Bel

French corporation *(société anonyme)* with a share capital of €10,308,502.50
Head Offices: 2 allée de Longchamp - 92 150 Suresnes
SIREN 542 088 067 - RCS Nanterre

FIRST-HALF 2023 FINANCIAL REPORT

Should there be any difference between the French and the English version of this Bel Group First-half 2023 Financial Report, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Bel.

The Bel Group

The Bel Group is a world leader in branded cheese and a major global player in the healthy snacks segment. Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, and Boursin®, as well as some 20 local brands, enabled the Group to generate sales of €3.6 billion in 2022. Almost 11,800 employees in nearly 40 subsidiaries around the world contribute to strengthen Bel's mission as a major player in the global healthy snack market . Bel products are prepared at more than 29 production sites and distributed in over 120 countries.
www.groupe-bel.com

First-Half 2023 Business Report

1. Review of operations and earnings

(in millions of euros)	First-half 2023	First-half 2022	% Change
Sales	1 789,6	1 682,8	6,3%
Operating income	107,7	68,6	57,1%
Consolidated net profit - Group share	**54,8**	**34,0**	**61,2%**

Bel recorded consolidated sales of €1,790 million in the first six months of 2023, representing an organic increase of 9.1%[1] over first-half 2022. On a reported basis, growth came to 6.3%, reflecting a 1.4% negative impact from changes in the scope of consolidation, corresponding to the sale of Bel's stake in Moroccan company Safilait, which was partially offset by the acquisition of a majority stake in China's Shandong Junjun Cheese, and a slightly unfavorable foreign exchange impact of 1.4%.

Sales growth was primarily driven by strong momentum in the fruit segment, sustained double-digit growth in China and solid performances by core brands such as Kiri® and Boursin®. In the plant-based food segment, Boursin® Plant-Based continued to perform very well in North America. Against a backdrop of continued across-the-board inflation, Bel recorded a decline in sales volumes in certain regions, partially offset by the responsible management of price increases. Lastly, with regard to distribution channels, the e-commerce and out-of-home (OOH) businesses maintained their positive trajectories in almost all geographies, with double-digit growth.

The sales breakdown by market segment is as follows:

	First half			
(in millions of euros)	2 023	2022	% Change	Including organic growth**
Global markets	1 252,5	1 246,3	0,5%	6,3%
New territories*	537,1	436,5	23,0%	16,9%
Group total	**1 789,6**	**1 682,8**	**6,3%**	**9,1%**

** Comprising the business activities of MOM (Mont-Blanc, Materne), markets in Sub-Saharan Africa, and China.*
*** Including adjustments for hyperinflation in Iran and Turkey*

In a business environment shaped by increased consumer price sensitivity, Bel's mature markets demonstrated their resilience, with positive organic growth of 6.3%.
North America trended up overall, thanks to a solid performance by Boursin® across the entire region. Canada posted very good figures for the first half, reflecting a strong performance by Babybel® and the sustained success of Boursin® Plant-Based.

Sales held firm in Europe thanks to price increases and a good performance from Babybel® in the UK, which offset the decline in sales volumes caused by the loss of consumer buying power.
Countries in the Middle East recorded a sharp year-on-year improvement on an organic basis, in terms of both market share and sales volumes. The reported contraction for the Middle East, Greater Africa region corresponds to the sale of Bel's stake in Moroccan company Safilait.

[1] *This amount is adjusted from currency effects, changes in the scope of consolidation and hyperinflation in Iran and Turkey. Changes in the scope of consolidation relate to the sale to Polmlek of Bel's stake in Moroccan company Safilait and the acquisition of a stake in Shandong Junjun Cheese.*

New territories continued along its healthy growth trajectory, with positive organic growth of 16.9%. This performance was supported by the fruit segment[2], which recorded dynamic growth in all geographies. China saw a hefty increase in its sales for the fourth consecutive year, underpinned by the performance of the Kiri® brand.

Results

In the first half of 2023, consolidated operating income totaled €108 million, in progress of +57.1% versus the first half of 2022.

Operating income by segment is as follows:

(in millions of euros)	First-half 2023	Fisrt-half 2022	% Change
Global markets	40,1	19,4	106,5%
New territories*	67,6	49,1	37,6%
Group total	**107,7**	**68,6**	**57,1%**

**Comprising markets in Sub-Saharan Africa, China and the business activities of MOM (Mont-Balnc, Materne)*

Operating income grew by €39 million in first-half 2023 despite further sharp increases in inflation, which particularly impacted energy and labor costs. Growth in operating income reflected Bel's responsible approach to price increases, further efforts to improve productivity and a favorable basis of comparison, with first-half 2022 negatively impacted by the time lag between the additional costs generated by inflationary pressure on expenditure items and the implementation of price increases to offset those additional costs.

After considering the net financial result and income tax expense, consolidated net profit, Group share for first-half 2023 came to €55 million, compared with €34 million for the six months to June 30, 2022

2. Financial situation

Bel's balance sheet remains solid, with net financial debt totaling €917 million at June 30, 2023, versus €778 million at December 31, 2022. The change is primarily attributable to a seasonal impact on working capital requirement.

Total equity now comes to €1,571 million, versus €1,592 million at December 31, 2022.
Bel continues to have a high level of liquidity. At June 30, 2023, the Group had €427 million in surplus cash and cash equivalents and €550 million in untapped credit lines, maturing in 2027.

3. Outlook for 2023

As in 2022, Bel demonstrated its resilience once again in the first half of 2023, recording a solid level of organic growth and a recovery in margins, despite further significant increases in inflationary pressure.

The Group remains vigilant and cautious, in a particularly volatile geopolitical and economic environment, impacted by high across-the-board inflation and increased consumer price sensitivity. Bel will continue to invest in its core brands to support their development in order to make their products accessible to as many consumers as possible and capture a greater share of its strategic target markets. Consumer confidence in its iconic brands, a strong business dynamic in North America and steep growth trajectories for the fruit segment and China will enable Bel to further strengthen its position in its three complementary business segments – dairy, fruit and plant-based products.

[2] *The fruit segment includes the results of the Pom'Potes®, GoGo squeeZ®, Materne and Mont-Blanc brands.*

4. MAIN RELATED-PARTY RELATIONSHIPS

Main related-party relationships are disclosed in note 8 of the summary consolidated financial statements for the half-year.

5. SIGNIFICANT SUBSEQUENT EVENTS

There are no significant subsequent events to be reported.

