SMCP

sandro · maje · claudie pierlot · fursac

2022

Universal registration document

Annual financial report

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The elements of the annual financial report are identified in the summary using the pictogram AFR

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The universal registration document was filed with the French Financial Markets Authority, the AMF, on April 11, 2023, in its capacity as the competent authority according to Regulation (EU) 2017/1129, without prior approval as allowed by Article 9 of the said regulation.

This is a translation into English of the universal registration document of SMCP issued in French and it is available on the website of the issuer.

The universal registration document may be used for an offering of securities to the public or admission of securities to trading on a regulated market if supplemented by a prospectus and where appropriate, a summary and all the amendments made to the universal registration document. The resulting document package is then approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this universal registration document are available at no cost from the SMCP, 49, rue Étienne Marcel, 75001 Paris, France. It can also be downloaded from the SMCP website (www.smcp.com) or from the AMF website (www.amf-france.org).

ISABELLE GUICHOT
Chief Executive Officer SMCP SA

Dear Shareholders,

In a climate of high geopolitical and economic uncertainty, the SMCP teams have once again shown their commitment, their resilience and their adaptability to make our collections inspiring and our Brands ever more desirable.

SMCP thus posted very good performance over the year, with sales growth of 13% on an organic basis, driven by Europe and North America. Despite the external events, in particular the war in Ukraine, the complexity of the health situation in China and persistent inflationary pressures, the Group managed to maintain a solid level of operating profitability as announced at the beginning of the year, even doubling its net income compared to 2021. The year was also marked by the opening of emblematic stores such as Sandro on the Champs Elysées, and continued remarkable digital and marketing initiatives, to serve the desirability and uniqueness of each of our four brands, Sandro, Maje, Claudie Pierlot and Fursac.

The past financial year also enabled us to make major progress in our ESG strategy, *via* the acceleration of our eco-design, product traceability and circular economy initiatives (with the deployment of second-hand and rental services), and the announcement of the launch of our sales training school the "SMCP Retail Lab" to name the most significant. The significant improvement in our CDP rating (with an 8% reduction in our CO_2 emissions since 2018) is also a source of pride for all SMCP teams, all highly committed to these subjects.

Finally, we continued our investment roadmap in our infrastructures and systems to develop our operational excellence and the interaction with our customers for an ever more qualitative and emotional physical and digital experience.

With a clear and ambitious strategy, agile and motivated teams, and the support and vision of our founders, together we face 2023 with confidence, perfectly positioned to seize future growth opportunities.

CHRISTOPHE CUVILLIER
Chairman of the Board of Directors

Dear Shareholders,

2022 was a year once again marked by numerous events, starting with the war in Ukraine, which, beyond its dramatic human and political consequences, caused an unprecedented energy crisis, the acceleration of inflation and economic impacts worldwide. The Group was also hit hard by the complexity of the health situation in China.

In this unprecedented context, SMCP achieved historic results thanks to the flawless execution of its sustainable and responsible growth strategy, under the leadership of Isabelle Guichot and the inspiration of its founders.

I would like to thank all the SMCP teams for their engagement, the quality of their work and their resilience throughout 2022.

I would also like to thank all the members of the Board of Directors for their commitment to serving the Group and all its stakeholders.

Finally, in a context in which our shareholder base may evolve, I would like to reaffirm my engagement and that of the entire Board of Directors to preserve your interests and those of the Group.

We are approaching 2023 with passion, confidence and determination to continue along our path of growth and improvement of the Group's profitability.

1

Presentation of the issuer and information on the universal registration document

1.1 Presentation of the issuer

Company name: SMCP SA

Company purpose:

The Company's purpose, both in France and abroad, comprises the following:

- the purchase, subscription, holding, management, transfer or contribution of shares or other securities in any French and foreign companies and undertakings;
- any provision of services and advice concerning human resources, IT, management, financial communication, law, marketing and purchasing for its subsidiaries and direct or indirect interests;
- the holding, management and disposal of trademarks and patents;
- the activities of a group financing company and, as such, the supply of any type of financial assistance for companies forming part of the group of companies to which the Company belongs, particularly any transactions authorised under Article L. 511-7 3 of the French Monetary and Financial Code;
- the granting of any bonds or guarantees to the benefit of any company in its group or within the scope of the normal business activities of any companies in its group;
- and, in general, any transactions, whether financial, commercial, industrial or civil or related to immovable or movable property that may be associated directly or indirectly with the foregoing company purpose and any similar or related purposes, and of such a nature as to directly or indirectly encourage the Company's aim and its expansion, development and assets.

In general, the Company is authorised to perform any commercial, industrial or financial transactions that may be directly or indirectly associated with the foregoing purpose, in full or in part, or with any related or complementary activities or any activities that may contribute to its expansion or development.

Place and registration: Paris trade and companies register, number 819 816 943.

Legal entity identifier (LEI): 96950034TTGHHKKEN547

Share capital: €83,917,383

Date of constitution and duration: April 20, 2016, for a duration of 99 years, except in the event of early dissolution or extension on the collective decision of shareholders in accordance with the law and the Articles of Association.

Date of commencement of the financial year: January 1

Registered office: 49, rue Étienne-Marcel, 75001 Paris, France, Tel. +33 1 55 80 51 00.

Website: www.smcp.com

Legal form and applicable law: French law public limited company (*société anonyme*).

1.2 Information about the Statutory Auditors

Statutory auditors

Grant Thornton
29, rue du Pont

92200 Neuilly-sur-Seine, France

Represented by Mr Guillaume Giné

The General Meeting of the Company held on June 9, 2022 appointed the firm Grant Thornton as co-Statutory Auditor of the Company for a term of six years, until the end of the General Meeting called to approve the financial statements for the financial year ending December 31, 2027.

Grant Thornton is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Regional Company of Statutory Auditors of Versailles).

Deloitte & Associés
6, place de la Pyramide
92908 Paris-la-Défense, France

Represented by Mr Albert Aidan

The Shareholders' General Meeting of the Company held on September 25, 2017 appointed the firm of Deloitte & Associés as co-Statutory Auditor of the Company for a term of six years, until the end of the General Meeting called to approve the financial statements for the financial year ending December 31, 2022.

Deloitte & Associés is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Company of Statutory Auditors of Versailles).

The General Meeting that will be convened on June 21, 2023 is asked to renew the term of office of Deloitte & Associés for six years, until the end of the General Meeting called to approve the financial statements for the financial year ending December 31, 2028.

Alternate statutory auditors

BEAS
Tour Majunga, 6, place de la Pyramide
92908 Paris-la-Défense, France

Represented by Mr Joel Assayah

The Shareholders' General Meeting of the Company held on September 25, 2017 appointed the firm of BEAS as co-alternate statutory auditor of the Company for a term of six years, until the end of the General Meeting called to approve the financial statements for the financial year ended December 31, 2022.

BEAS is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Company of Statutory Auditors of Versailles).

1.3 Information on the universal registration document

The amounts shown in this universal registration document are generally shown in millions of euros and rounded up or down to the nearest million, with the exception of Chapter 5 "Financial statements", where they are shown in millions of euros with a decimal. Values shown are usually rounded up or down to the nearest unit. Therefore, the total of these rounded amounts may differ slightly from the reported total. In addition, ratios and differences are calculated based on underlying amounts and not on rounded amounts.

The financial information presented is taken from Chapter 4 "Activities of SMCP in 2022 and 2023 outlook" and from the SMCP consolidated financial statements for the 2022 financial year prepared in accordance with IFRS, presented with their Appendices in Chapter 5 "Financial Statements".

References and definitions

Unless otherwise stated, all the references mentioned below correspond to the following:

- the terms **"Group", "Company"** or **"SMCP"** concern the Company and its subsidiaries and equity interests;
- all references to **"EMEA"** cover the Group's activities in European countries excluding France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy and Benelux) as well as the Middle East (particularly the United Arab Emirates);
- the **"Americas"** covers the Group's activities in the United States, Canada and Mexico;
- **"APAC"** covers the Group's activities in the various Asia-Pacific markets, primarily Mainland China, Hong Kong SAR, Taiwan, South Korea, Singapore, Thailand, Malaysia and Australia;
- data relating to **openings of points of sale** by the Group in a given period are presented net of closures over the same period;
- the data relating to **online revenue** includes revenue generated by partners.

Incorporation by reference

The Company's consolidated financial statements for the financial year ended December 31, 2022 were audited. The Statutory Auditors' audit reports are presented in paragraphs 5.1.3 and 5.2.3 of this universal registration document.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of June 14, 2017, the following elements have been incorporated by reference in the universal registration document for 2022:

- the consolidated and annual financial statements for the financial year ended December 31, 2021 presented in paragraphs 5.1.1, 5.1.2, 5.2.1 and 5.2.2 and the related Statutory Auditors' reports presented in paragraphs 5.1.3 and 5.2.3 of the universal registration document no. D.22-0310 filed with the French Financial Markets Authority (AMF) on April 19, 2022 (https://www.smcp.com/app/uploads/2022/04/smcp-document-denregistrement-universel-2021.pdf);
- Paragraphs 4.3 "Cash flow" and 4.4 "Financial structure" of the universal registration document no. D.22-0310 filed with the French Financial Markets Authority (AMF) on April 19, 2022 (https://www.smcp.com/app/uploads/2022/04/smcp-document-denregistrement-universel-2021.pdf);
- the consolidated and annual financial statements for the financial year ended December 31, 2020 and the related Statutory Auditors' reports presented in paragraphs 5.1 and 5.2 of the universal registration document no. D.21-0415 filed with the French Financial Markets Authority (AMF) on April 30, 2021 (https://www.smcp.com/app/uploads/2021/04/smcp-document-denregistrement-universel-2020.pdf);
- Paragraphs 4.3 "Cash flow" and 4.4 "Financial structure" of the universal registration document no. D.21-0415 filed with the French Financial Markets Authority (AMF) on April 30, 2021 (https://www.smcp.com/app/uploads/2021/04/smcp-document-denregistrement-universel-2020.pdf);

Forward-looking information

This universal registration document contains information on the Group's prospects and development priorities. These indications may be identified by the use of the future, the conditional tenses and forward-looking terms such as "consider", "envisage", "think", "have as its purpose", "anticipate", "understand", "should", "aim", "estimate", "believe", "wish", "could", or, where applicable, the negative form of these terms, or any other variant or similar terminology. This information does not constitute historical data and cannot be interpreted as warranting that the facts and data set out will be vindicated. This information is based on data, assumptions and estimates considered as reasonable by the Group. These may change or be amended given uncertainties associated with the economic, financial, competitive and regulatory environment. In addition, the materialisation of certain risks described in Chapter 3 "Risk factors" of this universal registration document could have an impact on the Group's business, position and financial results, and its ability to achieve its objectives.

Information from third parties, expert statements and declarations of interest

This universal registration document contains information on the Group's markets and the Group's positioning in these markets, including information on the size of these markets, their competitive environment and their dynamics, as well as their growth prospects. In addition to the estimates made by the Group, the elements on which the Group bases its statements come from studies and statistics published by independent third parties and professional organisations and from data published by the Group's competitors, suppliers and customers.

To the best of the Company's knowledge, information extracted from third-party sources has been faithfully reproduced in this universal registration document and no fact has been omitted that would render this information inaccurate or misleading. Certain information contained in this universal registration document is publicly available information that the Company considers reliable but which has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to collect, analyse or calculate data on the business segments would obtain the same results. The Company makes no commitment and gives no guarantee as to the accuracy of this information. This information may prove to be incorrect or out of date. The Group makes no commitment to publish updates to this information, except in the context of any legal or regulatory obligation that may be applicable to it.

1.4 Person responsible for the universal registration document

1.4.1 Person responsible

Ms Isabelle Guichot, Chief Executive Officer of SMCP SA.

1.4.2 Statement by the person responsible

"I hereby declare, that the information contained in this universal registration document, to the best of my knowledge, reflects the facts and contains no omission that might affect its scope.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and present a fair picture of the holdings, financial position and results of the Company and of all the companies included in the consolidation, and that the management report, for which the cross-reference table appears on page 283 of this universal registration document, presents a fair picture of the changes in the business, results and financial position of the Company and of all the companies included in the consolidation, as well as a description of the principal risks and uncertainties facing the companies."

April 11, 2023

Ms Isabelle Guichot

Chief Executive Officer of SMCP SA

1.5 Documents available to the public

The Articles of Association, minutes of General Meetings and other corporate documents of the Company may be consulted at the Company's registered office.

Regulated information as defined by the general regulations of the French Financial Markets Authority (AMF) is also available on the Company's website (www.smcp.com).

2

The Group and its activities

2.1 History

Chapter 1

Eighties and nineties: Creation of the Sandro and Maje brands with a wholesale distribution model

In **1984,** Évelyne Chétrite founded the Sandro brand in Paris, in the heart of the Marais district. Her sister, Judith Milgrom, who was working with her at that time, decided a few years later to create her own brand, Maje, in **1998.** At that time, their creations were sold in multi-brand stores.

Chapter 2

2003-2010: Rapid development in France and implementation of a purely retail distribution model

From **2003** and **2004,** the success was such that Judith and Évelyne decided to open their first store in Paris, rive gauche (rue du Four) for Maje and in the Marais (rue Vieille du Temple) for Sandro. In **2007,** Ilan Chétrite, the son of Évelyne Chétrite, also embarked on the adventure by creating the Sandro Men brand.

Very quickly, in **2008** the 100th point of sale was opened in France for Sandro and Maje.

By adopting this new controlled distribution model, Sandro and Maje benefit from a full control over their distribution, brand image and commercial strategy. This model also allows them to offer their customers the same experience in all points of sale in their network.

In **2009,** they decided to buy together the brand Claudie Pierlot from its founder and create the SMCP Group (Sandro-Maje-Claudie Pierlot) in 2010.

At that time, L-Capital and Florac owned together 50% of the capital and 51% of the voting rights of the newly created SMCP Group, the balance being held by the founders and managers.

Chapter 3

2011-2019: International expansion and creation of an omnichannel network

With now 500 points of sale in France, SMCP has decided to start a new chapter in its history of growth, that of international expansion by opening its first points of sale outside France:

- in the United States in New York in **2011**;
- then in Asia in the cities of Hong Kong in **2012** and Shanghai in **2013**.

To support it in this new stage of its development, SMCP can rely on the support of KKR, which in 2013 acquired 70% of the Group's share capital, with the directors and founders retaining around 30%.

The Group's growth history is accelerating once again: in 2014, SMCP acquired its Hong Kong partner AZ Retail Ltd and continued its expansion in Asia. At the same time, the Group created its own e-commerce platform and opened its own websites.

In **2015,** the Group opened its 1,000th point of sale, including 60 digital points of sale, and generated 50% of its revenue internationally.

In **2016,** the Chinese group Shandong Ruyi, one of the largest textile manufacturers in Mainland China, acquired control of the Group from KKR.

In **2017,** SMCP, which now generates nearly 60% of its revenue internationally and has a digital penetration of more than 12%, first lists on the stock market in October. As part of a capital increase for a gross amount of approximately €120 million, the Company launches an IPO and sees its shares traded on Compartment A of the Euronext Paris regulated market.

In September **2019,** SMCP acquires the Fursac brand, one of the French leaders in accessible luxury goods for men. Thanks to this acquisition, SMCP strengthens and completes its presence in the men's segment, a fast-growing market, and targets new customers. Fursac is positioned in a different segment from that of Sandro Men (urban chic). This segment is modern tailoring, which combines the codes of tailoring and casual style.

Chapter 4

Since 2020: Creating global, sustainable and phygital brands

In a context marked by the Covid-19 pandemic, which is helping to accelerate certain consumer trends, SMCP is finalising the development of a new strategic plan, One Journey, communicated to the market in October 2020, and which will enable to build global, desirable, sustainable and phygital brands.

At the end of **2021**, the composition of the Company's shareholding structure underwent significant changes (see paragraph 4.1.1 of this universal registration document).

In 2021 and **2022**, SMCP has gradually returned to its pre-Covid activity levels, once again crossing the €1 billion threshold in revenue in 2021, and exceeding 2019 revenue in 2022.

2.2 Activities

2.2.1 Group brands and products

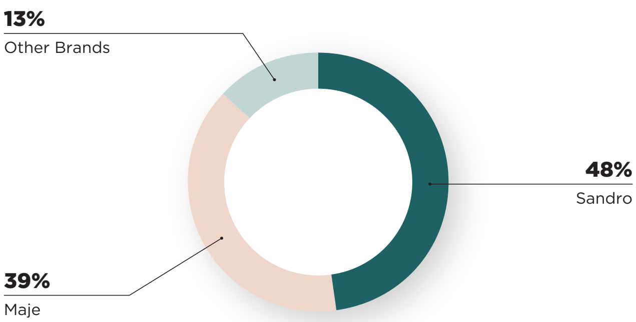
SMCP is an international retailer of ready-to-wear apparel and accessories. The Group markets its collections through a network of physical points of sale and websites.

The Group is structured around four highly-recognised brands, each with its own identity and dedicated design teams and workshops: Sandro (Women and Men), Maje, Claudie Pierlot and Fursac.

These four complementary brands enable the Group to better penetrate its markets by targeting different customer profiles with appropriate product ranges, while sharing a single global platform and a single optimised distribution chain.

The Group is structured around three divisions:

- **Sandro**: 48% of revenue in 2022;
- **Maje**: 39% of revenue in 2022;
- the "**Other Brands**" division, which combines the brands **Claudie Pierlot** and **Fursac** (13% of revenue in 2022).



The Group's collections are made up of high-quality clothing and accessories for women and men, in a more affordable price segment than that of luxury brands.

The Group manages the design, marketing and sale of the products for its four brands, thus meeting the needs of a wide audience, mainly between the ages of 15 and 45. The Group believes that its Parisian anchoring is a natural source of inspiration and the cornerstone for the positioning of its brands.

The Group's creative approach is focused on capturing fashion trends and consumer aspirations and interpreting them by creating and developing affordable and very appealing ready-to-wear apparel and accessories collections while maintaining a strong attention to detail and craftsmanship, providing luxury, high value-added products.

The Group's margins differ depending on the brand. The highest margins are traditionally achieved through sales of its Sandro and Maje Women's collections, due to a more advanced degree of maturity in this market, and a critical mass effect to better absorb fixed costs. Sandro Men, Claudie Pierlot and Fursac have lower margins and have significant potential to improve margins as their business and the productivity of their points of sale develop.

Margins also vary depending on the type of product sold. For example, its margins on leather goods may be lower than its margins on ready-to-wear products due to the relative cost of raw materials.

2.2.1.1 SANDRO

The Sandro brand was created in 1984 by Évelyne Chétrite, who is currently its Artistic Director. Initially exclusively aimed at women, Sandro launched a menswear line in 2007 with the creation of Sandro Men by Ilan Chétrite, the son of Évelyne Chétrite and currently the brand's Artistic Director.

Style and target profile

The products of the Sandro brand are part of a refined and contrasting aesthetic. They combine the requirement of elegance and subtlety of details with a typically Parisian creative fashion twist. Sandro products are for busy customers with a taste for contemporary, elegant clothes.

Product offering

The women's collections are designed as complete and coherent seasonal wardrobes, where each piece complements the others. The combinations are endless and the style versatile. The House is recognised for its suits and coats. It also offers a wide range of womenswear: dresses, trousers, skirts, shorts, t-shirts, pullovers, cardigans, bags, footwear and accessories.

While tailoring remains anchored in Sandro's DNA, men also come for the casual wear offering. The Sandro Men design studio imagines complete collections: blazers, jackets, trench coats, leatherwear, suits, tuxedos, trousers, shorts, shirts, jeans, t-shirts, polo shirts, pullovers, cardigans as well as footwear and various accessories (including bags, ties, gloves and hats). The ranges are a clever mix of essential and creative pieces that capture the zeitgeist and the immediacy of desires.

In addition to its two main collections, the brand also offers "capsule" collections.[1]. These capsules make it possible to diversify the product offering and surprise customers. As an illustration, in 2021 Sandro launched a collaboration with the franchise *Les Monsieur Madame* and in 2022 the *Hot Stuff* comic-themed capsule.

(1) The capsule collections comprise a limited number of products marketed over a shorter period than the seasonal collections.

Geographic locations

The first Sandro store opened in 2004 in the Marais quarter of Paris. As of December 31, 2022, the brand had 752 points of sale[1] in 46 countries, including 156 in France and 596 abroad. In total, 366 points of sale are for womenswear, 129 for menswear ("Sandro Men" points of sale) and 257 are for unisex (Sandro Women and Sandro Men). The points of sale are located in the capital cities and major cities of the countries where they operate.

Sandro points of sale are the faithful incarnation of the brand's values of authenticity and generosity. The refined simplicity of the graphic codes expresses Sandro's DNA. Light and warm tones combine with the softness of the materials to express an intimate, chic and welcoming atmosphere. Designed with a modern eye and a poetic hand, this concept offers an experience that reflects the heritage and evolution of Évelyne and Ilan Chétrite, by integrating an eco-responsible dimension into the architectural choices. Through craftsmanship elements such as ceramics or wood, the interior architecture of Sandro stores resonates with a very personal authenticity. The Sandro architectural concept is the subtle link between heritage and innovation, timelessness and renewal. The flagship store opened in 2022 on the avenue des Champs Elysées is a perfect illustration of this.

The following table shows the breakdown of Sandro points of sale by country as at December 31, 2022:

Country	Total number of points of sale	of which Sandro Women	of which Sandro Men	of which mixed*
France	**156**	**72**	**39**	**45**
Spain	33	18	6	9
Germany	30	14	9	7
United Kingdom	28	14	6	8
Switzerland	22	12	5	5
Italy	18	10	3	5
Russia**	17	12	2	3
Netherlands	17	8	4	5
Turkey	10	7	2	1
United Arab Emirates	9	3	1	5
Ireland	7	4	-	3
Portugal	7	2	1	4
Ukraine	6	1	-	5
Lebanon	6	3	2	1
Greece	6	3	1	2
Belgium	5	1	-	4
Saudi Arabia	5	3	2	-
Other EMEA markets	28	17	5	6
Total EMEA	**254**	**132**	**49**	**73**
Mainland China	100	25	4	71
South Korea	77	48	13	16
Australia	17	17	-	-
Hong Kong SAR	13	6	-	7
Taiwan	7	5	1	1
Other Asian markets	17	8	-	9
Total APAC	**231**	**109**	**18**	**104**
United States	80	38	18	24
Canada	16	8	3	5
Mexico	15	7	2	6
Total Americas	**111**	**53**	**23**	**35**
TOTAL	**752**	**366**	**129**	**257**

* Points of sale offering both Sandro Women and Sandro Men products

** After shipments to the partner were stopped in 2022 and the contract with the partner ended in February 2023, the points of sale in Russia will be closed in 2023.

(1) The brand's points of sale include directly-operated and partner-operated stores, concessions, outlets and e-commerce platforms.

2.2.1.2 MAJE

The Maje brand was created in 1998 by Judith Milgrom, sister of Évelyne Chétrite and Artistic Director of the brand since it was created. Maje embodies generosity, creativity, femininity and freedom.

Style and target profile

The Maje brand offers bold, urban and modern pieces, for all women and all occasions. The collections develop a feminine silhouette that is both discreet and glamorous, composed of pieces with subtle details. The brand expresses itself through its own identity: from here and elsewhere, feminine, free and emotional.

Product offering

The Maje brand's iconic products are an alliance between fluidity and structure, lace and embroidery, knitwear and leather. More generally, the Maje brand offers all types of clothing (dresses, coats, jackets, pullovers and cardigans, t-shirts, trousers, skirts, shorts, etc.) as well as footwear, bags, jewellery, scarves, belts and other accessories.

Maje collaborates on creative and innovative "capsule" collections with other brands, artists or designers, for example with the yoga brand Varley in 2021 for an active wear capsule, or its work with franchise *Sailor Moon* in 2022.

Capsules can also be used to promote eco-responsible products.

Geographic locations

The first Maje store opened in 2003 on rue du Four in Paris. As of December 31, 2022, the brand had 627 points of sale[1] in 44 countries, including 134 located in France and 493 outside France. Maje points of sale are located in the capital cities and major cities of the countries in which it operates.

The Maje brand points of sale are characterised by spaces that combine here and elsewhere, with very Parisian inspirations and Mediterranean hints. In collaboration with young architects and designers, Maje has imagined spaces that play on the contrasts between angular and rounded shapes, rough textures and soft colours. In an environment with warm tones and natural materials, Maje has chosen to manufacture fewer furniture items and favour vintage furniture to encourage more responsible consumption.

The following table shows the breakdown of Maje brand points of sale by country as at December 31, 2022:

Country	Total number of points of sale
France	**134**
Spain	31
United Kingdom	21
Germany	17
Switzerland	17
Russia*	16
Italy	14
Netherlands	12
Turkey	8
United Arab Emirates	8
Belgium	7
Ireland	7
Ukraine	6
Portugal	6
Other EMEA markets	31
Total EMEA	**201**

* After shipments to the partner were stopped in 2022 and the contract with the partner ended in February 2023, the points of sale in Russia will be closed in 2023.

Country	Total number of points of sale
Mainland China	93
South Korea	61
Australia	16
Hong Kong SAR	11
Taiwan	7
Thailand	4
Vietnam	4
Other Asian markets	9
Total APAC	**205**
United States	62
Canada	13
Mexico	12
Total Americas	**87**
TOTAL	**627**

2.2.1.3 CLAUDIE PIERLOT

Claudie Pierlot, a Parisian designer and stylist born in 1947, created the eponymous brand in 1984. The Claudie Pierlot business was acquired in 2009.

Style and target profile

Claudie Pierlot's style, faithful to the sparkling spirit of its creator of the same name, carries her DNA around simple but assertive silhouettes. Claudie Pierlot is an impeccable allure that defines a modern, natural and confident Parisienne. From parties to travel, from Troyes to Paris, *via* Japan and the Île de Ré, the brand takes its client into an uninhibited universe, away from the fashion codes.

(1) The brand's points of sale include directly-operated and partner-operated stores, concessions, outlets and online platforms.

Product offering

From trench coats to babydoll dresses, sailor tops and new workwear products, Claudie Pierlot offers a Parisian wardrobe, composed of timeless fashion twists; a range of accessories, leatherwear, jewellery and footwear complete the silhouette and boyish style of this free and independent woman. The brand is committed, with its Claudie Cares programme through two focuses: responsible fashion that respects the planet, and a societal dimension with empowerment of women, the promotion of inclusion and diversity.

In addition to its permanent collections, the brand also engages in one-off collaborations, such as a capsule with the American giant New Era in 2022.

Geographic locations

As of December 31, 2022, the brand had 233 points of sale[1] in 18 countries, including 110 in France and 123 outside France. Like the Sandro and Maje brands, the Claudie Pierlot points of sale are located in the capital cities and major cities of the countries in which it operates.

The Claudie Pierlot brand points of sale follow an eco-design approach. True to the brand's free and Parisian spirit, the Claudie Pierlot boutique helps to create an intimate atmosphere, that showcases the collections and celebrates a Parisian fashion dear to the brand. Materials, lighting and other technical details are chosen with a very present CSR focus.

The following table shows the breakdown of Claudie Pierlot brand points of sale by country as at December 31, 2022:

Country	Total number of points of sale
France	**110**
United Kingdom	15
Spain	15
Germany	12
Switzerland	9
Italy	8
Russia*	7
Ireland	5
Portugal	5
Other EMEA markets	11
Total EMEA	**87**

* After shipments to the partner were stopped in 2022 and the contract with the partner ended in February 2023, the points of sale in Russia will be closed in 2023.

Country	Total number of points of sale
South Korea	18
Mainland China	11
Australia	4
Hong Kong SAR	3
Total APAC	**36**
TOTAL	**233**

2.2.1.4 FURSAC

Created in 1973 by the Laufer brothers, who established their first workshops at Saint-Pierre-de-Fursac, the brand expanded in the early 1980s and launched its first major advertising campaigns under the name of Monsieur De Fursac. In 1990, it was acquired by Edmond Cohen and opened its first Parisian store at 112, rue de Richelieu in the 2nd arrondissement in 1992. The brand fine-tuned, modernised and shortened its name a decade later in 2003. The De Fursac brand, acquired by SMCP in September 2019, is today one of the French leaders in accessible luxury goods for men. Gauthier Borsarello was appointed Artistic Director in January 2021. De Fursac will now be called Fursac, with the change of name marking a new era for the brand.

The integration of the Fursac brand into the SMCP Group is facilitated by the similarity of their business model based on a pure player retail profile and an alliance of luxury and Direct to Consumer codes. The prestigious locations of the Fursac brand, its personalised customer experience, its fast and agile production cycle and its sourcing capabilities make Fursac an ideal brand for SMCP.

Since the Group acquired it, Fursac has enhanced the development of its casual wear offering. The network of stores has started to expand internationally to countries close to France (Switzerland, Belgium, Luxembourg, the United Kingdom, Germany and Spain). SMCP plans to step up its development in Europe and, in the medium term, outside Europe. Lastly, since 2022, the brand has been included in the Men's Paris Fashion Week calendar, leading to a first showing of its collection in June of that year.

Style and target profile

Fursac is aimed at male clientele, rather young and urban, who express their elegance through clothing. The brand enjoys a unique positioning in the accessible luxury segment for men, blending tailoring heritage with French elegance and timelessness. Fursac offers a wardrobe that gives men the ability to dress in a distinctive style.

Product offering

Fursac is a benchmark menswear brand in the accessible luxury segment. The brand has successfully developed a complete menswear offer, ranging from urban casual and tailoring through evening wear. The brand's flagship products go beyond suits to include outerwear, knitwear and shirts.

(1) The brand's points of sale include directly-operated and partner-operated stores, concessions, outlets and online platforms.

Geographic locations

As at December 31, 2022, the brand had 69 points of sale[1] in 7 countries, of which 59 are located in France and 10 in Europe.

The points of sale of the Fursac brand are characterised by an aesthetic concept based on a palette of bright tones, airy space, and a choice of appropriate materials (woodwork, mirrored panelling) that focuses attention on the clothing and accessories. With their windows open to the street and their mosaics, the stores are reminiscent of the Parisian heritage of the Grands Boulevards.

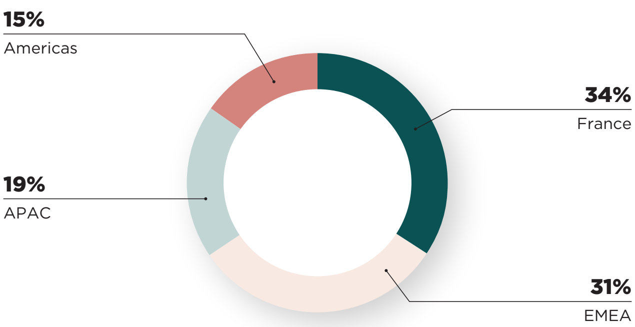
The following table shows the breakdown of Fursac brand points of sale by country as at December 31, 2022:

Country	Total number of points of sale
France	**59**
Switzerland	3
Belgium	2
Luxembourg	2
United Kingdom	1
Germany	1
Spain	1
Total EMEA	**10**
TOTAL	**69**

2.2.2 Geographic footprint

In recent years, the Group has established itself in the main world fashion capitals. The Group has mainly extended its presence outside its historical location of France, in particular in the following areas:

- **EMEA** (31% of 2022 revenue): the Group, which has 552 points of sale at the end of 2022 (including partnerships), has successfully conquered new markets in recent years. In 2022, the Group recorded 4 net point of sale openings, in the Middle East, Greece, the Czech Republic and Malta;
- **APAC** (19% of 2022 revenue): the Group has 472 points of sale at the end of 2022, with a large presence in Mainland China (204 points of sale) where the Group has been present since 2013. In 2022, the Group opened 4 new points of sale in Asia (including partnerships), including 9 net openings in Mainland China, and a few closures in Hong Kong and Australia;
- **Americas** (15% of 2022 revenue) where it has been present since 2011 (198 points of sale as of December 31, 2022, including partnerships). In 2022, the Group opened three points of sale.



The Group operates on the basis of its ability to identify and negotiate sought-after locations and on a vertical distribution model, characterised by a combination of points of sale located in popular areas and concessions with privileged positions in prestigious department stores.

Between 2015 and 2019, the Group extended its points of sale network rapidly and efficiently, with 120 net store openings per year, on average, excluding Fursac and including partner points of sale. In 2020, in a context marked by the Covid-19 pandemic, the Group decided to reduce its investments, particularly by limiting its openings. In 2021 and 2022, the Group stabilised its points of sale network, firstly through net openings of points of sale focused on Asia, and secondly, in line with its strategic plan, by completing the improvement of its physical store network in France (primarily linked to the end of the Suite 341 concept).

For the coming years, the Group intends to continue its omnichannel development in all its regions. More generally, the Group maintains strong discipline in the expansion of its network by imposing strict return on investment requirements for the new points of sale.

To guarantee the flexibility and scalability of its retail model, the Group has developed a standardised model of points of sale for each brand, used primarily for directly operated stores and concessions in department stores. From time to time, the Group relies on strategic partnerships for the successful roll-out of its brands in new markets, while ensuring an identity that is consistent with the rest of its network (see paragraph 2.2.5.7 of this universal registration document).

(1) The brand's points of sale include directly-operated and partner-operated stores, concessions, outlets and online platforms.

2.2.3 Product development

The Group designs all its new collections in-house, thanks to five independent design teams located in Paris, each focused on their respective brand (Sandro Women, Sandro Men, Maje, Claudie Pierlot and Fursac). For instance, the Sandro Women creative team is led by Ms Évelyne Chétrite (the brand's founder) and assisted by a team of designers, stylists, a pattern making and modelling workshop and designers dedicated to accessories.

The design process begins with a drawing (manual, then electronic) of the models. The teams then choose the materials for products (which must be aligned with the margin objectives and CSR requirements set for each collection) and create the patterns and prototypes when the product characteristics have been finalised.

The Group uses an independent design process for each of its brands to maintain their identity and make them easily recognisable to customers. It seeks to maintain the independence of each of its brands to reduce its exposure to change fashion trends and avoid any dependency on specific products.

