IFRS 3, "Reference to the conceptual framework";
- Amendment to IAS 37, "Onerous contracts - Cost of fulfilling a contract";
- Amendment to IAS 16, "Property, plant and equipment - Income before intended use";
- Improvement of IFRS 2018-2020 cycle. Standards concerned:
  - IAS 41 - "Taxes in fair value measurements",
  - 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",
  - IFRS 17 - "Insurance Contracts, with Amendments".

The Group did not apply these new texts early as of 1 January 2021 and is currently analysing their potential effects.

#### 2. Highlights

The highlights of the 2021 financial year are as follows:

The VRANKEN-POMMERY MONOPOLE Group's consolidated revenue for 2021 amounted to €301.2 million, up 23.5% driven by the Champagne business.

Sales to customers increased by 30.9% compared to 2020, with exports currently accounting for 67%, compared to 60% in 2020.

This performance is all the more remarkable given that the Covid-19 pandemic continued to disrupt the 2021 financial year, with a 5th wave at the end of the year.

The gradual return to moments of conviviality, the market share gains achieved in 2020, and the local presence of the Group with its nine international subsidiaries as close as possible to its customers have contributed to the strong recovery in its sales around the world.

This strong international presence fully benefits premium and high-end Champagnes, for which demand has been particularly strong in all countries: Champagne Pommery & Greno with its cuvées Louise and Pop, as well as Champagne Vranken with its cuvées Demoiselle and Diamant.

In Camargue, the 2021 harvest was penalised by the technical management of the vineyards, and by unfavourable weather conditions (frost in the spring), resulting in lower agronomic yields by 22%, in turn penalising inter-professional sales for the year.

The underperformance in Camargue was partially offset by an improvement in the sales of packaged Grands Domaines du Littoral wines, thus confirming the appeal of our products to consumers.

Profit (loss) from continuing operations increased by 72.8% to €32.5 million.



The Current Operating Margin reached 10.8% (compared to 7.7%) and reflects the Group's strong operating leverage.

Operating income amounted to €28.8 million, an increase of 60%.

Net income reached €8.3 million.

The financial structure further strengthened with equity standing at €384.3 million, or 31% of the total statement of financial position, with net financial debt reduced by €30.1 million at 31 December 2021 to finish the year at €653.5 million.

Restated for the €18.3 million related to the application of IFRS 16, net financial debt amounted to €635.2 million, entirely covered by inventories of €645.4 million.

The Group anticipated the €75 million of bonds maturing in 2022 by setting up, on 15 December 2021, a USPP for €60 million over 10 years, thus enabling it to diversify its sources of financing, and confirming its long-term attractiveness to leading international investors.

The VRANKEN-POMMERY MONOPOLE Group included its Purpose in its Articles of Association and transformed itself into a "Company with a mission" at the General Meeting of 3 June 2021, thus becoming the first Maison de Champagne and, more generally, first in the world of wine to be part of this movement.

The Company's Purpose is to promote the highest quality of Champagnes and Wines produced throughout the world, while mobilising the ecosystem in which the Company operates (Group companies, employees, partners, customers, shareholders, etc.), 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.

The Company's mission is to pursue the following objectives:

- Be part of a sustainable development strategy;
- Achieve organic conversion for the in-house vineyards but also for partner vineyards;
- Limit the impact of its activities and those of Group companies on the environment;
- Limit the use of fossil fuels, and promote the use of renewable energies;
- Treat and/or recycle waste;
- Preserve natural spaces and biodiversity;
- Preserve the natural but also historical and architectural heritage.
- Preserving the strong identity of the terroirs, their human base, their ecosystem and also the specificity and the best quality of their products;
- Propose to Group companies, employees, partners, customers and shareholders to adhere to the aforementioned values by offering Champagnes and Wines of extreme quality but with limited environmental impact.

At the end of 2021, the Group did not identify any significant events, such as contract terminations, penalties for late performance, litigation with customers or suppliers, that could have a material effect on the financial statements.

### 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 within the scope of consolidation (Fully consolidated)	2021		2020	
	Percent interest	Percent control	Percent interest	Percent control
<b>France</b>				
<b>SA VRANKEN-POMMERY MONOPOLE</b> N° SIRET 348 494 915 00054 5, Place du Général Gouraud 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
<b>SAS VRANKEN-POMMERY PRODUCTION</b> N° SIRET 337 280 911 00120 56, Bd Henri Vasnier 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
<b>SAS VRANKEN-POMMERY VIGNOBLES</b> N° SIRET 314 208 125 00067 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,84 %	99,84 %	99,84 %	99,84 %
<b>SAS RENE LALLEMENT</b> N° SIRET 415 299 023 00028 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,95 %	99,95 %	99,95 %	99,95 %
<b>SAS B.M.T. VIGNOBLES</b> N° SIRET 353 422 397 00045 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,84 %	100,00 %	99,84 %	100,00 %
<b>SAS CHAMPAGNE CHARLES LAFITTE</b> N° SIRET 328 251 590 00050 Le Champ Chapon 51150 TOURS-SUR-MARNE	100,00 %	100,00 %	100,00 %	100,00 %
<b>SAS HEIDSIECK &amp; C° MONOPOLE</b> N° SIRET 338 509 045 00054 34 Boulevard Diancourt 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
<b>SCI DES VIGNES D'AMBRUYERE</b> N° SIRET 332 416 397 00030 Le Champ Chapon 51150 TOURS SUR MARNE	99,58 %	99,58 %	99,58 %	99,58 %
<b>SCI LES ANSINGES MONTAIGU</b> N° SIRET 398 362 988 00030 Le Champ Chapon 51150 TOURS SUR MARNE	100,00 %	100,00 %	100,00 %	100,00 %
<b>POMMERY SAS</b> N° SIRET 441 990 132 00025 5, Place du Général Gouraud 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
<b>SAS GV COURTAGE</b> N° SIRET 382 710 564 00032 Ferme du Château des Castaignes 51270 MONTMORT LUCY	100,00 %	100,00 %	100,00 %	100,00 %
<b>SC DU PEQUIGNY</b> N° SIRET 410 025 134 00025 Domaine des Castaignes 51270 MONTMORT LUCY	99,94 %	99,94 %	99,94 %	99,94 %
<b>SAS HDC</b> N° SIRET 582 044 228 00085 34, Boulevard Diancourt 51100 REIMS	0,00 %	0,00 %	100,00 %	100,00 %
<b>SAS DES VIGNOBLES VRANKEN</b> N° SIRET 411 224 900 00018 Ferme des Castaignes 51270 MONTMORT LUCY	98,00 %	98,00 %	98,00 %	98,00 %





Companies within the scope of consolidation (Fully consolidated)	2021		2020	
	Percent interest	Percent control	Percent interest	Percent control
<b>France</b>				
<b>SC DOMAINE DU MONTCHENOIS</b> N° SIRET 421 321 068 00015 Domaine du Montchenois 51140 CHENAY	100,00 %	100,00 %	100,00 %	100,00 %
<b>SAS GRANDS DOMAINES DU LITTORAL</b> N° SIRET 722 041 175 00034 Domaine Royal de Jarras RD 979 30220 AIGUES MORTES	96,50 %	96,50 %	96,50 %	96,50 %
<b>Abroad</b>				
<b>VRANKEN-POMMERY DEUTSCHLAND &amp; ÖSTERREICH GmbH</b> Mohrenstrasse 34 D-10117 BERLIN - Germany	100,00 %	100,00 %	100,00 %	100,00 %
<b>VRANKEN-POMMERY BENELUX SA</b> Square Saintelette 11/12 1000 BRUXELLES - Belgium	99,99 %	99,99 %	99,99 %	99,99 %
<b>CHARBAUT AMERICA Inc.</b> 12 East 33rd Street - 7th Floor 10016 NEW YORK - United States	100,00 %	100,00 %	100,00 %	100,00 %
<b>ROZÈS SA</b> Quinta de Monsul - Cambres - Lamego Portugal	99,99 %	99,99 %	99,99 %	99,99 %
<b>VRANKEN-POMMERY U.K. Ltd</b> c/o Chambre De Commerce Francaise De Grande Bretagne, Lincoln House 300 HIGH HOLBORN - LONDON, WC1V 7JH - UNITED KINGDOM	97,78 %	97,78 %	97,78 %	97,78 %
<b>VRANKEN-POMMERY SUISSE SA</b> Av de la Gare 10 1003 LAUSANNE - Switzerland	100,00 %	100,00 %	100,00 %	100,00 %
<b>QUINTA DO GRIFO S.A.C. S.A.</b> E.N. 221 KM 100, Poiares, Freixo E. Cinta Portugal	100,00 %	100,00 %	100,00 %	100,00 %
<b>VRANKEN-POMMERY JAPAN Co., Ltd</b> NBF Hibiya Bld. 14F, 1-1-7 Uchisaiw ai-cho, Chiyoda-ku, TOKYO - 100-0011 Japan	95,00 %	95,00 %	95,00 %	95,00 %
<b>VRANKEN POMMERY ITALIA, Spa</b> Piazza Pio XI,5 - 20123 MILANO Italy	100,00 %	100,00 %	100,00 %	100,00 %
<b>VRANKEN-POMMERY AUSTRALIA PTY LTD</b> Level 1, 63 Exhibition Street, MELBOURNE 3000 AUSTRALIA	100,00 %	100,00 %	100,00 %	100,00 %

Companies within the scope of consolidation (Fully consolidated)	2021		2020	
	Percent interest	Percent control	Percent interest	Percent control
<b>SAS A L'AUBERGE FRANC COMTOISE</b> N° SIRET 572 112 423 00015 9 Place de la Madeleine 75008 PARIS	34,00 %	34,00 %	34,00 %	34,00 %
<b>SAS VPHV</b> N° SIRET 891 085 888 00016 5 Place du Général Gouraud 51100 REIMS	48,92 %	49,00 %	39,94 %	40,00 %



## 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 Translation of financial statements expressed in foreign currencies

Financial statements of foreign companies outside the euro zone (CHARBAUT AMERICA, VRANKEN-POMMERY UK, VRANKEN-POMMERY SUISSE, VRANKEN-POMMERY JAPAN, VRANKEN-POMMERY AUSTRALIA)

are converted into euros at:

- the closing exchange rate for the statement of financial position;
- the average exchange rate for income.

The resulting exchange difference is recognised in equity.

The currencies affected are:

	Closing rate	Average rate
United States	1€ = 1,1326 USD	1€ = 1,1816 USD
United Kingdom	1€ = 0,8403 GBP	1€ = 0,8584 GBP
Switzerland	1€ = 1,0331 CHF	1€ = 1,0799 CHF
Japan	1€ = 130,380 JPY	1€ = 130,320 JPY
Australia	1€ = 1,5615 AUD	1€ = 1,5783 AUD

### 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. The Australian and Japanese subsidiaries are in a development phase, in the UK, the consequences of Brexit must be addressed and Charbaut America 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 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 Property, plant and equipment

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 à 150 years
Vineyards (plantations and development)	25 à 40 years
Wine ageing facilities	15 à 30 years
Technical facilities	4 à 15 years
Equipment or tools	4 à 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:

- In general: 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 2021 consisted of fixed-rate borrowings in the proportion of 61.06% after the implementation of the USPP of €60 million on 15 December 2021. 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 2008, 2009, 2010, 2011, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021 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 2008 grapes, obtained beyond the base yield of 12,400 kg/ha and within the limit of 15,500 kg/ha;
- from the 2009 grapes, obtained beyond the base yield of 9,700 kg/ha and within the limit of 14,000 kg/ha;
- from the 2010 grapes, obtained beyond the base yield of 10,500 kg/ha and within the limit of 12,000 kg/ha;
- from the 2011 grapes, obtained beyond the base yield of 10,500 kg/ha and within the limit of 13,600 kg/ha;
- from the 2012 grapes, obtained beyond the base yield of 11,000 kg/ha and within the limit of 12,000 kg/ha;
- 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 2021 grapes, obtained beyond the base yield of 10,000 kg/ha and within the limit of 13,100 kg/ha.



Due to the poor weather conditions that limited agronomic yields at the harvest in 2021, the inter-professional organisation decided to authorise the release of reserve wines in order to enable producers to reach a yield of 10,000 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-manager
- employee development: 1.50%;
- rate of social security expenses: 35.43% to 46.83%, depending on the companies;



- discount rate: 0.80% (0.60% at 31 December 2020);
- 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 balance
- 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 Revenue

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 2021

### Note 1. Revenue

Breakdown of revenue in €K	France	Export	2021	2020
Production sold, goods and merchandise	113 537	180 433	293 970	233 619
Services and other	6 382	897	7 279	10 387
<b>REVENUE</b>	<b>119 919</b>	<b>181 330</b>	<b>301 249</b>	<b>244 006</b>

The distribution of revenue by operating segment is presented in Note 31.

Distribution of consolidated revenue by geographic area in €K	2021	2020
France	119 919	118 914
Europe	121 626	103 889
Other countries	59 704	21 203
<b>Total</b>	<b>301 249</b>	<b>244 006</b>

One single customer represented approximately 14.3% of revenue at 31 December 2021.

### Note 2. Consumed purchases

Determination of purchases consumed in €K	Note	2021	2020
Purchases of Raw Materials and Merchandise		133 657	108 127
Other external purchases and expenses		56 826	49 184
Change in inventory	17	27 782	12 376
<b>CONSUMED PURCHASES</b>		<b>218 266</b>	<b>169 688</b>

Determination of Value Added in €K	2021	2020
Revenue	301 249	244 006
Consumed purchases	-218 266	-169 688
<b>VALUE ADDED</b>	<b>82 983</b>	<b>74 318</b>

### Note 3. Statutory Auditors' fees

In K€	12/2021		12/2020	
	Mazars	Audit & Strategy	Mazars	Audit & Strategy
Fees for the certification assignment	251	130	257	131
Fees for other services	53	3	35	-
<b>Total</b>	<b>304</b>	<b>133</b>	<b>292</b>	<b>131</b>





#### Note 4. Employee expenses

In €K	2021	2020
Wages & salaries	25 951	28 346
Employee expenses	9 409	9 967
Employee commitments	-1 225	-32
Employee profit-sharing & incentive schemes	638	718
<b>Total</b>	<b>34 773</b>	<b>38 999</b>

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. The Group also reduced its workforce during the financial year, with some departures which were not replaced.

For their 2021 terms of office, the compensation of the corporate officers amounted to €94 thousand.

AVERAGE WORKFORCE - Breakdown France - Abroad	2021	2020
France	516	581
Abroad	143	147
<b>Total</b>	<b>659</b>	<b>728</b>

AVERAGE WORKFORCE - Breakdown by category	2021	2020
Production workers	349	373
Employees	89	98
Supervisory staff	76	84
Managers	145	173
<b>Total</b>	<b>659</b>	<b>728</b>

#### Note 5. Other income and expenses

In €K	2021	2020
Operating subsidies	1 541	1 907
Other operating income	2 174	1 571
<b>Operating income</b>	<b>3 715</b>	<b>3 478</b>
Royalty fees for trademarks and other rights	150	138
Directors' compensation	122	122
Irrecoverable receivables	309	322
Other operating expenses	120	458
<b>Operating expenses</b>	<b>701</b>	<b>1 040</b>
<b>Total</b>	<b>3 014</b>	<b>2 438</b>

In 2021, €309 thousand of receivables were written off as a loss and were the subject of a provision amounting to €571 thousand. Expenses related to irrecoverable receivables, which amounted to €322 thousand at 31 December 2020, were 57% covered by reversals of provisions (see Note 7).