SUMMARY INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

(in millions of euros)	Notes	30 Juin 2023	30 Juin 2022	Décembre 2022
Sales	**4.1**	**1 789,6**	**1 682,8**	**3 595,3**
Cost of goods and services sold		(1 316,4)	(1 265,3)	(2 718,2)
Gross margin		**473,2**	**417,5**	**877,1**
Sales and marketing expense		(199,1)	(190,7)	(379,3)
Research and development expense		(13,8)	(13,6)	(29,4)
Administrative and general overhead expense		(146,4)	(135,6)	(282,4)
Other operating income and expense		0,6	1,4	0,9
Recurring Operating Income before equity affiliates share if net income		**114,5**	**79,0**	**186,8**
Equity affiliates share of net income		0,4	-	-
Recurring Operating Income after equity affiliates share if net income		**114,9**	**79,0**	**186,8**
Other non-recurring income and expense	4.2	(7,1)	(10,4)	(22,6)
Operating income		**107,7**	**68,6**	**164,3**
Income from cash and cash equivalents	4.3	10,9	0,6	2,4
Cost of gross financial indebtedness	4.3	(32,0)	(11,0)	(28,5)
Cost of net financial indebtedness	**4.3**	**(21,1)**	**(10,4)**	**(26,2)**
Other financial income and expense	4.3	0,4	(3,2)	2,4
Equity affiliates share of net income (b)		0,4	-	0,2
Pre-tax profit		**87,5**	**55,0**	**140,7**
Income tax expense	4.4	(31,4)	(20,2)	(47,9)
Net profit of the consolidated group		**56,1**	**34,7**	**92,8**
Non-controlling interests		(1,3)	(0,8)	3,3
Consolidated net profit - Group share		**54,8**	**34,0**	**96,1**

The notes to the financial statements form an integral part of the consolidated financial statements

Statement of Comprehensive Income

(in millions of euros)	Notes	Juin 2023	Juin 2022	Décembre 2022
Net profit /(loss) for the period		**56,1**	**34,7**	**92,8**
Other items of comprehensive income				
Non-reclassifiable items	5.1			
Actuarial gains and losses arising from retirement obligations		0,3	7,7	9,1
Income tax impact		(0,1)	(2,0)	(2,4)
Actuarial gains and losses arising on financial assets		-	8,8	(1,0)
Income tax impact		-	(5,2)	(2,7)
Reclassifiable items				
Translation difference		(38,5)	37,7	(12,9)
Hyperinflation revaluation		9,3	18,9	19,9
Gains and losses on cash flow hedging				
Amounts recognized in equity		2,5	6,9	20,5
Income tax impact		(0,6)	(1,7)	(5,2)
Total recognized to Equity		**(27,1)**	**71,1**	**25,3**
Total comprehensive income for the period		**29,0**	**105,8**	**118,1**
Group share		27,4	105,1	123,2
Non- controlling interests		1,6	0,7	(5,1)

The notes to the financial statements form an integral part of the consolidated financial statements

Consolidated Balance Sheet

ASSETS (in millions of euros)	Notes	June 30, 2023	December 31, 2022
NON-CURRENT ASSETS			
Goodwill	5.2	841,8	849,0
Other intangible assets	5.2	587,0	590,8
Property, plant and equipment	5.2	938,3	937,1
Property, plant and equipment - right of use	5.2	71,0	74,2
Investments in companies accounted for by the equity method		53,5	53,3
Financial investments	5.3	219,3	216,5
Other financial assets		23,7	20,6
Loans and advances		10,7	11,6
Trade and other receivables		3,1	3,0
Deferred tax assets		20,5	10,8
TOTAL		**2 769,0**	**2 767,0**
CURRENT ASSETS			
Inventories and work-in-progress		486,4	439,3
Trade and other receivables		338,9	317,1
Other financial assets		23,6	20,3
Loans and advances		0,6	0,6
Current tax assets		25,9	23,1
Cash and cash equivalents	5.6	435,4	600,5
TOTAL		**1 310,8**	**1 400,8**
TOTAL ASSETS		**4 079,8**	**4 167,7**

EQUITY AND LIABILITIES (in millions of euros)	Notes	June 30, 2023	December 31, 2022
Share capital		7,9	7,9
Additional paid-in capital		22,0	22,0
Reserves		1 523,0	1 539,7
Treasury shares		(19,6)	(21,8)
EQUITY GROUP SHARE		**1 533,3**	**1 547,7**
NON-CONTROLLING INTERESTS		**38,2**	**44,7**
EQUITY		**1 571,5**	**1 592,5**
NON-CURRENT LIABILITIES			
Provisions	5.5	3,6	4,4
Employee benefits	5.5	34,0	33,8
Deferred tax liabilities		297,6	293,6
Liabilities related to assets held under finance lease -ove	5.6	55,6	59,3
Long-term borrowings and financial liabilities		772,9	1 082,5
Other liabilities		94,6	101,7
TOTAL		**1 258,2**	**1 575,4**
CURRENT LIABILITIES			
Provisions	5.5	7,4	4,8
Employee benefits	5.5	1,8	2,3
Liabilities related to assets held under finance lease - les	5.6	20,2	19,6
Short-term borrowings and financial liabilities	5.6	467,1	181,4
Other financial liabilities	5.6	8,2	6,1
Trade and other payables		690,5	737,6
Income tax liabilities		47,0	43,2
Current bank facilities and other borrowings	5.6	8,1	4,9
TOTAL		**1 250,1**	**999,9**
TOTAL EQUITY AND LIABILITIES		**4 079,8**	**4 167,7**

The notes to the financial statements form an integral part of the consolidated financial statements