When creating a new collection, the Group's focus is on creating the designs that it believes consumers expect. The Group's designers analyse existing market trends to incorporate them into its collections.

In addition, the Group adopts a structured approach for the development of its collections and conducts a detailed analysis of the success of previous collections, so it can identify the products most appreciated by its customers.

Purchasing and work on the structure of the collections

A collection plan is prepared every season, describing the context of the collection, the product launch timetable, the price and positioning strategy. Each collection is designed on the basis of current trends (including colours, techniques and apparel shown on the catwalks during fashion shows). The quantities to be manufactured are adjusted throughout the season so that the most successful products are reordered for rapid restocking in the largest quantities to maximise sales.

For each brand, the Group produces two collections a year (Spring/Summer and Autumn/Winter) each providing for several drops (generally 8 to 10 drops per collection). Moreover, the Group develops several capsule collections[1] each year, in partnership with other brands or designers. This means the Group can ensure its product range is renewed frequently and remains fresh and attractive to customers. Thus, new products are marketed very regularly in the Group's points of sale.

Sourcing

The Group does not have its own production capacity and outsources the manufacture of its products from third-party manufacturers that it carefully selects. In some cases, the Group provides manufacturers with a portion of the raw materials and other supplies for their use (cut-and-sew goods). The Group relies on two types of production; in 2022, around one-third of its products were cut-and-sew products, for which it purchases the fabrics and outsources their production to subcontractors (manufacturers). The remainder are finished products, that it buys directly from manufacturers.

The Group's supply network includes strategically located suppliers in close geographical proximity and relies on a diverse and responsive supplier base. The Group's shared services platform contributes to economies of scale.

Production is mainly based in Europe and in the Mediterranean region, particularly in France, Italy, Spain, Portugal, Tunisia, Turkey, and Eastern Europe, with the rest in Asia, especially in Mainland China, Vietnam and India. The Group's sourcing and production costs are balanced between Europe and the APAC region.

The Group is attentive to diversifying the geographical location of its suppliers in order to limit its exposure to inflation and currency fluctuations (in particular in Vietnam, Bulgaria and Turkey). It is committed to ensuring short production and delivery lead times to maintain the flexibility of its supply chain. In addition, outsourcing means that the Group can focus on its core business, and the close collaboration it maintains with its longstanding suppliers allows it to retain full control over the manufacturing process.

The Group markets cut-and-sew products, with the Group purchasing the raw materials (cotton, leather, wool, silk, polyester and viscose for example) and outsourcing production to subcontractors. The remaining items are finished products ordered by the Group directly from the manufacturers, with the Group retaining control over product design.

Raw materials are ordered by the Group in advance. The risk of excess stock is limited since the fabrics can generally be used for several products and again in future collections.

The Group has a sustainable and diverse supplier base in several countries to minimise its procurement dependency and reduce the risk of potential disruptions. For example, the Group's ten leading suppliers (finished products, cut-and-sew products) represent in general around one third of the Group's purchases. Charters and codes of conduct covering ethical, social and environmental matters are agreed with suppliers and manufacturers. The commercial and legal nature of the relationship varies from supplier to supplier, but in general they are based on principles of close cooperation which promote and maintain a rapid production and design cycle. Payment for suppliers' orders is made throughout the year, but mainly in October and November for the Spring/Summer collections of the following year and in April and May for the autumn/winter collections.

(1) The capsule collections comprise a limited number of products marketed over a shorter period than the seasonal collections.

The Group strives to optimise the length of the production cycle, between the design and marketing of its products. This varies according to the type of product and the country of manufacture, and may be impacted by certain external events. Thus, recently, difficulties in ready-to-wear industry procurement have led to greater planning of procurement processes, to secure purchases in order to maximise sales potential. For greater agility, the Group orders a limited and adapted number of each product at the beginning of the season when the collection is introduced to limit the risk of excess inventories. After analysing the performance of the products established in the various distribution channels, additional orders are placed for the best SKUs, thereby optimising sales.

The Group's IT systems enable it to monitor the performance of its collections in real time and thus order only the best-selling items in order to maximise sales. The Group "pre-books" supplier capacity to ensure that they can rapidly fulfil new orders for top-selling items. This "pre-booking" system also means the Group can determine what needs to be manufactured just prior to launch of the collections, taking account of anticipated demand and developing trends. The short production cycle means the Group can respond rapidly to changing trends and consumer preferences and to initial sales results.

Finally, Group procurement and purchasing is managed by dedicated teams for each brand, located at the offices of each brand.

Quality control

Group employees regularly carry out strict inspections of the patterns for each product and final inspections prior to dispatch to the warehouse. Historically, the percentage of defective products is low. When the Group identifies a defective product prior to delivery to the distribution centres, it demands reimbursement from suppliers. However, the Group bears the cost of any customer returns.

The Group has also set up a Product Life Cycle Management tool. This is a collaborative tool using a single data repository and an iterative process for managing the product from its creation to sale. This tool, which guides product development, improves time-to-market, quality and compliance.

2.2.4 Brand image, communication and marketing

2.2.4.1 A LUXURY IMAGE STRATEGY

The image of the Group's brands is primarily maintained by its points of sale. Their location, the ambiance created notably by the attention paid to layouts and lighting, and the expertise of the sales assistants contribute to creating a unique image specific to the luxury sector (see paragraphs 2.2.5 and 2.2.6). In addition, the luxury image of the Group's creations is also highlighted by high-end image campaigns including the distribution of photos, videos and other content produced by renowned photographers or artistic directors and using famous models, all also working for Luxury brands.

2.2.4.2 360-DEGREE COMMUNICATION CAMPAIGNS

The Group considers that its points of sale are its main resource for communicating with consumers. As such, it ensures that its points of sale are located in premier locations and managed as luxury boutiques, particularly the window displays, which are changed every two to three weeks. In addition, the Group organises high-end events at its points of sale, such as evening receptions for the best customers when new collections are launched.

The Group's communication strategy is primarily digital. The Group uses social networks (such as Instagram, TikTok, Snapchat, Facebook, Pinterest, WeChat, Weibo, Douyin, Little Red Book and YouTube) and its presence on the internet (in particular through its online sales sites) to disseminate its advertising campaigns and content in various formats.

To a lesser extent, SMCP continues to run its advertising campaigns through posters in public spaces.

Teams in charge of communication and marketing

Each brand has dedicated teams in charge of communication and marketing operations, and CRM and digital marketing operations. The marketing teams for each brand also use the services of third-party agencies.

2.2.4.3 CRM AND CUSTOMER PROXIMITY

The Group also seeks to ensure an ongoing dialogue with and real proximity to customers by leveraging its advanced customer relationship management (CRM) system. These tools helped to set up a multi-channel client data base unique to all of the Group's brands (excluding Fursac) which includes more than 5 million contactable European customers. This enables it to launch targeted and regular communication campaigns through e-mail or mobile phone (SMS) in order to develop a relationship with our customers and increase their loyalty. The Group has set up an efficient and targeted communication strategy by using customer segmentation. On each brand's website, the Group also offers customers the option to sign up to newsletters, enabling them to engage with the brand and keep up with its news. Customers can also receive invitations to exclusive offers or events, private sales and previews.

The Group has segmented its customers according to the amount and frequency of purchases made for each brand, and some brands have set up loyalty programmes designed to develop customer loyalty. The brands' communication with their customers aims to become increasingly targeted and effective through the use of these tools.

2.2.5 Distribution

The Group's distribution network is organised around four main distribution channels:

- free-standing stores (including affiliates and outlets);
- concessions (mainly "corners" in department stores);
- e-commerce platforms;
- partnerships.

The Group emphasises development based on a directly managed distribution network to retain close control over product quality and protect the image of its brands; partnerships and affiliations are used only when necessary to make use of a local partner to obtain attractive locations or due to applicable local regulations.

The Group follows a medium-term international development plan targeting the cities where it wishes to establish a presence according to the competition, local market and consumer base. The Group also prepares an estimate of the potential sales achievable by these points of sale, inspects the premises and sets profitability criteria for potential new points of sale. The decision to invest in opening a new point of sale is then adopted by a committee headed by the Group Chief Executive Officer.

Following its decision to invest, the Group is able to open a new point of sale within an average lead time of two months between signature of the lease and opening to customers.

The Group's margins also vary according to the channels through which it sells its products and rents. For example, the rental costs of stores leased outside of France are generally higher given the absence of key money (*i.e.* upfront payments to landlords or former tenants to secure premium rental properties).

2.2.5.1 FREE-STANDING STORES

As at December 31, 2022, the Group had 480 directly-operated free-standing stores (excluding Suite 341) (*i.e.* 10 fewer free-standing stores than at the end of 2021), including 121 in the EMEA region, 193 in France, 42 in the Americas region and 124 in Asia. For the financial year ended December 31, 2022, 31% of the Group's revenue was generated through directly-operated free-standing stores.

Description of a typical store

The average size of a Group store varies between 60 to 150 square metres. Sandro stores, which display both Women's and Men's collections, are generally larger than stores for the other brands. Claudie Pierlot and Fursac stores are generally smaller than Sandro and Maje, as these two brands have fewer SKUs in their collection plans than Sandro and Maje (for example, in ready-to-wear, Fursac has 200 to 250 SKUs and Claudie Pierlot has 330 to 380, compared to 400 to 450 at Sandro Women and Maje) and therefore, the linear surface requirement for presenting the full collection in a store is smaller.

The relatively compact size of Group stores creates an intimate ambiance appropriate for luxury boutiques with a sales force calibrated for each store according to size and footfall. The Group also strives to maintain a separate universe for each of its brands, to emphasise their individual identities and create a unique style in the mind of the customer. Store characteristics are defined at Group level and rolled out throughout the network with a view to achieving consistent presentation and customer experience.

The store concepts developed by each brand are constantly evolving and adapting, to serve an ever more qualitative customer experience, and are intended to be gradually rolled out in all network stores as new openings and renovations take place.

Main characteristics of leases

The term of the leases for Group stores varies from three to ten years. In France, the term is generally nine years, with the option for the parties to terminate the agreement prematurely on expiry of each three-year period. Generally, the lease contracts prohibit sub-letting and exclude the use of premises for any business activity other than the sale of apparel and accessories. In the United States, the term of lease contracts is generally ten years, whereas in Asia it is three years.

Average rents are generally fixed by the parties upon signature of the lease and the clauses in the agreement mostly provide the option of an annual increase. In France, for example, the increase is based on the INSEE construction cost index or the commercial rents index. A proportion of the leases provides for variable rents according to the revenue generated in the store. An entry fee can also be payable to the landlord when opening new retail stores and an assignment price may be paid by the Group to the previous tenant for assignment of the right to a lease or assignment of a business in countries such as France and Spain.

The following table shows the breakdown of free-standing stores by brand and by country as at December 31, 2022:

	Sandro	Maje	Claudie Pierlot	Fursac	Total
Total France	**60**	**59**	**50**	**24**	**193**
United Kingdom	10	9	5	1	25
Spain	9	10	4	-	23
Belgium	4	6	3	2	15
Italy	6	5	2	-	13
Switzerland	5	4	2	1	12
Germany	5	4	2	-	11
Portugal	4	4	3	-	11
Other	5	4	1	1	11
Total EMEA	**48**	**46**	**22**	**5**	**121**
Mainland China	46	45	3	-	94
Hong Kong SAR	9	6	1	-	16
Macao SAR	3	3	-	-	6
Singapore	3	3	-	-	6
Malaysia	1	1	-	-	2
Total APAC	**62**	**58**	**4**	**-**	**124**
United States	17	17	-	-	34
Canada	4	4	-	-	8
Total Americas	**21**	**21**	**-**	**-**	**42**
TOTAL	**191**	**184**	**76**	**29**	**480**

2.2.5.2 CONCESSIONS

As at December 31, 2022, the Group had 541 directly-operated concessions (excluding Suite 341), including 188 in the EMEA region, 173 in France, 100 in the Americas and 80 in Asia. These correspond to the Group's corners in department stores.

The choice of locations for concessions is guided by the Group's desire to protect the luxury image of its brands. Thus, the Group has opened concessions in some of the most prestigious and popular department stores in France, the United Kingdom, Spain, Italy, Switzerland, the United States, and in other well-known malls in China .

As with the location of the Group's free-standing stores, the cities where concessions are located are generally recognised as dynamic and attractive fashion centres. For the financial year ended December 31, 2022, 30% of the Group's revenue was generated through concessions.

Description of a typical concession

The average size of a concession in a department store is around 60 square meters and the number of employees present is determined according to the size and scale of the retail space. The sales areas are generally located in department stores offering luxury ready-to-wear products and benefit from a large number of passing customers, particularly tourists. As with its free-standing stores, the Group maintains a high level of control over its concessions, particularly with regard to the recruitment of employees, who are employees of the Group and not of the department store, and the choice of decoration and furnishings to recreate an atmosphere similar to that of the free-standing stores.

Operation of concessions

The term of concession contracts varies from one country to another. Some contracts do not provide for a minimum term and others impose a maximum term of four years. These contracts may generally be cancelled at any time by either party subject to reasonable prior notice.

The concession contracts provide for payment of a fee which is generally set according to the sales achieved. Some contracts provide for a minimum fee for a specific period which may be revised each year. On the basis of the concession contracts concluded by the Group, concession fees vary according to the country and the department store where the concession is located. The revenue generated is collected directly by the department store, which transfers it to the Group each month, net of the fee.

The concession contracts generally provide that the Group will control the organisation of inventories and the supply and range of products. In addition, the contracts also provide that inventories of unsold items must be collected at the end of each season by the Group, which retains ownership over them.

The sale of products through concessions offers high operating flexibility for the Group, particularly in view of the mainly variable operating costs.

The following table shows the breakdown of the Group's concessions by brand and by country as at December 31, 2022:

	Sandro	Maje	Claudie Pierlot	Fursac	Total
France	**67**	**39**	**40**	**27**	**173**
Spain	19	13	8	1	41
Germany	17	8	7	1	33
Switzerland	12	9	4	2	27
Italy	9	6	5	-	20
United Kingdom	9	5	5	-	19
Netherlands	10	7	1	-	18
Ireland	4	4	3	-	11
Portugal	3	2	2	-	7
Other EMEA markets	7	2	2	1	12
Total EMEA	**90**	**56**	**37**	**45**	**188**
Mainland China	32	28	4	-	64
Taiwan	7	7	-	-	14
Hong Kong SAR	1	1	-	-	2
Total APAC	**40**	**36**	**4**	**-**	**80**
United States	52	35	-	-	87
Canada	8	5	-	-	13
Total Americas	**60**	**40**	**-**	**-**	**100**
TOTAL	**257**	**171**	**81**	**32**	**541**

2.2.5.3 SUITE 341

Suite 341 is a concept store launched by the Group in 2010 for the French market, mainly in the provinces. At that time, the e-commerce activity was not yet very developed, and the aim of this format was to optimise the Group's penetration into medium-sized French cities. Customers could acquire essential pieces from the combined collections of Sandro, Maje and Claudie Pierlot. In English, "Suite Three Fo(u)r One" (Three brands for One store) fully reflects the concept: three ready-to-wear lines and accessories combined in a single space.

Faced with the strong acceleration of e-commerce and as part of the strategic directions taken by SMCP, in particular to reinforce the unique identity and desirability of each of its brands, the Group decided to put an end to this format, which no longer met its ambitions nor the brands' strategy. This decision resulted in the closure of these points of sale by the end of 2022 and will enable the Group's brands to fully express their own identity, reinforce their desirability and consequently strengthen their like-for-like growth. These gradual closures have been spread over approximately two years, depending on the contract end dates, in order to limit the cost.

As at December 31, 2022, the Group only had two Suite 341 points of sale, exclusively affiliates (see paragraph 2.2.5.5).

2.2.5.4 E-COMMERCE PLATFORMS

E-commerce represents an increasing proportion of the Group's sales and is also a marketing tool for developing awareness of its brands in France and internationally. In 2022, the Group's online sales represented €240 million, representing a digital penetration of 21%. This is lower than 2020 and 2021, during which many physical stores were closed against the backdrop of the pandemic, but far higher than 2019 (15% of sales). As at December 31, 2022, the Group's products were being sold *via* 87 directly-operated online platforms and 70 platforms operated by partners.

On the internet, Group products are distributed mainly through its own websites (e-shops) and, to a lesser extent, *via* third-party e-commerce platforms, including department store websites (e-concessions). As at December 31, 2022, 48% of e-commerce revenue was generated by its own websites, 36% *via* e-concessions and 16% *via* wholesale (pure players or partners).

The Group's e-shops (Direct to Consumer)

The Group operates websites dedicated to each of its brands. Sandro and Maje have dedicated websites in France, the United Kingdom, Spain, Ireland, Italy, Germany, Switzerland, the United States, Canada, Mainland China and Hong Kong SAR. Maje also has a website in Belgium and Sandro in the Netherlands. Claudie Pierlot has a site in France, Belgium, Germany, the United Kingdom, Spain, Switzerland, Mainland China and Hong Kong SAR. Lastly, Fursac has a website in France. The Group continues to enhance the consumer experience in its e-shops, notably *via* services such as instant chat with a consultant, mobile phone access to e-shops, improvement of the payment process and the pre-order system. In a context marked by the Covid-19 pandemic, SMCP continued to develop new omnichannel services in Europe such as ship-from-store for Sandro, Maje and Claudie Pierlot, e-reservation, Virtual shopping and click & collect, and is preparing to roll them out in the Americas and Asia regions. In addition, the Group accelerated its responsible momentum with the launch of Second Hand at Sandro and the Rental Service at Maje.

Third-party e-commerce platforms

In addition, the Group sells its products on recognised third-party e-commerce platforms such as "bloomingdales.com", "saksfifthavenue.com", "debijenkorf.com", "farfetch.com", "galerieslafayette.com", "selfridges.com", or "tmall.com". These platforms are selected by the Group according to its commercial strategy; they include the e-commerce platforms of department stores or other third-party platforms specialising in high-end ready-to-wear apparel and accessories.

Third-party e-commerce platforms are generally free to manage their own websites and arrange for their own publishing, hosting and website management, provided that they respect the image of the branded products and list them. With a view to optimising its partnerships, the Group constantly co-develops action plans aimed at highlighting certain key products and promoting the highest standards of customer experience. Other services provided by the platforms include the preparation and shipping of customer orders if this is not done by SMCP.

The price of the product is collected by the third-party electronic platform on behalf of the Group. The e-commerce platform charges commissions for its services. Some contracts also provide for additional contributions for the promotion of the Group's brands or marketing investment.

2.2.5.5 AFFILIATES

Affiliates form part of the Group's distribution network in France and are mainly located in medium-sized French towns where the Group does not have free-standing stores or concessions. The Group also makes use of affiliates in Spain and Italy. As of December 31, 2022, the Group had 60 affiliates.

The affiliated retail stores are operated by independent merchants who own their own business, under commission and affiliation agreements. The affiliates recruit their own staff, but the retail stores of Group affiliates are managed under the brand names and have the same features and ambiance as the Group's other points of sale. The affiliated retail stores must follow a concept book which sets out the requirements for furnishing and the appearance specific to each Group brand. Although the staff and leasing costs are paid by the affiliates, the Group retains ownership of the merchandise sold through this distribution channel. Finally, affiliates' staff can take advantage of training offered to Group employees at the SMCP School.

Agreements concluded by the Group with its affiliates provide for commission payments to affiliates based on a percentage of revenue, excluding tax. Income from sales is transferred from the affiliate's bank account twice a month, net of commission. From time to time, the Group may decide to acquire a store managed by one of its affiliates. For the financial year ended December 31, 2022, around 2% of the Group's revenue was generated with affiliates.

2.2.5.6 THE OUTLETS

In addition to its free-standing stores, concessions, online sales and sales *via* its affiliates, the Group also sells off unsold inventories in a limited number of outlets (112 outlets as at December 31, 2022) situated in premium sales locations in France, Spain, Switzerland, Italy, the United Kingdom, China and the United States. For the financial year ended December 31, 2022, 12% of the Group's revenue was generated by outlets.

2.2.5.7 PARTNER POINTS OF SALE (PARTNERED RETAIL)

The Group also has a partnered retail distribution channel (partner-operated stores) mainly for specific regions. For the financial year ended December 31, 2022, this distribution channel accounted for around 8% of Group revenue, of which 39% was generated through online platforms operated by partners. The partnered retail channel allows the Group to gain access with limited risk to new markets and countries where the size of the market does not justify directly-operated operations. This operating method thus allows for the sale of products in a country where it would otherwise be very difficult or even impossible, less efficient or less profitable to manage a directly-operated distribution network under local law.

The Group selects its local partners with care to ensure the consistency of local distribution with its strategy and brand image, particularly through the implementation of the concept book; for example, it ensures its partners adopt a presentation for retail stores and corners that is identical to its directly-operated points of sale. The Group routinely performs visits to partner points of sale sites to ensure compliance with its concept. It also benefits from strong relationships with its partners. Partnership agreements for the distribution are generally concluded for a period of three to five years, during which the partner benefits from exclusive rights granted by the Group for distribution of its products. Some of the partnership agreements are non-renewable.

The local partner is an independent merchant, responsible for its personnel, rent payments and negotiation of the lease for its points of sale or concession contract (in the case of department store concessions). The local partner is also responsible for its purchases; the purchased merchandise becomes its own property and the partner must resell the products in a store that has the same commercial signage and appearance as those of the Group's brands, such that the final customer cannot see the difference between a directly-operated store or concession and a store or concession managed by a partner. In addition, partners may sell unsold items in their own outlets with the Group's prior approval.

In some cases, the Group has decided to take control of its partners, as it did in Hong Kong SAR in 2014 and in Australia at the beginning of 2023.

In 2022, 11 partner-operated stores were opened (net) worldwide, notably in Saudi Arabia (6) and Mexico (4).

The following table shows the breakdown of the Group's partnered retail points of sale by brand and by country as at December 31, 2022:

	Sandro	Maje	Claudie Pierlot	Fursac	Total
France	-	1	-		1
Total France	**-**	**1**	**-**	**-**	**1**
Russia*	17	16	7		40
Turkey	10	8	-		18
United Arab Emirates	9	8	1		18
Ukraine	6	6	-		12
Greece	6	5	-		11
Lebanon	6	4	-		10
Saudi Arabia	5	3	-		8
United Kingdom	2	2	1		5
Kazakhstan	2	2	-		4
Kuwait	2	2	-		4
Lithuania	2	2	-		4
Germany	2	1	1		4
Qatar	2	2	-		4
Other	9	6	-		15
Total EMEA	**80**	**67**	**10**	**-**	**157**
South Korea	77	61	18		156
Australia**	17	16	4		37
Thailand	4	4	-		8
Vietnam	4	4	-		8
New Zealand**	2	2	-		4
Total APAC	**104**	**87**	**22**	**-**	**213**
Mexico	15	12	-		27
United States	2	3	-		5
Total Americas	**17**	**15**	**-**		**32**
TOTAL	**201**	**170**	**32**	**-**	**403**

* After shipments to the partner were stopped in 2022 and the contract with the partner ended in February 2023, the points of sale in Russia will be closed in 2023.

** The points of sale in Australia and New Zealand, operated by a partner until the end of 2022, were acquired by the Group in early 2023, and will therefore appear in the future as free-standing stores, concessions or websites.

2.2.6 Sales force

The Group pays particular attention to the know-how of its sales assistants. It has introduced within each brand, and also within its free-standing stores located in Asia and North America, a local Sales management structure supported by Regional directors, each with responsibility for up to 15 points of sale, sometimes assisted by back-up organisers. This organisation allows for more frequent visits and more time spent in these significant points of sale. In addition, since 2013, the Group has implemented a training programme for the integration of its new sales teams, as well as for the development of talent and the creation of new Brand ambassadors. This two-week programme for new sales assistants aims to train staff in sales techniques, customer assistance and to improve the financial results of the points of sale.

2.2.7 Logistics organisation

2.2.7.1 IT SYSTEMS

The Group has set up an IT architecture that is adapted to the development and production of its collections, management of an integrated network of stores and its partners and covers all of its points of sale, including e-commerce and international activities. This architecture is based on the best software on the market.

This system is based on Group Retail ERP (Enterprise Resource Planning) software, covering most functional areas, common to all brands and all geographical areas in which the Group operates, providing a single point of sale solution, a single e-commerce development platform and a central logistics management solution. The Group has an expanded IT team located at the Group's headquarters and internationally, in charge of managing projects and ensuring the development and maintenance of its IT applications and infrastructure. Over the past few years, the investments made include rolling out a new Finance tool with Oracle Financial Cloud, implementing an OMS (Order Management System) to strengthen omnichannel operations (including the roll-out of ship from store functions), the launch of the Demand Planning project and the alignment of Fursac's main information systems with those of the Group.

Significant infrastructure projects have also been carried out to strengthen the security of the environments and the resilience of the infrastructure, in particular with the gradual deployment of the Group's entire infrastructure on the Cloud.

Points of sale use this architecture to forward information on products sold and customer segmentation, allowing the Group to benchmark its points of sale and, together with its logistics network, manage the rapid restocking of its points of sale. In addition, the information sent *via* its IT system allows the Group to identify its best customers and make adjustments in product design on the basis of sales results.

2.2.7.2 IN-HOUSE LOGISTICS

The Group's central logistics centre is used by all four brands Sandro, Maje, Claudie Pierlot and Fursac and serves all points of sale, directly or indirectly, *via* satellite logistics centres located in the United States, Mainland China and Hong Kong. A team of approximately 140 employees is dedicated to the logistics and supply of the Group's distribution network.

Since November 2015, the Group's central storage complex for France and international has two main sites, managed directly and close to Roissy-Charles De Gaulle airport:

- 30,000 square metres in Marly-la-Ville;
- 24,000 square metres in Vémars.

This organisation ensures an optimised customer service quality, especially for omnichannel sales and provides additional available sites in case of force majeure.

For its United States business, the Group subcontracts product procurement *via* a warehouse located in New Jersey and managed by a third-party company. This warehouse has a surface area of 18,000 square metres (partly used by the Group) and serves the entire North American market.

The Group also subcontracts product procurement for its points of sale in Mainland China, organised through a warehouse with a total surface area of 7,200 square metres (partly used by the Group), located in Shanghai. A third-party service provider handles e-commerce logistics in Mainland China. Since February 2018, the Group has also opened a warehouse in Hong Kong SAR with a surface area of approximately 2,500 square metres that supplies the Asian region (currently Hong Kong SAR, Macao SAR, Singapore and Taiwan) except for Mainland China.

The warehouses allow the Group to limit inventory and storage requirements at each of its points of sale. The IT systems established by the Group link the points of sale to its warehouses so that when a product category needs restocking, the information is forwarded to the warehouse and the product category is generally back on sale two days later for points of sale located in Europe, four days later for points of sale in the Americas and around ten days later for points of sale in the APAC region. This restocking model means the Group can ensure that only the best-selling products are reordered, thereby maximising sales, optimising its working capital requirement and reducing inventory-related risks.

2.2.7.3 EXTERNAL SERVICE PROVIDERS

The Group subcontracts the air and road transport of its products from its warehouses to other warehouses or points of sale using common service providers for the main brands shipped. In general, the Group is responsible for inner and outer packaging and labelling of its products and the carriers are responsible for any damage caused during transportation, for arranging transportation and for the execution of ancillary services.

The Group's distribution and other logistics costs are recorded as part of "Other operating expenses" in its consolidated income statement.

2.2.8 A unique in-store customer experience

Stores form the Group's first communication channel. The Group maintains a distinct universe and sales environment for each of its brands. The Group has established a fully-assisted sales model, offering customers a personalised service and a luxury-like shopping experience.

With typically only one size per item on display in stores, the Group places an emphasis on personalised advice rather than self-service. The number of salespeople in each store is calibrated based on target store sales and store size to ensure optimal customer service.

2.3 The market of ready-to-wear and accessories

2.3.1 A large global market[1]

SMCP has a real ability to attract consumers across all segments of the ready-to-wear and accessories market. The Group's unique positioning makes it possible to capture the customer base from the luxury, accessible luxury and mass market segments by responding to the new consumer trends that characterise the ready-to-wear clothes and accessories market.

The global accessible luxury market (ready-to-wear and accessories) is an important market that has experienced continuous growth for more than ten years (including +6% CAGR between 2010 and 2019). In 2019, this market represented €117 billion, an increase of 4.5% compared to 2018.

Ready-to-wear represented around €66 billion in 2019 (55% of the global accessible luxury market) and accessories accounted for around €51 billion, *i.e.* 45% of the global accessible luxury market.

It covers both mature and emerging economies, with key markets such as the Americas (36% of the global market in 2020), Western Europe (28% of the global market in 2020) and Asia-Pacific (33% of the global market in 2020), particularly China (16% of the global market in 2020).

The share of this market intended for male customers represented €32 billion in 2019, *i.e.* 27% of the market with an average growth rate (CAGR) of +3.7% between 2015 and 2019.

In 2020, the Covid-19 pandemic significantly impacted the global luxury and accessible luxury goods market, causing the sharpest contraction ever recorded in the last 30 years. In 2020, the total revenue of the accessible luxury market declined for the first time since 2010 by 24% to €89 billion. 2021 was marked by the recovery of the accessible luxury market, up 19% compared to 2020 to reach €106 billion, and down 9% compared to 2019. 2022 marked a return to pre-pandemic sales levels.

2.3.2 Growth supported by structural trends

2.3.2.1 A NUMBER OF MACROECONOMIC FACTORS SUPPORTING MARKET GROWTH

The strong growth in the ready-to-wear apparel and accessories market observed in recent years is the result of the increase of the consumers' budget allocated to apparel and accessories purchases, the emerging urban middle class and the growth of the global tourism.

Consumers allocating more to ready-to-wear apparel and accessories

Consumer spending on ready-to-wear and accessories has increased significantly in recent years. The ready-to-wear and accessories market in the accessible luxury segment is therefore growing faster than global gross domestic product (GDP).

Emerging urban middle class

Furthermore, the growth of the apparel clothes and accessories market is supported by an emerging urban middle class which is aspiring toward attractive, high-end ready-to-wear apparel and accessories and is receptive to the values that the Group's products convey and the Group's positioning.

The growth of international tourism

Over the last few years, the market has also benefited from the strong growth of global tourism, which has significantly increased the reputation and prestige of ready-to-wear and accessories brands. In addition, it has increased the number of shopping opportunities, as tourists tend to spend more when they travel abroad than in their home market. In addition, tourists' spending budget on trips is generally high.

(1) The information, contained in this paragraph relating to markets, and particularly their size and growth opportunities, is principally drawn on third-party sources and on the Group's own estimates.

2.3.2.2 A MARKET INFLUENCED BY FUNDAMENTAL CHANGES IN CONSUMER BEHAVIOURS

- **Responsible consumption** is the first trend to emerge clearly. Three topics are at the heart of consumer expectations: respect for the environment, animal protection and manufacturing ethics. The importance given to sustainability values stems from the renewal of the consumer pool with a growing contribution from millennials and Generation Z.
- Consumers in the ready-to-wear and accessories market are also increasingly favouring **mix and match**, wearing products belonging to very distinct price ranges. Indeed, the historic clientele of the luxury segment is seeking quality products at more attractive prices; combining, for example, a luxury brand handbag with an elegant Sandro dress. In addition, products of the Group's brands are also purchased by the mass-market customers for special occasions.
- Consumers are also increasingly adopting a **"smart consumption"** mindset for their clothing purchases, giving importance to factors such as the price of a product and its value per wear. This trend encourages affordable products that can be worn several times and over several seasons.
- Finally, consumers of ready-to-wear apparel and accessories are **permanently searching for new products** and prioritise the **omnichannel** experience as their purchases are strongly influenced by digital technology.

2.3.2.3 PROFOUND UPHEAVALS CAUSED BY THE COVID-19 PANDEMIC

The luxury and accessible luxury goods industry was confronted with an unprecedented situation, with the Covid-19 crisis, which forced it to adapt to this new context. This unique crisis was indeed accompanied by profound upheavals, intended to permanently change consumer behaviour. The pandemic has proven to be a major accelerator of temporary, but above all structural, changes destined to last:

- **digital acceleration** with a growing contribution from online shopping, which has an increasing influence on how we purchase items;
- **the contribution of Mainland China,** which posted very strong growth worldwide since its exit from the health crisis thanks to strong local demand. Although this growth slowed in 2022, the market should nevertheless benefit from dynamic of local consumption pending a return to pre-pandemic levels of international travel; also **the contribution of the United States**, with a renewed appetite among American consumers for accessible luxury goods, and in particular a strong interest in European brands;
- **the emergence of a new generation of buyers,** which will radically condition the luxury and accessible luxury goods market in the coming years;
- **the acceleration of the circular economy,** with the very strong development of rental and second-hand; new offers attracting and retaining the younger generations in search of meaning and circularity.

2.4 Group strengths and competitive advantages

2.4.1 Portfolio comprising complementary and desirable brands

2.4.1.1 COMPLEMENTARY BRANDS, OFFERING A STRONG AND DISTINCTIVE DNA

The Group's brands Sandro, Maje, Claudie Pierlot and Fursac are leading players on the ready-to-wear and accessories market, committed to providing customers with high-quality, on-trend products while maintaining attractive prices.

Each of the brands has a strong history (in 2023, 50 years for Fursac, 39 years for Claudie Pierlot and Sandro; 25 years for Maje), based on distinct values and codes as well as a unique expression and identity: relaxed elegance blended with effortless chic for Sandro; here and elsewhere feminine, free and emotional for Maje; timeless, feminine and boyish pieces with a fashion twist inspired by travel for Claudie Pierlot; the "panache" of French spirit for Fursac.

These distinct identities make these brands complementary because each of them addresses a different consumer base. These four brands enable the Group to better penetrate a broad audience between 15 and 45 years old. The expression of each brand, with its individual identity and codes, is consistently present across the communication strategy of each brand through the press, social networks, blogs and its store concepts, which constitute the first communication tools of the Group.