#### Note 6. Taxes and duties

In €K	2021	2020
Taxes and duties on compensation	745	719
Other taxes and duties: CET, IFA, Real Estate Taxes, Rights, etc.	2 375	3 323
<b>Total</b>	<b>3 120</b>	<b>4 042</b>

**Note 7. Reversals of provisions**

In €K	2021	2020
Receivables	571	182
Inventories	329	-
Other operating income	6	16
<b>Total</b>	<b>906</b>	<b>198</b>

**Note 8. Depreciation, amortisation & provisions**

In €K	2021	2020
Non-current assets	15 777	14 647
<b>Depreciation and amortisation</b>	<b>15 777</b>	<b>14 647</b>
Receivables	373	396
Inventories	321	50
Miscellaneous	81	16
<b>Provisions</b>	<b>775</b>	<b>462</b>
<b>Total</b>	<b>16 552</b>	<b>15 109</b>

**Note 9. Other Income and Expenses**

In K€	2021 Expenses	2021 Income	2020 Expenses	2020 Income
On fixed assets (transfers, waste, depreciation)	5 891	5 839	3 047	3 215
On provisions, disputes, indemnities and breaches of contract	787	43	66	59
Others	2 915	66	1 819	814
<b>Total</b>	<b>9 593</b>	<b>5 948</b>	<b>4 932</b>	<b>4 088</b>

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 €4,780 thousand in expense and €4,875 thousand in income. "Other transactions" mainly consist of sub-activity in the Camargue for €1,833 thousand linked to the yield of the 2021 harvest.

Breakdown by zone geographical location - In €K	2021 Expenses	2021 Income	2020 Expenses	2020 Income
France	9 020	5 777	1 720	2 077
Europe	573	161	3 137	1 887
Other	-	10	75	124
<b>Total</b>	<b>9 593</b>	<b>5 948</b>	<b>4 932</b>	<b>4 088</b>

**Note 10. Financial income and expenses**

In K€	2021 Expenses	2021 Income	2020 Expenses	2020 Income
Interest	17 070	174	16 790	47
Foreign exchange financial instruments (non-effective portion)	-	3	3	-
Interest-related financial instruments (non-effective portion)	-	8	-	-
Employee commitments	111	1	111	-
Exchange rate differences	10	155	54	188
Rate hedging	51	-	255	-
Allowances for / reversals of provisions and other	813	2	393	40
<b>Total</b>	<b>18 055</b>	<b>343</b>	<b>17 606</b>	<b>275</b>

**Note 11. Income tax**

In €K	2021	2020
Pre-tax income for the consolidated group	11 101	629
Theoretical tax rate	28,41 %	28,92 %
<b>Theoretical amount of tax</b>	<b>3 154</b>	<b>182</b>
Theoretical effect on tax of:		
Changes in tax rates	-327	-
Deficits carried forward from previous years or not activated	-1 071	-
Tax credit	-83	-
Rate differential of foreign subsidiaries and permanent differences	681	-6
Effective tax rate	21,21 %	27,98 %
<b>Effective tax amount</b>	<b>2 354</b>	<b>176</b>

In €K	2021	2020
Tax due	2 208	508
Deferred tax	146	-332
<b>Total</b>	<b>2 354</b>	<b>176</b>

**Note 12. Earnings per share**

In €K	2021	2020
Net income, Group share, in €K	8 313	235
Weighted average number of ordinary shares outstanding	8 937 085	8 937 085
Weighted average number of ordinary treasury shares	57 560	57 453
<b>Weighted average number of shares</b>	<b>8 879 525</b>	<b>8 879 632</b>
<b>Earnings per share, in €</b>	<b>0,94</b>	<b>0,03</b>

*Diluted income: There are no dilutive financial instruments. The diluted earnings per share are equal to the earnings per share.*

**Note 13. Goodwill**

Values in €K	Brut
As at 01/01/2021	24 479
New differences	-
Withdrawals from differences	-
Transfer between line items	-
<b>As at 31/12/2021</b>	<b>24 479</b>

*The results of the impairment tests performed at 31 December 2021 are presented in Note 15.*



**Note 14. Intangible assets**

Values in €K		As at 01/01/2021	Increase	Decrease	Foreign exc. differences	Trans. betw. line items	As at 31/12/2021
Trademarks	Gross	80 148					80 148
	Prov.	-40	-1				-41
	Net	80 108	-1				80 107
Other property rights – non-amortisable		945	353			125	1 423
Other property rights – amortisable	Gross	22 920	216	-94	286	31	23 359
	Dep./amort.	-13 633	-693	37	-173		-14 462
	Net	9 287	-477	-57	113	31	8 897
Other intangible assets – non-amortisable*		4 908			44	666	5 618
Other intangible assets – amortisable	Gross	20 881	445			-752	20 574
	Dep./amort.	-15 771	-1 233		-18		-17 022
	Net	5 110	-788		-18	-752	3 552
<b>Total</b>	<b>Gross</b>	<b>129 803</b>	<b>1 014</b>	<b>-94</b>	<b>330</b>	<b>70</b>	<b>131 122</b>
	<b>Dep./amort.</b>	<b>-29 444</b>	<b>-1 927</b>	<b>37</b>	<b>-191</b>		<b>-31 525</b>
	<b>Net</b>	<b>100 359</b>	<b>-913</b>	<b>-57</b>	<b>139</b>	<b>70</b>	<b>99 597</b>

\*Includes mainly the Pommery business goodwill for €2,500 thousand.

Trademarks net values in €K	2021
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
Portos: Sao Pedro - Rozès - Grifo	12 209
Others	192
<b>Total</b>	<b>80 107</b>

The multi-criteria approach implemented on 31 December 2021 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:

- 2020 and 2021: 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 2022 to 2025 (budget forecasts established in 2021 for 2022-2025);
- the infinite growth rate used in the calculation of the economic surplus is 2.0% for Champagne and 3.0% for wines from Portugal;
- rate assumption: the weighted average cost of capital is 4.5% for Champagne and 6.2% 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 2021, these changes in the main assumptions taken individually confirm the value of the brands, for both Champagne and Port.



### Note 15. Property, plant and equipment

Values in €K		As at 01/01/2021	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2021
Land	Gross	51 869	236	-9	-	-	553	52 649
	Dep./amort.	-1 063	-186	-	-	-	62	-1 187
	Net	50 806	50	-9	-	-	615	51 462
Vineyards	Gross	207 770	8 121	-1 202	-	-	-1 363	213 326
	Dep./amort.*	-16 412	-2 986	838	-	-	1 047	-17 513
	Net	191 358	5 135	-364	-	-	-316	195 813
Buildings	Gross	138 723	2 637	-5 060	71	-	-4 298	132 073
	Dep./amort.	-35 746	-5 662	1 137	-35	-	3 111	-37 195
	Net	102 977	-3 025	-3 923	36	-	-1 187	94 878
<b>Real estate subtotal</b>	<b>Gross</b>	<b>398 362</b>	<b>10 994</b>	<b>-6 271</b>	<b>71</b>	<b>-</b>	<b>-5 108</b>	<b>398 048</b>
	<b>Dep./amort.</b>	<b>-53 222</b>	<b>-8 834</b>	<b>1 975</b>	<b>-35</b>	<b>-</b>	<b>4 220</b>	<b>-55 896</b>
	<b>Net</b>	<b>345 140</b>	<b>2 160</b>	<b>-4 296</b>	<b>36</b>	<b>-</b>	<b>-888</b>	<b>342 152</b>
Technical and equipment installations	Gross	107 067	6 476	-4 614	39	-639	422	108 751
	Dep./amort.	-72 328	-5 024	3 094	-37	254	-4	-74 045
	Net	34 739	1 452	-1 520	2	-385	418	34 706
<b>Total</b>	<b>Gross</b>	<b>505 429</b>	<b>17 470</b>	<b>-10 885</b>	<b>110</b>	<b>-639</b>	<b>-4 686</b>	<b>506 799</b>
	<b>Dep./amort.</b>	<b>-125 550</b>	<b>-13 858</b>	<b>5 069</b>	<b>-72</b>	<b>254</b>	<b>4 216</b>	<b>-129 941</b>
	<b>Net</b>	<b>379 879</b>	<b>3 612</b>	<b>-5 816</b>	<b>38</b>	<b>-385</b>	<b>-470</b>	<b>376 858</b>

\*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 €4,178 thousand in 2021.

The Group holds leases as defined by IFRS 16, which represent:

Values in €K		As at 01/01/2021	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2021
Vineyards	Gross	13 641	837	-	-	-	-312	14 166
	Dep./amort.	-2 062	-1 047	-	-	-	-	-3 109
	Net	11 579	-210	-	-	-	-312	11 057
Buildings	Gross	23 676	388	-5 042	71	-	-	19 094
	Dep./amort.	-8 743	-2 337	1 120	-35	-	-	-9 995
	Net	14 933	-1 949	-3 922	36	-	-	9 099
Technical and equipment installations	Gross	30 211	1 465	-1 989	-	-639	-84	28 965
	Dep./amort.	-24 524	-1 630	1 131	-	254	-4	-24 773
	Net	5 687	-165	-858	-	-385	-88	4 192
<b>Total</b>	<b>Gross</b>	<b>67 528</b>	<b>2 690</b>	<b>-7 031</b>	<b>71</b>	<b>-639</b>	<b>-396</b>	<b>62 223</b>
	<b>Dep./amort.</b>	<b>-35 329</b>	<b>-5 014</b>	<b>2 251</b>	<b>-35</b>	<b>254</b>	<b>-4</b>	<b>-37 877</b>
	<b>Net</b>	<b>32 199</b>	<b>-2 324</b>	<b>-4 780</b>	<b>36</b>	<b>-385</b>	<b>-400</b>	<b>24 346</b>

Vineyards recognised using the revaluation model were subjected to a value test by independent experts. The latest assessment took place at 31 December 2020.

During the year, the Group revalued vineyards taking into account the values given by the independent experts. The impact amounted to €1,466 thousand, or €1,087 thousand net of deferred taxes listed under revaluation reserve.



The values of real estate assets under the cost model are as follows:

Values in €K		As at 01/01/2021	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2021
Land	Gross	24 936	236	-9	-	-	615	25 778
	Dep./amort.	-1 042	-186	-	-	-	-	-1 228
	Net	23 894	50	-9	-	-	615	24 550
Vineyards	Gross	186 536	6 655	- 1202	-	-	-316	191 673
	Dep./amort.	-26 661	- 2 986	838	-	-	-	-28 809
	Net	159 875	3 669	-364	-	-	-316	162 864
Buildings	Gross	130 365	2 637	-5 060	71	-	-1 187	126 826
	Dep./amort.	-54 465	-5 125	1 137	-35	-	-	-58 488
	Net	75 900	- 2 488	-3 923	36	-	-1 187	68 338
<b>Real estate subtotal</b>	<b>Gross</b>	<b>341 837</b>	<b>9 528</b>	<b>-6 271</b>	<b>71</b>	<b>-</b>	<b>-888</b>	<b>344 277</b>
	<b>Dep./amort.</b>	<b>-82 168</b>	<b>-8 297</b>	<b>1 975</b>	<b>-35</b>	<b>-</b>	<b>-</b>	<b>-88 525</b>
	<b>Net</b>	<b>259 669</b>	<b>1 231</b>	<b>-4 296</b>	<b>36</b>	<b>-</b>	<b>-888</b>	<b>255 752</b>

#### Impairment tests

The Group subjected all non-current assets to impairment tests at 31 December 2021 as per the method of discounted future cash flows.

- The calculations relied on the following data:

- 2021: 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 2022 to 2026 (budget forecasts established in 2021 for 2022-2026);
- the growth rate ad infinitum used in the calculation is 2.0% for Champagne and 3.0% for wines from Portugal;
- rate assumption: the weighted average cost of capital is 4.5% for Champagne and 6.2% for wines from Portugal.

The tests lead to an estimate equivalent to 248% of the carrying amount for Champagne and 144% 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 2021, 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 €K	As at 01/01/2021	Increase	Decrease	Foreign exch. diff.	Change in fair value	As at 31/12/2021
Equity securities	691	-	-6	-	8	693
Other fixed securities	399	5 001	-	-	-	5 400
Other financial assets	1 207	261	-282	6	6	1 198
<b>Total</b>	<b>2 297</b>	<b>5 262</b>	<b>-288</b>	<b>6</b>	<b>14</b>	<b>7 291</b>

Sociétés non consolidées - Valeurs brutes des titres In €K		2021
SADEVE SA	Stake in the order of 11% No control or power	638
SICA Essor Champenois	Cooperative Agricultural Company	23
SAS L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	Stake of 17.57% Negligible importance	17
AGROGARANTE - MUTUA SA	Negligible stake	10
Caixa de crédito agrícola - Tabuaço	Negligible stake	2
CSGV	Negligible stake	3
<b>Total</b>		<b>693</b>

Investments in affiliates in €K	2021	2020
A l'auberge Franc Comtoise	950	1 043
SAS VPHV	199	18
<b>Share of equity</b>	<b>1 149</b>	<b>1 061</b>
A l'auberge Franc Comtoise	-93	-128
SAS VPHV	-319	-2
<b>Share of income from equity affiliates</b>	<b>-412</b>	<b>-130</b>

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. Inventories**

In €K	2021	2020
Raw materials	98 544	97 528
Work-in-progress	491 200	514 816
Intermediate and finished products	56 223	60 707
Provisions	-578	-591
<b>Total</b>	<b>645 389</b>	<b>672 460</b>

In €K	Note	2021	2020
Start of period		672 460	685 800
Change in inventory	2	-27 782	-12 376
Translation differences		698	-914
Provision changes		13	-50
<b>End of period</b>		<b>645 389</b>	<b>672 460</b>



The impact of the mark-to-market of grapes from the Group's vineyards breaks down as follows:

In €K	2021	2020
Effect on inventories	12 418	11 777
Effect on income	641	708
Deferred taxes	2	1
<b>Net effect on income</b>	<b>643</b>	<b>709</b>

### Note 18. Trade and other receivables

In €K	2021	2020
Gross	48 331	65 955
Impairment	-2 121	-2 318
<b>Total</b>	<b>46 210</b>	<b>63 637</b>

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 Euler-Hermès for the French market and the French overseas departments and territories, and with COFACE for export markets.

Furthermore, the top ten customers account for 45.7% of revenue. A provision is made for overdue and unsettled receivables if there is a risk of non-recovery.

At 31 December 2021, the amount of receivables assigned amounted to €93,855 thousand.

### Note 19. Other current assets

In €K	2021	2020
<b>Advances and down payments paid on orders</b>	<b>3 390</b>	<b>2 246</b>
Trade payables	915	1 687
Staff and related accounts	75	79
Social-security and labour bodies	256	229
Other receivables	10 205	11 055
Associates' current accounts	1 131	1 635
State	10 691	15 366
Impairment	-36	-36
<b>Other receivables</b>	<b>23 237</b>	<b>30 015</b>
Miscellaneous prepaid expenses	2 567	4 008
<b>Accrual accounts</b>	<b>2 567</b>	<b>4 008</b>
<b>Total</b>	<b>29 194</b>	<b>36 269</b>

Breakdown by maturities in €K	2021	2020
- 1 year	26 765	34 595
from 1 year to 5 years	2 429	1 674
<b>Total</b>	<b>29 194</b>	<b>36 269</b>





## Note 20. Liquid assets

In €K	2021	2020
Liquid assets	15 249	17 469
<b>Total</b>	<b>15 249</b>	<b>17 469</b>

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.

