Press Release

Charenton-le-Pont, April 28th, 2021

2020 Net Results

- Turnaround of Group profitability with an EBITDA(*) of €10.6m, including positive one-off effects of €3.7m related to the Covid Crisis on temporary ethyl alcohol bulk sales in Lithuania and to the impact of the change of distribution model in the United States in the first half of 2020
- Significant improvement in Net Result from continuing activities : losses divided by more than 5
- Net financial debt reduced to €43.6m

(*) EBITDA = EBIT – provisions for current assets – depreciation – pension liabilities
NB: All sales growth figures mentioned in this press release are at constant exchange rates and on a like-for-like basis, unless otherwise stated.

Marie Brizard Wine & Spirits (Euronext : MBWS) today announces its consolidated results for the financial year 2020, adopted by the Group's Board of Directors held on Tuesday 27th April 2021. The audit procedures were completed by the Statutory Auditors.

Andrew Highcock, Chief Executive Officer of Marie Brizard Wine & Spirits, comments on these results :
"The mobilisation of our teams during this very special year and the continued operational execution of our value creation strategy have led to an improvement in EBITDA in 2020 and demonstrate the relevance of our strategic choices. Now relying on a strengthened financial structure, the Group will pursue the alignment of its costs to the size of the business on a country-by-country basis, as a key to the sustainable consolidation of its profitability. Focused on leading brands or brands with a growing reputation, MBWS is committed to addressing new consumer trends, seeking more naturalness and less alcoholic products. The pandemic has also led to the emergence of home consumption of cocktails, a trend that is likely to continue. After these encouraging results in 2020, the Group remains cautious for 2021 as the economic impact of the pandemic persists at the beginning of the year in many of its markets. We remain confident and fully committed to the success of MBWS."

Simplified income statement for the financial year 2020

in M€, except EPS	2019 restated (*)	2020	Change 2020/19
Net revenues (exlcuding excise duties)	**166.9**	**169.1**	**+2.0%**
EBITDA	**-3.5**	**10.6**	**+ €14.1m**
Ebitda margin	*-2.0%*	*6.3%*	*+ 830 bp*
Recurring operating income	-7.4	1.0	+ €8.4m
Attributable Net income (Loss)	-65.9	**-38.4**	**+ €27.5m**
of which net income (Loss) from continuing operations	-30.2	-5.5	+ €24.7m
Of wich net income (Loss) from discontinued operations	-35.7	-32.9	+ €2.8m
Earnings per share, Group share (EPS,€)	*-1.60*	*-0.86*	
Earnings per share from continuing operations, Group share (EPS, €)	*-0.73*	*-0.12*	

(*) The 2019 financial statements have been restated in accordance with IFRS 5- Discontinued operations. Following the disposal of the Group's Polish entities (MBWS Polska and its subsidiaries) in October 2020, their consolidated P&L for the 2020 and comparative 2019 fiscal years have been restated according to IFRS 5. The same applies to the entity Moncigale, a subsidiary of MBWS France, for which the disposal project was signed on 13 October 2020 and finalised on 16 February 2021. These financial statements incorporate the new distribution agreements with the purchaser of the Polish operations which are reflected in the WEMEA cluster revenue for the 2020 and 2019 restated fiscal years.

2020 Activity

Revenues (in M€)	2019 restated	2020	Organic Growth (excl. forex impact)	Growth (incl. forex)
BRANDED BUSINESS	**147.9**	**136.4**	**-7.1%**	**-7.7%**
WEMEA	99.2	90.5	-8.7%	-8.7%
CEE	27.4	24.5	-10.6%	-10.6%
Americas	18.8	18.7	5.0%	-0.8%
Asia-Pacific	2.5	2.7	6.1%	6.1%
NON BRANDED	**19.0**	**32.7**	**72.7%**	**72.7%**
TOTAL MBWS	**166.9**	**169.1**	**2.0%**	**1.3%**

For both 2019 and 2020 financial year, the WEMEA cluster revenue now includes sales recorded by the Group with the purchaser of its Polish activities, in accordance with the new distribution agreements included in the disposal operation.

The slight improvement in consolidated revenue recorded in 2020 (+2.0% compared to restated 2019) reflects the context of the pandemic, which favoured bulk sales but had a very strong impact on the Brands business, following restrictive government measures in most of the markets in which the Group operates.

2020 Results

The increase in revenue and the impact of bulk sales at attractive prices helped to increase the gross margin rate to 42.4% in 2020 compared to 41.3% in 2019. As part of its proactive, value-oriented sales policy, the Group reduced its marketing spending in 2020 compared to the previous year. It is also reaping the benefits of the various structural measures implemented since 2019, resulting in EBITDA of €10.6m in 2020 compared with -€3.5m in 2019 (restated for IFRS 5). All regions are EBITDA positive.