2.4.1.2 ON-TREND, HIGH-QUALITY PRODUCTS WITH GLOBAL APPEAL AT ATTRACTIVE PRICES

The Group has dedicated in-house design teams for each of its brands, who design all of the products the Group sells in its stores, under the supervision of their respective Artistic Directors. These creative teams identify the latest market trends and immerse themselves in "the spirit of the time". They reinterpret them through the codes and the specific identity of each of the brands: dresses, suits, outerwear (pea coats, down jackets, etc.), a casualwear collection or creative capsules with famous artists or brands, or upcycled materials for Sandro. At Maje, the combination of fluidity and structure, the use of lace and embroidery, knits and leather for an ultra-feminine silhouette. Tailoring, workwear dresses, a blend of femininity and boyish style, sailor tops or knitwear for Claudie Pierlot. Suits, outerwear (coats, down jackets, varsity jackets…), and also evening wear for Fursac. In addition to the iconic product categories that are specific to each brand, the Group also aims to consistently imbue novelty in its collections, thereby adding an element of discovery to each store visit.

The Group also offers "capsule" collections in limited editions which are opportunities for collaborations with artists or to develop eco-responsible products.

The Group's products are high-quality and reveal a strong attention to detail and craftsmanship. The quality of the Group's products is the key element of its value proposition, as illustrated by their finishing touches and a mix of high-quality manufacturing and advanced assembly techniques, while also maintaining attractive prices and ensuring profitable collections for the Group.

2.4.1.3 GLOBAL APPEAL SUPPORTED BY A LEADING PRESENCE IN FASHION CAPITALS

The Group has built a global presence across key international fashion cities, from Paris to Los Angeles, London, New York, Shanghai, Dubai and Milan, where its brands have strong appeal and benefit from the flow of global tourism. The Group's stores are often located in high-demand areas, or enjoy privileged positions in prestigious department stores such as Galeries Lafayette, Printemps, Le Bon Marché and la Samaritaine in France, Selfridges and Harrods in the United Kingdom, La Rinascente in Italy, El Corte Inglés in Spain, Globus in Switzerland, Bloomingdale's in the United States or in famous malls such as Shin Kong Place or MixC in Mainland China and the International Finance Center (IFC) and Harbour City in Hong Kong SAR.

The Group is firmly established in major capital cities and in 2022 generated 66% of its revenue internationally, compared to 59% in 2017. It intends to further increase its international presence over the next few years, with the aim of becoming one of the leaders in the ready-to-wear and accessories market in the accessible luxury segment. Abroad, the Group enjoys a very positive image.

The Group also benefits from key influencers (such as bloggers and VIPs) who spontaneously choose its products, building awareness. The best-selling products are generally consistent across the markets where the Group operates, illustrating the global appeal of the Group's brands. By way of illustration, around two-thirds of the best-selling products of Sandro's Women's collections are the same across the various geographic regions where the brand operates.

2.4.2 Competitive brands attracting consumers from all segments of the ready-to-wear and accessories market

The Group's brands occupy a central position in the ready-to-wear and accessories market. It is segmented into three categories:

- the luxury segment with groups such as LVMH, Kering, Burberry, and Moncler;
- the fast fashion segment with players such as Zara/Intidex or H&M; and
- the accessible luxury segment. The global players present in this segment include the American Theory, Tapestry (Coach and Kate Spade), Capri (Michael Kors), Ted Baker in the UK and French brands such as Isabel Marant, The Kooples, Zadig & Voltaire or IRO Paris.

The Group's position attracts consumers from all segments of the market.

2.4.3 A unique and proven operating model

The cornerstone of its business philosophy is a model in which the Group combines the codes of the luxury industry and the Direct to Consumer industry. The Group offers to its customers attributes associated with luxury, such as on-trend, high-quality products, high-end communication, premium store locations and a superior personalised shopping experience.

In addition, inspired by Direct to Consumer, the Group has established a short and reactive design-to-production cycle, with a continuous renewal of the products offered during the season and a proven retail model that can easily be rolled out internationally by the Group.

The Group is a retail "pure player" with a vertically-integrated and closely controlled distribution model (primarily through directly-operated points of sale).

2.4.3.1 THE GROUP FOLLOWS THE CODES OF THE LUXURY INDUSTRY

In-house creative studios fully internalised for every brand

The Group's in-house creative capabilities are led by independent Artistic Directors for each brand and are supported by talented, experienced teams of designers, stylists, model-makers and tailors based in their own studios located in Paris. Each brand has a complete collection creation and development team.

The creative process captures the spirit of the time, inspired by the trends, materials, colours and techniques of the moment, interpreted in the specific spirit and with the hand of each brand.

A high-end image through a dedicated communication strategy

The Group has adopted a strategy for its brands that projects a high-end image through communication campaigns calling on well-known photographers and models for each collection. Furthermore, the communication campaigns and content of each brand are presented on multiple media, including films, events and announcements, billboards, collaborations, advertisements in the press and digital initiatives.

With this in mind, the Group deploys its store concepts in every country in which it operates. The Group's points of sale are the principal communication tool for promoting its high-end image. Special in-store events allow the Group to ensure proximity to its clientele and enhance the customer's experience for each of its brands.

The same applies to the brand's websites that support its high-end communication standards and service and offers to customers an enjoyable purchasing experience. The Group is placing an increased focus on digital communication, through initiatives such as targeted web advertising and online video campaigns, further supporting its brands' unique positioning. A strong presence on social media platforms and dedicated fashion websites also helps further consolidate awareness of the Group's brands and build the brand image.

A global footprint with high-quality locations

The Group has a global network of 1,683 points of sale located in major fashion capitals. The Group's brand stores are generally located in popular areas and concessions with privileged positions in prestigious department stores.

Enhanced customer experience through personalised service

The Group's network of stores enables customers to develop a strong personal connection with brands through personalised assistance that is cultivated by carefully selected and trained sales assistants that are passionate about fashion. The Group's visual merchandising strategy supports the brand narrative in their storytelling. To enhance this personal relationship, there is only one size per item on display and no mirrors in the fitting rooms, encouraging a dialogue with the sales assistants. Styling advice is also offered by sales assistants, who act as brand ambassadors.

The recruitment of multilingual salespeople enables the Group to offer its international customers a welcoming and unparalleled shopping experience. The Group's points of sale have a well-organised and motivated sales forces, backed by close monitoring and performance-based compensation for sales assistants and managers. The Group's sales force, store managers and regional heads receive dedicated training through the SMCP School, created in 2013, and currently based in France, Europe, the United States and Asia. For example, in 2022, the Group provided approximately 29,000 hours of face-to-face training worldwide. The e-learning training platform, created in 2018, represented 83,000 hours worldwide.

2.4.3.2 THE GROUP ALSO BLENDS THE CODES AND METHODS OF DIRECT TO CONSUMER

While the Group has no in-house manufacturing, its operating model benefits from a short, reactive design-to-production cycle and a fully-integrated logistics platform and global supply chain. Each Group brand has a dedicated design team led by its founder or Artistic Director, with a structured design process based on robust collection planning and observations to capture the latest trends.

Rapid product cycle from design to store

The Group's in-house design, sourcing and procurement processes are highly coordinated to optimise production time and incorporate the latest fashion trends, as well as restocking stores in the most agile way possible. The Group's procurement lead and creation time is also competitive in the market.

Agile procurement and a diversified supplier base

The Group's agile procurement and diversified supplier and manufacturer base provides a highly flexible design and production calendar. The Group relies on a diversified base of more than 500 suppliers (finished products, cut-and-sew products and components), including 20% to 25% strategic suppliers representing most of the volumes produced for cut-and-sew products, finished products and accessories and fabric orders. The geographic proximity of part of the supply base (around 60% of the Group's production is carried out in the EuroMed region and around 40% in Asia) leads to shorter delivery times. Furthermore, the Group's carefully selected partners deliver reliable and high-quality products. The Group sources a mix of finished and cut-and-sew products, for which it buys fabrics and outsources production. This allocation enables the Group to be much more reactive in case of replenishment because the production of cut-and-sew products can be launched very quickly.

Thanks to its vertically-integrated approach, the Group benefits from a rapid replenishment cycle and optimised inventory levels. The Group's collection planning process enables it to anticipate raw material needs, while its strong relationships with suppliers provide flexibility to pre-book capacities and pre-order raw materials. The presentations of the collections upstream (to the press, partners and sales managers), timely feedback from retail stores and the Group's optimised inventory management allow it to quickly identify the bestsellers and rapidly replenish retail stores with best-selling items within a few weeks.

A global logistics platform enabling constant replenishment

The Group's operating model benefits from a fully-integrated global platform and supply chain. The Group's IT systems operate across all of its brands and facilitate the replenishment cycle and inventory management (see paragraph 2.2.7.2). These systems also allow the Group to measure store performance and integrate best practices across its retail network. The Group's recent investments in shared infrastructure and global platforms have geared the business to support strong future growth. Lastly, its fully automated warehouses located near Paris Charles de Gaulle airport, in Marly-la-Ville and Vémars (totalling more than 50,000 square metres), as well as the warehouses and logistics infrastructure in New Jersey, Shanghai and Hong Kong allow the Group to benefit from flexible and responsive logistics throughout the world. With the capability to replenish inventories in less than two days in Europe, within four days in North America (East Coast) and Asia, the Group can maintain low inventories in its stores and thus optimise dedicated sales space.

A collection plan framing the design process

The Group benefits from a proven design process, framed by a precise collection plan, based on efficient and reactive purchasing and procurement procedures. By way of example, the ten new collections per year (two per brand, including Sandro Men) in ready-to-wear present on average 400 to 450 SKUs for Sandro Women and Maje, 330 to 380 SKUs for Claudie Pierlot, and 200 to 250 for Fursac. The Group's collection plan defines a target number of SKUs by product category (particularly in terms of colours, textiles, prices and occasions to wear the garment) to ensure a balanced offering, while price and margin objectives are taken into account from the beginning of the process. The creative teams also take into account a series of factors, including the historical performance of certain products, store feedback, previous collections' bestsellers and analysis of competitors' practices.

Continued newness driving high traffic in stores

The capacity to produce newness is a key element of the Group's production strategy. To that end, new creations are developed all year long, allowing constant renewal of products in the Group's points of sale. Furthermore, the implementation of each collection, usually with 8 to 10 drops, as well as new "capsule" collections, allow the Group to consistently drive sales through repeat customer visits to stores. A reinterpretation of each brand's bestsellers is commercialised with every new collection.

A scalable retail model and a disciplined approach to opening new points of sale

The Group has been able to expand its distribution network quickly and efficiently. In recent years the Group has significantly expanded its international presence (particularly in Europe and Asia), while observing a disciplined expansion strategy, with an average of 120 net openings per year between 2015 and 2019 (excluding Fursac and including partner stores) and an average opening time for directly operated stores of two months. The reduced execution time and standardised concept for each brand limits the capital expenditure required to support and expand the Group's network. The optimisation of capital expenditure and the short ramp-up period for points of sale allow the Group to realise a short payback period (measured by dividing capital expenditure by a point of sale's profitability before allocation of selling, general and administrative expenses).

The Group has a dedicated team responsible for point-of-sale roll-out and lease negotiation, and another team dedicated to the layout design of new locations. The point-of-sale investment process includes a review by the Group's management, involving strict selection criteria such as the payback period and return on investment, and a final decision is made by a dedicated committee chaired by the Group Chief Executive Officer.

The Group applies a rigorous approach to its expansion strategy. A new point of sale will only be considered if it can be opened in an attractive location at an appropriate cost. When it is considering a new site for a point of sale, the Group investigates the demographics of the location to ensure it will have access to its target customers, while taking into account the expected impact of the opening on its existing points of sale in the immediate area, in order to minimise any potential cannibalisation effect. The Group does not hesitate to delay, if necessary, the opening of its new stores until the best locations are available at a satisfactory cost and conditions. When the Group decides to enter a new geographic segment, it generally follows a flexible approach and tailors its roll-out strategy to the needs of the particular market. In general, the Group initially accesses new markets through concessions, allowing it to test the appeal of its brands and gain market knowledge with minimal capital expenditures, before building up its own store network. This approach has allowed the Group to rapidly expand its international network without sacrificing its rigorous return on investment metrics.

In 2020, in a context marked by the Covid-19 pandemic, the Group decided to reduce its investments, particularly by limiting its openings. In 2021 and 2022, the Group stabilised its points of sale network, firstly through net openings of points of sale focused on Asia, and secondly, in line with its strategic plan, by completing the improvement of its physical store network in France (primarily linked to the end of the Suite 341 concept).

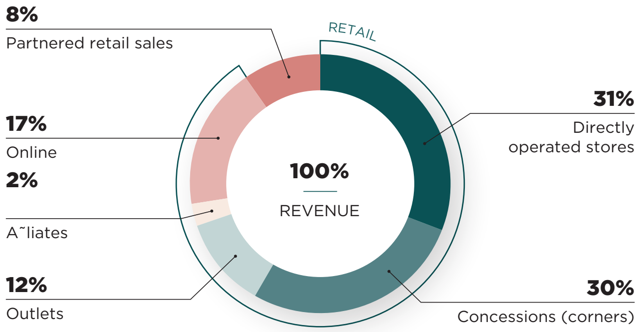
For the coming years, the Group intends to continue its omnichannel development.

2.4.3.3 RETAIL PURE PLAYER

A fully-integrated distribution network

The Group operates as a pure player in the ready-to-wear and accessories market (only 8% of its revenue was generated with partners in 2022), with close control over its distribution process, brand image and commercial strategy. This model enables the Group to ensure a consistent customer experience across its retail network. This strategy was adopted by the Group in the early 2000s, as it gradually abandoned its wholesale business.

Breakdown of revenue by type of point of sale



The Group's network of free-standing stores and concessions allows direct control over key elements of its strategy, such as pricing, purchases, sales force, image and communication. The Group believes that this approach is one of the main factors enabling it to maintain a high management gross margin. In addition, a balance of fixed and variable rents resulting from a mix of free-standing stores and department store concessions limits the Group's exposure to a decrease in margins. In addition to its directly-operated network, the Group employs a partnership model to expand into select high-potential markets. This approach allows it to move into attractive markets in certain countries that present specific local regulatory constraints or higher operational risk.

Excellence in retail network management

The Group believes that it has achieved a high level of excellence in managing its retail network, which has led to an increase in sales in its stores. The average basket is made up of 1.7 products with an average ticket of €287 per purchase. In 2022, the initial average selling price was approximately €255. Nearly half of sales are made without any discount, demonstrating the appeal of the Group's products to its customers.

The Group's directly operated stores are characterised by a relatively compact surface area (80 to 120 square metres on average per free-standing store and 55 square metres on average per concession), resulting in strong operational KPIs. The Group's strong payback rate (defined as the internal return and payback rate) of new points of sale highlights the success of its international roll-out strategy and its disciplined approach to capital expenditure for its points of sale.

2.4.4 A strong management team and a well-structured organisation to drive future growth

The Group has an experienced management team, led by Ms Isabelle Guichot, Group Chief Executive Officer. Ms Isabelle Guichot has over 30 years of experience in the international luxury and retail sectors, having held senior executive positions within the Kering and Richemont groups. Before joining SMCP, Isabelle Guichot was Chief Executive Officer of Balenciaga for nine years, after having been Chief Executive Officer of Sergio Rossi. Before joining the Kering group, Isabelle Guichot held various positions within the Richemont group, including that of Chief Executive Officer of Van Cleef & Arpels, and of Lancel, after beginning her career at Cartier. A graduate of HEC, she has developed many houses to which she has contributed her strategic vision and her unique sense of the business and the customer.

The Company's Executive Committee, which is responsible in particular for discussing the Group's strategy and challenges, monitoring the business, and coordinating the Group's operational management, meets on a monthly basis. It comprises:

- the Group's three historical founders: Ms Évelyne Chétrite, founder of the Sandro brand, Ms Judith Milgrom, founder of the Maje brand and Mr Ilan Chétrite, founder of the Sandro Men brand. As Artistic directors of their respective brands, they are actively involved in each brand's development;
- the Group Chief Executive Officer;
- four Chief Executive Officers of the brands (Sandro, Maje, Claudie Pierlot and Fursac), responsible for the global management of their brand worldwide;
- three Regional Chief Executive Officers (North America, China and Asia excluding China), responsible for implementing the brand strategy in their respective regions;
- the Chief Financial Officer;
- the Chief Operating and Transformation Officer;
- the Human Resources and Sustainable Development Director.

The Group's senior management team has significant experience in both the luxury sector and within major fast fashion groups. Each of the Group's brands and core regions is headed by a Chief Executive Officer with more than 20 years of experience on average. This senior management team is also supported by a talented team of managers. The Group benefits from stability in key functions supporting its commercial, product and purchasing activities. In recent years, the Group's senior management team has been responsible for successful international expansion and revenue growth in a challenging macroeconomic environment. The Group has a strong team to support it as it grows, with the aim of becoming a global leader in the accessible luxury segment. Lastly, the Group's Artistic Directors and senior managers are also shareholders of the Company (see Chapter 8 "Share capital and shareholding structure"), contributing to an alignment of interests in the Group's future growth.

2.5 Strategic focus

INTRODUCTION

In a market marked by rapidly changing consumer trends, the Covid-19 pandemic has accelerated certain trends, notably:

- the development of online shopping, with an increasingly phygital approach;
- increased environmental and social awareness;
- the resilience of local customers and strong demand from new generations;
- the balance between experience and consumption, with a very high demand for entertainment and more emotion.

In this context, SMCP can count on its four strong and complementary brands, an excellent track record of growth, and solid fundamentals to enable it to transform these changes into growth opportunities. The Group relies in particular on:

- geographical diversification to mitigate local risks and seize recovery opportunities (*e.g.* China in 2020 after the first lockdown, United States in 2022);
- a solid presence in e-commerce, representing more than 21% of its sales in 2022 (compared to 15% in 2019);
- solid commitments and actions in favour of more responsible fashion.

With the development of a new strategic plan, presented to the market in October 2020, SMCP has opened a new chapter in its history, with global, desirable, sustainable and phygital brands. The plan is based on four strategic priorities:

- strengthen the desirability of its brands by reaffirming the uniqueness and complementary nature of each of them;
- accelerate sustainable development and contribute to the development of a responsible wardrobe;
- constantly develop the points of contact with its customers, to offer an optimal experience;
- strengthen the Group's infrastructure and operational excellence.

Building on this new strategic plan, SMCP aims to become a world leader in accessible luxury goods while respecting the mission it has set for itself: *to diffuse Parisian elegance by acting as passionate and responsible entrepreneurs.*

The medium-term financial and non-financial objectives are presented in paragraph 4.5 of this universal registration document.

2.5.1 The Group strengthens the uniqueness and desirability of its brands

SMCP intends to strengthen the attractiveness and desirability of its brands worldwide by relying on sharper and reinforced DNA. The Group plans to use the following drivers to achieve this aim:

- **adjust the architecture of its collections** in order to increase customer engagement for non-discounted products through simplified and optimised collections (fewer SKUs), a heightened sense of scarcity (capsules, limited editions, collaborations with brands, artists, designers, or influencers), blurred seasons *(see now, buy now) and a differentiated offer by brand;*
- **improve the in-store experience** through a new sales ceremony offering a more "emotional" in-store experience;
- **increase the range of accessories** to increase the desirability of its brands and attract new customers. In 2022, accessories accounted for around 10% of the Group's revenue;
- **intensify its marketing investments** (3-4% of revenue compared to 2% previously) with a strong focus on disruptive digital communication, particularly social networks (Instagram, TikTok, Snapchat, Facebook, Pinterest, WeChat, Weibo, Douyin, Little Red Book and YouTube) but also by exploring new formats (gamification, Bilibili etc.) in order to reach the new generations (Millennials and Gen Z) who are expected to represent the majority of customers by 2025, particularly in Asia through targeted content.

2.5.2 An ambitious sustainable development plan to move towards a responsible wardrobe

SMCP intends to step up in sustainable development and contribute to the development of ethical and responsible fashion, with strong commitments to products, the planet and people.

With regard to products, initiatives are being taken to develop an even more desirable and responsible offering: more and more eco-responsible materials, ethical sourcing, strengthened supplier audits, initiatives serving the circular economy (such as rentals and second hand, both launched in 2021 and extended to other brands and markets in 2022).

These commitments, combined with a reduction in the flow of air transported goods, the development of green stores and the limitation of single-use products help to reduce the Group's carbon impact.

Lastly, SMCP involves all its passionate entrepreneurs in these efforts, by promoting inclusion and diversity, development and mobility, and by focusing on well-being at work.

2.5.3 The phygital network strategy to expand customer contact

This second pillar is based on:

- an optimised physical store network, with more welcoming and engaging stores;
- increased digital penetration to reach at least 25% of sales in the medium-term;

SMCP's phygital strategy is based on a 360° knowledge of customers, an optimised and unified stock, the deployment of omnichannel services, and harmonised payment systems.

The Group has the necessary infrastructure to support its digital strategy, including a centralised team. It also continues to invest to improve the customer experience and provide a leading ease of purchase, notably by shortening delivery time periods, proposing new delivery and payment options and increasing the quality of packaging for online orders.

SMCP has implemented many omnichannel services since 2017, such as e-reservation, virtual shopping, click and collect, store-to-web (the purchase on tablets in a physical point of sale) and ship from store. In addition, the Group accelerated its responsible momentum with the launch of second hand at Sandro and the rental service at Maje.

With this new approach, SMCP intends to accelerate its organic growth[1] in e-commerce, improve the customer experience and never miss a sale.

The Group intends to pursue its phygital approach in each region, by adopting a global vision, integrating both digital and physical presence. To do so, the Group plans to:

- continue to gain market share in the physical network on a like-for-like basis, and develop e-commerce organic growth in **France**. The Group will rely on an optimised network (discontinuation of the Suite 341 format) that it will continue to make changes to;
- complete its targeted store network in **Europe** and continue its omnichannel development;
- continue to develop the **APAC** region, investing in digital and continuing to expand into new key cities in China and the rest of Asia. There will be a specific focus on new distribution channels (for example, duty free, as in Hainan, or travel retail in airports) and digital;
- take advantage of the current dynamism of the **North America** market, both in physical and digital stores, and complete the network with a few openings in states with high populations and footfall/traffic.

At the same time, the Group plans to expand its presence through its partnerships in areas in which it already operates such as South Korea, Mexico and the Middle East, but also through tactical entrances in new countries.

Over the coming years, SMCP intends to continue its omnichannel development.

2.5.4 Stronger Group infrastructure to push the boundaries of excellence

SMCP intends to continue to strengthen its business model, maintaining agility, speed and efficiency:

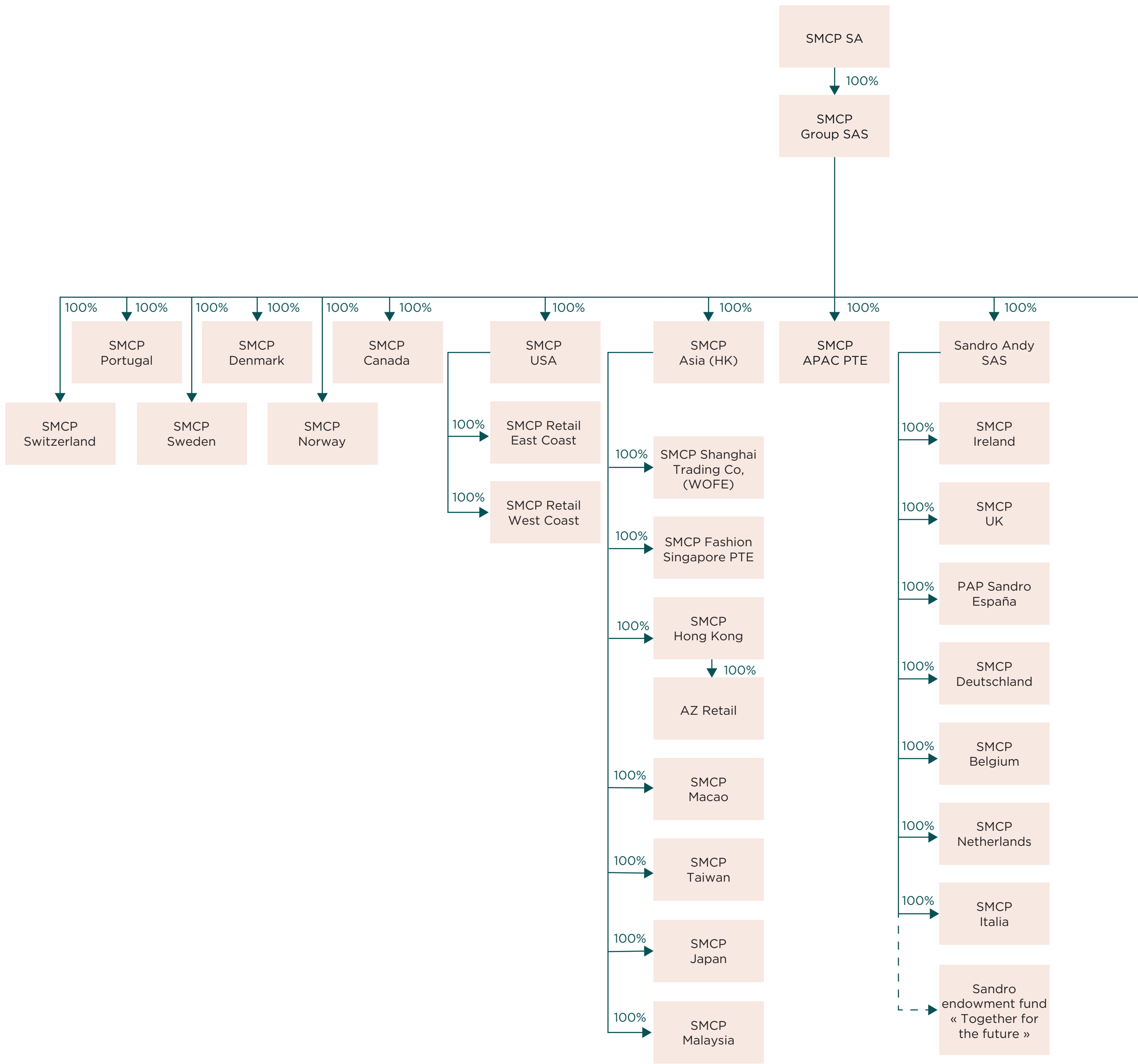
- through the implementation of centralised global demand planning, enabling inventory optimisation and an increase in non-discounted sales. In other words: buy less, buy better, and propose the right product in the right place at the right time;
- by leveraging an agile and robust supply chain, and a strengthened IT platform, based on the best software on the market.

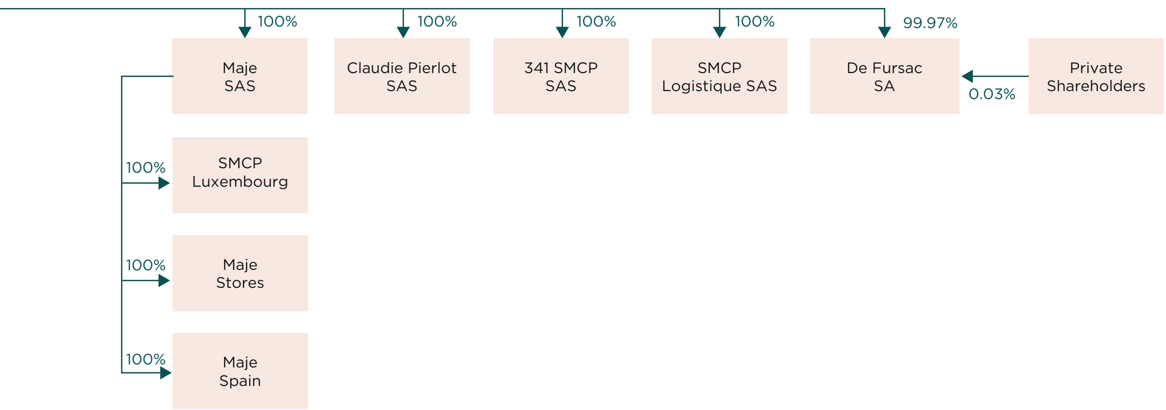
(1) All references to "organic growth" in this document correspond to revenue growth at constant scope and exchange rates.

2.6 Organisational structure

2.6.1 Legal organisational structure of the Group as at December 31, 2022

The percentages indicated in the organisational chart below represent the capital and voting rights held as at December 31, 2022:




100%
100%
100%
100%
99.97%
Maje SAS
Claudie Pierlot SAS
341 SMCP SAS
SMCP Logistique SAS
De Fursac SA
0.03%
Private Shareholders
100%
SMCP Luxembourg
100%
Maje Stores
100%
Maje Spain

2.6.2 Subsidiaries and equity interests

MAIN SUBSIDIARIES

The principal direct or indirect subsidiaries of the Company on the date of this universal registration document are as follows:

- **SMCP Group SAS** is a French simplified joint-stock company with capital of €107,365,480, having its registered office at 49, rue Étienne-Marcel, 75001 Paris, France, registered under number 819 258 773 in the Paris Trade and Companies Register. It is a holding company. By decision of September 30, 2022, in its capacity as sole shareholder of SMCP Holding SAS, it decided to dissolve the latter without liquidation, with a universal transfer of assets in its favour;
- **Maje SAS** is a French simplified joint-stock company with capital of €100,000, having its registered office at 2, rue de Marengo, 75001 Paris, and registered under number 382 544 310 in the Paris Trade and Companies Register. It is the Group's holding and operating company for the Maje brand in France;
- **Sandro Andy SAS** is a French simplified joint-stock company with capital of €279,344, having its registered office at 150, Boulevard Haussmann, 75008 Paris, and registered under number 319 427 316 in the Paris Trade and Companies Register. It is the Group's holding and operating company for the Sandro brand in France. In 2021, it created an endowment fund, "TOGETHER FOR THE FUTURE", governed by law no. 2008-776 of August 4, 2008 on the modernisation of the economy, decree no. 2009-158 of February 11, 2009 and decree no. 2015-49 of January 22, 2015 relating to endowment funds, which has two main missions: to raise funds through exclusive collections and eco-responsible actions, then donate them to community causes that echo the Sandro family spirit;
- **Claudie Pierlot SAS** is a French simplified joint stock company with capital of €18,149,449, having its registered office at 2, rue de Marengo, 75001 Paris, and registered under number 328 759 857 in the Paris Trade and Companies Register. It is the Group's holding and operating company for the Claudie Pierlot brand in France;
- **De Fursac SA** is a French public limited company with capital of €2,787,670.01, having its registered office at 112, rue de Richelieu, 75002 Paris, and registered under number 378 486 096 in the Paris Trade and Companies Register. It is the Group's holding and operating company for the Fursac brand in France;
- **SMCP USA Inc.** is an American company with a capital of 1 US dollar, whose registered office is located at 2711 Centerville Road Suite 400, Wilmington, Delaware 19808 and registered under number 4850860 in Delaware. It is the Group's holding company for its United States business;
- **SMCP Shanghai Trading Co. Ltd** is a limited liability company incorporated under Chinese law with capital of US$5,000,000, having its registered office at Room 701, Floor 7, North Annex of building 1, No. 757 Jiaozhou Road, Jing'An District, Shanghai, China, and registered under number 06000002201706220015 in Shanghai. It is the Group's operating company for Mainland China;
- **SMCP Asia Limited** is a private company governed under Hong Kong law with capital of HKD 1, having its registered office at Unit 3203A-5A, 32/F, The Centrium, 60 Wyndham Street, Central, Hong Kong SAR, and registered under number 1838474 in Hong Kong SAR. It is the Group's operating company for Asia.

2.7 Legislative and regulatory environment

As a result of its retail sales activity, the Group is subject, in each of the countries where it is present, to regulations on consumer protection, e-commerce, product liability, protection of personal data, opening hours for points of sale, international commerce and customs duties. In the European Union (and notably in France), where the Group conducts a large proportion of its business, the regulatory framework consists of directives which have to be transposed in each Member State.

2.7.1 Consumer protection and e-commerce

As a distributor, through its various points of sale and websites, the Group is subject to a set of strict rules governing sales and relations between merchants and consumers (such as labelling, terms of sale, regulation on unfair practices and e-commerce specific rules), and more generally, the functioning of its retail stores (such as opening days, sales periods, administrative approval for trading, regulations covering buildings open to the public, accessibility and safety).

At the European level, the main Directive on consumer law is Directive 2011/83/EU of October 25, 2011 on consumer rights. This directive has fully harmonised various aspects of consumer and contract law applicable to sales between professionals and consumers at the European level, such as the obligation of information incumbent on the vendor (including the price and the availability of after-sales service) and the right of cancellation for online sales. However, in other areas, such as those covered by Directive 2019/771 of the European Parliament and Council of May 20, 2019 on certain aspects concerning contracts for the sale of goods, Directive 94/62/EC on packaging and packaging waste and Directive 93/13/EEC of April 5, 1993 on unfair terms in consumer contracts, there are currently only minimal harmonisation rules. Member States may supplement the rules with more stringent national regulations.

French law in particular tends to reinforce consumer protection. Thus, Directive 2011/83/EU was transposed into French law in the French Consumer Code by law no. 2014-344 of March 17, 2014 on consumption and decree no. 2014-1061 of September 17, 2014 on the obligation of pre-contractual and contractual information for consumers and the right of cancellation. The French Consumer Code provides for a system of consumer protection and failure to comply with its provisions may result in financial penalties. Under Articles L. 221-18 *et seq.* of the French Consumer Code, with certain exceptions, consumers have the right to withdraw their acceptance of contracts entered into remotely. Consumers have a period of 14 full days to exercise their withdrawal right without explanation. In addition, Article L. 623-1 of the French Consumer Code relating to class action, allows consumers to obtain compensation for financial loss resulting from material damage suffered in the course of the sale of goods or the provision of services. In addition, pursuant to law no. 2004-575 of June 21, 2004 on confidence in the digital economy, service providers and vendors of goods must provide certain detailed information to consumers when contracts are concluded remotely by electronic means. Professional sellers have an obligation to inform consumers at several stages of the contractual process: before the order is placed, at the time the consumer places the order, to enable the consumer to check the details, and after the contract is entered into, no later than when the good or service is delivered.