VRANKEN-POMMERY MONOPOLE anticipated its 2022 bond maturities by setting up a USPP of €60 million over 10 years on 15 December 2021.

## Note 21. Equity (owners of the parent)

Composition of equity in €K	2021	2020
Capital of parent company	134 056	134 056
Premiums	45 013	45 013
Reserves	192 589	188 922
Income for the period	8 313	235
<b>Total</b>	<b>379 971</b>	<b>368 226</b>

Composition of capital by volume	2021	Nominal value
At opening	8 937 085	15
Capital increase		
Acquisition		
Disposal		
At the reporting date	8 937 085	15

Composition of equity in €K	2021	2020
Equity (owners of the parent)	379 971	368 226
Non-controlling interests	4 305	4 330
<b>Equity capital</b>	<b>384 276</b>	<b>372 556</b>

## Note 22. Loans, financial debt and bank overdrafts

Change in €K	As at 01/01/21	New borrowings	Repay-ments	Change in short-term financing	Trans. differ.	Change in sco. of consolida.	Others movements	As at 31/12/2021
Listed bonds	220 000	60 000	-	-	-	-	-	280 000
Bank borrowings*	122 357	14 457	-19 250	-	34	-216	-400	116 982
Ageing loans	328 010	13 000	-116 000	-	-	-	-	225 010
Bank overdrafts	27 409	-	-	15 339	-	-	-	42 748
Other debt	4 726	-	-	12	-	-	-	4 738
Associates' current accounts**	226	-	-	158	-	-	-	384
<b>Loans, financial debt and bank overdrafts</b>	<b>702 728</b>	<b>87 457</b>	<b>-135 250</b>	<b>15 509</b>	<b>34</b>	<b>-216</b>	<b>-400</b>	<b>669 862</b>
*Of which leases (IFRS 16).	27 463	2 682	-9 164	-	34	-216	-400	20 399
**Of which dividends payable.	-	-	-	-	-	-	-	-



Breakdown by maturity in €K	Current debts		Non-current debts	TOTAL
	- 1 year	From 1 to 5 years	+5 years	
Bonds	75 000	145 000	60 000	280 000
Bank borrowings*	16 162	76 266	24 554	116 982
Ageing loans	225 010			225 010
Bank overdrafts	42 748			42 748
Other debt	4 738			4 738
Associates' current accounts	384			384
<b>Loans, financial debt and bank overdrafts</b>	<b>364 042</b>	<b>221 266</b>	<b>84 554</b>	<b>669 862</b>
<i>*Of which leases (IFRS 16).</i>	3 113	8 798	8 488	20 399

Net financial debt in €K	Note	2021	2020
Bank borrowings and debts (non-current)	22	305 820	623 761
Bank borrowings and overdrafts (current)	22	364 042	78 967
<b>Group debt</b>		<b>669 862</b>	<b>702 728</b>
Current accounts of debtor associates	19	-1 131	-1 635
Current financial assets and liabilities	29	5	-5
Cash balance	20	-15 249	-17 469
<b>Net financial debt</b>		<b>653 487</b>	<b>683 619</b>

The Group regularly renews its ageing loans and has anticipated its 2022 bond maturities.

Net cash position	Note	2021	2020
Bank overdrafts	22	-42 748	-27 409
Cash balance	20	15 249	17 469
<b>Net cash position</b>		<b>-27 499</b>	<b>-9 940</b>

### 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 most recent bond issues, the Group sought to gradually harmonise all of its financial covenants to facilitate their management and oversight and, most importantly, to ensure equal treatment between the various subscribers, whether they are institutional or individual investors. All of the Group's bonds are currently subject to the following ratios:

- Net Financial Debt / Consolidated Assets  $\leq$  80% and
- Adjusted Equity > Defined Amount or 90% of Adjusted Equity for year n-1.

The Defined Amount was determined on the basis of the various bond issues as follows:

- €25,000 thousand bond issue €257,500 thousand
- €50,000 thousand bond issue €276,600 thousand
- €145,000 thousand bond issue €279,200 thousand

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 in "Deferred tax liabilities" in the statement of financial position of the previous financial year's accounts, 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 2021, all ratios were observed.

On 15 December 2021, the Group set up a bond issue of €60,000 thousand in order to anticipate the renewal of its 2022 bond maturities.

This bond is subject to the following ratio:

- Net Financial Debt / Consolidated Assets  $\leq$  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 2021, 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  $\leq$  80%
- And Recovered Equity > Defined Amount or 90% of Recovered Equity for year n-1. The definitions of terms applying to bonds 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 thousand.

As at 31 December 2021, all ratios were observed.

Concerning the bank loans, two ageing loans for a total amount of €10,000 thousand 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 2021. An ageing loan in the amount of €10,000 thousand 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 2021, 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 2021, the Group's debt consisted of a proportion of 61.06% 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 2021 was -0.56% (source: Banque de France).

The exposure of the unhedged portion to an increase in interest rates of 0.5 point over twelve months would have had no effect on the Group's annual finance income, due to the zero floor applicable to bank loans. Asset and non-asset contracts as at 31 December 2021 break down as follows:

In €K	2021	2020
COLLAR	-	5 529
SWAP	200	4 246
<b>Total</b>	<b>200</b>	<b>9 775</b>

As at 31 December 2021, 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 2021, the interest rate hedging levels were as follows:

SWAP type hedging	In €K
Fixed rate below 2%	0
Fixed rate between 2% and 4%	200

The maturities and fair value of the rate derivatives held at 31 December 2021 break down as follows:

Term years - In €K	Notional	Fair Value
Contracts maturing in 2021	67	-1
Contracts with maturities after 2021	133	-4

As at 31 December 2021, the work related to the documentation of the hedging relationship carried out by the Group under IFRS 9 concluded with the following breakdown:

Hedging relationship - In €K	Notional	Fair Value
Satisfaisante	200	-5
Non satisfaisante	-	-

Financial expenses for 2021 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 2021.

The share of 2021 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 €1,940

thousand. 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 €K	Level of appreciation	Balance sheet at fair value	Statement of fin. pos. at amor. cost*	TOTAL 2021
<b>ASSETS</b>				
Non-consolidated equity securities	3	693		693
Other non-current financial assets			5 400	5 400
Trade receivables			46 210	46 210
Operating current accounts and other receivables			26 627	26 627
Current financial assets	2	-		-
Cash balance			15 249	15 249
<b>Total financial assets</b>		<b>693</b>	<b>93 486</b>	<b>94 179</b>

\*The net carrying amounts of the assets and liabilities measured at cost or amortised cost is equal to the fair value.

In €K	Level of appreciation	Balance sheet at fair value	Statement of fin. pos. at amor. cost*	TOTAL 2021
<b>LIABILITIES</b>				
Current and non-current financial debt			669 862	669 862
Other non-current liabilities			-	-
Trade payables			87 385	87 385
Tax liabilities			14 029	14 029
Other current liabilities			19 455	19 455
Current debt	2	5		5
<b>Total debt</b>		<b>5</b>	<b>790 731</b>	<b>790 736</b>

\*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 2020 and 2021 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 (-€9 thousand 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 €K	Financial assets	Debt	Items not affecting cash flow
<b>Start of period</b>	<b>691</b>	<b>-5</b>	
Change in fair value through profit or loss	8	-3	-11
Change in fair value through equity		13	13
Other movements	-6	13	
<b>End of period</b>	<b>693</b>	<b>5</b>	



### 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 €K	Note	2021	2020*
<b>Start of period</b>		<b>13 599</b>	<b>13 359</b>
Revaluation in other comprehensive income		-700	214
Operating income and expenses in the income statement	4	-1 225	-32
Financial income and expenses in the income statement	10	111	111
Other changes		27	-53
<b>End of period</b>		<b>11 811</b>	<b>13 599</b>

\*The IFRS IC decision, "Attribution of benefits to periods of service", concerning the methods for distributing the cost of post-employment benefit plans with certain characteristics, had an impact of -€559 thousand on employee benefit obligations as of 1 January 2020.

In addition, the discount rate increased from 0.60% to 0.80%.

### Analysis of financial position

In €K	2021	2020
Gross commitment	11 872	13 658
Hedging assets	-61	-59
<b>Accounting provision</b>	<b>11 811</b>	<b>13 599</b>
End of career indemnities	4 098	4 457
Medical cost coverage	7 413	8 904
Long-service awards	300	238

### Analysis of the cost of the plans

In €K	End of career indemnities	Medical cost coverage	Long-service awards	As at 31/12/2021	As at 31/12/2020
Cost of services rendered	-246	-508	-25	-779	260
Benefits paid	-316	-101	-29	-446	-292
<b>Operational component of the expense</b>	<b>-562</b>	<b>-609</b>	<b>-54</b>	<b>-1 225</b>	<b>-32</b>
Financial component of the expense	41	67	3	111	111
<b>Total</b>	<b>-521</b>	<b>-542</b>	<b>-51</b>	<b>-1 114</b>	<b>79</b>

### Actuarial differences generated in the period on post-employment plans

In €K	End of career indemnities	Medical cost coverage	Long-service awards	As at 31/12/2021	As at 31/12/2020
Actuarial differences stemming from changes of demographic assumptions	1	1	-	2	18
Actuarial differences stemming from changes in financial assumptions	-120	-394	-	-514	513
Experience differences	168	-356	-	-188	-317
<b>Total revaluation in other comprehensive income</b>	<b>49</b>	<b>-749</b>	<b>-</b>	<b>-700</b>	<b>214</b>



All employee benefits were valued by an independent actuary at 31 December 2021.

A sensitivity study that involved changing the reference rates was carried out. Rate changes of +/-0.25% are described below:

Sensitivity as a % 12/2021	Actuarial debt	+0,25% Service cost	Cost of discounting	Actuarial debt	-0,25% Service cost	Cost of discounting
Discount rate	-4,32 %	-5,13 %	25,51 %	4,65 %	5,57 %	-28,02 %
Salary revaluation rate	0,87 %	1,89 %	0,88 %	-0,85 %	-1,81 %	-0,86 %
Medical expenses revaluation rate	3,68 %	3,76 %	3,72 %	-3,41 %	-3,41 %	-3,45 %

#### Note 24. Deferred taxes

In €K	2021	2020
Deferred tax assets	839	413
Deferred tax liabilities*	-58 878	-57 779
<b>Net deferred taxes</b>	<b>-58 039</b>	<b>-57 336</b>

\*The IFRS IC decision, "Attribution of benefits to periods of service", concerning the methods for distributing the cost of post-employment benefit plans with certain characteristics, had an impact of +€144 thousand on deferred tax liabilities at 1 January 2020.

#### Breakdown of deferred tax:

In €K	2021	2020
Deficits carried forward	4 982	5 140
Temporary difference	-2 047	-1 999
Fixed assets	-58 152	-58 231
Biological assets	-3 040	-3 042
Financial instruments	1	-1
Commitments to staff	2 944	3 430
Inventory margin eliminations	790	1 164
Leases	-1 017	-1 213
Expenses to be spread out & Miscellaneous	-2 501	-2 616
<b>Net deferred taxes</b>	<b>-58 039</b>	<b>-57 366</b>

In €K	2021	2020
<b>Start of period</b>	<b>-57 366</b>	<b>-57 444</b>
Change through income	-146	332
Change through equity	-516	-264
Foreign exchange differences	-11	10
<b>End of period</b>	<b>-58 039</b>	<b>-57 366</b>

#### Note 25. Suppliers and related accounts

In €K	2021	2020
Suppliers and related accounts	87 385	107 110
<b>Total</b>	<b>87 385</b>	<b>107 110</b>

Trade payables and related accounts are due in less than one year.

**Note 26. Provisions for risks and liabilities**

In €K	2021	2020
Start of period	6	-
Allocations	75	6
Reversals	-6	-
<b>End of period</b>	<b>75</b>	<b>6</b>
Meaning: Foreign exchange risk & Interest rate Current risks/receivables	75	6

**Note 27. Tax liabilities**

In €K	2021	2020
Tax liabilities	14 029	13 000
<b>Total</b>	<b>14 029</b>	<b>13 000</b>

The term of tax debts is less than one year.

**Note 28. Other current liabilities**

In €K	2021	2020
<b>Advances and down payments received</b>	<b>9 258</b>	<b>18 842</b>
Social liabilities	7 870	9 301
Miscellaneous	2 327	2 297
<b>Other payables</b>	<b>10 197</b>	<b>11 598</b>
Prepaid income	479	691
<b>Accrual accounts</b>	<b>479</b>	<b>691</b>
<b>Total</b>	<b>19 934</b>	<b>31 131</b>

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 €K	2021	2020
Current financial assets	-	70
Current debt	-5	-65
<b>Total</b>	<b>-5</b>	<b>5</b>

In €K	2021	2020
Rate hedging	-5	5
Currency hedging	-	-
<b>Total</b>	<b>-5</b>	<b>5</b>

In €K	2021	2020
Start of period	5	-326
Change through income	3	36
Change through equity	-13	295
<b>End of period</b>	<b>-5</b>	<b>5</b>



Breakdown by maturity in €K	2021	2020
- 1 year	-1	-52
from 1 year to 5 years	-4	57
<b>Total</b>	<b>-5</b>	<b>5</b>

### Note 30. Off-statement of financial position commitments

Financial commitments in €K	2021	2020
Endorsements & guarantees	122	536
Operating leases	-	-
Interest on borrowings not yet due	41 303	38 000
<b>Total financial commitments given</b>	<b>41 425</b>	<b>38 536</b>

Debts secured by collateral in €K	2021	2020
Debts secured by collateral (champagne wine inventory)	215 301	328 010
Debts secured by collateral (intangible assets)	-	-
Debts secured by collateral (other assets)	31 922	24 644
<b>Total debts secured by collateral</b>	<b>247 223</b>	<b>352 654</b>

Financial commitments received in €K	2021	2020
Endorsements & guarantees	5 322	390
State guarantee under EMPs	21 600	21 600
<b>Total financial commitments received</b>	<b>26 922</b>	<b>21 990</b>

#### State guarantee under SGLs

In the context of the Covid-19 health crisis, the Group used the State-guaranteed loan (EMP) 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 turnover by business segment in €K	2021	%	2020	%
Champagne and others	275 671	92 %	213 108	87 %
Les Sables and Provence wines	25 578	8 %	30 898	13 %
<b>Total</b>	<b>301 249</b>	<b>100 %</b>	<b>244 006</b>	<b>100 %</b>

Distribution of consolidated current operating income by business segment in €K	2021	%	2020	%
Champagne and others	29 085	90 %	15 508	82 %
Les Sables and Provence wines	3 373	10 %	3 296	18 %
<b>Total</b>	<b>32 458</b>	<b>100 %</b>	<b>18 804</b>	<b>100 %</b>





Distribution of net intangible assets by business segment in €K	12/2021	12/2020
Champagne and others	98 415	99 081
Les Sables and Provence wines	1 182	1 278
<b>Total</b>	<b>99 597</b>	<b>100 359</b>

Distribution of net property, plant and equipment by business segment in €K	12/2021	12/2020
Champagne and others	224 388	232 246
Les Sables and Provence wines	152 470	147 633
<b>Total</b>	<b>376 858</b>	<b>379 879</b>

Distribution of net financial assets by business segment in €K	12/2021	12/2020
Champagne and others	7 130	2 139
Les Sables and Provence wines	161	158
<b>Total</b>	<b>7 291</b>	<b>2 297</b>

Distribution of inventories by business segment in €K	12/2021	12/2020
Champagne and others	625 100	656 086
Les Sables and Provence wines	20 289	16 374
<b>Total</b>	<b>645 389</b>	<b>672 460</b>

Distribution of investments by business segment in €K	12/2021	12/2020
Champagne and others	12 468	5 142
Les Sables and Provence wines	9 812	9 898
<b>Total</b>	<b>22 280</b>	<b>15 040</b>

### 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 of VRANKEN-POMMERY MONOPOLE;
- entities consolidated using the equity method;
- directors or shareholders, managers and natural persons.