Consolidated statement of change in equity

(in millions of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated net income	Consolidated reserves	Equity-Group share	Non-controlling interests	Total consolidated equity
Balance at December 31, 2021	**5 200 243**	**10,3**	**22,0**	**(131,7)**	**(719,9)**	**524,5**	**1 918,1**	**1 623,3**	**58,3**	**1 681,6**
Appropriation of prior year net income						(524,5)	524,5			-
Dividends paid							(26,5)	(26,5)	(4,5)	(31,0)
Profit (loss) for the period						96,1	-	96,1	(3,3)	92,8
Other items of comprehensive income				(11,1)			38,2	27,1	(1,8)	25,3
Other changes in value directly recognized in equity							(173,3)	(173,3)	(3,9)	(177,2)
Purchase of treasury shares	-				-			-		-
Treasury shares distributed	5 203				1,0			1,0		1,0
Balance at December 31, 2022	**5 205 446**	**10,3**	**22,0**	**(142,8)**	**(718,9)**	**96,1**	**2 281,0**	**1 547,7**	**44,7**	**1 592,5**
Appropriation of prior year net income						(96,1)	96,1			-
Dividends paid										(53,2)
Profit (loss) for the period						54,8		54,8	1,3	56,1
Other items of comprehensive income				(38,7)			11,4	(27,4)	0,3	(27,1)
Other changes in value directly recognized in equity							0,7	0,7	0,3	1,0
Purchase of treasury shares	-				-			-		-
Treasury shares distributed	12 085				2,2			2,2		2,2
Balance at June 30, 2023	**5 217 531**	**10,3**	**22,0**	**(181,5)**	**(716,7)**	**54,8**	**2 344,4**	**1 533,3**	**38,2**	**1 571,5**

Cash flow statement

(in millions of euros)	Notes	June 2023	June 2022
Cash flow from (used in) operating activities			
Pre-tax profit		87,5	55,0
Adjustments for :			
Depreciation and write-downs		63,5	45,7
Depreciation on right of use		12,3	11,2
Capital gains (losses) on disposals		(0,1)	8,5
Reclassification of financial income		19,4	11,9
Reclassification of financial expense right-of-use		1,3	1,7
Investments in companies accounted for by the equity method		(0,8)	-
Other non-cash items in the income statement		2,4	9,6
Cash flow before changes in WCR		**185,4**	**143,6**
(Increase) decrease in inventories, current receivables and payables		(119,0)	1,8
(Increase) decrease in non-current receivables and payables		(3,7)	(4,6)
Income taxes paid		(33,3)	(6,7)
Net cash flow from (used in) operating activities	**(1)**	**29,4**	**134,1**
Cash flow from (used in) investing activities			
Acquisition of activities		(1,1)	(203,9)
Disposal of activities		0,0	(1,0)
Acquisitions of tangible and intangible assets		(88,0)	(56,7)
Disposals of tangible and intangible assets		0,5	0,4
Investment grants received		1,1	0,4
Acquisitions of financial assets		(3,3)	(3,3)
Disposals of financial assets		(1,0)	1,7
Dividends received		2,3	1,9
Net cash flow from (used in) investing activities	**(2)**	**(89,4)**	**(260,4)**
Cash flow from (used in) financing activities			
Dividends paid		(46,0)	(26,5)
Interests paid		(19,8)	(8,8)
Financial interests - right of use		(1,3)	(1,7)
Change in debt resulting from finance lease contracts		0,5	1,7
Repayments of debt resulting from finance lease contracts		(12,6)	(13,4)
Increase (decrease) in current accounts with entities outside the scope of consolidation		6,8	(6,1)
Borrowings and financial liabilities issued		373,7	275,6
Repayments of borrowings and financial liabilities		(402,1)	(146,8)
Net cash flow from (used in) financing activities	**(3)**	**(100,9)**	**74,0**
Net increase (decrease) in cash and cash equivalents	**(1)+(2)+(3)**	**(161,0)**	**(52,4)**
Net cash and cash equivalents at the beginning of the period		**595,6**	**490,4**
Effect of foreign exchange rate fluctuations		(7,3)	(2,0)
Net cash and cash equivalent at closing	**5.6**	**427,3**	**436,1**
At the closing date, net cash and cash equivalents comprised the following:			
Marketable securities and money market instruments	5.6	113,7	115,0
Cash on hand and balances with banks	5.6	321,8	342,4
Current used bank facilities including overdrafts and accrued interest	5.6	(8,1)	(21,3)
TOTAL		**427,3**	**436,1**

The notes to the financial statements form an integral part of the consolidated financial statements

Table of contents for the notes to the summary interim consolidated financial statements

1. ACCOUNTING PRINCIPLES, RULES AND METHODS

Basis of preparation and accounting standards

Pursuant to Regulation (EC) No. 297/2008 of March 11, 2008 amending Regulation (EC) No. 1606/2002 of July 19, 2002, Bel's consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union and published by the International Accounting Standards Board (IASB), at the date the financial statements were prepared.

The Group published summary interim consolidated financial statements approved by the Board of Directors on July 27, 2023.

The consolidated financial statements at June 30, 2023 were prepared in accordance with IAS 34 "Interim Financial Reporting" principles. Further, the same accounting methods and practices used to prepare the consolidated financial statements at December 31, 2022 were applied, with the exception of standards, amendments and interpretations issued and effective as of January 1, 2023.

Standards, amendments, and interpretations required as of the financial year opening January 1, 2023

The amendments or interpretations published and effective as of January 1, 2023, have no impact on the Group's consolidated financial statements.

Standards, amendments, and interpretations not required but which may be early adopted as of the financial year opening January 1, 2023

The Group does not apply early any standard or interpretation that is not mandatory from January 1st, 2023.

Disclosures specific to the preparation of the interim financial statements

Seasonal nature of the business
The Group observes that seasonal variations in its business activities can impact its sales and product mix from one interim period to another. Accordingly, its interim performance may not necessarily be indicative of the full-year performance.

Employee benefits
Actuarial calculations for retirement and other employee benefits were made during budget preparation. As a result, the amounts of related provisions and expense for the interim period were based on estimates made in the preceding year, with the main actuarial and demographic assumptions remaining unchanged from December 2022.

Income tax
At June 30, income tax expense was assessed according to the best estimate of the annual average rate expected for the full year.

Hyperinflation
The Group has applied IAS 29 to its subsidiary in Iran from January 1, 2021, and to its subsidiary in Turkey from January 1, 2022.
Accordingly, the non-cash assets and liabilities of these subsidiaries, as well as their income statements, have been restated to reflect changes in the general purchasing power of their functional currency, resulting in a gain or loss that is recorded under financial result. In addition, the financial statements of these countries are translated at the closing rate for the period, as required by the standard.

2. CHANGES IN THE SCOPE OF CONSOLIDATION

The company Bel Africa was liquidated as of June 30, 2023 with no significant impact on the consolidated financial statements of the Group.