Furthermore, order no. 2016-131 of February 10, 2016 on contract law reform, the general scheme and the proof of obligations significantly modified the French rules on the law of obligations by introducing new provisions regarding co-contractors' protection, such as the unwritten nature of the provisions creating a significant imbalance between the rights and obligations of the parties to the contract within adhesion contracts or by setting up an obligation to renegotiate the rights in the event of the occurrence of unforeseen circumstances.

In the United States, many laws, at both the Federal and State levels, govern the relationships between retailers and consumers of textile products. At the Federal level, the Textile and Wool Acts, the application of which is controlled by the Federal Trade Commission, applies to the sale of textile products. They require a label to be affixed detailing the composition, country of origin and identity of the manufacturer. At the State level, many of them, Delaware in particular, have adopted the Uniform Deceptive Trade Practices Act, which regulates fraudulent business activities and misleading advertising.

2.7.2 Product liability

As a vendor and distributor, the Group is liable for any harmful consequences of the products it sells or distributes. This liability may be criminal or civil on the basis of several regimes, some of which are summarised below. Moreover, contracts concluded between the Group and its suppliers provide in principle for clauses on compliance with applicable standards and regulations, compensation mechanisms, guarantees relating to supplier qualification (such as reputation, financial health, existence of adequate insurance policies and compliance with applicable standards and regulations) and "product return" clauses under which the supplier undertakes to take back products subject to certain conditions.

Directive 2001/95/EC of December 3, 2001 on general product safety imposes a general obligation of safety for all products placed on the market intended for consumers or which may be used by them. In France, order no. 2004-670 of July 9, 2004 transposes this Directive and aligns French domestic legislation with Community law on product safety and conformity. Pursuant to Article L. 421-3 of the French Consumer Code, "products and services must, under normal conditions of use or under other circumstances that may reasonably be foreseen by the professional, offer the safety that can legitimately be expected and must not be a danger to public health".

The Group, as a distributor, must adopt all useful measures to achieve compliance with all obligations of safety and the absence of harm to consumers' health as provided by the legislative and regulatory texts. A safe product is one which does not present any risk or which presents only reduced risks (compatible with use of the product) which are acceptable, such that the product ensures a high standard of protection for the health and safety of consumers. When a distributor is informed that products intended for consumers which it has placed on the market do not satisfy the requirements of safety and of avoidance of any harm to consumers' health, it must immediately inform the competent administrative authorities, indicating the actions it intends to undertake to prevent risks to consumers. Distributors must also refrain from supplying products which they are aware, on the basis of information in their possession and their status as professionals, do not satisfy the safety obligations provided by the texts. Finally, distributors must contribute to the safety of products placed on the market by forwarding information concerning the risks linked to these products, by maintaining and providing the necessary documents to ensure traceability and by cooperating in actions taken by manufacturers and competent administrative authorities to avoid risks.

Lastly, pursuant to Articles 1245 *et seq.* of the French Civil Code, the Group is liable for personal injuries and damage to property of a value exceeding €500 caused by products which do not offer the degree of safety which the Group's customers can legitimately expect and of which the Group states that it is the manufacturer by affixing its name, brand or any other distinctive sign on the products. Excluding fault, liability actions are statute-barred ten years after the placing on the market of the product causing the damage, unless the victim has brought legal proceedings during this period. An action for compensation is statute-barred after three years. As related to consumers, clauses which seek to eliminate or limit liability for defective products are prohibited or deemed void.

In the United States, the Consumer Product Safety Act regulates the safety of consumer products such as those sold by the Group and vests in the United States Consumer Product Safety Commission the power to establish regulatory standards and recall defective products.

2.7.3 Regulations on the protection of personal data

In connection with its business, the Group collects and processes personal data concerning customers of its retail stores and its websites users.

In the European Union, Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the General Data Protection Regulation, the "GDPR") is the reference framework for the processing of personal data in all member countries. It completes the French data protection law no. 78-17 of January 6, 1978, which is currently still in force.

The GDPR applies to the automated or manual processing of personal data if the data concerned are contained or intended to be contained in a file. The concept of "personal data" is broadly defined as any information concerning a directly or indirectly identified or identifiable natural person, irrespective of the country of residence or nationality of that person. It compels personal data processing controllers in the European Economic Area Member State or those making use of processing systems located in the territory of a European Economic Area Member State to adopt a number of measures prior to data collection, during their storage and until they are deleted. Under the GDPR, the "data controller" is the person or entity which alone or jointly with others, decides on the purposes and means for the processing of personal data.

The GDPR also imposes a set of obligations concerning customer information, notably exercise of the right to access, correct or delete data contained in files. In particular, the nature of the banking data provided by customers while making an online purchase has led to the adoption of strict and highly secure data storage conditions and measures. The collection and storage of data is subject to compliance with the instructions of the GDPR. Beyond the transaction, the storage of such data is subject to the customer's consent and can occur for a limited period only. The French National Data Protection Commission (CNIL) has powers of control and investigation, and to issue injunctions and impose administrative penalties. Finally, failure to comply with the provisions of the GDPR may give rise to civil, administrative or criminal penalties. The CNIL can apply fines that may be as high as €20 million or 4% of the overall annual revenue of the legal entity concerned. In addition to these financial penalties, the CNIL may publish the warnings and penalties that it issues.

This legal framework for the protection of personal data in the European Union is intended to reinforce individual rights, give them more control over their personal data and more generally guarantee privacy rights. These rules are designed to ensure that people's personal information is protected, no matter where it is sent, processed or stored, even outside the European Union. These arrangements also introduce an obligation for companies to report any loss or theft of personal data, to collect the minimum personal information, to verify the impact of their projects on personal data protection and lastly to appoint a Data Protection Officer (DPO) in charge of managing these issues within the Company. The General Counsel fulfils the duties of the DPO within the Company.

2.7.4 Regulation of opening hours

In almost all countries where the Group has a presence, the opening and closing hours of shops are regulated, notably during weekends and on public holidays.

In Europe, the regulations on opening hours derive in particular from Directive 2003/88/EC of November 4, 2003 concerning certain aspects of the organisation of working time, amending Directives 2000/34/EC of June 22, 2000 and 93/104/EC of November 23, 1993. The Directive establishes working time rules to protect the health and safety of workers. The text imposes minimum requirements for working time, rest time, the entitlement to paid leave and night working. As at the date of this universal registration document, the Directive has not been transposed into French law.

In France, law no. 2015-990 of August 6, 2015 on growth, activity and equality of economic opportunity amended the legislation on Sunday and evening opening hours for stores. For Sunday working, without calling into question the principle of weekly rest for employees as a priority on Sunday, this law amends the regime through the following derogations: those granted to retail establishments in particular geographic areas, including tourist areas and municipalities, those authorised by the prefect when closing of the establishment is damaging to the public or interferes with the normal functioning of the establishment and those granted to retail shops by the municipal government. There are four types of geographic area in which an employer may allow weekly rest days on a rolling basis for all or some staff (tourist areas, commercial areas, "international tourist areas" and very busy railway stations). This option is offered to retail establishments which supply goods and services and affects many of the Group's points of sale in France.

On December 17, 2015 the Group concluded a collective agreement with trade union representatives to implement the provisions of law no. 2015-990 on Sunday and nighttime working. This agreement governs the applicable rules for the Sunday opening of the Group's points of sale as at February 1, 2016. It allows the Group to open a significant number of additional points of sale on Sunday, in Paris in particular.

Law no. 2016-1088 of August 8, 2016 also reformed nighttime working. In principle, any work performed during a period of at least nine consecutive hours, including the period between midnight and 5 a.m., shall be considered as nighttime working. The night work period begins no earlier than 9 p.m. and ends no later than 7 a.m. Pursuant to Article 8 of law no. 2016-1088, by way of exception, for retail establishments providing goods and services in international tourism areas, the nighttime working period, if it begins after 10 p.m., shall be at least seven consecutive hours including the period between midnight and 7 a.m.

In the United States, the regulations applicable to opening hours are largely decentralised. By way of illustration, the blue laws which restrict Sunday working have gradually been abolished and States have established their own regulations. The rules are varied and depend on the economic interests at stake, and the cultural context.

2.7.5 Regulation of bulk selling, sales, price reductions and stock liquidations

As a distributor, the Group is subject to a set of strict rules on bulk selling, sales, price reductions and stock liquidations.

At the European level, Directive 2019/2161 of November 27, 2019 concerning consumer protection and particularly unfair business-to-consumer commercial practices in the internal market is applicable to bulk selling, sales and stock liquidations. The text establishes a general prohibition on unfair business-to-consumer commercial practices, such as selling loss leaders.

In France, the regulations are established in the French Commercial Code in Articles L. 310-1 *et seq.* and R. 310-2 *et seq.* The legislation establishes a framework for stock liquidations, bulk selling and sales to guarantee fair competition between traders and ensure consumer protection. Law no. 2008-776 of August 4, 2008 on the modernisation of the economy has made the regime for these practices more flexible by replacing administrative authorisations by advance declarations and allowing traders more freedom to choose sales periods. Moreover, the two periods of annual sales (usually from January to February and from June to August) have been increased from five to six weeks and flexible sales periods were abolished by law no. 2014-626 of June 18, 2014 on crafts, commerce and very small businesses.

Furthermore, following publication of order no. 2021-1734 of December 22, 2021 on consumer protection, any price reduction announcement is lawful provided it does not constitute an unfair business practice within the meaning of Article L. 121-2 of the French Consumer Code. When a price reduction announcement is made in a commercial establishment, the labelling, the marking or display of the prices carried out according to the provisions in force must specify, as well as the reduced price being announced, the reference price determined by the advertiser and from which the price reduction is announced, it being specified that the reference price must correspond to the price charged previously, *i.e.* the lowest price in the 30 days preceding the application of the reduction. Lastly, the announcer must be able to prove the reality of the reference price on which the reduction is based.

In the United States, brands may freely determine the dates and frequencies of sales periods.

2.7.6 Legal framework governing private sales

In the course of its activities, the Group must comply with the provisions applicable to "private" sales. Since the passage of law no. 2008-776 of August 4, 2008 on the modernisation of the economy, private sales may be conducted outside of legal end-of-season sales periods. Unlike end-of-season sales, which are governed by Articles L. 310-3 and L. 310-5 of the French Commercial Code, private sales may not result in selling at a loss and may not legally be called "sales".

The Group must also comply with legislation applicable to sales at reduced prices, including Directive 2019/2161 of November 27, 2019 on consumer protection and in particular on unfair business-to-consumer commercial practices in the internal market. In France, order no. 2021-1734 of December 22, 2021, transposing the above-mentioned Directive, addresses price reduction announcements to consumers. Price reduction announcements must not constitute unfair competitive practices within the meaning of Article L. 121-1 of the French Consumer Code. In this respect, the website concerned must present the reference price from which the price reduction is announced, *i.e.* the lowest price charged during the 30 days preceding the application of the reduction, the amount of the reduction and the reduced price. The website operator must be able to prove the reality of the reference price on which the reduction is based.

2.7.7 International trade and customs duties

The Group's products are manufactured and distributed mainly in Europe, North Africa and Asia. In the European Union internal market, the principles of free movement of goods apply. For the import and export of goods from countries which are not members of the European Union, the Group is subject to national and European regulations on customs and foreign trade. In particular, the basic customs legislation of the European Union is set out in the Customs Code of the Union adopted on October 9, 2013 as Regulation (EU) No. 952/2013 of the European Parliament and of the Council.

Although imports and exports are not subject in principle to customs duties inside the European Economic Area (EEA), the movement of goods beyond the borders of the EEA may be subject to customs controls.

2.7.8 Tax regulations

The SMCP group and its subsidiaries comply with the tax regulations in force in terms of direct taxes (corporate income tax) and indirect taxes (including VAT) for both its retail and distance selling activities. The SMCP group declares and pays taxes in each tax jurisdiction in which the group companies operate.

With respect to transfer pricing legislation, SMCP applies the arm's length principle and the methods recommended by the OECD. The SMCP group's transfer prices mainly concern the sale of goods, the invoicing of financial interest *via* a cash centralisation company located in France, and the invoicing of registered office expenses.

In no country does SMCP have a tax ruling (i.e. advance tax agreements on transfer pricing) with any tax authorities.

The DAC 6 Directive requires intermediaries, and in some cases taxpayers themselves, to report potentially aggressive international tax transactions to the tax authorities, based on the presence of at least one marker covered by the Directive. SMCP has no scheme covered by this regulation and ensures that all its entities comply with the tax regulations in force.

SMCP cooperates transparently with the tax authorities of the various countries in which it operates, both during tax audits and in response to simple requests for information.

2.7.9 Environmental regulations

See Chapter 6 "Non-financial Performance" in this universal registration document.

3

Risk factors and internal control

3.1 Risk factors

Introduction

In accordance with Article 16 of European Regulation 2017/1129, as of the date of this universal registration document, risk factors include those the Company believes are likely to have a material adverse effect on the Group, its business, reputation, financial position, earnings, development and prospects. However, investors are urged to consider the fact that the list of risks is not exhaustive and that other risks, which might be unknown or whose occurrence, as of the date of this universal registration document, is not considered likely to have a material adverse effect on the Group, its business, financial position, earnings, development or prospects, may or could exist or occur.

The Group's risk mapping was updated in December 2022 and assesses the criticality of the risks, *i.e.* their severity in terms of operational, financial, legal/regulatory and reputational impact for the Group, as well as their probability of occurrence, after taking into account the prevention plans and risk management system in place. The risk factors identified were submitted to the Audit Committee and the Board of Directors for approval in February 2023.

The significant and specific risk factors to which the SMCP group is exposed are presented in five categories:

- operational risks;
- risks related to the Group's strategy and organisation;
- risks associated with the Group's social and environmental responsibility;
- financial risks;
- legal and regulatory risks.

The table below ranks the risks in each of these categories according to their level of criticality, in decreasing order of importance according to a three-level scale: "high", "medium" and "moderate". The categories are not ranked in order of importance.

Risk category	Description of the risk	Criticality level*
Risks related to the Group's operations	• Macroeconomic, geopolitical and health events	High
	• Cyberattacks, IT systems and fraud	High
	• Group shareholding structure	High
	• Brand reputation, integrity and image of the Group	Medium
	• Logistics and efficient order processing	Medium
Risks related to the Group's strategy and organisation	• Group development strategy	Medium
	• Competition and consumer expectations	Medium
	• Transformation and agility of information systems	Medium
	• Talent and key people management	Medium
	• Management of lease and concession agreements with department stores	Moderate
Risks associated with the Group's social and environmental responsibility	• Suppliers, manufacturers and products	Medium
	• Respect for human rights, fundamental freedoms and ethics	Medium
	• Evolution of major global climate and biodiversity issues	Medium
Financial risks	• Liquidity	Medium
	• Foreign exchange, interest rates, credit and/or counterparty	Moderate
Legal and regulatory risks	• Regulatory and legislative changes	Medium
	• Litigation, intellectual property and anti-counterfeit measures	Medium

* Moderate, Medium, High.

3.1.1 Risks related to the Group's operations

MACROECONOMIC, GEOPOLITICAL AND HEALTH EVENTS

Description of the risk	Risk management
Changes in demand are generally linked to changes in macroeconomic, geopolitical and health conditions in the countries where the Group conducts its business, especially in France, where the Group generated 34% of its revenue during the financial year ended December 31, 2022. As such, demand for the Group's products could be negatively affected by adverse economic conditions and the resulting impact on consumer spending and the movement of people. Purchases of non-essential items such as clothing and accessories may be affected by this unfavourable economic environment. Some economic factors beyond the Group's control influence consumer spending, such as changes to inflation (salaries, rent, energy etc.), actual disposable income, household purchasing power, increases in taxes and consumer perceptions of overall economic conditions and prospects for the future. Footfall in the Group's stores also depends partly on tourism and generally the movement of people, as most of the Group's retail stores are located in urban centres and tourist areas. Changes in these areas may fluctuate wildly due to the general economic conditions, restrictions to free movement and other exceptional events, such as international conflicts (war in Ukraine, tensions between China and the United States), terrorist attacks, social unrest, natural disasters or health crises. Economic, geopolitical or health problems could have an adverse impact on the Group's sales.	In order to limit the negative impact of unfavourable macroeconomic conditions on its activities, the Group focuses its development on several areas: **(i)** geographical diversification: the Group continues to develop its international presence, with a gradual reduction in its historical market exposure (the Group's revenue generated in France fell from 46% to 34% between 2016 and 2022), and a presence in 47 countries at the end of 2022; **(ii)** diversification of distribution channels: online sales increased by 42% between 2019 and 2022; **(iii)** work on positioning: the accessible luxury market segment is characterised by a large customer base; **(iv)** procurement: the Group also strives to diversify its sourcing methods and remain agile in its logistics operations; **(v)** specific review of contracts, such as energy contracts for example. In the context of the current global health crisis, the Group has rolled out measures to reduce and optimise its entire cost structure and investments, including the renegotiation of commercial leases in all its regions. The Group has adopted a prudent policy of opening new points of sale, which aims to spread risks over several geographical areas.

CYBERATTACKS, IT SYSTEMS AND FRAUD

Description of the risk

The Group's success depends on the continuous, uninterrupted availability of its information technology systems, notably to process customer transactions and to manage its supplies, purchases and deliveries of its products. Telecommunications difficulties, software or information technology centre failures, the unavailability of internal resources, fires, electrical failures, third-party attacks (such as hacking or computer viruses) and any delay in or inability to install new information technology systems could adversely affect the capacity and availability of the Group's IT systems. The increase in cybersecurity threats worldwide may also impact the Group. Any major disruption to, or slowdown in, the Group's infrastructures could cause losses or delays in processing information, resulting in delayed deliveries to its points of sale and customers or loss in sales.

Moreover, the security systems installed by the Group may prove inadequate to prevent loss or theft of information or disruption to its IT systems and may lead to dysfunctional operations for the Group. New inventive and adaptable fraud attempts observed on the market may also threaten the Group's protection systems.

Lastly, the personal customers data the Group collects for marketing purposes may also be subject to theft or misuse. In this case, the image of the Group's brands could be tarnished and Group customers could be dissuaded from sharing their personal data, impacting the effectiveness of the Group's marketing and its image, which could have a material adverse effect on its business activities, financial position, results of operations or prospects.

Risk management

The Group, through its Chief Information Security Officer, has structured a set of actions to reduce the probability and impact of cyberattacks, based around four areas:

1) A strategic and operational annual roadmap of technical projects and activities defining the Group's vision and priorities in terms of IT security;
2) Securing and auditing partners;
3) An Information Security Management System (ISMS), incorporating current procedures and charters;
4) A programme to raise employee awareness of IT risks (*via* newsletters & e-learning).

The cybersecurity organisation has access to an ecosystem of external experts and also relies on contacts in the geographical areas, local contacts for cybersecurity activities, both during project phases and during operational and supervision phases. Monitoring is also an important subject within the cybersecurity organisation.

The roadmap includes business continuity plans, which are updated and tested to ensure their effectiveness. In addition, each year, several projects are devoted to improving and adapting the Group's information systems. In 2022, the Group deployed an Endpoint Detection and Response (EDR) solution, a Multi Factor Authentication (MFA) solution, a Web Proxy to secure web traffic, a Move to Cloud project enabling enhanced resilience of infrastructure and lastly, an IT asset manager.

Regular IT security audits are carried out to identify remediation plans which primarily consist of personal data security, monitored on a weekly basis by the security team, taking into account the criticality of any identified weaknesses. The Group relies on highly qualified partners in the field of security audits, including internal and external penetration tests.

The various policies and procedures that are part of the ISMS (Information System Security Policy or ISSP, procedure for managing cybersecurity incidents and crises, rules for the protection of workstations and teleworking, provided as an appendix to the IT charter, etc.) are reviewed annually, communicated to employees and available on the Group's intranet. The Group selects partners whose level of security it ensures through a contractual appendix, which is updated annually, called the Security Assurance Plan, based on the international standard ISO 27001.

Moreover, the Internal Audit and Control Department ensures compliance with key controls and management procedures. It regularly raises awareness of the risk of fraud and reiterates best practice and specific procedures for preventing fraud. Lastly, the Group is continuing its awareness-raising work *via* newsletters, phishing-type test campaigns and training teams to help detect and defeat attempted fraud or cyberattacks. Mandatory e-learning training courses are provided to all Group employees.

In terms of governance, the Group has set up two committees, a quarterly Security Committee, in the presence of the Executive Committee members, to present the changes in the Group's cybersecurity maturity, and a bimonthly Operational Committee under the supervision of the Operations and Transformation Department, with the aim of carrying out detailed monitoring of action plans.

GROUP SHAREHOLDING STRUCTURE

Description of the risk

The composition of the Company's shareholding structure underwent significant changes at the end of the 2021 financial year, as a result of the default of its former majority shareholder, European TopSoho S.à r.l. ("ETS") in respect of bonds exchangeable for SMCP shares maturing in September 2021 (see paragraph 8.1.2 for a detailed description of these changes). A 37% stake in SMCP's share capital was pledged to guarantee the redemption of these bonds.

As a result of these changes, and as of the date of this document, the Company's main shareholders are as follows:

- GLAS, the trustee of the aforementioned exchangeable bonds: 28.8% of the share capital (*i.e.* 25.5% of the voting rights);
- ETS: 8% of the share capital (*i.e.* 14.1% of the voting rights).

Finally, a stake corresponding to 16% of the share capital and 14.1% of the theoretical voting rights was sold by ETS to a third party, presented by ETS as Dynamic Treasure Group.

On March 1, 2023, a press release was issued by Alastair Beveridge and Daniel Imison of Alix Partners UK LLP, acting as receivers, announcing the launch, on behalf of the bondholders and GLAS, of a process to sell the pledged stake of approximately 37% of the capital (corresponding to the cumulative shareholdings of GLAS and the aforementioned ETS). Were these shares to be sold on the market, or if such a sale was perceived as imminent or probable, the market price of the Company's shares could be significantly impacted. See paragraph 8.1.2 "Changes in the shareholding structure".

In addition, should repayment of the sums due by ETS be made before an agreement is concluded between GLAS and a buyer, the recovery by ETS of the Company's shares could result in a new significant change in the shareholding and governance of the Company, in particular the composition of its Board of Directors.

The Group's exposure to such potential changes in governance and the resulting uncertainty could affect its ability to implement its strategic roadmap, and affect its business, results, financial position or outlook.

Risk management

In this context, the Company's Board of Directors considered it necessary to initiate a review of the recomposition of its share capital in order to stabilise and consolidate its shareholding structure.

The Board of Directors has thus decided to set up an *ad hoc* Committee to steer the discussions on this issue, in the strict interest of the Company, its employees and all of its shareholders and stakeholders. As of the date of this document, this *ad hoc* Committee comprises the following three members:

- Ms Orla Noonan, Independent Director, who chairs it,
- Mr Xavier Véret, Independent Director,
- Mr Christophe Cuvillier, Independent Director.

More generally, the Company relies on the following rules and procedures in order to better identify the components of its shareholding structure:

- the Company's Articles of Association provide that any shareholder exceeding the threshold of 1% of the share capital or voting rights (and any multiple of 1%) must inform the Company thereof within four trading days;
- shareholder identification studies are carried out periodically, and at least once a year.

In addition, the Company's governance bodies are organised in such a way as to ensure their total independence.

BRAND REPUTATION, INTEGRITY AND IMAGE OF THE GROUP

Description of the risk

The financial performance of the Group is closely related to the success and reputation of its four brands, Sandro, Maje, Claudie Pierlot and Fursac, which themselves depend on factors such as the design of the clothes, their distinctiveness and quality, as well as the image of the Group's points of sale, its business activities, its relationship with the public and its marketing policy.

The integrity and reputation of Group brands are two of its most important assets and form an essential part of its growth strategy, which is based on exploiting their value. Products or a communication policy that do not adequately reflect the brands' image, inappropriate conduct by brand ambassadors, their staff, Group suppliers or distributors, as well as any circulation of damaging information in the media could affect the Group's brand recognition and image and thus have a marked impact on their value.

Litigation or complaints as described in the risk related to litigation, intellectual property rights and anti-corruption measures, if not overturned by the Group, could damage the image of the Group's brands and have a material adverse effect on the Group's business, results, financial position or outlook.

Moreover, the Group may be confronted with the resale of products purchased in large quantities in its European points of sale by networks that have not been approved by the Group. If this activity, which has gained ground particularly in Asia, were to intensify significantly, it could have an adverse effect on the Group's brand image, particularly because the way in which such products are marketed, including the way they are presented on resale websites, does not comply with the standards the Group imposes.

These factors could have a material adverse effect on the Group's business activities, financial position, results of operations or prospects.

Risk management

The Group places particular importance on protecting the reputation and image of its four brands, Sandro, Maje, Claudie Pierlot and Fursac, and controlling their use. It has filed for protection or restriction of the use of its trademarks in all countries where it wishes to protect its rights.

The Group ensures that the strategic choices of growth and development of its brands build up their value.

In addition, it ensures that the image of its brands is directly controlled throughout the distribution network; for example, its partners and affiliates must adopt a concept for their points of sale that is identical to that of the Group's directly operated stores (by implementing the recommendations in the Group's "concept book").

The Group continuously monitors the media and social networks and has a crisis management system that enables it to identify, control and limit the impacts on it.

The Group has rolled out the following to its employees:

- A Code of Ethics;
- A Policy on the prevention of corruption and conflicts of interest;
- A Supplier Code of Conduct.

These documents are sent to all Group employees as well as to new employees as soon as they join the Group, and are available on the SMCP intranet. The SMCP Group's partners are also made aware of compliance with the ethical rules set out in the Supplier Code of Conduct available on the external website in the CSR section under "Ethics & CSR Documents".

In addition, the Group has rolled out an indirect purchasing policy in response to the Group's strong desire to secure its relations with its suppliers during the various phases of selection, commitment and monitoring. This ensures that the selected suppliers are reliable, that they comply with all applicable laws and regulations as described in the SMCP Supplier Code of Conduct, and that they have benefited from fair business opportunities, to guarantee performance and safety for all.

Lastly, the Group actively pursues a policy of judicial remedy against counterfeiting or, more generally, fraudulent use of its trademarks.

LOGISTICS AND EFFICIENT ORDER PROCESSING

Description of the risk	Risk management
The Group manages part of the logistics internally, through its subsidiary SMCP Logistique, but also subcontracts a significant portion of its logistics and operational processes to external service providers. The Group mainly subcontracts the delivery of orders to its customers and as such is exposed to any shortcomings or defaults of its service providers, such as delivery delays, losses or theft of goods. If the Group fails to manage its logistics network properly and efficiently, it could be faced with excess logistics capacity or, conversely, insufficient capacity, as well as increased costs or delays in supplying its points of sales and delivering orders to customers. Any breakdown or disruption, in whole or in part, of the Group's logistics network or of the activities of its service providers, or international transportation disruption resulting for example from information technology malfunctions, equipment failure, strikes, accidents, natural disasters, pandemics, acts of terrorism, vandalism, sabotage, theft and damage to products, failure to comply with applicable regulations, or any other disruption could affect the Group's ability to supply its points of sale, make timely deliveries to purchasers or maintain an appropriate logistics chain and level of inventory. Any damage or destruction of one or more of the Group's warehouses or those of its logistics service providers, or any theft or vandalism within these warehouses, could result in the destruction or loss of all or a portion of the Group's inventory and fixed assets located in these warehouses, and have a significant impact on the Group's ability to distribute products to its points of sale and to maintain an appropriate logistics chain and inventory levels.	**Warehouses** In order to efficiently manage order processing, the Group relies on three internal sites in France, located in the Paris region, and a semi-automated order picking system. Abroad, the Group relies on four outsourced sites (one site in the United States in New Jersey, one site in Hong Kong to serve South-East Asia and two sites in Shanghai). The warehouses and their inventories are covered by the Group's insurance policies as described below in paragraph *3.2. Insurance and risk coverage*. Our warehouses are equipped with an early fire detection system, as well as a sprinkler system. In addition, barrier screens and fire doors prevent the potential spread of a fire. In the event of destruction of part of the preparation equipment (finished product warehouses, inventory intended for customers and shops), the inventory and staff can be transferred to one of the other warehouses which has the infrastructure and IT systems to manage this surplus of activity. **Inventories** In addition, a destruction of inventory would be covered by our insurance (lost products and sales), leaving us the possibility of absorbing the loss before launching and receiving a replacement production. In addition, inventories in transit expected for waves of product launches later in the season would be used upon receipt. In the event of destruction of materials or equipment in the raw materials warehouse, manufacturers can receive materials directly from suppliers. **Transport** The Group has several transport partners who can be called upon in the event of failure of one of them. These partners offer several route options for the same destination in order to mitigate local risks and unforeseen events.

3.1.2 Risks related to the Group's strategy and organisation

GROUP STRATEGY AND DEVELOPMENT

Description of the risk

With the exception of 2020, which was marked by the Covid pandemic, the SMCP group has experienced sustained growth every year over the last decade, driven in particular by strong international development, by an increase in distribution channels (development of digital), growth in comparable store revenue and a policy of acquiring brands (Fursac in 2019) or distributors (Australia in 2023).

In order to sustain this development, the Group must maintain a relevant linear strategy, allocate the necessary human and financial resources to the right projects at the right time, while ensuring that finances are balanced.

Failure to execute the Group's strategy could lead to:

- a slowdown in growth, leading to an erosion of margins,
- a loss of market share compared to competitors,
- a lower quality of locations making up the store network,
- a lack of attractiveness in recruitment,
- accounting losses related to the loss of value of brands or stores.

Risk management

The Group strives every day to limit the risk related to the execution of the strategy, particularly in respect of its development.

All important and financially significant decisions as well as key processes (multi-year Business Plan, for example) are discussed by the Executive Committee and, depending on their nature or scope, by the Board of Directors.

The Group also relies on strong performance review and decision-making governance:

- brands are independent in their creative process so that they can develop products that are attractive to customers while respecting their uniqueness;
- store openings, renovations, transfers and closures as well as lease renewals are discussed by the Store Committee and are based on a strategic, financial and legal analysis coordinated by the Development Department;
- the Strategy Department coordinates a Strategic Projects Committee to approve each project (outside the network), particularly digital, logistics and IT projects;
- the Finance Department coordinates a monthly performance review, both globally under the Executive Committee and by Business Unit in order to ensure the proper execution of the business plan and dynamically readjust forecasts (rolling forecast);
- reviews are carried out each season (spring/summer and autumn/winter) between the Management Committee of each brand and the Group Executive Committee to discuss the strategy for the season (products, physical and digital distribution, communication etc.);
- where appropriate, the Group works with consultants specialised by theme or by region in order to develop its knowledge of the market and consumer expectations, and to ensure that its strategy is relevant;
- employee managers are assessed on the basis of objectives consistent with the Company's strategy.

Finally, central teams bring together necessary and pooled skills (IT, digital transformation, CSR, architecture, development, logistics, finance, human resources, legal, taxation, strategy, etc.) that support recently-acquired businesses (brands or distribution subsidiaries), thus enabling them to best integrate into the Group, optimise their development and promote synergies and value creation.

COMPETITION AND CONSUMER EXPECTATIONS

Description of the risk

The Group operates in the ready-to-wear and accessories retail market, which is highly fragmented and competitive. Financial resources, means of distribution and historic roots require the Group to make ongoing efforts to improve its competitiveness. If the Group's customers fail to recognise the quality, style and attractiveness of its products and brands, especially compared to those of its competitors, or if the merchandise does not match up to consumer expectations, this could have a material adverse effect on the Group, its business, financial position, results of operations, development and prospects

The success of the Group's model for monitoring trends depends on its ability to identify current, relevant fashion trends and to assess and translate them into appropriate product offerings. Furthermore, the Group launches a single collection in the 47 countries in which it operates, that may accurately reflect consumer trends and preferences in some countries, but not necessarily in all of them.

If the collections offered by the Group do not meet the trends and preferences of consumers and in particular of its target customers, the Group's sales could decline, excess inventory could increase and the Group could be forced to offer more significant markdowns and suffer losses from unsold products.

Risk management

In a highly competitive sector, primarily related to the development of e-commerce and ongoing changes to consumer trends and preferences, the Group endeavours to:

- be present in all possible marketing channels (physical - *free-standing stores, concessions and outlets,* digital - *own or partner websites*);
- closely monitor developments in the markets in which it operates, and particularly the ranges of its main competitors. It also relies on the speed of its production cycle and logistics for rapid upstream marketing of products that satisfy the latest consumer taste trends;
- to place innovation at the heart of its strategy by launching new services aimed at improving the "Customer Experience" and the "Retail Experience";
- monitor market trends, which have recently resulted, for example, in the launch of new activities such as second-hand or rental.

Every year, the Group launches two collections for each of its brands (autumn/winter and spring/summer), with a continuous renewal of the products offered throughout the season, and several "capsule" collections in partnership with other brands or designers.

The Group markets products under four different brand names (Sandro - available in Sandro Men and Sandro Women, Maje, Claudie Pierlot and Fursac) that represent distinctive styles. This diversity ensures that varying and evolving consumer expectations can be met, including its lines of clothing for men (Sandro Men and Fursac) and its range of accessories.

For a number of years, the Group has been strengthening its relationships with its customers, by personalising its communication and boosting its brand visibility through social media, influence and press relations.

TRANSFORMATION AND AGILITY OF INFORMATION SYSTEMS

Description of the risk

The Group's success partly depends on its ability to develop, transform and adapt to specific market factors in order to meet demand in the best possible way.

All of the Group's business activities are supported by its information systems, with POS systems in stores, procurement and order management systems at warehouses and of course e-commerce websites. If the Group fails to align its information systems with the needs of the Company and to adapt to digital transformation (obsolete information systems which cannot support growth), this could negatively impact the Group's business activities. In addition, potential costs and disruption associated with the implementation of new technologies or the proper maintenance of existing systems could impact the effectiveness of the Group's operations.