All transactions are invoiced..

Type of the flows:

**Raw materials and products in inventory:** Grapes, must, clear wines, bottles on battens.

**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 €K	2021	2020
Revenue – Finished products	146	8
Revenue – Services	-	5
Revenue – Various sales	189	-
Financial income	9	-
Proceeds from disposal of non-current assets	354	-
Other purchases of services and commissions	3 591	261
Creditor partner current accounts	353	-
Current liabilities	262	48
Current accounts of debtor associates	1 110	-
Current assets	223	137

### The relationship between the VRANKEN-POMMERY MONOPOLE Group and the COMPAGNIE VRANKEN Group

In €K	2021	2020
Revenue – Finished products (including sale of harvest)	5 324	956
Revenue – Services	4 083	4 625
Revenue – Various sales	1 241	869
Other income	27	37
Proceeds on disposal of non-current assets	-	672
Purchases of raw materials, products under production and finished goods	20 798	365
Services of leading holding company	2 309	1 764
Real estate leasing	82	332
Other purchases of services and commissions	159	266
Employee expenses and compensation paid	692	46
Expenses on trademark royalties	91	101
Financial expenses	304	35
Creditor partner current accounts	-	1 381
Lease liabilities	4 404	10 839
Other non-current liabilities	72	-
Other current liabilities	66	912
Debtor partner current accounts	21	17
Non-current assets	408	468
Current assets	9 859	11 194

### Relations of the VRANKEN-POMMERY MONOPOLE Group with natural persons, directors or shareholders directly or indirectly

In €K	2021	2020
Revenue – Finished products	52	54
Revenue – Services	37	638
Revenue – Various sales	12	12
Other purchases of services and commissions	357	664
Tax expenses	2	2
Employee expenses and compensation paid*	722	803
Expenses on trademark royalties	58	37
Financial expenses	-	-
Lease liabilities	92	616
Current liabilities	682	749
Creditor partner current accounts	32	12
Current assets	50	765

\*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 events

Russia/Ukraine conflict since 24 February 2022. The conflict between Russia and Ukraine continues and the situation is changing rapidly. Given the recent and rapid escalation of events and the announcement of new sanctions, it is too early to determine the potential impact of this conflict in terms of indirect repercussions on the Company's operating results during the 2022 financial year.

The direct repercussions will be limited as the Company's activities in Ukraine and Russia represented only 0.3% of its revenue in 2021.

### Note 34. Parent company key figures (in €K)

Income statement		2021	2020
Revenue	298 333	234 907	
Operating income		357	716
Current income		4 591	4 895
<b>Net income</b>		<b>4 185</b>	<b>1 533</b>

Statement of financial position		2021	2020
Share capital		134 056	134 056
Equity capital		293 280	289 094
Bonds (including accrued interest)		223 874	223 874
Financial debt with credit institutions		47 013	43 015
Fixed assets		384 233	377 073
<b>Total statement of financial position</b>		<b>741 199</b>	<b>705 408</b>





### 5.1.7 Statutory Auditors' report on the consolidated financial statements Financial year ended 31 December 2021

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 2021, 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 frame of reference

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 2021 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

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. As such, this crisis and the exceptional measures taken as part of the health state of emergency have affected companies in many ways, particularly their business, financing and gave rise to increased uncertainty regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and on the way audits are carried out. It is in this complex and evolving context that, 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.

#### • Valuation of inventories

##### Risk identified

As at 31 December 2021, inventories amounted to €645.4 million, or 51.8% of the Group's total assets, and included work-in-progress for €491.1 million, raw materials for €98.5 million and intermediate

and finished products for €55.8 million. The carrying amounts of inventories shown in the statement of financial position corresponds to the lower value of their costs and their net realisable value, based on the procedures described in Note 5.11 of the "Accounting 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;
- 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 of the "Accounting methods".

#### • Revaluation of real estate 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 2021, real estate assets totalled €342.2 million, (27.5% of total assets), and included vineyards for €195.8 million, buildings for €94.9 million and land for €51.5 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 described in the Note 5.6 of the "Accounting 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 described in Note 5.6 of the "Accounting methods" and Note 15 to the financial statements.



We considered that the recoverable value of the real estate assets is a key point of the audit because of their significant importance in the Group's financial statements and the degree of judgment required to evaluate these assets.

#### Our response

Our work consisted of assessing the reasonableness of the market assumptions used for valuing the real estate assets. In the context of our services, 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;
- reconciled the carrying amounts used by the Group with the value ranges derived from the independent experts' reports and the data published by the 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 content of the information communicated in Note 15 of the consolidated financial statements on the revaluation of real estate assets.

#### • Valuation of trademarks

##### Risk identified

As at 31 December 2021, the trademarks held by the VRANKEN-POMMERY MONOPOLE Group are recognised in the amount of €80.1 million in the financial statements, representing 6.4% 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 described in Note 14 to the 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 information provided in Note 14 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 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 audits or information required by laws and regulations**

##### Presentation format of the consolidated financial statements 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.

##### Appointment of the Statutory Auditors

We were appointed Statutory Auditors of VRANKEN-POMMERY MONOPOLE by the General Meeting of 5 June 2019. As at 31 December 2021, Mazars was in the 27th consecutive year of its mission and Audit & Strategy Révision Certification in its 21st year, the 24th and 21st 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 PAGE 141 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 can, individually or cumulatively, influence the economic decisions that the users of the financial statements make on the grounds of them.

As specified by Article L. 823-10-1 of the French Commercial Code, our assignment of certifying the financial statements does not consist of guaranteeing the viability or the quality of the management of your company.

As part of an audit carried out in accordance with standards of professional practice applicable in France, the Statutory Auditor exercises its professional judgment all along 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. 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 control 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 concern and, according to the information collected, the existence or not of a material uncertainty in relation to events or circumstances that might call into question the Company's ability to continue its operations. This assessment is based on the information collected up to the date of the report. However, it is possible that subsequent circumstances or events could jeopardise the going concern principle. 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 conclusions 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, notably 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 2022*

#### The Statutory Auditors

AUDIT & STRATEGY

REVISION CERTIFICATION :

Philippe DANDON

MAZARS :

Michel BARBET-MASSIN



## 5.2 Analysis of consolidated income

### 5.2.1 The Group's business situation

The good results in 2021 reflect the first effects of the policy implemented by the Group since 2019.

The VRANKEN-POMMERY MONOPOLE Group's consolidated revenue for 2021 amounted to €301.2 million, up 23.50% driven by the Champagne business.

Revenue is higher than stated in the forecast growth.

Sales to customers increased by 30.9% compared to 2020, with exports currently accounting for 67%, compared to 60% in 2020.

This performance is all the more remarkable given that the Covid-19 pandemic continued to disrupt the 2021 financial year, with a 5th wave at the end of the year.

The gradual return to moments of conviviality, the market share gains achieved in 2020, and the local presence of the Group with its nine international subsidiaries as close as possible to its customers have contributed to the strong recovery in its sales throughout the world, from North America to Australia and Japan, and all European countries.

This strong international presence fully benefits the premium and high-end Champagnes for which demand has been particularly strong in all countries: Champagne Pommery & Greno with its cuvées Louise and Pop, as well as Champagne Vranken with its cuvées Demoiselle and Diamond.

#### CHAMPAGNE BRANCH

Sales of Champagnes in 2021 amounted to €256.3 million, up 32.6% compared to 2020 and 13.7% compared to 2019. They drive all of the Group's business.

This momentum is explained both by a significant increase in volumes of Vranken, Pommery & Greno and Heidsieck & Co Champagnes, and by the improvement in the product mix in line with the strong international growth.

During the Champagne and Sparkling Wines World Championship 2021, VRANKEN-POMMERY MONOPOLE received four new Gold medals for its cuvées Pommery Apanage Blanc de Blancs, Grand Cru Royal 2004, Cuvée Louise 2004, and Clos Pompadour 2004, and for the latter a special mention of Best in Class for the second consecutive year.

#### WINE BRANCH

Revenue was €25.3 million, down 17.3% compared to 2020.

In the Camargue region, the 2021 harvest was penalised by the poor technical management of the vineyards, made worse by unfavourable weather conditions (spring frosts), resulting in a 22% drop in agronomic yields, in turn penalising inter-professional sales for the year.

In Provence, a fine harvest for Château la Gordonne, which reached the maximum yield for the appellation. This does not contribute to 2021 revenue, but will provide the means for the increase in packaged sales in 2022 and 2023.

The underperformance in Camargue was partially offset by an improvement in the sales of packaged Grands Domaines du Littoral wines, thus confirming the appeal of our products to consumers.

#### OTHERS (PORT, SPARKLING WINES, MISCELLANEOUS)

The Group's other activities were down by 6% compared to 2020, with very contrasting situations depending on the business in question:

- Ports and Douro Wines up 12.4%;
- Sparkling Wines up 37.4%;
- Others down by 31.4%, mainly due to the termination by VPM of its contract to operate the Domaine Pommery and Villa Demoiselle visits circuit, in order to refocus on its core business.

### 5.2.2 Group revenue and income

The VRANKEN-POMMERY MONOPOLE Group's consolidated revenue for 2021 amounted to €301.2 million, up 23.50% driven by the Champagne business.

Relying on its network of international subsidiaries, POMMERY & GRENO AND VRANKEN Champagnes experienced strong growth.

Exports now represent 67% of customer sales.

The consolidated income statement shows the following key figures:

Consolidated data in €M	31/12/2021	31/12/2020	Change (€M)
Revenue	301,2	244,0	+57,2
Current operating income	32,5	18,8	+13,7
Operating income	28,8	18,0	+10,8
Net finance income (expense)	-17,7	-17,3	-0,4
<b>Net income</b>	<b>8,3</b>	<b>0,3</b>	<b>+8,0</b>
Owners of the parent	8,3	0,2	+8,1



With an EBITDA of €48 million in 2021, compared to €33.7 million in 2020, the Group confirms its value strategy.

- Profit (loss) from continuing operations increased by 72.8% to €32.5 million.
- The Current operating margin reached 10.8%, compared to 7.7%, and reflected the Group's strong operating leverage.
- Operating income amounted to €28.8 million, an increase of 60%.
- Net income reached €8.3 million.

### 5.2.3 Consolidated statement of financial position

Consolidated data in €M	2021	2020
<b>Total assets</b>	<b>1 246,3</b>	<b>1 298,4</b>
Non-current assets	510,2	508,5
Inventories and work-in-progress	645,4	672,5
Trade receivables and other current assets	75,4	99,9
Cash balance	15,3	17,5
<b>Total liabilities</b>	<b>1 246,3</b>	<b>1 298,4</b>
Equity capital	384,3	368,2
- of which non-controlling interests	4,3	4,3
Non-current liabilities	376,5	695,6
Current liabilities	485,5	230,3

The financial structure further strengthened with equity standing at €384.3 million, or 31% of the total statement of financial position, with net financial debt reduced by €30.1 million at 31 December 2021 to finish the year at €653.5 million.

Restated for the €18.3 million related to the application of IFRS 16, net financial debt amounted to €635.2 million, entirely covered by inventories of €645.4 million.

The Group anticipated the €75 million of bonds maturing in 2022 by setting up, on 15 December 2021, a USPP for €60 million over 10 years, thus enabling it to diversify its sources of financing, and confirming its long-term attractiveness to leading international investors.







## 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 €K	2021	2020	2019
Trademarks and other property rights	569	1 135	337
Other intangibles	445	370	137
<b>Intangible assets</b>	<b>1 014</b>	<b>1 505</b>	<b>474</b>
Real estate	9 528	8 795	13 991
Technical facilities and equipment	6 476	4 684	11 050
<b>Property, plant and equipment</b>	<b>16 004</b>	<b>13 479</b>	<b>25 041</b>
Equity securities	-	-	-
Other fixed assets	5 001	5	45
Other financial assets	261	51	54
<b>Total other non-current assets</b>	<b>5 262</b>	<b>56</b>	<b>99</b>
<b>Total</b>	<b>22 280</b>	<b>15 040</b>	<b>25 614</b>

Acquisitions of property, plant and equipment by geographic area are as follows:

Values in €K	2021	2020	2019
France	20 649	13 006	22 691
Europe	1 280	964	2 127
Other countries	351	1 070	223
<b>Total</b>	<b>22 280</b>	<b>15 040</b>	<b>25 041</b>

#### Key investments made in 2021

In 2020, the Group decided to convert its vineyards in Champagne and Portugal to organic, which required investments, particularly in the mechanical treatment of the vines.

The technical installations and equipment acquired during the year were for replacement purposes, adaptation to organic farming, and the conversion of internal combustion engines to electric.

This decision is fully in line with the Group's policy aimed at improving quality in all its vineyards, in Champagne, Camargue and Provence, and in Portugal.

#### Key investments made in 2022

During the 2022 financial year, the Group intends to continue its efforts to transform its fleet of internal combustion vehicles and agricultural machinery to electric.

Aware of the sustainable development challenges related to transport and logistics, the Group has also taken steps 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.

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

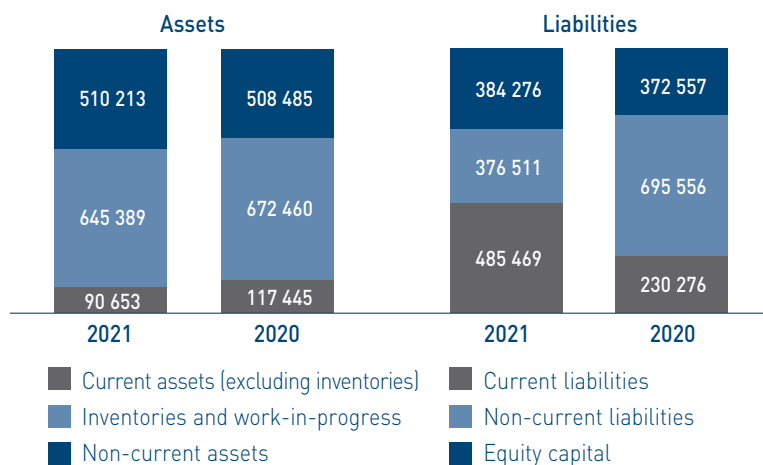
#### Composition of equity

In €K	2021	2020
Equity (Group share)	379 971	368 227
Non-controlling interests	4 305	4 330
<b>Equity capital</b>	<b>384 276</b>	<b>372 557</b>

#### Net financial debt

In €K	2021	2020
Bank borrowings and debts (non-current)	305 820	623 765
Bank borrowings and overdrafts (current)	364 041	78 962
<b>Group Debt</b>	<b>669 861</b>	<b>702 727</b>
Current accounts of debtor associates	-1 131	-1 635
Current financial assets and liabilities	5	-4
Cash balance	-15 249	-17 468
<b>Total</b>	<b>653 487</b>	<b>683 620</b>

#### Statement of financial position structure (in €K)



The statement of cash flows for the period can be summarised as follows:

In €K	2021	2020
Net cash flows generated by operations	63 912	58 078
“including gross cash flow”	41 622	33 049
Cash flow related to investments	-18 355	-11 236
Cash flow related to financing	-63 621	-11 048
Cash and cash equivalents	27 500	9 940
<b>Net financial debt</b>	<b>653 487</b>	<b>683 620</b>

The financing table is presented in the consolidated financial statements at 31 December 2021, 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”.

