UNIVERSAL REGISTRATION DOCUMENT

2020

Including the Annual Financial Report

UNIVERSAL REGISTRATION DOCUMENT 2020

Including the Annual Financial Report

This Universal Registration Document was filed on 14 April 2021 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.

Special message to our Shareholders, Friends and Partners

« From Paul-François Vranken, Chairman of the Board of Directors of Vranken-Pommery Monopole.

Reims, 12 April 2021

Dear Shareholders,

Vranken-Pommery Monopole made it through the unprecedented global health crisis with strength and determination.

From day one, our priority has been to protect the health and safety of our teams in our vineyards in France, Portugal and England where work never stopped.

Work never stopped either, in our production units, our cellars, our pressing units during harvesting and bottling.

Our ten subsidiaries around the world remained active.

And for our customers, we were able to create new and compelling marketing methods.

Our resilience primarily results from our genuine family spirit and capitalises on a long-term vision driven by the excellence of our know-how.

This period was therefore an excellent time for the development of technological, IT and digital innovation to further enhance the desirability of our Brands.

Our environmental commitments have also been strengthened, with the commencement of the conversion of our Champagne vineyard to organic before the last harvest; thereby joining those of Provence and Camargue.

In a context that remains uncertain, but where vaccination offers real hope, we are continuing to work, mobilise, defend and promote our Brands from our Domaines and Châteaux.

Since its foundation in 1976, or 45 years ago, Vranken-Pommery Monopole has been rolling out a powerful model where boldness and innovation are key.

Vranken-Pommery Monopole is in a better position than ever to take full advantage of the long-awaited recovery in 2021 and beyond.

The Chairman
Paul-François Vranken »

Contents

Outline
& key figures

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

COMPANY VALUES
Innovation

Know-how

Boldness

Good governance

PRIME ASSETS
• Industrial (three production centres)

• History (five exceptional Domaines)

• Artistic
(15 "POMMERY EXPERIENCES")

• Œnological
(The largest collection
of 20th century vintages)

FROM VINE TO WINE
• Champagne

• Camargue

• Provence

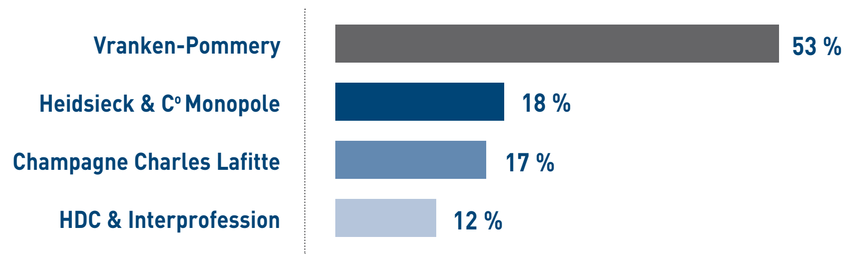
• Portugal

• Hampshire

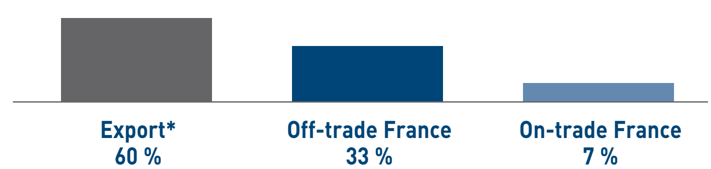
• Napa Valley

728 EMPLOYEES
worldwide

Distribution of Champagne turnover (per brand)

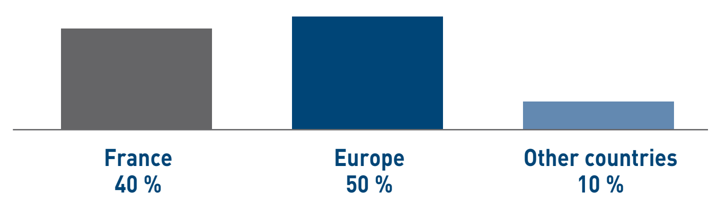


Breakdown of the three distribution networks in 2020 (as a % of Champagne sales revenue)



*Including Duty Free France.

Revenue by geographical region in 2020 (as a % of champagne sales revenue)

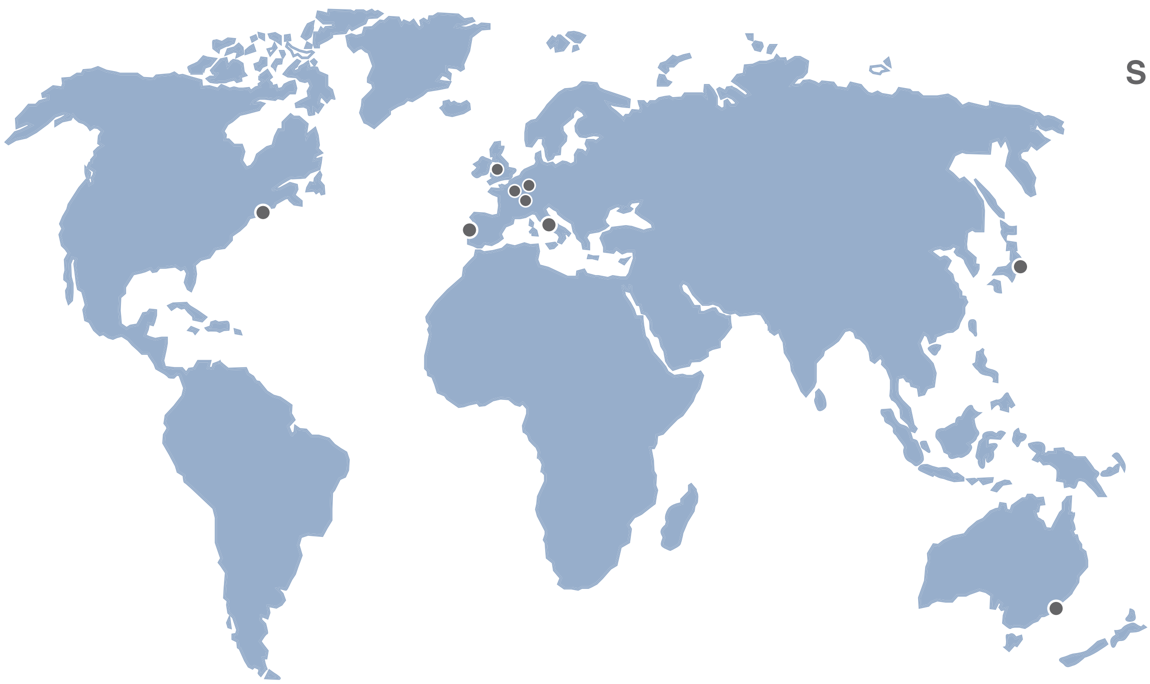


Balance sheet

In M€	12/2020	as a %
Balance sheet total	**1 298,4**	
Equity (Group share)	368,2	29 %
Inventories and work-in-progress	672,5	53 %

Financial position

In K€	12/2020	12/2019
Investments	15 040	25 614
Investment as a % of turnover	6,2 %	9,3 %
Depreciation and amortisation	14 647	14 548
Gross cash flows	33 049	35 461
Net financial debt	685 254	712 068
Net financial debt/inventories ratio	1,02	1,04
Excluding IFRS 16 impact	0,98	1,00



10 SUBSIDIARIES

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

1976: Vranken
Paul-François Vranken founds the eponymous champagne house.

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

1985: Demoiselle
Paul-François Vranken brings out the new champagne brand.

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

1989:
Office opened in Belgium

1994:
Office opened in Germany

1995:
Office opened in the USA

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

1998: Initial public offering

1999: Rozès
The Group acquires Maison de Porto.

2000:
Office opened in the UK

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

2005: Quinta do Grifo
Quinta do Grifo develops the Terras do Grifo brand.
Offices opened in Provence & Camargue

2007:
Office opened in Japan
1st organic commitment in Jarras

2008:
Office opened in Italy

2009:
Office opened in Australia

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

2014: Les Grands Domaines du Littoral
The name given to our Domaines in Provence & Camargue collectively.

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

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

1

GROUP OVERVIEW

1 Group overview

VRANKEN-POMMERY MONOPOLE is a French family-owned company operating worldwide 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 guards their heritage, quality and style.

From winegrowing to winemaking 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 - BOLDNESS
ETHICS AND GOVERNANCE

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

The Group is ISO 9001, ISO 14001 and ISO 22000 certified, and in 2019 it joined the Gaïa Index published by Gaïa Rating, an ESG rating of Ethifinance.

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: 969500M5EQJVDASURW53.

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*

Email: 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:

- taking out partial 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 operations for import, export, representation, commission and brokerage activities related to it;
- taking over, obtaining, providing concessions for and using patents, licenses 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.

Financial year

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

Accessing documents and information about the Company

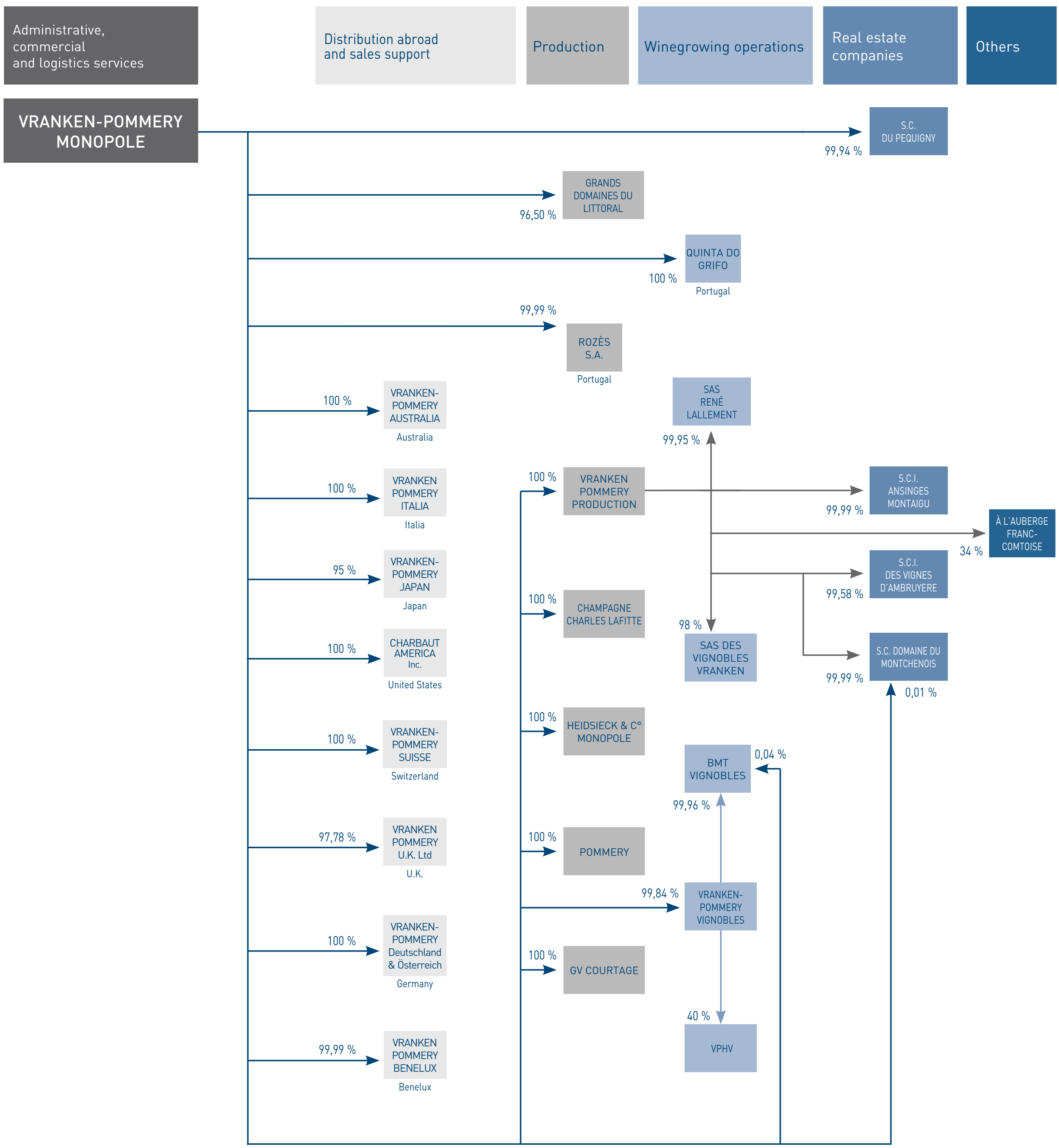
All documents about VRANKEN-POMMERY MONOPOLE to be made available to the public (Articles of Association, reports, historical financial information of the Company and its subsidiaries described in this Universal Registration Document, information pertaining to each of the two years preceding the filing 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 head office of VRANKEN-POMMERY MONOPOLE in 51100 Reims - 5, place Général-Gouraud and, where available, consulted online at www.vrankenpommery.fr.

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

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

1.2 Group structure

1.2.1 Simplified Group organisational chart at 31 DECEMBER 2020



Winemaking subsidiaries

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, development 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.	VRANKEN-POMMERY PRODUCTION owns 99.99% of this subsidiary, which makes port at its state-of-the art facilities as well as other great quality wines.
GRANDS DOMAINES DU LITTORAL	This subsidiary manages vineyards and makes Châteaux and Domaines wines.

Marketing subsidiaries

VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GmbH VRANKEN POMMERY BENELUX CHARBAUT AMERICA Inc. VRANKEN POMMERY MONOPOLE U.K. Ltd VRANKEN-POMMERY SUISSE VRANKEN-POMMERY JAPAN VRANKEN POMMERY ITALIA VRANKEN-POMMERY AUSTRALIA	As the bridgeheads of our Group abroad, these subsidiaries all serve the development of sales of products marketed by the Group. The sometimes heavy investment in a subsidiary sees its return not only in the subsidiary's results, but also in the Group's exports to the country considered. The flexibility of this organisation makes it possible to adapt to the demands of the market considered.

Winegrowing subsidiaries

VRANKEN-POMMERY VIGNOBLES B.M.T. VIGNOBLES SAS LALLEMENT SAS DES VIGNOBLES VRANKEN	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 wine-growing activities in Portugal, including the vineyards of QUINTA DO GRIFO and QUINTA VEIGA REDONDA (Anibal).

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
VRANKEN-POMMERY MONOPOLE		Administrative services/ Brokering contract/Real estate rentals/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
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/ Winemaking/Winegrowing services/Grape & wine trading/ Guarantee fees
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 and wine trading/ Pressing/Winemaking/ Real estate leasing				Winegrowing services
SAS DES VIGNOBLES VRANKEN	Administrative services/ Cash/Tax consolidation	Grape and wine trading/ Pressing/Winemaking				Winegrowing services
SAS RENE LALLEMENT	Administrative services/ Cash/Tax consolidation	Grape and wine trading/ Pressing/Winemaking/ Real estate leasing				Winegrowing services
GV COURTAGE	Administrative services/ Cash/Tax consolidation/ VAT agreement	Fees				Personnel procurement
SC DOMAINE DU MONTCHENOIS	Administrative services/ Cash	Grape and wine trading/ Pressing/Winemaking				
SC DU PEQUIGNY	Administrative services/ Cash/Tax consolidation	Grape and wine trading/ Pressing/Winemaking				
SCI LES ANSINGES MONTAIGU	Administrative services/ Cash/Tax consolidation	Grape and wine trading/ Pressing/Winemaking/ Real estate leasing/ Farming leases				Winegrowing services
SCI DES VIGNES D'AMBRUYERE	Administrative services/ Cash/Tax consolidation	Real estate leasing				
GDL	Administrative services/Brokering contract/Receptions/Seminars/ Staff/Cash/Tax consolidation/VAT agreement	Storage and transport services		Brand licensing fees		Tours

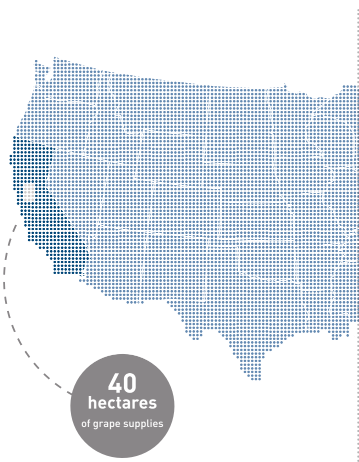
BMT	SAS DES VIGNOBLES VRANKEN	SAS RENE LALLEMENT	GV COURTAGE	SC DOMAINE DU MONTCHENOIS	SC DU PEQUIGNY	SCI LES ANSINGES MONTAIGU	SCI DES VIGNES D'AMBRUYERE	GDL
Administrative services/Cash/Tax consolidation	Administrative services/Cash/Tax consolidation	Administrative services/Cash/Tax consolidation	Administrative services/ Cash/Tax consolidation/ VAT agreement	Administrative services/Cash	Administrative services/Cash/Tax consolidation	Administrative services/Cash/Tax consolidation	Administrative services/Cash/Tax consolidation	Administrative services /Brokering contract/ Receptions/Seminars/Staff/ Cash/Tax consolidation/VAT agreement
Grape and wine trading/Pressing/ Winemaking/Real estate leasing	Grape and wine trading/Pressing/ Winemaking	Grape and wine trading/Pressing/ Winemaking/Real estate leasing	Fees	Grape and wine trading/Pressing/ Winemaking	Grape and wine trading/Pressing/ Winemaking	Grape and wine trading /Pressing/Winemaking /Real estate leasing/ Farming leases	Real estate leasing	Storage and transport services
								Brand licensing fees
Winegrowing services	Winegrowing services	Winegrowing services	Personnel procurement			Winegrowing services		Tours

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 Our vineyards

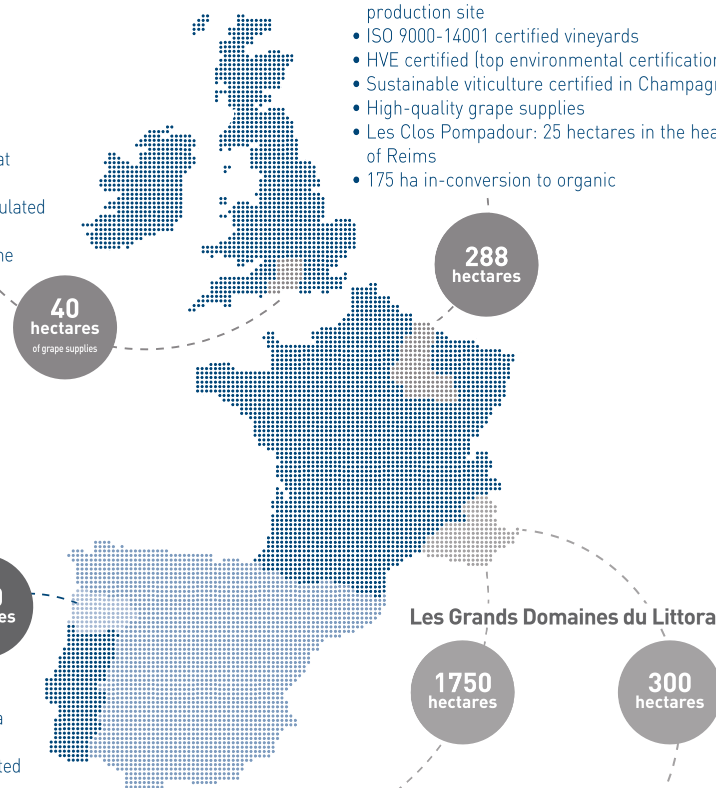


NAPA VALLEY
- Revolutionary encapsulated yeast method
- Traditional Champagne method

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 ha in-conversion to organic
- ISS FOOD

CHAMPAGNE
- 9001, 14001 and 22000 and ISS FOOD certified production site
- ISO 9000-14001 certified vineyards
- HVE certified (top environmental certification)
- Sustainable viticulture certified in Champagne
- High-quality grape supplies
- Les Clos Pompadour: 25 hectares in the heart of Reims
- 175 ha in-conversion to organic



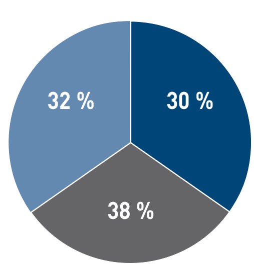
CAMARGUE
- All organic or in-conversion to organic
- Grenache (ungrafted vines)
- Night harvesting
- Natura 2000 site

PROVENCE
- All organic or in-conversion to organic
- Wine made from grapes from selected parcels
- Night harvesting when the grapes are flavourful

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

Champagne grape varieties planted

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

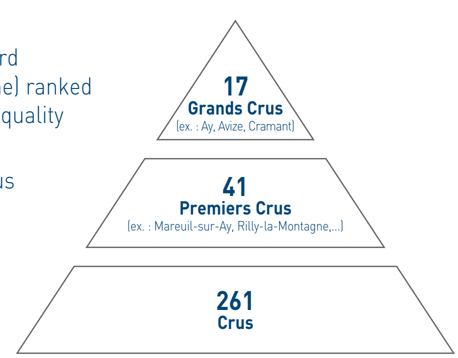


Chardonnay (mostly in the Côte des Blancs)
- freshness, acidity, liveliness

Pinot Noir (mostly in Montagne de Reims)
- round and sweet

What's in a cru?

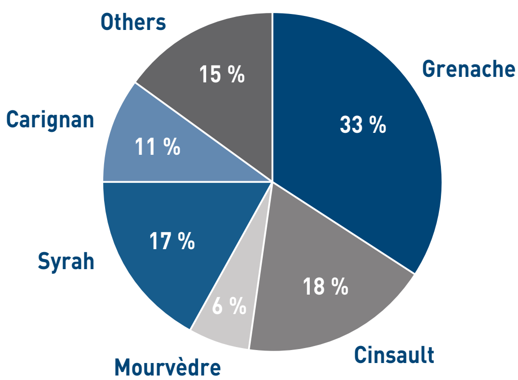
- A Cru is a vineyard (often a commune) ranked according to the quality of its terroir.
- There are 319 crus in Champagne.



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

Provence's vineyards cover 26,680 hectares and produce three 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

The Domaine Royal de Jarras is all organic. It is one of the largest organic wine-growing domaines 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 and rosé are made from dark-skinned grapes such as Grenache Noir and Cinsault and light-skinned grapes such as Grenache Gris
- Camargue also produces red and white wines;
- Some vineyards contain ungrafted vines, which are old vines that survived the phylloxera outbreak;
- Domaine Royal de Jarras vineyards are busy switching to "organic viticulture"

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 production

1.3.2.1 Winemaking

CHAMPAGNE

HARVESTING: Manual only, between August and September depending on the season.

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: Addition of the tirage liqueur to trigger the setting of bubbles in the bottle.

AGING: Brut Sans Année: at least 15 months. Vintage: three years at least. Constant temperature and humidity.

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

DISGORGEMENT: The deposit (dead yeast cells) 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) Short maceration (skin contact).

SETTLING: The 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: Crushed grapes are drained to obtain free-run and the must is then pressed using different pneumatic presses which apply gentler pressure (selection of the finest wines).

SETTLING: The 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: The wine is aged in stainless steel vats or wooden casks.
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.

VINS DE PORTO

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

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

FERMENTATION: Yeast turns sugar into alcohol.

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

All port winemaking 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:

RUBYS (fruity wines)	TAWNYS (oxidised wine)	BLANCS (dry to syrupy depending on duration of fermentation)
Aged in small oak casks	Aged in oak casks and glass bottles	Aged in stainless steel vats or small oak casks
Ruby: 3-5 years Ruby Réserve: 5 years at least Late Bottled Vintage ou LBV: single-year port aged for 4-6 years in cask and bottle LBV Unfiltered: unfiltered single-year port Vintage: single-year blend aged for 2-3 years in cask and bottle	Tawny: 3-5 years Tawny Réserve: 6 years at least Avec indication d'âge: 10, 20 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: 3-5 years Avec indications d'âge: 10, 20 or 40 years (average age of a multiple-year blend) Colheita: vintage

1.3.2.2 The Group's production facilities

REIMS WINERY IN CHAMPAGNE
Historical heritage of the 19th century

- Floor area: 10,000 m2 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 and Development department;
- A modern vat room integrated into traditional buildings with a capacity of 105000 hl.

Pommery champagne production site.

TOURS-SUR-MARNE WINERY
IN CHAMPAGNE

- Over 50,000 m² of fully automated high-tech equipment;
- Capacity: 25,000,000 bottles;
- World-class production equipment:
  - able to handle every stage of the champagne making process, 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;
  - ten production lines (two for disgorgement, two for tirage and six for all of the Group's brands);
  - about 6,500 m² of floor space dedicated to labelling and packaging of special bottles, such as Demoiselle, Diamant, etc.;
  - two vat rooms each with a capacity of over 101,000 hl.

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

AIGUES-MORTES WINERY
IN CAMARGUE

Domaine Royal de Jarras west of Aigues-Mortes
- Floor area: 15,000 m²;
- Production capacity: 10,000,000 bottles of rosé wines.

Domaine du Bosquet south of Aigues-Mortes
- Floor area: 10,000 m²;
- 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;
- 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)

- Floor area: 7,500 m²;
- Production capacity: 5,000,000 bottles of Porto and Douro wines.

Modern and efficient production tools
- Stainless steel vats and variously sized casks with a combined capacity of 44,000 hl;
- Able to handle the entire winemaking 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;
- Two 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 wines are made in the heart of the Douro Valley.

1.3.3 Research and development

The Group's R&D Department is headed by a Chief Innovation Officer and conducts applied research with a triple focus on research, development and innovation.

In 2018 the leading-edge research was assigned to a PhD researcher who reports to the Group's Cellar Masters and Vineyard Managers. Her duties include running ongoing trials according to research parameters set with the CEO and running multiyear research programmes. Working in a cross-disciplinary team, the Group's technicians, winemakers and agricultural engineers employ various 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, research institutes, technical centres and universities, the Group tracks the leading research in the industry and follows the latest scientific and technological developments. The Group's R&D strategy aims to keep its technological edge, adapt to climate change, find technical ways to speed up the shift to a zero-carbon economy, and more generally meet technical challenges as they occur in a process of continual improvement.

All R&D comes under the Group's Quality Policy with a view to guarantee customer satisfaction and food safety as well as continually improve processes and products. This strategy is also based on the implementation of a Hazard Analysis Critical Control Points (HACCP) approach under which risk analyses have been carried out in every Group entity. These analyses are followed up, expanded 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 2020 R&D focused on improving harvesting methods (BestQuali), using fewer sulphates (Sulfiless project), water stress (Neptune project) and biological pest control in viticulture as well as oenology. Research on biological pest control in viticulture led to the filing of two patents (Biogel project).

In late 2018 the Group opened a new three-year line of research when it joined a European consortium on artificial intelligence. (AI4DI project). The Group has submitted five areas of research for the CIR research tax credit.

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 Markets

VRANKEN-POMMERY MONOPOLE is active in three main markets:

- the Champagne market;
- the Port market;
- the Wine market.

Exports of French wines and spirits fell to €12.1 billion (-13.9%). This decrease was primarily the result American wine taxes, whose magnitude increased in spring with the spread of the Covid-19 pandemic. Against this backdrop, exports of wines and spirits were back to their level of 2016. Global revenue of French spirits fell by 19.4% to 3.8 billion, with volumes of 48.5 million crates (-8.4%). Wine revenue amounted to 8.2 billion (-11.3%), for 132 million crates (-5.1%).

"French wine and spirits exporters found the means to resources to cope with this particularly difficult situation. By fighting to preserve their positions, they are preparing the future and the recovery that we are hoping for in 2021" César Giron, Chairman of the French Federation of Wine and Spirits Exporters (FEVS).

	Volume*		Value	
	2020	Change (as a %)	2020 (in k€)	Change (as a %)
TOTAL WINES	**131 902 713**	**-5,1**	**8 243 062**	**-11,3**
of which Champagne	10 510 597	-17,0	2 466 694	-20,5
AOC still wines	54 578 046	-1,6	4 221 067	-8,0
IGP still wines	37 712 026	-6,0	839 697	-4,3
Others	20 078 849	-5,2	354 449	-2,65
TOTAL VERMOUTHS & ABV	**2 888 394**	**9,9**	**77 672**	**17,7**
TOTAL SPIRITS	**48 542 683**	**-8,4**	**3 756 437**	**-19,4**
TOTAL WINES & SPIRITS	**183 333 791**	**-5,8**	**12 077 172**	**-13,9**

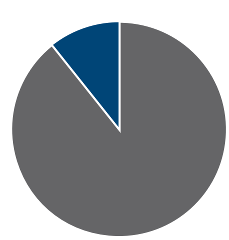
**Wines: cases of 12 bottles, i.e. 9L - Spirits: cases of 12 bottles, i.e. 8.4L at 40% vol.*

Source: 2020 Wine and Spirits Export Report - FEVS Press Release, FEBRUARY 11, 2021

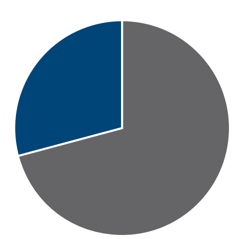
1.3.4.1 The Champagne market

A limited area:

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



The winegrowers operate 90% of the vineyard



The Maisons sell over 70% of all champagne

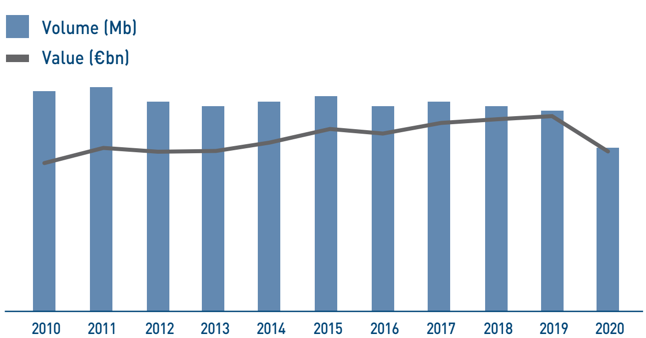
The Maisons de Champagne and their leading brands (Grandes Marques) account for nearly 75% of Champagne's total revenue. The organisation of the Champagne region can be seen as a unique model of success in the French wine industry. The principle of co-management of the segment by the winegrowers and the Champagne Maisons, 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 Interprofessionnel du Vin de Champagne (CIVC);
- lasting relations between players in the market, mostly based on long-term provisioning contracts (5 to 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.

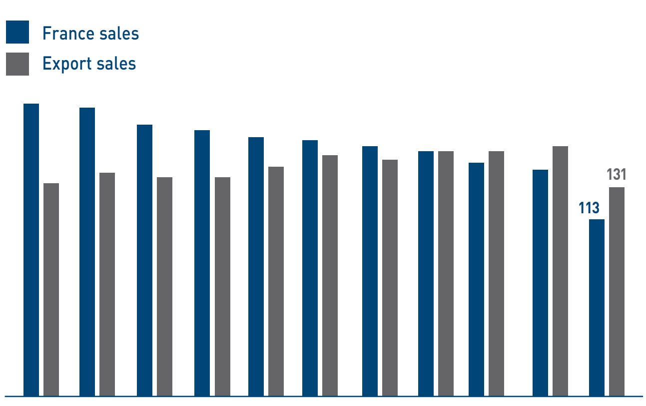
CIVC circular 1706 of 18 August 2020 was set at 8,000 kg of grapes per hectare, the yield available in the 2020 harvest, versus a yield available in 2019 in the Champagne appellation of 10,200 kg of grapes per hectare.

Champagne sales by volume and value in 2020:



**Source: Comité Champagne, March 2021.*

Champagne wine domestic and export sales in million bottles



**Source: Comité Champagne, March 2021.*

"Champagne, the symbol of happy moments, getting together and celebration, is particularly affected by the global economic crisis linked to Covid-19 and has suffered a historic drop in its shipments." CIVC, 18/08/2020

In 2020, Champagne shipments totalled 244.06 million bottles of champagne for a value of €4.2 billion (down 17.9% in volume and 16.7% in value) according to figures from the Comité Champagne.

In France : 113.2 million bottles for revenue of €1.6 billion (down 19.9% drop in volume and 17.9% in value).

For export: 130.8 million bottles for €2.5 billion (down 16.1% in volume and 15.9% in revenue).

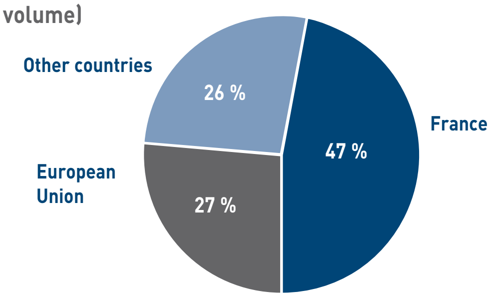
The three leading Champagne export markets also recorded a sharp decline this year: the United States (-20%), United Kingdom (-20%) and Japan (-28%). However, this decline was mitigated by the relative resilience of the traditional continental European markets: Belgium (-5%), Germany (-15%), Switzerland (-9%). It should be noted that the Australian market was up sharply by +14%. Overall, export markets combined fell by 16%.

"We have noted the results for 2020 and they are better than we expected! [...] Despite all this, there were still reasons celebrate around the globe". Jean-Marie Barillère, Chairman of the Union des Maisons de Champagne.

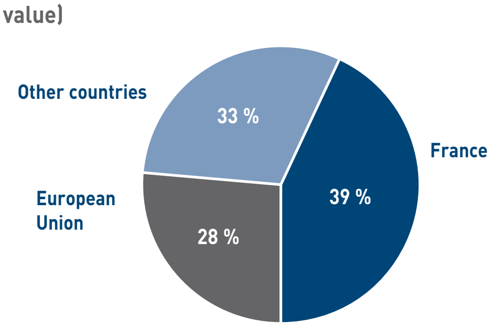
Source: CIVC and La Champagne by Sophie Clayes.

Champagne shipments in 2020 by market:

(by volume)



(by value)



Top ten export markets by volume and value:

Volume (million bottles)	
United Kingdom	21.265
United States	20.838
Japan	10.804
Germany	10.122
Belgium	8.995

Value (turnover in €bn)	
United States	501.855
United Kingdom	338.230
Japan	270.772
Germany	167.363
Italy	146.798

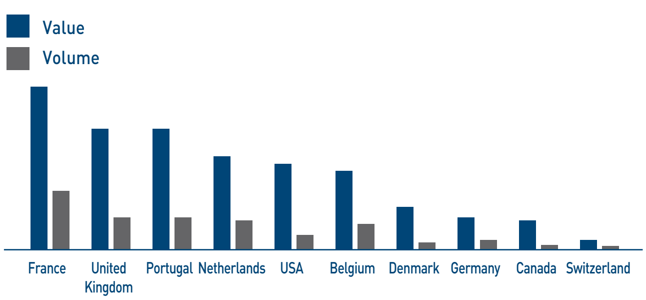
Source: Comité Champagne, Mars 2021

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 2020 sales reached over 91 million 750ml bottles, representing €339,656,439 in revenue.

France is the leading consumer and importer of port wines.

Port wine sales by value (€M) and volume (million bottles) In 2019:



**Source: Institut Mondial des Vins de Porto, 2021.*

1.3.4.3 The Wine market

Global consumption of rosé soared in the past seventeen years, with growth of 40% between 2002 and 2018.

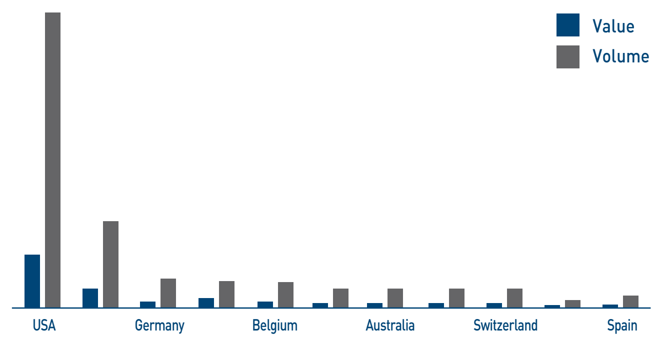
In 2018, rosé consumption reached 25.6 million hectolitres. This is the highest level ever recorded by the Observatoire Mondial du Rosé since its creation in 2002.

Provence Wines, despite a challenging year proved resilient on the market.

With shipments from cellars down only 6% over the year for rosé wines, Provence Wines managed to mitigate the impact from the restriction measures which affected several of its distribution channels. All together, the Provence Wine PDOs (protected designation of origin) sold 1,006,144 hectolitres of rosé wine in 2020, i.e. equivalent to more than 134 million bottles.