3. CONFLICT BETWEEN RUSSIA AND UKRAINE

The military conflict following the invasion of Ukraine by Russia since February 24, 2022, exposes the BEL Group to new economic uncertainties, as do all companies. However, as the BEL group has no operations in these countries, none of its employees are exposed, nor are any of its assets. Nevertheless, the group remains attentive to the evolution of the situation and the consequences of this conflict.

4. INCOME STATEMENT

4.1. Business segment information

First-half sales and operating income by markets are presented in the following table:

(in millions of euros)	First-half 2023 Sales	First-half 2023 Operating income	Fisrt-half 2022 Sales	Fisrt-half 2022 Operating income	% Change Sales	% Change Operating income
Global markets	1 252,5	40,1	1 246,3	19,4	0,5%	106,5%
New territories	537,1	67,6	436,5	49,1	23,0%	37,6%
Group total	**1 789,6**	**107,7**	**1 682,8**	**68,6**	**6,3%**	**57,1%**

4.2. Other non-recurring income and expense

Non – recurring income and expense are detailed below:

(In millions of euros)	First half 2023	First half 2022
Impairment and gain or loss from disposal of fixed assets	(3,1)	(1,1)
Gain or loss on disposal of fully consolidated entity	0,0	(5,6)
Restructuring costs	(1,2)	0,6
Other non-recurring income and expense	(2,8)	(4,3)
Total other non-recurring income and expense	**(7,1)**	**(10,4)**

Impairment and gain or loss from disposal of fixed assets mainly comprise the amortization and provisions of intangible assets with definite useful life. The restructuring costs stemmed from the significant departure of personnel who were note replaced, decided by the Executive Committee.
In June 2022, the result of the fully consolidated entities disposal included the estimated capital loss on the disposal of the Safilait entity.

4.3. Financial income and expense

Financial income and expenses break down as follows:

(in millions of euros)	First half 2023	First half 2022
Income from cash and cash equivalents	10,9	0,6
Cost of gross financial debt	(32,0)	(11,0)
Cost of net financial debt	**(21,1)**	**(10,4)**
Net cost of discounting	(1,3)	(0,3)
Foreign currency gains (losses) and other hedges	2,1	5,7
Hyperinflation revaluation	(3,7)	(9,0)
Other	3,2	0,5
Other financial income and expense	**0,4**	**(3,2)**
Total net financial expense	**(20,7)**	**(13,6)**

The increase of the Group's Cost of net financial debt of €10.7 million in June 2023 compared with June 2022 is mainly due to the €-20.6 million increase of financial expenses, partially offset by the growth of short-term cash investments of €10.3 million. The financial expenses increase is caused is due to the Schuldschein refinancing and "Recovery" Participate Loan in December 2022, and the short-term interest rates increase on floating rate debt.

The foreign currency gains and other hedges is attributable for the devaluation of the EGP on placements in USD of our Egyptian subsidiary.

The item Hyperinflation revaluation shows the effects of the revaluation of the non-cash assets and liabilities of the Iranian and Turkish entities, as well as all other income statement items, in accordance with IAS 29.

4.4. Taxes

(in millions of euros)	First-half 2023	First-half 2022
Pre-tax profit	87,5	55,0
Total income tax expense recognized on the income statement	(31,4)	(20,2)
Net profit	56,1	34,7
Effective income tax rate	**35,9%**	**36,8%**

At June 30, 2023, the Group estimated its average effective income tax rate at 35.9%, versus 36.8% at June 30, 2022. The average income tax rate is mainly explained by the US deferred and current income tax rate which are higher than France rate and by the non-use of tax credits and withholding taxes in 2022 and 2023.

In France, it should be noted the cessation of both tax unity scopes organized respectively around Bel SA and Newton Holding SAS and the creation, as of January 1, 2023, of a new tax unity scope headed by Unibel SA.

As a result:

- The consolidated accounts of Bel do not include any impacts related to the new tax unity scope formed as of January 1, 2023;
- Each French entity calculates its own tax expense (considering, if applicable, the use of tax losses based on it's own results);
- The tax expense reflected in Bel's consolidated accounts corresponds to the summation of individual tax expenses of each French subsidiary.

5. BALANCE SHEET

5.1. Note to Other Comprehensive Income

Non-reclassifiable items

Non reclassifiable items in Other Comprehensive Income include fair value of participating interests that are not held for trading purposes, in accordance with IFRS9. These amounts are added up with actuarial gains and losses arising from the application of the standard IAS 19.

The Unibel shares held by the subsidiary SOFICO are measured at fair value at closing date for an amount of €194.4 million on June 30th, 2023 (at the stock market price at the end of June 2023 is 990 euros the same price as the end of December 2022)

5.2. Fixed assets

(in millions of euros)	Goodwill	Other intangible assets	Property, plant and equipment	Property, plant and equipment - Rights of use	Total
At December 31, 2022					
Gross value	896,8	813,6	2 246,3	146,8	4 103,4
Accumulated depreciation and write -downs	(47,8)	(222,8)	(1 309,2)	(72,5)	(1 652,3)
Net carrying amount	**849,0**	**590,8**	**937,1**	**74,2**	**2 451,1**
Variation for the period					
Acquisitions	-	9,6	65,5	9,9	84,9
Disposals and write -downs	-	(0,0)	0,3	(0,5)	(0,2)
Hyperinflation revaluation	0,0	0,1	5,7	0,1	5,8
Translation differences	(6,3)	(4,4)	(16,4)	(0,4)	(27,4)
Depreciation and write-downs	-	(9,1)	(55,0)	(12,3)	(76,4)
Reclassfications	(0,9)	0,0	1,2	-	0,3
Net carrying amount at June 30, 2023	**841,8**	**587,0**	**938,3**	**71,0**	**2 438,1**
At June 30, 2023					
Gross value	889,1	817,6	2 289,6	151,8	4 148,0
Accumulated depreciation and write -dow	(47,2)	(230,5)	(1 351,3)	(80,8)	(1 709,9)
Net carrying amount	**841,8**	**587,0**	**938,3**	**71,0**	**2 438,1**

The main acquisitions of property, plant and equipment during the first half of the year 2023 were made in France, and in the USA.

In absence of indications of loss in value, Group assets, particularly goodwill and brands, were not tested for impairment at June 30th, 2023.

5.3. Financial investments

The change of €2.8 million in financial investments, during the first half of 2023, is mainly explained by the revaluation at fair value of investments and partnerships with start-ups including: Standing Ovation to develop proteins of the future thanks to an innovative fermentation process and Climax Foods Inc to create plant-based alternatives with the help of artificial intelligence in support of development processes.