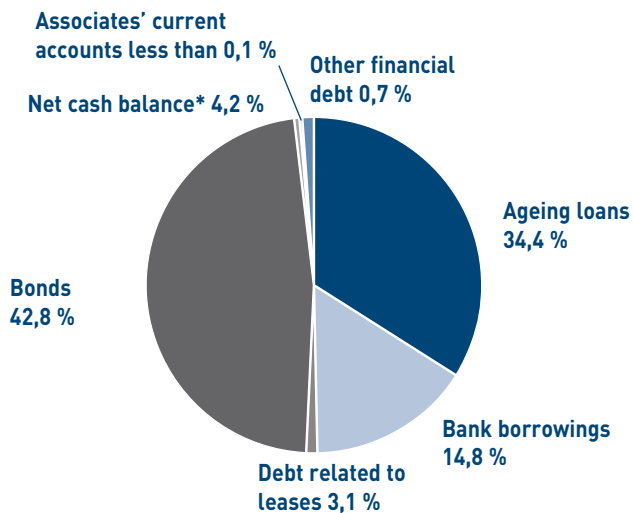
Net cash flows from financing activities mainly consist of issues and repayments of borrowings during the financial year.



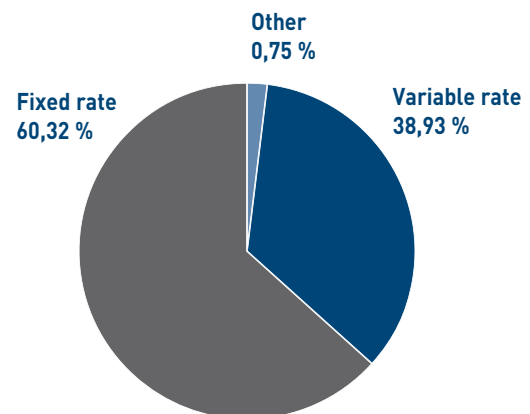
### Borrowing conditions and financing structure

The Group's financing sources are diversified. Long-term bond resources represent 43% of debt (until the repayment of the 2022 maturities), and ageing loans intended to finance inventories 34%. As at 31 December 2021, 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 2021, Section 5 "Financial statements".

As at 31 December 2021, the method for calculating the net financial debt included in all of the Group's credit agreements was as follows:

In €K	Consolidated financial statements	Credit agreements
Bank borrowings and debts (non-current)	305 820	290 882
Bank borrowings and overdrafts (current)	364 041	360 624
Current debt	5	5
Cash balance	-15 249	-15 249
Current financial assets		
Current accounts of debtor associates	-1 131	
<b>Net financial debt</b>	<b>653 487</b>	<b>636 263</b>

The Group has not identified any restrictions on the use of capital.

The investments considered for 2022 will receive appropriate financing depending on their type:

Type	Preferred financing method
Expenses for updating to standards	Self-financing
Vineyards	Bank borrowings
Industrial materials	Finance lease



## 5.3 Corporate financial statements

### 5.3.1 Income statement at 31 December 2021

In €K	Note	2021	2020
<b>Revenue</b>	1	298 333	234 907
Stored production		-	-
Capitalised production		231	92
<b>Production for the year</b>		<b>298 564</b>	<b>234 999</b>
<b>Consumption for the year</b>	2	<b>-289 484</b>	<b>-224 904</b>
<b>Value added</b>		<b>9 080</b>	<b>10 095</b>
Operating subsidies		792	508
Taxes and duties	3	-469	-556
Employee expenses	4	-8 456	-9 263
<b>Gross operating surplus</b>		<b>947</b>	<b>784</b>
Reversals on amortisation and provisions, transfer of expenses	5	656	1 016
Depreciation, amortisation and provisions	6	-1 328	-1 021
Other operating income	7	390	277
Other operating expenses	8	-308	-340
<b>Operating income</b>		<b>357</b>	<b>716</b>
Financial income and expenses	9	4 234	4 179
<b>Current pre-tax income</b>		<b>4 591</b>	<b>4 895</b>
Extraordinary income and expenses	10	-410	-4 540
Income taxes	11	4	1 178
<b>Net accounting income</b>		<b>4 185</b>	<b>1 533</b>

### 5.3.2 Statement of financial position at 31 December 2021

#### Assets

In €K	Note	2021	2020
Intangible assets	12	1 629	1 058
Property, plant and equipment	13	4 539	4 500
Fixed financial assets	14	378 065	371 515
<b>Fixed assets</b>		<b>384 233</b>	<b>377 073</b>
Inventories and work-in-progress	15	-	-
Advances and down payments paid on orders	16	1 545	571
Trade receivables and related accounts	16	52 642	45 420
Other receivables	16	296 631	273 232
Investment securities	17	1 000	857
Liquid assets	18	1 942	3 265
<b>Current assets</b>		<b>353 760</b>	<b>323 345</b>
Accrual accounts	19	3 206	4 990
<b>Total assets</b>		<b>741 199</b>	<b>705 408</b>

#### Liabilities

In €K	Note	2021	2020
Capital		134 056	134 056
Issuance premiums		45 013	45 013
Reserves		29 660	29 610
Carry-over		80 360	78 877
Income for the year		4 185	1 533
Investment subsidies		6	5
<b>Equity capital</b>	20	<b>293 280</b>	<b>289 094</b>
Provisions for risks and charges	21	1 069	1 294
<b>Debts</b>	22	<b>446 406</b>	<b>414 737</b>
Accrual accounts	23	444	283
<b>Total Liabilities</b>		<b>741 199</b>	<b>705 408</b>



### 5.3.3 Notes to the separate financial statements at 31 December 2021

#### • Key events of the year

In 2021, the Company took a further step in its commitment to sustainable development by becoming a Company with a mission and by adopting a "Raison d'être" (Purpose) at its Extraordinary General Meeting of 3 June 2021.

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

- Adopting a sustainable development strategy;
- As far as possible, achieving organic conversion for the in-house vineyards but also for partner vineyards;
- Limiting the impact of its activities and those of the Group's companies on the environment;
- Limiting the use of fossil fuels, and promoting the use of renewable energies;
- Treating and/or recycling waste;
- Preserving natural spaces and biodiversity;
- Preserving the natural but also historical and architectural heritage;
- Preserving the strong identity of the terroirs, their human base, their ecosystem and also the specificity and the best quality of their products;
- Offering Group companies, employees, partners, customers and shareholders to adhere to the aforementioned values by offering champagnes and wines produced all over the world of extreme quality but with limited environmental impact.

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

#### Equity holdings

No change in the Company's interests during the 2021 financial year.

#### • 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

Not applicable.

#### 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.

**Property, plant and equipment**

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;
- Fixtures Straight-line: 3 to 17 years;
- Equipment and tooling Straight-line: 3 to 8 years;
- General installations Straight-line: 3 to 10 years;
- Transport equipment Straight-line: 1 to 7 years;
- Office and IT equipment Straight-line and Declining balance: 1 to 5 years;
- Furniture Straight-line 1 to 10 years.

**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.

**Treasury 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**

Russia/Ukraine conflict since 24 February 2022.

The conflict between Russia and Ukraine continues and the situation is changing rapidly. In view of the recent and rapid escalation of events and the announcement of fresh sanctions, it is too early to determine the potential impact of the conflict in terms of the indirect repercussions on the Company's operational results for the 2022 financial year. The direct repercussions are limited: the Company's activities in Ukraine and Russia represented only 0.30% of revenue in 2021.





## Notes to the annual financial statements as at 31 December 2021

### Note 1. Revenue

Breakdown of revenue in €K	France	Export	2021
Champagne	86 840	157 641	244 481
Port	2 366	93	2 459
Provence and Camargue wines	4 774	4 920	9 694
Others	333	964	1 297
<b>Sales of merchandise</b>	<b>94 313</b>	<b>163 618</b>	<b>257 931</b>
Intra-group services	38 833	457	39 290
Others	1 078	34	1 112
<b>Services and other</b>	<b>39 911</b>	<b>491</b>	<b>40 402</b>
<b>Revenue</b>	<b>134 224</b>	<b>164 109</b>	<b>298 333</b>

Change in revenue in €K	2021	2020	Change
Champagne	244 481	184 255	60 226
Port	2 459	2 988	-529
Provence and Camargue wines	9 694	10 285	-591
Others	1 297	1 020	277
<b>Sales of merchandise</b>	<b>257 931</b>	<b>198 548</b>	<b>59 383</b>
Intra-group services	39 290	34 412	4 878
Others	1 112	1 947	-835
<b>Total services and other</b>	<b>40 402</b>	<b>36 359</b>	<b>4 043</b>
<b>Revenue</b>	<b>298 333</b>	<b>234 907</b>	<b>63 426</b>

The Company's revenue for the financial year was up by 27% to €298,333 thousand, compared to €234,907 thousand in 2020. You will recall that 2020 was marked by the Covid-19 health crisis and the end of the CHR (cafés, hotels and restaurants), events and duty free activities.

### Note 2. Consumption for the year

In €K	2021	2020
Purchases	238 133	181 708
Change in inventories	-	-
Other external purchases and expenses	51 351	43 196
<b>Total</b>	<b>289 484</b>	<b>224 904</b>

### Note 3. Taxes and duties

In €K	2021	2020
Taxes and duties on compensation	281	246
Regional economic tax and land taxes	115	216
Social solidarity contribution	29	34
Other taxes and duties	44	60
<b>Total</b>	<b>469</b>	<b>556</b>

**Note 4. Employee expenses**

In €K	2021	2020
Wages & salaries	5 913	6 852
Employee expenses	2 565	2 835
Employee profit-sharing	84	176
Short-time working indemnities	-106	-600
<b>Total</b>	<b>8 456</b>	<b>9 263</b>

**Note 5. Reversals on amortisation and provisions, transfer of expenses**

In €K	2021	2020
Reversal on provisions – Doubtful receivables*	175	140
Transfer of operating expenses**	591	320
Transfer of employee expenses***	-110	556
<b>Total</b>	<b>656</b>	<b>1 016</b>

\*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 2021, the transfer of operating expenses item is mainly made up of expenses relating to future projects (€664,000).

\*\*\* 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 €K	2021	2020
Non-current assets	601	541
Expenses to be spread out	276	286
<b>Depreciation and amortisation</b>	<b>877</b>	<b>827</b>
Inventories	-	-
Receivables	195	158
Risks & charges*	256	36
<b>Provisions</b>	<b>451</b>	<b>194</b>
<b>Total</b>	<b>1 328</b>	<b>1 021</b>

\*The provisions for risk and charges relate to asset-side translation differences.

**Note 7. Other operating income**

In €K	2021	2020
Customer credit insurance indemnities	100	72
Lease-purchase re-invoicing	-	-
Positive exchange differences*	244	79
Other operating income	46	126
<b>Total</b>	<b>390</b>	<b>277</b>

\*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 €K	2021	2020
Various current management expenses	113	148
Lease purchases	-	-
Positive exchange differences	85	132
Irrecoverable receivables	110	60
<b>Total</b>	<b>308</b>	<b>340</b>

**Note 9. Financial expenses & income**

Financial income In €K	2021	2020
Financial income from equity holdings	3 327	5 296
Other interest and similar income*	9 003	8 738
Financial reversals on depreciation, amortisation and provisions**	1 970	402
Positive exchange differences	196	50
Other finance income	155	21
<b>Total</b>	<b>14 651</b>	<b>14 507</b>

\*Other interest and similar income consists essentially of interest on Group current accounts (€7,288 thousand versus €6,211 thousand in 2020) and Group re-invoicing (€1,712 thousand versus €2,527 thousand in 2020).

\*\*Of which €1,038 thousand in reversals of provisions for foreign exchange risks relating to translation differences in 2020. The reversal of provisions on securities amounted to €722 thousand (no recovery in 2020 given the context of the health and economic crisis).





Financial expenses in €K	2021	2020
Financial allocations to depreciation, amortisation and provisions*	851	1 125
Interest and similar expenses	9 519	9 158
Negative exchange differences	47	45
Other financial expenses	-	-
<b>Total</b>	<b>10 417</b>	<b>10 328</b>

Financial allocations mainly consist of provisions for foreign exchange risks (€692 thousand, compared with €1,038 thousand in 2020) and provisions on securities (€159 thousand, with no allocation in 2020 given the context of the health and economic crisis).

\*Since 2020, there have been no financial instruments.

### Note 10. Exceptional expenses & income

Extraordinary income in €K	2021	2020
Extraordinary income from management transactions*	155	275
Income from sales of asset items**	275	1 323
Other extraordinary income from capital transactions	2	1
Reversals on provisions and transfers of expenses	141	182
<b>Total</b>	<b>573</b>	<b>1 781</b>

Extraordinary expenses in €K	2021	2020
Extraordinary expenses from management transactions***	620	4 102
Net accounting values of asset items sold****	255	1 837
Other extraordinary expenses from capital transactions	51	241
Exceptional allocations to depreciation, amortisation and provisions	57	141
<b>Total</b>	<b>983</b>	<b>6 321</b>

\*Extraordinary income on 2021 management transactions consists primarily of Group invoicing (€35 thousand).

\*\*Proceeds from the sale of assets in 2021 mainly correspond to the disposal of furniture (€176 thousand).

\*\*\*Exceptional expenses on management transactions primarily include commercial support for the Company's subsidiaries in the amount of €228 thousand.

\*\*\*\*The net book values of assets sold in 2021 mainly consist of the disposal of furniture (€176 thousand).

### Note 11. Breakdown of income tax (excluding effects related to tax consolidation)

Breakdown under common law in €K		2021	2020
Current income	Pre-tax	4 591	4 895
	tax	211	156
	<b>After tax</b>	<b>4 380</b>	<b>4 739</b>
<i>including dividends received</i>		3 141	5 096
Extraordinary income	Pre-tax	-410	-4 540
	tax	-	-
	<b>After tax</b>	<b>-410</b>	<b>-4 540</b>
Accounting income	Pre-tax	4 181	355
	Miscellaneous adjustments	-	-
		4 181	355
	tax*	211	156
	VPDO tax	469	-
Miscellaneous adjustments		-	-
		680	156
	<b>After tax</b>	<b>3 501</b>	<b>199</b>

\*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 2021, VRANKEN-POMMERY MONOPOLE S.A., as the parent company, recognised an overall tax income of €684 thousand, including tax credits. The tax income specific to the Company in the absence of tax consolidation amounted to €299 thousand, or an overall gain of €983 thousand.