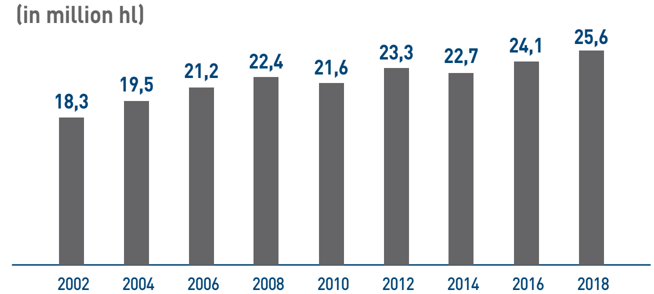
Sources: Observatoire Mondial du Rosé, 2020 and CIVP, 18 January 2021.

Global consumption of rosé wines:
Global rosé sales by million bottles and €m

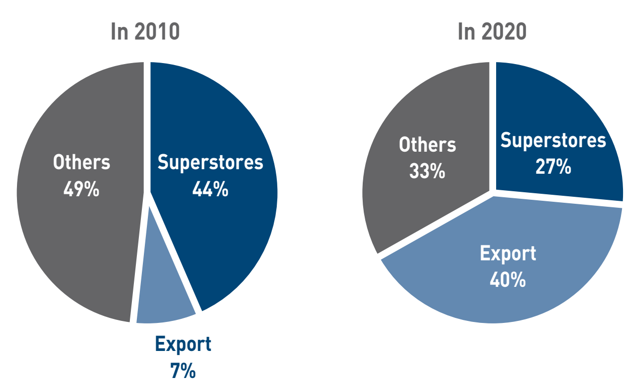


Source: Comité interprofessionnel des vins de Provence, 2021.

Global consumption of rosé wines in 2009-2018 (in million hl)



Source: Comité interprofessionnel des vins de Provence, 2020.



**Source: Comité interprofessionnel des vins de Provence.*

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 legacy brand established 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

Cuvée Louise - the free spirit by Pommery

Characteristics:

- Three Grands Crus: Avize, Aÿ, Cramant
- A work of art in honour of Madame Pommery
- Brut, Brut Nature or Brut Rosé
- A dedicated, listed and demarcated vineyard
- A single-year blend
- Cellar matured for 15 years
- Refined and elegant
- Tasting notes: spicy and floral notes, ripe white-fleshed fruit

Vranken Diamant - a cut above the rest

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
- Complex, elegant, generous
- Tasting notes: floral scents, fruity fragrance, sweet pastry on the tongue
- Matured for at least three years
- Bottle sizes ranging from Piccolo (187.5ml) to Jéroboam (3l)

Vranken Cuvée Demoiselle E.O. Brut, the aesthetic revolution of Champagne

Characteristics:

- A blend of mostly Chardonnay
- A flowery bottle design inspired by Art Nouveau
- Light and graceful
- Matured for at least three years
- Bottle sizes ranging from Piccolo (187.5ml) to Magnum (1.5l)
- Tasting notes: butter with notes of toast

Blue Top - the evergreen

Characteristics:

- Traditional blend: Chardonnay, Pinot Noir, Pinot Meunier
- A legacy brand founded in 1836
- An international following
- **Matured** for at least three years
- **The essence of Heidsieck & C° Monopole:** big, round, complex
- **Tasting notes:** peach, white flowers

Pink Flamingo Gris - the highflyer

Characteristics:

- A blend of Grenache and Cinsault
- **Gris wine (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

La Chapelle Gordonne - the pink patrician

Characteristics:

- A blend of Grenache, Cinsault and Syrah
- Côtes de Provence Pierrefeu PDO
- Born of a rare 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
- Fresh, subtle, sweet
- HVE (high environmental value) certified
- **Tasting notes:** pink grapefruit blossoms, lime, wild strawberry

Quinta Do Grifo - one of a kind

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

Late Bottled Vintage 2015 - the epicure

Characteristics:

- Established in 1855 by Ostende Rozès
- Made from high-quality A-rated vineyards
- Port: a gastronomical wine to discover, which is in harmonious accord with many salt or sugar dishes
- A "fruit" wine excellence, developed in the rules of the trade to release the wine's primary aromas
- The result of painstaking winegrowing and special ageing methods developed over time by the house

1.3.6 Distribution networks

VRANKEN-POMMERY MONOPOLE manages the distribution of all of the Group's products by means of broking contracts:

- the France Division handles the French on-trade and the European 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:

- The French on-trade (hospitality & catering)

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

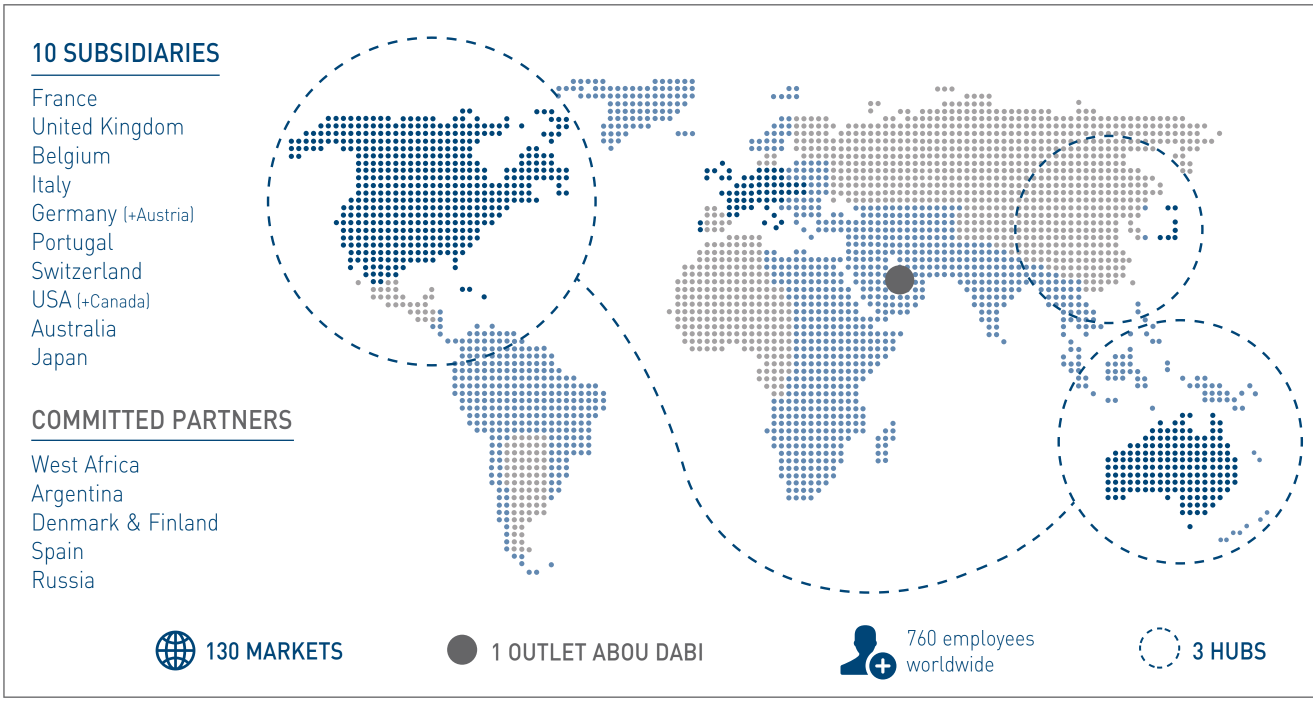
- The Off-Trade Network (Mass Distribution in Europe)

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.

- Exports

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, 60% of the Group's sales 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)

	2018	2019	2020
Export*	52 %	57 %	60 %
Off-Trade France	39 %	33 %	33 %
On-Trade France	9 %	10 %	7 %

**Including Duty Free France.*

Faced with the containment and curfew measures adopted in France and abroad throughout the 2020 financial year, the Group demonstrated its resilience by relying on its strong brands, the agility of its organisation and its historical presence in sales networks for home consumption.

The weight of exports increased again in 2020 to reach 60% of sales compared with 40% for France.

1.3.7 Competitive environment

Numbering about a hundred, the Maisons de Champagne represent:

- 68% of total revenue (excluding VAT from Champagne), i.e. €2.9 billion;
- 60% of the volumes shipped by Champagne, i.e. 146 million bottles;
- and over 85% of all 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 period as declared to the CIVC (may differ from revenue recorded in the financial statements)

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

Source: UMC, 2021

1.3.8 Strategy and outlook

The health crisis has accelerated the Group's strategic transformation from a product-oriented to a customer-oriented approach.

The measures undertaken concern the entire value creation chain from the vine to the end consumer.

- **Vineyards:** onversion to organic farming of the Champagne and Portuguese vineyards, following the conversion to organic farming of the Camargue and Provence vineyards;
- **Production:** implementation of a programme to improve industrial performance and the supply chain, notably in Champagne by refocusing industrial activities on the Tours-sur-Marne site;
- **Organisation:** overhaul of the IT organisation and acceleration of the digitisation of services;
- **Marketing:** trengthening digital communication by setting up a data service and investing in customer service;
- **Commercial:** development of an e-commerce site, shelving of "gift products", expansion of the wine tourism offer by opening Château La Gordonne in Provence to the public as soon as health conditions allow.

All of these measures will enable the Group to return to growth as of 2021, growth that should however remain moderate due to the persistence of the pandemic.

The world has now learned to live with the Covid-19 virus, and the success of the vaccination campaigns should make it possible to return to a "normal" life and thus regain moments of conviviality. This outlook should be favourable to the development of the Group, which relies on a large portfolio of brands, its international sales network and a reinforced proximity to the end consumer.

In this context, the Group is targeting revenue growth of around 5% in 2021.

1.4 Information on the share capital

1.4.1 Share Capital

The share capital of VRANKEN-POMMERY MONOPOLE at 31 December 2020 came to €134,056,275, divided into 8,937,085 shares fully paid up and of a nominal value of €15 each.

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

At 31 December 2020 the share capital comprised 6,486,571 shares with double voting rights and 2,393,061 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 exercising voting rights and transferring shares or contract clauses brought to the attention of the Company under 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 holdings in the Company's capital pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code

By virtue of the Company's Articles of Association, in addition to the legal provisions applicable in such matters, any Shareholder holding a fraction of at least 2.5% of the share capital or voting rights in the Company, or any multiple of this percentage, must inform the Company of their position.

The information must be communicated to the Company within fifteen days by registered letter with acknowledgement of receipt sent to the head office.

The reporting obligation also applies when each threshold is crossed downwards by a fraction of at least 2.5% of the capital or voting rights.

In the event of failure to declare the crossing of thresholds under the aforementioned conditions, the shares or voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at Shareholders' Meetings, if the failure to declare has been identified and if one or more shareholders holding at least 5% of the share capital so request.

This provision applies until the threshold crossed is equal to or greater than 35% without prejudice to the provisions of Article L. 233-7 of the French Commercial Code.

However, since COMPAGNIE VRANKEN owns 70.93% of its share capital, as things stand the Company is protected from any risk of a hostile takeover.

VRANKEN-POMMERY MONOPOLE has not received any declaration of threshold crossing during the financial year ended 31 December 2020. 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.

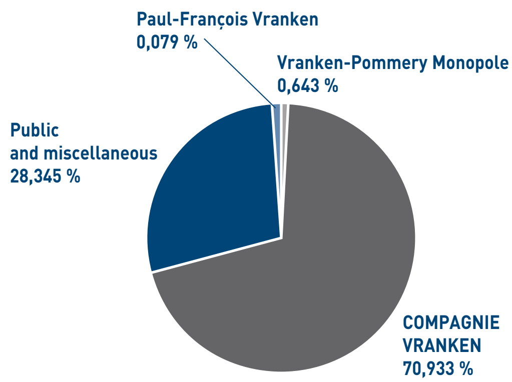
1.4.6 History of the share capital

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	15,24 €	3.613.041,71 €	237.000
	- 2nd capital increase by incorporation of contribution premiums and raising of the par value	41,92 €	9.935.864,70 €	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	97,57 €	23.643.208,32 €	242.327
	- 2nd capital increase by incorporation of contribution premiums and raising of the par value	100,01 €	24.234.288,53 €	242.327
17/11/1997	- 1st capital increase by contribution in kind and issue of 16,973 new shares	100,01 €	25.931.699,80 €	259.300
	- 2nd capital increase by incorporation of contribution premium and reserves	114,33 €	29.647.522,62 €	259.300
	- Lowering of par value through a 10-1 stock split	11,43 €	29.647.522,62 €	2.593.000
14/04/1998	Capital increase by contribution in cash and issue of 947,370 new shares following the Company's stock market listing	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

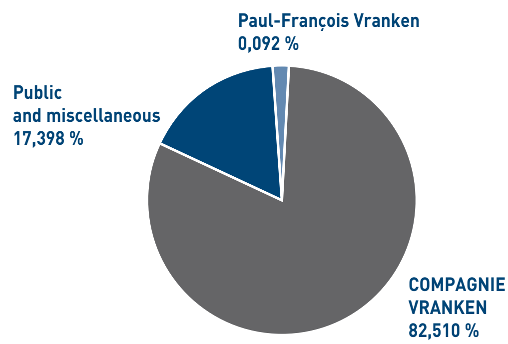
1.5 Shareholding

1.5.1 Breakdown of the share capital and voting rights at 31 December 2020

% of share capital:



% of total voting rights:



	As at 31/12/2020			As at 31/12/2019			As at 31/12/2018		
	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 %	82,510 %	6.339.306	70,933 %	82,528 %	6.339.306	70,933 %	82,528 %
Public and miscellaneous	2.533.226	28,345 %	17,398 %	2.528.689	28,294 %	17,379 %	2.529.657	28,305 %	17,380 %
VRANKEN-POMMERY MONOPOLE	57.453	0,643 %		61.990	0,694 %		61.022	0,683 %	
TOTAL	**8.937.085**	**100,00 %**	**100,00 %**	**8.937.085**	**100,00 %**	**100,00 %**	**8.937.085**	**100,00 %**	**100,00 %**

(*) Shares held in registered form.
(**) As of 31 December 2020 Paul-François Vranken directly owned 99.99% of the holding company COMPAGNIE VRANKEN.

Changes in the breakdown of the share capital in 2020:

	Start of the financial year	Reclassification single votes, double votes	Created	End of the financial year
Ordinary shares	2 449 542	972	0	2 450 514
Shares with double voting rights	6 487 543	-972	0	6 486 571
	8 937 085	**0**	**0**	**8 937 085**

No other significant change occurred in the Company's share capital distribution during the financial year ended 31 December 2020.

1.5.2 Employee stock ownership

At 31 December 2020 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 4 June 2020, voting under its sixth resolution and renewing ahead of time the programme approved at the Annual Ordinary General Meeting of 5 June 2019, 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 3 December 2021;
- Maximum purchase price per share: €37.5 (thirty-seven euros and fifty cents) excluding costs;
- Ceiling: 10% of the share capital.

Share buybacks were aimed at stabilising the share price and were carried out by an investment services firm. Accordingly, a liquidity contract (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 2020 and as from 5 June 2020, the day following the General Meeting that renewed the programme for another eighteen months, the Company carried out the following operations in this regard:

Number of shares purchased	**37 549**
Average purchase price	15,64 €
Number of shares sold	42 086
Average selling price	**15,66 €**

At 31 December 2020, the Company owned 57,453 treasury shares (including 14,086 under the liquidity contract and 43,367 under the custody contract (custody of securities accounts)), for an overall value, at the stock market price, of €844.559,10, at a rate of €14,70 per share.

KEPLER was paid €30,000.

Information on the use of the purchase programme during the period from 1 January to 31 December 2020:

Number of shares registered in the Company's name at 31/12/2019	**61 990**
Number of shares purchased during FY 2020	37 549
Average price of shares repurchased in 2020	15,64 €
Number of shares sold during FY 2020	42 086
Average price of shares sold in 2020	15,66 €
Number of shares registered in the Company's name at 31/12/2020	**57 453**
Under the liquidity contract:	14 086
Under the custody contract (custody of security accounts)	43 367
Overall value	844.559,10 €
Value per share	14,70 €
Percentage of share capital held by the Company at 31/12/2020	**0,643 %**

	EURONEXT PARIS Eurolist Compartment B
Trading daily averages in 2020	
Number of shares	2 838
Average weighted share price	14,94 €
Highest and lowest share price	
High	20,60 €
Low	12,10 €
Price at the end of the year	**14,70 €**

Share buyback programme

The shareholders will be asked:

- to end the current share buyback programme approved by the Combined Ordinary and Extraordinary Annual General Meeting of 4 June 2020;
  - 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, related to European regulations, the French Monetary and Financial Code, the General Regulations of the French Financial Markets Authority (AMF) and market practices permitted by the AMF, to authorise the Board of Directors to purchase the Company's shares on the stock exchange, with the following objectives, in 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 contract,

- 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 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,
- 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 4 June 2020, to reduce the share capital by cancelling treasury shares, a delegation which is being renewed today,
- 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 nominal value of the share, a capital increase by incorporation of reserves and allocation of free 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 53,804 treasury shares held at 22 March 2021, the maximum number of shares that VRANKEN-POMMERY MONOPOLE could acquire is 786,100 shares for a maximum amount of €29,578,750;

• to set the maximum theoretical amount to repurchase shares under the share buyback programme at €31,359,563, or 10% of the share capital, without affecting the 57,453 treasury shares held at 31 December 2020;

• 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 derivative instruments 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 French Financial Markets Authority and other bodies,
  - complete all other formalities, and generally, do whatever is necessary;

• this authorisation is granted for a period of 18 months from the date of this Ordinary Annual General Meeting, i.e. until 2 December 2022.

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 this report has been subject to the legal and regulatory disclosures and was filed with the AMF.

Equity acquisitions and strengthening of existing shareholdings

In accordance with the law, we inform you that HDC, a wholly-owned subsidiary of the Company, was absorbed by VRANKEN-POMMERY PRODUCTION another wholly-owned subsidiary of the Company, under the simplified merger regime on 21 December 2020, with a retroactive tax effect as of 1 January 2020.

We also inform you that the Company's stake in L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE rose from 26.04% in 2019 to 17.57%, as a result of the capital increase to bring the share capital from €58,449.50 to €86,623, through the creation of 335 shares with a par value of €84.10 each, issued at par, without a share premium and without preferential subscription rights for an identified person, who is not a Company Shareholder, namely COMPAGNIE VRANKEN.

The Company has decided to increase the share capital of CHARBAUT AMERICA Inc in the amount of $9,200,000 through the netting of the Company's associates' current account in the subsidiary's books, which remains wholly-owned by the Company.

Lastly, we inform that the Company's stake in ROZES remained unchanged at 99.99% despite two capital reductions in the latter, one of which resulted from the cancellation of treasury shares held by ROSES in the amount of €1 million, and the second as a result of the repayment of contributions in the amount of €0.9 million. These capital reductions were immediately offset by a capital increase through the incorporation of reserves to maintain ROZÈS's share capital at €15 million.

Through the repayments of capital contributions from the ROZÈS, the Company purchased all the shares issued under the capital increase of GRIFO for an amount of €0.9 million. GRIFO remains wholly-owned by the Company.

When its foreign subsidiaries sold their interests in VPL, the Company sold its own 62% interest in the share capital of the said company, as such interest had become irrelevant.

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 2020.

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 codes: ISIN FR0000062796 and ISIN NSCBE0002798.

During the financial year ended 31 December 2020, 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.

Date	Volumes	Equity (in €)	Average price (in €)	Highest price (in €)	Lowest price (in €)
January 2020	50.235	986.986,65	19,7398	20,60	18,50
February 2020	100.592	1.877.945,20	18,6988	20,40	17,55
March 2020	51.705	853.339,15	16,8083	19,90	12,10
April 2020	68.147	946.363,00	14,1792	14,55	12,40
May 2020	35.337	484.001,40	13,8425	14,45	13,20
June 2020	110.345	1.519.376,45	13,7023	14,30	13,00
July 2020	30.522	405.253,15	13,03087	13,70	13,00
August 2020	44.954	603.606,70	13,3571	14,00	13,00
September 2020	31.535	442.299,15	14,0193	14,45	13,60
October 2020	36.565	484.338,75	13,3511	13,80	13,00
November 2020	85.609	1.236.646,05	14,1774	15,50	13,10
Décember 2020	41.669	622.593,40	14,9205	15,45	14,30

2

CORPORATE GOVERNANCE

2.1 Corporate Governance Procedures

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

As in the past, the Company continues to refer voluntarily to the September 2016 MiddleNext Code of corporate governance for mid- and small-cap companies (the "MiddleNext Code") as a 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.
The Company has reviewed the recommendations of the MiddleNext report and adheres to most of them, but some are ill-suited to the Company's structure, in particular in equity terms.
All recommendations and justification for respect are thus summarised in the following table:

MiddleNext Code recommendations	Total	Partial Compliance	Non-Compliance	Explanations
R1 : Board member ethics	x			3.1
R2 : Conflicts of interest	x			3.1
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 : Organising Board meetings		x		3.5, 3.6
R6 : Setting up committees	x			3.4
R7 : Setting up Internal Rules		x		3.2 The Board's Internal Rules do not currently include the following two sections: • Ways and means of protection of executive management: civil liability insurance for corporate officers (RCMS); • The issue of the succession plan of "executives" and key individuals.
R8 : Choice of each Director	x			2.1.4
R9 : Term of Board members	x			2.1.3
R10 : Director's compensation	x			2.3
R11 : Setting up an assessment of the Board's work		x		3.6
R12 : 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.
R13 : Determination and transparency of compensation of executive corporate officers	x			2.3
R14 : Preparing for "Executive" succession	x			V
R15 : Employment contract and corporate duties	x			2.4.3
R16 : Retirement indemnities	x			2.4
R17 : Additional retirement plans	x			2.4
R18 : Stock options and allocation of free shares	x			2.4
R19 : Review of points of vigilance	x			

2.1.2 Terms and conditions for the exercise of General Management pursuant to Article L. 225-51-1 of the French Commercial Code

The Board of Directors decided, at the Board of Directors' meeting of 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.

Thus, the Company's General Management is assumed under his responsibility by the Chairman of the Board, as this option was taken 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

As at 31 December 2020, the Board of Directors was composed of the following members:

	Gender	First appointment	End of term of office	Number of shares	Independent Dir.	Members of the Audit Committee	Family ties
Paul-François VRANKEN Chairman and Chief Executive Officer		1988	2022	7.100			Spouse of Nathalie VRANKEN and father of Maïlys VRANKEN-THIERRY and Pauline VRANKEN
Hervé LADOUCE Director, Deputy Chief Executive Officer		2014	2021	10			
Nathalie VRANKEN Director		2010	2022	7			Spouse of Paul-François VRANKEN Chairman and Chief Executive Officer and mother of Pauline VRANKEN
Maïlys VRANKEN-THIERRY Director		2009	2021	10		Member	Daughter of Paul-François VRANKEN, Chairman and Chief Executive Officer
Jacqueline FRANJOU Director		2011	2022	5	Yes	Member	
Anne-Marie POIVRE Director		2016	2022	5	Yes	Chairwoman	
Pauline VRANKEN Director		2017	2023	10			Daughter of Paul-François VRANKEN, Chairman and Chief Executive Officer and Nathalie VRANKEN
Michel FORET Director		2015	2021	5	Yes		
Dominique PICHART Director		1997	2022	1.311			
Thierry GASCO Director		2012	2023	50			
Pierre GAUTHIER Director		2014	2022	10	Yes	Member	

- **Directors appointed by employees:** none.
- **Directors exercising a management function in the Company or in the Group:** 6

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

Independence rate: 36,36 %.

Average age of Directors: 59 years.

Average term: 11,64 years.

45 % 55 %

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 should be noted that in 2020 VRANKEN-POMMERY MONOPOLE and COMPAGNIE VRANKEN, the main shareholder of VRANKEN-POMMERY MONOPOLE, chaired by Paul-François Vranken, who is also Chairman and Chief Executive Officer of VRANKEN-POMMERY MONOPOLE, entered into a strategy and services agreement.

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' offices

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 (formerly SCEV 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 (formerly known as SCEV 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. (Portugal)
- Chairman of the Board of Directors and Director of QUINTA DO GRIFO (Portugal)
- Chairman and Director of VRANKEN-POMMERY BENELUX (Belgium)
- Co-Manager of VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GMBH (Germany)
- Chairman of the Board, Director of CHARBAUT AMERICA (USA)
- Director of VRANKEN-POMMERY JAPAN (Japan)
- Chairman, Director of VRANKEN-POMMERY ITALIA (Italy)
- Director of VRANKEN-POMMERY AUSTRALIA (Australia)
- Director of VRANKEN-POMMERY UK Ltd (England)

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

Hervé LADOUCE
Born 10 March 1972
French national
Number of shares held: 10

Main position: Deputy Chief Executive Officer for Coordination of Production and Trading of VRANKEN-POMMERY MONOPOLE
Production Manager of the VRANKEN-POMMERY MONOPOLE Group

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

Hervé Ladouce joined the Group on 1 October 1999 as Manager of Coordination and Production and was appointed Group Industrial Director and Chief Executive Officer of VRANKEN-POMMERY PRODUCTION in 2012.
He has also served as a Company Director since 2014 and as Deputy CEO for Coordination of Production and Trading since 2017.

Other offices and positions held within the VRANKEN-POMMERY MONOPOLE Group:
- Chief Executive Officer, Director of VRANKEN-POMMERY PRODUCTION
- Industrial Director of VRANKEN-POMMERY PRODUCTION
- Director of GRANDS DOMAINES DU LITTORAL

Hervé Ladouce resigned for personal reasons from all his offices within the Group, effective 11 January 2021.

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

Main position: 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

Managing Director for Art and Patronage

Other offices and positions within the VRANKEN-POMMERY MONOPOLE Group:
- 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 (Australia)
- Permanent representative of VRANKEN-POMMERY MONOPOLE, Director of VRANKEN-POMMERY BENELUX
- Chairwoman of AUBERGE FRANC COMTOISE
- Director of QUINTA DO GRIFO

Other offices and positions outside the Group:
- Chief Executive Officer of COMPAGNIE VRANKEN
- Manager of NICO S.A.R.L.
- Chief Executive Officer of SAS PFV
- Chief Executive Officer of HENRY VASNIER
- Chief Executive Officer of SAS LA CROIX MAGNE (formerly G.F.A. DES VIGNOBLES VRANKEN)
- Co-Manager of S.C.I. DES CASTAIGNES
- Co-Manager of SCI PARIS-CHAMPAGNE
- Co-Manager of SCI MOON
- Co-Manager of S.C.I. PAULINE
- Co-Manager of S.C.I. LE MOULIN DE LA HOUSSE
- Co-Manager of the S.C.I. DES GLYCINES
- Co-Manager of SCI SUMMERTIME
- Co-Manager of SCI WINTERTIME

Maïlys 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

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.
Anne-Marie POIVRE Born 18 September 1952 French national Number of shares held: 5	Chairwoman of the Audit Committee Anne-Marie Poivre served as Director, Champagne Department at Caisse d'Epargne Lorraine Champagne-Ardenne.
Pauline VRANKEN Born on 1 July 1999 French national Number of shares held: 10	Student 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.
Michel FORET Born 19 April 1948 Belgian national Number of shares held: 5	Michel Foret is Honorary Governor of the Province of Liège. 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 received a Silver Medal from the Province of Liège. Other offices and positions within the VRANKEN-POMMERY MONOPOLE Group: - Director of VRANKEN-POMMERY BENELUX.
Dominique PICHART Born 12 March 1959 French national Number of shares held: 1,311	Main position: First and current Maison Vranken Cellar Master Business address: 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2 Other offices and positions within the VRANKEN-POMMERY MONOPOLE Group: - Director and Deputy Chief Executive Officer of VRANKEN-POMMERY PRODUCTION - Cellar Master of VRANKEN-POMMERY PRODUCTION - Chairman of VRANKEN-POMMERY VIGNOBLES - Permanent representative of VRANKEN-POMMERY VIGNOBLES, Chairman of BMT VIGNOBLES Other offices and positions outside the Group: - Chairman and CEO of SICA L'ESSOR CHAMPENOIS

Thierry GASCO Born on 6 October 1952 French national Number of shares held: 50	International WineMaker Former Cellar Master of Maison Pommery Former Chairman of the Oenologists of Champagne Former Chairman of the Oenologists of France <u>Business address:</u> 5, place Général Gouraud - B.P. 1049 – 51689 REIMS CEDEX 2 <u>Other offices and positions held outside the Group:</u> - Chairman of TG VINS CONSEIL
Pierre GAUTHIER Born 24 February 1954 French national Number of shares held: 10	Member of the Audit Committee Former Chairman of SAS SERVIN - La Route des Vins Marseille, Former Sales and Marketing Manager for the TRAMIER, REMY PANNIER and CRESPO Groups. <u>Other offices and positions held outside the Group:</u> - Manager of CLAPIE HOLDING

• Resignation of Directors

We inform you that during the 2020 financial year, Christian Germain resigned from his duties as Director for personal reasons, effective 10 December 2020.

In addition, 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.

• Diversity policy applicable to Board Members

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

Moreover, in accordance with the law in force, 40% of the members of the Board of Directors, i.e. four Directors out of 10, are independent. These are Jacqueline Franjou, Anne-Marie Poivre, Michel Foret and Pierre Gauthier.

The notion of independent member is the one retained 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 relation that might alter the 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. 22-10-5 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 3 June 2021

During its meeting of 3 June 2021, the General Meeting will be asked to state its position on:

- the reappointment of Maïlys Vranken and Michel Foret for a period of three financial years.

Maïlys VRANKEN
Director
42 years
French national
First appointment in 2009
Term of office expires: General Meeting in 2021
VPM shares: 10

Maïlys Vranken graduated from The American University of Paris in 2004 with a Bachelor of Arts in International Business Administration. She began her career as Financial Controller within the VRANKEN-POMMERY MONOPOLE Group.

She was seconded to the Belgian subsidiary between 2005 and 2006. She was then appointed Head of On Trade/Prestige Key Accounts from 2006 to 2008. Maïlys Vranken then held the position of On Trade Financial Controller, France of VRANKEN-POMMERY MONOPOLE between 2008 and 2012.

In 2009, Maïlys Vranken joined the Company's Board of Directors.

Since 2012, she has been Chairwoman of the American subsidiary CHARBAUT AMERICA Inc.

She has been a Company Board Member for nearly 12 years and Chairwoman of the American subsidiary CHARBAUT AMERICA Inc for approximately nine years. Her extensive expertise in management and operations are key assets for the governance body and enable to fuel the Board's work through her in-depth knowledge and understanding of the Company and the Group as a whole.

Maïlys Vranken has also been a member of the Audit Committee since 2010 and is fully involved in the work entrusted to her.

Lastly, in 2020, the attendance rate of Maïlys Vranken at Board meetings was 100%.

Michel FORET
Director
73 years
Belgian national
First appointment in 2015
Term of office expires: General Meeting in 2021
VPM shares: 5

Michel Foret, PhD student in law and graduate in computer science from IESN, is a Belgian politician.

Michel Foret was a corporate executive at Mechim SA, then Sogep SA and Sybetra between 1971 and 1981 and Director-Manager of SA Exporter. Until the end of the nineties, he was also director representing the Belgian State within the public limited company BELFIN, mainly responsible for managing the debts of the past of the Belgian steel sector. He is currently Chairman of the non-profit association "Le Grand Liège", an institution that aims to contribute to the economic and intellectual development of Liège and, more generally, of Wallonia.

Member of Parliament and then Senator, Michel Foret was Wallon Minister for Land-Use Planning, Urbanism and the Environment from 1999 to 2004 and then Governor of the Province of Liège from 2004 to 2015.

Member of the Board of Directors of the Company since 2015, Michel Foret brings to this governance body his experience in economic strategy and his perfect knowledge of the Belgian market.

Lastly, in 2020, the attendance rate at the Board meetings of Michel Foret was 100%.

2.2.3 Board functioning, Conditions for preparing and organising 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.

Moreover, the Directors' attention is drawn in these meetings to the confidential nature of the information communicated with respect to the markets.

Beyond this precautionary measure, Directors are informed and agree to comply with the legal provisions prohibiting or restricting their participation in transactions on the securities of companies for which they have information not yet rendered 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 asked to inform the Board of Directors, at least once per year, of all the terms held by each of them.

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 a decision of the Board of Directors at its meeting of 30 March 2020 and applicable from 4 June 2020.

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 of Directors meeting, and whenever necessary, the Chairman makes its members aware of the main facts and significant events concerning the life of the Group which have occurred since the previous Board meeting.

In this case of 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, to 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;

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

These documents are available on the VRANKEN-POMMERY MONOPOLE website.

D. Committees

• Setting up 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, the characteristics of which are detailed hereafter.

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, and notably, when necessary, an Appointments and Compensation Committee or 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;
- Maïlys 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 fields of the VRANKEN-POMMERY MONOPOLE Group's entities);
- the process to prepare de financial statements (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 in the framework of approving the annual financial statements and the review of 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 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 2020, with an attendance and representation rate of 100% during the year.

	Committee meetings	Attendance rate
2020	4	100 %
2019	4	100 %

E. Meetings

• Convening Directors

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, half-yearly and the 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 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. 22-10-12 of the French Commercial Code.

Moreover, Article L. 22-10-12 of the French Commercial Code, modified by the Ordinance 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 members present or represented nearing to 95% during 2020, 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 of Directors 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 2020.

• 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 2020, your Board of Directors met seven times.

The Board meetings were held on 30 March 2020, 15 April 2020, 4 June 2020, 27 July 2020, 10 September 2020, 19 October 2020 and 21 December 2020.

	Board meetings	Attendance rate
2020	7	95 %
2019	9	92 %

• Board meeting minutes

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.

To address the requirements of Board Members, as noted following the Board's self-assessment carried out during the 2019 financial year, it was proposed to implement the "All Ambassadors" initiative based on two focus areas:

- A better understanding of the extensive variety and reach Group's product range;
- A tangible and direct contribution to the development of the Group of Directors with the creation of panels of experts in the areas of innovation, social, societal and environmental responsibility, institutional relations, partnerships and brand promotion.

An expert director would be responsible for a given subject and the Group would appoint a coordinator for the Board's work tasked with:

• putting the Director in touch with the appropriate Group departments;

• organising feedback to the Board (calendar, agenda, presentations).

Based on the report prepared by Anne-Marie Poivre regarding the evolution of the situation a year later, the Board, at its meeting of 21 December 2020, unanimously decided that it was not necessary to carry out a survey for 2020, as the actions undertaken were deemed satisfactory.

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 members of the Administrative, Management and Supervisory bodies to the Company or to any of its subsidiaries

In 2019, VRANKEN-POMMERY MONOPOLE and COMPAGNIE VRANKEN entered into a strategy and services agreement, amended through an addendum dated 16 December 2019, in accordance with which COMPAGNIE VRANKEN provides the Company with assistance in management, financial auditing and general business administration, notably:

- promotion of all the companies that comprise the Group;
- 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;
- financial control,
- financial control and 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, with its amendment being authorised by the Board of Directors on 16 December 2019.

All staff 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) of all the positions concerned by said mission, per a distribution grid appended to the agreement, increased by 5% to cover the structural costs attached to said positions. 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 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 2020 financial year has been prepared and is fully set out in the Appendix to this Universal Registration Document.

2.3 Compensation of executives and members of the Board of Directors

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

• Overview 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 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:

- fixed compensation of €1,000 per year for each Director who is a member of the Audit Committee;
- 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 the 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

During its meeting of 29 March 2021, the Board of Directors decided, subject to approval by the General Meeting of its policy, to keep the amount of the Directors' compensation at €75,000, an amount that has been the same since 2018.

• 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 of compensation of executives

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the General Meeting approving the financial statements closed on 31 December 2020 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 office.

In addition, based on this report approved by the Board of Directors meeting of 29 March 2021, 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, and for the Deputy Chief Executive Officer in respect of the 2021 financial year.

Neither of the two executive corporate officers — Paul-François Vranken, Chairman and Chief Executive Officer, or Hervé Ladouce, Deputy CEO of the Company — has an employment contract with 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.

This 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 offices 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 2020.

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

Hervé Ladouce's annual fixed compensation was €15,000 in 2020.

The annual fixed compensation of the Deputy Chief Executive Officer has not changed since the decision by the Board of Directors of 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) receives variable compensation, nor is either of them eligible for the Profit-Sharing Agreement, benefits in kind, stock options or performance shares, severance pay, private unemployment insurance, a collective and regulated additional pension plan or additional health and death and disability insurance in respect of their offices of Chairman and Chief Executive Officer and Deputy Chief Executive Officer.

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

Nevertheless, Paul-François Vranken and Hervé Ladouce receive compensation in respect of the offices they hold 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 2021

During its meeting of 29 March 2021, the Board of Directors decided to continue this same compensation policy for 2021 and thus to:

- maintain the amount of the annual fixed compensation of Paul-François Vranken, Chairman and Chief Executive Officer of the Company, at €18,000, an amount which has not changed since 2006;
- maintain the amount, on prorated basis of €15,000, the annual fixed compensation, which has not changed since 2017, of Hervé Ladouce, Deputy Chief Executive Officer, at €443.55 calculated for the eleven days of his term of office in 2021.