5.4. Stock-options plans

During the first half of 2023, as part of the 2020/2023 plan 12,085 own shares of Bel were bought by Unibel. Plans 2022A/2024 and 2022B/2025 are in progress as of June 30, 2023. Finally, a new 2023 plan was put in place in 2023 expiring in 2026.

In accordance with IFRS 2, the personnel expense arising from share awards are recognized incrementally over the vesting period, with the corresponding increase recognized in equity.

A summary of the bonus share plans during the period is presented in the following table:

(in thousands of euros)	Plan 2020/2023	Plan 2022A/2024	Plan 2022B/2025	Plan 2023/2026	TOTAL
Number of shares granted at the award date	14 748	15 324	18 430	18 556	
Number of shares granted at June 30, 2023	12 085	13 780	16 615	17 903	
Faire value of share award (in €)	256	408	408	412	
Award criteria : percentage provisioned	100%	100%	100%	100%	
Acquisition period	3 years	3 years	2 years	3 years	
Amount expense at June 30, 2023	**(212)**	**(1 199)**	**(967)**	**(707)**	**(3 085)**

5.5. Provisions

During the first half of the year, current and non- current provisions changed as developed in the table:

(in millions of euros)	Employees benefits	Provisions for contingencies and losses
At December 31, 2022		
Non-current	33,8	4,4
Current	2,3	4,8
Net carrying value	**36,1**	**9,3**
Variation for the period		
Increase (charges)	0,9	2,9
Reversals- offset against expenses	(1,5)	(0,2)
Reversals- cancelled provisions	(0,2)	(1,0)
Actuarial gains and losses	(0,3)	
Effects from discounting	0,6	-
Reclassifications	0,1	-
Translation differences	0,1	(0,1)
Net carrying value at june 30, 2023	**35,8**	**10,9**
of which:		
Non-current	*34,0*	*3,6*
Current	*1,8*	*7,4*

The financial statements as of June 30, 2023, include the impacts of the pension reform, published by decree on June 4, 2023, the insignificant effects of which have been recognized in the result, as a modification of the plan.

Employee benefits mainly concern France, which represents 37.4 million euros of the commitment. The discount rates for this provision are identical to those used at December 31, 2022.

5.6. Net financial debt

Breakdown of net financial debt

(in millions of euros)	June 30, 2023	December 31, 2022
Bonds (1)	267,6	900,9
NEU MTN (2)	90,0	70,0
Banks borrowing	416,1	113,5
Employee profit-sharing	1,1	1,9
Minority shareholders' put options	27,5	27,5
Borrowings and financial liabilities	**802,4**	**1 113,9**
Total long-term liabilities	**802,4**	**1 113,9**
Bonds	304,2	26,7
NEU MTN (2)		50,7
Bank borrowings	5,6	1,6
Employee profit-sharing	0,7	0,8
NEU CP (3)	78,5	72,5
Sundry loans and financial liabilities	10,2	9,2
Current account liabilities	26,8	20,0
Borrowings and financial liabilities	**467,1**	**181,4**
Total short-term debt	**467,1**	**181,4**
Gross financial debt - excluding finance lease	**1 269,5**	**1 295,3**
Lease liability - Long term	55,6	59,3
Lease liability - Short-term	20,2	19,6
Lease liability	**75,7**	**78,9**
Gross financial debt	**1 345,3**	**1 374,2**
Current used bank facilities including overdrafts and accrued interest	8,1	4,9
Cash and cash equivalents	(435,4)	(600,5)
Net cash and cash equivalents	**(427,3)**	**(595,6)**
Current account assets	(0,5)	(0,5)
Total net debt	**917,5**	**778,1**

(1) Including interest rate hedging instruments for €29.5m presented in other financial liabilities in the balance sheet
(2) Negotiable European Medium Term Notes
(3) Negotiable European Commercial Paper

Ageing of long-term debt excluding finance lease liabilities are detailed in Note 5.7.4 Interest rate risk management.
Foreign exchange impacts relating to the revaluation of Schuldschein loans in dollars are recorded in translation differences in equity.
Since the Schuldschein transactions are considered under German law as bank financing and not bond financing transactions, they were reclassified as of June 30, 2023 as “Banks borrowing”.
Amounts related to assets held under finance lease in long term and short- term debt result from the application of IFRS 16 starting January 1st, 2018. The balance entry is to be found in assets right-of-use (see note 5.2).
The Unibel parent company accounted for €24.1 million in current account liabilities (see note 8.2).

Ageing balance of finance lease liabilities at June 30, 2023:

(in millions of euros)	Total	2023	2024	2025	2026	2027	2028 and beyond
Financial debt right of use - short term	20,2	20,2	-	-	-	-	-
Financial debt right of use - long term	55,6	-	17,4	13,5	11,2	2,8	10,7
Total financial debt - right of use	**75,7**	**20,2**	**17,4**	**13,5**	**11,2**	**2,8**	**10,7**

5.7. Financial instruments

5.7.1 Market risk management

The Group Treasury Department, which is attached to the Group Corporate Finance Department, has the requisite skills and tools to manage market risks. A monthly report is reviewed by the Management and regular presentations are made to the Audit Committee.

5.7.2 Financial and liquidity risk management

At June 30, 2023, the Group had a negative net financial position of € 917 million, including the liabilities for assets under finance lease due to the application of IFRS 16. Excluding these liabilities for leases, net debt was worth € 841,7 million.
The Group implemented policies aimed at limiting liquidity risk. In line with those policies, a significant part of the Group's financial resources has a medium-term tenor. The Group has confirmed credit lines and medium-term financing from its banks and from investors.

At June 30, 2023, the Group had significant liquidity level and diversified financing sources, including:

- one confirmed syndicated credit lines of €550 million, maturing in 2027, or 2028 and 2029 if extended. This line have not been drawn;
- a €500 million NEU commercial paper program, of which €78,5 million has been used;
- a €200 million NEU MTN program, of which €130 million has been used;
- a €125 million Euro PP bond, maturing in 2027 and 2029, contracted with private investors;
- a €301,8 million bond listed on Euronext maturing in April 2024, following the tender of €198,2 million on the initial notional amount of €500 million;
- US Private Placement under French law of $150 million maturing in November 2035;
- Financing in Schuldschein and Namensschuldverschreibung private bonds in Schuldschein format of €195 million and $120 million, maturing from 2025 to 2034;
- a €100 million "Recovery" Participative Loan maturing in 2030.