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 €K		2021	2020
Accounting income	Pre-tax	4 181	355
	tax	-4	-1 178
	Miscellaneous adjustments	-	-
	After tax	4 185	1 533

*The Company has a tax loss carryforward at the end of the period of €13,889 thousand.*

### Incidence of tax provisions

Future income tax debt in €K	Base	Taxes 27,50%
<b>Increases</b>	<b>947</b>	<b>260</b>
Miscellaneous deductions	947	
<b>Reductions</b>	<b>1 538</b>	<b>423</b>
Provisions and expenses payable	1 033	
Miscellaneous reinstatements	444	
Works of art of living artists	61	

The subsidiaries in the tax consolidation scope are as follows:

List of subsidiaries in the scope of tax consolidation	Siret number (French registry of companies)	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	98,00 %

**Note 12. Intangible assets**

Gross values in €K	As at 01/01/2021	Acquisition	Withdrawals	Transfers	As at 31/12/2021
Research and development costs	503	-	-	-	503
<b>Research and development costs</b>	<b>503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>503</b>
Trademarks, models	37	-	-	-	37
Software	8 756	105	75	77	8 863
Other rights	30	353	-	-	383
<b>Concessions, patents and other rights</b>	<b>8 823</b>	<b>458</b>	<b>75</b>	<b>77</b>	<b>9 283</b>
<b>Goodwill</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381</b>
<b>Other intangible assets</b>	<b>94</b>	<b>416</b>	<b>4</b>	<b>-77</b>	<b>429</b>
<b>Total</b>	<b>9 801</b>	<b>874</b>	<b>79</b>	<b>-</b>	<b>10 596</b>

Goodwill consists of acquired clientele. The other intangible assets consist of software under development (€429 thousand).

Depreciation and amortisation in €K	As at 01/01/2021	Allocations	Decreases	As at 31/12/2021
Research and development costs		503	-	503
Concessions, patents and other rights		8 240	247	8 464
<b>Total</b>		<b>8 743</b>	<b>247</b>	<b>8 967</b>

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. Property, plant and equipment**

Gross values in €K	As at 01/01/2021	Acquisition	Withdrawals	Transfers	As at 31/12/2021
Plantations	27	-	-	-	27
Building fixtures and fittings	3 501	17	-	-	3 518
Materials and tooling	147	5	-	-	152
General facilities	565	53	-	-	618
Transport equipment	252	143	56	-	339
Office and computer hardware, furniture	4 804	112	-	-	4 916
Fixed assets in constructions in progress	-	-	-	-	-
Other property, plant and equipment in progress	70	264	201	-	133
Advances on other property, plant and equipment	-	-	-	-	-
<b>Total</b>	<b>9 365</b>	<b>594</b>	<b>257</b>	<b>-</b>	<b>9 703</b>

Depreciation and amortisation in €K	As at 01/01/2021	Allocations	Decreases	Transfers	As at 31/12/2021
Plantations	27	-	-	-	27
Building fixtures and fittings	2 469	233	-	-	2 702
Materials and tooling	146	1	-	-	147
General facilities	298	35	-	-	333
Transport equipment	230	33	56	-	207
Office and computer hardware, furniture	1 695	53	-	-	1 748
<b>Total</b>	<b>4 865</b>	<b>355</b>	<b>56</b>	<b>-</b>	<b>5 164</b>

**Note 14. Non-current financial assets**

Gross values in €K	As at 01/01/2021	Acquisition	Withdrawals	Transfers	Revaluations	As at 31/12/2021
Equity securities	352 703	-	-	-	-	352 703
Receivables attached to equity holdings*	21 087	487	-	-	550	22 124
Other fixed securities	8	5 000	-	-	-	5 008
Loans and other financial assets**	794	100	158	-	-	736
<b>Total</b>	<b>374 592</b>	<b>5 587</b>	<b>158</b>	<b>-</b>	<b>550</b>	<b>380 571</b>

\*Receivables related to equity holdings correspond mainly to trade receivables from the subsidiaries CHARBAUT AMERICA (€3,806 thousand), VRANKEN-POMMERY JAPAN (€4,183 thousand), VRANKEN-POMMERY UK (€4,945 thousand) and VRANKEN-POMMERY AUSTRALIA (€3,586 thousand) converted at the closing rate, for a total amount of €21,637 thousand. These receivables are revalued annually at the closing rate.

\*\*The other financial assets consist of deposits and sureties for €283 thousand, a security deposit of €450 thousand on borrowings and loans for associates for €2 thousand coming from the "transfer of all assets and liabilities" (TUP) of CAMARGUAISE DE PARTICIPATIONS in 2015.

Provisions In €K	As at 01/01/2021	Allocations	Decreases	As at 31/12/2021
Equity securities	3 077	159	730	2 506
<b>Total</b>	<b>3 077</b>	<b>159</b>	<b>730</b>	<b>2 506</b>





## Subsidiaries and equity holdings table

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
<b>Subsidiaries</b>					
S.A.S. CHAMPAGNE CHARLES LAFITTE	10 170	1 210	100,00	25 243	25 243
S.A.S. VRANKEN-POMMERY VIGNOBLES	7 497	1 599	99,84	12 301	12 301
S.A.S. VRANKEN-POMMERY PRODUCTION	70 550	-4 125	100,00	175 293	175 293
S.A.S. HEIDSIECK & C° MONOPOLE	7 000	794	100,00	7 318	7 318
S.A.S. POMMERY	10 125	1 000	100,00	13 300	13 300
S.A.S. GV COURTAGE	40	56	100,00	763	208
S.C. DU PEQUIGNY	29	-53	99,94	1 045	1 045
S.A.S. GRANDS DOMAINES DU LITTORAL	41 280	8 954	96,50	57 834	57 834
VRANKEN POMMERY ITALIA SPA	640	91	100,00	1 124	747
VRANKEN-POMMERY AUSTRALIA PTY LTD	1 437	-973	100,00	1 447	537
VRANKEN-POMMERY JAPAN Co. LTD	632	182	95,00	908	772
VRANKEN-POMMERY Deutschland & Österreich GmbH	3 725	15	100,00	7 855	7 855
VRANKEN POMMERY BENELUX S.A.	2 534	1 660	99,99	2 688	2 688
CHARBAUT AMERICA INC.	10 774	-1 513	100,00	10 104	10 104
VRANKEN POMMERY U.K. LTD	3 550	-2 220	97,78	3 476	3 476
VRANKEN POMMERY SUISSE S.A.	808	1 385	100,00	730	730
ROZÈS S.A.	15 000	8 305	99,99	21 855	21 855
QUINTA DO GRIFO	4 825	1 104	100,00	8 227	8 227
<b>Equity holdings</b>					
SADEVE S.A.***	5 137	-355	11,34	1 117	635
S.A.S. L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	87	67	17,57	74	27
<b>General information</b>		<b>17 183</b>			
French subsidiaries (combined)				293 097	292 542
Foreign subsidiaries (combined)				58 414	56 991
Equity holdings in French companies (combined)				74	27
Equity holdings in foreign companies (combined)				1 117	635

\*Converted to historic rate.

\*\*Converted at the closing rate.

\*\*\*On the basis of the financial statements at 31/12/2020.



	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
	68	0	1 215	179	400
	7 047	36	2 706	254	40
	247 790	70 801	245 006	4 312	0
	39	0	0	103	187
	9 644	0	3 568	2	0
	28	0	139	20	30
	545	0	40	8	0
	2 034	7 702	23 864	55	1 883
	0	0	10 453	25	0
	0	0	5 748	70	0
	0	0	4 494	9	0
	9 644	12 500	56 873	9	660
	0	489	10 181	177	0
	0	0	16 740	177	0
	0	36	8 469	180	0
	0	0	5 035	167	0
	0	4 744	7 826	236	0
	0	1 689	1 190	50	0
	0	0	1 021	-101	0
	21	0	452	65	0
	267 195	78 539			2 540
	0	19 458			660
	21	0			0
	0	0			0



### Note 15. Inventories

None.

### Note 16. Receivables

Net values in €K	2021	2020
Advances and down payments paid on orders*	1 545	571
Trade receivables and related accounts**	52 642	45 420
Trade payables and related accounts	18 270	19 446
Staff and related accounts	140	137
Statement and related accounts	4 011	6 948
Group and associates***	271 575	233 776
Miscellaneous debtors****	2 635	12 924
<b>Other miscellaneous receivables</b>	<b>296 631</b>	<b>273 232</b>
<b>Total</b>	<b>350 818</b>	<b>319 223</b>
<i>*This consists essentially of advances on advertising and promotional budgets made to major customers.</i>		
<i>**Including deducted receivables.</i>	61 040	60 234
<i>**Including receivables represented by commercial paper.</i>	12	78
<i>***Including receivable on subsidiaries linked to the tax consolidation scheme.</i>	1 830	1 291
<i>***Including receivables on subsidiaries linked to the VAT consolidation scheme.</i>	8 192	2 997
<i>****Including guarantee fund linked to assignment of trade receivables.</i>	-	-
<i>****Including cash from the assignment of trade receivables.</i>	-334	3 104
<i>****Including restrictions related to the assignment of trade receivables.</i>	502	6 735
<i>****Including settlement and adjustment account related to the assignment of trade receivables.</i>	2 422	3 083

Provisions in €K	2021	2020
Trade receivables and related accounts	840	783
Financial Instruments	-	-
<b>Total</b>	<b>840</b>	<b>783</b>

Trade receivables are systematically impaired as soon as all collection procedures have been exhausted.

Accrued income in €K	2021	2020
<b>Trade receivables</b>		
Trade receivables and related accounts	24 124	21 283
<b>Other receivables</b>		
Suppliers, credits receivable	17 881	19 446
Staff and related accounts	139	131
Statement and related accounts	220	135
Group and associates	-	-
Miscellaneous receivables	-	3
<b>Liquid assets</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>42 364</b>	<b>40 998</b>

### Maturity of receivables

All receivables are due in less than one year.

### Note 17. Investment securities

Net values in €K	2021	2020
Treasury shares	1 000	857
Other investment securities	-	-
<b>Total</b>	<b>1 000</b>	<b>857</b>

Share buybacks are carried out with a view to boosting share prices.



### Note 18. Liquid assets

Net values in €K	2021	2020
Bank accounts	1 942	3 265
Accrued income	-	-
<b>Total</b>	<b>1 942</b>	<b>3 265</b>

### Accounts in foreign currencies

Liquidities in foreign currencies (outside the European monetary union) are converted to euros on the basis of the latest exchange rate. They amounted to €534 thousand at 31 December 2021.

### Note 19. Accruals - assets

Expenses to be spread out in €K	As at 01/01/2021	Increases	Allocations	Change in method	As at 31/12/2021
Loan issuance costs	792	-	276	-	516
<b>Total</b>	<b>792</b>	<b>-</b>	<b>276</b>	<b>-</b>	<b>516</b>

Loan issuance costs are amortised over the term of the loan and the allocation is fiscally re-integrated.

In €K	2021	2020
<b>Prepaid expenses</b>	<b>1 743</b>	<b>3 124</b>
Operating	1 743	3 124
Financial	-	-
<b>Asset translation differences</b>	<b>947</b>	<b>1 074</b>
<b>Total</b>	<b>2 690</b>	<b>4 198</b>

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

Income for the financial year in €	2021	2020
Accounting income	4 185 164	1 532 802
Number of shares	8 937 085	8 937 085
	<b>Per share, in €</b>	<b>0,47</b>
Proposed dividends	-	-
Number of shares	8 937 085	8 937 085
	<b>Per share, in €</b>	<b>-</b>

Table of changes in equity over the financial year	In €K
Equity at the end of the previous financial year before appropriation	287 561
Appropriation of income to net position by the General Meeting	1 533
<b>Equity at the start of the financial year</b>	<b>289 094</b>
<b>Changes over the financial year:</b>	
Change in capital	-
Change in capital-related premiums	-
Other changes*	-
Dividends	-
Investment subsidies	1
<b>Equity in the closing statement of financial position for the year before the General Meeting</b>	<b>289 095</b>
<b>Total change in equity over the financial year</b>	<b>1</b>
<b>Change in equity over the financial year excluding structural transactions</b>	<b>1</b>

\*This change corresponds to the dividends received from treasury shares.

In 2021, as the Company did not distribute dividends in respect of the 2020 financial year, there was no change.





Allocation of 2020 net income		In €
The previous financial year's income was appropriated as follows:		
- Retained earnings		1 482 754,72
- Distributions of dividends		-
- Legal reserve		-
- Other reserves		50 047,70
<b>Income</b>		<b>1 532 802,42</b>

### Additional notes

Numbers of successive shares and changes in capital	Number of shares	in € Nominal value of securities	in € Impact on capital
At the start of the financial year	8 937 085	15,00	134 056 275
<b>At the end of the financial year</b>	<b>8 937 085</b>	<b>15,00</b>	<b>134 056 275</b>

Treasury shares	Number of shares
At the start of the financial year	57 453
<b>At the end of the financial year</b>	<b>57 560</b>

Composition of share capital	At the start of the financial year	Reclassification	At the end of the financial year	Created during the financial year	Repayment during the financial year	Nominal value
Ordinary shares	2 450 514	-5 288	2 445 226	-	-	15
Shares with double voting rights	6 486 571	5 288	6 491 859	-	-	15
<b>Total</b>	<b>8 937 085</b>	<b>-</b>	<b>8 937 085</b>	<b>-</b>	<b>-</b>	<b>15</b>

### Note 21. Provisions for risks and charges

Values in €K	2021	2020
Provisions for exchange losses excluding Group	-	-
Provisions for exchange losses Group	947	1 074
Provisions for customer risks	57	141
Provision for long-service awards*	65	79
<b>Total</b>	<b>1 069</b>	<b>1 294</b>
Allocations	1 004	1 215
Reversals used	-	-
Reversals not used	1 229	682

\*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 risk change:** as at 31 December 2021, the Company no longer had any financial instruments. The maturities and market value of financial instruments held at 31 December 2021 break down as follows:

Term (years) - In €K	Carrying amount	Market value
Contracts maturing in 2021	-	-
Contracts with maturities after 2021	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Interest rate risk:** the Company has had no financial instruments since 31 December 2020.



**Note 22. Debts**

<b>Breakdown of debts in €K</b>	<b>2021</b>	<b>2020</b>
Other bond issues	220 000	220 000
Accrued interest	3 874	3 874
<b>Other bond issues</b>	<b>223 874</b>	<b>223 874</b>
Borrowings from credit institutions*	40 701	36 709
Cash credits and overdrafts	6 000	6 000
Accrued interest	312	306
<b>Borrowing and debts with credit institutions</b>	<b>47 013</b>	<b>43 015</b>
Group and associates**	37 959	27 331
Other miscellaneous financial debt	-	-
<b>Borrowings and misc. financial debt</b>	<b>37 959</b>	<b>27 331</b>
Advances and down payments received on orders	6	11
<b>Trade payables and related accounts***</b>	<b>122 320</b>	<b>102 576</b>
<b>Tax and social security debts</b>	<b>12 078</b>	<b>13 419</b>
<b>Debts on fixed assets and related accounts</b>	<b>-</b>	<b>-</b>
<b>Other payables</b>	<b>3 156</b>	<b>4 511</b>
<b>Total</b>	<b>446 406</b>	<b>414 737</b>
<i>*Including State-guaranteed loans in the context of Covid-19.</i>	15 051	15 000
<i>**Including debts on subsidiaries related to the tax consolidation scheme.</i>	36	113
<i>**Including debts on subsidiaries linked to the VAT consolidation system.</i>	-	8
<i>***Including debts represented by commercial paper.</i>	-	-

<b>Changes in capital in borrowings in €K</b>	<b>As at 01/01/2021</b>	<b>Subscribed***</b>	<b>Reimbursed</b>	<b>As at 31/12/2021</b>
<b>Other bond issues*</b>	220 000	-	-	220 000
Borrowings with credit institutions**	36 709	7 051	3 059	40 701
Cash credits and overdrafts	6 000	-	-	6 000
<b>Borrowings and debts with credit institutions*</b>	<b>42 709</b>	<b>7 051</b>	<b>3 059</b>	<b>46 701</b>

\*Excl. accrued interest.  
 \*\*Including €15,051 thousand of SGLs taken out in 2020 as part of the Covid-19 support measures.  
 \*\*\* Including €51 thousand in commissions on capitalised SGLs.