Other non-recurring operating expenses, net of other non-recurring operating income, amounted to -€6.7m. They mainly consist of expenses and costs related to the financial and organisational restructuring of the Group.

The net financial result amounts to €1.6m and is mainly related to the cost of financial debt and the write-back of a provision following the collection in June 2020 of part of the remaining debt in Trinidad. After a tax charge of -€1.5m, net income from all activities (Group share) amounted to -€38.4m in 2020 compared with -€65.9m at 31 December 2019, with a significant decrease in the net loss from continuing operations, to -€5.5m at the end of 2020 compared with -€30.2m at 31 December 2019. Net loss from discontinued operations is – €32.9m at 31 December 2020 vs. – €35.7m in 2019.

EBITDA *(in M€)*	**2019 restated**	*Organic Growth*	*Change Effect*	**2020**	*Organic Growth (excl. forex impact)*	*Growth (incl. forex)*
BRANDED BUSINESS	**6.6**	**9.9**	**0.0**	**16.5**	**149,7%**	**149,7%**
WEMEA	6.6	5.1	0.0	11.7	77.1%	77.1%
CEE	2.8	-1.1	0.0	1.7	-38.9%	-38.9%
Americas	-2.1	4.8	0.0	2,7	228.5%	228.5%
Asia-Pacific	-0.7	1.0	0.0	0.3	150.0%	150.0%
HOLDING	**-9.2**	**0.7**	**0.0**	**-8.5**	**7.2%**	**7.2%**
Total BRANDED BUSINESS	**-2.6**	**10.5**	**0.0**	**7.9**		
NON BRANDED	**-0.9**	**3.6**	**0.0**	**2.7**	**384.1%**	**384.1%**
TOTAL MBWS	**-3.5**	**14.1**	**0.0**	**10.6**	**400.5%**	**400.5%**

The Branded business generated EBITDA of €16.5m (excluding Holding costs), up €9.9m on the previous financial year. This significant turnaround compared to 2019 reflects the stronger protection of the gross margin thanks to the updated commercial policies under the strategic plan.

WEMEA (Western Europe, Middle East and Africa)

EBITDA for this region increased by 77.1% in 2020 to €11.7m.
With revenues of €75.8m, down -3.3% on 2019, France recorded a 123% increase in EBITDA, from €4.8m in 2019 to €10.7m at the end of 2020, following the selective commercial policy based on profitable volumes, the reduction in marketing expenses and the impact of the distribution agreement with COFEPP on part of the commercial network.

EBITDA for the rest of the cluster amounted to €1m in 2020, down -46% on 2019. It was impacted by the effects of the Covid crisis, particularly on sales in THE UK (-€1.3m vs. 2019), in Spain (with very severely disrupted Horeca sales and an 80% drop in the border volumes with France in the case of William Peel) as well as in the Scandinavian Zone (-42% vs. 2019).

CEE (Central and Eastern Europe)

EBITDA of the entire region remained positive at €1.7m but declined by €1.1m compared to 2019 with revenues of €24.5m, down -10.6% compared to 2019. The Covid restrictions in Lithuania, where sales amounted to €19.2m, were partly offset by positive changes in product mix, discontinuation of unprofitable contracts and price increases to improve margins on certain products. In Lithuania, where sales amounted to €19.2m, the effects of Covid restrictions were partly offset by changes in the product mix, termination of unprofitable contracts, and selling price increases to improve margins on certain products.

Americas

2020 revenue for the Americas region reached €18.7m, up 5.0% compared to 2019 excluding a currency effect (of -€1.1m). EBITDA for this area reached €2.7m, an improvement of €4.8m, compared to a negative EBITDA (-€2.1m) in 2019. This reflects the benefits of the new distribution model with gradual but one-off implementation of pipeline stocks in the US market, which also enjoyed a more favourable mix effect with the increase in home consumption due to the Covid crisis.
In Brazil, this positive price-mix effect was also observed following the opening of new distributors.

Asia-Pacific

2020 EBITDA for the region amounted to €0.3m, an improvement of €1.0m compared to 2019, driven by a 6.1% growth in revenue (€2.7m) and a reduction in structural costs (reorganisation in China).

Non Branded

EBITDA improved by €3.6m in 2020, to €2.7m compared to EBITDA of -€0.9m in 2019. The solid results of private label sales and bulk activities, which grew by a very strong 72.7% compared to 2019, enabled optimal use of the production site in Lithuania despite a downturn in the second half of the year.

Holding cost improved by €0.7m compared to the end of 2019, thanks to operating cost reductions (including in particular the favourable effect of the change in headquarters that took place during June 2020) and despite negative operational exchange effects of -€0.4m compared to 2019.