2.3.2 Equity ratio between the levels of compensation of the executive corporate officers and the mean and median compensation of Company employees

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 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' wages) 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 for 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 ompensation and benefits paid to corporate officers

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

Executive's name and position	Year ended 31/12/2018 Amount due (1)	Amount paid (2)	Year ended 31/12/2019 Amount due (1)	Amount paid (2)	Year ended 31/12/2020 Amount due (1)	Amount paid (2)
Paul-François VRANKEN, *Chairman and Chief Executive Officer*						
Total fixed gross compensation*	613 405,18 €	613 405,18 €	622 865,50 €	622 865,50 €	620 879,67 €	620 879,67 €
Total variable gross compensation	-	-	-	-	-	-
Total gross exceptional compensation	-	-	-	-	-	-
Directors' compensation	12 462,23 €	13 380,62 €	11 121,37 €	12 462,23 €	12 467,00 €	11 121,37 €
Benefits in kind	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €	1 792,44 €
Gross TOTAL	**627 659,85 €**	**628 578,24 €**	**635 909,32 €**	**637 120,17 €**	**635 523,73 €**	**633 793,48 €**
Hervé LADOUCE, *Deputy Chief Executive Officer*						
Total fixed gross compensation**	206 157,58 €	206 157,58 €	213 166,91 €	213 166,91 €	212 350,62 €	212 350,62 €
Total variable gross compensation**	-	1 033,15 €	-	453,19 €	-	294,52 €
Total gross exceptional compensation	40 000,00 €	40 000,00 €	-	40 000,00 €	-	40 000,00 €
Directors' compensation	12 462,23 €	11 072,94 €	11 121,37 €	12 462,23 €	11 118,90 €	11 121,37 €
Benefits in kind	3 521,40 €	3 521,40 €	3 411,52 €	3 411,52 €	4 058,90 €	4 058,90 €
Gross TOTAL	**262 141,21 €**	**261 785,07 €**	**228 878,69 €**	**269 493,85 €**	**267 913,04 €**	**267 825,41 €**

(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.
** Paul-François Vranken's compensation includes the compensation he receives from COMPAGNIE VRANKEN, the company that controls the Company.*
*** Hervé Ladouce's compensation for his VRANKEN-POMMERY PRODUCTION office was included in fixed compensation.*

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

Non-executive corporate office	Amounts paid in FY 2018	Amounts paid in FY 2019	Amounts paid in FY 2020
Nathalie VRANKEN			
Directors' compensation	10 699,87 €	11 098,59 €	9 871,37 €
Other gross compensation	142 896,18 €**	145 942,75 €	145 942,76 €
Gross TOTAL	**153 596,05 €**	**157 041,34 €**	**155 814,13 €**
Maïlys VRANKEN-THIERRY			
Directors' compensation	6 084,51 €	6 070,42 €	6 958,33 €
Other gross compensation	92 386,84 €	91 350,12 €	120 142,56 €
Gross TOTAL	**98 471,35 €**	**97 420,54 €**	**127 100,89 €**
Jacqueline FRANJOU			
Directors' compensation	3 042,25 €	7 098,59 €	6 458,33 €
Other gross compensation	-	-	-
Gross TOTAL	**3 042,25 €**	**7 098,59 €**	**6 458,33 €**
Anne-Marie POIVRE			
Directors' compensation	7 098,59 €	7 084,51 €	6 958,33 €
Other gross compensation	-	-	-
Gross TOTAL	**7 098,59 €**	**7 084,51 €**	**6 958,33 €**
Pauline VRANKEN			
Directors' compensation	3 042,25 €	1 014,08 €	5 958,33 €
Other gross compensation	-	-	-
Gross TOTAL	**3 042,25 €**	**1 014,08 €**	**5 958,33 €**
Michel FORET			
Directors' compensation	5 070,42 €	7 098,59 €	5 958,33 €
Other gross compensation	-	-	-
Gross TOTAL	**5 070,42 €**	**7 098,59 €**	**5 958,33 €**
Dominique PICHART			
Directors' compensation	8 765,26 €	8 462,23 €	7 208,33 €
Other gross compensation	152 810,27 €	154 350,03 €	153 605,20 €
Gross TOTAL	**161 575,53 €**	**162 812,26 €**	**160 813,53 €**
Thierry GASCO			
Directors' compensation	7 098,59 €	6 084,51 €	5 958,33 €
Other gross compensation	-	-	-
Gross TOTAL	**7 098,59 €**	**6 084,51 €**	**5 958,33€**
Pierre GAUTHIER			
Directors' compensation	7 098,59 €	7 084,51 €	6 958,33 €
Other gross compensation	-	-	-
Gross TOTAL	**7 098,59 €**	**7 084,51 €**	**6 958,33 €**

** 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.*

Gross remunerations include 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 Chairman and 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 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 €6.285,71 for 2019, in 2020 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 2020.

This most recent compensation remains unchanged for 2021, and the compensation allocated and to be paid in 2021 to Paul-François Vranken in his capacity as a member of the Board of Directors for 2020 amounts to €6,740.51.

For information, we remind you that the Combined Ordinary and Extraordinary General Meeting of 3 June 2020 adopted the 9th and 3rd resolutions concerning the compensation of Paul-François Vranken.

No other compensation or any other benefit were paid to Paul-François Vranken by VRANKEN-POMMERY MONOPOLE for his term as Chief Executive Officer.

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, 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 €7,071.43 for 2019, in 2020 the Company paid Hervé Ladouce, Deputy Chief Executive Officer for Coordination of Production and Trading, based on a decision by the Board of Directors dated 30 March 2017 and approved by the Combined Ordinary and Extraordinary General Meeting of 3 June 2020, gross annual compensation of €15,000 in respect of this position.

The compensation allocated to Hervé Ladouce for his duties as Director, due in respect of 2020 and to be paid in 2021, amounted to €5,392.41.

For information, we remind you that the Combined Ordinary and Extraordinary General Meeting of 3 June 2020 adopted the 10th 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 General Meeting of the compensation of the Company's Directors and executive corporate officers

Pursuant to Article L. 225-100 of the French Commercial Code, the Ordinary Annual General Meeting will be asked to approve the following resolutions:

"TWELFTH RESOLUTION

The Ordinary Annual 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 of the French Commercial Code, the compensation policy for executive corporate officers for the 2021 financial year as described therein."

"THIRTEENTH RESOLUTION

The Ordinary Annual 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 of the French Commercial Code, the compensation policy for Directors for the 2021 financial year 2021 as described therein."

2.4 Current delegations granted to the Board of Directors regarding a capital increase

We present you with the list of all delegations granted by the Extraordinary General Meeting of 5 June 2019 regarding capital increases:

Corresponding delegation	Limit	Validity period	Use in FY 2020
	DELEGATION OF POWERS		
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 granting the delegation of powers	NO
Delegation of powers to the Board of Directors to issue shares and/or securities giving access to the Company's capital, preserving preferential subscription rights	Maximum of €45,000,000 non-cumulative with the following delegations	26 months from the Extraordinary General Meeting granting the delegation of powers	NON
Delegation of powers to the Board of Directors for the issue of shares and/or securities giving access o the Company's share capital, with cancellation of the preferential subscription rights in the context of a public offer	Maximum of €45,000,000 non-cumulative with the previous delegation and the one that follows	26 months from the Extraordinary General Meeting granting the delegation of powers	NO
Delegation of powers to the Board of Directors for the issue f shares and/or securities giving access to the Company's share capital, without preferential subscription rights, in the context of an offer by private placement	Maximum of €45,000,000 non-cumulative with the previous delegations	26 months from the Extraordinary General Meeting granting the delegation of powers	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 granting the delegation of powers	NO
Delegation of powers to the Board of Directors to proceed ith one or more share capital increases by ncorporation of reserves or of profits, share premiums or contributions	Maximum nominal amount of €45,000,000	26 months from the Extraordinary General Meeting granting the delegation of powers	NO
Powers of the Board of Directors to charge the fees and duties resulting from said capital increases to the payments relating to the aforementioned capital increases, and also to deduct from these sums the additional amount from the legal reserve			NO
Delegation of powers to the Board of Directors to proceed to the free allocation of existing or future Company shares, for the benefit of categories of beneficiaries chosen from among the salaried staff or corporate officers of the Company and companies related to it	Maximum 1% of the existing share capital on the day of the decision of the award of such shares by the Board of Directors	38 months from the Extraordinary General Meeting granting the delegation of powers	NO

2.5 Specific procedures relating to shareholders' participation in the General Meeting

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.

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, as long as their shares are fully paid up and registered in an account in their name under the conditions and in the timeframes stipulated by the regulations in force.

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 Meeting will be issued.

Any Shareholder may vote by mail using a form obtained under the conditions indicated in the notice of Meeting.

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

Thus, pursuant to the provisions of Article 4 of Order no. 2020-321 of 25 March 2020, whose application was extended to 31 July 2021 by Decree No. 2021-255 of 9 March 2021 on 29 March 2021 the Board of Directors decided to hold this General Meeting behind closed doors, and Shareholders or other persons normally entitled to attend this Meeting will not be able to be present in person or by conference call or audio-visual conferencing. The main procedures for participating in and voting at this Meeting will be published in the Bulletin des annonces légales obligatoires (BALO).

• 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. As at 31 December 2020, the Company had 6,486,571 shares with double voting rights.

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 2020 financial year, has been drafted and may be found in the Appendix to this Universal Registration Document.

Furthermore, to the Company's knowledge, no agreements were concluded in 2020 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.

In this regard, it is specified that the competent bodies of each of the VRANKEN Group companies made a decision on 20 December 2010 to disqualify all of the intra-group agreements (services contracts, tax integration conventions, VAT integration convention, cash balance agreements, trade name 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 relate them going forward.

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-Francois 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-Francois Vranken
Board of Directors meeting of 7 February 2011

- Debt waiver benefitting VRANKEN-POMMERY JAPAN of 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-Francois Vranken
Board of Directors meeting of 29 March 2010

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

With the VRANKEN-POMMERY ITALIA company
Directors concerned: Paul-Francois Vranken
Board of Directors meeting of 19 December 2011

- Debt waiver benefitting VRANKEN-POMMERY ITALIA of 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 that end in the event of a change of control of the Company

The VRANKEN-POMMERY MONOPOLE 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 indemnities for 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

We inform you that, 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 Procedures 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 Regulations applicable for appointing and replacing Board members and modifying the Articles of Association of the Company

• 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.

• Amendment of 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 Company permanence

Pursuant to Recommendation 14 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.

3

RISK MANAGEMENT

3.1 Internal control and risk management mechanisms

3.1.1 Overview of general organisation of internal control procedures

Internal control definition and objectives

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

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

- compliance with laws and regulations;
- the implementation of directives and guidelines set by the Chairman and Chief Executive Officer, notably those contributing to protection of assets;
- the due operation of the Group's internal processes;
- the reliability of 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 checks identified in the foreign subsidiaries;
- assist the various operational and functional departments in their efforts to improve and remedy internal audit failures;
- coordinate and prepare the assessment of internal audit system effectiveness in relation to financial information.

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

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

Without calling into question the powers of the Board of Directors, 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 de financial statements (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 in the framework of approving the annual financial statements and the review of 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..

Production and audit 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 defined by the French Commercial Code and Regulation 18-01 of the French Accounting Standards Authority.

Consolidated financial statements

The consolidated financial statements published for the year ended 31 December 2020 are drawn up in compliance with IFRS international accounting standards.

All consolidated companies close their accounts on the same date.

3.1.2 Description of the internal control and risk management procedures in place

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 this section.

The risk mapping prepared by the Group's Management was reviewed by the Audit Committee at its meeting of 11 December 2020.

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.

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.

Impact of risks

Impact of risks / Probability of occurrence	Low	Average	High	Very High
Very High	- loss of a production site - toxic contamination	- pandemic		
High	- asset maintenance	- major litigation	- changes in the regulatory environment - cyber attack - liquidity risk - changes in taxation	- global warming and decline in biodiversity - geopolitical and macroeconomic instability
Average	- safety of persons and property - product quality and health risk - inventory management	- perpetuation of skills and know-how	- attempted fraud - unsuitability for new consumer uses - intellectual property/ trademarks	- interest rate and currency risks - competitive pressure
Low		- dependency on suppliers	- distribution networks	

Probability of occurrence

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 the corrective measures to reduce or control their consequences.

Business-related risks, including (but not limited to):
- Pandemic;
- Geopolitical and macroeconomic instability;
- Competitive pressure;
- Unsuitability for new consumer uses;
- Cyber attack;
- Attempted fraud;
- Distribution network;
- 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

Pandemic

Identification and description of risk:

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.

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. 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.

In the context of Covid-19, the global response adopted by all countries was lockdown, for all or part of the population, and activities reduced to basic needs.

Potential effects:

- Halt in global economic activity, making it impossible to sell the Group's products in all its markets;
- Halt in production;
- Switch from external consumption to consumption at home.

Risk reduction and/or control measures:

Within the context of Covid-19 and in compliance with government directives, the VRANKEN-Pommery Monopole Group has taken all necessary measures to ensure the safety of its employees as a priority to maintain the continuity of its activity and adapt to the significant drop in its revenue while maintaining Its liquidity:

- Closing of all establishments open to the public (Domaine Pommery, Villa Demoiselle, Domaine Royal de Jarras, Château La Gordonne) to visits and receptions;
- Triggering of the business continuity plan to maintain its essential activities in compliance with government and interprofessional guidelines;
- Halt to all unnecessary travel;
- Generalisation of teleworking;
- Termination of hospitality expenses;
- Communication to employees and third parties;
- Implementation of short-time working Group-wide and special support schemes (extension of contributions for childcare);
- Postponement of tax and social security payments;
- Use of the State Guaranteed Loan (SGL).

Geopolitical and macroeconomic instability

Identification and description of risk:	Potential effects:
The terrorist threat is still present in various parts of the world. Geopolitical tensions at the global level are reflected in policy changes and the adoption of protectionist measures with economic repercussions, such as Brexit, or the trade war between the United States and Europe, which led to a unilateral increase in customs duties on French wines. The new President elected in the United States could change trade relations;	• Inability to sell the Group's products in certain markets. • Price increase as a result of the increase in customs duties. • Lower sales due to the anxiety-provoking climate generated by geopolitical instability.

Risk reduction and/or control measures:

Early on, Vranken-POMMERY MONOPOLE adopted measures to reduce geopolitical and macroeconomic risk through:

- Geographical diversification, through its network of 9 international subsidiaries and its Export Department, which maintains coverage of over 100 countries worldwide;
- Diversification into rosé, port and Douro wines, and, more recently, sparkling wines in the United States and Great Britain has enabled the Group to reduce its dependence on the Champagne market alone;
- The development of all distribution channels such as on-trade, off-trade, travel retail, B-to-B and sales to individuals, etc.;
- Targeted price increases to mitigate the impact on its margins.

Competitive pressure

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

Risk reduction and/or control measures:

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

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

Unsuitability for new consumer uses

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

Risk reduction and/or control measures:

The Group is constantly on the lookout for new market trends around the world thanks to its international network.

Its capacity for innovation and short decision-making circuits enable it to address market expectations with considerable responsiveness.

The Group's digital transformation continues with the deployment of new tools.

Cyber attack

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

Risk reduction and/or control measures:

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

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

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

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

Attempted fraud

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

Risk reduction and/or control measures:

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.

Distribution networks

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

Risk reduction and/or control measures:

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.

Perpetuation of skills and know-how

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

Dependency on suppliers

Identification and description of risk:	Potential effects:
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.	• A significant rise in the price of grapes in Champagne can lead to an increase in operating costs; • The Group may not be able to pass on this increase in its selling prices; • A break in the supply chain for packaging products or packaging may result in a production stoppage.
Risk reduction and/or control measures: The organisational structure of Champagne is based on co-management between traders and vineyards. The regulatory mechanisms adopted over time by the Champagne Committee, 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 on the basis of their quality and their environmental, labour and ethical practices.	

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

Global warming and decline in biodiversity

Identification and description of risk:	Potential effects:
The preservation of the environment and biodiversity is a major fundamental issue for winegrowing activities. The impact of global warming on the Group's business is already observable, notably on water management in vineyards in the South of France. The decline in biodiversity linked to the massive use of agrochemicals could eventually lead to the disappearance of pollinating species and soil impoverishment.	• Irregularity of harvest yields due to the amplification of climatic phenomena; • Possible modification of the grape varieties in the various winegrowing regions where the Group is present; • Impact on product quality.
Risk reduction and/or control measures: Vranken-Pommery MONOPOLE has taken measures to control and reduce its environmental impact by: - Obtaining ISO 14001 certification in Champagne; - Adapting its farming practices (organic conversion of Provence and Camargue vineyards, Sustainable Viticulture in Champagne); - The Group has announced the conversion to organic of its Champagne vineyards, which will begin in 2021; - Reducing its carbon footprint (conversion of the fleet to petrol and electricity); - Installing beehives around vineyards in Portugal; - Optimising water management in Provence and Camargue.	

Loss of a production site

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

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

Toxic contamination

Identification and description of risk:	Potential effects:
The Group purchases raw materials used in the composition or production of its products from winegrowers or industry suppliers. These materials may be intentionally altered by chemical, biological or physical substances that may render the finished product unfit for consumption.	• Contamination may cause injury or damage to consumers for which the Group is liable; • The harm to the Group could result in a loss of revenue and damage to its image and reputation.

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

Asset maintenance

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

Risk reduction and/or control measures:
The Group is aware of its social responsibility with regard to the maintenance of its assets, and it has set up an internal team responsible for preventive 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.

Safety of persons and property

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

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

Product quality and health risk

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

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

Inventory management

Identification and description of risk:	Potential effects:
Poor inventory management may result in: - inventory shortages; - inventory surpluses; - "dormant" inventories.	• The effects for the group of poor inventory management can be a reduction in turnover in the event of inventory shortages, and in any case a reduction in profitability.

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

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

Changes in the regulatory environment

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

Risk reduction and/or control measures:

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

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

Changes in taxation (taxes and duties)

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

Risk reduction and/or control measures:

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

In 2019, the Group updated its transfer pricing policy to comply with the transposition of EU transfer pricing regulations into French law.

Major litigation

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

Risk reduction and/or control measures:

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

All contracts are analysed to detect potential sources of litigation.

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

Intellectual property/trademarks

Identification and description of risk:	Potential effects:
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.	• Deception of consumers regarding the product is the main risk and can harm our image; • The value of the trade names could be impacted, and the presence of the trade names in certain countries might be compromised.

Risk reduction and/or control measures:

Protection of the Group's brands in the main countries where its bottles are marketed is done through contracts signed with specialised firms (surveillance, management, etc.) and in collaboration with the Group's Legal Department.

Operational staff in various countries are also called upon to report to the Legal Department any imitations they see in the field and to provide it with all information it may need to take action to protect the Group's brands.

The Group undertakes all necessary actions to fight counterfeits and unfair competition, and whenever it feels that a request for registration of trademarks breaches its ownership rights. To date, there are no legal proceedings significantly affecting the brands owned by companies of the VRANKEN-Pommery Monopole Group.

FINANCIAL RISKS, INCLUDING (BUT NOT LIMITED TO):

Interest rate and currency risks

Identification and description of risk:	Potential effects:
Due to its international dimension, VRANKEN-POMMERY MONOPOLE is exposed to fluctuations in the exchange rates of the currencies other than the euro, its reference currency, in which its operations are performed. The Group is exposed to changes in interest rates on its financial liabilities and financial income. At 31 December 2019, the Group's floating-rate debt was 57.5% and the fixed-rate portion was 42.5% excluding hedging instruments.	• Currency fluctuations may impact operating cash flows; • They may also have an impact on the Group's equity through the translation of the financial statements of foreign subsidiaries whose reference currency is other than the euro; • A sharp rise in interest rates could have a negative impact on the Group's financial income.

Risk reduction and/or control measures:

The Group's foreign exchange policy is to invoice the end customer in euros or in the currency of the distribution subsidiary. The residual risk can be hedged by simple forward exchange transactions. The Group's 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.

Liquidity Risk

Identification and description of risk:	Potential effects:
Liquidity risk is based on the Group's ability to meet its financial commitments.	• The Group would no longer be able to meet its deadlines and/or pay its suppliers.

Risk reduction and/or control measures:

VRANKEN-POMMERY MONOPOLE takes all necessary measures to maintain a level of financing in line with its needs and to anticipate its future requirements.

The Group regularly studies alternative financing solutions to take advantage of any opportunities for diversification.

To optimise its cash management on a centralised basis, the Group has entered into a cash management agreement with all of its subsidiaries.

The Group insures all of its trade receivables with credit insurers on both the domestic and international markets, and for many years has adopted a prudent trade receivables policy.

3.3 Insurance and hedging

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: on the one hand, Group insurance policies with well-known companies and, on the other, policies purchased 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 insure 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 insure 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

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

1 RESOURCES

VINEYARDS

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

PEOPLE

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

2 PRODUCTION

CHAMPAGNE
TOURS-SUR-MARNE & Reims

Over 50,000 m²
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

ROSÉ WINE
Provence & Camargue

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

3 DISTRIBUTION

CUSTOMER NETWORK

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

OFF TRADE
Large retailers
Wine shops

EXPORT

3 Hubs
North America
North Asia
Pacific

130 Markets

10 SUBSIDIARIES

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

HERITAGE AND BRANDS

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

PORTO/DOURO
PORTUGAL

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

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

78% Champagne
13% Rosé Wine
9% Port

EUROPE'S LEADING WINE PRODUCER:

Guaranteeing the quality of our wines from vine to bottle

COMMITTED PARTNERS

West Africa
Denmark
Finland
Spain
Russia

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 no. 2018-938 of 30 October 2018 – Art. 55, order no. 2017-1180 and application decree no. 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 of Non-Financial Performance sets out the steps taken by the Group to control the employment, environmental and societal consequences of its business.

4.1.1 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 of VRANKEN-POMMERY MONOPOLE, which has also approved a Stock Market Code of Ethics. These Codes have been posted on the Group website – www.vrankenpommery.fr – in French and also in English. It has also been translated into all the languages spoken within the Group and distributed to employees.

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: gdpr@vrankenpommery.fr;
- reviewing information statements;
- ensuring contractors are aware of their new obligations;
- 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.

4.1.2 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 based on universally accepted agreements including the Universal Declaration of Human Rights, the International Labour Organisation Declaration, the Rio Environmental Declaration and the UN Convention Against Corruption.

By responding to this call, our company is committed, on a voluntary basis, to adopting, supporting and applying a set of core values based around 10 principles covering Human Rights, Labour Rights, Environmental Protection and Anti-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

- **Requirements anticipation**
  - Anticipating compliance with any requirements in terms of Quality, Security 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

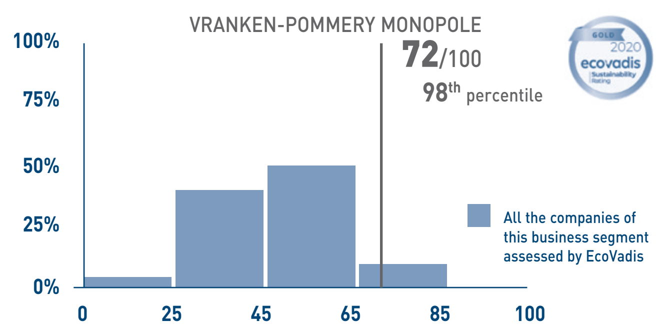
- **Know-how**
  - Sharing our passion and knowledge to open the minds of future generations
  - Actively participating in the protection, development and sustainability of industrial and cultural heritage

The Group CSR Committee met to prioritise these 19 issues in order of importance which helped 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.

In 2019, VPM's CSR performance was assessed by "EcoVadis", a third-party auditor. The methodology used is based on the analysis of 21 criteria and 4 topics: Environment, Fair Labour Conditions, Business Ethics and Sustainable Procurement.

Following the assessment, we received a score of 72/100, which corresponds to an "advanced" CSR performance. The Company is in the 98th percentile, which means that our score is equal to or higher than 98% of all the companies assessed by EcoVadis; this number was valid as of the reporting date on 24 January 2020.

Breakdown of total scores



We also underwent this assessment in 2011 and 2015, and the results show that the Company has been progressing over time.

4.1.3 GAÏA RAITING

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 2020, the Group was ranked 71st out of 230 in the overall ranking, 20th out of 69 in its category (companies with revenue between €150 million and €500 million) and 30th out of 121 in its industry.

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 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 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 the Groups' management;
- studies conducted by the CSR Committee.

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 (Quality-Safety-Environment) department

The QSE department coordinates the roll-out of the environmental policy of the industrial sites to reduce their impacts.

In order to duly carry out its different missions (communicating the Quality-Environment policy, running the existing system, managing non-compliance, monitoring the corrective actions implemented, etc.), each entity Director appoints 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;
- MiddleNext member.

4.2.6 Proof of commitment

Acquiring ISO certifications is a voluntary initiative by the Company. We strive to offer our customers complete satisfaction with the aim of building trust by developing the 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 set up the 2015 versions of ISO 9001 and ISO 14001 as well as ISO 22000, which, for its part, 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 late 2020, 52% of our production workforce currently working at production sites 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 Voluntary and sustainable commitment

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

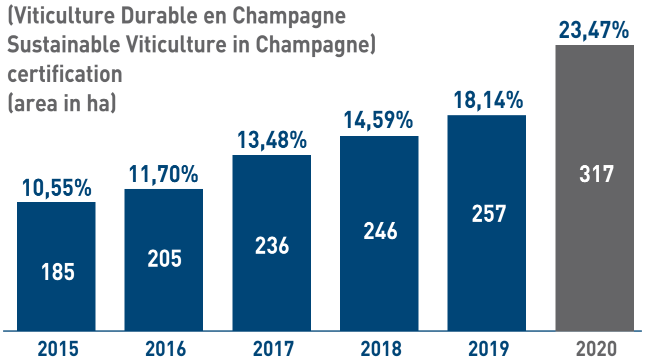
The Camargue and Provence sites are certified organic wine producers and processors and produce several organic vintages. Approximately 858 hectares have been certified as organic and over 1,172 hectares are currently being converted.

This means that 42% of the vineyards in the south of France are certified organic and that 99.7% 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. This year, we were very pleased to announce that the VRANKEN-POMMERY MONOPOLE Group's Champagne vineyards, in line with the Group's Camargue and Provence vineyards, are in-conversion to Organic Viticulture since the 2020 harvest. As such, nearly 174 hectares are in-conversion to organic viticulture. The Quinta Do Grifo vineyards, located in the Upper Douro region of Portugal, are now also in-conversion into organic viticulture. 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. This does not mean that we will deviate from the other environmental certifications already obtained in our Champagne vineyards in 2014 (High Environmental Value and Sustainable Viticulture in Champagne). The VRANKEN-POMMERY MONOPOLE Group remains a committed player in these two certifications and will continue to fully support its winegrower-partners in their transition to Sustainable Viticulture in Champagne, notably through Collective Certifications scheduled for 2021.

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 "Grenelle de l'environnement" initiative, first launched in 2007. The VRANKEN-POMMERY vineyards are among a handful to claim this honour. 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. Maison VRANKEN-POMMERY, through its comprehensive work, has seen its contributions in certified grapes increase every year, as shown by the following indicator:

Change in grape supplies that have VDC (Viticulture Durable en Champagne Sustainable Viticulture in Champagne) certification (area in ha)



	Hectares in operation (lease) or full ownership	Hectares converted to organic	Hectares in conversion	% organic	% conversion	% organic and in-conversion
Champagne	288	0	174	0%	60%	60%
Provence – La Gordonne	300	292	0	97%	0%	97%
Camargue – IGP Sables	1 750	566,39	1 172,78	32%	67%	99%
Portugal	230	0	230	0%	100%	100%
TOTAL	**2 568**	**858,39**	**1 576,78**	**33%**	**61%**	**95%**

4.3.2 Vineyards that revolve around biodiversity

NATURA 2000

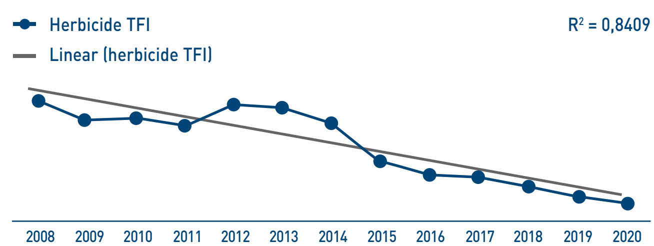
In Champagne

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 pollinising 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 2020, more than 96% of the vineyards vulnerable to grape fruit moths is "in confusion".

In 2020, vineyard operations were herbicide-free. The Herbicide treatment frequency index is now close to zero.

Change in the herbicide TFI (treatment frequency indicator) from 2008 to 2020



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

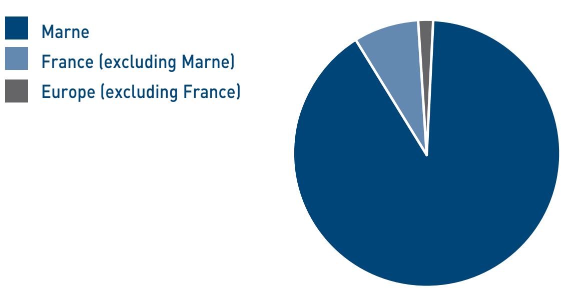
The Group's Portuguese vineyards in the Upper Douro are located at the heart of a natural reserve (National Park), and the Douro vineyards (Porto) have in part been classified as a UNESCO Intangible Cultural Heritage site since 2001. This level of stringency ensures the sustainability of Douro sites.

PORTO ROZÈS, 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 phyto-pharmaceutical 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.

4.3.3 Sustainable supplier relations

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



All suppliers subject to specifications are committed to respecting the following environmental values:

- save water and ensure that water discharged into the networks does not contain pollutants or products;
- reduce energy consumption at our production facilities;
- use products that are the least irritating or pollutant to health and the environment;
- prevent and limit any risk of pollution during operations carried out as part of its services;
- collect and recycle waste by employing the best treatment process.

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.

4.3.4 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? Lighter bottles

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 is extracted from cellulose fibre. 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.

4.3.5 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.

4.3.6 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 2017, the VRANKEN-POMMERY MONOPOLE administrative premises were also audited on 2016 energy consumption. This audit analysed energy bills, the thermal insulation systems, the technical specifications of the main energy-consuming equipment, etc. The audit led to proposals for actions that would allow for long-term reduction in the site's energy consumption. A new update is scheduled for 2021.

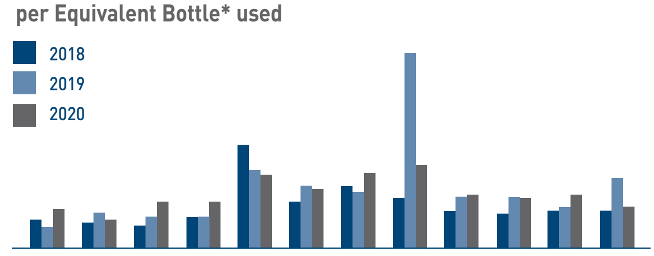
Production sites' power consumption in MWh

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

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 0.051 kWh/bottle-equivalent units at the Tours-sur-Marne site in 2020.

Energy consumption by the TSM site in kWh per Equivalent Bottle* used



See definition in Methodological Note.

4.3.7 Reducing water consumption

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 m³

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

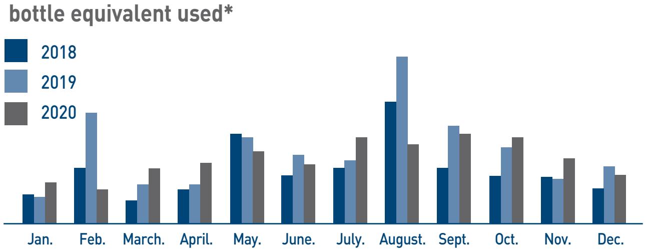
**Use for irrigation of the vines.*

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 0.11 m³ of water/bottle-equivalent units at the Tours-sur-Marne site in 2020.

RATIO General water consumption in litres at the TSM site by bottle equivalent used*



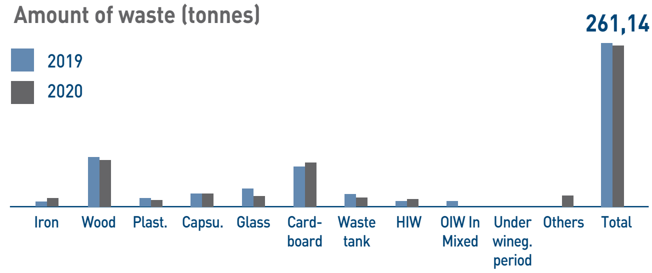
**See definition in Methodological Note.*

4.3.8 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 2020 we achieved a ratio of waste/bottle-equivalent units produced of 3.41 g and a ratio of waste cost per tonne of €43.70 at the Tours-sur-Marne site, and a ratio of waste/bottle-equivalent units produced of 3.27 g and a ratio of waste cost per tonne of €34.34 at the Reims site.

Amount of waste (tonnes)



4.3.9 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).

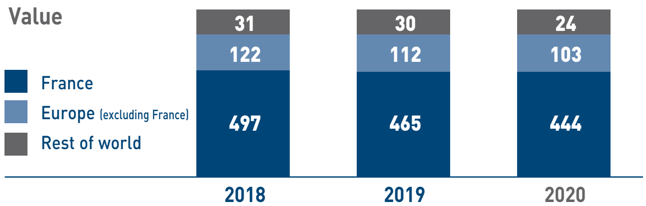
4.4 Meeting the aspirations of our employees by ensuring equal opportunities and career development

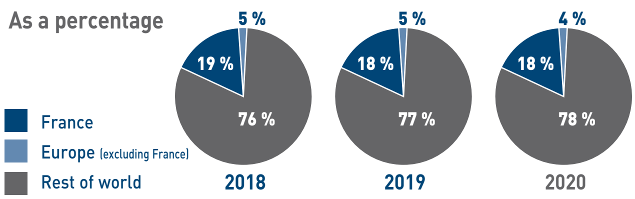
The Group had 602 employees in its workforce as of 31 December 2020 and 642 as of 31 December 2019.

Staff on fixed-term contracts corresponds to 147 full-time equivalents.

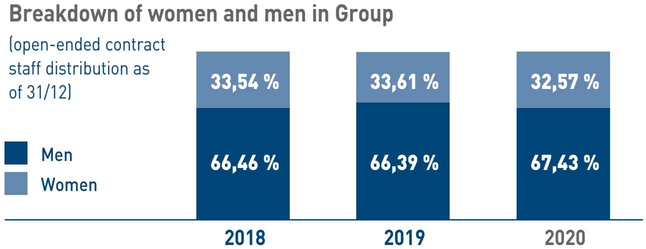
Due to the large size of its winegrowing estate, the Group primarily uses these contracts to conduct the vineyards' seasonal work, which represent 87% of employees on fixed-term contracts.

The Group's key indicators

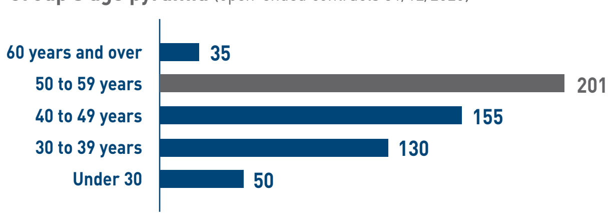




Breakdown of women and men in Group



Group's age pyramid (open-ended contracts 31/12/2020)



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.

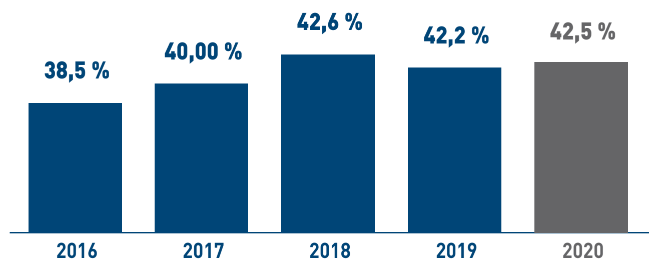
The Group seeks to identify young talent. To do this, the Company hosts forums and offers several professionalisation or apprenticeship contracts each year in various fields: trade, production, etc.

It also hosts interns with diverse backgrounds (high schools, universities, engineering schools, etc.) and working in different fields.

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 five years, the proportion of women among management staff has generally increased..