**Debt maturities**

<b>Maturity of borrowings in €K</b>	<b>At least one year</b>	<b>More than one year and less than five years</b>	<b>More than five years</b>	<b>Total</b>
<b>Other bond issues*</b>	75 000	145 000	-	220 000
Borrowings with credit institutions	5 240	34 274	1 187	40 701
Cash credits and overdrafts	6 000	-	-	6 000
<b>Borrowings and debts with credit institutions*</b>	<b>11 240</b>	<b>34 274</b>	<b>1 187</b>	<b>46 701</b>

\*Excl. accrued interest.  
 All other debts are due in one year at most.

<b>Expenses payable in €K</b>	<b>2021</b>	<b>2020</b>
Other bond issues	3 874	3 874
Borrowing and debts with credit institutions	312	306
Borrowings and misc. financial debt	2	-
Trade payables and related accounts	17 843	19 144
Tax and social security debts	1 237	1 479
Other payables	2 999	4 276
<b>Total</b>	<b>26 266</b>	<b>29 079</b>



Debts guaranteed by collateral in €K	2021	2020
Pledges of professional receivables	-	-
Borrowing and debts with credit institutions	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Company has had no debt secured by collateral since 2017.

Commitments given in €K	2021	2020
Endorsements and guarantees <sup>(1)</sup>	97 899	44 650
Assignment of trade receivables	-	-
Foreign exchange hedging commitment	-	-
Rate hedging commitment	-	-
Lease purchases and long-term leasing commitments	435	211
Interest on borrowings not yet due	21 858	31 231
Commitments concerning pensions and medical costs	3 304	3 906

<sup>(1)</sup>Of which intra-group commitments

97 899 44 650

#### The main parameters in 2021 for the actuarial valuation of these commitments were:

Retirement age 67 .....	for managers and the full pensionable age (based on the Fillon Law) for non-managers
Salary revaluation rate .....	1,50 %
Medical contribution revaluation rate .....	1,50 %
Social security expenses rate .....	46,83 %
Discount rate .....	0,80 %

These parameters were defined on the basis of the recommendations of an independent expert.

Commitments received in €K	2021	2020
Collateral <sup>(1)</sup>	5 228	228
Return to better fortune clause <sup>(1)</sup>	8 623	8 628
State Guaranteed Loans (SGLs)	13 500	13 500
<b>Total</b>	<b>27 351</b>	<b>22 356</b>

<sup>(1)</sup>Of which intra-group commitments..

8 623 8 628

#### 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
Input cost				720		720
Allocations to depreciation and amortisation				224		224
				8		8
	<b>Totals</b>	-	-	-	<b>232</b>	-
Net value	-	-	-	488	-	488



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				260		260
	Of the financial year				153		153
	<b>Totals</b>	-	-	-	<b>413</b>	-	<b>413</b>
Remaining to be paid	one year at most				169		<b>169</b>
	more than one year and five years at most				266		<b>266</b>
	more than five years				-		-
	<b>Totals</b>	-	-	-	<b>435</b>	-	<b>435</b>
Residual value	one year at most				-		-
	more than one year and five years at most				-		-
	more than five years				-		-
	<b>Totals</b>	-	-	-	-	-	-
Amount borne during the financial year					153		<b>153</b>

Note 23. Accrual accounts - liabilities

In €K	2021	2020
Prepaid income	-	-
Unrealised foreign exchange gains and losses	444	283
<b>Total</b>	<b>444</b>	<b>283</b>

Note 24. Other information

Average breakdown of staff by category	2021	2020
MANAGERS	77	97
SUPERVISORS	21	23
EMPLOYEES	15	24
WORKERS	3	3
<b>Total</b>	<b>116</b>	<b>146</b>

**Note 25. Compensation of administrative and management bodies**

In €	Administrative body	Management body	Total
Compensation allocated to a corporate officer	-	18 444	18 444
Directors' compensation	-	75 000	75 000
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. 2021 Statutory Auditors' fees**

In €	Mazars	Audit & Strategy
Fees for the certification assignment	133 237	87 382
Fees for other services	14 754	3 250
<b>Total</b>	<b>147 991</b>	<b>90 632</b>

**Note 28. Information on items relating to affiliated companies**

In €K Items	Amount concerning businesses	
	Related	With which the Company has a participating interest
Equity holdings (gross value)	-	351 511
Receivables attached to equity holdings	-	22 124
Deposits	190	63
Other financial assets	-	-
Trade receivables and related accounts	725	46 696
Other receivables	395	288 860
Borrowings and misc. financial debt	31	37 926
Trade payables and related accounts	172	103 372
Debts on fixed assets and related accounts	-	-
Other payables	-	1 573
Income from equity holdings	-	3 327
Other finance income	2	9 000
Financial expenses	8	344

**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 2021

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 2021, 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 Code of Ethics of the Profession of Statutory Auditors, over the period from 1 January 2021 to the date of issue 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

The global crisis linked to the Covid-19 pandemic creates special conditions for the preparation and audit of the financial statements for this financial year. As such, this crisis and the exceptional measures taken as part of the health state of emergency have affected companies in many ways, particularly their business and financing, and gave rise to increased uncertainty regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on the internal organisation of companies and on the way audits are carried out. It is in this complex and changing context that, 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 2021, equity securities were recorded on the statement of financial position for a net carrying amount of €350.2 million. The securities of subsidiaries and foreign equity holdings are valued at the historical acquisition cost. 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 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 "Accounting rules and methods" 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 and the identity of shareholders and holders of voting rights has been duly disclosed in the management report.

#### **• Other audits or information required by laws and regulations**

##### Presentation format of the annual financial statements included in the Annual Financial Report

In accordance with professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we also verified compliance with this format as defined by the delegated European Regulation 2019/815 of 17 December 2018 in the presentation of the annual 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 2021, Mazars was in the 27th consecutive year of its mission and Audit & Strategy Révision Certification in the 21st year, the 24th and 21st years respectively since the Company's shares were admitted to trading on a regulated market.

#### **• Responsibilities of management and the persons in charge of corporate governance pertaining to the annual 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 annual 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 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 misstatement 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 2022*

### The Statutory Auditors

AUDIT & STRATEGY

REVISION CERTIFICATION :

Philippe DANDON

MAZARS :

Michel BARBET-MASSIN







## 5.4 Analysis of the Company's corporate results

### 5.4.1 Company business overview

The Company's revenue for the financial year was up by 27% to €298,333 thousand compared to €234,907 thousand in 2020.

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 €257,931 thousand compared to €198,548 thousand in 2020, of which €94,312 thousand in France and €163,619 thousand abroad; and
- on the other, from services, essentially to subsidiaries, for €40,402 thousand, versus €36,359 thousand in 2020.

Overall, taking into account other income, subsidies and reversals on depreciation, amortisation and provisions, and transfers of expenses, operating income amounted to €300,507 thousand compared to €237,400 thousand in 2020, an increase of 26.58%.

With operating expenses of €300,151 thousand, compared to €236,685 thousand in 2020, the Company's operating income reached €357 thousand, compared to €716 thousand in 2020.

The financial result amounted to €4,234 thousand, compared to a financial result of €4,180 thousand for the previous financial year.

Pre-tax income was therefore €4,591 thousand, compared to €4,895 thousand in 2020.

Ultimately, taking into account an exceptional negative income of €410 thousand and €4 thousand in income on income tax, the net profit of VRANKEN-POMMERY MONOPOLE was €4,185 thousand for 2021, compared to a net profit of €1,533 thousand in 2020.

### 5.4.2 Changes in statement of financial position structure

At 31 December 2021, the fixed assets of VRANKEN-POMMERY MONOPOLE amounted, after €16,636 thousand in depreciation and impairment, to €384,234 thousand, including €1,629 thousand in intangible assets, and €4,539 thousand in fixed assets, and €378,065 thousand in financial assets.

Current assets amounted to €353,760 thousand, including €1,545 thousand in advances and prepayments on orders, €350,818 thousand in trade receivables and related accounts, and €2,942 thousand in marketable securities and cash and cash equivalents, and prepaid expenses of €1,743 thousand.

In addition, accruals amounted to €516 thousand and unrealised exchange losses to €947 thousand.

As a result, in view of the income for the financial year, the Company's equity at 31 December 2021 amounted to €293,281 thousand.

Provisions for risks and liabilities amounted to €1,069 thousand.

Debts amounted to €446,406 thousand, of which €223,874 thousand in bonds, €47,013 thousand in bank borrowings and debts to credit

institutions, €37,958 thousand in miscellaneous borrowings and debt, €122,320 thousand in trade payables and related accounts, €12,078 thousand in tax and social security debts and €3,156 thousand in other liabilities. Accrual account liabilities came to €444 thousand.

In total, at 31 December 2021, the statement of financial position of VRANKEN-POMMERY MONOPOLE came to €741,200 thousand.

Taking into account €1,942 thousand in cash and €1,000 thousand in marketable securities for €47,013 thousand in bank borrowings and debts to credit institutions and €223,874 thousand in bonds, the net financial debt ratio (debts to credit institutions less cash and marketable securities) to equity stood at 0.91 at 31 December 2021, compared to 0.91 at 31 December 2020, while the net financial debt to revenue ratio was 0.90 in 2021, compared to 1.11 at 31 December 2020.

The re-financing rate of the VRANKEN-POMMERY MONOPOLE Group companies came to an average of around 2.49%.

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 Appropriation of net income

The Board of Directors, at its meeting of 31 March 2022, noted that the net profit for the financial year ended

31 December 2021 amounted to:	4.185.164,29 €
• to which is added previous retained earnings of:	80.359.565,55 €
<b>Totalling:</b>	<b>84.544.729,84 €</b>

as follows:

- the special reserve for works of art, for:	44.531,56 €
- retained earnings, amounting to:	77.350.530,28 €
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 on 12 July 2022 and would correspond to a gross yield of 4.50% based on the share price on 29 March 2022.

We would ask you to take note 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. of Article 117 (c) of the French General Tax Code, as well as to the payment of social security contributions of 17.20%, making total withholdings 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 in the associate'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 regard, that in the event of the option for taxation using the progressive scale, it is global and covers all income, net gains, profits and receivables falling within the scope 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 tax rebate of 40.00% 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 deducted from 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% <sup>(*)</sup>
For 2018	7.149.668,00 €	0,80 €	0,80 € <sup>(*)</sup>
For 2019	-	-	-
For 2020	-	-	-

(Art. 158-3 of the French General Tax Code)

<sup>(\*)</sup> A 40% tax rebate is available only for dividends distributed to individuals who are tax residents of France.

## 5.4.5 Non-tax-deductible expenses

In accordance with the provisions of Articles 223 quater and quinques of the French General Tax Code, we ask you to approve 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 said Code, respectively €459,781 and €13,784 and the total amount of tax that they represent, i.e. approximately €130,230 at a theoretical corporate income tax rate of 27.50%. These expenses are mainly related to customer receptions.

## 5.4.6 Table of the Company's results over the last five financial years

In euros	2017	2018	2019	2020	2021
<b>CAPITAL AT THE REPORTING DATE</b>					
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	-	-	-	-	-
<b>INCOME TRANSACTIONS FOR THE YEAR</b>					
Revenue excluding taxes	343 200 589	340 802 822	273 692 729	234 906 864	298 332 505
Profit (loss) before tax, employee profit-sharing and depreciation, amortisation and provisions	35 040 860	-1 637 735	277 689	1 917 761	4 131 045
Income taxes	-3 426 313	-2 732 029	-1 902 844	-1 178 193	-3 893
Income after tax, employee profit-sharing and depreciation, amortisation and provisions	36 367 260	1 602 944	1 672 731	1 532 802	4 185 164
Proposed income distribution	7 149 668	7 149 668	-	-	7 149 668
<b>EARNINGS PER SHARE</b>					
Profit (loss) after tax, employee profit-sharing, but before depreciation, amortisation and provisions	4,30	0,12	0,24	0,35	0,46
Earnings after tax, employee profit-sharing, and depreciation, amortisation and provisions	4,07	0,18	0,19	0,17	0,47
Dividend assigned to each share	0,80	0,80	-	-	0,80
<b>PERSONNEL</b>					
Average staff employed during the year	177	174	165	147	118
Annual payroll amount	8 329 338	8 738 353	8 225 815	6 852 524	5 921 336
Amount paid in respect of social benefits for the year (social security, social works, etc.)	3 749 770	4 291 471	4 010 411	3 010 510	2 640 880



### 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 €):

<b>Article D. 441 Section I.-1°: invoices received and unpaid at the reporting date whose term has expired</b>						Total (1 day and over)
	0 days (indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over*	
<b>(A) Tranches of delayed payment</b>						
Number of invoices concerned	361	20	33	33	551	637
Total invoice amount (incl. tax)	1 580 688	529 957	-313 716	64 347	9 352 278	9 632 867
Percentage of total amount of purchases for the financial year (incl. VAT)	0,50 %	0,20 %	-0,10 %	0,00 %	2,80 %	2,90 %
Percentage of revenue for the financial year (inc. tax)	-	-	-	-	-	-
<b>(B) Invoices excluded from (A) relating to disputed or unrecognised debts</b>						
Number of invoices excluded	0					
Total amount of excluded invoices (incl. tax)	0,00					
<b>(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>						
Terms of payment used for the calculation of late payments	<input checked="" type="checkbox"/> Legal deadlines: Customers: 60 days – Transport: 30 days date of invoice. <input checked="" type="checkbox"/> Contractual deadlines:					

\*Of which subsidiaries: €10,081,871.34.





<b>Article D. 441 Section I.-1°: invoices issued and unpaid at the reporting date</b>						
	0 days (indication)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over*	Total (1 day and over)
<b>(A) Tranches of delayed payment</b>						
Number of invoices concerned	125	484	249	149	1 262	2 144
Total invoice amount (incl. tax)	657 234	6 808 629	1 255 271	1 036 822	2 127 362	11 228 085
Percentage of total amount of purchases for the financial year (incl. VAT)	-	-	-	-	-	-
Percentage of revenue for the financial year (inc. tax)	0,21 %	2,14 %	0,39 %	0,33 %	0,67 %	3,52 %
<b>(B) Invoices excluded from (A) relating to disputed or unrecognised receivables</b>						
Number of invoices excluded		546				
Total amount of excluded invoices (incl. tax)		1 180 799,46				
<b>(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)</b>						
Terms of payment used for the calculation of late payments	<input checked="" type="checkbox"/> Legal deadlines: 30 days end of month delivery date (alcoholic beverages subject to consumption rights) or 60 days net delivery date (alcoholic beverages subject to circulation rights and other products) <input type="checkbox"/> Contractual deadlines: (specify)					

\*Of which subsidiaries: €2,776,135.47.

### 5.4.8 Post-closing events: Russia/Ukraine conflict since February 24, 2022

The conflict between Russia and Ukraine continues and the situation is changing rapidly.

In view of the recent and rapid escalation of events and the announcement of fresh sanctions, it is too early to determine the potential impact of the conflict in terms of the indirect repercussions on the Company's operational results for the 2022 financial year.