E-commerce is an increasingly important part of the distribution network (representing 21% of total Group revenue during the financial year ended December 31, 2022). The e-commerce market is characterised by rapid technological change, and the Group might not succeed in developing and improving its e-commerce distribution channels at an appropriate rate to adapt to such changes and contend with competition. The Group's e-commerce retail channel could therefore become less appealing, which could curb its growth or lead to a decline in revenue.

The Group's efforts to develop new, efficient and attractive online interfaces in a timely and profitable way may require substantial investments and could ultimately fail to meet the target goals or ever-changing consumer preferences.

Risk management

The Group relies on its Strategy, Transformation, and Digital departments, its skills, as well as external advice to optimise the development of its business. The multidisciplinary role of the holding teams and systems contributes in particular to the Group's ability to constantly develop and study new opportunities to acquire new markets, brands or partners, as in 2019 with the consolidation of Fursac, or more recently, in January 2023, with the acquisition of the Australian and New Zealand partners. The Group's policy consists of targeting markets or companies with which synergies can be developed, given their business sector and their positioning in the market, and of creating value for the Group.

In addition, the Group has a centralised management of its applications and infrastructure under:

- the Group Operations and Transformation Department;
- a structured governance of all major IT projects.

Each new project is presented to the Group's Strategic Committee for review and approval in the presence of the Group Chief Executive Officer, the Group Chief Operating Officer, the Group Chief Financial Officer and the Group Chief Strategy Officer.

The Group has an adaptable IT infrastructure and a solid roadmap to support its growth and demonstrate agility to carry out its innovative projects while ensuring the upstream integration of relevant security measures. Raising project teams' awareness of cybersecurity issues ensures that we select partners who meet the Group's requirements in this area. Moreover, the Group makes significant IT investments to adapt to technological developments and seize digital opportunities for operational improvement as well as applications and infrastructure offered by information systems upgrades.

The Group's strategy is based on major areas such as omnichannel. The Group also made progress in the implementation of advanced omnichannel functionalities to optimise the customer pathway (*ship from store, e-resa, click & collect, etc.)*.

TALENT MANAGEMENT AND KEY PEOPLE

Description of the risk

The Group's success and its future growth depend on the results of its senior management and design team, organised around Ms Isabelle Guichot, SMCP group Chief Executive Officer, Évelyne Chétrite and Judith Milgrom, founders and Deputy General Managers responsible for the creative policies, design, artistic direction and marketing strategy of the Sandro and Maje brands respectively, and Mr Ilan Chétrite, Deputy General Manager responsible for the creative policies, design, artistic direction and marketing strategy of the Sandro Men collections. In the event of an accident, illness or departure of one or more of these executives or key personnel, the Group might not be able to replace them quickly, which could affect its operational performance. In addition, should its executives, founders or its key employees join a competitor or create a competing business, it could have a negative impact on the Group.

In addition to the management team, an insufficient policy for diversity, employee skills development and talent retention at all levels of the Company would be detrimental to the Group's ability to adapt and develop.

The Group is focused on maintaining harmonious human relations with employees and their representative bodies. Although it strives to ensure harmonious relationships, and while no strikes or similar demonstrations have occurred in the past, the Group cannot guarantee that strikes or similar protests or demonstrations will not interfere with its business in the future.

Lastly, the risk of a health crisis (such as the Covid-19 epidemic), could lead to the infection of one or several Group employees and therefore could force the Group to limit, or even completely cease, business operations at the sites where these employees work, which could have an adverse impact on its business activities. Such events are likely to lead to business interruptions and could damage the Group's reputation.

Risk management

In order to manage the risk related to the possible departure of one or more members of its management or creation team, the Group has, in recent years, been careful to gradually strengthen it with the arrival of new talent, particularly from international groups in the luxury sector or competitors. This strengthening has involved both the creative activity and the operational departments (finance, HR, CSR, brand management, North America and Asia, operations and e-commerce).

This risk management enabled the Group to ensure the succession plan for its Chief Executive Officer with the appointment of Ms Isabelle Guichot in August 2021, who had been Chief Executive Officer of Maje since 2017. Furthermore, the recent appointment of Mr Olivier Germain as Chief Executive Officer of Claudie Pierlot, who was formerly Operations Director for the New Guards Group and the House of Balmain, forms part of the Group's recruitment strategy.

In terms of the key people responsible for creating the collections, the Sandro, Sandro Men, Maje, Claudie Pierlot and Fursac brands bring together more than a hundred designers, stylists and pattern makers.

The Human Resources Department has a policy of continuous training for new employees with a dedicated course. Training is, along with the promotion of internal mobility, one of the major levers to support employees throughout their career in the Group, allowing them to develop their skills. Internal mobility offers employees the opportunity for development and experience in another role, and serves to retain them. The promotion of diversity is covered by dedicated policies that will be strengthened over the coming years.

Employee representation in France is organised at the level of the SMCP Economic and Social Unit (UES). A Social Economic Committee (CSE) has thus been set up at the level of the SMCP UES and is currently composed of 21 elected representatives and alternates, for Sandro, Maje, Claudie Pierlot, SMCP Logistique and SMCP employees. The diversity of this group allows for rich discussions, nurtures a 360° vision of the subjects discussed, develops the corporate culture and empathy and is a basis for collective intelligence.

When confronted with health crises, the Group deployed a solid and effective health protocol at all registered offices and points of sale, in order to limit physical contact and the spread of viruses.

MANAGING LEASE AGREEMENTS AND CONCESSION AGREEMENTS WITH DEPARTMENT STORES

Description of the risk

Each year, a portion of the leases concluded by the Group for its store locations expires; around 20 leases expired in 2022 in Europe. The Group may be unable to extend these agreements and may be forced to abandon some strategic locations or renew them on unfavourable terms. In addition, the Group may be obliged to close certain retail stores that do not meet their financial targets under unfavourable conditions and time frames.

In general, the Group signs long-term leases for its stores. Some of these leases impose very restrictive termination conditions on the Group and it may be impossible for the Group to terminate them without incurring significant costs or having to give notice significantly in advance. In addition, lease agreements may provide for major fixed expenses that may not be covered if the activity of these stores decreases or is weaker than the Group's expectations.

Finally, the Group may be unable to negotiate its concession agreements with department stores on acceptable terms and conditions.

If the Group is unable to renew lease agreements on expiry, terminate agreements following lower than expected performance, renew concession agreements or conclude new agreements on acceptable terms, it could have a material adverse effect on the Group's business activities, financial position, results of operations, development or prospects. Lastly, the Group may have to recognise a right-of-use impairment if the value in use of a store is lower than its net carrying amount.

Risk management

The Group monitors the performance of its stores and carries out an in-depth analysis of closure or renovation projects, in order to carry out the necessary arbitration, mostly within the framework of a monthly committee meeting. It may consider closing a store when it identifies an opportunity to sell the lease right or the business, which then allows the brand in question to benefit from a sale price. In addition, in France, the non-renewal of a lease at the initiative of the landlord gives entitlement to payment of eviction compensation.

The Group also regularly analyses planned openings based on the anticipated performance of the stores concerned.

When negotiating a contract with a landlord or a department store, the Group endeavours to accept only customary and justified clauses and to obtain consideration for any significant binding commitment (term, limitation on the freedom to sell, amount of a guarantee, etc.).

When a lease is renewed, and the Group identifies that the current rent is likely to be higher than the rental value, it assesses the opportunity to have an appraisal of the latter carried out in order to request an amicable lowering of the rent, in or out of court.

The fact that brands belong to a Group of a significant size and international reputation can be an asset in the context of the negotiation of certain lease and concession contracts. This allows the brands to sometimes have better locations in department stores and to obtain certain favourable contractual conditions from institutional landlords (participation in development work).

3.1.3 Risks associated with the Group's social and environmental responsibility

SUPPLIERS, MANUFACTURERS AND PRODUCTS

Description of the risk	Risk management
The Group does not own or operate any manufacturing sites and therefore depends entirely on third parties for the manufacture of the products it markets. It could become dependent on these players (delays, business interruption) and/or suffer an increase in raw material costs. Also, production by one or more manufacturers could be interrupted or delayed, temporarily or permanently, due to economic, social or technical problems, natural disasters, armed conflicts or pandemics. The raw materials used to manufacture the products marketed by the Group (mainly cotton, leather, wool, silk, polyester and viscose) are subject to availability constraints, changes in regulations, customs and quality requirements. From raw materials to finished products, the production lines for ready-to-wear products and accessories are particularly long and globalised. A lack of product traceability could ultimately expose the Group to image risks and operational mismanagement. The Group relies on its manufacturers to ensure that the products it sells comply with relevant specifications and quality standards. Quality control procedures may not detect a defect. These defects could also result in a significant decline in Group sales and expose the Group to liability. The Group is also exposed to the risk of using chemicals while manufacturers are producing its products. Apart from the negative impact of such acts, whether real or alleged, on the Group's reputation, they could incur the civil or criminal liability of the Group and, if the Group were convicted, have a material impact on its financial position.	The Group has several potential suppliers for each product line and ensures that their geographical origin is diversified. Each year, new suppliers are identified in order to limit the development of dependency relationships. The brands rely on a stable base of suppliers with whom they have established relationships of trust and a common desire for continuous improvement and have structured and demanding policies on the safety and quality of the products they market. The social and environmental compliance policy for suppliers is managed by the Group CSR Department and is regularly monitored as part of compliance reviews carried out by the Internal Audit Department. Management of all of the Group's production lines is the responsibility of the Production Directors, who are members of the Management Committee of each of the brands. In order to meet the challenges of traceability, in 2022 the Group launched a partnership (with the French company Fairly Made) to track all the manufacturing stages of its products by 2025. Information on the manufacturing steps and the level of traceability achieved is communicated to customers *via* an in-store QR code and a URL link on its website product pages. The Group markets products that comply with current quality and safety standards and regulations and relies on a comprehensive control system, with: • standards common to all our brands which are appended to the General Terms and Conditions of Sale; • compliance tests carried out by accredited laboratories on materials or finished products; • independent service providers inspect products on a sample basis before they are shipped to the warehouse. Product recalls are very rare and quality returns on sale represent a very low percentage.

RESPECT FOR HUMAN RIGHTS, FUNDAMENTAL FREEDOMS AND ETHICS

Description of the risk	Risk management
Human resources is one of the key components of the Group's business activities, and compliance with ethics, labour law regulations and workplace health and safety rules, has a significant effect on its business. Although the Group strives to ensure compliance with these regulations and ensure that employees in all countries where the Group does business have an equivalent level of training, qualification and protection, it cannot guarantee that potential shortcomings in these areas do not exist. Thus, non-compliance by the Group with these obligations could lead to large fines or substantial claims against the Group related to the violation of these arrangements. Furthermore, these regulations are regularly modified and made stricter; changing the way the Group is organised to ensure compliance could generate significant costs. Although social and environmental responsibility is a major issue for the Group, given its rapid development and international presence, the Group cannot exclude the possibility that breaches or behaviour contrary to its values may occur that could have a negative impact on its reputation and its results. The Group does not rule out the possibility that its suppliers or manufacturers may not comply with local labour law, applicable laws in the area of social protection as well as their commitments to the Group, in particular those contained in its Supplier Code of Conduct. Some raw materials used to manufacture the products sold by the Group are sourced from animals (such as leather and wool). The Group has defined supply standards for all its raw materials, but may be exposed to the risk of its suppliers and their subcontractors not complying with animal welfare standards throughout the production chain.	The Group values human life and is aware of the societal differences that may exist in the different countries in which the Group operates. This is why the Group has developed a global responsible policy regarding compliance with human rights, anti-discrimination and anti-corruption. The Group's Code of Ethics and Ethics Committee are the foundations of this policy. The Ethics Committee is responsible for collecting, reporting and processing alerts relating to the Code of Ethics. The Group diligently monitors the compliance of its suppliers and manufacturers with applicable labour law and social security regulations as well as with acceptable social and environmental standards. By way of illustration, the SMCP group, a signatory to the United Nations Global Compact, has formalised its requirements vis-à-vis its suppliers, particularly in the area of human rights, through its general purchasing conditions and its Supplier Code of Conduct. By signing these documents, suppliers undertake to comply with, and to ensure that their suppliers and subcontractors comply with all the clauses of these documents. The Group regularly conducts audits through an independent expert to ensure this. These audits make it possible to assess the level of risk of suppliers on social issues, but also to define any corrective actions and thus implement the necessary action plans. The SMCP Group's policy is to work with suppliers who manufacture high quality products and who adhere to, respect and apply its Supplier Code of Conduct. The SMCP group has a duty of care when it comes to any procurement sourced from animals. To respect and encourage animal welfare, the Group has set out requirements in its general purchasing conditions. The four brands stopped using fur in early January 2020, and the brands are gradually increasing the use of certified RWS wool that guarantees animal welfare and traceability of the entire supply chain.

EVOLUTION OF MAJOR GLOBAL CLIMATE AND BIODIVERSITY ISSUES

Description of the risk	Risk management
Climate change causes disruption (heat, rising water levels, extreme events) and impacts on biodiversity and ecosystems. It also causes operational, regulatory and political transition issues (taxation, restricted operations). The loss of biodiversity and ecosystem damage threaten the sustainability of the natural resources from which our brands are sourced, weaken the planet and disrupt people's living conditions. Consumers of fashion products are increasingly aware of the sector's environmental impacts, and in the future are likely to favour brands and products that can demonstrate real progress in this area. These changes in consumer expectations could have a negative impact on the Group's revenue and reputation if it does not get a grip on this issue.	The SMCP Group is highly aware of the environmental issues in the textile industry, and is committed to a continuous environmental improvement approach to limit its impact on the climate and biodiversity. • *Carbon footprint measurement*: for 2021, the Group measured all direct and indirect greenhouse gas emissions related to its activity. This measure will be renewed each year, to direct action plans towards reducing emissions and reporting results publicly. • *Raw materials*: the production of the raw materials used in products also has a strong impact on biodiversity, and this is the Group's primary source of CO_2 emissions. To meet these challenges, each year the brands increase the proportion of their products made with materials that have less impact on the environment, including organic cotton and recycled materials. • *Environmental performance of suppliers*: to ensure compliance with international environmental regulations in the factories used to produce its products, the Group has set up annual environmental audits, carried out through an independent expert third party. • *Real estate and fixed assets*: the Group is conscious of the impact of its real estate and fixed assets (registered offices, points of sale, warehouses) particularly in terms of energy consumption. That is why the Group aims to monitor its energy use and expand its purchase of renewable energy. • *Freight:* freight of products is one of the Group activities with the highest CO_2 emissions. That is why the Group reduces air freight as much as possible and encourages more environmentally friendly transport methods such as maritime freight transport. In 2022, the Group conducted more than half of its procurement by sea or by land.

3.1.4 Financial risks

LIQUIDITY

Description of the risk	Risk management
To finance its business, the Group must ensure that it has access to the funding resources provided by both financial institutions and/or financial markets. The liquidity risk, as well as the restrictive clauses of the current financing contracts (limitation, covenants, change of control clauses), could have negative consequences, such as: • diverting a significant portion of cash flows from operating activities to servicing and repaying its debt, thus reducing the Group's ability to use available cash flows to finance growth or other general corporate purposes • restricting the Group's ability to implement its external growth policy; • increasing the Group's vulnerability to a slowdown in business or economic conditions; and • restricting the Group's ability and that of its subsidiaries to borrow additional funds or raise capital in the future if the covenants are not complied with. All of this could have an adverse effect on the Group's business, results, financial position and development; particularly in comparison with competitors with lower levels of debt. The liquidity risk could be aggravated if certain factors were to arise, some of which are beyond the Group's control (economic environment, financial market conditions, regulatory changes, etc.). Lastly, the Group is also exposed to the risk of refinancing its debt on satisfactory terms, particularly in terms of access to liquidity, maturity and margins.	The Group has implemented a financing policy that enables it to rely on significant, flexible liquidity. This policy is based specifically on: • a high-quality relationship with a large group of banks (between 10 and 14 depending on the type of financing) which are geographically diversified (French, European and American banks); • substantial drawn debt with a relatively long maturity; thus, for example, of the €334 million of gross debt which constituted the core financing of the SMCP group at the end of 2022 (Term Loan A and State Guaranteed Loans), €259 million (*i.e.* more than three quarters) will mature in over one year; • short-term liquidity to manage very short-term changes in cash flows, which may take the form of bank overdrafts, showing the support and confidence of the banking pool, or Neu CP programmes (commercial paper); • short- and medium-term flexible financing offered by the revolving credit line of €200 million, which helps the Group to withstand major external shocks, as was the case during the health crisis. It should be noted that this line was not drawn during the entire 2022 financial year, demonstrating the Group's resilience in this regard. Liquidity risk is monitored and managed by the Financing and Treasury Department, which has access to real-time reports on international cash positions and is in daily contact with the financing banks. It should also be noted that: • the Group's financing is free of all sureties and pledges; • the Group complies with the financial covenants of the financing contracts. Thus, for the 2022 financial year, the net debt ratio of 1.9x is lower than the contractual requirement of 2.5x. Details of the Group's financing are shown in Chapter 4, paragraph 4.4.2 of the Activity Report, and the debt maturity schedule can be consulted in Chapter 5, paragraph 5.1.1 of the consolidated financial statements.

FOREIGN EXCHANGE, INTEREST RATE, CREDIT AND/OR COUNTERPARTY

Description of the risk

Currency fluctuations

A significant portion of the Group's revenue (around 45% depending on the year) is generated in foreign currencies, notably Chinese yuan, US dollar, pound sterling, Canadian dollar and Swiss franc. A portion of its cost of sales (approximately 45%) is also made in foreign currencies, including purchases made in US dollar or Chinese yuan with suppliers in Asia, especially in China.

The Group also holds certain assets that are recorded in its balance sheet position in foreign currencies. Thus, an unfavourable change in currency exchange rates may have an impact on the financial position and results.

Interest rate risk

The Group is exposed to a risk of fluctuation in interest rates given that the interest rates on some of its debt are indexed to the market rate, plus a margin.

Any increase in interest rates could therefore increase the cost of the Group's debt.

Credit and counterparty

Credit and/or counterparty risk is the risk that a party to a contract entered into with the Group will default on its contractual obligations resulting in a financial loss for the Group.

The financial assets that could expose the Group to credit and/or counterparty risk are mainly receivables from suppliers or partners (notably in the event of payment default or failure to comply with payment deadlines), cash and cash equivalents, investments and derivative financial instruments.

As such, the default of the Group's major partners, especially department stores or the Group's leading export partners, could significantly affect the Group's profitability, growth, results and financial position.

Risk management

Foreign exchange risk management

The Group has a central foreign exchange risk management system for its subsidiaries. This risk stems from foreign currency commercial buying and selling transactions. The risk is hedged through forward and optional foreign exchange transactions for the main currencies to which the Group is exposed. At the end of the hedging period which takes place on average six months before the start of a season, an average foreign exchange rate is calculated for the collection and used as the basis for the guaranteed exchange rate. Concerning unhedged currencies, market rates are used as the guaranteed exchange rate. Sensitivity analyses of the Group's income and equity to the fluctuations of the euro are presented in Note 5.17 to the Group's consolidated financial statements for the 2022 financial year.

Interest rate risk management

The Group may have to set up appropriate hedging instruments in line with the fixed rate/floating rate allocation objectives. To date, the Group has not implemented such instruments.

The fixed rate/floating rate portion of the consolidated debt is 33% and 67% respectively.

In addition, the downward trend in the Group's gross debt mitigates the negative effect of the current interest rate hikes. Thus, SMCP's gross financial liabilities (Term Loan + State Guaranteed Loans) decreased from €403 million at the end of 2021 to €334 million at the end of 2022.

Finally, in order to limit the effect of the rise in interest rates on the cost of debt, the Group has adopted a policy of investing its available cash, thus making it possible to take advantage of the rise in interest rates.

Credit and counterparty risk management

The Group's exposure to credit risk is relatively limited insofar as the Group favours the use of directly-operated free-standing stores and concessions to distribute its products. This direct operating method represents more than 90% of its consolidated annual revenue. In addition, partners, particularly department stores, are leading players in distribution, with whom there has never been any significant credit risk in the history of these relationships.

With regard to the wholesale business, in order to protect itself against credit risk, the Group has put in place a procedure for Credit Risk Management and reviews the situation of trade receivables on a very regular basis (at least once a month). The risk of non-recovery of these receivables in the event of payment default or disappearance of customers is limited by taking out insurance policies and obtaining bank guarantees or, if this is not possible, by advance payment of orders placed with the Group's brands.

Cash and cash equivalents are invested only in partner banks close to SMCP. These banks are leading institutions with no prior incidents recorded with SMCP, and in countries where there is no risk of confiscation.

3.1.5 Legal and regulatory risks

RISK ASSOCIATED WITH REGULATORY AND LEGISLATIVE CHANGES

Description of the risk	Risk management
The Group is subject to numerous laws and regulations, including those relating to labour law, consumer and personal data protection, product liability, advertising, customs duties, working hours, work on Sundays and in the evenings, safety standards and public reception, casual trading, sales and liquidations as well as environmental law. Although the Group pays special attention to compliance with the regulations in force, it cannot exclude all risks of non-compliance. Failure by the Group or certain of its partners, associates and affiliates to comply with applicable regulations may expose it to fines and other criminal or administrative sanctions, such as the loss of accreditations, and may damage its reputation. In addition, the Group may be required to incur significant costs in order to comply with regulatory changes in France and/or abroad and cannot guarantee that it will always be in a position to adapt its activities and its organisational structure to these changes within the required time frame and at reasonable cost. If the Group is unable to comply with and adapt its business to new national, European and international regulations, recommendations or standards, this could have a material adverse effect on its business activities, results of operations, financial position or prospects. Due to the Group's international business, it is subject to complex tax legislation in the various countries in which it operates. Changes in tax legislation and varying rates for different taxes and duties (including value added tax) could have materially adverse consequences for the Group's tax situation, the effective tax rate that it pays or the amount of tax to which it is subject. In addition, tax regulations in the various countries in which the Group operates may be subject to differing interpretations. Therefore the Group cannot guarantee that the relevant tax authorities will agree with its interpretation of the applicable legislation. A challenge to the Group's tax situation by the relevant authorities could result in the Group paying additional tax, adjustments and fines that could be significant.	The Group's Legal Department monitors legal developments in case law, regulations and legislation, and ensures that it complies with the regulations of the countries in which it operates. In France, the Legal Department is made up of two business units composed of general lawyers and specialised legal experts in charge of supporting the Group's business lines and brands, particularly in the field of real estate law, intellectual property law, corporate law, securities law, consumer law and personal data protection law. In Asia, it has a regional division made up of lawyers located in Hong Kong and in Mainland China. Employment law issues are handled by the Human Resources Department, in conjunction with the Legal Department. In all the regions in which it operates, the Group also relies on local law firms, which are involved in regular and comprehensive legal monitoring. The Group's Tax Department ensures that the laws in force in the countries in which the Group operates are complied with. The Group transmits the required information to tax authorities. It also facilitates the performance of their investigations. The Group performs tax audits and sets up any required action plans. The Group does not fall within the scope of tax schemes such as DAC6. In particular in the context of its transfer pricing policy (internal sales of products and interest rates on current accounts and intercompany loans), the Group is committed to comply with the principles of the OECD aimed at a harmonious distribution of profits in the various jurisdictions.

RISK ASSOCIATED WITH DISPUTES, INTELLECTUAL PROPERTY AND ANTI-COUNTERFEIT MEASURES

Description of the risk

In the normal course of their business, the Group's companies may be involved in a number of legal, administrative, criminal or arbitration proceedings, particularly in matters of civil liability, competition, intellectual property, tax or industrial property, environmental and discrimination matters. Claims for a significant amount may be made against one or more Group companies in connection with these proceedings. If the outcome of these proceedings is unfavourable, it may damage the image of the Group's brands and have a material adverse effect on the Group's business activities, results of operations, financial position and prospects.

Provisions for contingencies and charges have been established to cover the costs of potential disputes, when considered probable by the Group and its advisors. Any corresponding potential provisions which the Group may make in its accounts may prove inadequate. As of December 31, 2022, the total amount of provisions for disputes involving the Group was €2.3 million. In addition, it cannot be excluded that in the future, new proceedings, whether or not connected to existing proceedings, relating to risks currently identified by the Group or resulting from new or unforeseen risks, may be brought against a Group company.

In particular, the Group is the subject of a complaint filed in France in 2021 by three non-governmental organisations against four ready-to-wear companies, including SMCP, accusing them of subcontracting part of their production or of marketing goods using cotton produced through the use of forced labour in the Xinjiang region of China. To the best of the Company's knowledge, with the exception of this complaint, there are no administrative, judicial or arbitration proceedings (including any ongoing proceedings or threatened proceedings of which the Group is aware), which may have, or have had, a significant impact on the Group's financial position or profitability during the last 12 months.

The Group considers that its brands, its domain names, its know-how and any other intellectual property rights of which it is the owner play a crucial role in its success and development. The ready-to-wear and accessories retail market is also subject to extensive counterfeiting. Third parties may imitate its products and infringe on its intellectual property rights. The Group cannot guarantee that the various prevention measures and the proceedings it brings to protect its intellectual property rights will prevent third parties from marketing products identical or similar to its own. Unauthorised reproduction or any other misappropriation of the Group's intellectual property rights and products may diminish the value and reputation of its brands and may negatively affect the prices at which the Group can sell its products. Lastly, the Group cannot guarantee that its intellectual property rights are adequately protected in all markets in which it operates.

Moreover, as part of its business, the Group may be sued for infringement of third-party intellectual property rights (including trademarks and rights to drawings and models) which may force it to pay damages and interest, may prevent it from manufacturing or marketing certain products or developing new products, and may lead it to conclude coexistence agreements, agree licences or withdraw the disputed products from sale.

Risk management

The Group's Legal Department attaches great importance to effectively protecting the interests of Group companies during their contractual negotiations, specifically by ensuring that commitments and the responsibilities of each party are clear. The Group also ensures that its suppliers sign off on the Group's general purchasing and suppliers terms and conditions. The Group has implemented an assessment process that includes the conduct of regular audits and compliance programmes that also help to protect it against liability risks.

With regard to the complaint filed by three non-governmental organisations, SMCP strongly refutes the accusations made against it, and has informed the competent public prosecutor that it will fully cooperate in the investigation to prove that these accusations are false. SMCP filed a complaint against x (unknown person) for slander on October 22, 2021. These accusations were allegedly based on a report published in 2020 by the Australian Strategic Policy Institute (ASPI) on the forced labour conditions imposed on Uighurs in the Xinjiang region. However, this report did not state that the SMCP group had resorted to such forced labour, but only that its majority shareholder at the time had factories in this region. Since October 2022, the reference to SMCP and its brands no longer appears in the ASPI report.

The Group's intellectual property policy is based on several areas. In the first place, the Group ensures the protection of its trademarks and domain names, which gives rise to filings or reservations in all countries where the Group is present or wishes to preserve its rights, in particular with a view to their expansion. The Group has also recently implemented a design and model filing strategy to strengthen the protection of its accessories. The Group has a portfolio of 549 trademarks registered worldwide, corresponding in particular to the names "Sandro", "Maje", "Claudie Pierlot" and "Fursac", as well as five designs and models. The Group also has a portfolio of approximately 625 domain names.

Secondly, the Group has set up a global monitoring on the Internet to identify the unauthorised reservation of domain names, the unauthorised use of its intellectual property rights on "fake" sites or on social networks, or the sale of counterfeit products on online marketplaces and sales sites. The Group has implemented a specific policy to combat counterfeiting, with particular focus on France and Asia. The different actions are handled by the Group's Legal Department, brands and Business Units with the assistance of external advisers and in conjunction with appropriate local authorities. In addition, the Group works closely with the customs services to ensure that they are aware of the characteristics of the Group's products. In this respect, the Group recently joined Unifab (Union des Fabricants), the main French association in charge of the fight against counterfeiting. The Group also conducts an active policy of legal remedies in the event of infringement or, more generally, infringement of its intellectual property rights by third parties.

Lastly, the Group's Legal Department ensures that the entire creative process is protected and thus works closely with the brands to prevent the risks of third-party disputes upstream, in particular through training provided to the studios and through cooperation with the latter as part of the creation of the collections.

3.2 Insurance

The Group endeavours to ensure that it has the best possible insurance coverage for all identified and insurable risks.

The Group has had a Cyber insurance for many years, which is intended to cover it against the financial consequences of an act of cybercrime.

In addition, the Group carries out detailed updates to identify and classify its insured or insurable risks, and determine any necessary changes to existing insurance policies.

Policies usually last for two years and expire on July 1. Each policy renewal is reviewed with the major players in the global insurance industry.

Generally, the Group purchases insurance policies from well-known, solvent, leading international insurance companies. Policies are spread over several companies to eliminate any inherent risk.

Insurance policies are selected on the basis of appropriate estimated coverage levels and acceptable excesses.

Current policies cover the following main risks:

- corporate and employer third-party liability;
- non-life insurance/multi-risks;
- insurance against fraud;
- cyber risk insurance;
- corporate officers' civil liability;
- freight and personal transport insurance;
- compulsory local insurance.

The Group's insurance policies are selected by identifying the level of coverage that is necessary for the reasonably estimated likelihood of the occurrence of liability, damage or other risks. This appraisal takes into account the assessments made by the insurers as the risk underwriters. The coverage limits of the above policies were determined in order to cover potential upcoming risks and possible maximum claims.

Uninsured risks are those for which no offer of insurance coverage is currently available on the market or for which insurance is offered at a cost that is disproportionate to the potential benefit of insurance, or risks the Group does not believe require insurance cover given its ability to withstand any resulting financial consequences.

In the last three years, the Group has not made any significant claims that have led to the depletion of any of its insurance cover or a significant increase in premiums beyond the market increase in insurance costs.

3.3 Internal control and risk management

Risk management concerns the measures that the Group implements to identify, analyse and control the risks to which it is exposed in the course of its activities.

Risk control is carefully monitored by the Group's Senior Management, with the close involvement of internal audit. The Group deploys risk management and internal control systems to manage these risks. The internal risk management and control systems are based on a combination of appropriate resources, procedures and actions which are adapted to the current regulatory environment, intended to ensure that the necessary measures are adopted to allow the Group:

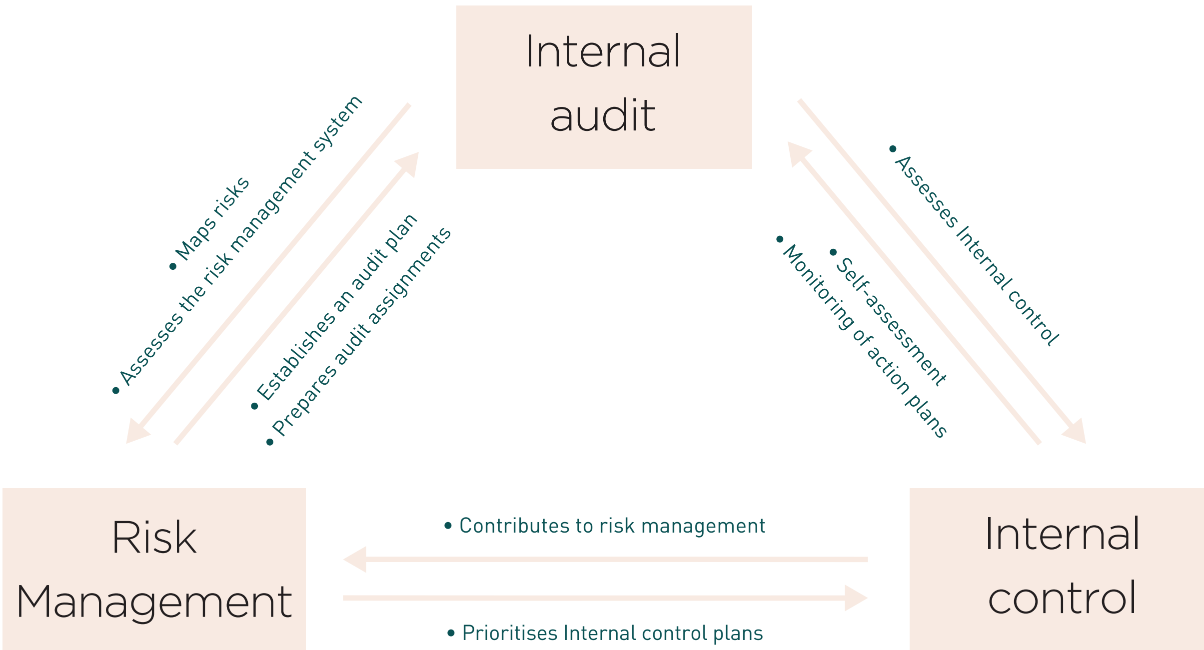
- to achieve its objectives, accomplish its missions and detect opportunities to develop its business, in compliance with its values, ethics and applicable laws and regulations; and
- to protect its main assets, which form the basis of its business (property, plant and equipment and intangible assets and, notably, its trademarks), to identify critical points and internal and external events and at-risk situations for the satisfactory conduct of its business activities.

The internal control procedures are part of the Company's ongoing improving process of identifying, assessing and managing risks.

In 2021, the Internal Audit and Control Department rolled out Group internal control standards - "ICE" (Internal Control Essentials) - which aims to strengthen the internal control system and is part of the Group's risk management approach. These standards cover all the key controls in place within the Group's various entities and its distribution network. It is broken down into two reference documents, "ICE Corporate" and "ICE Boutiques". The risk management and internal control approach and these standards are based on the internal control reference framework prescribed by the AMF.

3

Continuous monitoring of the internal control system and periodic review of its operation are carried out at several levels:



Risk management relies on measures implemented by the Group to identify, analyse and control the risks to which it is exposed. The risk management system is subject to regular monitoring by senior management at the Group's operational entities, who report on risks to the Group Internal Audit and Control Department.

Risk management is based on a risk mapping which identifies, assesses and ranks the main risks to which the Group is exposed when carrying out its business activities. For each risk, it assesses its potential impact, the action plan in place and the personnel within the Group who are responsible for monitoring and associated controls. Risk mapping is updated annually by the Group Internal Audit and Control Department, under the supervision of the Group Chief Executive Officer, and submitted to the Audit Committee. It defines and monitor the specific action plans implemented to reduce or control the risks identified.