Change in the proportion of women among Group managers



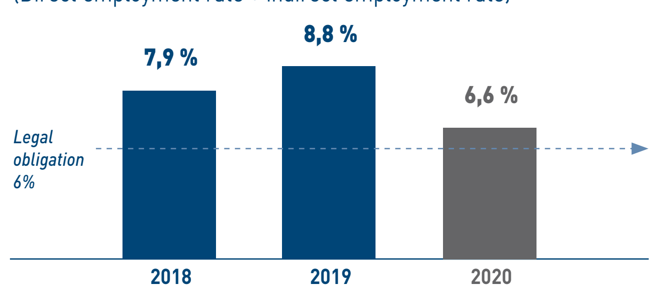
VRANKEN-POMMERY MONOPOLE actively participates in the annual Women's Forum, the objective of which is notably to provide a space for expression and enhanced visibility to women of various origins and skills.

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

Thus, in our Champagne branch establishments the direct and indirect employment of persons with a disability exceeds the legal obligation and represents on average 6.6% of employees.

The Group's ambition in terms of professional integration of people with disabilities is also reflected by its regular use of a centre for the professional integration of people with disabilities to service all the green spaces all year round, or to conduct certain packaging operations.

Overall employment rate of employees with a disability, Champagne branch
(Direct employment rate + indirect employment rate)



4.4.2 Promote harmonious working conditions

4.4.2.1 Health, occupational safety

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

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

This prevention is based on a culture of safety and prevention of health risks, the reliability of technical installations and work methods, training, monitoring of the physical and mental health of employees in their work environment and the systematic examination of malfunctions and accidents.

As an example, over the last few years, the Group has greatly reduced its use of herbicides in vineyards in order to limit its staff's exposure to this chemical risk.

To promote the prevention of psycho-social risks, the companies of the Champagne branch began a diagnostic in 2012, which, after several working sessions, led to the institution of action plans.

Amongst the prevention measures, sophrology sessions have been proposed to the staff of the Reims site between 2017 and 2019.

Mindful of its societal responsibility, the Group launched an awareness-raising campaign on addictive practices (alcohol, narcotics, etc.) in 2017 with all of the production staff of the Reims and Tours-sur-Marne sites.

Through a specific information module, employees were able to learn about health risks, the family and professional environment, the different care structures and the regulatory framework and, for managers, to learn how to conduct an interview and how to support an employee/colleague.

These specific examples to promote prevention could not take place in 2020 due to the health crisis. New actions of this type will be planned over the next few years.

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.

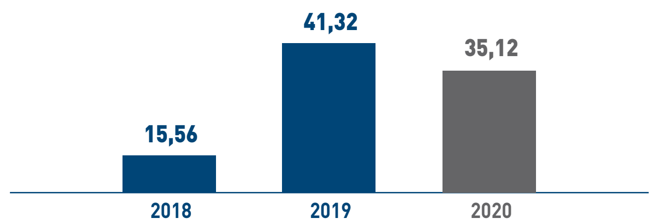
The measures have been adapted to each entity with, in particular, widespread mask-wearing, the strict application of barrier gestures, a strict cleaning protocol at facilities, teleworking and remote meetings, the introduction of directions for pedestrian traffic flows, the redevelopment of work areas,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

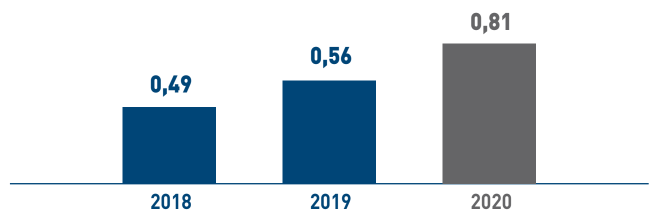
The protocol in place also includes measures for managing contamination or suspected contamination situations.

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

Change in work accident frequency rate



Change in severity of work accidents



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, England, Italy, Germany, Belgium, Portugal, Switzerland, 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:

- to eliminate any form of forced or compulsory work;
- to effectively abolish child labour and, more generally, that of any minor;
- to not use illegal labour;

- to respect the principles of human rights protection;
- to follow the principles of non-discrimination in employment;
- to respect the 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 the evolution of economic performance. Most subsidiaries benefit from profit-sharing contracts.

In 2020, the incentive schemes for entities in the Champagne branch paid €661,591.

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 2020, 15 company agreements were signed in the Champagne branch.

4.4.3 Foster 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.

Vranken-Pommery Production has generalised the implementation of an integration programme for several years now, but this year it completed the existing system by establishing a formal integration report that occurs before the end of the probation period and is jointly completed by the line manager and the new employee.

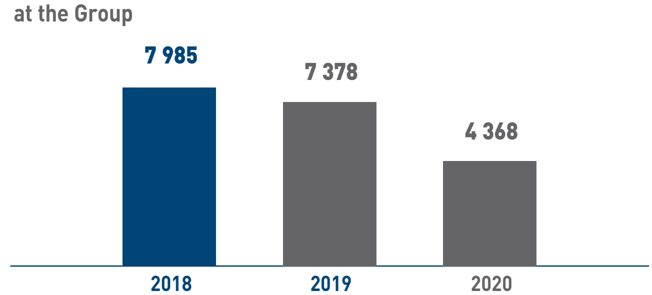
The goal of this step is to monitor the employee's progress and reinforce their growth within the structure. This includes identifying any difficulties faced by the employee and implementing corrective actions (additional training, etc.).

4.4.3.2 Developing skills and employability

The Group recognises that vocational training is a lever of performance and is committed to the sustainability of its employees' knowledge and employability, using ambitious internal training plans to this end from year to year.

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.

Total hours of training provided at the Group



The VRANKEN-POMMERY MONOPOLE Group places special emphasis on the training plans that help to develop and perfect the skills of its employees.

These may cover command of a technical field (line foreman training), learning computer skills (ERP, business specific software, etc.), access to management and communications, or in-depth knowledge of the business (oenology training for our sales staff).

Established in accordance with the provisional company skill set, each French Entity has its own training plan covered by an indicator monitored under each ongoing 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". And it is to remain faithful to the memory and will of Louise Pommery that 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.

However, in 2020, the restriction and lockdown periods led to a significant decrease in visits, which dropped from over 135,000 to less than 50,000 visitors.

4.5.1.2 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, 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, 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 glider;
- 30,000 litres, volume of one of the four Jarras casks, where the floor of the large Demoiselle lounge was hollowed out;
- 60 alcoves protecting Vranken Collection Gold Vintages.

4.5.1.3 VRANKEN-POMMERY MONOPOLE's commitment to Reims

Patron of the City of Reims and the Beaux-Arts Museum of Reims, VRANKEN-POMMERY MONOPOLE is also a preferred partner of Flâneries Musicales de Reims, responsible for the development of music in Reims and its surroundings, 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, with all of his/her teams, the vine cycle throughout the year, and thus produces 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

Camargue is well known for its beautiful landscapes, and its typical fauna and flora. What is less 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 varietal 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, 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 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 Transfer Path" established at VRANKEN-POMMERY Vineyards, 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 transfer 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.

4.5.3.2 Access to culture: Pommery and the "kids' experience" mediation

To raise awareness about 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.

In 2009, the Domaine welcomed more than 2,000 children who saw their works of art exhibited for one month in the Pommery Cellar.

This mediation is a remarkable example of regional sponsorship that also takes artistic and cultural education into account.

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.

Risks	Challenges	Practice	Indicators monitored	Ref.
ENVIRONNEMENTAL				
Biodiversity decline	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	3.1
		Obtain organic conversion in Provence and Camargue	Hectares of certified organic vineyards/total hectares of vineyards	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 LVs were replaced by electric engine vehicles. In 2021, 30 new electric LVs will replace petrol engines.	
Climate change	Reduce our energy and carbon footprint	Manufacture lighter bottles	VPM reduced the glass weight of 100% of its standard 75 cl champagne bottles by approximately 65 g	3.4
		Search for suppliers locally		3.3
		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	Consumption of electricity at the production sites in MWh Water consumption at TSM/bottle equivalent	3.6
	Sustainable water management	Implement a water consumption monitoring and management plan	Production sites' consumption in m3. Electricity consumption at TSM/bottle equivalent	3.7
	Waste management	Implement a waste reduction and hazardous waste sorting and management plan	Waste/bottle-equivalent units produced ratio and waste cost per tonne	3.8
SOCIETAL				
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	2.6

Risks	Challenges	Practice	Indicators monitored	Ref.
LABOUR				
Work accidents	Reduce the number and severity of work accidents	Implementation of prevention and awareness-raising campaigns Improvement of equipment	Frequency and severity rates	4.2.1
Breach of fundamental labour rights	Comply with International Labour Organisation standards	Compliance with an Ethics Charter Setting up of supplier charters		4.2.2
Degradation of social dialogue	Promote harmonious working conditions	Develop consultation with labour partners	Number of labour agreements signed in the Champagne branch	4.2.4
Skill gap concerning the organisation and perpetuation of knowledge	Foster skills development	Development of integration and training programmes	Number of hours spent on training	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	4.1 4.1

4.7 Methodological note on the reporting of CSR data

As regards the sections referring to environmental information, the scope is defined as follows:

- water and electricity consumption indicators concern only the production companies;
- for the other information, unless specified otherwise, the production and winegrowing companies are taken into consideration.

Elements relating to societal information may pertain to the entire VRANKEN-POMMERY Group.

Reporting is based on the calendar year to ensure consistency with the financial year.

Methodological information concerning labour data:

The staff registered as of 31 December 2020 concern only permanent or temporary staff and cover 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 disclosed does not apply to the subsidiaries abroad, namely:

- 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 accidents.

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 disabled worker employment obligation (BOETH) is now determined using the annual average number of FTEs and no longer the number of FTEs at 31/12.

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 and therefore has not made any specific commitment in this field, except as regards the by-products from pressing and winemaking, 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

To the Shareholders,

As an independent third-party organisation, a member of the Mazars network, and the Statutory Auditor of the VRANKEN-POMMERY MONOPOLE, accredited by COFRAC Inspection under number 3-1058 (accreditation scope available on the website www.cofrac.fr), we present our report on the consolidated Statement of Non-Financial Performance for the financial year ended 31 December 2020 (hereinafter the "Statement"), presented in the Management Report, pursuant to the legal and regulatory provisions of Articles L. 22-10-36, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

It is the responsibility of the Board of Directors to establish a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the key non-financial risks, a presentation of the policies applied in relation to these risks, and the results of these policies, including key performance indicators.

The Statement has been drawn up in accordance with Company procedures (hereinafter the "Standards"), the significant items of which are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the Profession. Furthermore, 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 professional doctrine.

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 Statement's compliance with the provisions set forth in Article R. 225-105 of the French Commercial Code;
- the sincerity of the information provided in accordance with 3° of part 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 key risks, hereinafter the "Information".

However, it is not our duty to take a position on the Company's compliance with the other applicable legal and regulatory provisions, notably on the vigilance plan and on anti-corruption and preventing tax evasion, nor on the compliance of the products and services with the regulations in force.

Nature and scope of work

Our work described below was performed in accordance with the provisions of Articles A. 2251 et seq. of the French Commercial Code, with the professional doctrine of the French Institute of Statutory Auditors on this work and with international standard ISAE 30001:

- we have 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 Standards in view of their pertinence, exhaustiveness, reliability, neutrality and readability, taking into consideration, where necessary, the sector's best practices;
- we verified that the Statement covers each category of information laid down in part III of Article L. 225-10-21 in relation social and environmental matters as well as respect for human rights and anti-corruption and tax evasion;
- we have 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 main 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. 22-10-36;
- 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;

1 ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.
2 Presented in Appendix 1 to the report.

- we have 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. As regards the risk of incompatibility of skills with the food safety requirements, our work was completed at the level of the consolidating entity; for the other risks, work was done at the level of the consolidating entity and in a selection of entities2;
- we verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation pursuant to Article L. 233-16 within the limits specified in the Statement;
- we have reviewed the internal control and risk management procedures implemented by the entity, and we have assessed the collection process aiming for completeness and truthfulness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important and that appear in Appendix 1, we have implemented:
  - analytical procedures to verify the correct consolidation of the data collected and the consistency of the changes thereof,
  - drill-down tests based on surveys, in order to verify the correct application of definitions and procedures and to reconcile data from supporting documents. The work was conducted with a selection of contributing entities and covered between 28% and 100% of the consolidated data selected for these tests;
- we have assessed the overall consistency of the Statement with respect to our knowledge of all the entities included in the scope of consolidation.

We believe that the work we have carried out by exercising our professional judgement enables us to formulate a conclusion of moderate assurance; a higher level of assurance would have called for more extensive verification work.

Means and resources

Our work drew on the skills of four people and took place between February 2021 and March 2021 over a total of two weeks.

We conducted two interviews with those responsible for preparing the Statement, representing the Administrative and Finance, Legal, Human Resources, and Quality, Safety and Environment departments.

Conclusion

On the basis of this work, we have found no material misstatement which 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 presented truthfully, in accordance with the Standards.

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:

- with regard to the risks of a breakdown in social dialogue, and the incompatibility of skills with the organisation and perpetuation of expertise, the Company presents the actions implemented as well as outcome indicators but does not publish a key performance indicator;
- the reporting scope is variable depending on the indicators published and covers:
  - 52% of the workforce as of 31 December 2020 for the outcome indicators relating to the risk of a breakdown in social dialogue and the existence of inequalities and discrimination,
  - 17% of the Group's energy consumption and 40% 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). In addition, at this stage the Group has not set a target for reducing greenhouse gas emissions..

Paris La Défense, 14 April 2021

Independent third-party organisation

MAZARS SAS

Edwige REY - CSR & Sustainable Development Partner

Appendix 1 – Qualitative information (actions and results) on the key risks

- Decline in biodiversity
- Climate change
- Skill gaps concerning food safety obligations
- Work 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
- Hectares of vineyards certified as Sustainable Viticulture/total hectares of vineyards in Champagne (1) - Hectares of certified organic vineyards/total hectares of vineyards (2) - Hectares of certified organic vineyards or vineyards being converted/total hectares of vineyards (2)	(1) Vranken-Pommery Vignobles (2) Grands Domaines du Littoral
- Electricity consumption at the production sites - Water consumption at the production sites - Electricity consumption/bottle-equivalent unit (3) - Water consumption/bottle-equivalent unit (3) - Waste quantity/bottle-equivalent unit (3)	Vranken-Pommery Production (3) Tours-sur-Marne site only
- % of our production workforce currently working at production sites were certified according to food safety standards	Vranken-Pommery Monopole (Group)
- Total workforce and breakdown of employees by gender, age and geographic area - Proportion of women in management roles - Employment rate of workers with disabilities - Number of hours spent on training - Number of collective agreements signed in the Champagne branch - Work accident frequency rate - Work accident severity rate	VRANKEN-POMMERY MONOPOLE in France VRANKEN-POMMERY PRODUCTION in France VRANKEN-POMMERY VIGNOBLES in France

5

FINANCIAL STATEMENTS

Accounting methods and presentation of financial statements

In accordance with European Commission Regulation 1606/2002 of 19 July 2002, the Vranken-Pommery Monopole Group applies IAS/IFRS standards as from the financial year starting 1 January 2005, following the Recommendation of the French Financial Markets Authority (Autorité des Marchés Financiers).

We inform you that the accounting principles followed by the Group are identical to those applied for preparing the Group's financial statements as at 31 December 2019.

We remind you that on 30 January 2020, the World Health Organisation (WHO) declared the Covid-19 epidemic in China to be an international public health emergency. On 11 March 2020, it classified it as a global pandemic. In the various countries facing this epidemic, during the first quarter of 2020, the public authorities took health measures (confinements, prohibition of assembly, etc.) and economic measures with the closure of certain activities. In France, these measures were adopted in March 2020 with the promulgation of the state of health emergency.

In its 18 April 2020 press release, the French Accounting Standards Authority (Autorité des Normes Comptables) stated that:

- the Covid-19 epidemic is an event that did not become an international event until 2020;
- the preparation of the financial statements on a going concern basis is not called into question by events arising after the end of the financial year;
- the assets and liabilities, expenses and income mentioned respectively in the statement of financial position and the income statement at 31 December 2019 are recognised and measured without taking into account that event and its consequences.

Although our reporting period ended on 31 December 2020, ten months after the start of the health crisis linked to Covid-19 and the first lockdown period, it is too early to measure the impact and it was decided to use the same principles.

Currently, given the unpredictability of the development of this crisis and its consequences, the Company is not in a position to assess its impact at the reporting date.

The financial statements were presented by the Board of Directors on 29 March 2021 and 14 April 2021.

There were no significant highlights or events during the period between end of the reporting period and the date of this meeting.

5.1 Consolidated financial statements

5.1.1 Consolidated income statement as of 31 December 2020 – IFRS

In €K	Note	2020	2019
Revenue	**1**	**244 006**	**274 625**
Consumed purchases	**2**	**-169 688**	**-191 658**
Employee expenses	4	-38 999	-46 539
Other operating income	5	3 478	8 859
Other operating expenses	5	-1 040	-2 302
Taxes and duties	6	-4 042	-4 087
Reversals on deprec., amort. and prov.	7	198	637
Depreciation, amortisation and provisions	8	-15 109	-15 222
Current operating income		**18 804**	**24 313**
Other income	9	4 088	10 014
Other expenses	9	-4 932	-13 992
Operating income		**17 960**	**20 335**
Financial income	10	275	284
Financial expenses	10	-17 606	-19 570
Pre-tax income		**629**	**1 049**
Income tax	11	-176	-806
Share of income from equity affiliates	16	-130	-95
Net income		**323**	**148**
Breakdown of consolidated net income			
Consolidated net income		**323**	**148**
- of which minority interests		88	72
- of which Group share		**235**	**76**
Earnings per share in €	12	0,03	0,01
Diluted earnings per share in €	12	0,03	0,01

5.1.2 Comprehensive statement of consolidated gains and losses

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

In €K	Note	2020	2019
Net income		**323**	**148**
Items not recyclable in income, net of tax		**291**	**3 544**
Commitments to staff	23	-158	-1 492
Treasury shares		72	-11
Revaluation of assets	15	377	5 047
Items recyclable in income, net of tax		**-1 633**	**940**
Foreign entity conversion differences		-1 847	800
Financial instruments	29	214	140
Total income		**-1 019**	**4 632**
Breakdown of total income			
Group		**-1 128**	**4 388**
Minority interests		**109**	**244**

5.1.3 Consolidated statement of financial position as at 31 December 2020 – IFRS

Assets

In €K	Note	2020	2019
Goodwill	13	24 479	24 479
Intangible assets	14	100 359	100 894
Property, plant and equipment	15	379 876	382 839
Other non-current assets	16	2 297	2 238
Investments in affiliates	16	1 061	1 170
Deferred taxes	24	413	143
Total non-current assets		**508 484**	**511 762**
Inventories and work-in-progress	17	672 460	685 800
Trade and other receivables	18	63 637	63 447
Other current assets	19	36 269	27 160
Current financial assets	29	70	-
Cash balance	20	17 469	6 542
Total current assets		**789 905**	**782 949**
Assets held for sale	15	-	-
Total assets		**1 298 389**	**1 294 711**

Liabilities

In €K	Note	2020	2019
Capital	21	134 056	134 056
Reserves and Premiums	21	233 935	235 217
Income	21	235	76
Equity (Group share)	**21**	**368 226**	**369 349**
Non-controlling interests		**4 330**	**4 251**
Total Equity		**372 556**	**373 600**
Borrowings and financial debt	22	623 761	636 733
Commitments to staff	23	14 158	13 918
Deferred taxes	24	57 635	57 443
Total non-current liabilities		**695 554**	**708 094**
Suppliers and related accounts	25	107 110	94 202
Provisions for risks and charges	26	6	-
Tax liabilities	27	13 000	11 645
Other current liabilities	28	31 131	25 279
Bank borrowings and overdrafts	22	78 967	81 565
Current financial liabilities	29	65	326
Total current liabilities		**230 279**	**213 017**
Liabilities held for sale	24	-	-
Total Liabilities		**1 298 389**	**1 294 711**

5.1.4 Cash flow statement analysis IFRS

In €K	Note	2020	2019
Cash flows from operations			
Net income from consolidated companies		323	148
Elimination of income and expenses with no impact on liquidity or non-business related depreciation			
- amortisation and provisions		16 046	14 491
- net financial expenses	10	17 331	19 286
- change in deferred taxes	24	-332	677
- gains and losses on disposals	9	-438	-241
- financial Instruments	22	-36	-120
- commitments to staff	23	25	1 125
- negative impact of equity affiliates	16	130	95
Cash flow from operations of consolidated companies		**33 049**	**35 461**
Change in working capital requirements related to activity			
- inventories and work-in-progress	17	12 376	10 965
- trade receivables	18	-403	-14 571
- trade payables	25	12 908	-35 006
- other receivables and payables		148	4 922
Net cash flow generated by operations		**58 078**	**1 771**
Cash flow related to investments			
Acquisition of fixed assets**		-14 252	-16 895
Sale of fixed assets	9	3 215	9 017
Changes in scope of consolidation		-469	-
Net change in loans and other financial assets		-76	74
Investment subsidies received		347	6
Cash flow related to investments		**-11 236**	**-7 798**
Cash flow related to financing			
Dividends paid to shareholders of the parent company		-	-7 102
Dividends paid to minority shareholders of consolidated companies		-38	-50
Transactions on treasury shares		-9	-11
Financial expenses	10	-17 331	-19 286
Borrowings**	22	35 938	209 440
Repayment of loans	22	-27 984	-199 701
Change in short-term financing		-1 624	-3 888
Cash flow related to financing		**-11 048**	**-20 598**
Negative impact of changes in exchange rates		**-213**	**111**
Change in cash position			
Opening cash position		-45 522	-19 008
Closing cash position	22	-9 940	-45 522
Change in cash position*		**35 582**	**-26 514**

**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 reserves	Income recognised directly in equity	Total equity	Group Share	Non-controlling interests
Equity and non-controlling interests as at 1 January 2019	**134 056**	**45 013**	**142 148**	**62 071**	**-7 065**	**376 222**	**372 173**	**4 049**
Income for the year			148			148	76	72
Distributions of dividends			-7 152			-7 152	-7 102	-50
Foreign exchange differences					800	800	797	3
Transactions on treasury shares					-11	-11	-11	
Change in scope of consolidation								
Commitments to staff					-1 492	-1 492	-1 490	-2
Change in financial instruments for the year					140	140	140	
Revaluation of assets				5 047		5 047	4 876	171
Deferred taxes (Group rate reduction)								
Others			-102			-102	-110	8
Equity and minority interests as at 31 December 2019	**134 056**	**45 013**	**135 042**	**67 118**	**-7 628**	**373 600**	**369 349**	**4 251**
Income for the year			323			323	235	88
Capital increase								
Distributions of dividends			-38			-38		-38
Foreign exchange differences					- 1 847	-1 847	-1 844	-3
Transactions on treasury shares					72	72	72	
Change in scope of consolidation								
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
Equity and minority interests as at 31 December 2020	**134 056**	**45 013**	**135 340**	**67 495**	**-9 347**	**372 556**	**368 226**	**4 330**

5.1.6 Notes to the consolidated financial statements

The Group's financial statements were approved by the Board of Directors on 29 March 2021 and the notes were given final approval by the Board of Directors on 14 April 2021. They will not be final until they are approved by the Annual Ordinary General Meeting of 3 June 2021.

Accounting methods

1. General principles

1.1. Accounting basis

The accounting principles used are the same as those used for previous the financial year with the exception of the adoption following standards, applicable as of 1 January 2020:

- Amendments to IFRS 9 — Financial Instruments, IAS 39 — Financial Instruments: Recognition and Measurement and IFRS 7 — Financial Instruments: Disclosures, Interest Rate Benchmark Reform;
- Amendment to IFRS 3: Business combinations — Definition of a business;
- Amendments to IAS 1 — Presentation of Financial Statements and to IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material;
- Revision of the conceptual framework for financial information under IFRS;
- Amendment to IFRS 16 — Covid-19-Related Rent Concessions issued on 28 May 2020, adopted by the European Union on 9 October 2020 and applicable to financial years beginning on or after 1 June 2020. This amendment provides lessees, for all leases, with an exemption from assessing whether a Covid-19-related rent concession is a lease modification, (also known as "practical expedient").

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 other standards, amendments to standards or interpretations have no significant impact on the consolidated financial statements for the period ended 31 December 2020.

The financial statements do not take into account the standards and interpretations published by the IASB at the end of the financial year ended December 2020 but not yet adopted by the European Union at said 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 following amendments, applicable to financial years beginning on or after 1 January 2020, have already been adopted by the European Union:

- Amendments to IFRS 4 — Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9 (published on 25 June 2020, adopted on 15 December 2020 and applicable to financial years beginning on or after 1 January 2021);
- Amendments to IFRS 9 — Financial Instruments, IAS 39 — Financial Instruments: Recognition and Measurement, IFRS 7 — Financial Instruments: Disclosures, IFRS 4 — Insurance Contracts and IFRS 16 — Leases, Interest Rate Benchmark Reform, Phase 2 (published on 27 August 2020, adopted on 13 January 2021 and applicable to financial years beginning on or after1 January 2021).

There should be no significant impact.

2. Highlights

The highlights of the 2020 financial year are as follows:

- In a context marked by the Covid-19 health crisis, VRANKEN-POMMERY MONOPOLE's consolidated revenue as at 31 December 2020 was €244 million, down 11.1%, with a 60% increase in exports;
- From March 2020, the measures taken by the Government to combat the Covid-19 epidemic had a significant effect on the Group's business, with a temporary shut down of production sites in order to protect all its employees. These measures affected the financial statements for the year;
- The impacts of the pandemic on the Group's business concern the entire income statement and statement of financial position, and certain items cannot be considered separately (either because their consequences resulted in a decrease in revenue, or because it is difficult to separate the impacts from other changes during the period). The information provided below relates only to the effects of the event (on the income statement and statement of financial position) deemed relevant;
- All expenses and income related to the epidemic were recognised in current income, in accordance with the recommendations of the French Accounting Standards Authority (Autorité des Normes Comptables);
- The context of the crisis also explains the deterioration in the Group's current operating income, which stood at €18.8 million (€24.3 million in 2019);
- The Group embarked on a process to renegotiate its leases and obtained a debt waiver of €775 thousand at the end of the reporting period, which was immediately deducted from rent. It also used short-time working arrangements between March and November 2020 and received €2.1 million in this respect, which was deducted from personnel expenses;

- The Group has also put in place very strict cost control measures (headcount freeze, reduction in advertising and marketing expenses, travel expenses, bonuses and other overheads);
- The health crisis has also accelerated the Group's strategic transformation from a product-oriented to a customer-oriented approach. The measures undertaken concern the entire value creation chain from the vine to the end consumer: vineyards, production, organisation, marketing and sales.

At the end of the year, 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.

Liquidity and continuity of operations

- The Covid-19 epidemic has triggered great uncertainty in the global economy and operations of many industries, including the industry in which the Group operates. In keeping with the top priority of guaranteeing the health and safety of all employees and other stakeholders, the Vranken-Pommery Monopole Group rapidly implemented an organisation to ensure the continuity of operations, and focused in particular on:
    - Strengthening of liquidity with the subscription of a State-guaranteed loan of €24 million,
    - Preserving the Group's cash flow with cost control measures (partial activity, policy to reduce overheads, rent discounts, see above);
- All of these provisions enabled to maintain the Group's financial stability and ensure the Group's business continuity for the next twelve months;
- The Group has made the assumption that business activity will increase by 5% in 2021 with a return to normal business levels in the course of 2022 (in line with the assumptions used in the impairment tests of fixed assets — cf Note 15);
- Furthermore, the Group's cash position stood at €17.5 million at 31 December 2020.

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)	2020 Percent interest	2020 Percent control	2019 Percent interest	2019 Percent control
France				
SA VRANKEN-POMMERY MONOPOLE N° SIRET 348 494 915 00054 5, Place du Général Gouraud 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
SAS VRANKEN-POMMERY PRODUCTION N° SIRET 337 280 911 00120 56, Bd Henri Vasnier 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
SAS VRANKEN-POMMERY VIGNOBLES N° SIRET 314 208 125 00067 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,84 %	99,84 %	99,84 %	99,84 %
SAS RENE LALLEMENT N° SIRET 415 299 023 00028 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,95 %	99,95 %	99,95 %	99,95 %
SAS B.M.T. VIGNOBLES N° SIRET 353 422 397 00045 Le Champ Chapon 51150 TOURS-SUR-MARNE	99,84 %	100,00 %	99,84 %	100,00 %
SAS CHAMPAGNE CHARLES LAFITTE N° SIRET 328 251 590 00050 Le Champ Chapon 51150 TOURS-SUR-MARNE	100,00 %	100,00 %	100,00 %	100,00 %
SAS HEIDSIECK & C° MONOPOLE N° SIRET 338 509 045 00054 34 Boulevard Diancourt 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
SCI DES VIGNES D'AMBRUYERE N° SIRET 332 416 397 00030 Le Champ Chapon 51150 TOURS SUR MARNE	99,58 %	99,58 %	99,58 %	99,58 %
SCI LES ANSINGES MONTAIGU N° SIRET 398 362 988 00030 Le Champ Chapon 51150 TOURS SUR MARNE	100,00 %	100,00 %	100,00 %	100,00 %
POMMERY SAS N° SIRET 441 990 132 00025 5, Place du Général Gouraud 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
SAS GV COURTAGE N° SIRET 382 710 564 00032 Ferme du Château des Castaignes 51270 MONTMORT LUCY	100,00 %	100,00 %	100,00 %	100,00 %
SC DU PEQUIGNY N° SIRET 410 025 134 00025 Domaine des Castaignes 51270 MONTMORT LUCY	99,94 %	99,94 %	99,94 %	99,94 %
SAS HDC N° SIRET 582 044 228 00085 34, Boulevard Diancourt 51100 REIMS	100,00 %	100,00 %	100,00 %	100,00 %
SAS DES VIGNOBLES VRANKEN 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)	2020 Percent interest	2020 Percent control	2019 Percent interest	2019 Percent control
France				
SC DOMAINE DU MONTCHENOIS N° SIRET 421 321 068 00015 Domaine du Montchenois 51140 CHENAY	100,00 %	100,00 %	100,00 %	100,00 %
SAS GRANDS DOMAINES DU LITTORAL N° SIRET 722 041 175 00034 Domaine Royal de Jarras RD 979 30220 AIGUES MORTES	96,50 %	96,50 %	96,50 %	96,50 %
Outside France				
VRANKEN-POMMERY DEUTSCHLAND & ÖSTERREICH GmbH Mohrenstrasse 34 D-10117 BERLIN - Germany	100,00 %	100,00 %	100,00 %	100,00 %
VRANKEN-POMMERY BENELUX SA Square Saintcelette 11/12 1000 BRUXELLES - Belgium	99,99 %	99,99 %	99,99 %	99,99 %
CHARBAUT AMERICA Inc. 12 East 33rd Street - 7th Floor 10016 NEW YORK - United States	100,00 %	100,00 %	100,00 %	100,00 %
ROZÈS SA Quinta de Monsul - Cambres - Lamego Portugal	99,99 %	99,99 %	99,99 %	99,99 %
VRANKEN-POMMERY U.K. Ltd c/o 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 %
VRANKEN-POMMERY SUISSE SA Av de la Gare 10 1003 LAUSANNE - Switzerland	100,00 %	100,00 %	100,00 %	100,00 %
QUINTA DO GRIFO S.A.C. S.A. E.N. 221 KM 100, Poiares, Freixo E. Cinta Portugal	100,00 %	100,00 %	100,00 %	100,00 %
VRANKEN-POMMERY JAPAN Co., Ltd NBF Hibiya Bld. 14F, 1-1-7 Uchisaiw ai-cho, Chiyoda-ku, TOKYO - 100-0011 Japan	95,00 %	95,00 %	95,00 %	95,00 %
VRANKEN POMMERY ITALIA, Spa Piazza Pio XI,5 - 20123 MILANO Italy	100,00 %	100,00 %	100,00 %	100,00 %
VRANKEN-POMMERY AUSTRALIA PTY LDT Level 1, 63 Exhibition Street, MELBOURNE 3000 AUSTRALIA	100,00 %	100,00 %	100,00 %	100,00 %
VPL 13-15, rue de l'Industrie - L - 0869 Bertrange LUXEMBOURG	-	-	100,00 %	100,00 %

Companies within the scope of consolidation (Fully consolidated)	2020 Percent interest	2020 Percent control	2019 Percent interest	2019 Percent control
SAS A L'AUBERGE FRANC COMTOISE N° SIRET 572 112 423 00015 9 Place de la Madeleine 75008 PARIS	34,00 %	34,00 %	34,00 %	34,00 %
SAS VPHV N° SIRET 891 085 888 00016 5 Place du Général Gouraud 51100 REIMS	39,94 %	40,00 %	0,00 %	0,00 %

5. Accounting principles and valuation methods

Preparation of the financial statements in accordance with IFRS accounting principles requires the consideration by Management of estimates and assumptions for the determination of the amounts recognised for certain assets, liabilities, income and expenses, as well as some data in the notes to the assets and liabilities. The estimates and assumptions used are those that the Management considers most relevant and achievable in the Group environment based on available feedback.

Given the uncertain nature inherent in these valuation methods, the final amounts may be different from those initially estimated. To limit these uncertainties, the estimates and assumptions are reviewed periodically and modifications are immediately recognised.

The use of estimates and assumptions is of special importance for the following themes:

- retirement commitments and other employee benefits;
- provisions (including provisions for commercial resources);
- recoverable value of intangible and tangible assets; as well as their useful life;
- recoverable value of receivables, inventories and other receivables;
- fair value of derivative financial instruments;
- deferred tax assets.

5.1 Conversion of accounts expressed in foreign currencies

The financial statements of foreign companies outside the eurozone (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€ = 1,2271 USD	1€ = 1,1470 USD
United Kingdom	1€ = 0,8990 GBP	1€ = 0,8909 GBP
Switzerland	1€ = 1,0802 CHF	1€ = 1,0709 CHF
Japan	1€ = 126,490 JPY	1€ = 121,884 JPY
Australia	1€ = 1,5896 AUD	1€ = 1,6567 AUD

5.2 Transactions in foreign currencies

In the Group companies, foreign currency transactions are converted at the exchange rate in force in the month in which they occur. 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.

Effects of the Covid-19 event on the method used to measure goodwill impairment

In accordance with the recommendations of the ANC, the Group has endeavoured to implement a reasonable approach consistent with the level of risk identified.

The particularly high level of uncertainty resulting from the Covid-19 event has led the Group to adjust its approach used for valuing asset groups in the business segments to which goodwill is allocated.

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.

Effects of the Covid-19 event on brand impairment tests

The Covid-19 pandemic significantly disrupted the Group's operations, resulting in a significant decrease in Group sales in 2020. Nevertheless, the Group believes that its activities will not be significantly affected over the long-term.

As part of the preparation of the financial statements as of 31 December 2020, the multi-year plans previously established were adjusted to take into account the reduced business levels observed in 2020 and a scenario for a return to business levels equivalent to those in 2019 as from 2022.

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 historic cost and fair value is booked under 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
Winegrowing 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 IAS36 – 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:** The 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:** The 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 consists mainly of variable-rate loans, including ageing loans to finance inventories.

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 wines from the harvests of 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019:

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 harvest, grapes beyond the base yield of 10,500 kg/ha and within the limit of 12,000 kg/ha;
- from the 2011 harvest, grapes beyond the base yield of 10,500 kg/ha and within the limit of 13,600 kg/ha;
- from the 2012 harvest, grapes 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.

Due to the health situation, the interprofessional organisation limited the yield to 8,000 kg/ha in 2020. In early 2021, due to better than expected sales, the Champagne Vineyard Committee (Comité Champagne) decided to authorise the release of a further 400 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 on the statement of financial position if nearly all inherent risks and benefits are not transferred.

Effects of the Covid-19 event on the method used to measure receivables impairment

In the context of Covid-19, the Group was obliged to temporarily adjust its approach for receivables excluded from its insurance coverage, in order to factor in extended payment terms and financial aid granted by States to customers to support their cash flow.

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.

Effects of the Covid-19 event on the methods used to estimate the recoverability of deferred tax assets

The income forecasts used to estimate the likeliness of recovering deferred tax assets are consistent with those used to conduct impairment tests on non-current assets (cf Note 15).

5.15 Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised if the Group has an obligation with regard to a third party and is likely or certain that it will give rise to an outflow of resources to the benefit of said third party.

5.16 Commitments to staff

The Group's employees collect retirement allocations under the laws in force in the countries where the companies employing them are located, along with supplemental pensions and departure indemnities. The corresponding actuarial commitments are recorded in the form of a provision on the statement of financial position. The other social and similar commitments covered by a provision are:

- payment of a bonus when long-service awards are granted;
- coverage of medical expenses.