At June 30, 2023, the Group also has substantial net cash and cash equivalents totaling, €427 million, of which €327 million in Bel.
In its syndicated credit line, its private placements (Euro PP and USPP) and the Schuldschein & Namensschuldverschreibung, Bel has committed to keeping its financial leverage ratio below 3.75 over the entire life of the medium and long-term financing mentioned above. Failure to meet the ratio could trigger the repayment of a significant part of the debt. On June 30, 2023, the ratio stood at 2.41 versus 2.27 on December 31, 2022.
In addition, a gearing ratio is applicable to 0.58% of the Group's financing.
The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.
In countries where the pooling of surpluses and liquidity needs is not allowed, subsidiaries invest their surpluses in money-market funds denominated in their local currency and, if needed, finance themselves mainly in local currency. The policy of systematic dividend payment also aims to limit recurring surpluses at subsidiaries level.
For information, available cash in North African and the Middle Eastern countries amounted to €97 million on June 30, 2023, representing the majority of the non-centralized cash available.
However, some subsidiaries may have no alternatives to local currency financing. In this case, if the local currency is devalued, the subsidiaries recognize the related financial loss.
Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit

Market values for foreign exchange, interest rate and raw materials risks versus the previous year

(in millions of euros)	June 30, 2023					December 31, 2022				
Type d'opérations	Cash Flow Hedges (CFH)	Fair Value Hedges (FVH)	Net Investment Hedges (NIH)	Unassigned	Total	Cash Flow Hedges (CFH)	Fair Value Hedges (FVH)	Net Investment Hedges (NIH)	Unassigned	Total
Forwards	8,3	-	0,0		**8,4**	7,8	-	-		**7,8**
Currency options	9,1	-	-	-	**9,1**	4,7	-	-	(0,0)	**4,7**
Currency Swaps	-	-	-	(0,1)	**(0,1)**	-	-	-	(0,3)	**(0,3)**
Total portfolio related to foreign exchange	**17,5**	**-**	**0,0**	**(0,1)**	**17,4**	**12,5**	**-**	**-**	**(0,3)**	**12,2**
Total portfolio related to interest rates	**5,2**	**(29,5)**		**(0,1)**	**(24,3)**	**5,4**	**(31,4)**			**(26,0)**
Portofolio related to risk of change in US raw materials prices	**(4,7)**	**-**	**-**	**-**	**(4,7)**	**(0,5)**	**-**	**-**	**-**	**(0,5)**
Total BEL GROUP	**18,0**	**(29,5)**	**0,0**	**(0,2)**	**(11,7)**	**17,4**	**(31,4)**	**-**	**(0,3)**	**(14,3)**
Total Assets - Non current	**8,2**	**-**	**-**	**-**	**8,2**	**6,1**	**-**	**-**	**-**	**6,1**
Current	**17,9**	**-**	**0,0**	**0,1**	**18,1**	**16,7**	**-**	**0,3**	**0,2**	**17,2**
Total Liabilities - Non Current	**(1,0)**	**(29,3)**	**-**	**(0,1)**	**(30,4)**	**(0,1)**	**(31,4)**	**-**	**-**	**(31,4)**
Current	**(7,2)**	**(0,2)**	**(0,0)**	**(0,3)**	**(7,6)**	**(5,3)**	**-**	**(0,3)**	**(0,5)**	**(6,1)**

All changes in value are considered effective for derivatives documented as hedges and have an impact on: (i) "Other comprehensive income" for CFH and NIH hedges and on profit from operations when hedged foreign currency cash flows for foreign exchange derivatives documented in CFH are carried out, (ii) Net financial result for interest rate derivatives documented in FVH, offset by the fair value adjustment of the hedged debts.

5.7.3 Foreign exchange risk management

The Group is subject to foreign exchange rate fluctuations as a result of its international operations and presence.
Group entities are exposed to foreign exchange risk on sales recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g. imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

The management policy is to hedge risk on transactions denominated in foreign currency through the use of derivative financial instruments. The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for deliverable currencies. The Group Treasury Department provides these entities with the necessary currency hedges. The Group Treasury department is not a profit center.

The Group is exposed to its translation differences related of its net assets in foreign currencies. This foreign exchange risk can be fully or partially hedged by setting up foreign currency loans or foreign exchanges derivatives.

For subsidiaries in countries where there are no financial hedging instruments, the policy is to maximize natural hedging as much as possible, for example through billing currencies. However, local currency devaluations can have a significant impact on the profitability of the concerned entity.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. On June 30, 2023, the maturity of the derivatives portfolio did not go beyond December 31, 2025. Cash flow from the budgeted 2023 and 2024 hedges is expected in 2023 and 2024 and will thus impact income in 2023 and 2024.

The valuation of hedges contracted by the Group is recorded under the "Other financial assets" and "Other financial liabilities" line items.

On June 30, 2023, the Group had secured the following hedges:

(in millions of euros)		June 30th, 2023					December 31, 2022				
			Fair Value					Fair Value			
Category of transactions	**Cross**	**Commitment**	**Cash Flow Hedges (CFH)**	**Net Investment hedges (NIH)**	**Unassigned**	**Total**	**Commitment**	**Cash Flow Hedges (CFH)**	**Net Investment hedges (NIH)**	**Unassigned**	**Total**
FORWARDS											
Forward purchase	EUR GBP	68,2	(0,5)	-	-	(0,5)	48,3	1,5	-	-	1,5
Forward sale	EUR PLN	(24,0)	2,4	-	-	2,4	38,1	1,2	-	-	1,2
Forward purchase	EUR PLN	4,0	(0,6)	-	-	(0,6)	3,0	(0,0)	-	-	(0,0)
Forward purchase	EUR USD	182,0	3,7	0,0	-	3,7	198,7	3,7	-	-	3,7
Forward sale	EUR USD	(4,7)	(0,1)	-	-	(0,1)	4,6	0,1	-	-	0,1
Forward purchase	Other	87,6	3,4	-	-	3,4	58,4	1,0	-	-	1,0
Forward sale	Other	(25,6)	(0,0)	-	-	(0,0)	11,0	0,3	-	-	0,3
CURRENCY OPTIONS		-	-	-	-	-					
Call purchase	EUR GBP	67,5	0,7	-	0,0	0,7	58,5	1,4	-	-	1,4
Call sale	EUR GBP	(1,5)	-	-	(0,0)	(0,0)	4,5	-	-	(0,0)	(0,0)
Put sale	EUR GBP	33,8	(0,4)	-	-	(0,4)	31,5	(0,1)	-	-	(0,1)
Put purchase	EUR PLN	(54,5)	3,8	-	-	3,8	46,5	1,1	-	-	1,1
Call sale	EUR PLN	(21,2)	(0,1)	-	-	(0,1)	16,0	(0,1)	-	-	(0,1)
Call purchase	EUR USD	254,4	4,2	-	-	4,2	244,2	3,1	-	-	3,1
Put sale	EUR USD	139,7	(0,9)	-	-	(0,9)	165,0	(1,8)	-	-	(1,8)
Call purchase	Other	31,1	2,2	-	-	2,2	,	1,5	-	-	1,5
Put sale	Other	16,0	(0,3)	-	-	(0,3)	17,5	(0,4)	-	-	(0,4)
CURRENCY SWAPS		-	-	-	-	-					
Swap purchase	EUR GBP	5,0	-	-	(0,0)	(0,0)	2,6	-	-	0,0	0,0
Swap sale	EUR GBP	(27,5)	-	-	(0,1)	(0,1)	29,1	-	-	(0,3)	(0,3)
Swap purchase	EUR PLN	-	-	-	-	-	19,7	-	-	0,1	0,1
Swap sale	EUR PLN	(6,0)	-	-	(0,0)	(0,0)	4,2	-	-	0,0	0,0
Swap purchase	EUR USD	25,2	-	-	(0,1)	(0,1)	23,4	-	-	(0,0)	(0,0)
Swap sale	EUR USD	(38,2)	-	-	0,1	0,1	96,6	-	-	(0,2)	(0,2)
Swap sale	Autres	(26,3)	-	-	(0,1)	(0,1)	36,3	-	-	0,1	0,1
Swap purchase	Autres	3,3	-	-	(0,0)	(0,0)	12,6	-	-	(0,0)	(0,0)
Total Portfolio related to foreign exchange			**17,5**	**0,0**	**(0,1)**	**17,4**		**12,5**	**-**	**(0,3)**	**12,2**
Total Assets - Non current			**3,4**	**-**	**-**	**3,4**		**0,7**	**-**	**-**	**0,7**
Current			**17,6**	**0,0**	**0,1**	**17,8**		**15,6**	**0,3**	**0,2**	**16,1**
Total Liabilities - Non Current			**(0,9)**	**-**	**-**	**(0,9)**		**(0,1)**	**-**	**-**	**(0,1)**
Current			**(2,6)**	**(0,0)**	**(0,3)**	**(2,9)**		**(3,8)**	**(0,3)**	**(0,5)**	**(4,6)**

The transactions are expressed according to the direction of the cross currency :
Forward purchase EUR USD means the Group is buying EUR and selling USD
Call purchase EUR GBP means the Group is buying a EUR call/GBP put option
Swap on futures sales EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP
NIH : Documented strategies for net investment hedges in foreign currency
CFH : documented strategies for hedging higly probable foreign currency cash flows.

At June 30, 2023, the market value of derivatives hedging highly probable future transactions and recognized in equity was positive at €17.5 million compared with a positive €12,5 million at year-end 2022.
The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

A 1% increase in the EUR/USD rate before hedging, would negatively impact operating income by €3,7 million, on an annual basis.
A 1% increase in the EUR/GBP rate before hedging, would negatively impact operating income by €1,1 million, on an annual basis.
A 1% decrease in the EUR/PLN rate before hedging, would negatively impact operating income by €0,8 million, on an annual basis.

5.7.4 Interest rate risk management

Most of the Group’s financing is arranged by Bel, which also handles interest rate risk management centrally. The policy governing interest rate derivatives is designed to protect against an unfavorable rise in interest rates while partially taking advantage of any interest rate declines.

The group is also exposed to the risk of rise in interest rates for its future refinancing, which could lead to higher financing costs. Thus, the group may enter into firm or optional hedging transactions designated either as fair value hedges or as cash flow hedges, which also includes hedges of highly probable future financing.

On June 30, 2023 the Group hedged interest rate risk through interest rate swaps:

(in millions of euros)		June 30, 2023					December 31, 2022			
		Fair Value					Fair Value			
Category of transactions	**Currency**	**Commitment**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Unassigned**	**Total**	**Commitment**	**Cash Flow Hedges (CFH)**	**Fair Value Hedges (FVH)**	**Total**
Porfolio related to interest rate										
Fixed rate payer swaps	EUR	125,0	5,2	-	-	5,2	125,0	5,4	-	5,4
Fixed rate receiver swaps	EUR	72,5	-	(10,3)	-	(10,3)	72,5	-	(11,2)	(11,2)
Fixed rate receiver swaps	USD	69,0	-	(19,2)	-	(19,2)	70,3	-	(20,2)	(20,2)
Fixed rate borrower cross currency swaps	EUR/ CNY	8,9	-	-	(0,1)	(0,1)	-	-	-	-
TOTAL PORTFOLIO RELATED TO INTEREST RATES			**5,2**	**(29,5)**	**(0,1)**	**(24,3)**		**5,4**	**(31,4)**	**(26,0)**
Total Assets - Non current			**4,9**	**-**		**4,9**		**5,4**	**-**	**5,4**
Current			**0,4**	**-**		**0,4**		**-**	**-**	**-**
Total Liabilities - Non current			**-**	**(29,3)**	**(0,1)**	**(29,4)**		**-**	**(31,4)**	**(31,4)**
Current			**-**	**(0,2)**		**(0,2)**		**-**	**-**	**-**

On an annualized basis, a 1% rise across the entire rates curve would have:

- a positive impact on the Group's equity of €2.1 million
- a negative impact of €5.4 million on the Group's financial result.

On an annualized basis, a 1% fall across the entire rates curve would have:

- a negative impact on the Group's equity of €2.1 million
- a positive impact of €6.2 million on the Group's Financial result.

The following hedging balance corresponds to hedges of Group's floating rate loans.