Balance sheet at 31 December 2020

The Group's shareholders' equity amounted to €66.3m at 31 December 2020, compared with €93.7m at the end of 2019. This change is mainly due to the negative consolidated net result for the year and the change in translation reserves, including the withdrawal of the translation reserves related to the Polish entities.

At the end of December 2020, the Group's net financial debt amounted to €43.6m, down by -€3.1m compared to 2019, mainly due to the decrease in short-term financing, particularly in France and Poland. It is also worth mentioning the improvement of the operating working capital linked to the inventory clean-up policy in different markets as well as the reduction in receivables in relation to the sale of Moncigale and the Polish entities (reclassification on the line "assets held for sale" in Assets).
Lastly, the Group benefited from the deferral of charges related to Covid government aid and also the implementation at the end of 2020 of a new moratorium concerning part of the tax and social charges on activities in France.

Outlook

Despite the difficulties linked to the global pandemic, the Group implemented the operational execution of its plan, with a focus on operations that contribute to the improvement of the profitability of its activities leading to a gradual return to positive EBITDA. It has worked to create the conditions for the profitable development of its brand portfolio and the commercial areas where it is present with a systematic focus in the commercial strategy on value as well as volume, particularly in France, the USA and Lithuania.

The sale of the Polish activities in October 2020 and the wine business in France (Moncigale) in February 2021 made it necessary to simplify the operational structures, the Group being organised, since 1 January 2021, from a managerial point of view into two clusters (France and International). This strategy and the alignment of costs to the size of its activities country by country will be pursued and is a guarantee of the strengthening of the Group's profitability.

In addition, the capital increase finalized on February 4, 2021 amounted to a gross amount of €100.9m (including issue premium), of which €17.4m in cash subscription proceeds paid by shareholders other than COFEPP. This capital increase allowed for the incorporation into the capital of (i) all of the bank debt (excluding factoring) acquired by COFEPP from the Company's bank lenders, namely the credit facility entered into on 26 July 2017 in the principal amount of €45m and the overdraft facilities drawn down in the principal amount of €1.1m, (ii) all the current account advances paid by COFEPP to the Company and its subsidiary MBWS France, for a total principal amount of €32m and (iii) the first tranche of the Poland advance granted by COFEPP to the Company for an amount of €3m.

After repayment of the balance of the above-mentioned Poland advance, COFEPP no longer has any financial claim on the MBWS Group.

After the completion of the capital increase, the Group's net financial position as at 31 March 2021 amounts to €59.7m. The main reasons for this improvement compared to December 31, 2020 were (i) the incorporation of all the above-mentioned debts and receivables as part of the capital increase, thereby reducing debt, (ii) cash subscriptions amounting to €17.4m, (iii) the payment by COFEPP of the balance of circa. €7m N°2 advance, and (iv) the collection of part of the proceeds from the sale of the activities sold (Polish entities and Moncigale).

Although 2020 may present encouraging results in the context of a quite disruptive pandemic, the Group remains cautious about its roadmap for 2021 due to the continued impact of the pandemic on the beginning of the year and the likely more lasting consequences on consumption patterns.

Financial agenda

- General Meeting : June 30th, 2021
- 2021 First Half Net Sales : July 28th, 2021

Contact
Image Sept
Claire Doligez- Flore Larger
cdoligez@image7.fr – flarger@image7.fr
Tél : +33 1 53 70 74 70

APPENDIX

FY 2020 Consolidated Financial Statements

INCOME STATEMENT

(in €000)	31.12.2020	31.12.2019 Restated (1)
NET SALES	**220,774**	**220,476**
Excices tax	(51,691)	(53,616)
NET SALES EXCL TAX	**169,083**	**166,860**
Cost of goods sold	(97,474)	(97,911)
External charges	(24,795)	(28,288)
Salary expenses	(32,028)	(40,927)
Taxes and Duties	(1,989)	(2,044)
Depreciation and Amortization	(9,699)	(9,203)
Other operating income	4,127	7,832
Other operating expenses	(6,178)	(3,749)
RECURRING OPERATING PROFIT	**1,046**	**(7,428)**
Extraordinary income	8,587	5 861
Extraordinary expenses	(15,303)	(26 839)
OPERATING PROFIT	**(5,671)**	**(28,406)**
Interest income	89	25
Interest expenses	(2,934)	(2,197)
NET COST OF DEBT	**(2,845)**	**(2,172)**
Other interest income	6,364	1,060
Other interest expenses	(1,870)	(258)
NET INTEREST EXPENSES	**1,649**	**(1,370)**
PRE-TAX INCOME	**(4,023)**	**(29,776)**
Income tax/credit	**(1,511)**	(433)
INCOME FROM ONGOING OPERATIONS	**(5,533)**	**(30,209)**
INCOME FROM DISCONTINUED OPERATIONS (1)	**(32,912)**	**(35,711)**
NET INCOME	**(38,445)**	**(65,921)**
Attributable net income	(38,465)	(65,926)
Of which net income from ongoing operations	(5,553)	(30,215)
Of which net income from discontinued operations	(32,912)	(35,711)
Non-controlling interests	20	5
Of which net income from ongoing operations	20	5
Of which net income from discontinued operations		
Attributable Net income per share (in €)	-0.12 €	-0.73 €
Attributable net income from ongoing operations per share fully diluted (in €)	-0.12 €	-0.73 €
Net income per share (in €)	-0.86 €	-1.60 €
Net income per share diluted (in €)	-0.86 €	-1.60 €
Weighted average number of outstanding shares	44,571,246	41,249,151
Weighted average diluted number of outstanding shares	44,571,246	41,249,151