At each annual reporting date of the financial statements, and in accordance with standard IAS 19 as amended (Employee Benefits), retirement and similar commitments are valued by an independent actuary according to the projected credit units method. According to that method, each period of service gives rise to an additional unit of rights to services, and each of these units is assessed separately to obtain the final obligation. This obligation is then discounted.

Actuarial gains and losses are generated by changes of assumptions or experience differences (difference between projected and actual) for the commitments or the financial assets of the system. The actuarial differences found in calculating the various commitments are recognised in equity.

Following the entry into force of the national inter-professional agreement, when assessing social commitments, the Group chose to take into account only the retirement indemnities in the assumption of a departure at the employee's initiative.

The main parameters used for measuring these commitments at the reporting date are:

- retirement age: 62 to 67 years for managers depending on the companies and according to the Fillon Act for non-managers;
- employee development: 1.50%;
- rate of social security expenses: 35.51% to 45.99%, depending on the companies;
- discount rate: 0.60% (0.80% at 31 December 2019);
- 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 financial liabilities 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 financial liabilities

- Cash position

- 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.

<u>Covid-19 effect on debt</u>

The main loans taken out during the 2020 financial year (including the State-guaranteed loan) enabled to strengthened the Group's liquidity.

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 2020

Note 1. Revenue

Breakdown of turnover in €K	France	Export	2020	2019
Production sold, goods and merchandise	109 926	123 693	233 619	264 815
Services and other	8 988	1 399	10 387	9 810
REVENUE	**118 914**	**125 092**	**244 006**	**274 625**

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

Distribution of consolidated revenue by Geographic Area in €K	2020	2019
France	118 914	139 389
Europe	103 889	107 143
Other countries	21 203	28 093
Total	**244 006**	**274 625**

One single customer represented approximately 14.2% of revenue as at 31 December 2020.

Note 2. Consumed purchases

Determination of purchases consumed in €K	Note	2020	2019
Purchases of Raw Materials and Merchandise		108 127	121 722
Other external purchases and expenses		49 184	58 971
Change in inventory	17	12 376	10 965
CONSUMED PURCHASES		**169 688**	**191 658**

Determination of Value Added in €K	2020	2019
Revenue	244 006	274 625
Consumed purchases	-169 688	-191 658
VALUE ADDED	**74 318**	**82 967**

Note 3. Statutory Auditors' fees

In €K	12/2020		12/2019	
	Mazars	Audit & Strategy	Mazars	Audit & Strategy
Fees for the certification assignment	239	131	288	138
Fees for other services	80	-	50	-
Total	**319**	**131**	**338**	**138**

Note 4. Employee expenses

In €K	2020	2019
Wages & salaries	28 346	32 536
Employee expenses	9 831	12 021
Employee commitments excluding effects of renegotiations	104	216
Employee commitments, effects of renegotiations	0	839
Employee profit-sharing & incentive schemes	718	927
Total	**38 999**	**46 539**

The employee benefits expense was down €7.5 million, including €2.1 million in connection with support measures related to the Covid-19 pandemic. The Group also reduced its workforce during the financial year, with some departures which were not replaced.

For their 2020 terms of office, the compensation of the corporate officers amounted to €138 thousand.

WORKFORCE – Distribution France – Outside France	2020	2019
France	581	609
Outside France	147	163
Total	**728**	**772**

WORKFORCE – Breakdown by category	2020	2019
Production workers	373	387
Employees	98	110
Supervisory staff	84	84
Managers	173	191
Total	**728**	**772**

Note 5. Other operating income and expenses

In €K	2020	2019
Operating subsidies	1 907	882
Valuation of know-how, trademark royalties and other rights	-	6 518
Other operating income	1 571	1 459
Operating income	**3 478**	**8 859**
Royalty fees for trademarks and other rights	138	131
Directors' compensation	122	122
Irrecoverable receivables	322	1 186
Other operating expenses	458	863
Operating expenses	**1 040**	**2 302**
Total	**2 438**	**6 557**

In 2019, €1,186 thousand of receivables were recorded as a loss and were the subject of a provision amounting to €608 thousand. Expenses related to irrecoverable receivables, which amounted to €322 thousand at 31 December 2020, are 57% covered by reversals of provisions (see Note 7).

Note 6. Taxes and duties

In €K	2020	2019
Taxes and duties on compensation	719	735
Other taxes and duties: CET, IFA, Real Estate Taxes, Rights, etc.	3 323	3 352
Total	**4 042**	**4 087**

Note 7. Reversals of provisions

In €K	2020	2019
Receivables	182	608
Inventories	-	-
Other operating income	16	29
Total	**198**	**637**

Note 8. Depreciation, amortisation and provisions

In €K	2020	2019
Non-current assets	14 647	14 548
Depreciation and amortisation	**373**	**14 548**
Receivables	396	587
Inventories	50	73
Miscellaneous	173	14
Provisions	**462**	**674**
Total	**15 109**	**15 222**

Note 9. Other Income and Expenses

In €K	2020 Expenses	2020 Income	2019 Expenses	2019 Income
On fixed assets (transfers, waste, depreciation)	3 047	3 215	8 793	9 017
On provisions, disputes, indemnities and breaches of contract	66	59	1 234	186
Others	1 819	814	3 965	811
Total	**4 932**	**4 088**	**13 992**	**10 014**

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.

Breakdown by geographical location In €K	2020 Expenses	2020 Income	2019 Expenses	2019 Income
France	1 720	2 077	12 516	9 697
Europe	3 137	1 887	1 432	314
Other	75	124	44	3
Total	**4 932**	**4 088**	**13 992**	**10 014**

Note 10. Financial income and expenses

In €K	2020 Expenses	2020 Income	2019 Expenses	2019 Income
Interest	16 790	47	18 128	13
Foreign exchange financial instruments (non-effective portion)	3	-	-	-
Interest-related financial instruments (non-effective portion)	-	-	-	124
Employee commitments	111	-	173	-
Exchange rate differences	54	188	217	136
Rate hedging	255	-	342	-
Allowances for/reversals of provisions and other	393	40	710	11
Total	**17 606**	**275**	**19 570**	**284**

Financial expenses were down €2 million in 2020 thanks to the measures implemented over the last three years to reduce the Group's debt and improve its financing conditions.

Note 11. Income tax

In €K	2020	2019
Pre-tax income for the consolidated group	629	1 049
Theoretical tax rate	28,92 %	34,43 %
Theoretical amount of tax	**182**	**361**
Theoretical effect on tax of:		
Changes in tax rates	-	168
Deficits carried forward from previous years or not activated	-	92
Rate differential of foreign subsidiaries and permanent differences	-6	185
Effective tax rate	27,98 %	76,84 %
Effective tax amount	**176**	**806**

In €K	2020	2019
Tax due	508	129
Deferred tax	-332	677
Total	**176**	**806**

Note 12. Earnings per share

In €K	2020	2019
Net income, Group share, in €K	235	76
Weighted average number of ordinary shares outstanding	8 937 085	8 937 085
Weighted average number of ordinary treasury shares	57 453	61 990
Weighted average number of shares	**8 879 632**	**8 875 095**
Earnings per share, in €	**0,03**	**0,01**

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 01/01/2020	24 479
New differences	-
Withdrawals from differences	-
Transfer between line items	-
As at 31/12/2020	**24 479**

The results of the impairment tests performed on 31 December 2020 are presented in Note 15.

Note 14. **Intangible assets**

Values in €K		As at 01/01/2020	Increase	Decrease	Foreign exc. differences	Trans. betw. line items	As at 31/12/2020
Trademarks	Gross	80 148					80 148
	Prov.	*-38*					*-38*
	Net	80 110					80 110
Other property rights – non-amortisable		1 062				-117	945
Other property rights – amortisable	Gross	21 904	1 135	-44	-303	228	22 920
	Dep./amort.	*-13 199*	*-664*	*44*	*186*		*-13 633*
	Net	8 705	471		-117	228	9 287
Other intangible assets – non-amortisable*		4 905			-35	38	4 908
Other intangible assets – amortisable	Gross	20 660	370			-149	20 881
	Dep./amort.	*-14 548*	*-1 235*		*13*		*-15 770*
	Net	6 112	-865		13	-149	5 111
Total	**Gross**	**128 679**	**1 505**	**-44**	**-338**		**129 800**
	Dep./amort.	***-27 785***	***-1 899***	***44***	***199***		***-29 441***
	Net	**100 894**	**-394**		**-139**		**100 359**

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

Trademarks net values in €K	2020
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	195
Total	**80 110**

The multi-criterion approach implemented on 31 December 2020 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:

  • 2019 and 2020: 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 2020 to 2024 (budget forecasts established in 2020 for 2020-2024),

  • 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 8.1% for champagne and 7.7% 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 2020, these changes in the main assumptions taken individually confirm the value of the brands, for both Champagne and Port.

The results of the impairment tests performed on 31 December 2020 are presented in Note 15.

Note 15. **Property, plant and equipment**

Values in €K		As at 01/01/2020	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2020
Land	Gross	50 918	631	-3	-	-	323	51 869
	Dep./amort.	*-582*	*-160*	*2*	-	-	*-323*	*-1 063*
	Net	50 336	471	-1	-	-	-	50 806
Vineyards	Gross	207 442	5 688	-4 064	-	-	-1 296	207 770
	*Dep./amort.**	*-15 548*	*-2 795*	*714*	-	-	*1 217*	*-16 412*
	Net	191 894	2 893	-3 350	-	-	-79	191 358
Buildings	Gross	135 531	5 739	-1 116	-63	-	-1 368	138 723
	Dep./amort.	*-33 299*	*-4 931*	*379*	*21*	-	*2 084*	*-35 746*
	Net	102 232	808	-737	-42	-	716	102 977
Real estate subtotal	**Gross**	**393 891**	**12 058**	**-5 183**	**-63**	**-**	**-2 341**	**398 362**
	Dep./amort.	***-49 430***	***-7 886***	***1 095***	***21***	**-**	***2 978***	***-53 222***
	Net	**344 461**	**4 172**	**-4 088**	**-42**	**-**	**637**	**345 140**
Technical and equipment installations	Gross	109 166	4 684	-4 124	-34	-1 973	-652	107 067
	Dep./amort.	*-70 788*	*-5 990*	*2 730*	*28*	*1 677*	*15*	*-72 328*
	Net	38 378	-1 306	- 1394	-6	-296	-637	34 739
Total	**Gross**	**503 057**	**16 742**	**- 9307**	**-97**	**-1 973**	**-2 993**	**505 429**
	Dep./amort.	***-120 218***	***-13 876***	***3 825***	***49***	***1 677***	***2 993***	***-125 550***
	Net	**382 839**	**2 866**	**-5 482**	**-48**	**-296**	**-**	**379 879**

**Amortisation of plantations.*
In accordance with IAS 16, which aims to deduct depreciation and amortisation from the gross value of remeasured assets, the gross value and depreciation and amortisation were offset in the amount of €3,625 thousand in 2020.

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

Values in €K		As at 01/01/2020	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2020
Vineyards	Gross	13 991	113	-472	-	-	9	13 641
	Dep./amort.	*-1 093*	*-1 071*	*102*	-	-	-	*-2 062*
	Net	12 898	-958	-370	-	-	9	11 579
Buildings	Gross	24 321	357	-940	-63	-	-	23 676
	Dep./amort.	*-7 318*	*-1 689*	*243*	*21*	-	-	*-8 743*
	Net	17 003	-1 332	-697	-42	-	-	14 933
Technical and equipment installations	Gross	30 021	524	-512	-	-	177	30 211
	Dep./amort.	*-23 381*	*-1 613*	*456*	-	-	*14*	*-24 524*
	Net	6 640	-1 089	-56	-	-	191	5 687
Total	**Gross**	**68 331**	**994**	**-1 924**	**-63**	**-**	**186**	**67 524**
	Dep./amort.	***-31 792***	***-4 373***	***801***	***21***	**-**	***14***	***-35 329***
	Net	**36 539**	**-3 379**	**-1 123**	**-42**	**-**	**200**	**32 195**

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 €2,698 thousand, or €2,001 thousand net of deferred taxes listed under revaluation reserve.

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

Valeurs en K€		As at 01/01/2020	Increase	Decrease	Foreign exc. differ.	Ch. in scope of conso.	Trans. betw. line items	As at 31/12/2020
Land	Gross	24 464	475	-3	-	-	-	24 936
	Dep./amort.	*-884*	*-160*	*2*	-	-	-	*-1 042*
	Net	23 580	315	-1	-	-	-	23 894
Vineyards	Gross	182 293	5 631	-1 310	-	-	-78	186 536
	Dep./amort.	*-24 580*	*-2 795*	*714*	-	-	-	*-26 661*
	Net	157 713	2 836	-596	-	-	-78	159 875
Buildings	Gross	128 138	2 689	-1 116	-63	-	717	130 365
	Dep./amort.	*-50 347*	*-4 518*	*379*	*21*	-	-	*-54 465*
	Net	77 791	-1 829	-737	-42	-	717	75 900
Real estate subtotal	**Gross**	**334 895**	**8 795**	**-2 429**	**-63**	**-**	**639**	**341 837**
	Dep./amort.	***-75 811***	***-7 473***	***1 095***	***21***	**-**	**-**	***-82 168***
	Net	**259 084**	**1 322**	**-1 334**	**-42**	**-**	**639**	**259 669**

Impairment tests

The Group subjected all non-current assets to impairment tests at 31 December 2020 as per the method of discounted future cash flows.

- The calculations relied on the following data:
  - 2020: 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 2020 to 2025 (budget forecasts established in 2019 for 2020-2025);
  - 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 138% of the carrying amount for champagne, 132% for the wines of 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 2020, these changes of the main assumptions taken individually did not lead to values in use that are less than the net carrying amounts.

Note 16. Other non-current assets

Values in €K	As at 01/01/2020	Increase	Decrease	Foreign exch. diff.	Change in fair value	As at 31/12/2020
Equity securities	691	-	-	-	-	691
Other fixed securities	394	5	-	-	-	399
Other financial assets	1 153	51	-14	-12	29	1 207
Total	**2 238**	**56**	**-14**	**-12**	**29**	**2 297**

Non-consolidated companies – Gross values of securities in €K		2020
SADEVE SA	Stake in the order of 11% No control or power	640
SICA Essor Champenois	Cooperative Agricultural Company	23
SAS L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	Stake of 24.75% Negligible importance	14
AGROGARANTE - MUTUA SA	Negligible stake	10
Caixa de crédito agricola - Tabuaço	Negligible stake	2
CSGV	Negligible stake	2
Total		**691**

Investments in affiliates in €K	2020	2019
A l'auberge Franc Comtoise	1 043	1 170
SAS VPHV	18	
Share of equity	**1 061**	**1 170**
A l'auberge Franc Comtoise	-128	-95
SAS VPHV	-2	
Share of income from equity affiliates	**-130**	**-95**

The data concerning 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	2020	2019
Raw materials	97 528	115 646
Work-in-progress	514 816	504 009
Intermediate and finished products	60 707	66 686
Provisions	-591	-541
Total	**672 460**	**685 800**

In €K	Note	2020	2019
Start of period		685 800	696 480
Change in inventory	2	-12 376	-10 965
Foreign exchange differences		-914	358
Provision changes		-50	-73
End of period		**672 460**	**685 800**

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

In €K	2020	2019
Effect on inventories	11 777	11 069
Effect on income	708	4 986
Deferred taxes	1	-1 383
Net effect on income	**709**	**3 603**

Note 18. Trade and other receivables

In €K	2020	2019
Gross	65 955	65 552
Impairment	-2 318	-2 105
Total	**63 637**	**63 447**

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 regions and territories, and with COFACE, for export markets.

Furthermore, the top ten customers account for about 46.7% of revenue.

A provision is made for overdue and unsettled receivables if there is a risk of non-recovery.

As at 31 December 2020, the amount of receivables assigned amounted to €60,231 thousand.

Note 19. Other current assets

In €K	2020	2019
Advances and down payments paid on orders	**2 246**	**2 296**
Trade payables	1 687	1 708
Staff and related accounts	79	95
Social-security and labour bodies	229	264
Other receivables	11 055	1 513
Associates' current accounts	1 635	14
State	15 366	15 785
Impairment	-36	-36
Other receivables	**30 015**	**19 343**
Miscellaneous prepaid expenses	4 008	5 521
Accrual accounts	**4 008**	**5 521**
Total	**36 269**	**27 160**

Breakdown by maturities in €K	2020	2019
Less than 1 year	34 595	25 486
From 1 year to 5 years	1 674	1 674
Total	**36 269**	**27 160**

Note 20. Liquid assets

In €K	2020	2019
Liquid assets	17 469	6 542
Total	**17 469**	**6 542**

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 has no bond maturity in 2021.

Note 21. Equity (Group share)

Composition of equity in €K	2020	2019
Capital of parent company	134 056	134 056
Premiums	45 013	45 013
Reserves	188 922	190 204
Income for the period	235	76
Total	**368 226**	**369 349**

Composition of capital by volume	2020	Nominal amount
At opening	8 937 085	15
Capital increase		
Acquisition		
Disposal		
At the reporting date	8 937 085	15

Composition of equity in €K	2020	2019
Equity (Group share)	368 226	369 349
Non-controlling interests	4 330	4 251
Equity capital	**372 556**	**373 600**

Note 22. Loans, financial debt and bank overdrafts

Change in €K	As of 01/01/20	New borrowings	Repayments	Change in short-term financing	Translation differences	As of 31/12/2020
Listed bonds	220 000	-	-	-	-	220 000
Bank borrowings*	100 267	32 131	-9 984	-14	-43	122 357
Ageing loans	341 010	5 000	-18 000	-	-	328 010
Bank overdrafts	52 064	-	-	-24 591	-64	27 409
Other financial liabilities	4 516	232	-22	-	-	4 726
Associates' current accounts**	441	-	-	-215	-	226
Loans, financial debt and bank overdrafts	**718 298**	**37 363**	**-28 006**	**-24 820**	**-107**	**702 728**
**Of which leases (IFRS 16).*	*30 899*	*1 193*	*-4 752*	*-14*	*-43*	*27 463*

***Of which dividends payable.*

Breakdown by maturity in €K	Current debts - 1 year	Non-current debts From 1 to 5 years	+5 years	TOTAL
Bonds		175 000	45 000	220 000
Bank borrowings*	13 506	80 007	28 844	122 357
Ageing loans	33 100	294 910		328 010
Bank overdrafts	27 409			27 409
Other financial liabilities	4 726			4 726
Associates' current accounts	226			226
Loans, financial debt and bank overdrafts	**78 967**	**549 917**	**73 844**	**702 728**
**Of which leases (IFRS 16).*	*3 709*	*12 162*	*11 592*	*27 464*

As of 31 December 2020, lease liabilities amounted to €27,464 thousand.

Net financial debt in €K	Note	2020	2019
Bank borrowings and debts (non-current)	22	623 761	636 733
Bank borrowings and overdrafts (current)	22	78 967	81 565
Group debt		**702 728**	**718 298**
Current accounts of debtor associates	19	-1 635	-14
Current financial assets and liabilities	29	-5	326
Cash balance	20	-17 469	-6 542
Net financial debt		**683 619**	**712 068**

In 2020, the Group renewed its ageing loans which have matured until 2022 and beyond, and it no longer has any bond maturities before 2022.

Net cash position	Note	2020	2019
Bank overdrafts	22	-27 409	-52 064
Cash balance	20	17 469	6 542
Net cash position		**-9 940**	**-45 522**

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 ≤ 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:

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

The definition of the terms applying to the bonds quoted are as follows:

- Recovered Equity: consolidated equity minus reserves linked to the hedging instruments and any change under "Deferred Tax Liabilities" in the statement of financial position of the previous financial year's statements, as long as this change results from an increase, after the date of the Prospectus, of the corporation tax on capital gains to be achieved by the sale of assets;
- Net Financial Debt: amount of Net Financial Indebtedness, excluding receivables financing, minus liquidities and investment securities;
- Consolidated Assets: non-current assets (restated for unallocated goodwill and deferred tax assets) and the entire inventories item.

As at 31 December 2020, all ratios were observed.

Bank borrowings

A loan of €16,000 thousand is currently also subject to the following ratios:

- Net Financial Debt/Consolidated Asset ≤ 80%; and
- Adjusted Equity > Defined Amount or 90% of Adjusted Equity for year n-1.

The definition of the terms applying to the bonds quoted are as follows:

- Recovered Equity: consolidated equity minus reserves linked to the hedging instruments and any change under "Deferred Tax Liabilities" in the statement of financial position of the previous financial year's statements, as long as this change results from an increase, after the date of the Prospectus, of the corporation tax on capital gains to be achieved by the sale of assets;
- Net Financial Debt: amount of Net Financial Indebtedness, excluding receivables financing, minus liquidities and investment securities;
- Consolidated Assets: non-current assets (restated for unallocated goodwill and deferred tax assets) and the entire inventories item;
- Defined Amount: €257,500 thousand.

As at 31 December 2020, all ratios were observed.

Concerning the bank loans, two ageing loans for a total amount of €13,000 thousand are subject to a covenant that can trigger the due date 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 observed as of 31 December 2020.

A €10,000 thousand ageing loan accompanied by two financial covenants which, if not complied with, could trigger early repayment. This involves the following ratios:

- R1: Equity/Statement of financial position total > 20%;
- R2: Net Financial Debt/Consolidated Assets < 80%.

At 31 December 2020, these two ratios were observed.

The Group repaid early its USD 3.5 million loan in 2020.

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

53.79% of the Group's debt as at 31 December 2020 consists borrowings and debt at variable rates, indexed mainly to 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 2020 was -0.50% (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.

Assets and non-asset contracts as at 31 December 2020 break down as follows:

In €K	2020	2019
COLLAR	5 529	5 529
SWAP	4 246	6 703
Total	**9 775**	**12 232**

At 31 December 2020, hedging represented 2.59% of floating-rate financial debt. However, the Group limits itself to uses within the strict framework of its needs.

With regard to financial instruments outstanding at 31 December 2020, the interest rate hedging levels were as follows:

Collar type hedging	In €K
Rate limits between 1.5% and 3.5%	5 529
SWAP type hedging	**In €K**
Fixed rate below 2%	4 246
Fixed rate between 2% and 4%	-

The maturities and fair value of the rate derivatives held at 31 December 2020 break down as follows:

Term years - In €K	Notional	Fair Value
Contracts maturing in 2021	9 375	-52
Contracts with maturities after 2021	400	57

As at 31 December 2020, the work related to the documentation of the hedging relationship carried out by the group under IFRS 9 concluded with the following distribution:

Hedging relationship – In €K	Notional	Fair Value
Satisfactory	9 775	5
Unsatisfactory	-	-

Financial expenses for 2020 include amortisation in net income of financial liabilities that do not meet hedge accounting criteria.

Foreign exchange risk

The share of 2020 revenue in foreign currencies was 7.1%.

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 €812 million. 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.

Term years - In €K	Notional*	Fair Value
Contracts maturing in 2021	1 460	70

*Counter-value in €.

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 2020
ASSETS				
Non-consolidated equity securities	3	691		691
Other non-current financial assets			399	399
Trade receivables			63 637	63 637
Operating current accounts and other receivables			32 261	32 261
Current financial assets	2	70		70
Cash balance			17 469	17 469
Total financial assets		**761**	**113 766**	**114 527**

*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 2020
LIABILITIES				
Current and non-current financial debt			702 728	702 728
Other non-current liabilities			-	-
Trade payables			107 110	107 110
Tax liabilities			13 000	13 000
Other current liabilities			30 440	30 440
Current financial liabilities	2	65		65
Total financial liabilities		**65**	**853 278**	**853 343**

*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 2019 and 2020 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 (€10 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	Financial liabilities	Items not affecting cash flow
Start of period	**691**	**326**	
Change in fair value through profit or loss		34	34
Change in fair value through equity	70	-295	-365
End of period	**761**	**65**	

Derecognition of financial assets and financial liabilities

Over the financial year, the Group derecognised:

- the VAT receivables and debts on reciprocal operations amounting to €7,284 thousand in view of the VAT consolidation agreement for the Group;
- assigned receivables (Note 18) when they meet the criteria described in Note 5.12 of the accounting principles and valuation methods.

Note 23. Provisions for pensions and employee benefits

In €K	Note	2020	2019
Start of period		**13 918**	**10 782**
Revaluation in other comprehensive income		214	2 011
Operating income and expenses in the income statement	4	-32	1 055
Financial income and expenses in the income statement	10	111	173
Other changes		-53	-103
End of period		**14 158**	**13 918**

During the first half of 2019, the signature of new agreements within Group companies included in the Champagne scope had resulted in an additional provision in 2019.

In addition, the discount rate increased from 0.80% to 0.60%.

Analysis of financial position

In €K	2020	2019
Gross commitment	14 217	13 975
Hedging assets	-59	-57
Accounting provision	**14 158**	**13 918**
End of career indemnities	5 015	5 210
Medical cost coverage	8 904	8 345
Long-service awards	238	363

Analysis of the cost of the plans

In €K	End of career indemnities	Medical cost coverage	Long-service awards	As at 31/12/2020	As at 31/12/2019
Cost of services rendered	26	238	-5	260	1 474
Benefits paid	-143	-129	-19	-291	-419
Operational component of the expense	**-117**	**109**	**-24**	**-32**	**1 055**
Financial component of the expense	42	67	3	111	173
Total	**-75**	**176**	**-20**	**80**	**1 228**

Actuarial differences generated in the period on post-employment plans

In €K	End of career indemnities	Medical cost coverage	Long-service awards	As at 31/12/2020	As at 31/12/2019
Actuarial differences stemming from changes of demographic assumptions	10	8	-	18	12
Actuarial differences stemming from changes in financial assumptions	-4	-	-	-4	1 886
Experience differences	157	-44	-	113	113
Total revaluation in other comprehensive income	**163**	**-36**	**-**	**128**	**2 011**

All employee benefits were valued by an independent actuary as at 31 December 2020.

A sensitivity study that involved changing the reference rates was carried out. Rate changes of +/-0.5% are described below:

Sensitivity as a % 12/2020	+0,5% Actuarial debt	Service cost	Cost of discounting	-0,5% Actuarial debt	Service cost	Cost of discounting
Discount rate	-9,00 %	10,00 %	-4,99 %	10,45 %	39,50 %	-73,36 %
Salary revaluation rate	2,44 %	12,04 %	-17,60 %	-2,26 %	-9,61 %	-20,64 %
Medical expenses revaluation rate	7,76 %	27,47 %	-10,05 %	-6,63 %	7,86 %	-19,36 %

Note 24. Deferred taxes

In €K	2020	2019
Deferred tax assets	413	143
Deferred tax liabilities	-57 635	-57 443
Net deferred taxes	**-57 222**	**-57 300**

Breakdown of deferred tax:

In €K	2020	2019
Deficits carried forward	5 140	3 820
Temporary difference	-1 999	-1 721
Fixed assets	-58 231	-58 524
Biological assets	-3 042	-3 043
Financial instruments	-1	84
Employee commitments	3 574	3 464
Inventory margin eliminations	1 164	2 482
Leases	-1 213	-1 444
Exceptional depreciation and amortisation	-	-3
Expenses to be spread out & Miscellaneous	-2 616	-2 416
Net deferred taxes	**-57 222**	**-57 300**

In €K	2020	2019
Start of period	**-57 300**	**-55 007**
Change through income	332	-677
Change through equity	-264	-1 286
Foreign exchange differences	10	-1
Reclassification of assets and liabilities held for sale	-	-329
End of period	**-57 222**	**-57 300**

Note 25. Suppliers and related accounts

In €K	2020	2019
Suppliers and related accounts	107 110	94 202
Total	**107 110**	**94 202**

Trade payables and related accounts are due in less than one year.

Note 26. Provisions for risks and charges

In €K	2020	2019
Start of period	**-**	**-**
Allocations	6	-
Reversals	-	-
End of period	**6**	**-**
i.e.: Currency & interest rate risks		
Current risks/receivables	**6**	**-**

Note 27. Tax liabilities

In €K	2020	2019
Tax liabilities	13 000	11 645
Total	**13 000**	**11 645**

The term of tax debts is less than one year.

Note 28. Other current liabilities

In €K	2020	2019
Advances and down payments received	**18 842**	**13 000**
Social liabilities	9 301	9 535
Miscellaneous	2 297	2 102
Other payables	**11 598**	**11 637**
Prepaid income	691	642
Accrual accounts	**691**	**642**
Total	**31 131**	**25 279**

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	2020	2019
Current financial assets	70	-
Current financial liabilities	-65	-326
Total	**5**	**-326**

In €K	2020	2019
Rate hedging	5	-326
Currency hedging	-	-
Total	**5**	**-326**

In €K	2020	2019
Start of period	**-326**	**-634**
Change through income	36	120
Change through equity	295	188
End of period	**5**	**-326**

Breakdown by maturity in €K	2020	2019
- 1 year	-52	-50
from 1 year to 5 years	57	-276
Total	**5**	**-326**

Note 30. Off-balance sheet commitments

Financial commitments in €K	2020	2019
Endorsements & guarantees	536	172
Operating leases	-	-
Interest on borrowings not yet due	38 000	48 654
Total financial commitments given	**38 536**	**48 826**

Debts secured by collateral in €K	2020	2019
Debts secured by collateral (champagne wine inventory)	328 010	350 916
Debts secured by collateral (intangible assets) -	-	
Debts secured by collateral (other assets)	24 644	44 695
Total debts secured by collateral	**352 654**	**395 611**

Financial commitments received in €K	2020	2019
Endorsements & guarantees	390	24 351
State guarantee under EMPs	21 600	-
Total financial commitments received	**21 990**	**24 351**

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, therefore the random nature of the harvest in terms of both appellation yield and prices makes it impossible to establish 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	2020	as a %	2019	as a %
Champagne and others	213 108	87 %	246 843	90 %
Les Sables and Provence wines	30 898	13 %	27 782	10 %
Total	**244 006**	**100 %**	**274 625**	**100 %**

Distribution of consolidated current operating income by business segment in €K	2020	as a %	2019	as a %
Champagne and others	15 508	82 %	20 114	83 %
Les Sables and Provence wines	3 296	18 %	4 199	17 %
Total	**18 804**	**100 %**	**24 313**	**100 %**

Distribution of net intangible assets by business segment in €K	12/2020	12/2019
Champagne and others	99 081	99 414
Les Sables and Provence wines	1 278	1 480
Total	**100 359**	**100 894**

Distribution of net property, plant and equipment by business segment in €K	12/2020	12/2019
Champagne and others	232 243	241 382
Les Sables and Provence wines	147 633	141 457
Total	**379 876**	**382 839**

Distribution of net financial assets by business segment in €K	12/2020	12/2019
Champagne and others	2 139	2 080
Les Sables and Provence wines	158	158
Total	**2 297**	**2 238**

Distribution of inventories by business segment in €K	12/2020	12/2019
Champagne and others	656 086	669 291
Les Sables and Provence wines	16 374	16 509
Total	**672 460**	**685 800**

Distribution of investments by business segment in €K	12/2020	12/2019
Champagne and others	5 142	14 747
Les Sables and Provence wines	9 898	10 867
Total	**15 040**	**25 614**

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 COMPANIE 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

Finished products: Champagne, Port, Listel wines, other wines and spirits

Services: Winegrowing, wine producing, industrial, administrative, rents, royalties, brokerage and del credere agent

Financial income and expenses: Interest on current accounts

Compensation paid: Employment contracts, agency fees, benefits in kind, directors' compensation

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	2020	2019
Revenue – Finished products	8	35
Revenue – Services	5	27
Financial income	-	-
Other purchases of services and commissions	261	429
Current liabilities	48	40
Current assets	137	55

The relationship between the VRANKEN-POMMERY MONOPOLE Group and the COMPAGNIE VRANKEN Group

In €K	2020	2019
Revenue – Finished products (including sale of harvest)	956	6 042
Revenue – Services	4 625	1 027
Revenue – Various sales	869	732
Other income	37	18
Royalty income from trademarks and know-how	-	6 512
Proceeds on disposal of fixed assets	672	8 708
Purchases of raw materials, products under production and finished goods	365	2 847
Services of leading holding company	1 764	2 272
Real estate leasing	332	303
Other purchases of services and commissions	266	452
Employee expenses and compensation paid	46	10
Expenses on trademark royalties	101	89
Financial expenses	35	30
Creditor partner current accounts	1 381	426
Lease liabilities	10 839	11 688
Other current liabilities	912	1 330
Debtor partner current accounts	17	14
Non-current assets	468	279
Current assets	11 194	10 676

Relations of the VRANKEN-POMMERY MONOPOLE Group with natural persons, directors or shareholders directly or indirectly

In €K	2020	2019
Revenue – Finished products	54	57
Revenue – Services	638	913
Revenue – Various sales	12	40
Purchases of raw materials and products under production	-	11
Other purchases of services and commissions	664	1 271
Tax expenses	2	1
Employee expenses and compensation paid*	803	1 472
Expenses on trademark royalties	37	42
Financial expenses	-	-
Lease liabilities	616	952
Current liabilities	749	1 075
Creditor partner current accounts	12	15
Current assets	765	941

**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 conduct distinct autonomous services and conduct their business under market conditions, and the COMPAGNIE VRANKEN Group prepares the consolidated financial statements.

Note 33. Events since the reporting date

The beginning of 2021 was marked by the extension of health restrictions imposed by the French Government (curfew, mandatory closure of establishments serving the public, financial aid, etc.) The Group has included these events in its main accounting estimates at 31 December 2020, in particular in the scenarios used to value assets (see Note 15).

Note 34. Parent company key figures (in thousands of euros)

Income statement	2020	2019
Revenue	234 907	273 693
Operating income	717	725
Current income	4 895	5 584
Net income	**1 533**	**1 673**

Statement of financial position	2020	2019
Share Capital	134 056	134 056
Equity capital	289 094	287 556
Bonds (including accrued interest)	223 874	223 874
Financial debt with credit institutions	43 015	37 326
Fixed assets	377 073	374 522
Total statement of financial position	**752 688**	**711 143**

5.1.7 Statutory Auditors' report on the consolidated financial statements

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 2020, as appended to this report. We certify that the consolidated financial statements are, in view of the IFRS standards as adopted in the European Union, true and fair and give an accurate presentation of the results of operations over the past financial year as well as of the financial position and the assets and liabilities, at the reporting date, of the people and entities included in the scope of consolidation. The opinion expressed above is consistent with the content of our report to the Audit Committee.

Grounds for the opinion

Audit standards

We performed our audit in accordance with professional standards applicable in France. We believe that the information we collected is sufficient and appropriate to form the basis of our opinion. The responsibilities incumbent upon us under these standards are indicated in the "Responsibilities of the Statutory Auditors pertaining to the audit of the consolidated financial statements" section of this report.

Independence

We performed our audit in compliance with the rules of independence laid down in the French Commercial Code and Code of Ethics of the Profession of Statutory Auditors, over the period from 1 January 2020 to the date of issuance of our report, and in particular 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

At 31 December 2020, inventories amounted to €672.5 million, or 51.8% of the Group's total assets, and included work-in-progress for €514.8 million, raw materials for €97.2 million and intermediate and finished products for €60.4 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 rights registers and in 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 costs of production 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 retained 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. At 31 December 2020, real estate assets totalled €345.1 million, (26.6% of total assets), and included vineyards for €191.4 million, buildings for €102.9 million and land for €50.8 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 recognised in equity, in accordance with the procedures described in the 5.6 "Accounting methods" note. Management determines the market value of the vineyards on the basis of the value bracket from official operations 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 "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 of 31 December 2020, the trademarks held by the VRANKEN-POMMERY MONOPOLE Group are recognised in the amount of €80.1 million in the financial statements, representing 6.2% of the total assets. As the Group considered that the effects of Covid-19 were an indication of impairment, impairment tests were carried out on the brands on 31 December 2020. 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 utility value 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 the historic performance and by corroboration with the external assessment available on 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.

• Commercial resources

Risk identified

As part of the marketing of its products, the Group has had to grant end-of-year discounts to large retailers on the basis of volumes sold. As of 31 December 2020, the provisions for commercial resources come to €5.8 million. The commercial resources granted to large retailers is a commitment for the Group, from the moment sales volumes are achieved, a commitment for which provisions for expected costs should be laid out. The ways of calculating provisions for the commercial resources described in Note 5.15 of the "Accounting methods" is based mainly on the sales volumes observed per trademark, as well as on the estimate of the expected costs as a function of the agreements concluded with distributors. We considered that the provisions for commercial resources is a key point of the audit because of their significant importance in the consolidated financial statements and because of the level of judgment required to determine the expected costs of promotional activities in a complex market.