In 2021, the Internal Audit and Control Department launched an internal control self-assessment campaign, to disseminate the internal control culture within the Group, to assess the level of maturity of internal control within each Group entity and its distribution network, and to strengthen the risk management approach. This self-assessment campaign is based on two internal control questionnaires ("ICE Corporate questionnaire" & "ICE Boutiques questionnaire") based on the Group "ICE" internal control standards. The results are analysed by the Internal Audit and Control Department and shared with the Audit Committee.

3.4 Supervisory bodies

The Group's internal audit, control and risk management processes are led by its Internal Audit and Control Department, which allows the Group, with its rapidly developing size and structure, to identify and prevent the risks that it may face. The Internal Audit and Control Department has four functions: (i) risk management, (ii) internal control, (iii) internal audit and (iv) ethics and compliance.

The Audit and Internal Control Department reports to the Group's Chief Executive Officer.

Internal control and risk management is the responsibility of the operational senior management of each Group entity, under the control of the Internal Audit and Control Department. Within each of these entities, the person responsible for risk management (generally the Chief Executive Officer or Chief Financial Officer) is responsible for verifying the satisfactory application of preventive procedures and the possibility of introducing new procedures that could, after examination by the Internal Audit and Control Department, be applied across the whole Group. The Internal Audit and Control Department plays a key role by establishing procedures applicable at the Group level (that is, with no distinction between the four brands) and by defining the framework under which subsidiaries fulfil their responsibilities for internal control and risk management. It also coordinates the functioning of the overall system.

3.5 The risk management system

The Group's overall internal control and risk management system uses the international "COSO" (Committee of Sponsoring Organisations of the Treadway Commission) standards as a starting point and is based on several aspects, including:

- the control of operating risks;
- the management of the Group's overall risks at various levels (entities, functional departments and subsidiaries);
- the mapping of major risks for the Group;
- the oversight of the Group's internal control system ("ICE");
- the ethics organisational structure and system; and
- the internal audit, which, as an independent assurance function, evaluates the effectiveness and functioning of the overall system and reports to the various parties responsible for governance.

The Statement of Non-Financial Performance presented in Chapter 6 of this universal registration document also contains information about the objectives, organisation and workings of the Group's risk management.

Ethical practices and anti-corruption rules are key values and a major concern for the Group. In this context, the Group has specifically created a Code of Ethics for all employees. In addition, it ensures that its partners (mainly its distributors and suppliers of goods or services) comply with its ethics and anti-corruption policies. For example, the Supplier Code of Conduct expressly includes provisions relating to compliance with ethical principles (corruption, working conditions). In parallel with the deployment of the Code of Ethics, an Ethics Committee was set up composed of the General Secretary, the Director of Human Resources and the Director of Internal Audit, whose main missions are to:

- contribute to the definition of the Group's rules of conduct and ethical culture;
- ensure compliance with these rules and values through the deployment of the compliance programme;
- promote the principles of the Code of Ethics and encourage the development of best practices in this area;
- collect, analyse and process reports and alerts relating to behaviour/situations contrary to the code of ethics.

In addition, the Group employs external service providers to audit various production sites and to ensure that they are in compliance with ethical requirements.

A detailed description of the procedures implemented to ensure compliance with the provision of the law of December 9, 2016 on transparency, the fight against corruption and the modernisation of economic life, known as the "Sapin II law", can be found in the Statement of Non-Financial Performance in Chapter 6 of this universal registration document.

4

SMCP activity in 2022 and perspectives for 2023

4.1 Significant events

4.1.1 2022 financial year

- **Changes in the governance of SMCP, and in particular changes in the composition of the Board of Directors and the various committees**

On January 14, 2022, an Ordinary Shareholders' General Meeting was held at the request of Glas SAS (GLAS, shareholder with approximately 29% of the share capital). A change in the composition of SMCP's Board of Directors was on the agenda.

During this Meeting, the shareholders approved the dismissal of the five members of the Board of Directors representing European TopSoho S.à r.l./Shandong Ruyi and the appointment of three new independent directors: Mr Christophe Chenut, Mr Xavier Véret and Ms Natalia Nicolaidis.

The Board of Directors, which met following this Meeting, also appointed Mr Christophe Cuvillier, Independent Director, as Chairman of the Board of Directors of the Company, replacing Mr Yafu Qiu.

The Board of Directors also appointed Mr Christophe Chenut, Independent Director, as a member of the Nominations and Compensation Committee, and Mr Xavier Véret, Independent Director, as a member of the Audit Committee.

Following the change in the composition of its shareholding structure and in view in particular of the intentions expressed by GLAS, the Company's Board of Directors has also set up an *ad hoc* Committee comprising three independent directors, which is responsible for overseeing the restructuring of its share capital and the stabilising and consolidation of its shareholding structure, in the interests of the Company and its stakeholders.

Lastly, other changes in 2022 concerning the Board and its Committees were as follows: (i) Ms Évelyne Chétrite resigned from her position as member of the Nominations and Compensation Committee and was replaced by Ms Natalia Nicolaidis and (ii) Mr Xiao Wang resigned from his position as director for personal reasons.

- **Russia-Ukraine conflict**

The Group's sales in Ukraine and Russia are operated by local distributors. Before the conflict, they represented a marginal share of the Group's revenue (around 1%). Given the business model used, the Group was not able to take the decision to close stores. However, following the Russian intervention in Ukraine, SMCP ceased deliveries to the Russian distributor. Deliveries have not resumed: the contract with the partner expired at the end of February 2023 and has not been renewed.

- **Health situation in China**

The Group was impacted by the resurgence of Covid-19 in Asia and in particular in China. In the first half of 2022, numerous restrictions constrained consumption in many cities, including major cities (Shanghai, Beijing, Hong Kong, Shenzhen, Xi'an, for example), affecting stores (store closures, reduced opening hours) as well as logistical capacities (closure of the warehouse in the Shanghai region for nearly two months). After a gradual reopening in June, new resurgences occurred in the autumn. While store closures were more limited, the impact on store traffic remained significant. At the end of the year, following the lifting of numerous health measures, store closures imposed by the authorities decreased significantly, but the increase in the number of cases led to both absences in sales teams and a continuing sharp decline in footfall.

The adverse situation observed in Asia was partially offset by a notable bounce-back in other regions (France, Europe, the Middle East and North America), which benefited from a sustained level of consumption by local customers as well as the return of tourism (various European nationalities, American tourists, Asian tourists from outside China).

- **Traceability programme**

In February 2022, SMCP announced that it had signed a partnership with a company specializing in traceability, in order to become one of the first accessible luxury players offering its customers detailed and transparent information on its products, thanks to the incorporation of a QR code by 2025 on all of the products sold by its four brands. This code enables fast, simple, transparent and unified access to information on the traceability of each product, such as the country of origin of each material, its place of manufacture, etc. The number of SKUs which have this QR code is increasing each season, with around 120 SKUs per brand for the autumn/winter 2022 collection.

- **Share buyback programme**

The Group completed the share buyback announced in September, involving 830,000 SMCP shares, purchased over the period from September 16 to November 24, as part of a mandate entrusted to an investment services provider. These share buybacks are intended to cover the long-term incentive plan for Group executives and employees.

- **Announcement of the launch of the "Retail Lab"**

In December 2022, SMCP announced the creation of its training school, the SMCP Retail Lab, in partnership with EMA SUP Paris and the Institut Français de la Mode (French Fashion Institute). This qualifying training course for sales professionals focuses on omnichannel approaches and CSR. The first cohort starts in 2023.

4.1.2 Since January 1, 2023

- As of January 1, 2023, 14,236 Class G preferred shares had been converted into ordinary shares by two of the Company's managers. Consequently, 55,849 new ordinary shares were issued and the Company's Articles of Association were modified accordingly. The share capital now comprises 76,288,530 shares divided into 75,591,187 ordinary shares and 697,343 Class G preferred shares, and amounts to €83,917,383.
- Acquisition of **Australia/New Zealand** network

  As part of its Retail distribution policy, in January 2023 SMCP internalised the network of points of sale previously operated by a local partner in Australia and New Zealand. These two countries represent around 40 physical and e-commerce points of sale, distributing the products from the Sandro, Maje and Claudie Pierlot brands. This acquisition enables SMCP to strengthen its position in Asia Pacific, in a profitable and developing market.
- Change in the shareholding structure. See paragraph 8.1.2 "Change in Shareholding Structure".

4.2 Analysis of activity and consolidated results

Definitions and key performance indicators

POINTS OF SALE

The number of the Group's points of sale comprises total retail points of sale open at the relevant date, which includes (i) directly operated stores, including free-standing stores, concessions in department stores, affiliate-operated stores, outlets and online stores, and (ii) partnered retail points of sale.

REVENUE

Revenue consists of total product sales (retail sales and sales made by partners and third-party electronic platforms) net of promotions, discounts, VAT and other sales taxes, and before deduction of concession fees paid to department stores and commissions paid to affiliates. Revenue from Suite 341 points of sale (which market products from the Group's three long-standing brands) is allocated according to the brand of the product sold.

LIKE-FOR-LIKE GROWTH

Like-for-like growth corresponds to retail sales variations from directly operated points of sale on a like-for-like basis in a given period compared with the same period in the previous financial year. Like-for-like points of sale for a given period include all of the Group's points of sale that were open during the same period of the previous year and exclude points of sale closed during the period, including points of sale closed for renovation for more than one month, as well as points of sale that changed their activity (for example, Sandro points of sale changing from Sandro Women to Sandro Men or to a mixed Sandro Women and Sandro Men store).

Like-for-like sales growth percentage is presented at constant exchange rates (sales for year N and year N-1 in foreign currencies are converted at the average N-1 rate, as presented in the notes to the Group's consolidated financial statements as at December 31 for the year N in question).

COST OF SALES, GROSS MARGIN AND RETAIL MARGIN

Cost of sales mainly includes:

- the cost of goods sold: raw materials, labour costs of cut-and-sew manufacturers, purchases of finished products and customs duties, transport and logistics costs,
- commissions paid to department stores, affiliates and local partners, and to third-party websites,
- changes in inventories.

The gross accounting margin represents the sum of the Group's revenue, net of cost of sales (including commissions paid to department stores, affiliates and third-party websites).

The Group uses the gross management margin as an operating indicator, which differs from the accounting gross margin and is calculated before deducting commissions.

Lastly, the retail margin corresponds to the gross margin before taking into account the points of sale's direct expenses such as rent, personnel costs, commissions paid to the department stores and other direct operating costs.

ADJUSTED EBITDA AND EBITDA

EBITDA is defined by the Group as current operating income before depreciation, amortisation and provisions. EBITDA is not a standardised accounting measure that meets a single generally accepted definition. It must not be considered as a substitute for operating income, net income, cash flow from operating activities, or as a measure of liquidity. Other companies may calculate EBITDA using a different definition from that used by the Group. The EBITDA margin is EBITDA divided by revenue.

Adjusted EBITDA is defined as EBITDA before fees related to free share award plans. Adjusted EBITDA margin is adjusted EBITDA divided by revenue.

ADJUSTED EBIT AND EBIT

EBIT is defined by the Group as profit/(loss) before interest and tax.

Adjusted EBIT is EBIT before fees related to free share award plans (LTIP). Adjusted EBIT margin corresponds to EBIT divided by revenue.

FREE CASH FLOW

Free Cash Flow is defined as the net cash flow from operating activities, after taking into account (i) investments made (excluding acquisitions), (ii) repayment of lease liabilities, (iii) financial interest paid and (iv) net foreign exchange differences.

INTERPRETATION OF IAS 38 ON SAAS-RELATED COSTS

In April 2021, IFRS IC released an update resulting in a clarification of the accounting treatment of costs incurred in configuring or customising application software used in a Software as a Service (SaaS) arrangement, where these are not considered anymore as eligible for capitalisation, as per the criteria defined under IAS 38; instead, they are to be fully expensed. In line with IAS 8 "Accounting policies, changes in accounting estimates and errors", this update has been treated as a change in accounting policies, with retrospective application.

As a result, the published financial years have been restated to take into account the impact from January 1, 2021 corresponding to the opening date of the first financial year presented for comparison. The 2021 comparative figures presented in the following sections are the restated figures resulting from this change in method.

4.2.1 Key figures

(In € million) – IFRS 16	2021 Restated	2022
Revenue	**1,039**	**1,206**
Cost of sales [1]	(380)	(437)
Accounting gross margin	**658**	**769**
Personnel costs	(216)	(260)
Other operating income and expenses	(196)	(243)
Adjusted EBITDA	**246**	**267**
Adjusted EBITDA margin	*23.6%*	22.1%
Depreciation, amortisation and impairment	(150)	(156)
Adjusted EBIT	96	111
Adjusted EBIT margin	*9.2%*	*9.2%*
Free share award plan (LTIP)	(7)	(6)
Current operating income	**89**	**105**
Other non-recurring income and expenses	(26)	(12)
Operating profit	**63**	**93**
Financial income (expense)	(27)	(24)
Profit/(loss) before tax	36	69
Income tax expense	(12)	(17)
Net profit for the period	**24**	**51**

(1) Cost of sales including commissions.

4.2.2 Change in the number of points of sale

The following table presents the Group's directly operated points of sale by brand and geographical segment for the periods indicated:

	Financial year ended 12/31	
(Number of points of sale directly operated)	**2021**	**2022**
By brand		
Sandro	552	551
Maje	455	457
Claudie Pierlot	211	201
Fursac	64	69
Suite 341	10	2
By geographical segment		
France	472	460
EMEA	402	395
America	166	166
APAC	252	259
TOTAL NUMBER OF POINTS OF SALE	**1,292**	**1,280**

The following table presents the Group's points of sale (including partners) by brand and geographical segment for the periods indicated:

	Financial year ended 12/31	
(In number of points of sale, including partners)	**2021**	**2022**
By brand		
Sandro	745	752
Maje	620	627
Claudie Pierlot	245	233
Fursac	64	69
Suite 341	10	2
By geographical segment		
France	473	461
EMEA	548	552
America	195	198
APAC	468	472
TOTAL NUMBER OF POINTS OF SALE	**1,684**	**1,683**

The total number of the Group's points of sale stabilised during the financial year, from 1,684 at the end of 2021 to 1,683 at December 31, 2022, *i.e.* one net closure, including 12 closures in France and 11 net openings abroad, mainly in China, Mexico, Canada and the Middle East.

SMCP completed the plan to optimise its network of physical stores in France, with eight closures related to the end of the Suite 341 concept (mainly during the first half of the year). There were some flagship openings, such as the Parisian Sandro stores on the avenue des Champs-Elysées and rue de Passy.

By brand, Sandro, Maje and Fursac each saw their network increase. For Sandro and Maje, this was due to the continued development of their network of retail partners. For Fursac, it owed to the development strategy outside France, with two new countries opened in 2022 (Germany and Spain).

The table below shows the number of points of sale by category:

	Financial year ended 12/31	
	2021	2022
Free-standing stores	490	480
Concessions	550	541
Affiliates	64	60
Internet	80	87
Outlets	108	112
Total points of sale (directly-operated stores)	**1,292**	**1,280**
Partnerships	392	403
TOTAL	**1,684**	**1,683**

4.2.3 Revenue

4.2.3.1 CONSOLIDATED REVENUE

In 2022, consolidated revenue amounted to €1,206 million, up 16% compared to 2021, *i.e.* an increase of 13% in organic terms (driven by like-for-like growth of 14%) and a positive currency effect of 3.6 points. This revenue represents an all-time high, exceeding 2019 levels by 6%. Growth in the first half of the year was particularly strong (up 21% in organic terms compared to 2021) given the buoyancy of the European and US markets as well as a basis of comparison further weakened by the European lockdowns in the first half of 2021. Despite the disappearance of this comparative effect in the second semester, growth remained strong (up 7% in organic terms in the second half of the year). All brands saw their sales increase. Both in-store and digital sales were strong. The share of digital sales has normalised to 21% of revenue, with a focus on high-quality monitored digital channels, while the share of promotional digital sales continues to decline. In addition, the Group continued to reduce its average discount rate (down 4 points in 2022).

Against a backdrop of high inflation, the Group passed on the increase in product costs to its sales prices. However, the brands are very aware of the need to limit the impact of these increases on consumers, by maintaining SKUs in each collection and for each product category at entry prices considered affordable for customers. Due to inflation, the influence of price on revenue growth was greater than in the past. However, volumes were also up, driven by the catch-up effect in Europe (lockdowns in the first half of 2021) and by strong momentum in certain markets such as Europe and the United States.

Lastly, the Group has accelerated its circular economy initiatives, and has now extended its second-hand and rental services to new brands and new markets. Thus, the second-hand offer launched by Sandro in France in 2021 was opened up to the United States and Germany in 2022. Maje also introduced it in October 2022. The revenue from these business activities remains low in the Group's total business given the average basket per transaction, but these developments are significant, both due to the positive impact on the longer use of products, and to the potential to offer these services to a wider range of customers.

4.2.3.2 REVENUE BY BRAND AND BY REGION

(In € million – except percentages)	Financial year ended 12/31 2021	2022	Change in reported data	Organic sales change
By brand				
Sandro	498	582	+ 17%	+ 13%
Maje	407	467	+ 15%	+ 11%
Other Brands	134	156	+ 17%	+ 18%
By region				
France	341	414	+ 21%	+ 23%
EMEA	285	377	+ 32%	+ 31%
America	143	184	+ 29%	+ 16%
APAC	270	231	-14%	-20%
TOTAL	**1,039**	**1,206**	**+ 16%**	**+ 13%**

Revenue by brand

The Group organises its activities around three divisions: Sandro, Maje and the *Other Brands* division which includes the brands Claudie Pierlot and Fursac.

During the 2022 financial year, **Sandro** (up 17%), **Maje** (up 15%) and the **Other Brands** division (up 17%) recorded a significant increase in their revenue, driven by the dynamic European market (for all brands) and American market (for Sandro and Maje). Sales also benefited from a return to more sustained tourism levels than in 2021, particularly to European countries. This dynamism made it possible to offset the Chinese market, which was affected by the resurgence of Covid-19 cases, leading to local lockdowns, particularly in the second quarter of the year, and a decline in traffic throughout the year.

Revenue by region

The prices of the Group's products differ from one region to another. Inside the euro zone, the Group applies the same price. Outside the euro zone, the Group applies a coefficient to the euro price to translate into local currency. Prices in local currencies are based on the exchange rate, freight and customs duties, local cost of living and also take into account psychological prices in foreign currencies.

In **France**, the Group recorded revenue of €414 million in 2022. Sales progressively exceeded 2019 pre-Covid levels. Compared to 2021, revenue is up by 21%, driven exclusively by like-for-like growth. The average discount rate decreased by more than 5 points in 2022 compared to 2021. The store network saw a decrease of 12 units in 2022, with the closure of some Suite 341 points of sale and a few small corners, as well as grouping of stores in higher-quality locations (for example, the closure of two Sandro Men and Women stores on rue de Passy in Paris, and the opening of a larger combined store in the same street).

In the **EMEA** region, revenue amounted to €377 million for the 2022 financial year, with a remarkable + 31% organic growth compared to 2021, driven by strong like-for-like growth in the physical store network. This performance is the result of the success of the collections with both local customers, and with tourists, who were more numerous than in 2021, from other European countries, the United States, the Middle East, as well as some Asian countries (excluding China). After a 2021 marked by a sharp 9-point fall in the discount rate, this trend continued in 2022 with a further decrease of more than 3 points. The number of points of sale increased slightly with four net openings. Digital sales grew by + 12%, with strong growth particularly in Germany and Italy.

The **America** region recorded revenue of €184 million in 2022, corresponding to an increase of 29% in reported data, including a strong currency effect due to the rise in value of the dollar, and up 16% in organic terms. All markets in the region (United States, Canada, Mexico) recorded strong growth. This performance is all the more remarkable given that 2021 had already posted very satisfactory results. The increase comes from a like-for-like effect with a virtually stable network (up by three points of sale). The already significant decrease in the average discount rate in 2021 (down 12 points compared to 2020) continued in 2022 (down 5 points). Sales in the region are now well above pre-pandemic levels (up 15% in organic terms). Digital sales recorded strong double-digit growth, and America remains the region with the largest share of Digital in its total sales.

Lastly, in the **APAC** region, the Group's revenue amounted to €231 million in 2022, and recorded an organic change of -20% compared to 2021. Sales were strongly impacted by the resurgence of Covid throughout the year, in a number of cities, including Shanghai, Beijing, Shenzhen, Xi'an and Hong Kong. While the first half of the year saw many local lockdowns, impacting both stores and logistics capacities, the second half saw fewer store closures but was marked by continuing low footfall in stores. At the end of the year, the easing of anti-Covid measures and the increase in the number of cases also resulted in a decrease in footfall, which resulted in a sharp business downturn in December. Conversely, other Asian markets performed well, such as South Korea, Australia, Singapore and Malaysia.

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Revenue per category of points of sale

	Financial year ended 12/31	
(In € million)	**2021**	**2022**
Free-standing stores	322	371
Concessions	285	359
Outlets	121	148
Affiliates	27	28
Internet*	184	201
Partnerships	100	100
TOTAL REVENUE	**1,039**	**1,206**

* These data include the revenue generated on the websites of the Group's brands and the revenue generated on the websites of the department stores in which the Group operates concessions. They do not include online revenue from partnerships. Including online revenue from partnerships, total online revenue was €223 million for 2021 and €240 million for 2022.

4.2.4 Income

4.2.4.1 COST OF SALES

The cost of sales increased from €380 million in 2021 to €437 million in 2022. As a percentage of revenue, it decreased slightly from 36.6% in 2021 to 36.2% in 2022, reflecting the ability of brands to pass cost increases on to sales prices.

4.2.4.2 MANAGEMENT GROSS MARGIN AND RETAIL MARGIN

The Group's management gross margin increased to 74.4% of revenue in 2022. As indicated in paragraph 4.2.4.1, the Group has passed on increases in the cost of purchasing materials and finished products to its sales prices in order to protect its margins. In addition, it continued to execute its full price sales development strategy by deliberately reducing the share of promotional sales, resulting in a decrease in the average discount rate of nearly four points in 2022, with marked progress in all regions except Asia. These positive effects on gross margin were partially offset by the impact of Covid restrictions in Asia, which resulted in restocking in China.

The Group's retail margin increased from €345 million in 2021 (33.2% of sales) to €383 million in 2022 (31.8% of sales). Excluding a reclassification of certain digital marketing expenses (marketing traffic, 0.8% of revenue) in point of sale costs (previously recorded under SG&A), this margin remains fairly stable.

The table below summarises the reconciliation of the management gross margin and the retail margin, with the accounting gross margin as included in the Group's financial statements for the following periods:

	Financial year ended 12/31	
(In € million)	**2021**	**2022**
Accounting gross margin	**658**	**769**
Readjustment of the commissions and other adjustments	109	129
Management gross margin	**767**	**898**
Direct costs of points of sale	(421)	(515)
Retail margin	**345**	**383**

4.2.4.3 PERSONNEL COSTS

Personnel costs increased from €216 million in 2021 to €260 million in 2022. In percentage of revenue, they represented 21.6% of revenue in 2022, compared to 20.8%. in 2021. The increase in this weighting is mainly due to a lesser absorption of personnel costs in Asia due to the impact of the resurgence of Covid in China.

4.2.4.4 OTHER OPERATING INCOME AND EXPENSES

Other operating expenses mainly include rents (store network, head offices, distribution centres), marketing costs, logistics and commercial costs, as well as a whole range of other less significant operating expenses, including bank fees for processing store payments, consulting, legal and audit fees, and management, travel, IT and telephone expenses.

Other operating income essentially comprises damages awarded to the Group in the context of legal actions for counterfeit products.

Other operating income and expenses amounted to €243 million in 2022 compared to €196 million in 2021, with growth explained by the increase in activity, higher investments in marketing and information systems as well as by the non-recurrence of certain grants and subsidies that had been received in 2021.

The total proportion of marketing expenses amounted to 4% of sales in 2022, in line with the Group's strategy.

4.2.4.5 ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN AND EBITDA

For the financial year 2022, adjusted EBITDA totalled €267 million, compared to €246 million for 2021, *i.e.* an increase of 9%.

The adjusted EBITDA margin decreased from 23.6% in 2021 to 22.1% in 2022, due to the effects mentioned above: lower absorption of operating expenses in China, key investments in marketing and information systems, non-recurrence of certain grants received in 2021.

Having taken into account the impact of the free share plan (€6 million in 2022), EBITDA was €261 million in 2022 compared with €239 million in 2021.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN BY BRAND

	Financial year ended 12/31	
(In € million)	2021 Restated	2022
Adjusted EBITDA	**246**	**267**
Sandro	123	137
Maje	107	114
Other Brands	15	16
Adjusted EBITDA margin	**23.7%**	**22.1%**
Sandro	24.8%	23.6%
Maje	26.3%	24.3%
Other Brands	11.4%	9.9%

4.2.4.6 CHANGE FROM ADJUSTED EBITDA TO ADJUSTED EBIT AND TO NET PROFIT FOR THE PERIOD - GROUP SHARE

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(In € million)	2021 Restated	2022
Adjusted EBITDA	**246**	**267**
Depreciation, amortisation and impairment	(150)	(156)
Adjusted EBIT	**96**	**111**
Free share plan (LTIP)	(7)	(6)
Other non-recurring income and expenses	(26)	(12)
Operating profit	**63**	**93**
Cost of net debt	(26)	(23)
Other financial income and expenses	(1)	(1)
Financial income (expense)	**(27)**	**(24)**
Profit/(loss) before tax	**36**	**69**
Income tax expense	(12)	(17)
Net profit for the period	**24**	**51**

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment consist of the regular depreciation on equipment (in particular furniture, fixtures and IT equipment in stores and warehouses), as well as the amortisation of intangible assets (mostly IT licenses). Provisions mainly consist of provisions for current assets, risks, pension commitments and disputes.

Depreciation, amortisation and provisions amounted to €156 million in 2022 (including €107 million in depreciation of right-of-use assets) compared to €150 million in 2021 (including €100 million in depreciation of right-of-use assets). Excluding IFRS (IFRS 16 and IAS 38), they remained relatively stable in absolute value, and represented around 4% of sales in 2022, better absorbed than in 2021.

Adjusted EBIT

As a result of all the above items, the improvement in revenue led to an increase in adjusted EBIT, which increased from €96 million in 2021 to €111 million in 2022, thus representing 9.2% of revenue.

Free shares allocation plan

In 2022, SMCP recorded an expense of approximately €6 million related to free share award plans in 2022, compared to an expense of €7 million in 2021. SMCP delivers the free share award plans using priority share buyback programmes. Therefore, in September 2022, SMCP launched a share buyback programme covering 830,000 shares, purchased over a period ending in November 2022.

Current operating income

As a result, current operating income amounted to €105 million in 2022 compared to €89 million in 2021.

Other non-recurring income and expenses

Other non-recurring income and expenses comprise income statement items which, due to their nature, amount or frequency, may not be considered as inherent to the Group's recurring operations. This item includes in particular (i) the costs incurred at the acquisition or creation of new entities, (ii) any provisions for impairment of brands, leasehold rights and goodwill and any profits or losses recognised on the disposal of non-current assets when they are significant, (iii) the costs of capital transactions, expenses incurred for disputes, or any other non-recurring income or expenses, including the free share award plan which the Group presents separately to facilitate understanding of the current operating performance and to give the reader of the financial statements useful information to provisionally assess results.

Other non-recurring expenses were -€12 million in 2022 (compared to -€26 million in 2021) and consist mainly of impairment of stores, in accordance with IFRS 16 (they do not result in an outflow of cash for the Group).

Financial income (expense)

Financial income and expenses include financial items recognised in net profit or loss for the period, including interest expenses payable on financial instruments calculated using the effective interest method (mainly current account overdrafts and medium- to long-term financing), foreign exchange profits and losses, gains and losses on derivative financial instruments, dividends received, and the portion of financial expenses arising from the accounting treatment of employee benefits (IAS 19).

Due to a fall in outstanding liabilities, financial expenses are slightly down, going from -€27 million in 2021 (including -€12 million in financial interest on lease liability) to -€24 million in 2022 (including -€11 million in financial interest on the lease liability). The average cost of debt stood at 2.1% in 2022.

Profit/(loss) before tax and income tax expense

The *income tax expense* includes current and deferred taxes. Income tax is recorded in net profit or loss for the period, unless it is triggered by transactions recorded directly in shareholders' equity. In this case, the corresponding deferred tax liabilities are also recognised under shareholders' equity.

Current taxes on taxable income for the period represent the tax burden determined by using the tax rates in effect at the reference date and any adjustments to the tax payables calculated during previous periods.

Deferred tax liabilities refer to temporary differences between the carrying amounts of assets and liabilities of consolidated companies and their respective tax values relevant for determination of future taxable income.

Profit before tax was €70 million in 2022, compared to €36 million in 2021.

Net profit for the period - Group share

As a result of the factors described above, the Group's net profit amounted to €51 million in 2022, up sharply over the financial year (compared to a profit of €24 million in 2021).

4.2.4.7 CHANGE FROM NET PROFIT FOR THE PERIOD - GROUP SHARE TO NET EARNINGS PER SHARE (EPS)

	Financial year ended 12/31	
	2021	**2022**
Net profit for the period – Group share *(in €M)*	**24**	**51**
Average number of shares		
Before dilution [(1)]	74,562,639	75,087,542
After dilution [(2)]	79,605,410	79,230,262
EPS *(in €)*		
Before dilution	0.32	0.68
After dilution	0.30	0.65

(1) Average number of common shares, minus existing treasury shares held by the Company.
(2) Average number of common shares, less treasury shares held by the Company and plus the common shares that may be issued in the future. They include the conversion of Class G preferred shares (2,791,588 shares) and the long-term incentive plan shares (LTIP) which are prorated according to the performance criteria reached as of December 31, 2022 (1,351,132 shares).

4.3 Cash flow

4.3.1 Free cash flow

In 2022, the Group's Free cash flow amounted to €34 million, down compared to the previous financial year (€70 million generated in 2021). In 2021, the Group had benefited from the combination of strong constraints on working capital requirement, in a context of long lockdowns in Europe in the first half of the year, and the implementation of the demand planning process. These factors had led to a significant decrease in inventory levels. In 2022, after two years of decline in absolute value, the Group's brands had to increase their inventory levels in order to fuel the sustained growth in sales in all Western markets, and to secure their supplies in a context of anticipation of future growth. They were affected by health restrictions in China, which led to local restocking. Lastly, the value of inventories was also affected by inflation.

Despite these various adverse effects, the proportion of working capital requirement in relation to total sales remains under control and close to historical levels. It amounted to 15% in 2022, higher than 2021 but in line with pre-Covid ratios (for example, it was 16% in 2019).

At the same time, the Group maintained strict control of its capital expenditure throughout the year, with an outflow of €45 million in 2022, which was stable in absolute value in relation to 2021, and represents 3.7% of revenue (compared with €43 million in 2021, representing 4.1% of sales).

(In € million)	**2021 Restated**	**2022**
Adjusted EBIT	96	111
Depreciation, amortisation and impairment	150	156
Change in working capital requirement	5	(45)
Income tax refunded/(paid)	(5)	(12)
Net cash flow from operating activities	**246**	**209**
Capital expenditure	(43)	(45)
Lease payment reimbursement	(120)	(121)
Interest paid and other	(15)	(9)
Net foreign exchange difference	1	0
Free cash flow	**70**	**34**

4.3.2 Consolidated cash flow

The table below summarises the Group's cash flow for 2021 and 2022:

	Financial year ended 12/31	
	2021 Restated	2022
Net cash flow from operating activities	246	209
Net cash flow used in investing activities	(43)	(45)
Net cash flow from financing activities	(200)	(223)
Net currency translation adjustments	1	0
Change in net cash and cash equivalents	5	(58)
Net cash and cash equivalents at the beginning of the period	124	129
Net cash and cash equivalents at the end of the period	129	71

4.3.2.1 NET CASH FLOW FROM OPERATING ACTIVITIES

The table below presents the Group's cash flow items resulting from activity in respect of 2021 and 2022:

	Financial year ended 12/31	
	2021 Restated	2022
Adjusted EBIT	96	111
Depreciation, amortisation and impairment	150	156
Change in working capital requirement	5	(45)
Income tax refunded/(paid)	(5)	(12)
Net cash flow from operating activities	**246**	**209**

Cash flows from operating activities amounted to €209 million for the 2022 financial year, compared to €246 million in 2021. This decrease is mainly due to the change in working capital requirement, as explained in 4.3.1, and the increase in tax paid in line with the increase in pre-tax income. Despite a particularly difficult economic context, the SMCP group nevertheless continued to demonstrate its ability to generate a significant level of operating cash flow.

4.3.2.2 NET CASH FLOW USED IN INVESTING ACTIVITIES

The following table sets out the Group's net cash flow used in investing activities for 2021 and 2022.

	Financial year ended 12/31	
	2021 Restated	2022
Purchases of property, plant and equipment and intangible assets	(43)	(45)
Sales of property, plant, equipment and intangible assets	1	-
Purchases of financial instruments	(5)	(3)
Proceeds from sales of financial instruments	4	4
Purchases of subsidiaries net of cash acquired	-	-
Net cash flow used in investing activities	**(43)**	**(45)**

The flow relating to the acquisition and disposal of financial instruments includes the use of hedging instruments for purchases and sales of the spring/summer collections to mitigate the risks of exchange rate fluctuations as well as guarantee deposits paid at the signing of certain points of sale. Disposals net of acquisitions of financial instruments amounted to €1 million for the 2022 financial year.

4.3.2.3 NET CASH FLOW FROM FINANCING ACTIVITIES

The following table sets out the Group's net cash flow from financing activities for 2021 and 2022.

	Financial year ended 12/31	
	2021	2022
Treasury shares buyback programme	(6)	(7)
Change in long-term borrowings and debt	53	-
Change in short-term borrowings and debt	(112)	(85)
Other financial income and expenses	0	1
Interest paid	(15)	(10)
Lease payment reimbursement	(120)	(121)
Net cash flow from financing activities	**(200)**	**(223)**

Net cash from financing activities represented a net cash outflow of €223 million in the 2022 financial year.