Change in the interest rate hedging portfolio on June 30, 2023

(in millions of currency)	**Currency**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 > 2035**
Interest rate swap	EUR	197,5	137,5	137,5	137,5	137,5	31,3	31,3	-
Interest rate swap	USD	75,0	75,0	75,0	75,0	75,0	75,0	75,0	75,0

Breakdown of gross debt (excluding finance lease) by type, maturity and interest rate type

June 30, 2023				**Impact of derivative Instruments**			**Financial debt after impact of derivative instruments**		
(in millions of euros)	**Fixed rate**	**Variable rate**	**Total**	**Fixed rate**	**Variable rate**	**Total**	**Fixed rate**	**Variable rate**	**Total**
Maturity									
2023	(20,3)	(145,2)	(165,5)	(40,0)	40,0	-	(60,3)	(105,2)	(165,5)
2024	(303,4)	0,3	(303,1)	-	-	-	(303,4)	0,3	(303,1)
2025	(17,5)	(137,3)	(154,8)	-	-	-	(17,5)	(137,3)	(154,8)
2026	(30,4)	0,0	(30,3)	-	-	-	(30,4)	0,0	(30,3)
2027	(195,5)	(113,1)	(308,7)	(43,8)	43,8	-	(239,3)	(69,4)	(308,7)
>=2028	(268)	(39,5)	(307,1)	100,3	(100,3)	-	(167,3)	(139,7)	(307,1)
TOTAL	**(834,8)**	**(434,8)**	**(1 269,5)**	**16,5**	**(16,5)**	**-**	**(818,2)**	**(451,3)**	**(1 269,5)**

Treasury notes are issued at a fixed rate but are treated as floating rate instruments in the table owing to short maturities and expected renewals.

5.7.5 Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were not material at June 30, 2022.

5.7.6 Raw material risk management

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. So far, the Group has not been able to implement a global systematic policy to hedge raw materials prices. The US units have a raw materials hedging policy using forward markets in Chicago.

On June 30, 2023 Bel and Bel Brands have the following positions:

Category of transactions	June 30, 2023 Number of contracts *	June 30, 2023 Market value-Hedging of futures transactions (CFH) *(in thousand of euros)*	December 31, 2022 Number of contracts *	December 31, 2022 Market value-Hedging of futures transactions (CFH) *(in thousand of euros)*
CME Class III Milk				
Future purchase			684,0	(0,8)
Call purchase	302,0	0,0	693,0	0,8
Put purchase	28,0	0,0	28,0	0,0
Future purchase	684,0	(2,8)		
Put Sale	168,0	(0,6)	395,0	(0,3)
Total CME Class III Milk		**(3,4)**		**(0,3)**
CME Cash Settled Cheese				
Call purchase	108,0	0,0	288,0	0,3
Future purchase	186,0	(1,0)	330,0	(0,1)
Put purchase	108,0	(0,3)	288,0	(0,3)
Total CME Cash Settled Cheese		**(1,3)**		**(0,1)**
TOTAL U.S.		**(4,7)**		**(0,5)**
TOTAL BEL GROUP		**(4,7)**		**(0,5)**
Total Assets - Non Current				
Current				**1,1**
Total Liabilities - Non Current		**(0,2)**		
Current		**(4,5)**		**(1,6)**

At June 30, 2023, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity was a negative €4,7 million compared to a negative €0.5 million at December 31, 2022.

5.7.7 Fair value hierarchy disclosures

Derivative instruments used by the Group are valued at fair value, measured using commonly used valuation models and based on market data. Measurements comply with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury department has the requisite in-house means for calculating the valuations.

	June 30, 2023				December 31, 2022			
(in millions of euros)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Foreign exchange derivatives		17,4		17,4		12,2		12,2
Interest rate derivatives		(24,3)		(24,3)		(26,0)		(26,0)
Raw materials derivatives		(4,7)		(4,7)		(0,5)		(0,5)
TOTAL	**-**	**(11,7)**	**-**	**(11,7)**	**-**	**(14,3)**	**-**	**(14,3)**
Marketable securities	113,7			113,7	173,2			173,2
Total	**113,7**	**(11,7)**	**-**	**102,0**	**173,2**	**(14,3)**	**-**	**158,9**

6. FINANCIAL COMMITMENTS

As part of the acquisition of All in Foods, the Group received a sales agreement from the minority shareholders for all the shares they hold which can be realized at the latest on January 15th, 2025. This commitment is recorded in Long-term borrowings and financial liabilities.

In the first half of 2023, the decrease in financial commitments compared with December 2022 is due to the drawdown of Schuldschein financing lines for $110 million and €73 million in January and February 2023. There was no significant change in other off-balance sheet commitments.

7. DISPUTES AND LITIGATION

The Group was engaged in a certain number of lawsuits and disputes in the normal course of its business. Provisions were recognized for any probable and measurable costs that might arise from those lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at June 30, 2023.

8. RELATED PARTIES

8.1. Management benefits

Management in this note refers to Board of Directors and Management Committee members. During the first half of 2023, no notable changes were made to the principles used to determine management remuneration and similar benefits.

8.2. Related party relationships

(in millions of euros)	June 30, 2023	June 30, 2022	December 31, 2021
Amount of transactions	5,9	5,2	10,1
of which Unibel	2,8	1,7	2,8
of which other non-consolidated companies	3,1	3,5	7,2
Associated receivables	0,5	2,4	1,8
Associated payable and current accounts	28,7	20,6	20,1
of which Unibel	25,2	17,9	18,1
of which other non-consolidated companies	3,5	2,7	2,5
Unibel shares	194,4	204,2	194,4

At June 30, 2023, transaction amounts with related parties included the Unibel holding company for €2.8 million, of which €2.0 million in personnel expense billed back to Bel and €3.1 million of operating expenses charged back to Bel by non-consolidated companies (Bel Proche and Moyen-Orient, Bel Beyrouth, Bel Middle East). Related parties associated payables and current accounts mainly concerned the Unibel holding company, with a €25.2 million current account, versus €18.1 million at December 31, 2022 (see note 5.6).

The Unibel shares held by Sofico were measured at €194.4 million, based on the closing share price at June 30, 2023.

The Group has no significant off-balance sheet commitments with related parties.

9. SIGNIFICANT SUBSEQUENT EVENTS

There are no significant subsequent events to report.

The present interim report is available at Bel's website http://www.groupe-bel.com
Copies may also be obtained free of charge at the company's head office.

French corporation *(société anonyme)* with a share capital of €10,308,502.50
2 allée de Longchamp - 92150 Suresnes
Siren 542 088 067 - RCS Nanterre