The direct repercussions are limited: the Company's activities in Ukraine and Russia represented only 0.30% of revenue in 2021.





# 6

## ADDITIONAL INFORMATION AND CROSS-REFERENCE TABLE

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## 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  
Tel: 03-26-61-62-34 Fax: 03-26-61-63-88  
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 178 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 2022*

**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 Mr Christian Ameloot (for a period 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)			%		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Audit												
Statutory auditing, certification, review of individual and consolidated financial statements												
Issuer	126 000 €	126 000 €	137 717 €	41 %	43 %	41 %	87 382 €	91 444 €	88 301 €	66%	68 %	64 %
Subsidiaries	125 400 €	131 055 €	150 195 €	41 %	45 %	44 %	42 007 €	42 182 €	49 498 €	32 %	32 %	36 %
Subtotal	251 400 €	257 055 €	287 912 €	83 %	88 %	85 %	129 389 €	133 626 €	137 799 €	98 %	100 %	100 %
Other due diligence procedures and services directly related to the mission of the Statutory Auditor												
Issuer	20 400 €	14 000 €	49 768 €	7 %	5 %	15 %	3 250 €	-	-	2%	-	-
Subsidiaries	32 655 €	20 854 €	-	11 %	7 %	-	-	-	-	-	-	-
Subtotal	53 055 €	34 854 €	49 768 €	17 %	12 %	15 %	3 250 €	-	-	2 %	-	-
<b>Other services provided by the networks to fully consolidated subsidiaries</b>												
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>304 455 €</b>	<b>291 909 €</b>	<b>337 680 €</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>132 639 €</b>	<b>133 626 €</b>	<b>137 799 €</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## 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 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 management report, separate financial statements, consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2019, as presented respectively on pages 170, 140 to 156, 98 to 131, 132 to 134 and 157 to 159 of the Universal Registration Document filed with the AMF on 16 April 2020 under number D.20-0301.

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](http://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](http://www.vrankenpommery.fr)

### • Information policy

Contact: [comfil@vrankenpommery.fr](mailto:comfil@vrankenpommery.fr)

Address: 5, place Général Gouraud BP 1049 - 51689 REIMS Cedex 2.

Website: [www.vrankenpommery.com](http://www.vrankenpommery.com)





• **Management of shares – Pure registered accounts**

BNP PARIBAS SECURITIES SERVICES

Grands Moulins de Pantin

CTO - Relation Actionnaire VRANKEN-POMMERY MONOPOLE

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**Provisional timetable for financial announcements**

General Meeting:	2 june 2022
2021 first half revenue:	19 july 2022
2021 first half results:	8 september 2022

## 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 Statement of Non-Financial Performance 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.

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**MANAGEMENT REPORT CROSS-REFERENCE TABLE**

This Universal Registration Document includes all information contained in the management report as required by Articles L. 225-100

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**This information is presented on the following pages:**

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\*Excluding the Covid-19 health crisis, the effects of which affect the Company's business and the entire Champagne branch.

**CORPORATE GOVERNANCE REPORT  
CROSS REFERENCE TABLE**

This Universal Registration Document includes all the information

contained in the Corporate Governance Report as required by Articles L. 225-37 et seq. of the French Commercial Code.

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## ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

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This information is presented on the following pages:

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## Agenda of the Combined General Meeting of 2 June 2022

### 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 2021;
- 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 annual financial statements for the financial year ended 31 December 2021;
- Approval of the consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group for the year ended 31 December 2021;
- 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 charges of Article 39.4 of the French General Tax Code;
- Share buyback programme;
- Directors' term of office;
- Setting the compensation allocated to the members of the Board of Directors;
- Annual approval of the compensation of the executive corporate officers;
- Other business;
- Powers to confer.

### 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 reduce the share capital by cancelling treasury shares held by the Company;
- Powers to confer;
- Other business.

## Draft resolutions of the Combined General Meeting of 2 June 2022

### RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

#### FIRST RESOLUTION

*Approval of the separate financial statements for the year ended 31 December 2021*

The Annual Ordinary General Meeting, having reviewed the Board of Director's management report with, appended to it, the Corporate Governance Report, the Statutory Auditors' reports on the corporate statement of financial position, the income statement and the notes of VRANKEN-POMMERY MONOPOLE for the financial year ended 31 December 2021, approves said statements, separate financial statements and notes as presented, showing a net profit of €4,185,164.29.

It also approves all measures and operations reflected in these 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 2021*

The Ordinary General Meeting, having reviewed the Board of Director's management report and the report of the Statutory Auditors on the consolidated statement of financial position, the consolidated income statement and the notes of the VRANKEN-POMMERY MONOPOLE Group for the financial year ended 31 December 2021, approves the said statements, consolidated financial statements and notes as presented, which show a consolidated net income of €8,335 thousand and a consolidated net profit attributable to owners of the parent €8,313 thousand.

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 2021*

The Annual Ordinary General Meeting decides to allocate the net profit for the financial year ended 31 December 2021,

amounting to:	4.185.164,29 €
• plus the previous retained earnings	80.359.565,55 €
of a total of:	84.544.729,84 €

as follows:

• to the special reserve for works of art, amounting to:	44.531,56 €
• to retained earnings, amounting to:	77.350.530,28 €
• 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 12 July 2022.



## 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 12.8% 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 associate'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 income statement 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 12.8% 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.

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% <sup>(*)</sup>
For 2018	7.149.668,00 €	0,80 €	0,80 €
For 2019	-	-	-
For 2020	-	-	-

(Art. 158-3 of the French General Tax Code)

(\*) 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 in it.

## FIFTH RESOLUTION

### Approval of non-deductible expenses

The Annual Ordinary General Meeting, in accordance with the provisions of Articles 223 quater and quinques 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 said Code, respectively €459,781 and €13,784 and the total amount of tax that they represent, i.e. approximately €130,230 at a theoretical corporate income tax rate of 27.50%.

## 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, decides:

- to end the current share buyback programme approved by the Annual Combined Ordinary and Extraordinary General Meeting of 3 June 2021;
- in accordance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code, European Regulation 596/2014 of 16 April 2014, the related European regulations, the French Monetary and Financial Code, the General Regulation of the AMF and the market practices accepted by the AMF, to authorise the Board of Directors to make purchases of the Company's shares on the stock market, with the following objectives, decreasing order of priority:
  - 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,
  - 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,
  - 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.
  - the delivery of these shares upon the exercise of rights attached to securities giving entitlement by conversion, exercise, redemption or exchange upon the allocation of Company shares, within the framework of stock market regulations, the cancellation of these shares in order to increase the return on equity and earnings per





# Documents presented to the General Meeting



share and/or to neutralise the dilutive impact for 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 June 3, 2021, to reduce the share capital by cancelling treasury shares, a delegation due for renewal this day;

- to, more generally, carry out any transaction permitted or that would be authorised by the regulations in force, or that would be part of an accepted market practice or which would come to be authorised by the 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 56,762 treasury shares held on 24 March 2022, the maximum number of shares that VRANKEN-POMMERY MONOPOLE could acquire is 836,946 for a maximum amount of €31,385,475;
- that the theoretical maximum amount of funds allocated to this share buyback programme is €31,355,550 for 10% of the share capital, taking into account the 57,560 treasury shares held at 31 December 2021;
- 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 from the date of this Annual Ordinary General Meeting, meaning until 1 December 2023.

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

*Ratification of the Board of Director's decision to co-opt a Director to replace a Director who has resigned*

The Ordinary Annual General Meeting,

having noted that in accordance with the powers granted to it, the Board of Directors decided to co-opt, at its meeting of 18 October 2021, subject to ratification of this decision by the next Ordinary General Meeting, in place of Dominique Pichart, Director who resigned for personal reasons, Stéphane Publie, residing at 391 Beechmont Drive, 10804 New Rochelle, New York, USA, effective at the end of the same Board meeting and for the remaining term of the term of office of his predecessor, meaning until this Annual Ordinary General Meeting,

decides to ratify, insofar as necessary, the aforementioned co-option.

## EIGHTH RESOLUTION

*Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Paul-François Vranken expires with this Meeting, decides to reappoint him for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.

## NINTH RESOLUTION

*Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Nathalie Vranken expires with this Meeting,

decides to reappoint her for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.



## **TENTH RESOLUTION**

### *Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Jacqueline Franjou expires with this Meeting,

decides to reappoint her for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.

## **ELEVENTH RESOLUTION**

### *Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Anne-Marie Poivre expires with this Meeting,

decides to reappoint her for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.

## **TWELFTH RESOLUTION**

### *Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Pierre Gauthier expires with this Meeting,

decides to reappoint him for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.

## **THIRTEENTH RESOLUTION**

### *Reappointment of a Director*

The Annual Ordinary General Meeting, after noting that the term of office of Stéphane Publice expires with this Meeting,

decides to reappoint him for a period of three financial years, expiring on the day of the General Meeting called in 2025 to vote on the financial statements for the period ending 31 December 2024.

## **FOURTEENTH RESOLUTION**

### *Appointment of a new Director*

The Annual Ordinary General Meeting, having taken note of the proposal of the Board of Directors to increase the number of members of the Board, and having taken note of the reasons that led to the choice of the proposed candidate for the office of Director, resolves to appoint, as Director of the Company, Dominique Pichart, residing at 4, Val Aubry - 51130 VILLERS AUX BOIS, with effect from 1 July 2022 and for a period of three financial years, meaning until the end of the Ordinary General Meeting held in 2025 to approve the financial statements for the year ending 31 December 2024.

## **FIFTEENTH RESOLUTION**

### *Appointment of a new Director*

The Annual Ordinary General Meeting, having taken note of the proposal of the Board of Directors to increase the number of members of the Board of Directors and having taken note of the

reasons that led to the choice of the proposed candidate for the office of Director,

resolves to appoint, as Director of the Company, Elisabeth Billiemaz, residing at 68, Rue de Rivoli - 75004 Paris, with effect from 1 July 2022 and for a period of three financial years, meaning until the Ordinary General Meeting held in 2025 to approve the financial statements for the financial year ending 31 December 2024.

## **SIXTEENTH RESOLUTION**

### *Appointment of a new Director*

The Annual Ordinary General Meeting, having taken note of the proposal of the Board of Directors to increase the number of members of the Board, and having taken note of the reasons that led to the choice of the proposed candidate for the office of Director, resolves to appoint, as Director of the Company, Bertrand Maréchaux, residing at La Corneillère - 61250 SEMALLE, with effect from 1 July 2022 and for a period of three financial years, meaning until the Ordinary General Meeting held in 2025 to approve the financial statements for the financial year ending 31 December 2024.

## **SEVENTEENTH RESOLUTION**

*Approval of the information relating to the compensation of the corporate officers mentioned in Section I of Article L. 22-10-9 of the French Commercial Code for the 2021 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 mentioned 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 Chief Operating Officer and the members of the Board of Directors for the financial year ended 31 December 2021.

## **EIGHTEENTH RESOLUTION**

*Approval of the components of the compensation paid during or granted for the financial year ended 31 December 2021 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 in his capacity as Director and the benefits of any kind paid by the Company during the financial year ended 31 December 2021 or granted in respect of the same financial year to Paul-François Vranken, Chairman Chief Executive Officer, which are presented therein.

## **NINETEENTH RESOLUTION**

*Approval of the components of the compensation paid during or granted for the financial year ended 31 December 2021 to Hervé Ladouce, Deputy 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 in his capacity as Director and the benefits of any kind paid by the Company during the financial year ended 31 December 2021 or granted in respect of the same financial year to Hervé Ladouce, Deputy Chief Executive Officer for Production and Trading Coordination until 11 January 2021, which are presented therein.

#### **TWENTIETH RESOLUTION**

*Approval of the compensation policy for executive corporate officers for the 2022 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 2022 financial year as described therein.

#### **TWENTY-FIRST RESOLUTION**

*Approval of the Directors' compensation policy for the 2022 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 Directors for the 2022 financial year, as described therein.

#### **TWENTY-SECOND RESOLUTION**

*Powers to confer*

The Annual Ordinary General Meeting confers 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**

#### **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 made under Article L. 22-10-62 of the French Commercial Code, within the limit of 10% of the total number of shares per period of 24 months, by charging the difference between the purchase value of the cancelled shares and their nominal value to the available premiums and reserves, including in part to the legal reserve up to 10% of the cancelled capital;
- 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 necessary for the implementation of its decisions, in accordance with the legal provisions in force at the time of use of this authorisation;
- to set the period of validity of this authorisation at 18 months from this Extraordinary General Meeting, meaning until 1 December 2023, it being specified that these delegations and authorisations replace and cancel any delegations and authorisations of this nature that may have been given to the Board previously, up to the unused portion of this authorisation. .

#### **TWENTY-FOURTH RESOLUTION**

*Powers to confer*

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 3 June 2021**

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 4 June 2021 and 24 March 2022.

Situation as at 24 March 2022:

- percentage of treasury shares: 0.60% of the capital;
- number of shares cancelled during the past 24 months: None;
- number of shares held in portfolio: 56,762;
- market value of the portfolio: €973,468.30 [at the closing price on 24 March 2022 of €17.15].

These securities are allocated:

- in the case of 43,367 shares, with a view to them being held or delivered prior to exchange or as payment in the context of external growth operations;
- in the case of 13,395 shares, to the liquidity agreement entered into with KEPLER CHEUVREUX.

In the context of said liquidity agreement, over the period from 4 June 2021, the day following the Ordinary General Meeting that authorised the last share buyback programme, VRANKEN-POMMERY MONOPOLE has, as at 24 March 2022:

- acquired 37,759 of its own shares for a total value of €667,844.03, or an average unit purchase price of €17.69;
- sold 31,963 of its own shares for a global value of €571,609.98, or an average unit sale price of €17.88.

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**





## Statutory Auditors' special report on regulated agreements

### General Meeting to approve the financial statements for the year ended 31 December 2021

To the General Meeting of VRANKEN-POMMERY MONOPOLE,  
In our capacity as Statutory Auditors of your Company, we hereby  
present our report on regulated 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 benefits resulting from  
these agreements prior to their approval.

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 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 consisted of verifying  
the consistency of the information provided to us with the source  
documents from which it came.

#### Agreements to be submitted to the approval of 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 General Meeting pursuant to Article  
L. 225-38 of the French Commercial Code.

#### Agreements already approved by the General Meeting

*Agreements approved in prior years that remained in force during the year*  
Pursuant to Article R. 225-30 of the French Commercial Code,  
we have been informed that the implementation of the following  
agreements, already approved by the General Meeting in prior years,  
continued over the past financial year.

#### Agreement between your Company and Paul-François Vranken, Chairman and Chief Executive Officer of your Company

Person concerned: 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: 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.

#### Agreement between your Company and VRANKEN-POMMERY JAPAN

Person concerned: Paul-François VRANKEN

Nature, purpose, terms: At its meeting of 7 February 2011, your Board  
of Directors authorised a waiver for VRANKEN-POMMERY JAPAN of  
a commercial debt of €184,000, subject to a return to better fortunes  
clause.

#### Agreement between your Company and VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH

Person concerned: 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 & ÖSTERREICH

Person concerned: Paul-François VRANKEN

Nature, purpose, terms: At its meeting of 7 January 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: 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 2022*

**The Statutory Auditors**

AUDIT & STRATEGY

REVISION CERTIFICATION : Philippe DANDON

MAZARS : Michel BARBET-MASSIN



# Personal notes



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# Personal notes



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