The change in financial liabilities mainly reflects the repayment of €55 million of the Term Loan and €14 million of the State Guaranteed Loan (SGL), as well as the change in the outstanding amount of NEU CP. Interest paid during the financial year amounted to €10 million; the decrease in the average outstanding debt allows for a decrease in this expense compared to the previous year. The repayment of the lease liability corresponds to the application of IFRS 16 and amounts to €121 million.

4.3.3 Main uses of the Group's cash and investment policy

4.3.3.1 CAPITAL EXPENDITURE

The Group's capital expenditure is mainly operational and aims to support growth in its current and future markets, in all distribution channels (physical and digital). Expenditure falls into the following categories:

- new points of sale openings,
- renovations of existing points of sale,
- infrastructure and other expenses (including registered office costs, investments related to information, logistics and digital systems).

The Group's capital expenditure for the 2022 financial year corresponds to a disbursement of €45 million which includes the opening of new points of sale (approximately 40% of the total), the renovation and maintenance of existing points of sale (approximately 20% of the total) and infrastructure and other expenses (approximately 40% of the total).

4.3.3.2 PAYMENT OF INTEREST AND REPAYMENT OF LOANS

A significant part of the Group's cash flow is allocated to servicing and reimbursing its debt.

In 2022, the Group paid interest of €10 million compared to €15 million in 2021.

It also repaid a portion of its financial liabilities, as indicated in paragraph 4.3.2.3.

Information on payment terms for suppliers and customers

In accordance with Articles L. 441-6-1, D. 441-1 and D. 441-4 of the French Commercial Code, information on payment terms for suppliers and customers is presented below:

	Article D. 441 I. -1 °: Invoices received but not paid						Article D. 441 I.-2 °: Invoices issued but not paid					
(In thousands of euros)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 day and more)
(A) Late payment bands												
Number of invoices concerned	2	-	-	-	-	-	15	-	1	-	1	2
Total amount of invoices concerned (incl. Tax)	130	-	-	-	-	-	7,544	-	23	-	5	28
Percentage of total invoices concerned (incl. Tax)	7.35%	-	-	-	-	-						
Percentage of revenue for the year (incl. Tax)							47.22%	-	0.14%	-	0.03%	-
(B) Invoices excluded from (A) relating to disputed or unrecognised payables or receivables												
Total number of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices (incl. Tax)	-	-	-	-	-	-	-	-	-	-	-	-
(C) Reference payment terms used (contractual or legal term – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate late payments	Contractual terms: between 30 and 45 days net, end of month						Contractual terms: 30 days					
	Legal terms: 45 days, end of month						Legal terms: 45 days, end of month					

4.4 Financial structure

4.4.1 Statement of financial position (balance sheet)

ASSETS

(In € million)	As of 12/31/2021 Restated	As of 12/31/2022
Goodwill	626	626
Intangible assets & right-of-use	1,139	1,129
Property, plant and equipment	88	83
Non-current financial assets	20	19
Deferred tax assets	50	40
Non-current assets	**1,922**	**1,896**
Inventories	234	292
Trade and related receivables	57	63
Other receivables	64	61
Cash and cash equivalents	131	73
Current assets	**485**	**489**
TOTAL ASSETS	**2,408**	**2,386**

EQUITY & LIABILITIES

(In € million)	As of 12/31/2021 Restated	As of 12/31/2022
Total equity	**1,117**	**1,172**
Long-term lease liabilities	313	303
Long-term financial borrowings	339	262
Other non-current liabilities	0	0
Non-current provisions	3	1
Net employee defined benefit liabilities	5	4
Deferred tax liabilities	181	174
Non-current liabilities	**842**	**744**
Trade and other payables	155	172
Short-term lease liabilities	99	100
Bank overdrafts and short-term borrowings and debt	110	104
Short-term provisions	1	2
Other liabilities	83	92
Current liabilities	**448**	**470**
TOTAL EQUITY AND LIABILITIES	**2,408**	**2,386**

4.4.2 Financing structure

4.4.2.1 OVERVIEW

In addition to cash, which mainly includes net cash flows from operating activities, the Group mainly uses bank financing, which mainly includes a Term Loan A, a Revolving Credit Facility and State Guaranteed Loans, as well as a NEU CP programme and short-term bank overdrafts. With the exception of State Guaranteed Loans, SMCP Group SAS is the borrower and the Company is the guarantor of the borrower. All medium- and long-term loans mentioned above are denominated in euro.

In addition, the Group has adopted a policy of short-term investment of its cash with its partner banks, a policy that it intensified in the second half of 2022 in a context of rising interest rates.

4.4.2.2 FINANCIAL LIABILITIES

Net financial debt

(In € million)	As of 12/31/2021	As of 12/31/2022
Long-term financial borrowings & other non-current liabilities	(339)	(262)
Bank overdrafts and short-term borrowings and debt	(110)	(104)
Cash and cash equivalents	131	73
Net financial debt	**(318)**	**(293)**
Adjusted EBITDA excluding IFRS 16 over the last twelve months	129	151
Net financial debt/adjusted EBITDA	**2.5x**	**1.9x**

Net financial debt decreased by €25 million, from €318 million at December 31, 2021 to €293 million at December 31, 2022. This decrease in net debt, combined with the improvement in EBITDA, resulted in a significant decrease in the net financial debt/EBITDA ratio[1], from 2.5x on December 31, 2021 to 1.9x on December 31, 2022.

Financial liabilities

The Group's financial liabilities were €449 million and €366 million, respectively, at December 31, 2021 and December 31, 2022.

The table below shows the breakdown of the Group's gross debt on the dates indicated:

	Financial year ended 12/31	
(In € million)	2021	2022
Loans	**401**	**334**
Term Loan	208	155
State guaranteed loans	193	179
Current bank overdrafts	**2**	**2**
Other loans and borrowings	**46**	**30**
NEU CP	38	25
Other borrowings and accrued interests	8	5
Financial liabilities	**449**	**366**

(1) Adjusted EBITDA excluding IFRS 16 over the last 12 months.

The main items comprising the Group's financial liabilities are described below.

The Term Loan A and Revolving Credit Facility – €465 million

The Term Loan A and the Revolving Credit Facility were set up in May 2019. This facility was granted by a syndicate of 14 international banks. It does not provide any collateral.

The Term Loan A is a loan of €265 million fully drawn on signature. It is repayable in three instalments of €55 million in 2021, 2022 and 2023 and one instalment of €100 million in 2024. Two instalments of €55 million have already been repaid.

The Revolving Credit Facility of €200 million expiring in May 2024 comprises a €50 million instalment known as a "swingline" which allows withdrawals in daily value. It has not been drawn throughout the 2022 financial year.

The NEU CP programme – €200 million

The NEU CP is a programme of treasury notes in euro deposited with the Banque de France and whose maximum amount of use is €200 million. It aims to optimise the Group's cost of debt and diversify its sources of financing. At the end of the 2022 financial year, the amount issued was €25 million.

The State Guaranteed Loans (PGE) – €140 million and €53 million

The first State Guaranteed Loan is a loan of €140 million fully drawn on the date of signature in June 2020. This loan, guaranteed by the French State at 90%, and with an initial 12-month maturity, has been extended until June 2026. The first repayment of €14 million was made in 2022.

The second State Guaranteed Loan, for an amount of €53 million, was issued in June 2021, and its maturity has been extended until June 2024.

4.4.2.3 INTEREST AND FEES

Loans contracted under the Credit Facility will bear interest at an EURIBOR-indexed floating rate for the drawn period, increased by the applicable margin.

The applicable margin as of December 31, 2022 was 2.30% per annum for the Term Loan A and 1.90% per annum for the Revolving Credit Facility.

The table below shows the spread of the margin according to the Group's leverage ratio (total net debt/consolidated EBITDA [excluding IFRS 16 impact]):

Leverage ratio (Total net debt/consolidated EBITDA before IFRS 16)	**TLA margin**	**RCF margin**
⩾ 4.0x	2.90%	2.50%
< 4.0x and ⩾ 3.5x	2.75%	2.35%
< 3.5x and ⩾ 3.0x	2.60%	2.20%
< 3.0x and ⩾ 2.5x	2.45%	2.05%
< 2.5x and ⩾ 2.0x	2.30%	1.90%
< 2.0x and ⩾ 1.5x	2.15%	1.75%
< 1.5x and ⩾ 1.0x	2.00%	1.60%
< 1.0x	1.85%	1.45%

With respect to the Revolving Credit Facility alone, the Group must pay a commitment fee equal to 35% of the applicable margin per annum, calculated on the basis of the undrawn and non-cancelled commitments.

Once past the first year, State Guaranteed Loans now bear interest. The Group bears costs related to the State guarantee.

Regarding its NEU CP issue programme, the issue price shall be a function of demand and supply on this market and the maturity of the issued securities. The Group reported an average rate of 0.69% per year for all issues made in 2022.

4.4.2.4 UNDERTAKINGS AND COVENANTS

The Credit Facility and the State Guaranteed Loans contain certain undertakings to do or not do, including not to:

- delist SMCP SA;
- carry out mergers (with the exception of mergers that do not involve the Company itself);
- dispose of significant assets;
- implement a change in the nature of the Group's business activities;
- with, in certain cases, reserves of stipulated amounts and the usual exceptions for this type of financing.

The Credit Facility and State Guaranteed Loans also require the Group to maintain a leverage ratio that limits the amount of debt that can be contracted by the Group (see paragraph 4.4.2.3 "Interest and Fees" above) and restricts the payment of dividends by SMCP SA to its shareholders. The Group may distribute a maximum of 50% of the consolidated annual net profit.

The State Guaranteed Loans contain additional commitments, including:

- not to raise additional debt as long as the leverage ratio is not less than 3.0x;
- not to carry out any acquisitions as long as the leverage ratio is not less than 2.5x, and to limit acquisitions to an amount of €25 million per year in the following years and solely with a view to acquiring a Group distributor partner.

4.4.2.5 VOLUNTARY EARLY REPAYMENT

The Credit Facility and State Guaranteed Loans allow voluntary prepayments with prior notice. Reuse costs will apply if the early repayment is made at a date other than the end of an interest period.

4.4.2.6 MANDATORY EARLY REPAYMENT

The Credit Facility and the State Guaranteed Loans provide for mandatory early repayment in the event of a change of control, defined as the situation where a shareholder other than the majority shareholder on the loan issue date (European TopSoho S.à r.l.) takes control of the Company by holding more than 50% of the voting rights, or in the event of the delisting or disposal of the Group's entire business and/or assets.

The State Guaranteed Loans also provide for mandatory early repayment in the event of voluntary early repayment of the Credit Facility and in the event of debt issuance on the capital markets.

4.5 Outlook

The forecasts, objectives and trends presented below are based on data, assumptions and estimates, particularly in terms of economic outlook, considered reasonable by the Group at the date of this universal registration document.

The figures, data, assumptions, estimates and objectives presented below may change or be amended in an unpredictable way, depending on, among other factors, changes in the economic, financial, competitive, legal, regulatory, accounting and tax environments or depending other factors that the Group may not be aware of at the date of publication of this universal registration document.

In addition, the materialisation of certain risks described in paragraph 3.1 "Risk factors" of this universal registration document could have a negative impact on the Group's business, financial position, market situation, results or prospects and, therefore, call into question its ability to achieve the forecasts and objectives presented below.

In addition, the achievement of these forecasts and objectives assumes the success of the Group's strategy and its implementation.

Consequently, the Group does not make any commitment or guarantee that the objectives and forecasts set out in this section will be achieved.

OUTLOOK FOR THE 2023 FINANCIAL YEAR

For FY 2023, SMCP expects a mid- to high-single digit sales growth compared to 2022 at constant currencies. The Group also aims to improve its profitability (measured by the adjusted EBIT margin, as a percentage of revenue).

SMCP continues to execute its strategic plan. This is based on four key pillars: strengthening the attractiveness of brands by highlighting their uniqueness, an acceleration in sustainable development, the continued implementation of a phygital strategy to increase the number of touchpoints with customers, and finally strengthening the platform and infrastructure. SMCP is thus perfectly positioned to seize all of the market's growth opportunities.

MEDIUM-TERM FINANCIAL AND NON-FINANCIAL OBJECTIVES

On the basis of the Group's strategic directions and the most recent business plan, drawn up over a period of eight years, deemed the most relevant to take into account the international development potential of the brands and in particular the expected effect of the structuring projects launched by the Group, SMCP has established the following objectives:

In terms of its non-financial performance:

- increased product traceability, with a target of 100% of products equipped with a QR code by 2025 and an average traceability score of 4/5;
- more than 75% of our collections made with lower environmental-impact materials and components within five years, compared to 50% in 2022;
- a reduced carbon footprint: -20% CO_2 emissions within five years, compared to 2018;
- a reduction in the share of aircraft in transport, to 35% within five years compared to 48% in 2022.

In terms of **financial performance**[1], SMCP forecasts a mid-to high single digit revenue growth until 2026, followed by a mid-single digit growth in subsequent years.

The Group is also aiming for an adjusted EBIT margin of:

- at least 12% in 2026;
- then up by around 0.5 point annually in subsequent years.

Capital expenditure will continue to represent an average of 4 to 5% of annual revenue.

- Lastly, concerning its financial structure, given the debt ratio at the end of 2022, the Group believes that it has reached a sound financial structure that it will endeavour to maintain, with a debt/EBITDA ratio structurally less than or equal to 2x.

All financial objectives are based on the following assumptions:

- growth combining the performance of the existing network (like-for-like) and a selective expansion of the network of approximately 60 net DOS per year on average, corresponding to approximately 5,000m² of additional sales area per year;
- a rebalancing of the weight of each region, resulting in an increase in the share of America and Asia in the medium term;
- growth for the Group's four brands, although slightly above average for "Other brands" (Claudie Pierlot and Fursac);
- increased development in the Men and Accessories segments;
- increasingly omnichannel sales, making it more difficult to estimate the share of digital, but aimed at increasing the number of points of contact with customers;
- improved profitability due to several factors: a management gross margin of over 75%; better absorption of store costs from higher sales per m²; SG&A also better absorbed overall, while maintaining significant investment in marketing and cross-functional projects (IT/digital/logistics).

These forecasts have been prepared on a basis comparable to historical financial information and in accordance with the accounting policies used for the Group's consolidated financial statements for the 2022 financial year (in line with the Delegated Regulation (EU) 2019/980), supplemented by Regulation (EU) 2017/1129 and with the ESMA recommendations on forecasts). They result from the budget process and the development of the business plan (assuming the absence of significant unforeseen adverse events).

(1) Assuming that there is no major adverse event unknown to date impacting the economic, geopolitical, social and health situation

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Financial statements

5.1 Consolidated financial statements

5.1.1 Consolidated financial statements

5.1.1.1 CONSOLIDATED INCOME STATEMENT

(In millions of euros)	Notes	12/31/2021	12/31/2022
Revenue	**4.1**	**1,038.6**	**1,205.8**
Cost of sales	4.2	(380.2)	(436.6)
Gross Margin		**658.4**	**769.2**
Other operating income and expenses[1]	4.3	(196.4)	(242.8)
Personnel costs[1]	4.4	(216.4)	(259.8)
Depreciation, amortisation and impairment[1]		(149.9)	(156.1)
Free share plans (LTIP)	4.5	(6.7)	(5.6)
Current operating income		**89.0**	**104.9**
Other income and expenses	4.6	(26.2)	(12.4)
Operating profit		**62.8**	**92.5**
Financial income and expenses		(0.8)	(1.2)
Cost of net debt		(25.9)	(22.6)
Financial income (expense)	**4.7**	**(26.7)**	**(23.8)**
Profit/(loss) before tax		**36.1**	**68.7**
Income tax expense	4.8	(12.2)	(17.4)
Net profit for the period		**23.9**	**51.3**
Net profit for the period - Group share		**23.9**	**51.3**
Basic earnings per share - Group share *(in €)*	4.9	0.32	0.68
Diluted earnings per share - Group share *(in €)*	4.9	0.30	0.65

(1) The 2021 income statement has been restated for SaaS impacts. (see Note 2.2.2).

5.1.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	12/31/2021	12/31/2022
Net profit for the period	**23.9**	**51.3**
Actuarial losses on defined benefit plans, net of tax	0.0	1.1
Items that may not be reclassified to profit or loss	**(0.0)**	**1.1**
Gains/(losses) on derivative financial instruments (cash flow hedges), net of tax	(1.8)	2.4
Gains/(losses) on exchange differences on translation of foreign operations	3.3	2.3
Items that may be reclassified to profit or loss	**1.5**	**4.7**
Other comprehensive income/(loss), net of tax	**1.5**	**5.8**
TOTAL COMPREHENSIVE INCOME/(LOSS)	**25.4**	**57.1**

5.1.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(In millions of euros)	Notes	12/31/2021	12/31/2022
Goodwill	5.1.1	626.3	626.3
Trademarks	5.1.2	663.0	663.0
Other intangible assets*	5.1.2	8.8	11.4
Property, plant and equipment	5.2	87.6	82.5
Rights of use	5.3.1	467.4	454.1
Non-current financial assets		19.6	18.7
Deferred tax assets	5.8.2	49.7	35.7
Non-current assets		**1,922.4**	**1,891.7**
Inventories	5.6	233.5	291.6
Trade and related receivables	5.7	56.7	62.9
Other current assets	5.8	63.7	61.4
Cash and cash equivalents	5.9	131.3	73.3
Current assets		**485.2**	**489.2**
TOTAL ASSETS		**2,407.6**	**2,380.9**

* Intangible assets as of 12/31/2021 have been restated for SaaS impacts. (see Note 2.2.2).

EQUITY AND LIABILITIES

(In millions of euros)	Notes	12/31/2021	12/31/2022
Share capital		83.3	83.9
Share premium		950.1	949.6
Reserves and retained earnings		89.2	146.3
Treasury shares		(5.4)	(7.7)
Equity - Group share	**5.10**	**1,117.2**	**1,172.1**
Total equity*		**1,117.2**	**1,172.1**
Long-term lease liabilities	5.3.2	313.2	302.9
Long-term financial borrowings	5.11	338.7	261.9
Other non-current liabilities	5.11	0.1	0.1
Non-current provisions	5.12	3.4	0,7
Net employee defined benefit liabilities	5.13	5.2	4.2
Deferred tax liabilities	4.8.2	181.4	169.2
Non-current liabilities		**842.0**	**739.0**
Trade and other payables	5.14	154.7	171.8
Short-term lease liabilities	5.3.2	99.2	100.0
Bank overdrafts and short-term borrowings and debt	5.11	110.2	104.2
Short-term provisions	5.12	1.4	1.6
Other current liabilities	5.15	82.9	92.2
Current liabilities		**448.4**	**469.8**
TOTAL EQUITY AND LIABILITIES		**2,407.6**	**2,380.9**

* Equity and income for the 2021 financial year have been restated for SaaS impacts. (see Note 2.2.2).

5.1.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	Notes	12/31/2021	12/31/2022
Profit/(loss) before tax	5.1.1.1	**36.1**	**68.7**
Depreciation, amortisation and impairment		149.9	156.1
Other non-recurring income and expenses		26.2	12.4
Financial income (expense)		26.7	23.8
Free share plan (LTIP)		6.7	5.6
Sub-total*	**3.2/3.3**	**245.6**	**266.6**
(Increase)/decrease in trade and other receivables and prepayments		(7.1)	(5.5)
(Increase)/decrease in net inventories after provisions		(3.4)	(58.0)
Increase/(decrease) in trade and other payables		16.0	18.1
Change in working capital requirement		**5.5**	**(45.4)**
Reimbursed/(paid) income tax		(5.0)	(12.2)
Net cash flow from operating activities		**246.1**	**209.0**
Purchases of property, plant and equipment and intangible assets	5.1.2/5.2	(42.7)	(45.5)
Sales of property, plant, equipment and intangible assets		0.6	0.0
Purchases of financial instruments		(4.6)	(2.7)
Proceeds from sales of financial instruments		3.5	3.6
Acquisitions of subsidiaries net of acquired cash		(0.1)	0.0
Net cash flow used in investing activities		**(43.3)**	**(44.6)**
Treasury shares buyback programme		(5.5)	(7.4)
Issuance of long-term financial borrowings		53.0	0.0
Reimbursement of long-term financial borrowings		2.4	0.0
Reimbursement of financial borrowings	5.11	(114.9)	(85.0)
Lease payment reimbursement	5.3	(120.4)	(120.9)
Other financial income and expenses		0.4	0,5
Interest paid	4.7	(14.6)	(9.9)
Net cash flow from financing activities		**(199.6)**	**(222.7)**
Net foreign exchange difference		1.5	0.2
CHANGE IN NET CASH AND CASH EQUIVALENTS		**4.7**	**(58.1)**
Cash and cash equivalents at the beginning of the period		127.1	131.3
Bank credit balances at the beginning of the period		(2.6)	(1.9)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5.9**	**124.5**	**129.4**
Cash and cash equivalents at the end of the period		131.3	73.3
Bank credit balances at the end of the period		(1.9)	(2.0)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5.9**	**129.4**	**71.3**

* Recurring operating income before depreciation, amortisation, impairment and before the free share plan (LTIP).

5.1.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In millions of euros)	Notes	Number of OS	Share capital	Share premium	Treasury shares
BALANCE AT JANUARY 1, 2021		**74,117,760**	**82.7**	**950.8**	**(2.6)**
Net profit at December 31, 2021		-			
Cumulative actuarial losses on defined benefit plans, net of tax		-			
Gains/(losses) on exchange differences on translation of foreign operations		-			
Gains/(losses) on derivative financial instruments (cash flow hedges), net of tax		-			
Other comprehensive income/(loss)		-			
Total comprehensive income/(loss)		**-**			
Appropriation of N-1 income		-			
Dividend paid		-			
Capital increase/(decrease)		80,010	0.1	(0.1)	
Conversion of free shares		-			
Conversion of class G preferred shares		600,379	0.5	(0.5)	
Free Share Plan (LTIP)		-			2.7
Purchase of treasury shares		-			(5.5)
Total transactions with shareholders		**680,389**	**0.6**	**(0.6)**	**(2.8)**
BALANCE AT DECEMBER 31, 2021		**74,798,149**	**83.3**	**950.1**	**(5.4)**
Net profit at December 31, 2022		-			
Cumulative actuarial losses on defined benefit plans, net of tax		-			
Gains/(losses) on exchange differences on translation of foreign operations		-			
Gains/(losses) on derivative financial instruments (cash flow hedges), net of tax		-			
Other comprehensive income/(loss)		-			
Total comprehensive income/(loss)		**-**			
Appropriation of N-1 income		-			
Dividend paid		-			
Capital increase/(decrease)		-			
Conversion of free shares		-			
Conversion of class G preferred shares		737,189	0.6	(0.6)	
Free Share Plan (LTIP)		-			5.2
Purchase of treasury shares	4.5	-			(7.5)
Total transactions with shareholders		**737,189**	**0.6**	**(0.6)**	**(2.3)**
BALANCE AT DECEMBER 31, 2022	**5.10.1**	**75,535,338**	**83.9**	**949.6**	**(7.7)**

Reserves and retained earnings	Revaluation of defined benefit liabilities	Translation adjustment	Future cash flow hedges	Net profit for the period - Group Share	Total Group share	Total equity
164.8	**0.5**	**(4.5)**	**0.4**	**(102.2)**	**1,089.9**	**1,089.9**
				23.9	23.9	23.9
	0.0				0.0	0.0
		3.3			3.3	3.3
			(1.8)		(1.8)	(1.8)
	0.0	3.3	(1.8)	0.0	1.5	1.5
	0.0	**3.3**	**(1.8)**	**23.9**	**25.4**	**25.4**
(102.2)				102.2	0.0	0.0
					0.0	0.0
					0.0	0.0
					0.0	0.0
					0.0	0.0
4.7					7.4	7.4
					(5.5)	(5.5)
(97.5)				**102.2**	**1.9**	**1.9**
67.4	**0.5**	**(1.2)**	**(1.4)**	**23.9**	**1,117.2**	**1,117.2**
				51.3	51.3	51.3
	1.1				1.1	1.1
		2.3			2.3	2.3
0.0	0.0	0.0	2.4	0.0	2.4	2.4
	1.1	2.3	2.4	0.0	5.8	5.8
	1.1	**2.3**	**2.4**	**51.3**	**57.1**	**57.1**
23.9				(23.9)	0.0	0.0
					0.0	0.0
					0.0	0.0
					0.0	0.0
					0.0	0.0
0.1					5.3	5.3
					(7.5)	(7.5)
24.0				**(23.9)**	**(2.2)**	**(2.2)**
91.3	**1.6**	**1.1**	**1.0**	**51.3**	**1,172.1**	**1,172.1**

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5.1.2 Notes to the consolidated financial statements

Note 1 General information

The financial statements were approved by the Board of Directors on March 1, 2023 and will be approved by the General Meeting of June 21, 2023.

1.1 PRESENTATION OF THE GROUP

SMCP SA was incorporated in France on April 19, 2016 as a joint stock company (*Société Anonyme par Actions*).

The consolidated Group (the "Group") includes the parent company, SMCP SA, and its subsidiaries. The Company's registered office is located at 49, rue Étienne Marcel, 75001 Paris, France. It has been listed on Euronext Paris since October 2017.

The Group's main business activities include the creation and sale of apparel and accessories on the accessible luxury segment under the Sandro, Maje, Claudie Pierlot and Fursac brands mostly through stores, corners in department stores or its own websites, in France and internationally.

At December 31, 2022, the Group operated 1,683 stores (including 752 Sandro, 627 Maje, 233 Claudie Pierlot, 2 Suite 341 and 69 Fursac), including 1,280 directly operated stores (including 551 Sandro, 457 Maje, 201 Claudie Pierlot, 2 Suite 341 and 69 Fursac), and 403 managed through partnerships. These brands are present internationally in 46 countries.

1.2 SIGNIFICANT EVENTS

1.2.1 International, macro-economic and geopolitical context

Russia-Ukraine conflict

The Group's sales in Ukraine and Russia are made through local distributors and represented a marginal share of consolidated revenue (around 1% of revenue). Following the Russian intervention in Ukraine, SMCP ceased deliveries to the Russian distributor. The Group has no balance sheet exposure in Russia. The contract with the Russian partner expired in February 2023, and has not been renewed.

Other macroeconomic challenges in 2022

In 2022, due to various factors (conflict in Ukraine, the continuation of the Covid-19 crisis, particularly in Asia, disrupting international logistics chains, and the strong upturn in demand leading to increased pressure on supplies) saw a significant increase in various costs: materials and finished products, energy, etc. In the second half of the year, this phenomenon was accompanied by a rise in interest rates.

In this highly adverse context, SMCP was able to maintain its margins thanks to increases in sales prices that were well received by consumers. The "Energy" item is not significant in the Group's income statement, which benefits, in particular, from a multi-year procurement contract in France. Ultimately, the Group's operating margin, measured by Adjusted EBIT to revenue, was maintained between 2021 and 2022.

Lastly, interest rate increases have had little impact on the income statement for the financial year due to the downward trend in gross debt outstanding (gradual deleveraging).

1.2.2 Impacts of Covid-19

During the financial year, the Group was impacted by the resurgence of Covid-19 in Asia and in particular in China. In the first half of 2022, numerous restrictions constrained consumption in several cities, including major cities (*e.g.* Shanghai, Beijing, Hong Kong, Shenzhen and Xi'an), affecting stores (administrative closures, reduced opening hours) as well as logistical capacities (closure of the warehouse in the Shanghai region for nearly two months). After a gradual reopening in June, new resurgences occurred during the second half of the year in Continental China. While store closures were more limited (between 5% and 10% of the network), the impact on store traffic remained significant, particularly at the end of the year.

The adverse situation observed in Asia was partially offset by major dynamism in other regions (France, Europe, Middle East, North America) which benefited from a sustained level of consumption by local customers as well as a return of tourist flows (various European nationalities, American tourists, Asian tourists from outside China).

In addition, the Group still received compensation in the first half of 2022 (but for lower amounts than in 2020 and 2021) from governments or public bodies related to economic protection measures. In particular, the so-called "rent subsidy" amounted to approximately €2 million in total for the Group in France, and was recognised as a deduction from expenses.

1.2.3 Share buyback programme

The Group completed its share buyback announced on September 16, involving 830,000 SMCP shares purchased over the period from September 16 to November 24. These share buybacks are intended to cover the free share plan (LTIP).

1.2.4 Evolution of financial liabilities

Compared to December 31, 2021, and as indicated in the 2021 universal registration document, in June 2022, the Group exercised the option to extend the State Guaranteed Loan by €53 million for a period of two additional years. Repayments will now be spread out until June 2024.

During the 2022 financial year, the Group also repaid, as planned, the second tranche of €55 million of the €265 million amortisable term borrowings as well as the first tranche of €14 million of the State-guaranteed-loan of €140 million (see detail in Note 6.9).

1.3 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Group's consolidated financial statements as of December 31, 2022 covers the 2022 calendar year.

All amounts are expressed in millions of euros unless stated otherwise.

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS, see Note 2.2) as adopted by the European Union and mandatory as of December 31, 2022, and no standard or interpretation has been subject to early application.

These standards and interpretations are available on the European Union's website (see Note 2.2 for details of new texts applied and texts applicable at a later date).

The consolidated financial statements were prepared on a historical cost basis, except for financial assets and liabilities that have been measured at fair value in accordance with IFRS.

Note 2 Accounting rules and policies

2.1 BASIC PRINCIPLES AND DECLARATION OF COMPLIANCE

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of the SMCP Group for the 2022 financial year have been prepared in compliance with the International Financial Reporting Standards as published and approved by the European Union as of December 31, 2022 of these financial statements and the application of which is mandatory as of that date.

These International Standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and the interpretations of the IFRS IC (International Financial Reporting Standards Interpretations Committee).

All these texts adopted by the European Union are available on the European Union legislation website at: http://eur-lex.europa.eu/homepage.html.

2.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND APPLICABLE AS AT JANUARY 1, 2022

The following texts were adopted by the European Union and are applicable to financial years beginning on or after January 1, 2022:

- Continuous improvement - 2018 - 2020 cycle
- Amendment to IFRS 3
- Amendments to IAS 37
- Amendments to IAS 16

2.2.1 Amendment to IFRS 16 on rent adjustments

The IASB extended the amendment issued in May 2020 to IFRS 16 relating to the recognition of rent adjustments granted by landlords in connection with the Covid-19 pandemic until 30 June 2022. This amendment simplifies the analysis to be performed by tenants and allows, under certain conditions, the effect of these adjustments to be recognised immediately in the income statement in the form of negative variable rents (see Note 5.3).

2.2.2 Interpretation of IAS 38 on SaaS-related costs

In April 2021, IFRS IC published a decision relating to IAS 38 "Intangible assets" and the accounting treatment of costs incurred in configuring or customising application software used in the cloud in a Software as a Service (SaaS) arrangement, leading to the recognition of most of these costs as expenses. In line with IAS 8 "Accounting policies, changes in accounting estimates and errors", this update has been treated as a change in accounting policies, with retrospective application.

As a result, the published financial year 2021 has been restated for its opening and its results. At the opening date of the first financial year presented for comparative purposes, *i.e.* on January 1, 2021, the adjustment at that date constitutes an expense of €5.4 million recognised in equity. The impact on the financial statements for the comparable period at December 31, 2021 is at the level of the following three aggregates: Other operating income and expenses for -€3.2 million, Personnel costs for -€0.8 million, depreciation and amortisation of +€4.4 million, *i.e.* an impact on income net of corporate tax of +€0.3 million.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION OR NOT YET APPLICABLE ON JANUARY 1, 2022

The following texts are not applicable to financial years beginning on or after January 1, 2022:

- IFRS 17 - Insurance contracts;
- Amendments to IAS 1 - Presentation of financial statements: Classification of liabilities as current or non-current;
- Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2: Disclosure of accounting policies;
- Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: Definition of changes in estimates;

- Amendments to IAS 12 - Income taxes: Deferred taxes related to assets and liabilities arising from a single transaction;
- Amendments to IFRS 17 - Insurance contracts: First-time adoption of IFRS 17 and IFRS 9 - Comparative information;
- Amendments to IFRS 16 - Lease liabilities in the event of a lease disposal.

The Group does not anticipate any significant impact on the consolidated financial statements from the application of these texts.

2.4 ACCOUNTING POLICIES

In each of the notes to this document, the accounting policies applied by the Group are presented in a highlighted text box.

2.5 JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements and estimates which are based upon certain assumptions and have an impact on the amounts of assets, liabilities, income and expenses reported in those financial statements.

The main estimates and assumptions relate to:

- measurement of intangible assets and goodwill (Note 5.4);
- measurement of deferred tax assets (Note 4.8);
- determination of provisions (Note 5.12) and uncertain tax positions;
- the estimate of lease renewal assumptions and the corresponding valuation of right-of-use assets, as well as their potential residual values, in particular the value of leasehold rights in the French environment (Note 5.3);
- impairment of inventories (Note 5.6);
- IFRS 15 provisions for returns (Note 4.1).

Management reviews these estimates if there are changes in the circumstances on which they were based, if new information comes to light, or based on experience. As a result, the estimates used at December 31, 2022 could be subject to significant changes in the future.

The assumptions on which the main estimates and judgements are based are detailed in the notes to these financial statements.

2.6 CONSIDERATION OF CLIMATE RISKS

At present, the SMCP group's exposure to the consequences of climate change remains limited, and its impact on the financial statements is considered insignificant.

As part of the Group's "Product, Planet, People" environmental policy, and in particular with regard to the "Planet" and "Product" pillars, SMCP has built an environmental strategy incorporating numerous action plans relating, in particular, to:

- Raw materials: for example, using recycled materials,
- Transportation: favouring the use of ships and trains and limiting air transport,
- Preparation of the collections: limiting the number of references proposed, ensuring that the product offering is aligned with the climatic conditions of the season in question,
- In-store distribution: deploying more responsible concepts,
- Or even inventory management: demand planning, for example, with a view to optimising inventory management and thus limiting the total volume of inventories required to achieve revenue goals.