Our response

In the framework of our due diligence, our work consisted of:

- becoming familiar with the procedures used by Management to map out all commitments to major retailers;
- conducting a critical review of the estimate established by the management audit of the commitments existing at the end of the financial year for commercial resources, in particular by corroborating the management data with the deliveries for the year and, through sampling, with the contractual data;
- reconciling the estimates established by the management audit of accounting data;
- comparing invoices received over the period with the provision established at the previous reporting date to assess the reliability of the process.

Lastly, we assessed the information communicated in Note 5.15 of the "Accounting methods".

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 referred to in Article L. 22-10-36 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 that code, the information contained in this Statement has not been verified by us as to its fair presentation or its consistency with the consolidated financial statements and must be addressed in a report by an independent third party.

Other verifications or information required by laws and regulations

Presentation format of the consolidated financial statements intended to be included in the Annual Financial Report

In accordance with paragraph III of Article 222-3 of the AMF General Regulation, the Management of your Company informed us that it has decided postpone the application of the single electronic information format as defined by Delegated European Regulation 2019/815 of 17 December 2018 to the financial years beginning on or after 1 January 2021. As a result, this report does not include a conclusion on compliance with this format for the presentation of the consolidated financial statements intended to be included in the Annual Financial Report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code.

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 2020, MAZARS was in the 26th consecutive year of its mission and Audit & Strategy Révision Certification in its 20th year, and the 23rd and 20th year 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 the IFRS standards as adopted in the European Union, and to institute the internal audit it deems necessary to prepare consolidated financial statements containing no material misstatements, whether from fraud or error. In preparing these consolidated financial statements, it is incumbent on the Management to assess the Company's capacity to continue its operations, to present in these financial statements any necessary information pertaining to the continuity of operations, and to apply the accounting convention of continuity of operations, unless there is a plan to liquidate the Company or cease its activity. The Audit Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems and, where applicable, any internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information. The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors pertaining to the audit of the consolidated financial statements

Audit objective and approach

It is incumbent upon us to write a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with the standards of professional practice will systematically detect any material misstatements. The misstatements may originate from fraud or result from errors, and are considered material when one can reasonably expect that they 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 accounts certification task does not consist in 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 judgment all along this audit. Furthermore:

- it identifies and assesses the risks that the consolidated financial statements include material misstatements, whether due to fraud or error; defines and implements audit procedures to counter these risks; and gathers the information it deems sufficient and appropriate to establish its 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;
- it becomes familiar with the internal audit pertinent for the audit in order to define appropriate audit procedures for the circumstances, and not for the purpose of expressing an opinion on the efficiency of the internal audit;
- it takes into account the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by the Management, as well as the information concerning them in the consolidated financial statements;
- it assesses the appropriateness of the Management's application of the accounting convention of continuity of operations and, according to the elements collected, the existence or not of a significant uncertainty in relation to events or circumstances that might call into question the Company's capacity to continue its operations. This assessment relies on elements collected up to the date of its report, though it is noted that later circumstances or events might call into question the continuity of operations. If it concludes that there is a significant uncertainty, it draws the readers' attention to the information provided in the consolidated financial statements on the subject of this uncertainty or, if this information is not provided or is not pertinent, it expresses a certification with reservations, or refuses to certify;
- it assesses the overall presentation of the consolidated financial statements and determines if they reflect the underlying operations and events in such manner as to give a faithful image;
- concerning the financial information on persons or entities included in the consolidation scope, it collects the information it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It is 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, 14 April 2021

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

In 2020, the VRANKEN-POMMERY MONOPOLE Group proved it was able to face economic shocks. This resilience owes to its recognised brands, the quality of its products, the flexibility of its organisation and its presence in all distribution channels, particularly retail networks for the off-trade market.

End consumers have remained loyal to the Group's products and have adapted their consumption patterns to the constraints linked to the Covid-19 pandemic, in particular restrictions on mobility and social life.

5.2.2 Group revenue and income

VRANKEN-POMMERY MONOPOLE's consolidated sales amounted to €244 million for the financial year 2020, down only 11.1%.

Faced with the containment and curfew measures adopted in France and abroad throughout the 2020 financial year, the Group demonstrated its resilience by relying on its strong brands, the agility of its organisation and its historical presence in sales networks for home consumption.

The weight of exports increased again in 2020 to reach 60% of sales compared with 40% for France.

In countries where distribution is mainly focused on out-of-home consumption, i.e. England, the United States and Japan, revenue are declining.

Conversely, in countries where the Group is present in the off-trade networks, Switzerland, Austria, Germany, Holland, Belgium and Australia, revenue is increasing.

CHAMPAGNE BRANCH

On-trade consumption has contracted all over the world, particularly in France where gastronomy and events are the two largest Champagne sales networks.

Sales in points of sale for home consumption (off-trade) remained satisfactory in France, and even good in the major consumer countries. VRANKEN-POMMERY MONOPOLE, French leader in this sector, was thus able to mitigate the drop in its Champagne sales to 11.9% in a world market down by around 18% (from CIVC). Exports represented 60% of the Group's Champagne sales in 2020.

Market shares were gained in all the countries in the north-eastern European crown, from Switzerland to Belgium, enabling total export sales (excluding duty free) to increase by 3% compared to 2019.

The appeal of Champagne to consumers remains undiminished, but unfavourable circumstances, particularly the absence of convivial moments and restricted mobility, explain the drop in sales.

At the Champagne and Sparkling Wines World Championship 2020, VRANKEN-POMMERY MONOPOLE received 4 new Gold Medals for its Pommery Brut Royal, Apanage, Grand Cru 2004 and Clos Pompadour cuvées with Best in Class. These international distinctions were completed by the Gold Medal for Pommery Apanage at the Champagne Masters 2020 organised by the magazine Drinks Business.

WINE BRANCH

The good harvest in the Camargue and in Provence, helped to increase the revenue of Grands Domaines du Littoral, up 11.7% to €30.6 million.

The "Pink Flamingo" brand of Domaine Royal de Jarras in the Camargue and the "Vérité du Terroir" brand of Château La Gordonne in Provence continue to develop and are beginning to be recognised by consumers as the leaders in organic viticulture.

All the wine estates are treated organically and are ready to receive the public as soon as the pandemic is defeated.

ŒNO-CULTURAL TOURISM

Visiting and reception activities in Reims have been stopped, and the Pierrefeu du Var, Aigues-Mortes and Lamego shops have been closed since March 2020. They have only been open for a short time between confinements. The loss of revenue is significant at more than €4 million.

PORTS, SPARKLING WINES AND OTHERS

The absence of tourists in Portugal affected the subsidiary's sales in its domestic market, partly offset by increased revenue from international sales.

The Sparkling Wines continued their referencing for both Louis Pommery California and Louis Pommery England, but the alternating periods of confinement and openings disrupted sales development.

Louis Pommery England obtained a new distinction when it was awarded the Gold Medal at the Wine Great Britain Awards 2020 by the English Wine Association, rewarding the work carried out by the group.

Consolidated data in €M	31/12/2020	31/12/2019	Change
Revenue	244,0	274,6	-30,6
Current operating income	18,8	24,3	-5,7
Operating income	18,0	20,3	-2,3
Net finance income (expense)	*-17,3*	*-19,3*	*+2,0*
Net income	**0,3**	**0,1**	**+0,2**
Groupe Share	0,2	0,1	+0,1

Group results:

The strategic measures announced and implemented over the past three years have helped to mitigate the impact of the health crisis. This adjustment to the cost structure to factor in market changes proved relevant in this unprecedented context and resulted in:

- Current operating income of €18.8 million, down €5.5 million. The Group reduced its employee benefits expense, including €2.1 million related to government support measures in the context of the pandemic;
- Operating income of €18 million, down €2.3 million, with a stable margin compared to revenue at 7.7%;
- Net finance expense of -€17.3 million, an improvement of €2 million, on the back of the work carried out over the past three years to reduce financial debt and improve financing conditions. The average rate of financial debt was 2.40% in 2020 compared to 2.54% in 2019;
- Positive net income of +€0.3 million despite the deteriorated environment.

5.2.3 Consolidated statement of financial position

Consolidated data in €M	2020	2019	Change	as a %
Total assets	**1 298,39**	**1 294,71**	**2,1**	**0,2 %**
Non-current assets	508,48	511,76	-3,3	-0,6 %
Inventories and work-in-progress	672,46	685,80	-12,6	-1,8 %
Equity attributable to owners of the parent	**368,23**	**369,35**	**-1,1**	**-0,3 %**
Non-current liabilities	695,55	708,09	-17,5	-2,5 %
Current liabilities	230,28	213,02	20,7	9,7 %
Net financial debt	685,30	712,10	-28,5	-4,0 %

Equity remained stable at €372.5 million and represented nearly 29% of the total statement of financial position.

At 31 December 2020, the Group's net financial debt amounted to €685.30 million compared to €712.1 million in 2019, i.e. down €26.8 million. This decrease corresponds to the Group's net cash generation, thanks to the control of its operating capital requirements. Restated to reflect the application of IFRS 16 in the amount of €27.5 million in 2020, net financial debt stood at €657.80 million, fully covered by the €672.50 million in inventories.

During the 2020 financial year, VRANKEN-POMMERY MONOPOLE made every effort to ensure the continuity of its operations and preserve its liquidity. As such, the Group took out a State-guaranteed loans in the amount of €24 million.

The Group has no bond maturity date in 2021.

5.2.4 Investments and financial structure

5.2.4.1 Status of investments over three years

The following table presents the Group's consolidated investments for the last three years:

Investments in €K	2020	2019	2018
Trademarks and other property rights	1 135	337	241
Other intangibles	370	137	1 073
Intangible assets	**1 505**	**474**	**1 314**
Real estate	8 795	13 991	8 649
Technical facilities and equipment	4 684	11 050	3 970
Property, plant and equipment	**13 479**	**25 041**	**12 619**
Equity securities	-	-	-
Other real estate assets	5	45	2
Other financial assets	51	54	31
Total other non-current assets	**56**	**99**	**33**
Total	**15 040**	**25 614**	**13 966**

Acquisitions of property, plant and equipment by geographic area are as follows:

Values in €K	2020	2019	2018
France	13 006	22 691	11 046
Europe	963	2 127	1 558
Other countries	1 070	223	15
Total	**15 039**	**25 041**	**12 619**

Key investments made in 2020

Due to the Covid-19 health context, as from March 2020, VRANKEN-POMMERY MONOPOLE elected to limit its investments to those required for the sound performance of its operations.

As is the case every year, the Group made heavy investments in its vineyards. The technical installations and the equipment acquired during the year were essentially for replacement purposes.

The work on the Merrey-sur-Arce pressing centre has been completed, thereby enabling to enhance the quality of the grapes obtained through rigorous work in the vineyards, and reinforce the vinification work for the finest wines (tête de cuvée) of the vintage.

Key Investments undertaken in 2021

As of 31 December 2020, the Group decided to convert its Champagne vineyards to organic, which will require investments, particularly in the mechanical treatment of vineyards. This decision is fully in line with the Group's policy aimed at improving the quality of its vineyards in Champagne, Camargue and Provence.

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

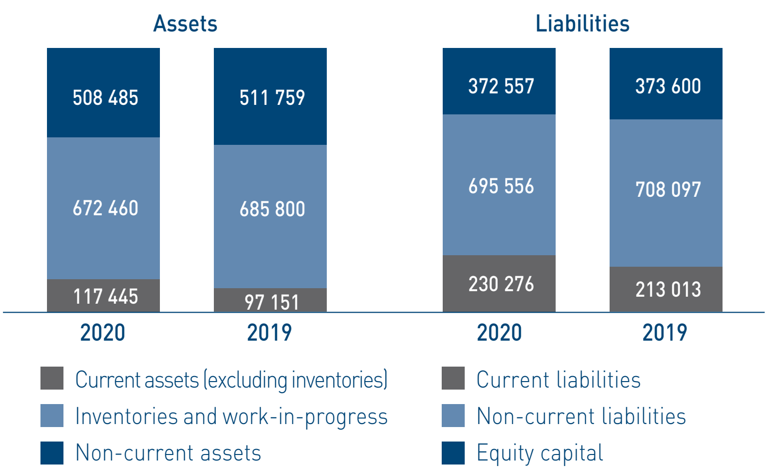
Composition of equity

In €K	2020	2019
Equity (Group share)	368 227	369 349
Non-controlling interests	4 330	4 251
Equity capital	**372 557**	**373 600**

Net financial debt

In €K	2020	2019
Bank borrowings and debts (non-current)	623 763	636 735
Bank borrowings and overdrafts (current)	78 965	81 562
Group Debt	**702 728**	**718 297**
Current accounts of debtor associates	-1 635	-14
Current financial assets and liabilities	-4	326
Cash balance	-17 469	-6 541
Total	**683 620**	**712 068**

Structure of the statement of financial position (in €K)



The statement of cash flows for the period can be summarised as follows:

In €K	2020	2019
Net cash flows generated by operations	58 078	1 771
"including gross cash flow"	33 049	35 461
Cash flow related to investments	-11 236	-7 798
Cash flow related to financing	-11 048	-20 598
Cash and cash equivalents	9 940	45 522
Net financial debt	**683 620**	**712 068**

The cash flow statement is presented in the consolidated financial statements as at 31 December 2020, 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".

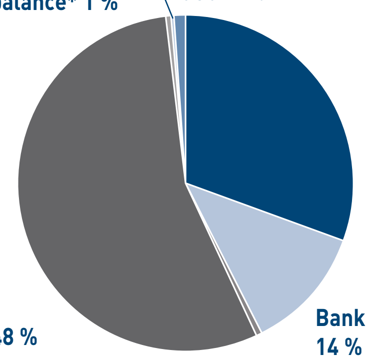
Net cash flow from financing activities is mainly made up of issues and repayments of borrowings during the period (+€7.9 million) and financial expenses (-€17.3 million)

Borrowing conditions and financing structure

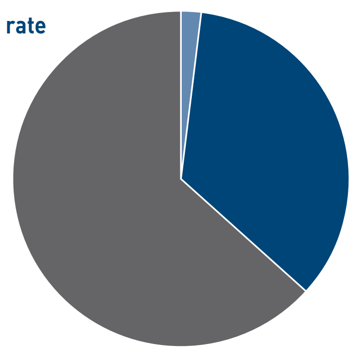
The Group's financing sources are diversified. Long-term bond resources account for 32% of the debt, and ageing loans to finance inventories 48%.

As at 31 December 2020, the Group's debt structure can be represented 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 liabilities and bank overdrafts" to the consolidated financial statements for the year ended 31 December 2020, Section 5 "Financial statements".

As at 31 December 2020, 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)	623 763	602 162
Bank borrowings and overdrafts (current)	78 965	75 548
Current financial liabilities	65	65
Cash balance	-17 469	-17 469
Current financial assets	-70	
Current accounts of debtor associates	-1 635	
Net financial debt	**683 620**	**660 307**

The Group has not identified any restrictions on the use of capital.

The investments considered for 2021 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 as of 31 December 2020

In €K	Note	2020	2019
Revenue	1	**234 907**	**273 693**
Stored production		-	-
Capitalised production		92	92
Production for the year		**234 999**	**273 785**
Consumption for the year	2	**-224 904**	**-260 811**
Value added		**10 095**	**12 974**
Operating subsidies		508	674
Taxes and duties	3	-556	-687
Employee expenses	4	-9 263	-12 236
Gross operating surplus		**784**	**725**
Reversals on amortisation and provisions, transfer of expenses	5	1 016	1 635
Depreciation, amortisation and provisions	6	-1 021	-1 144
Other operating income	7	277	621
Other operating expenses	8	-340	-1 113
Operating income		**716**	**724**
Financial income and expenses	9	4 179	4 860
Current pre-tax income		**4 895**	**5 584**
Extraordinary income and expenses	10	-4 540	-5 814
Income taxes	11	1 178	1 903
Net accounting income		**1 533**	**1 673**

5.3.2 Statement of financial position as at 31 December 2020

Assets

In €K	Note	2020	2019
Intangible assets	12	1 058	1 161
Property, plant and equipment	13	4 500	4 675
Fixed financial assets	14	371 515	368 686
Fixed assets		**377 073**	**374 522**
Inventories and work-in-progress	15	-	-
Advances and down payments paid on orders	16	571	559
Trade receivables and related accounts	16	45 420	61 284
Other receivables	16	273 232	265 553
Investment securities	17	857	1 256
Liquid assets	18	3 265	3 400
Current assets		**323 345**	**332 052**
Accrual accounts	19	4 990	4 569
Total assets		**705 408**	**711 143**

Liabilities

In €K	Note	2020	2019
Capital		134 056	134 056
Issuance premiums		45 013	45 013
Reserves		29 610	29 558
Carryover		78 877	77 256
Income for the year		1 533	1 673
Investment subsidies		5	-
Equity capital	**20**	**289 094**	**287 556**
Provisions for risks and charges	21	1 294	761
Debts	**22**	**414 737**	**422 584**
Accrual accounts	23	283	242
Total Liabilities		**705 408**	**711 143**

5.3.3 Notes to the separate financial statements at 31 December 2020

• Key events of the year

On 30 January 2020, the World Health Organisation (WHO) declared the Covid-19 epidemic in China to be an international public health emergency. On 11 March 2020, it classified it as a global pandemic. In the various countries facing this epidemic, during the first quarter of 2020, the public authorities took health measures (confinements, prohibition of assembly, etc.) and economic measures with the closure of certain activities. In France, these measures were adopted in March 2020 with the promulgation of the state of health emergency.

In the context of the Covid-19 pandemic, the Company has taken all possible measures to preserve its liquidity in the face of the risk of a significant drop in its revenue, in line with the support measures put in place by the Government:

- maintenance of essential activities in accordance with government and inter-professional guidelines,
- generalisation of teleworking;
- halting of unnecessary travel;
- termination of hospitality expenses;
- introduction of short-time working group-wide;
- establishment of childcare facilities;
- request for extensions of bank loan maturities and State-guaranteed financing;
- request for deferment of social security contributions;
- request for deferrals of taxes and duties.

The impacts of the epidemic on the Company's business affect the entire income statement and statement of financial position, and certain items cannot be considered separately (either because their consequences resulted in a decrease in revenue, or because it is difficult to separate the impacts from other changes during the period). The information provided relates only to the effects of the event (on the income statement and statement of financial position) deemed relevant and not all of them, using the targeted approach authorised by the French Accounting Standards Authority. All expenses and income related to the epidemic were recognised in operating income, in accordance with the recommendations of the French Accounting Standards Authority (Autorité des Normes Comptables).

During the 2020 financial year, the Company made every effort to ensure the continuity of its operations and preserve its liquidity. As such, the Company took out State-guaranteed loans in the amount of €15 million.

In a context that remains uncertain, the Company is maintaining strict financial control and giving the priority to the preservation of its liquidity. At the General Meeting of 3 June 2021, VRANKEN-POMMERY MONOPOLE will therefore propose that a dividend not be distributed in respect of the 2020 financial year.

The Company has no bond maturity in 2021.

At the end of the 2020 reporting period, the estimates and assumptions used by the Company to exercise its judgment were revised to factor in the effects of the Covid-19 crisis. However, accounting estimates were made in the context of a health and economic crisis, the consequences of which make it difficult to assess the medium-term economic outlook.

Equity holdings

VRANKEN-POMMERY PRODUCTION, a wholly-owned subsidiary of the Company, absorbed its sister company HDC through a merger-absorption, with retroactive effect from 1 January 2020. The shares of VRANKEN-POMMERY PRODUCTION therefore amount to €175,293 thousand.

The Company has decided to increase the share capital of CHARBAUT AMERICA Inc in the amount of $9,200,000 through the netting of the Company's associates' current account in the subsidiary's books, which remains wholly-owned by the Company.

The Company's stake in ROZÈS remained unchanged at 99.99% despite two capital reductions in the latter, one of which resulted from the cancellation of treasury shares held by ROZÈS in the amount of €1 million, and the second as a result of the repayment of contributions in the amount of €0.9 million. These capital reductions were immediately offset by a capital increase through the incorporation of reserves to maintain ROZÈS's share capital at €15 million.

Through the repayments of capital contributions from the ROZÈS, the Company purchased all the shares issued under the capital increase of GRIFO for an amount of €0.9 million. GRIFO remains wholly-owned by the Company.

When its foreign subsidiaries sold their interests in VPL, the Company sold its own 62% interest in the share capital of the said company, as such interest had become irrelevant.

After the capital increase of L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE, subscribed by COMPAGNIE VRANKEN, the Company's interest decreased from 26.04% to 17.57%.

• 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:

- continuity of operations;
- 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 31/12/2005. 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 PCG 2016. 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 and development costs	3 years
- Concessions, patents, licenses 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 asset 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 discounts, rebates and discounts plus 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	Linear	17 years
- Fixtures	Linear	3 to 17 years
- Materials and tooling	Linear	3 to 8 years
- General facilities	Linear	3 to 10 years
- Transport equipment	Linear	1 to 7 years
- Office and computer Equipment	Linear and Regressive	1 to 5 years
- Furniture	Linear	1 to 10 years

Depreciation and amortisation are recognised in an operating expenses account for depreciation and amortisation.

Fixed 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, the shareholders' equity and the prospects for growth. When the inventory value is less than the gross value at the end of the year, a provision is made for impairment.

Receivables and debts

Receivables and debts 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. Debts and receivables in foreign currencies appear in the statement of financial position at their counter-value at the end-of-year 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 stock market price is less than the net value of the treasury shares held.

• Events since the reporting date

The beginning of 2021 was marked by the extension of health restrictions imposed by the French Government (curfew, mandatory closure of establishments serving the public, financial aid, etc.) The Company takes these events into account by when preparing its main accounting estimates as of 31 December 2020, in particular in the scenarios used for the valuation of assets.

Notes to the annual financial statements at 31 December 2020

Note 1. Revenue

Breakdown of revenue in €K	France	Export	2020
Champagne	79 935	104 320	184 255
Port	2 942	46	2 988
Provence and Camargue wines	4 862	5 423	10 285
Others	376	644	1 020
Sales of merchandise	**88 115**	**110 433**	**198 548**
Intra-group services	34 346	66	34 412
Others	1 928	19	1 947
Services and other	**36 274**	**85**	**36 359**
Revenue	**124 389**	**110 518**	**234 907**

Change in revenue in €K	2020	2019	Change
Champagne	184 255	211 374	-27 119
Port	2 988	3 028	-40
Provence and Camargue wines	10 285	10 688	-403
Others	1 020	2 059	-1 039
Sales of merchandise	**198 548**	**227 149**	**-28 601**
Intra-group services	34 412	42 394	-7 982
Others	1 947	4 150	-2 203
Total services and other	**36 359**	**46 544**	**-10 185**
Revenue	**234 907**	**273 693**	**-38 786**

In this international context marked by the Covid -19 health crisis and the discontinuation hospitality, events and duty-free activities, the Company's revenue for the financial year was down 14.17% to €234,907 thousand compared to €273,693 thousand in 2019.

Note 2. Consumption for the year

In €K	2020	2019
Purchases	181 708	211 378
Change in inventories	-	-
Other external purchases and expenses	43 196	49 433
Total	**224 904**	**260 811**

Note 3. Taxes and duties

In €K	2020	2019
Taxes and duties on compensation	246	292
CET and real estate taxes	216	281
Social solidarity contribution	34	42
Other taxes and duties	60	72
Total	**556**	**687**

Note 4. Employee expenses

In €K	2020	2019
Wages & salaries	6 852	8 226
Employee expenses	2 835	3 720
Employee incentive schemes	176	290
Short-time work indemnities	-600	-
Total	**9 263**	**12 236**

Note 5. Reversals on amortisation and provisions, transfer of expenses

In €K	2020	2019
Reversal on provisions – Doubtful receivables*	140	515
Transfer of operating expenses**	320	908
Transfer of employee expenses***	556	212
Total	**1 016**	**1 635**

*The Company has decided to draw down the provisions on disputed receivables more than five years old and simultaneously recognise those receivables as irrecoverable due to their age (see Note 8).
**The transfer of operating expenses item is composed mainly of the issue costs of the €145 million bond issue renewed in June 2019 (€828 thousand).
***In 2020, given the economic and health context related to Covid-19, the personnel benefits expense transfer line item mainly included expenses relating to future projects (€385 thousand).

Note 6. Depreciation, amortisation and provisions

In €K	2020	2019
Non-current assets	541	633
Expenses to be spread out	286	218
Depreciation and amortisation	**827**	**851**
Inventories	-	-
Receivables	158	165
Risks & charges*	36	128
Provisions	**194**	**293**
Total	**1 021**	**1 144**

*The provisions for risk and charges relate to asset-side translation differences.

Note 7. Other operating income

In €K	2020	2019
Customer credit insurance indemnities	72	152
Lease-purchase re-invoicing	-	173
Positive exchange differences*	79	197
Other operating income	126	99
Total	**277**	**621**

*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	2020	2019
Various current management expenses	148	128
Lease purchases	-	173
Positive exchange differences	132	205
Irrecoverable receivables	60	607
Total	**340**	**1 113**

Note 9. Financial expenses & income

Financial income In €K	2020	2019
Financial income from equity holdings	5 296	5 093
Other interest and similar income*	8 738	9 822
Financial reversals on depreciation, amortisation and provisions**	402	1 062
Positive exchange differences	50	49
Other finance income	21	-
Total	**14 507**	**16 026**

*The other interest and similar products consist essentially of interest on Group current accounts (€6,211 thousand versus €6,028 thousand in 2019) and Group re-invoicing (€2,527 thousand versus €3,791 thousand in 2019)
**Of which €364 thousand of reversals of provisions for exchange rate risks relating to the 2019 translation differences and €38 thousand of reversals of provisions on financial instruments. In 2020, there was no reversal of provisions on securities (€153 thousand in 2019). Accounting estimates are made in the context of a health and economic crisis, the consequences of which make it difficult to assess the medium-term economic outlook. Accordingly, we have decided to keep the provisions on securities identical to the previous year.

Financial expenses in €K	2020	2019
Financial allocations to depreciation, amortisation and provisions*	1 125	796
Interest and similar expenses	9 158	10 309
Negative exchange differences	45	61
Other financial expenses	-	-
Total	**10 328**	**11 166**

Financial provisions consisted mainly of provisions for exchange rate risks (€1,038 thousand, compared to €364 thousand in 2018) and provisions for investment securities (€87 thousand, compared to €174 thousand in 2019).
**In 2020, there were no more financial instruments (€38 thousand in 2019) or provisions for securities (€220 thousand in 2019). Accounting estimates are made in the context of a health and economic crisis, the consequences of which make it difficult to assess the medium-term economic outlook. Accordingly, we have decided to keep the provisions on securities identical to the previous year.*

Note 10. Extraordinary income and expenses

Extraordinary income in €K	2020	2019
Extraordinary income from management transactions*	275	1 136
Income from sales of asset items**	1 323	13
Other extraordinary income from capital transactions	1	1
Reversals on provisions and transfers of expenses	182	128
Total	**1 781**	**1 278**

Extraordinary expenses in €K	2020	2019
Extraordinary expenses from management transactions***	4 102	6 858
Net accounting values of asset items sold****	1 837	13
Other extraordinary expenses from capital transactions	241	39
Exceptional allocations to depreciation, amortisation and provisions	141	182
Total	**6 321**	**7 092**

**Extraordinary income on 2020 management transactions consists primarily of group rebilling (€270 thousand).*
*** Income from sales of asset items in 2020 mainly correspond to the disposal of the shares of the subsidiaries ROZÈS (€900 thousand) and VPL (€416 thousand).*
****Extraordinary expenses on management transactions primarily include commercial support for its subsidiaries in the amount of €3,690 thousand.*
*****The net carrying amounts of the assets sold in 2020 consisted mainly of the disposal of the shares in the subsidiaries ROZÈS (€1,393 thousand) and VPL (€444 thousand).*

Note 11. Breakdown of income tax (excluding effects related to tax consolidation)

Breakdown under common law in €K		2020	2019
Current income	Pre-tax	4 895	5 584
	tax	156	-23
	After tax	**4 739**	**5 607**
including dividends received		*5 096*	*4 687*
Extraordinary income	Pre-tax	-4 540	-5 814
	tax	-	-
	After tax	**-4 540**	**-5 814**
Accounting income	Pre-tax	355	-230
Miscellaneous adjustments		-	-
		355	-230
	tax*	156	-23
Miscellaneous adjustments		-	-
		156	-23
	After tax	**199**	**-207**

**Tax credits included.*

Since the 1999 financial year, S.A. VRANKEN-POMMERY MONOPOLE is the parent company of the tax-consolidation group made up of the French subsidiaries. The consolidation agreement sets the procedures for tax distribution between the member companies of the scope 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 2020, S.A. VRANKEN-POMMERY MONOPOLE in its capacity as the parent company recorded total tax income of €1,178 thousand, including tax credits. The tax income specific to the Company in the absence of tax consolidated amounts to €156 thousand, or a global gain of €1,334 thousand.

The breakdown of the above tax in terms of current and extraordinary 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		2020	2019
Accounting income	Pre-tax	355	-230
	tax	-1 178	-1 903
	Miscellaneous adjustments	-	-
	After tax	**1 533**	**1 673**

Incidence of tax provisions

Future income tax debt in €K	Base	Taxes 28%	Taxes 31%
Increases	**1 074**	**140**	**356**
Miscellaneous deductions	1 074		
Reductions	**1 856**	**140**	**421**
Provisions and expenses payable	1 503		
Miscellaneous reinstatements	283		
Works of art of living artists	70		

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	94,94 %
S.A.S. des Vignobles VRANKEN	41 122 490 000 018	98,00 %

Note 12. Intangible assets

Gross values in €K	As at 01/01/2020	Acquisitions	Withdrawals	Transfers	As at 31/12/2020
Research and development costs	503	-	-	-	503
Research and development costs	**503**	**-**	**-**	**-**	**503**
Trademarks, models	37	-	-	-	37
Software	8 507	57	-	192	8 756
Other rights	30	-	-	-	30
Concessions, patents and other rights	**8 574**	**57**	**-**	**192**	**8 823**
Goodwill	**381**	**-**	**-**	**-**	**381**
Other intangible assets	**230**	**56**	**-**	**-192**	**94**
Total	**9 688**	**113**	**-**	**-**	**9 801**

Goodwill consists of acquired clientele. The other intangible assets consist of software under development (€94 thousand).

Depreciation and amortisation in €K	As at 01/01/2020	Allocations	Decreases	As at 31/12/2020
Research and development costs	503	-	-	503
Concessions, patents and other rights	8 024	216	-	8 240
Total	**8 527**	**216**	**-**	**8 743**

Certain trademarks created are amortised over the life 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 01/01/2020	Acquisition	Withdrawals	Transfers	As at 31/12/2020
Plantations	27	-	-	-	27
Building fixtures and fittings	3 498	3	-	-	3 501
Materials and tooling	147	-	-	-	147
General facilities	522	43	-	-	565
Transport equipment	247	19	14	-	252
Office and computer hardware, furniture	4 741	63	-	-	4 804
Fixed assets in constructions in progress	-	-	-	-	-
Other property, plant and equipment in progress	48	21	-	-	70
Advances on other property, plant and equipment	-	-	-	-	-
Total	**9 230**	**149**	**14**	**-**	**9 365**

Depreciation and amortisation in €K	As at 01/01/2020	Allocations	Decreases	Transfers	As at 31/12/2020
Plantations	27	-	-	-	27
Building fixtures and fittings	2 236	233	-	-	2 469
Materials and tooling	144	2	-	-	146
General facilities	267	31	-	-	298
Transport equipment	234	10	14	-	230
Office and computer hardware, furniture	1 646	49	-	-	1 695
Total	**4 554**	**325**	**14**	**-**	**4 865**

Note 14. Fixed financial assets

Gross values in €K	As at 01/01/2020	Acquisition	Withdrawals	Transfers	Revaluations **	As at 31/12/2020
Equity securities	345 471	900	1 837	8 169	-	352 703
Receivables attached to equity holdings*	25 358	-	-	-8 169	3 898	21 087
Other fixed securities	8	-	-	-	-	8
Loans and other financial assets**	926	19	151	-	-	794
Total	**371 763**	**919**	**1 988**	**-**	**3 898**	**374 592**

** Receivables related to equity holdings correspond mainly to trade receivables from the subsidiaries CHARBAUT AMERICA (€4,723 thousand), VRANKEN-POMMERY JAPAN (€4,382 thousand), VRANKEN-POMMERY UK (€4,653 thousand) and VRANKEN-POMMERY AUSTRALIA (€3,523 thousand) converted at the closing rate, for a total amount of €21,087 thousand. These receivables are revalued annually at the closing rate. The transfer of €8,169 thousand corresponds to the repayment of the receivable of the subsidiary CHARBAUT AMERICA through the capital increase subscribed to by the Company.*

***The other financial assets consist of deposits and sureties for €442 thousand, a security deposit of €350 thousand on borrowings and loans for associates for €2 thousand coming from the T.U.P. of the CAMARGUAISE DE PARTICIPATIONS company in 2015.*

Provisions in €K	As at 01/01/2020	Allocations	Decreases	As at 31/12/2020
Equity securities	3 077	-	-	3 077
Total	**3 077**	**-**	**-**	**3 077**

Given the current context, we have decided to keep the provisions on securities identical to the previous year.

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
Subsidiaries					
S.A.S. CHAMPAGNE CHARLES LAFITTE	10 170	1 431	100,00	25 243	25 243
S.A.S. VRANKEN-POMMERY VIGNOBLES	7 497	1 393	99,84	12 301	12 301
S.A.S. VRANKEN-POMMERY PRODUCTION ****	70 550	-8 394	100,00	175 293	175 293
S.A.S. HEIDSIECK & C° MONOPOLE	7 000	878	100.00	7 318	7 318
S.A.S. POMMERY	10 125	999	100,00	13 300	13 300
S.A.S. GV COURTAGE	40	66	100,00	763	321
S.C. DU PEQUIGNY	29	-62	99,94	1 045	1 045
S.A.S. GRANDS DOMAINES DU LITTORAL	41 280	10 933	96,50	57 833	57 833
VRANKEN POMMERY ITALIA SPA	640	66	100,00	1 124	680
VRANKEN-POMMERY AUSTRALIA PTY LTD	1 437	-1 051	100,00	1 447	455
VRANKEN-POMMERY JAPAN Co. LTD	632	198	95,00	908	818
VRANKEN-POMMERY Deutschland & Österreich GmbH	3 725	665	100,00	7 855	7 855
VRANKEN POMMERY BENELUX S.A.	2 534	1 483	99,99	2 688	2 688
CHARBAUT AMERICA INC.	10 774	-2 397	100,00	10 104	9 531
VRANKEN POMMERY U.K. LTD	3 550	-2 479	97,78	3 476	3 476
VRANKEN POMMERY SUISSE S.A.	808	1 122	100,00	730	730
ROZÈS S.A.	15 000	8 121	99,99	21 855	21 855
QUINTA DO GRIFO	4 825	1 004	100,00	8 227	8 227
Equity holdings					
SADEVE S.A.***	5 137	-254	11,34	1 117	635
S.A.S. L'EXCELLENCE ET LES GRANDS SAVOIR-FAIRE	348	-257	17,57	74	19
General information		**13 465**			
French subsidiaries (combined)				293 096	292 654
Foreign subsidiaries (combined)				58 414	56 315
Equity holdings in French companies (combined)				74	19
Equity holdings in foreign companies (combined)				1 117	635

**Converted to historic rate.*
***Converted to closing rate.*
****On the basis of the financial statements as at 31/12/2019.*
***** Dividends paid by HDC, merged with VRANKEN-POMMERY PRODUCTION by way of a merger-absorption.*

	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
	172	0	1 377	432	1 425
	8 449	103	5 852	8	523
	206 019	11 132	185 689	-5 162	1 245
	77	0	0	199	583
	10 716	0	2 188	-152	360
	22	0	153	30	63
	521	0	28	-3	0
	3 638	10 372	30 408	2 075	948
	0	0	7 321	-23	0
	0	0	3 688	0	0
	0	0	3 784	12	0
	0	15 000	47 365	130	0
	0	489	7 035	85	0
	0	0	6 700	30	0
	0	33	4 453	3	0
	0	0	3 784	19	0
	0	5 972	6 969	267	0
	0	1 713	978	12	0
	0	0	1 280	12	0
	21	0	250	-11	0
	229 614	21 607			5 147
	0	23 207			0
	21	0			0
	0	0			0

Note 15. Inventories

Not applicable.