(1) The financial statements (income statement) as at 31 December 2019 have been restated for the effects of the application of IFRS 5 - Discontinued Operations.

BALANCE SHEET

Assets

(in €000)	31.12.2020	31.12.2019
Long term assets		
Goodwill	14,704	15,039
Intangible assets	83,167	88,031
Property, plant and equipment	28,111	56,180
Financial assets	5,639	2,387
Long-term derivative instruments	0	
Deferred taxes	1,225	1,328
Total long-term assets	**132,846**	**162,965**
Current assets		
Inventory	37,811	53,991
Trade receivables	20,813	46,669
Tax receivables	554	1,735
Other short-term assets	22,123	32,686
Short-term derivative instruments	70	157
Cash and cash equivalents	42,075	26,193
Assets held for disposal	12,900	
Total current assets	**136,346**	**161,431**
TOTAL ASSETS	**269,192**	**324,396**

Liabilities

(in €000)	31.12.2020	31.12.2019
Shareholders' equity		
Capital	62,578	89,396
Premiums	66,711	66,710
Consolidated and other reserves	(14,083)	25,568
Conversion reserves	(10,720)	(22,234)
Net Income	(38,465)	(65,926)
Attributable Shareholders'equity	**66,020**	**93,514**
Non-controlling interests	328	223
Total Shareholders' equity	**66,348**	**93,737**
Total long-term liabilities		
Employee benefits	3,150	5,533
Long-term provisions	3,926	3,238
Long-term loans	65,352	9,689
Other long-term liabilities	1,751	1,855
Long-term derivative instruments		
Deferred tax liabilities	17,879	16,424
Total long-term liabilities	**92,058**	**36,739**
Current liabilities		
Short-term provisions	7,049	10,178
Short-term portion of long-term debt	15,023	50,933
Short-term debt	5,287	12,292
Supplier and other payables	34,777	63,719
Tax liabilities	5,667	481
Other short-term liabilities	32,584	56,315
Short-term derivative instruments	98	2
Liabilities held for disposal	10,301	

Total current liabilities	**110,787**	**193,920**
TOTAL LIABILITIES	**269,192**	**324,396**

CONSOLIDATED CASH FLOW STATEMENT

(in €000)	**31.12.2020**	**31.12.2019**
Total consolidated net profit	**(38,445)**	**(65,921)**
Eliminations :		
Amortization and provisions	5,143	31,407
Revaluation gains / losses (fair value)	2,953	279
Gains/losses on disposals and dilution	20,840	8,550
Operating cash flow after net cost of debt and tax	**(9,508)**	**(25,685)**
Income tax charge (credit)	8,776	512
Net cost of debt	4,100	6,101
Operating cash flow before net cost of debt and tax	**3,368**	**(19,072)**
Change in working capital 1 (inventories, trade receivables and payables)	2,290	19,922
Change in working capital 2 (other items)	(898)	(17,524)
Tax paid	(335)	(301)
Cash flow from operating activities	**4,425**	**(16,975)**
Acquisition of minority interests	0	(1,102)
Purchase of property, plant and equipement and intangible assets	(5,025)	(9,056)
Purchase of financial assets	0	187
Increase in loans and advances granted	(3,421)	(117)
Decrease in loans and advances granted	6,823	435
Disposal of property, plant and equipement and intangible assets	1,039	2,429
Impact of change in consolidation scope	1,733	(238)
Cash flow from investing activities	**1,148**	**(7,462)**
Capital increase	0	58,576
Share buybacks	0	13
New loans	29,371	235
Loans repayment	(12,356)	(5,356)
Net interest paid	(702)	(6,877)
Net change in short-term debt	(4,791)	(17,933)
Cash Flow from financing activites	**11,521**	**28,658**
Impact from changes in foreign exchange rates	(1,212)	140
Cash flow from discontinued operations and disposal proceeds	0	**0**
Change in cash and cash equivalents	**15,882**	**4,361**
Opening cash position	26,193	21,832
Closing cash position	42,075	26,193
Change in cash and cash equivalents	**15,882**	**4,361**