Note 16. Receivables

Net values in €K	2020	2019
Advances and down payments paid on orders*	**571**	**559**
Trade receivables and related accounts**	**45 420**	**61 284**
Trade payables and related accounts	19 446	15 532
Staff and related accounts	137	150
Statement and related accounts	6 948	9 059
Group and associates***	233 776	229 230
Miscellaneous debtors****	12 924	11 581
Other miscellaneous receivables	**273 232**	**265 552**
Total	**319 223**	**327 395**

**This consists essentially of advances on advertising and promotional budgets made to major customers.*		
***Including deducted receivables.*	*60 234*	*60 667*
***Including receivables represented by commercial paper.*	*78*	*149*
****Including receivable on subsidiaries linked to the tax consolidation scheme.*	*1 291*	*1 773*
****Including receivables on subsidiaries linked to the VAT consolidation scheme.*	*2 997*	*9 779*
*****Including guarantee fund linked to assignment of trade receivables.*	-	*15*
*****Including cash from the assignment of trade receivables.*	*3 104*	-
*****Including restrictions related to the assignment of trade receivables.*	*6 735*	-
*****Including settlement and adjustment account related to the assignment of trade receivables.*	*3 083*	*11 559*

Provisions in €K	2020	2019
Trade receivables and related accounts	783	638
Financial Instruments	-	38
Total	**783**	**676**

Trade accounts receivable are systematically impaired as soon as all collection procedures have been exhausted.

In managing rate risk, the Company used financial instruments such as rate swaps. This instrument matured in 2020.

Accrued income in €K	2020	2019
Trade receivables		
Trade receivables and related accounts	21 283	26 438
Other receivables		
Suppliers, credits receivable	19 446	15 303
Staff and related accounts	131	144
Statement and related accounts	135	71
Group and associates	-	-
Miscellaneous receivables	3	-
Liquid assets	**-**	**-**
Total	**40 998**	**41 956**

Term of receivables

All receivables are due in less than one year.

Note 17. Investment securities

Net values in €K	2020	2019
Treasury shares	857	1 256
Other investment securities	-	-
Total	**857**	**1 256**

Share buybacks are carried out with a view to boosting share prices.

Note 18. Liquid assets

Net values in €K	2020	2019
Bank accounts	3 265	3 400
Accrued income	-	-
Total	**3 265**	**3 400**

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 €412 thousand at 31 December 2020.

Note 19. Accrual accounts – assets

Expenses to be spread out in €K	As at 01/01/2020	Increases	Allocations	Change in method	As at 31/12/2020
Loan issuance fee	1 078	-	286	-	792
Total	**1 078**	**-**	**286**	**-**	**792**

Loan issuance costs are amortised over the term of the loan and the allocation is fiscally re-integrated.

In €K	2020	2019
Prepaid expenses	**3 124**	**2 999**
Operating	3 124	2 999
Financial	-	-
Unrealised foreign exchange losses	**1 074**	**492**
Total	**4 198**	**3 491**

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 €		2020	2019
Accounting income		1 532 802	1 672 731
Number of shares		8 937 085	8 937 085
	Per share, in €	**0,17**	**0,19**
Proposed dividends		-	-
Number of shares		8 937 085	8 937 085
	Per share, in €	**-**	**-**

Table of changes in equity over the financial year	In €K
Equity at the end of the previous financial year before allocations	285 883
Allocation of income to net position by the General Meeting	1 673
Equity at the start of the financial year	**287 556**
Changes over the financial year:	
Changes in capital	-
Change in capital-related premiums	-
Other changes*	-
Dividends	-
Investment subsidies	5
Equity in the closing balance sheet for the year before the General Meeting	**287 561**
Total change in equity over the financial year	**5**
Change in equity over the financial year excluding structural transactions	**5**

**This change corresponds to the dividends received from treasury shares.*

In 2020, as the Company did not distribute dividends fin respect of the 2019 financial year, there was no change.

Allocation of 2019 income	in €
The previous financial year's income was allocated as follows:	
- Carryover	1 620 710,88
- Distributions of dividends	-
- Legal reserve	-
- Other reserves	52 019,68
Income	**1 672 730,56**

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
At the end of the financial year	**8 937 085**	**15,00**	**134 056 275**

Treasury shares	Number of shares
At the start of the financial year	61 990
At the end of the financial year	**57 453**

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	2 449 542	972	2 450 514	-	-	15
Shares with double voting rights	6 487 543	-972	6 486 571	-	-	15
Total	**8 937 085**	**-**	**8 937 085**	**-**	**-**	**15**

Note 21. Provisions for risks and charges

Values in €K	2020	2019
Provisions for exchange losses excluding Group	-	-
Provisions for exchange losses Group	1 074	492
Provisions for customer risks	141	182
Provision for long-service awards*	79	87
Total	**1 294**	**761**
Allocations	1 215	683
Reversals used	-	-
Reversals not used	682	970

**In accordance with accounting rules, the provision for long-service awards is recognised.*
It is no longer presented as an off-balance sheet commitment. The long-service awards were assessed by an independent expert. The revaluation rate used is 1%.

Foreign exchange risk: In managing its foreign exchange risk, the Company uses financial instruments such as forward exchange contracts. The maturities and market value of financial instruments held at 31 December 2020 break down as follows:

Term (years) – In €K	Carrying amount	Market value
Contracts maturing in 2021	1 460	70
Contracts with maturities after 2021	-	-
Total	**1 460**	**70**

Interest rate risk: At 31 December 2020, the Company no longer had any financial instruments.

Note 22. Debts

Breakdown of debts in €K	2020	2019
Other bond issues	220 000	220 000
Accrued interest	3 874	3 874
Other bond issues	**223 874**	**223 874**
Borrowings with credit institutions	36 709	23 118
Cash credits and overdrafts	6 000	13 881
Accrued interest	306	327
Borrowing and debts with credit institutions	**43 015**	**37 326**
Group and associates*	27 331	35 466
Other miscellaneous financial debt	-	-
Borrowings and misc. financial debt	**27 331**	**35 466**
Advances and down payments received on orders	**11**	**46**
Trade payables and related accounts**	**102 576**	**106 794**
Tax and social security debts	**13 419**	**14 485**
Debts on fixed assets and related accounts	**-**	**-**
Other payables	**4 511**	**4 593**
Total	**414 737**	**422 584**
Including State-guaranteed loans in the context of Covid-19.	*15 000*	*-*
Including debts on subsidiaries linked to the tax consolidation scheme.	*113*	*60*
Including debts on subsidiaries linked to the VAT consolidation system.	*8*	*9*
**Including debts represented by commercial paper.*	*-*	*-*

Changes in capital in borrowings in €K	As at 01/01/2020	Subscribed	Reimbursed	As at 31/12/2020
Other bond issues*	**220 000**	**-**	**-**	**220 000**
Borrowings with credit institutions**	23 118	15 000	1 409	36 709
Cash credits and overdrafts	13 881	-	7 881	6 000
Borrowings and debts with credit institutions*	**36 999**	**15 000**	**9 290**	**42 709**

Excl. accrued interest.
*** Including €15,000 thousand of SGLs taken out in 2020 as part of the Covid-19 support measures.*

Debt maturities

Maturity of borrowings in €K	At least one year	More than one year and less than five years	More than five years	Total
Other bond issues*	**-**	**175 000**	**45 000**	**220 000**
Borrowings with credit institutions	2 559	34 150	-	36 709
Cash credits and overdrafts 6 000	-	-	6 000	
Borrowings and debts with credit institutions*	**8 559**	**34 150**	**-**	**42 709**

Excl. accrued interest.

All other debts are due in one year at most.

Expenses payable in €K	2020	2019
Other bond issues	3 874	3 874
Borrowing and debts with credit institutions	306	327
Borrowings and misc. financial debt	-	-
Trade payables and related accounts	19 144	22 664
Tax and social security debts	1 479	1 888
Other payables	4 276	4 438
Total	**29 079**	**33 191**

Debts guaranteed by collateral in €K	2020	2019
Pledges of professional receivables	-	-
Borrowing and debts with credit institutions	-	-
Total	**-**	**-**

The Company has had no debt secured by collateral since 2017.

Commitments given in €K	2020	2019
Endorsements and guarantees [1]	44 650	38 699
Assignment of trade receivables	-	-
Foreign exchange hedging commitment	-	-
Rate hedging commitment	-	-
Lease purchases and long-term leasing commitments	211	313
Interest on borrowings not yet due	31 231	39 653
Commitments concerning pensions and medical costs	3 906	3 975
[1] Of which intra-group commitments	*44 650*	*38 699*

The main parameters in 2020 for the actuarial evaluation of these commitments are:

Retirement age.......... 67 for managers and full-rate age for non-managers

Salary revaluation rate.......... 1,50 %

Medical contribution revaluation rate .... 1,50 %

Rate of social security expenses.......... 45,48 %

Discount rate .... 0,80 %

These parameters were defined on the basis of the recommendations of an independent expert.

Commitments received in €K	2020	2019
Collateral[1]	228	390
Return to better fortune clause [1]	8 628	8 634
Foreign exchange hedging commitment	15 000	-
Total	**23 856**	**9 024**
[1] Of which intra-group commitments.	*8 628*	*8 634*

Lease-purchase and long-term leasing

Fixed assets in lease-purchase and long-term leasing (in €K)

Non-current assets		Land	Buildings	Technical facilities equipment and tooling	Other property, plant and equipment	Current fixed assets	Totaux
Input cost					391		391
Depreciation and amortisation	Cumulative previous years				145		145
	Of the financial year				78		78
	Totals	**-**	**-**	**-**	**224**	**-**	**224**
Net value		-	-	-	167	-	**167**

Lease-purchase and long-term leasing (in €K)

Royalties		Land	Buildings	Technical facilities equipment and tooling	Other property, plant and equipment	Current fixed assets	Totals
Paid	Cumulative previous years				183		**183**
	Of the financial year				113		**113**
	Totals	-	-	-	**296**	-	**296**
Remaining to be paid	one year at most				65		**65**
	more than one year and five years at most				146		**146**
	more than five years				-		-
	Totals	-	-	-	**211**	-	**211**
Residual value	one year at most				-		-
	more than one year and five years at most				-		-
	more than five years				-		-
	Totals	-	-	-	-	-	-
Amount borne during the financial year					113		113

Note 23. Accrual accounts – liabilities

In €K	2020	2019
Prepaid income	-	4
Unrealised foreign exchange gains and losses	283	238
Total	**283**	**242**

Note 24. Other Information

Average breakdown of staff by category	2020	2019
MANAGERS	97	108
SUPERVISORS	23	23
EMPLOYEES	24	31
WORKERS	3	3
Total	**146**	**165**

Note 25. Compensation of administrative and management bodies

In €	Administrative body	Management body	Total
Compensation allocated to a corporate officer	-	33 000	33 000
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. 2020 Statutory Auditors' fees

In €	Mazars	Audit & Strategy
Fees for the certification assignment	129 072	87 444
Fees for other services	14 510	4 000
Total	**143 582**	**91 444**

Note 28. Information on items relating to affiliated companies

In €K	Amount concerning businesses	
Positions	Related	With which the Company has a participating interest
Equity holdings (gross value)	-	351 511
Receivables attached to equity holdings	-	21 087
Deposits	251	143
Other financial assets	-	-
Trade receivables and related accounts	492	39 895
Other receivables	1 050	251 857
Borrowings and misc. financial debt	225	27 106
Trade payables and related accounts	619	75 930
Debts on fixed assets and related accounts	-	-
Other payables	-	3 235
Income from equity holdings	-	5 296
Other finance income	-	8 738
Financial expenses	4	369

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 separate financial statements

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 2020 which are 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 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 2020 to the date of issuance of our report, and in particular 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 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 of 31 December 2020, equity securities are recorded on the statement of financial position for a net carrying amount of €349.6 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", as adapted to the equity holdings assessed: activity conducted, income committed, equity and outlook.

In view of their particularly significant amount, the uncertainties inherent in certain elements and their sensitivity to the 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 estimated values in use of the equity securities, on the basis of the information obtained, we performed procedures which consisted mainly in verifying that the estimate of these values is based on an appropriate justification of the valuation method and the data used and, depending on the securities concerned, in:

- comparing the data used in the impairment tests on equity securities with accounting data and, where applicable, Management's cash flow projections;
- checking the arithmetic accuracy of the utility values used by the Company;
- assessing how recoverable the related receivables are with regard to the analyses made on equity securities;
- checking 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 appendix 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 legal and regulatory texts.

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 periods specified in Article D. 441-6 of the French Commercial Code. We certify the fairness and consistency with the financial statements of the information relating to the payment periods specified in Article D. 441-4 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 Directors' report on corporate governance.

Concerning the information provided in accordance with Article L. 22-10-9 of the French Commercial Code relating to the compensation and benefits paid or granted to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the data used to prepare those financial statements and, where applicable, with the information obtained by your Company from 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 have 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 intended to be included in the Annual Financial Report

In accordance with paragraph III of Article 222-3 of the AMF General Regulation, the Management of your Company informed us that it has decided postpone the application of the single electronic information format as defined by Delegated European Regulation 2019/815 of 17 December 2018 to the financial years beginning on or after 1 January 2021. As a result, this report does not include a conclusion on compliance with this format for the presentation of the annual financial statements intended to be included in the Annual Financial Report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code.

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 2020, MAZARS was in the 26th consecutive year of its mission and Audit & Strategy Révision Certification in its 20th year, and the 23rd and 20th year 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 annual financial statements**

It is the Management's responsibility to prepare annual financial statements presenting a true and accurate view in accordance with French accounting regulations and policies and to institute the internal audit it deems necessary to prepare annual financial statements containing no material misstatements, whether from fraud or error.

In establishing the annual financial statements, it is incumbent upon the Management to assess the Company's capacity to continue its operations, to present in these 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 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 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 accounts certification task does not consist in 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 judgment all along this audit. Furthermore:

- it identifies and assesses the risks that the annual financial statements include material misstatements, whether due to fraud or error; defines and implements audit procedures to counter these risks; and gathers the information it deems sufficient and appropriate to establish its 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;
- it becomes familiar with the internal audit pertinent for the audit in order to define appropriate audit procedures for the circumstances, and not for the purpose of expressing an opinion on the efficiency of the internal audit;
- it takes into account the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by the Management, as well as the information concerning them in the annual financial statements;
- it assesses the appropriateness of the Management's application of the accounting convention of continuity of operations and, according to the elements collected, the existence or not of a significant uncertainty in relation to events or circumstances that might call into question

the Company's capacity to continue its operations. This assessment relies on elements collected up to the date of its report, though it is noted that later circumstances or events might call into question the continuity of operations. If it concludes that there is a material uncertainty, it draws the attention of the readers of its report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is not relevant, it expresses a qualified opinion or a refusal to certify;

- it takes into account the overall presentation of the annual financial statements and assesses if they reflect the underlying operations and events in such manner as to give a faithful image.

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 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, 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, 14 April 2021

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 The Company's business situation

In an international context marked by the Covid-19 health crisis and the discontinuation hospitality, events and duty-free activities, the Company's revenue for the financial year was €234,907 thousand compared to €273,693 thousand in 2019, down 14.17%

As a reminder, the Company's revenue stems:

- on the one hand, from marketing the products of the Group's companies, including GRANDS DOMAINES DU LITTORAL products, for €198,548 thousand versus €227,149 thousand in 2019, of which €881,146 thousand in France and €110,434 thousand abroad;
- on the other, from services, essentially to subsidiaries, for €36,359 thousand, versus €46,544 thousand in 2019.

Overall, taking into account other income, subsidies and reversals on depreciation, amortisation and provisions, transfer of expenses, operating income amounted to €237,400 thousand compared to €276,715 thousand in 2019, i.e. a decrease of 14.20%.

With €236,685 thousand in operating expenses, compared to €275,991 thousand in 2019, the Company's operating income amounted to €716 thousand, compared to €724 thousand in 2019.

Financial income amounted to €4,180 thousand, compared to financial income of €4,860 thousand for the previous financial year.

Thus, the pre-tax income was €4,895K, compared to €5,584K in 2019.

To conclude, in view of extraordinary negative income of €4,541 thousand and income of €1,178 thousand on income tax, VRANKEN-POMMERY MONOPOLE's net profit for 2020 was €1,533 thousand, compared to a net profit of €1,673 thousand in 2019.

5.4.2 Changes in statement of financial position structure

At 31 December 2020, VRANKEN-POMMERY MONOPOLE's fixed assets, after €16,685 thousand of depreciation, amortisation and impairment, amounted to €377,073 thousand, including €1,058 thousand of intangible assets, €4,501 thousand of property, plant and equipment and €371,514 thousand of financial assets.

Current assets totalled €323,345 thousand, of which €571 thousand of advances and deposits paid on orders, €318,652 thousand of trade accounts receivable, €4,122 thousand of marketable securities and cash, and prepaid expenses of €3,124 thousand.

In addition, accruals accounts amounted to €792 thousand and asset translation differences to €1,074 thousand.

As a result, in view of the income for the financial year, the Company's equity at 31 December 2020 amounted to €289,094 thousand.

Provisions for risks and charges amounted to €1,294 thousand.

Debts amounted to €414,737 thousand, of which €223,874 thousand were bond issues, €43,015 thousand were borrowings and debts with credit institutions, €27,331 thousand were miscellaneous borrowings and financial debt, €102,576 thousand were trade accounts payables, €13,419 thousand were tax and social security debts and €4,511 thousand were other debts.

Accrual account liabilities came to €283 thousand.

In total, at 31 December 2020, the statement of financial position of VRANKEN-POMMERY MONOPOLE came to €705,409 thousand.

In view of the €3,265 thousand in liquidities and €857 thousand in investment securities for €43,015 thousand of borrowings and debts to credit institutions and €223,874 thousand of bonds, the net ratio of financial indebtedness (borrowings and debts to credit institutions minus liquidities and investment securities) over equity was at 0.91 on 31 December 2020, versus 0.90 on 31 December 2019, with the ratio of net financial debt to revenue amounting to 1.11 versus 0.94 on 31 December 2020.

The re-financing rate of the VRANKEN-POMMERY MONOPOLE Group companies came to an average rate of around 2.40%.

We also remind you that the Company's debt results mainly from bond, the financing of accounts receivable and, in particular, the financing of bank overdrafts (mobilisation of receivables), the financing of the back-up credit with a medium-term loan, investment financing, cash credits and support for subsidiaries.

5.4.3 Allocation of income

The Board of Directors, at its meeting of 29 March 2021 noted that the net profit for the financial year ended

31 December 2020, amounted to:	1.532.802,42 €
• to which is added previous carry forwards of:	78.876.810,83 €
Totalling:	80.409.613,25 €
as follows:	
- to the special reserve for works of art, amounting to:	50.047,70 €
- to the carry forward account, amounting to:	80.359.565,55 €

In a context that remains uncertain, the Group is maintaining strict financial control and giving the priority to the preservation of its liquidity. At the General Meeting to be held on 3 June 2021, VRANKEN-POMMERY MONOPOLE will therefore propose that a dividend not be distributed.

5.4.4 Past dividends distributed

We further inform you, in accordance with the law, that for the last three financial years the dividend distributions were as follows:

Financial year	Total dividend	Total per share	Amount eligible for tax rebate of 40%(*) (Art. 158-3 du CGI)
For 2017	7.149.668,00 €	0,80 €	0,80 €(*)
For 2018	7.149.668,00 €	0,80 €	0,80 €(*)
For 2019	-	-	-

(*) 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 Article 223 quater and quinquies of the French General Tax Code, we ask you to approve the amount of charges and expenses not deductible from the Company's taxable income, as defined in Article 39-4 of said Code, (namely €345,956), and the total amount of taxation it represents, (approximately €96,868 at a theoretical corporate tax rate of 28%).

5.4.6 Table of the Company's results over the last five financial years

In €	2016	2017	2018	2019	2020
CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	134 056 275	134 056 275	134 056 275	134 056 275	134 056 275
Number of shares Issued	8 937 085	8 937 085	8 937 085	8 937 085	8 937 085
Number of bonds convertible into shares	-	-	-	-	-
INCOME TRANSACTIONS FOR THE YEAR					
Revenue excluding taxes	381 142 605	343 200 589	340 802 822	273 692 729	234 906 864
Income before tax, employee profit-sharing and depreciation, amortisation and provisions	9 010 946	35 040 860	-1 637 735	277 689	1 917 761
Income taxes	-3 991 842	-3 426 313	-2 732 029	-1 902 844	-1 178 193
Income after tax, employee profit-sharing and depreciation, amortisation and provisions	12 345 894	36 367 260	1 602 944	1 672 731	1 532 802
Proposed income distribution	7 149 668	7 149 668	7 149 668	7 149 668	-
EARNINGS PER SHARE					
Income after tax, employee profit-sharing, but before depreciation, amortisation and provisions	1,45	4,30	0,12	0,24	0,35
Income after tax, employee profit-sharing and depreciation, amortisation and provisions	1,38	4,07	0,18	0,19	0,17
Dividend assigned to each share	0,80	0,80	0,80	0,80	-
PERSONNEL					
Average staff employed during the year	177	177	174	165	147
Annual payroll amount	8 539 991	8 329 338	8 738 353	8 225 815	6 852 524
Amount paid in social benefits for the year (social security, welfare services, etc.)	4 384 894	3 749 770	4 291 471	4 010 411	3 010 510

5.4.7 Information on payment terms

In accordance with the law, you will find below a table summarising the information on payment terms for the Company's suppliers and customers (in Euros):

Article D. 441 I.-1°: invoices received and not paid at the reporting date whose term has expired						
	0 days (indication)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over***	**Total (1 day or more)**
(A) Tranches of delayed payment						
Number of invoices concerned	271	38	50	37	502	627
Total invoice amount (with tax)	1 294 811	2 917 991	86 817	114 602	7 311 440	10 430 851
Percentage of total amount of purchases for the financial year (inc. tax)	0,50 %	1,10 %	0,00 %	0,00 %	2,80 %	4,00 %
Percentage of revenue for the financial year (inc. tax)	-	-	-	-	-	-
(B) Invoices excluded from (A) relating to disputed or unrecognised debts						
Number of invoices excluded	0					
Total amount of excluded invoices (incl. tax)	0,00					
(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L.443-1 of the French Commercial Code)						
Terms of payment used for the calculation of late payments	☒ Legal deadlines: Customers: 60 days – Transport: 30 days date of invoice. ☒ Contractual deadlines:					

**Of which subsidiaries: €5,601,054.81.*

Article D. 441 I.-1°: invoices issued and not paid at the reporting date whose term has expired						
	0 days (indication)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and over***	**Total (1 day or more)**
(A) Tranches of delayed payment						
Number of invoices concerned	113	407	227	114	1 316	2 064
Total invoice amount (with tax)	66 550	14 875 742	1 718 567	27 204	4 932 104	21 553 618
Percentage of total amount of purchases for the financial year (inc. tax)	-	-	-	-	-	-
Percentage of revenue for the financial year (inc. tax)	0,02 %	5,39 %	0,62 %	0,01 %	1,79 %	7,81 %
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables						
Number of invoices excluded	673					
Total amount of excluded invoices (incl. tax)	1 536 382,81					
(C) Reference payment terms used (contractual or legal timeframes – Article L. 441-6 or Article L.443-1 of the French Commercial Code)						
Terms of payment used for the calculation of late payments	☒ Legal deadlines: 30 days end of month delivery date (alcoholic beverages subject to consumption rights) or 60 days net delivery date (alcoholic beverages subject to circulation rights and other products) ☐ Contractual deadlines: (specify)					

** Of which subsidiaries: €4,457,645.14.*

6

ADDITIONAL INFORMATION AND CROSS-REFERENCE TABLE

6.1 Person responsible for the Universal Registration Document and the financial information

6.1.1 Persons responsible

• Person responsible for the Universal Registration Document
Paul-François VRANKEN,
Chairman and Chief Executive Officer

• Person responsible for the financial information
Franck DELVAL
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 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 certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and of all companies included in the scope of consolidation and that the management report of the Board of Directors referred to in the cross-reference table on page 172 of this Universal Registration Document presents a true and fair view of the development of the business, results and financial position of the Company and of all companies included in the scope of consolidation and that it describes the main risks and uncertainties that they face.

Reims, 14 April 2021

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 AUDITORS

Monsieur Pascal EGO
37, rue René CASSIN - 51430 BEZANNES
Date of appointment:
5 June 2019, to replace 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. tax)		as a %		Amounts (excl. tax)		as a %	
	2020	2019	2020	2019	2020	2019	2020	2019
Audit								
Statutory auditing, certification, review of individual and consolidated financial statements								
Issuer	126 000 €	137 717 €	43 %	41 %	91 444 €	88 301 €	68 %	64 %
Subsidiaries	131 055 €	150 195 €	45 %	44 %	42 182 €	49 498 €	32 %	36 %
Subtotal	257 055 €	287 912 €	88 %	85 %	133 626 €	137 799 €	100 %	100 %
Other due diligence procedures and services directly related to the mission of the Statutory Auditor								
Issuer	14 000 €	49 768 €	5 %	15 %	-	-	-	-
Subsidiaries	20 854 €	-	7 %	-	-	-	-	-
Subtotal	34 854 €	49 768 €	12 %	15 %	-	-	-	-
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, social	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	**291 909 €**	**337 680 €**	**100 %**	**100 %**	**133 626 €**	**137 799 €**	**100 %**	**100 %**

6.3 Information incorporated by reference in the Universal Registration Document

Pursuant in particular to Article 28 of European Regulation 809/2004 of 29 April 2004, this Universal Registration Document, including the Annual Financial Report, incorporates by reference the following information:

- the management report, corporate 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 French Financial Markets Authority (AMF) on 16 April 2020 under No. D.20-0301.
- the management report, corporate 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 2018, as presented respectively on pages 107 to 167 and 41 to 95 of the Registration Document filed with the French Financial Markets Authority (AMF) on 15 April 2019 under No. D.19-0336.

The information included in these two Registration Documents other than that mentioned above is, as necessary, replaced and/or updated by the information included in this Registration Document.

6.4 Documents accessible to the public

All regulated information disseminated by VRANKEN-POMMERY MONOPOLE pursuant to Articles 221-1 et seq. of the General Regulations of the French Financial Markets Authority (AMF) is available at the following address:

www.vrankenpommery.fr.

All documents relating to VRANKEN-POMMERY MONOPOLE that are to be made available to the public (the Articles of Associatio,, reports and historical financial information of VRANKEN-POMMERY MONOPOLE and its subsidiaries referred to in this Registration Document, those relating to each of the two 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 a document, at the Group's General Secretariat, at the head office of VRANKEN-POMMERY MONOPOLE located at 51100 REIMS – 5, place Général-Gouraud and, where applicable, also in electronic format on the website:

www.vrankenpommery.fr

- **Information policy**

Contact: comfi@vrankenpommery.fr
Address: 5, place Général Gouraud à 51100 REIMS.
Website : www.vrankenpommery.com

• Management of shares - Pure registered accounts

BNP PARIBAS SECURITIES SERVICES
Grands Moulins de Pantin
CTO – Shareholder Relations VRANKEN-POMMERY MONOPOLE
9, rue du Débarcadère - 93500 Pantin
E-mail:
PARIS.BP2S.SERVICE.ACTIONNAIRES.NOMINATIF@bnpparibas.com

Schedules of financial announcements

General Meeting:	3 june 2021
Revenue of first half of 2020:	9 july 2021
Results of first half of 2020:	10 september 2021

6.5 Cross-reference table

CROSS-REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table includes the headings provided for in Annexes I and II of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

MANAGEMENT REPORT CROSS-REFERENCE TABLE

This Universal Registration Document includes all information contained in the management report as required by Articles L. 225-100 et seq., L. 232-1, II and R. 225-102 et seq. of the French Commercial Code.

This information is presented on the following pages:

**Excluding the Covid-19 health crisis, the effects of which affect the Company's business and the entire Champagne branch.*

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.

This information is presented on the following pages:

(continued) Information	Pages
2.3. Directors whose reappointment is proposed	43-44
2.4. Compensation and benefits granted to corporate officers	
Compensation policy	47-48
Equity ratio	49
Information on holding both the corporate office of Chairman and Chief Executive Officer and an employment contract	49
Compensation and benefits paid to corporate officers and Directors	50-51
Annual approval of Chairman and Chief Executive Officer's compensation	52
Annual approval of the Deputy Chief Executive Officer's compensation	52
Approval of Directors' compensation	52
III - FUNCTIONING OF THE BOARD, CONDITIONS OF PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD	
3.1. Ethics rules	44
3.2. Internal Rules	44
3.3. Information about members of the Board of Directors	44-45
3.4. Committees	45
3.5. Meetings	45-46
3.6. Assessment of Board functioning	46
3.7. Possible limitations by the Board of Directors of the powers of the Chief Executive Officer	46-47
IV - PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING	**54**
V - STRUCTURE OF THE SHARE CAPITAL AND ITEMS THAT MAY HAVE AN EFFECT IN THE EVENT OF A PUBLIC OFFER	
5.1. Structure of the share capital	29
5.2. Statutory restrictions on the exercise of voting rights and the transfer of shares or the clauses of the agreements contained therein to the Company's knowledge pursuant to Article L. 233-11 of the French Commercial Code.	27
5.3. Direct or indirect holdings in the Company's capital pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code	27
5.4. Crossing of thresholds	27
5.5. List and description of the holders of any securities entailing special control rights	N/A
5.6. Control mechanisms foreseen in the event an employee shareholding system is in place	30
5.7. Shareholder agreements	30
5.8. Rules applicable for appointing and replacing Board members and amending the Articles of Association of the Company.	56-57
5.9. Current delegations	53
5.10. Effects of a change of control of the Company on certain agreements	56
5.11. Agreements stipulating indemnities for the members of the Board of Directors, if they resign or are dismissed, without real and serious cause or if their employment is terminated because of a takeover bid or exchange offer	56
5.12. Company permanence	57
VI - REGULATED AGREEMENTS	**54-55**
NOTES: Summary of application of the MiddleNext Corporate Governance Code	**36**

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

This Universal Registration Document includes all of the items of the Annual Financial Report, as mentioned in Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulations.

This information is presented on the following pages:

Information	Pages
Group consolidated financial statements	**98-132**
Statutory Auditors' report on the consolidated financial statements	**133-135**
Annual financial statements of the Company	**141-158**
Statutory Auditors' report on the corporate financial statements	**159-161**
Management report	**172**
Statement of Non-Financial Performance	73-95
Table on financial income for the last 5 financial years	163
Table on subsidiaries and equity holdings	150-151
Board of Directors' corporate governance report	172-173
Statement of the person responsible	**168**

DOCUMENTS PRESENTED TO THE GENERAL MEETING

Agenda of the Combined General Meeting of 3 June 2021

Agenda of the Ordinary General Meeting:

- Report of the Board of Directors on the corporate financial statements of VRANKEN-POMMERY MONOPOLE and the consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group at 31 December 2020;
- Board of Directors' 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 2020;
- Approval of the consolidated financial statements of the VRANKEN-POMMERY MONOPOLE Group for the year ended 31 December 2020;
- Allocation of income of 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 of the Statutory Auditors;
- Harmonisation with Article 25 of the Articles of Association relating General Meetings and the convening of said meetings;
- Harmonisation with Article 27 of the Articles of Association relating to admission to Meetings and powers;
- Harmonisation with Article 30 of the Articles of Association relating to Ordinary General Meetings;
- Harmonisation with Article 31 of the Articles of Association relating to Extraordinary General Meetings;
- Delegation of powers to the Board of Directors to increase the share capital, within the limit of 3% of said capital, reserved for Company employees with the removal of preferential subscription rights, for a period of 26 months and with a subscription price per share which may not exceed the average listed price during the twenty trading days preceding the date of the decision by the Board of Directors setting the opening of the subscription period, and may not be lower by more than 20% of said average;
- Delegation of powers to the Board of Directors to carry out capital increases, by issuing, with preferential subscription rights, shares and/or other securities in the Company giving access to the share capital either immediately or in future, within a maximum nominal amount of €240,000,000, non-cumulative with the two following delegations;
- Delegation of powers to the Board of Directors to carry out capital increases, by issuing, with the removal of preferential subscription rights, shares and/or other securities in the Company giving access to the share capital either immediately or in future, within a maximum nominal amount of €240,000,000, non-cumulative with the following delegation;
- Delegation of powers to the Board of Directors for the issue of shares and/or securities giving access to the Company's share capital, without preferential subscription rights, in the context of an offer by private placement referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code, within a maximum nominal amount of €240,000,000, non-cumulative with the two following delegations;
- Extension clause in the event of the issue of shares or securities with or without preferential subscription rights;
- Delegation of powers to the Board of Directors to carry out capital increases, through the incorporation of reserves, retained earnings, share, merger or contribution premiums, within a maximum nominal amount of €240,000,000;
- Powers of the Board of Directors to charge the fees, duties and fees resulting from said capital increases to the payments relating to the aforementioned capital increases, and also to deduct from these sums the additional amount from the legal reserve;
- Free allocation of existing or future Company shares, for the benefit of categories of beneficiaries chosen from among the salaried staff or corporate officers of the Company and companies related to it; authorisation granted to the Board of Directors;
- Delegation of powers to the Board of Directors to reduce the share capital by cancelling treasury shares held by the Company;
- Powers to confer;
- Other business.

Draft resolutions of the Combined General Meeting of 4 June 2020

RESOLUTIONS UNDER THE COMPETENCE OF THE ANNUAL ORDINARY GENERAL MEETING

FIRST RESOLUTION

Approval of the corporate financial statements for the year ended 31 December 2020

The Annual Ordinary General Meeting, having reviewed the Board of Directors' 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 2020, approves said statement of financial position, corporate financial statements and notes as presented, showing a net profit of €1,532,802.42.

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 2020

The Annual Ordinary General Meeting, having reviewed the Board of Directors' management report and the Statutory Auditors' report on the consolidated statement of financial position, the consolidated income statement and the appendix of the VRANKEN-POMMERY MONOPOLE Group for the financial year ended 31 December 2020, approves said statement of financial position, consolidated financial statements and notes as presented, showing net earnings for the consolidated whole of €323 thousand and a net profit of the consolidated whole Group share of €235 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 2020

The Annual Ordinary General Meeting decides to allocate the net profit for the financial year ended 31 December 2020,

amounting to:	1.532.802,42 €
• to which is added previous carry forwards of:	78.876.810,83 €
Totalling:	80.409.613,25 €

as follows:

• to the special reserve for works of art:	50.047,70 €
• to the carry forward account, amounting to:	80.359.565,55 €

Furthermore, and in accordance with the law, the Ordinary Annual General Meeting duly notes that over the last three years, the dividends paid have been as follows:

Financial year	Total dividend	Dividend per share	Amount eligible for tax rebate of 40%(*) (Art. 158-3 du CGI)
For 2017	7.149.668,00 €	0,80 €	0,80 €
For 2018	7.149.668,00 €	0,80 €	0,80 €
For 2019	-	-	-

(*) A 40% tax rebate is available only for dividends distributed to individuals who are tax residents of 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 Article 223 quater and quinquies of the French General Tax Code, approves the amount of charges and expenses not deductible from the Company's taxable income, as defined in Article 39-4 of said Code, (namely €345,956), and the total amount of taxation it represents, (approximately €96,868 at a theoretical corporate tax rate of 28%).

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 4 June 2020;
- 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:

  - 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,

- 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 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,

- 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 4 June 2020, to reduce the share capital by cancelling treasury shares, a delegation which is being renewed today,

- 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);

• that the maximum purchase price per share may not exceed €37.50 (thirty-seven euros and fifty cents) excluding costs, taking into account the 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 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;

• that the number of shares that may be held under this authorisation during the aforementioned period may not exceed 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 its own name but on behalf of the Company, with the Ordinary General Meeting duly noting that as consideration for the 53,804 treasury shares held at 22 March 2021, the maximum number of shares that VRANKEN-POMMERY MONOPOLE could acquire is 786,100 shares for a maximum amount of €29,578,750;

• that the theoretical maximum amount of funds intended for the completion of this share buyback program is €31,359,563 for 10% of the share capital, without prejudice to the 57,453 treasury shares held as of 31 December 2020;

• 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 derivative instruments 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 French Financial Markets Authority 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 2 December 2022.

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.

SEVENTH RESOLUTION

Reappointment of a Director

The Annual Ordinary General Meeting, having noted that the term of office of Maïlys Vranken expires at the end of this Meeting, resolves to reappoint her, for a period of three financial years, until the General Meeting called to approve the financial statements for the financial year ending 31 December 2023.

EIGHTH RESOLUTION

Reappointment of a Director

The Annual Ordinary General Meeting, having noted that the term of office of Michel Foret as Director expires at the end of this Meeting, resolves to reappoint him, for a period of three financial years, until the General Meeting called to approve the financial statements for the financial year ending 31 December 2023.

NINTH RESOLUTION

Approval of the information relating to the compensation of the corporate officers mentioned in part I of Article L. 22-10-9 of the French Commercial Code for the 2020 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. 22-10-34 of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code included in said report, namely the total amount of compensation and benefits of any kind paid or allocated by the Company to the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the Members of the Board of Directors for the financial year ended 31 December 2020.

TENTH RESOLUTION

Approval of the components of the compensation paid during or granted for the financial year ended 31 December 2020 to Paul-François Vranken, Chairman and Chief Executive Officer

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. 22-10-34 of the French Commercial Code, the total amount of compensation, the compensation allocated for his duties as Director and the benefits of any kind paid by the Company during the financial year ended 31 December 2020 or allocated in respect of that financial year to Paul-François Vranken, Chairman and Chief Executive Officer, described in said report.

ELEVENTH RESOLUTION

Approval of the components of the compensation paid during or granted for the financial year ended 31 December 2020 to Hervé Ladouce, Deputy Chief Executive Officer

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. 22-10-34 of the French Commercial Code, the total amount of compensation, the compensation allocated for his duties as Director and the benefits of any kind paid by the Company during the financial year ended 31 December 2020 or allocated in respect of that financial year to Hervé Ladouce, Deputy Chief Executive Officer for Coordination of Production and Trading, described in said report.

TWELFTH RESOLUTION

Approval of the compensation policy for executive corporate officers for the 2021 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 financial year 2021 as described therein.

THIRTEENTH RESOLUTION

Approval of the Directors' compensation policy for the 2021 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 financial year 2021, as described therein.

FOURTEENTH 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 UNDER THE COMPETENCE OF THE EXTRAORDINARY GENERAL MEETING

FIFTEENTH RESOLUTION

Harmonisation of Article 25 of the Articles of Association with current legislation

The Extraordinary General Meeting,

In order to update the Articles of Association to bring them in line with the regulations in force,

Decides to amend Article 25 of the Articles of Association in order to allow shareholders to attend General Meetings electronically as follows:

"ARTICLE 25 - CONVENING AND ORGANISATION OF GENERAL MEETINGS

General Meetings are convened either by the Board of Directors or by the Statutory Auditor(s), or by any person authorised by the laws or regulations for this purpose.

General Meetings are held at the registered office or at any other location indicated in the meeting notice.

General Meetings are convened and deliberate in accordance with applicable laws and regulations. In particular, any Shareholder may, if the Board of Directors so decides, take part in and vote at the Meeting by videoconference or by any other means of telecommunication allowing for their identification under the conditions laid down by applicable law and regulations and shall be deemed present for the purposes of calculating the quorum and any required majority.

In the event that a General Meeting is not able to validly deliberate, where quorum requirements are not met, the second General

Meeting and, where applicable, the second prorogued General Meeting, are convened in the same way as the first and the meeting notice recalls the date of the first and reiterates the same agenda."

SIXTEENTH RESOLUTION

Harmonisation of Article 27 of the Articles of Association with current legislation

The Extraordinary General Meeting,

In order to update the Articles of Association to bring them in line with the regulations in force,

Decides to add a fifth point to Article 27 of the Articles of Association to allow Shareholders, upon decision of the Board of Directors, to use the electronic application forms for admissions, proxys or remote voting, as follows:

"ARTICLE 27 - ADMISSION TO MEETINGS - POWERS

1 - 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, as long as their shares are fully paid up and registered in an account in their name under the conditions and in 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 mail 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 vote remotely 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 non-revocable and enforceable writings under any circumstances, 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 are deemed to be present or represented."

SEVENTEENTH RESOLUTION

Harmonisation of Article 30 of the Articles of Association with current legislation

The Extraordinary General Meeting,

In order to update the Articles of Association to bring them in line with the regulations in force,

Decides to amend Article 30 of the Articles of Association to allow Shareholders to be convened electronically as follows:

"ARTICLE 30 – ORDINARY GENERAL MEETINGS

Ordinary General Meetings shall take all decisions that exceed the powers of the Board of Directors and are not intended to amend the Articles of Association.

Ordinary General Meetings shall be held at least once a year, within six months of the end of the financial year, to approve the financial statements for that financial year, subject to extension of such period by court decision.

In the event that the shares are traded on a regulated market, the Ordinary General Meeting may authorise the Company, for a limited period not exceeding 18 months, to purchase its own shares in order to stabilise the share price. Where applicable, it must set the terms and conditions of the transaction, in particular the maximum purchase price and minimum sale price, the maximum number of shares to be acquired and the period within which the acquisition must be made.

Its deliberations shall be valid, upon the first meeting notice, only if the Shareholders present or represented, or voting by post, or remotely, own at least one-fifth of the shares with voting rights.

No quorum is required for a second meeting.

It shall take decisions by a majority of the votes cast by Shareholders present or represented, or voting by post.

The votes cast do not include votes attached to shares for which the shareholder did not take part in the vote, abstained or cast a blank or invalid vote."

EIGHTEENTH RESOLUTION

Harmonisation of Article 31 of the Articles of Association with current legislation

The Extraordinary General Meeting,

In order to update the Articles of Association to bring them in line with the regulations in force,

Decides to amend Article 31 of the Articles of Association to allow Shareholders to be convened electronically as follows:

"ARTICLE 31 – EXTRAORDINARY GENERAL MEETINGS

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, or remotely in electronic format, 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.

Extraordinary General Meetings shall approve resolutions by a two-thirds majority of the votes cast by the Shareholders present or represented. The votes cast do not include votes attached to shares for which the shareholder did not take part in the vote, abstained or cast a blank or invalid vote.

In Extraordinary General Meetings of a constitutive nature, i.e. meetings called to deliberate on the approval of a contribution in kind or the granting of a particular benefit, the contributor or the beneficiary has no voting rights either on his or her own behalf or as a proxy."

No other amendments were to the Articles of Association.

NINETEENTH RESOLUTION

Delegation of powers to the Board of Directors to increase the share capital, within the limit of 3% of said capital, reserved for Company employees with the removal of preferential subscription rights.

The Extraordinary General Meeting, having reviewed the Report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code relating to capital increases reserved for employees:

1) delegates to the Board of Directors the power to decide, on one or more occasions, pursuant to its own deliberations, in the proportions and at the times it sees fit, on the issue of shares or securities giving access to the Company's share capital, reserved for employees, corporate officers and eligible former employees of the Company and companies, in or outside France, related to it within the meaning of the provisions of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, which are members of a Company Savings Plan;
2) decides to remove, for the benefit of employees, corporate officers and eligible former employees, of the Company and companies, in and outside France, related to it within the meaning of the provisions of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, which are members of a Company Savings Plan, the preferential subscription rights for shareholders attached to shares or securities giving access to the Company's share capital, it being specified that the subscription of shares or securities giving access to the Company's share capital issued pursuant to this resolution may be carried out through corporate mutual funds, in particular "formula" corporate mutual funds within the meaning of the AMF regulation or any other collective body authorised by said regulation;
3) sets at 26 months, as from the date of this General Meeting, the period of validity of this delegation, and notes that this delegation supersedes, for its unused portion, any previous delegation having the same purpose, it being understood that in the event of a public offer for the Company's shares being filed by a third party, the Board of Directors may not, without prior authorisation by the General Meeting, make use of this authorisation for the duration of the term of the offer period;
4) decides to set at 3% of the existing share capital as of the date of this General Meeting, the amount of the capital increase that could be carried out accordingly (i.e., as of 31 December 2020, a share capital increase in a nominal amount of €4,021,695 through the issue of 268,113 new shares);
5) decides that the subscription price may include a discount based on the average of the prices listed on the Euronext Paris market during the twenty trading days preceding the day of the decision setting the opening date of the subscription period, which may not exceed 20% of this average, it being specified that the Board of Directors, or its delegate, should it see fit, is expressly authorised to reduce or cancel the discount, in particular to take into account the legal and tax regimes applicable to the countries in which beneficiaries of the capital increase are residents;
6) decides, in accordance with Article L. 3332-21 of the French Labour Code, that the Board of Directors may decide on the allocation, to the beneficiaries indicated above, of existing or new bonus shares, in respect of the matching contribution that could be paid pursuant to the regulation(s) of the Company Savings Plan(s), and/or in respect of the discount, provided that their counter-value is taken into account, valued at the subscription price, does not exceed the limits provided for in Articles L. 3332-11 and L. 3332-19 of the French Labour Code;
7) decides that the Board of Directors shall have full powers, with the option to sub-delegate, under the conditions laid down by law, to implement this delegation within the limits and under the conditions specified above for the purpose, to:
   - set the conditions to be met by eligible employees and former employees in order to subscribe, individually or through a corporate mutual fund, to the securities issued under this delegation,
   - draw up the list of companies whose employees may benefit from the issue,
   - determine the amount to be issued, the characteristics, where applicable, of the securities giving access to the Company's share capital, the issue price, the dates of the subscription period and the terms of each issue,
   - set the period granted to beneficiaries for the delivery of their shares and the terms of payment,
   - set the date, even retroactive, on which the new shares will bear rights, charge, where applicable, the costs, duties and fees

resulting from such issues to the amount of the share premiums and deduct, where applicable, from the amounts of the share premiums, the sums necessary to bring the legal reserve to the level required by applicable legislation and regulations, and, in the event of the issue of new bonus shares, for the matching contribution and/or discount, to deduct, where applicable, from the reserves, profits or share premiums it so decides, the sums necessary for the delivery of said shares,

- in general, carry out all acts and formalities, make all decisions and enter into all agreements useful or necessary for the successful completion of the issues carried out under this delegation and to record the final completion of the capital increase(s) completed under this delegation and amend the Articles of Association accordingly.

TWENTIETH RESOLUTION

Delegation of powers to the Board of Directors to decide on and carry out capital increases, by issuing, with preferential subscription rights, shares and/or other securities giving access to the Company's share capital either immediately or in future, within a maximum nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, having noted the full payment of the share capital and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-132, L. 228-91 and L. 228-92 of the French Commercial Code:

1. Delegates to the Board of Directors its authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, to issue Company and any securities of any kind giving access, immediately and/or in future, to Company shares.

2. Decides that the amount of the share capital increases that may be carried out immediately and/or in future under this delegation may not exceed a nominal value of €240,000,000, plus, if applicable, the nominal amount of the additional shares to be issued to preserve, in accordance with the law, the rights of the holders of securities giving right to shares, it being specified that the amount of the capital increases that may be carried out under the twenty-first and twenty-second resolutions of this General Meeting will be deducted from this amount.

3. Further decides that the nominal amount of the debt securities that may be issued under this delegation may not exceed €240,000,000, it being specified that the amount of debt securities likely to be issued in respect of the twenty-first and twenty-second resolutions of this General Meeting, will be deducted from this amount.

4. Decides that the Shareholders may exercise, under the conditions provided for by law, their preferential subscription rights on an irrevocable basis. In addition, the Board of Directors will be able to grant Shareholders the right to subscribe, on a revocable basis, a number of securities greater than the number they could subscribe on an irrevocable basis, in proportion to the subscription rights they hold and, in any event, within the limits of their request.

   In the event that the subscriptions on an irrevocable basis, and if applicable, on a revocable basis, have not absorbed the entire issue of shares or securities as described above, the Board may, in accordance with Article L. 225-134 of the French Commercial Code and in the order it deems appropriate, make use of one or both of the following options:

   - limit the issue to the amount of subscriptions received, provided that the amount of said issue is at least equal to three-quarters of the decided issue;
   - allocate all or part of the unsubscribed shares as it sees fit;
   - offer all or part of the unsubscribed shares to the public.

5. Decides that the issue of Company share warrants, pursuant to Articles L. 228-91 et seq. of the French Commercial Code may take place either through a subscription offer under the conditions set out above, or through an allocation of bonus shares to owners of existing shares.

6. Duly notes that, where applicable, this delegation shall act automatically as a waiver by shareholders of their preferential subscription right to shares to which the securities that may be issued under this delegation may create a right, to the benefit of the holders of securities giving access to Company shares.

7. Decides that the issue price of the equity securities that may be issued pursuant to this delegation shall be determined by the Board of Directors and that the amount allocated or to be allocated to the Company for each of the shares issued under this delegation shall be at least equal to the nominal value of the shares on the date of issue of said securities.

8. Decides that the Board of Directors shall have full powers, with the option to sub-delegate to the Chairman and Chief Executive Officer, or to the Chief Executive Officer, as the case may be, under the conditions laid down by law, to implement this delegation, in particular to determine the dates and terms of the issues and the type and characteristics of the securities to be created, determine the prices and conditions of the issues, set the amounts to be issued, set the date, even retroactive, of dividend rights for the securities to be issued, determine the method of payment for the shares or other securities issued and, where applicable, lay down the conditions for their purchase on the stock market, decide the suspension of the exercise of the rights to allocate shares attached to the securities to be issued, during a period that may not exceed three months, set the terms and conditions under which the rights of holders of securities giving access to the share capital will be guaranteed in accordance with legal and regulatory provisions.

   In addition, the Board may, where necessary, charge any amount to the share premium(s) and, in particular, the costs resulting from the completion of issues, the costs, rights and fees resulting the issues to the amount of the corresponding premiums and deduct from this amount the sums necessary for the legal reserve and, more generally take all necessary measures and enter into any agreements for the successful completion of the contemplated issues and record the capital increase(s) resulting from any issue carried out under this delegation and amend the Articles of Association accordingly.

In the event of the issue of debt securities, the Board of Directors shall have full powers, in particular to decide whether or not they are subordinated, to set their interest rate, their maturity and the fixed or variable redemption price with or without premium, the terms of amortisation according to market conditions and the conditions under which these securities will give entitlement to Company shares.

10. Decides that this delegation supersedes any previous delegation relating to the immediate and/or future issue of Company shares with preferential subscription rights.

The delegation thus granted to the Board of Directors is valid as from this General Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

TWENTY-FIRST RESOLUTION

Delegation of powers to the Board of Directors to decide on and carry out capital increases, by issuing, with the removal of preferential subscription rights, shares and/or securities giving access to the Company's share capital either immediately or in future, within a maximum nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code, and the provisions of Articles L. 228-91 et seq. of said Code:

1. Delegates to the Board of Directors, with the option to sub-delegate, under the conditions laid down by law, its authority to decide to carry out, on one or more occasions, in the proportions and at the times it sees fit, subject to the provisions of the Article L. 233-32 of the French Commercial Code, in and outside France, by way of a public offering, either in euros or in any other currency or a monetary unit established by reference to several currencies, the issue of Company shares (excluding preferred shares), as well as any securities of any kind giving access, by any means, immediately and/or in the future, to the Company's share capital, either new or existing shares, either free or against payment, it being specified that the subscription of these shares or securities may be made either in cash or by offsetting receivables.
2. Decides to set as follows the limits to the amounts authorised for capital increases in the event of Board of Directors' use of this delegation:
   - the maximum nominal amount of the capital increases that may be carried out immediately and/or in future under this delegation is set at €240,000,000, it being specified that this amount will be deducted from the total amount of the ceiling provided for in the twentieth and twenty-second resolutions of this General Meeting or, where applicable, from the amount of the overall ceiling that may be provided for by a resolution of the same nature that may replace said resolution during the period of validity of this delegation;
   - to these ceilings will be added, where applicable, the nominal amount of any additional shares to be issued to preserve the rights of holders of securities giving access to the share capital, in accordance with the applicable legal and regulatory provisions and, where applicable, applicable contractual stipulations;
   - the maximum nominal amount (or its counter-value in euros in the event of an issue in a foreign currency or in a monetary unit established by reference to several currencies) of debt securities giving access to the Company's share capital may not exceed a ceiling of €240,000,000, it being specified that this amount will be deducted from the amount of the overall ceiling provided for in paragraph 3 of the twentieth and twenty-second resolutions of this General Meeting.
3. Decides to set at twenty-six months, starting on the day of this General Meeting, the term of the delegation of authority included in this resolution.
4. Decides to waive the shareholders' preferential subscription rights for the securities covered by this resolution, with the possibility for the Board of Directors to grant shareholders, for a period and under the terms and conditions that it shall determine, in accordance with applicable legal and regulatory provisions, and for all or part of an issue, a priority subscription period that does not give rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares owned by each shareholder, which may be supplemented by a subscription on a revocable basis, it being specified that the securities not subscribed in this manner will be the subject of a public placement in France or abroad.
5. Notes that in the event that the subscriptions, including, where applicable, those of Shareholders have not absorbed the entire issue of shares or securities as defined above, the Board may use in the order it deems appropriate, one of the following options:
   - limit the issue to the amount of subscriptions, provided that the amount of said issue is at least equal to three-quarters of the decided issue;
   - allocate all or part of the unsubscribed shares as it sees fit;
6. Duly notes that this delegation shall act automatically as a waiver by shareholders of their preferential subscription right to shares to which the securities may create a right, to the benefit of the holders of securities giving access to Company shares.
7. Decides that the issue price of the shares or securities giving access to the share capital to be issued under this resolution will be determined in accordance with the provisions of Article L. 225-136 of the French Commercial Code.
8. Decides that the Board of Directors shall have full powers, with the option of to sub-delegate, under the conditions laid down by law, to implement this delegation of authority, in particular to:
   - decide on the issue and determine the securities to be issued;
   - decide the amount of the issue, the issue price and the amount of the premium, which may, where applicable, be requested at the time of the issue;
   - determine the dates and the terms of the issue, the type, number and characteristics of the securities to be created, in particular,

in the case of bonds or debt securities, if they are subordinated or not, their interest rate, maturity, redemption price, if they are fixed or variable, with or without a premiums and their amortisation method;

- determine how the new shares or securities giving access, immediately or in future, to the share capital will be paid-up;
- set, where applicable, the terms governing the exercise of rights (or as the case may be, conversion, exchange, redemption rights, including through the delivery of assets in the Company, such as treasury shares or securities already issued by the Company) attached to the shares or securities giving immediate or future access to the capital to be issued and, in particular, the date, even retroactive, on which the new shares will carry rights, as well as all the terms and conditions governing the capital increase;
- set the terms under which the Company will, where necessary, be able to purchase or trade on the stock-market, at any time or during defined timeframes, the securities issued or to be issued in future, with a view to cancelling said securities or not in accordance with legal regulations,
- potentially suspend the rights attached to the issued securities in accordance the legal and regulatory provisions;
- in the event of an issue of securities for the purpose of remunerating securities contributed as part of a public offering with an exchange component carried out in France or abroad, draw up the list of securities tendered in the exchange, set the conditions of the issue, exchange ratio and, where applicable, the amount of the cash balance to be paid and record the number of securities contributed to the exchange;
- to charge, at its sole discretion, the costs resulting from the capital increases to the associated premiums and deduct from this sum the amount necessary for the legal reserve;
- to carry out any adjustments in order to factor in the effect of transactions on the Company's share capital or to protect the rights of holders of securities giving access to the share capital, in accordance with legal and regulatory provisions, and where appropriate, with applicable contractual stipulations;
- to record the completion of each capital increase and amend the Articles of Association accordingly;
- more generally, sign all agreements, in particular to ensure the successful completion of the contemplated issues, take all the necessary steps and complete all formalities required for the issue, listing and financial servicing of the securities issues under this delegation and the rights attached to said securities.

9. Duly notes that this delegation of authority supersedes, from this date, any previous delegation of the same nature.

The delegation thus granted to the Board of Directors is valid as from the date of this General Meeting, for the term provided for in Article L. 225-129-2 of the French Commercial Code, i.e. twenty-six months.

TWENTY-SECOND RESOLUTION

Delegation of powers to the Board of Directors, to increase, by way of a private placement offer, the number of securities or shares to be issued giving access to the share capital, without preferential subscription rights, within a maximum nominal amount of €240,000

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code, and the provisions of Articles L. 228-91 et seq. of said Code:

1. Delegates to the Board of Directors, with the option to sub-delegate, under the conditions laid down by law, its authority to decide to carry out, on one or more occasions, in the proportions and at the times it sees fit, in our outside France, by way of a private placement referred to in Article L. 411-2 of the French Monetary and Financial Code, either in euros or in any other currency or a monetary unit established by reference to several currencies, the issue of Company shares (excluding preferred shares), as well as securities giving access, by any means, immediately and/or in the future, to the Company's share capital, either new or existing shares, either free or against payment, it being specified that the subscription of these shares or securities may be made either in cash or by offsetting receivables.

2. Duly notes that the issues of equity securities that may be carried out pursuant to this delegation may not exceed 20% of the share capital per year, it being specified that this period will start as of the date of each issue carried out under this delegation.

3. Decides to set as follows the limits to the amounts authorised for capital increases in the event of Board of Directors' use of this delegation:
   - the maximum nominal amount of the capital increases that may be carried out immediately and/or in future under this delegation is set, without prejudice to point 2. above, at €240,000,000, it being specified that this amount will be deducted from the total amount of the ceiling provided for in paragraph 2 of the twentieth and twenty-first resolutions of this General Meeting or, where applicable, from the amount of the overall ceiling that may be provided for by a resolution of the same nature that may replace said resolution during the period of validity of this delegation;
   - to these ceilings will be added, where applicable, the nominal amount of any shares to be issued to preserve the rights of holders of securities giving access to the share capital, in accordance with the applicable legal and regulatory provisions and, where applicable, applicable contractual stipulations;
   - the maximum nominal amount (or its counter-value in euros in the event of an issue in a foreign currency or in a monetary unit established by reference to several currencies) of debt securities

giving access to the Company's share capital may not exceed a ceiling of €240,000,000, it being specified that this amount will be deducted from the amount of the overall ceiling provided for in paragraph 3 of the twentieth and twenty-first resolutions of this General Meeting.

4. Sets at twenty-six months, starting on the day of this General Meeting, the term of the delegation of authority included in this resolution.
5. Decides to waive the shareholders' preferential subscription rights for the securities covered by this resolution, with the possibility for the Board of Directors, in accordance with paragraph 5 of Article L. 225-135, to grant shareholders, for a period and under the terms and conditions that it shall determine, in accordance with applicable legal and regulatory provisions, and for all or part of an issue, a priority subscription period that does not give rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares owned by each shareholder, which may be supplemented by a subscription on a revocable basis, it being specified that the securities not subscribed in this manner will be the subject of a public placement, referred to in paragraph II of Article 411-2 of the French Monetary and Financial Code, in France or abroad.
6. Duly notes that in the event that the subscriptions, including, where applicable, those of Shareholders, have not absorbed the entire issue, the Board may limit the amount of the transaction to the amount of subscriptions received provided that the amount of said issue is at least equal to three-quarters of the decided issue, or may allocate all or part of the unsubscribed shares as it sees fit.
7. Duly notes that this delegation shall act automatically as a waiver by shareholders of their preferential subscription right to shares to which the securities may create a right, to the benefit of the holders of securities giving access to Company shares.
8. Decides that the issue price of the shares or securities giving access to the share capital to be issued under this resolution will be determined in accordance with the provisions of Article L. 225-136 of the French Commercial Code.
9. Decides that the Board of Directors shall have full powers, with the option of to sub-delegate, under the conditions laid down by law, to implement this delegation of authority, in particular to:
   - decide on the issue and determine the securities to be issued;
   - decide the amount of the issue, the issue price and the amount of the premium, which may, where applicable, be requested at the time of the issue;
   - determine the dates and the terms of the issue, the type, number and characteristics of the securities to be created, in particular, in the case of bonds or debt securities, if they are subordinated or not, their interest rate, maturity, redemption price, if they are fixed or variable, with or without a premiums and their amortisation method;
   - determine how the new shares or securities giving access, immediately or in future, to the share capital will be paid-up;
   - set, where applicable, the terms governing the exercise of rights (or as the case may be, conversion, exchange, redemption rights, including through the delivery of assets in the Company, such as treasury shares or securities already issued by the Company) attached to the shares or securities giving immediate or future access to the capital to be issued and, in particular, the date, even retroactive, on which the new shares will carry rights, as well as all the terms and conditions governing the capital increase;
   - set the terms under which the Company will, where necessary, be able to purchase or trade on the stock-market, at any time or during defined timeframes, the securities issued or to be issued in future, with a view to cancelling said securities or not in accordance with legal regulations,
   - potentially suspend the rights attached to the issued securities in accordance the legal and regulatory provisions;
   - to charge, at its sole discretion, the costs resulting from the capital increases to the associated premiums and deduct from this sum the amount necessary for the legal reserve;
   - to carry out any adjustments in order to factor in the effect of transactions on the Company's share capital or to protect the rights of holders of securities giving access to the share capital, in accordance with legal and regulatory provisions, and where appropriate, with applicable contractual stipulations;
   - to record the completion of each capital increase and amend the Articles of Association accordingly;
   - more generally, sign all agreements, in particular to ensure the successful completion of the contemplated issues, take all the necessary steps and complete all formalities required for the issue, listing and financial servicing of the securities issues under this delegation and the rights attached to said securities.
10. Duly notes that this delegation of authority supersedes, from this date, any previous delegation of the same nature.

The delegation thus granted to the Board of Directors is valid as from this General Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

TWENTY-THIRD RESOLUTION

Delegation of powers to the Board of Directors, to increase the number of securities or shares to be issued giving access to the share capital, with or without preferential subscription rights, at the same price as that used for the initial issue within the limit of 15% of the initial issue

The Extraordinary General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code:

1. Delegates to the Board of Directors its authority, with the option to sub-delegate, under the conditions laid down by law, to decide to increase the number of securities to be issued in the event of the

issue of shares or securities giving access to the share capital, with or without preferential subscription rights, at the same price as that used for the initial issue, within the timeframes and within the limits provided for by the regulations applicable as of the date of the issue (currently within thirty days of the close of the subscription period and within the limit of 15% of the initial issue), in particular with a view to granting an over-allocation option in accordance with market practices.

2. Decides that the amount of the issues decided by this resolution will be deducted from the amount of the ceiling applicable to the initial issue.
3. Duly notes that this delegation of authority supersedes, from this date, any previous delegation of the same nature.

This authorisation is granted for a period of twenty-six months as from the date of this General Meeting.

TWENTY-FOURTH RESOLUTION

Delegation of powers to the Board of Directors to decide on and carry out capital increases, through the incorporation of reserves, retained earnings, share, merger or contribution premiums, within a maximum nominal amount of €240,000,000

The Extraordinary General Meeting, having reviewed the Board of Directors' report, delegates its decision-making authority to the Board to increase the share capital, on one or more occasions, within a maximum nominal amount of €240,000,000, by successive or simultaneous incorporation of all or part of reserves, retained earnings, share, merger or contribution premiums, through the creation and allocation of bonus shares or through the increase in the nominal value of shares or through the joint use of these two processes.

The Extraordinary General Meeting decides that the fractional rights shall not be negotiable or transferable and that the corresponding shares shall be sold; the sums resulting from the sale will be allocated to the holders of the rights under the conditions and time limits provided for by applicable regulations.

The Extraordinary General Meeting grants full powers to the Board, under the conditions laid down by law, in particular to determine the dates and terms of the issues, set the price and conditions of the issues, set the amounts to be issued and, more generally, take all measures to ensure the successful completion of said issue, carry out all acts and formalities for the purpose of completing the corresponding capital increase(s) and amend the Articles of Association accordingly.

The delegation is valid as from this General Meeting for the period provided for in Article L. 225-129-2 of the French Commercial Code, i.e. 26 months.

TWENTY-FIFTH RESOLUTION

Powers of the Board of Directors to charge the fees, duties and fees resulting from said capital increases to the payments relating to the aforementioned capital increases, and also to deduct from these sums the additional amount from the legal reserve

The Extraordinary General Meeting, pursuant to the approval of the resolutions described above, authorises the Board of Directors to charge the costs, duties and fees resulting from the capital increases referred to in the previous resolutions to the amount of the premiums relating to said increases and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each increase.

TWENTY-SIXTH RESOLUTION

Powers of the Board of Directors to carry out the allocation of existing or future free ordinary shares, for the benefit of categories of beneficiaries chosen by the Board of Directors from among the salaried staff or corporate officers of the Company and companies related to it (parent companies or subsidiaries)

The Extraordinary General Meeting, having heard the reading of the report of the Board of Directors and the special report of the Statutory Auditors,

Authorises the Board of Directors, in accordance with Articles L. 22-10-59, L. 225-197-2 to L. 225-197-5 and L. 225-208 of the French Commercial Code, to allocate existing of new free Company shares, on one or more occasions, to employees and corporate officers that the Board of Directors shall determine from among the salaried staff or corporate officers of the Company and companies related to it (parent companies or subsidiaries), in accordance with the provisions of Articles L. 22-10-59, L. 225-197-2, L. 225-197-3, L. 225-197-4, L. 225-197-5 and L. 225-208 of the French Commercial Code;

Duly notes that the total number of bonus shares allocated may not exceed 10% of the share capital as of the date on which the Board of Directors decided their allocation and that no shares may be allocated to beneficiaries that individually hold more than 10% of the share capital, as an allocation of bonus shares may not result in the beneficiaries individually holding more than 10% of the share capital;

Decides that the existing shares or shares to be issued, allocated under this authorisation, may not exceed 1% of the share capital as of the day on which the allocation of bonus shares was decided by the Board of Directors;

Decides that allocation of bonus shares to their beneficiaries will become definitive at the end of a vesting period, the duration of which shall be set by the Board of Directors, it being specified that the duration may not be less than one year, and that the beneficiaries must hold their shares for a period set by the Board of Directors, with a lock-up that may not be less than one year;

Also authorises the Board of Directors, provided that the vesting period for all or part of one or more allocations is at least equal to two years, to reduce or cancel the lock-up period for the shares in question;

Duly notes that, in the case of a company whose shares are admitted to trading on a regulated market, at the end of the lock-up period, the shares may not be sold:

1° During the ten trading days preceding and three trading days following the date on which the consolidated financial statements, or the annual financial statements, are made available to the public;

2° During the period between the date on which the Company's corporate bodies become aware of any information which, if made public, could have a significant impact on the Company's share price, and ten trading days after the date on which this information is available to the public;

Decides that the bonus shares allocated shall nevertheless become immediately transferable by the beneficiary's heirs, before the end of the vesting period, in the event of the beneficiary's death;

Consequently, delegates its authority to the Board of Directors to decide:

- to purchase or to have a third-party purchase, for the purposes of their allocation, in accordance with Article L. 225-208 of the French Commercial Code, or otherwise cancel treasury shares,
- to carry out one or more capital increases, by issuing new ordinary shares, through the incorporation of reserves, profits or share premiums, in accordance with Article L. 225-129-2 of the French Commercial Code,

within the limit of an overall ceiling of 1% of the Company's share capital as of the date on which the free share allocation was decided by the Board of Directors;

Duly notes that, in the event of a decision to allocate bonus shares by way of a capital increase, this delegation of authority shall act automatically as a waiver by shareholders of their rights to bonus shares, issued as a result of the successive capital increases decided by the Board of Directors under this delegation, through the incorporation of reserves, profits or share premiums, and as a waiver to any entitlement to a portion of said reserves, profits or share premiums thereby incorporated to the capital, to the benefit of beneficiaries of the allocation of free ordinary shares, subject to the definitive allocation to the beneficiaries of said shares at the end of the vesting period;

Gives full powers to the Board of Directors, with the option of to sub-delegate, under the legal conditions, and which may be assisted by a committee composed of members that it may chose, within the limits set above to:

- determine the categories of beneficiaries of free share allocations, their identity, from among the employees and corporate officers that the Board of Directors will determine from among those of the Company and companies related to it (parent companies or subsidiaries), as well as the number of shares allocated to each of them,
- determine whether the bonus shares will be allocated through the allocation of existing shares held by the Company or acquired for this purpose, or through an increase in the Company's share capital with an issue of new shares,
- set the conditions and, where applicable, the criteria for the allocation of shares, in particular the vesting period and the lock-up period required for each beneficiary, under the conditions set out above,
- purchase, have purchased by a third-party or cancel treasury shares, for the purposes of their allocation under the conditions defined above;
- provide for the option to temporarily suspend rights to allocations,
- record the final allocation dates and the dates as from which the shares may freely be sold, taking into account the legal restrictions and those provided for by the General Meeting,
- register the bonus shares to be allocated in a registered account in the name of their holder, mentioning the period during which said shares will be unavailable and the duration of said period, and to end such period, in the event of any case provided for by applicable regulations enabling to cancel such period,
- record the existence of sufficient reserves and, at the time of each allocation, transfer to an unavailable reserves account the amounts required for the payment of the new shares to be allocated and/or their acquisition for allocation purposes,
- determine the effect on the rights of beneficiaries, adjust, if necessary, the number of bonus shares allocated, to preserve the rights of the beneficiaries, pursuant to any transactions in the Company's share capital, more specifically in the event of a change in the nominal value of the share, a capital increase through the incorporation of reserves, the allocation of bonus shares, the issue of new equity securities with preferential subscription rights reserved for Shareholders, split or consolidation of securities, distribution of reserves, share premiums or any other assets, amortisation of capital, change in the allocation of profits through the creation of preferred shares or any other transaction involving the equity capital. It is specified that the shares allocated pursuant to these adjustments would be deemed to be allocated on the same day as the shares initially allocated,
- record, where applicable, the completion of the capital increases carried out pursuant to the authorisation to be given by the Extraordinary General Meeting, carry out all formalities necessary for the issue, amend the Articles of Association accordingly and, more generally, in accordance with applicable the regulations in force, do everything that the implementation of said authorisation requires and carry out all necessary acts and formalities;

Duly notes that, in the event that the Board of Directors were to use this authorisation, it would inform the Ordinary General Meeting each year of the transactions carried out pursuant to the provisions of Articles L. 22-10-59, L. 225-197-2 and L. 225-197-3 of the French Commercial Code, under the conditions provided for in Article L. 225-197-4 of said Code;

And decides that this delegation of authority is given for a period of 38 months as of today.

TWENTY-SEVENTH 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 to 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 the date of this Extraordinary General Meeting, i.e. until 2 December 2022, it being specified that these delegations and authorisations replace and cancel any such delegations and authorisations that may have been granted to the Board previously, up to the unused portion of this authorisation.

TWENTY-EIGHTH 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 4 June 2020

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 operations it authorised.

It takes the form of a statement by VRANKEN-POMMERY MONOPOLE of the operations carried out on its own shares between 5 June 2020 and 22 March 2021.

Situation as at 22 March 2021:

- percentage of treasury stock: 0.60% of the capital;
- number of shares cancelled during the past 24 months: None;
- number of shares held in portfolio: 53,804 shares;
- market value of the portfolio: €971,162.20 (at the closing price of 22 March 2021, i.e. €18.05).

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 10,437 shares, to the liquidity agreement entered into with KEPLER CHEUVREUX.

In the context of said liquidity contract, over the period from 5 June 2020, the day following the Ordinary General Meeting that authorised the last share buyback programme, to 22 March 2021, VRANKEN-POMMERY MONOPOLE has:

- acquired 23,689 of its own shares for a global value or €336,808.36, or an average unit purchase price of €14.22;
- sold 28,949 of its own shares for a global value of €430,240.69, or an average unit sale price of €14.86.

KEPLER was paid €30,000 including tax.

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 sale, at the date of this report.

The Board of Directors

Statutory Auditors' special report on regulated agreements

To 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 report to you, based on the information provided to us, on the main terms and conditions of, and 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 appropriateness 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 doctrine of the National Statutory Auditors' Association (Compagnie nationale des commissaires aux comptes) for this assignment. These procedures consisted in verifying the consistency of the information provided to us with the source documents from which it came.

Agreements submitted to the General Meeting for approval

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 (i.e. €158,115 converted at the closing rate), 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 February 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, 14 April 2021

The Statutory Auditors

AUDIT & STRATEGY REVISION CERTIFICATION :	Philippe DANDON
MAZARS :	Michel BARBET-MASSIN

Notes

Creation: christofdelvas@free.fr - Impression: Alliance Partenaires Graphiques - Reims - May 2021
Imprimé sur papier PEFC. Papier issu de la gestion durable des forêts.

CHAMPAGNE VRANKEN

Maison fondée en 1976

CHAMPAGNE POMMERY

À REIMS - FRANCE

Maison fondée en 1836

CHAMPAGNE MONOPOLE HEIDSIECK & C°

Maison fondée en 1785

CHAMPAGNE Charles LAFITTE

Maison fondée en 1834

Château La Gordonne

Côtes de Provence

Depuis 1652

Depuis 1652

Domaine Royal de Jarras

SABLE DE CAMARGUE

Maison fondée en 1883

ROZÈS PORTO

Maison fondée en 1855

TERRAS DO GRIFO

DOURO WINES

Depuis 2001

VRANKEN POMMERY MONOPOLE

Société anonyme au capital de 134.056.275 euros
Siège social : 5 place Général Gouraud - BP 1049 - 51689 Reims Cedex 2
Tél. 33 (0)3 26 61 62 63 - Fax 33 (0)3 26 61 63 88
348 494 915 RCS Reims