With regard to the impact on business plans, based on which impairment tests of intangible assets with an indefinite useful life are carried out, the execution of this strategy is reflected:

- by certain investments (CAPEX, including for store renovation investments);
- by expenses recorded in the income statement (operating expenses, including freight or raw material costs);
- as well as by taking into account certain assumptions for the construction of business plans (for example, the ratio between the cost of goods of the products paid by SMCP and the selling price to the end customer).

These elements are taken into account in the financial construction of the business plans, particularly in the short term, based on knowledge of current assumptions and the most likely changes in the short term.

In the longer term, the effects of climate change cannot be quantified at this stage.

2.7 CONSOLIDATION PRINCIPLES

The Group applies IFRS 10 "Consolidated Financial Statements" and IFRS 12 "Disclosure of Interests in Other Entities".

IFRS 10, which deals with the recognition of consolidated financial statements, presents a single consolidation model that identifies control as the criterion to be met in order to consolidate an entity. An investor controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are all entities controlled by the Group.

Subsidiaries are consolidated as from the date on which they are controlled by the Group, and are deconsolidated as from the date on which they cease to be controlled by the Group.

Intragroup balances and transactions are eliminated.

Consolidated entities have a December 31 accounting year-end and use the accounting rules and policies defined by the Group.

All the subsidiaries owned by the Group are included in the scope of consolidation (Note 7.4).

2.8 TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

2.8.1 Transactions and balances

Foreign currency financial statements of entities consolidated by the Group are translated into euros at the exchange rate applicable as of December 31, 2022. The exchange rate is calculated against the euro, which is the presentation currency of the Group's financial statements.

The financial statements of entities that are prepared in a different functional currency are translated into euros:

- at the period-end exchange rates for assets and liabilities;
- at the exchange rate in force at the transaction date for income and expense items, or at the average exchange rates for the period if that rate approximates the exchange rates in force at the date of the transaction.

Any resulting translation differences thereby stem from the difference between the translation rate used at the end of the previous year or during the year, and the rate used at the end of the following year. They are recognised in consolidated equity in *"Other comprehensive income/(loss)"*.

The expenses, income and flows of each of the two financial years were converted at the average rate.

Assets and liabilities were converted at the closing rate in force at December 31, 2022.

2.8.2 Foreign exchange rates applicable at December 31

The rates used to translate foreign currency transactions into euros are indicated below:

		12/31/2021		12/31/2022	
		Closing	Average	Closing	Average
			12 months		12 months
EURO	EUR/EUR	1.0000	1.0000	1.0000	1.0000
SWISS FRANC	EUR/CHF	1.0331	1.0814	0.9847	1.0052
POUND STERLING	EUR/GBP	0.8403	0.8600	0.8869	0.8526
DANISH KRONE	EUR/DKK	7.4364	7.4371	7.4365	7.4396
NORWEGIAN KRONE	EUR/NOK	9.9888	10.1639	10.5138	10.1015
SWEDISH KRONA	EUR/SEK	10.2503	10.1447	11.1218	10.6274
US DOLLAR	EUR/USD	1.1326	1.1835	1.0666	1.0539
CANADIAN DOLLAR	EUR/CAD	1, .393	1.4835	1.4441	1.3703
CHINESE YUAN	EUR/CNY	7.2036	7.6343	7.4110	7.0876
HONG KONG DOLLAR	EUR/HKD	8.8333	9.1986	8.3163	8.2512
SINGAPORE DOLLAR	EUR/SGD	1.5279	1.5896	1.4300	1.45200
MACAU PATACA	EUR/MOP	9.0900	9.4707	8.6000	8.4987
TAIWAN DOLLAR	EUR/TWD	31.3538	33.0718	32.7460	31.3456
JAPANESE YEN	EUR/JPY	130.3800	129.8500	140.6600	138.0100
MALAYSIAN RINGGIT	EUR/MYR	4.7184	4.9024	4.6984	4.6292

Note 3 Segment information

According to IFRS 8 "Segment information", an operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the same entity; and

- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which separate financial information is available.

3.1 GROUP OPERATING SEGMENTS

SMCP's operations are managed through four operating and reportable segments as defined by IFRS 8. These correspond to the four brands that each have their specific customer base:

- Sandro;
- Maje;
- Claudie Pierlot*;
- Fursac*.

Each brand has its own identity along with dedicated creative teams and plays a primary role in the Group's strategy. They are managed by separate management teams based on financial information specific to each brand. There is no inter-segment operating revenue.

The main operational decision-maker is the Executive Committee of SMCP SA which conducts a monthly review of the activities and performance of each of the four brands.

The Claudie Pierlot and Fursac brands are grouped together in the same sector for the following reasons:

- their geographic coverage is very similar, with most of their business conducted in France and Europe (>90% of Retail Revenue in 2022);
- their logistics resources have been pooled;
- their long-term gross margin ratio and EBITDA margin are similar;
- their respective weight in terms of activity is not significant at the SMCP group level (2022: Claudie Pierlot and Fursac jointly accounted for 13% of Group revenue).

3.2 FINANCIAL INFORMATION BY OPERATING SEGMENT

The tables below set out financial information by operating segment at December 31, 2022 and December 31, 2021. The concepts of Adjusted EBITDA, Adjusted EBITDA excluding IFRS 16 and Adjusted EBIT are defined on the following page.

(In millions of euros)	Sandro	Maje	Other Brands	Others & Holdings	12/31/2022
Revenue	582.0	467.4	156.4	-	1,205.8
Adjusted EBITDA	137.5	113.5	15.6	-	266.6
Adjusted EBITDA excluding IFRS 16	78.7	67.8	(0.8)	-	145.7
Depreciation, amortisation and impairment	(76.4)	(57.7)	(22.0)	-	(156.1)
Adjusted EBIT	**61.1**	**55.8**	**(6.4)**	**-**	**110.5**
Goodwill	336.0	237.3	53.0	-	626.3
Rights of use	204.2	134.4	68.0	47.5	454.1
Intangible assets	322.7	228.8	118.6	4.3	674.4
Property, plant and equipment	33.3	25.4	12.5	11.3	82.5
Capital expenditure[1]	21.0	14.0	11.0	2.1	48.1

(1) At December 31, 2022, capital expenditure breaks down as follows: (see Note 1.4 "Consolidated statement of cash flows") and excluding rights of use:
- purchases of property, plant and equipment: €38.1 million;
- purchases of intangible assets: €18.3 million;
- purchases of financial instruments: €2.7 million;
- change in trade payables for non-current assets: -€11.0 million.

* *Grouped under "Other Brands".*

(In millions of euros)	Sandro	Maje	Other Brands	Others & Holdings	12/31/2021
Revenue	497.6	407.3	133.7	-	1,038.6
Adjusted EBITDA	123.2	107.2	15.2	-	245.6
Adjusted EBITDA excluding IFRS 16	64.6	62.9	(2.2)	-	125.3
Depreciation, amortisation and impairment	(72.6)	(55.9)	(21.4)	-	(149.9)
Adjusted EBIT	**50.6**	**51.3**	**(6.2)**	**-**	**95.7**
Goodwill	336.0	237.3	53.0	-	626.3
Rights of use	206.1	147.0	76.6	37.7	467.4
Intangible assets	321.6	227.9	65.2	63.9	678.6
Property, plant and equipment	35.9	28.0	11.9	11.8	87.6
Capital expenditure[1]	18.2	12.1	8.4	12.7	51.3

(1) At December 31, 2021, restated capital expenditure for SaaS licenses breaks down as follows: (see Note 1.4 "Consolidated statement of cash flows") and excluding right of use:
- purchases of property, plant and equipment: €40.7 million;
- purchases of intangible assets: €8.8 million;
- purchases of financial instruments: €4.6 million;
- change in trade payables for non-current assets: -€2.8 million.

Operating expenses of holding companies are rebilled to the brands *pro rata* to revenue, plus a mark-up.

3.3 KEY PERFORMANCE INDICATORS

SMCP SA's Board of Directors assesses the performance of the three segments in order to take its operating decisions, mainly by reference to the following key indicators: number of points of sale, like-for-like growth, adjusted EBITDA and adjusted EBITDA margin, adjusted EBIT and adjusted EBIT margin.

EBITDA is an indicator not defined by IFRS and is defined by the Group as current operating income less depreciation, amortisation and impairment. Adjusted EBITDA is defined by the Group as EBITDA before expenses related to free share plans. Adjusted EBITDA excluding IFRS 16 corresponds to Adjusted EBITDA restated for fixed rents.

Adjusted EBIT is an indicator not defined by IFRS and is defined by the Group as current operating income less expenses related to free share plans.

Organic revenue growth, corresponding to revenue growth at constant exchange rates and scope, increased by 13.1% in 2022 compared to 2021.

(In millions of euros)	12/31/2021	12/31/2022
Current operating income	**89.0**	**104.9**
Free share plans (LTIP)	6.7	5.6
Adjusted EBIT	**95.7**	**110.5**
Depreciation, amortisation and impairment	149.9	156.1
Adjusted EBITDA	**245.6**	**266.6**
IFRS 16 impact	(120.3)	(120.9)
ADJUSTED EBITDA EXCLUDING IFRS 16	**125.3**	**145.7**

3.4 BY GEOGRAPHICAL SEGMENT

The EMEA region in which the Group operates includes European countries except France (mainly the United Kingdom, Spain, Germany, Switzerland, Italy and the Netherlands), along with the Middle East (especially the United Arab Emirates).

The Americas covers the Group's activities in the US, Canada and Mexico.

The APAC region includes the Group's business activities in Asia-Pacific (notably Mainland China, Hong Kong SAR, South Korea, Singapore, Thailand, Malaysia and Australia).

Revenue earned on wholesale and online sales are allocated on the basis of the customer's country of residence.

The table below sets out revenue and assets by geographic region of delivery:

(In millions of euros)	France	EMEA	America	APAC	12/31/2022
Revenue	413.6	377.0	184.3	230.9	1,205.8
Non-current assets	1,669.0	130.9	5.1	91.4	1,896.4

(In millions of euros)	France	EMEA	America	APAC	12/31/2021
Revenue	341.1	285.2	142.5	269.8	1,038.6
Non-current assets (1)	1,660.3	160.3	3.9	98.0	1,922.5

(1) Intangible assets at December 31, 2021 have been restated for SaaS accounting impacts.

3.5 INFORMATION BY MAJOR CUSTOMERS

Given the Group's business model, with a very small proportion of sales made to third-party distributors, SMCP is not exposed to a significant concentration of its customers. As a result, the Group did not have any customers that individually accounted for over 10% of its sales in the period ended December 31, 2022.

Note 4 Information on the income statement

4.1 REVENUE

Sales of goods

"Revenue" consists of total sales (retail, department store sales and sales to local partners) net of rebates, discounts, VAT and other sales taxes, but before the deduction of concession fees paid to department stores and commissions paid to affiliates.

Presentation of Group business activities

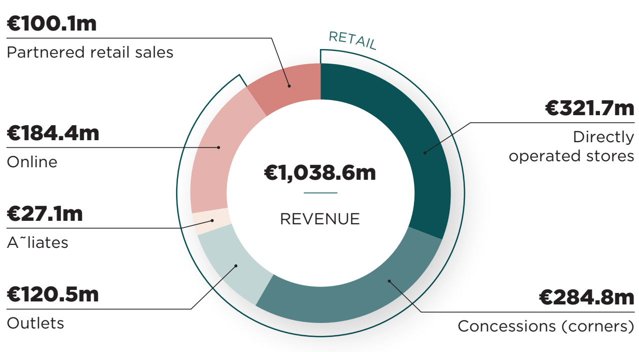
The various distribution channels used by the Group are described below:

- The retail business - includes the network of directly-owned stores, including outlets used to market and sell collections from past seasons. Revenue is recognised for the amount of the direct sale to the end customer. This is also the case for concessions or corners in department stores directly operated by the Group, even when the department stores act as intermediaries, collect the sales amount on the Group's behalf and pay this amount to the Group;
- the Group also sells its goods through affiliates (in France, Monaco and Spain): Revenue is recognised for the amount of the sale to the end customer;
- local partners, or wholesale/partnered retail (in countries where the Group does not directly operate its points of sale), are used wherever necessary to ensure a solid local presence or to meet applicable regulations. Revenue is recognised at the departure from the warehouse;
- online sales include sales made by the Group on its own websites as well as *via* third party websites, particularly those operated by department stores. They are recognised on delivery.

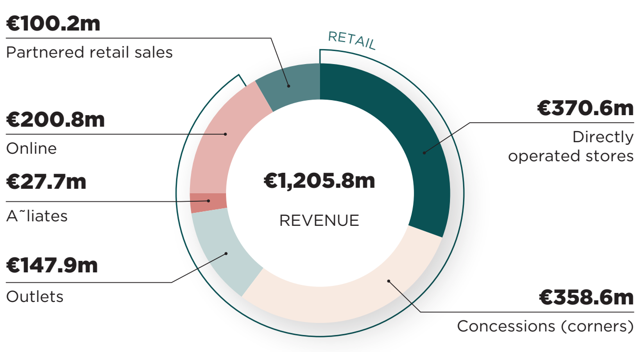
(In millions of euros)	**12/31/2021**	**12/31/2022**
Sales of goods	1,038.6	1,205.8
REVENUE	**1,038.6**	**1,205.8**

Group sales can be analysed as follows by distribution channel:

Revenue 2021



Revenue 2022



4.2 COST OF SALES

Cost of sales

Cost of sales include:

- the use of raw materials and products increased by subcontracting costs and ancillary expenses (customs, etc.);
- commissions paid to affiliates, to department stores, as well as to third-party websites.

(In millions of euros)	12/31/2021	12/31/2022
Raw materials consumed	(55.3)	(70.3)
Finished products consumed	(144.1)	(132.6)
Subcontracting and purchase-related costs	(73.1)	(99.3)
Commissions	(105.4)	(128.0)
Net foreign exchange gain/(loss) on operating items	(2.3)	(6.4)
COST OF SALES	**(380.2)**	**(436.6)**

4.3 OTHER OPERATING INCOME AND EXPENSES

(In millions of euros)	12/31/2021	12/31/2022
Other operating income	10.0	5.5
Lease payments[1]	(9.4)	(21.3)
Other external expenses[1]	(107.7)	(130.1)
Fees	(38.2)	(32.3)
Services provided	(26.9)	(34.6)
Purchases of small equipment and supplies not held in inventory	(10.9)	(14.5)
Other taxes	(13.3)	(15.6)
OTHER OPERATING INCOME AND EXPENSES	**(196.4)**	**(242.8)**

(1) The amount of rents corresponds to the variable part of rents and rental expenses, short-term lease contracts or low-value assets, as well as the reductions in rents granted by the landlords in 2021.
(2) "Other external expenses" relate mainly to sales shipment and marketing costs.

4.4 PERSONNEL COSTS

(In millions of euros)	12/31/2021	12/31/2022
Wages and salaries	(164.0)	(200.3)
Social security expenses	(44.5)	(52.1)
Other personnel costs	(4.1)	(1.1)
Employee profit-sharing	(3.8)	(6.3)
PERSONNEL COSTS	**(216.4)**	**(259.8)**

In 2021, partial activity (furlough) measures granted by the governments of the countries in which the Group operates were recognised as a deduction from personnel costs, for an aggregate amount of €23.0 million. There were no measures of this type in 2022.

4.5 SHARE-BASED PAYMENTS

Share-based payments

The Group has granted options which will be paid in equity instruments. Pursuant to IFRS 2, the advantage granted to employees under free share plan, valued at the date on which the option is granted, is recognised as additional compensation. Free share plans paid in equity instruments are valued on the allocation date based on the fair value of equity instruments granted. They are recognised in profit or loss for plans after the initial public offering which took place on October 20, 2017, on a straight-line basis over the vesting period, taking into account the Group's estimate of the number of instruments that will be vested at the end of the vesting period. The Monte-Carlo model is also used to take into account certain market conditions.

The expense recognised during the financial year for the free share plans totalled €5.6 million.

Free share plans

	Plan no. 1		Plan no. 2		Plan no. 3		Plan no. 4		Plan no.5			Plan no. 6	
Free share plan (LTIP)	**November 2017**	**April 2018**	**August 2018**	**November 2018**	**January 2020**	**July 2020**	**January 2021**	**July 2021**	**December 2021**	**January 2022**	**July 2022**	**December 2022**	**January 2023**
Initial allocation date	11/23/2017	04/25/2018	08/31/2018	11/20/2018	01/01/2020	07/01/2020	01/01/2021	07/01/2021	12/31/2021	01/01/2022	07/01/2022	12/31/2022	01/01/2023
Vesting period	2, 3 and 4 years per third	2, 3 and 4 years per third	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half	1 year in a single transaction	2 and 3 years per half	2 and 3 years per half	1 year in a single transaction	3 years
Availability date	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2023	09/30/2023	03/31/2024	09/30/2024	12/31/2022	03/31/2025	09/30/2025	12/31/2023	03/31/2026
Vesting date	03/31/2020 03/31/2021 03/31/2022	04/25/2020 03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2022 03/31/2023	09/30/2022 09/30/2023	03/31/2023 03/31/2024	09/30/2023 09/30/2024	12/31/2022 12/31/2022	03/31/2024 03/31/2025	09/30/2024 09/30/2025	12/31/2023 12/31/2023	01/01/2026
Number of beneficiaries	125	4	36	14	106	6	97	8	1,022	102	10	1,018	111
Number initially granted	2,038,324	25,709	98,171	57,694	870,460	34,256	1,437,494	61,289	5,110	987,600	28,780	5,090	1,139,380
Number outstanding as of 12/31/2021	442,282	5,515	29,355	10,678	607,538	25,263	1,125,809	45,629	5,110				
Number cancelled over the financial year	(107,411)	(1,400)	(6,699)	(2,709)	(15,004)	(1,708)	(106,101)	(3,700)	(230)	(113,500)	(4,420)		
Number exercised over the financial year[1]	(334,871)	(4,115)	(22,656)	(7,969)	(306,626)	(12,631)			(4,880)				
Number of shares transferred during the financial year[2]										987,600	28,780	5,090	
Number surrendered over the financial year													
Number outstanding as of 12/31/2022					285,908	10,924	1,019,708	41,929		874,100	24,360		
Number that may be exercised over the financial year													
Performance conditions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes
Expense for the financial year *(in €M)*	0.0	0.0	0.0	0.0	0.7	0.0	2.1	0.2	0.0	2.6	0.0	0.0	-

(1) The number exercised over the financial year corresponds to the number of shares delivered to directors, managers and certain employees of the Group.
(2) The number of shares delivered corresponds to the number of shares awarded.

For plans no. 2, 3 and 4, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SBF 120 between the initial allocation date and the definitive vesting date) (30%) and an internal condition (achievement of an average of two, three or four years of EBITDA) (70%).

For plan no. 5, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SMALL & MID CAP between the initial allocation date and the definitive vesting date) (20%) and an internal condition (achievement of an average of two or three years of EBIT) (70%), and a CSR condition (10%).

For plan no. 6, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SMALL & MID CAP between the initial allocation date and the definitive vesting date) for 30% and two internal conditions (achievement of an average of three years of EBIT for 30% and an average of three years of revenue for 20%) and CSR conditions for 20%.

Plans no. 2, 3, 4, 5 and 6 also have an employment condition on the date of definitive vesting.

In accordance with the terms of the plans regulations, the SMCP Board of Directors may adjust the performances conditions in exceptional circumstances justifying such a modification, including in the event of economic crises or geopolitical events which have a significant impact on the Group's sector of activity, or any other circumstances justifying such an adjustment, in order to neutralise, as far as is possible, the consequences of these modifications on the target set during the initial allocation. This was the case with the 2020 financial statements due to the Covid-19 pandemic.

These neutralisations have an impact on the number of shares to be delivered in March 2023 in the amount of 83,613 shares.

SMCP SA acquired 335,000 SMCP shares on the market for €2.4 million in January 2022, then 830,000 SMCP shares for €5.1 million between September and November 2022. These acquisitions as well the balance of 363,338 shares held at December 31, 2021 led to the delivery of 676,237 shares in March and April 2022, and 12,631 shares in September 2022. SMCP holds 834,590 shares as of December 31, 2022.

4.6 OTHER INCOME AND EXPENSES

Other non-recurring income and expenses comprise income statement items which, due to their nature, amount or frequency, may not be considered as inherent to the Group's recurring operations. This heading includes:

(i) costs incurred on the acquisition of new entities;

(ii) net reversals for impairment of brands, leasehold rights and goodwill, as well as any significant material capital gains or losses arising on the disposal of fixed assets:

(iii) restructuring costs, expenses incurred in respect of disputes, or any other non-recurring income or expense.

The Group presents the other income and expenses separately to facilitate understanding of its recurring operating performance and to give financial statement users relevant information for assessing the Group's future earnings.

(In millions of euros)	**12/31/2021**	**12/31/2022**
Other income	28.3	10.3
Other expenses	(54.5)	(22.7)
OTHER INCOME AND EXPENSES	**(26.2)**	**(12.4)**

Other income and expenses break down as follows:

(In millions of euros)	**12/31/2021**	**12/31/2022**
Impairment of goodwill[1]	(5.0)	-
Impairment of right-of-use[2]	(16.8)	(7.5)
Impairment of other non-current assets[3]	(5.3)	(1.6)
Disputes & penalties	0.6	(1.1)
Other	0.3	(2.2)
OTHER INCOME AND EXPENSES	**(26.2)**	**(12.4)**

(1) At December 31, 2021, the Group had performed impairment tests on its assets with indefinite life, resulting in the recognition of an impairment of €5.0 million and concerns the Claudie Pierlot brand (see Note 5.1.1).
(2) At December 31, 2022, the Group also carried out impairment tests on its right-of-use assets, resulting in the recognition of an impairment of €7.5 million compared with €16.8 million in 2021, including €5.1 million of impairment on leasehold rights in France (see Note 5.3.1 & 5.4.1).
(3) The impact of the closure of certain points of sale, either already completed in 2022 or planned in the short term, resulted in the recognition of accelerated depreciation of these assets for an amount of €1.6 million.

4.7 FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interest expenses (income) accrued on debts (receivables) measured using the effective interest method (mainly for medium- and long-term borrowings and debt as well as current account overdrafts). They also include foreign exchange gains and losses on internal financing transactions and on derivative financial instruments and dividends earned. Interest expenses (income) also include interest expenses included within long-term employee benefits (IAS 19 "Employee Benefits"), as well as the discounting adjustment for non-current provisions (IAS 37 "Provisions, Contingent Liabilities and Contingent Assets").

(In millions of euros)	**12/31/2021**	**12/31/2022**
Interest expenses on borrowings	(25.9)	(22.5)
– RCF & NEU CP	(2.2)	(2.0)
– Term Loan	(7.8)	(5.8)
– Bridge	(0.4)	-
– PGE	(3.4)	(3.7)
– IFRS 16	(12.0)	(10.9)
– Other	(0.1)	(0.1)
Net exchange gain/(loss) on financial items	0.3	(1.3)
Other financial expenses	(1.1)	-
FINANCIAL INCOME (EXPENSE)	**(26.7)**	**(23.8)**

The €11.6 million in interest expenses (excluding IFRS 16) mainly consisted of interest paid for €9.9 million (see Statement of cash flows in paragraph 5.1.1.4), accrued interest for €0.9 million and amortisation of issuance costs for €0.8 million.

Loans contracted under the Credit Facility will bear interest at an EURIBOR-indexed floating rate for the drawn period, increased by the applicable margin.

The margin is scaled according to the leverage ratio (total net debt/ Group consolidated EBITDA). The applicable margin as of December 31, 2022 was 2.3% per annum for the Term Loan A and 1.9% per annum for the Revolving Credit.

Lastly, for NEU CPs, in 2022, the Group recorded an average rate of 0.69% per year for all issuances made in 2022.

Thus, the average financing rate was 2.12% for the 2022 financial year.

4.8 INCOME TAX EXPENSE

Income tax expense for the financial year includes current and deferred taxes. These are recognised in the income statement, except if they relate to a business combination or to items recognised directly in equity or other comprehensive income.

Current taxes on taxable profit for the period represent the tax expense calculated based on the tax rates enacted as of December 31, 2022, and any adjustments to the tax payables calculated in respect of previous periods.

Deferred tax

Deferred tax assets and liabilities adjust current tax expense for the impact of temporary differences between the carrying amount of assets and liabilities of consolidated entities and their tax base.

However, a deferred tax asset is not recognised if it arises from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect accounting or taxable profit.

Deferred taxes are determined based on tax rates (and tax laws) that were enacted as of December 31, 2022 and that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised when it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred taxes are recorded in respect of taxable temporary differences related to investments in subsidiaries and affiliates unless the Group is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

4.8.1 Income tax

Income tax includes the current tax expense for the financial year and deferred taxes arising on temporary differences:

(In millions of euros)	12/31/2021	12/31/2022
Deferred tax	(8.0)	(0.8)
Current tax	(4.1)	(16.6)
INCOME TAX EXPENSE	**(12.1)**	**(17.4)**

4.8.2 Deferred tax position

a) Deferred taxes at December 31, 2022

(In millions of euros)	12/31/2021	Change in the income statement	Change in other compre-hensive income items	Translation adjustment	Other changes	Changes in scope	12/31/2022	Deferred tax assets	Deferred tax liabilities
Restatement of pension liabilities	1.0	0.1	(0.4)	-	-	-	0.8	0.8	-
Elimination of internal gains and losses (margin on inventories)	20.6	(1.7)	-	(0.5)	-	-	18.4	18.4	-
Capitalisation of tax loss carry forwards	4.3	(1.7)	-	0.1	-	-	2.7	2.7	-
Fair value of brands and leasehold rights	(180.6)	(0.9)	-	(0.2)	-	-	(181.7)	-	(181.7)
Restatement of leases	7.7	2.5	-	0.1	-	-	10.3	10.3	-
SaaS	1.8	(0.7)	-	-	-	-	1.1	1.1	-
Other restatements*	13.5	1.5	(0.8)	0.7	-	-	14.9	2.7	12.2
NET DEFERRED TAX ASSETS/ (LIABILITIES)	**(131.7)**	**(0.8)**	**(1.2)**	**0.3**	**-**	**-**	**(133.5)**	**36.0**	**(169.5)**

* Mainly relates to temporary differences between local accounting standards and taxation.

(In millions of euros)	12/31/2020	Change in the income statement	Change in other compre-hensive income items	Translation adjustment	Other changes	Changes in scope	12/31/2021 Restated	Deferred tax assets	Deferred tax liabilities
Restatement of pension liabilities	0.9	0.1	-	-	-	-	1.0	1.0	-
Elimination of internal gains and losses (margin on inventories)	15.6	3.5	-	1.5	-	-	20.6	20.6	-
Capitalisation of tax loss carry forwards	14.0	(11.3)	-	-	-	-	2.7	2.7	-
Fair value of brands and leasehold rights	(182.2)	1.6	-	-	-	-	(180.6)	-	(180.6)
Neutralisation of start-up costs and acquisition costs	0.8	(0.7)	-	-	-	-	0.1	0.1	-
IFRS 15	0.3	(0.2)	-	-	-	-	0.1	0.1	-
IFRS 16	10.4	(3.0)	-	0.3	-	-	7.7	7.7	-
Other restatements*	11.3	2.0	0.6	1.0	-	-	14.9	17.8	(1.2)
NET DEFERRED TAX ASSETS/ (LIABILITIES)	**(128.9)**	**(8.0)**	**0.6**	**2.8**	**-**	**-**	**(133.4)**	**48.4**	**(181.8)**

* Mainly relates to temporary differences between local accounting standards and taxation.

b) Analysis of the tax expense

(In millions of euros)	12/31/2021	12/31/2022
Profit/(loss) before tax	**35.7**	**68.7**
Statutory tax rate in France[1]	28.41%	25.83%
Theoretical tax expense	**(10.1)**	**(17.7)**
Changes in tax rate	(0.6)	0.1
Difference in income tax rates applied to earnings in countries other than that of the consolidating entity	1.8	(0.6)
Non-deductible or non-taxable income and expenses	(2.5)	0.6
• Impairment of goodwill	(1.4)	-
• Extinction of earn out debt	-	-
• Bonus share awards	(0.1)	-
• Other permanent differences	(1.0)	0.6
Deferred tax assets not recognised during the financial year	-	-
Deferred tax assets for previous financial years recognised during the financial year	3.4	-
Other changes in deferred tax	(2.5)	2.3
Income tax income/(expense)	**(10.6)**	**(15.4)**
Other value-added taxes[2]	(1.5)	(2.0)
INCOME TAX EXPENSE	**(12.1)**	**(17.4)**

(1) The standard tax rate in France takes into account the solidarity contribution (3.3%).
(2) Taxes based on value added (*i.e.* the CVAE tax on value added levied on French companies, IRAP in Italy and Trade Tax in Germany, etc.) are treated as "Income" in accordance with IAS 12.

c) Activation of tax loss carryforwards

The Group capitalises the tax losses of its subsidiaries when the conditions required by IAS 12 "Income taxes" are met. The tax rate applied is the tax rate in effect as of December 31, 2022. Deferred tax assets are recognised in the balance sheet on the basis of the outlook and business plans prepared for each subsidiary.

As of December 31, 2022, the Group's tax loss carryforwards represent a deferred tax asset of €2.7 million, mainly in France and Asia. Their recovery horizons range from one to five years.

d) Unrecognised deferred tax assets

As of December 31, 2022, there are no unrecognised deferred tax assets.

4.9 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share data for its ordinary shares.

Earnings per share is calculated by dividing net profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. **Diluted earnings per share** is calculated by adjusting net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise stock options and free shares granted to employees.

Earnings per share is calculated as follows:

(In millions of euros)	12/31/2021	12/31/2022
Net profit for the period - Group share	**23.9**	**51.3**
Basic weighted number of shares	74,562,639	75,087,542
Dilution effect of class G preferred shares	3,528,783	2,791,588
Dilution effect of free share plans	1,513,988	1,351,132
Average number of shares taken into account for the calculation after dilutive effects	**79,605,410**	**79,230,262**
Basic earnings per share *(in €)*	0.32	0.68
Diluted earnings/(loss) per share *(in €)*	0.30	0.65

Note 5 Notes to the Statement of financial position

5.1 GOODWILL AND INTANGIBLE ASSETS

5.1.1 Goodwill

Upon initial recognition of an acquired company, goodwill represents the excess of (i) the fair value of the consideration transferred plus the amount of all non-controlling interests in the acquired company and (ii) the identifiable assets acquired and liabilities assumed measured at fair value at the acquisition date. If this difference is negative, the amount is recognised immediately in the income statement.

At December 31, 2022, the impairment tests carried out by the Group did not result in any additional impairments being recognised As a reminder, the tests carried out at the end of the 2021 period had led to the recognition of an impairment of goodwill of the Claudie Pierlot CGU combination in the amount of €5.0 million (see Note 5.4.2).

The net value of goodwill totalled €626.3 million at December 31, 2022 and concerns the Sandro, Maje, Claudie Pierlot and Fursac brands.

The following table shows the movements in the period:

(In millions of euros)	01/01/2022	Changes in scope	Impairment	Translation adjustment	12/31/2022
Goodwill – gross value	683.2	-	-	-	683.2
Impairments	(56.9)	-	-	-	(56.9)
GOODWILL - NET VALUE	**626.3**	**-**	**-**	**-**	**626.3**

(In millions of euros)	01/01/2021	Changes in scope	Impairment	Translation adjustment	12/31/2021
Goodwill – gross value	683.2	-	-	-	683.2
Impairments	(51.9)	-	(5.0)	-	(56.9)
GOODWILL - NET	**631.3**	**-**	**(5.0)**	**-**	**626.3**

5.1.2 Other intangible assets

Trademarks

The Sandro, Maje, Claudie Pierlot and Fursac brands are classified as intangible assets with indefinite useful lives and are not therefore amortised, since:

- the brands are proprietary, properly registered and protected pursuant to applicable law, and there is an option to renew the protection at a reasonable cost at the end of the registration period, which can be easily exercised without external impediments;
- the goods sold by the Group under these brands are not susceptible to technological obsolescence, which is characteristic of the accessible luxury market in which the Group operates; on the contrary, they are consistently perceived by the market as being innovative in the national and/or international arena in which each brand evolves and has a distinctive market positioning and reputation that ensures they are dominant in their respective market segments due to the fact that they are constantly associated and compared with major leading brands;
- in the relative competitive context, investments made to maintain these brands can be said to be modest with respect to the significant cash flows they are expected to generate.
- Brands are measured at cost less impairment in accordance with IAS 38 "Intangible Assets". They are tested within the groups of CGUs described above as part of goodwill impairment tests. Each operating segment includes the stores operating under each brand.

Software

The costs of acquiring software licenses are capitalised based on acquisition and installation costs. These costs are amortised over the estimated useful lives of the software, which range from three to seven years.

Costs associated with maintaining computer software in operating condition are expensed as incurred. Costs that are directly linked to the development of software and which meet all of the criteria set out in IAS 38 are recognised as intangible assets.

Following the IFRS IC decision published in April 2021, SaaS software costs are recognised in the income statement (see Note 2.2.2).

Intangible assets are amortised on a straight-line basis over their estimated useful lives.

The useful lives are as follows:

Type of asset	Period (in years)
Trademarks	Indefinite
Licences, software	3-7

The table below illustrates changes in this item over the period presented:

(In millions of euros)	01/01/2022	Acquisitions	Disposals	Amortisation	Foreign exchange differences	Other	12/31/2022
Trademarks	663.0	-	-	-	-	-	663.0
Intangible assets in progress	1.6	7.6	-	-	-	(6.5)	2.6
Other intangible assets	40.7	8.1		-	0.1	0.7	49.6
Intangible assets	**705.3**	**15.7**	**-**	**-**	**0.1**	**(5.8)**	**715.2**
Amortisation/impairment of other intangible assets	(33.5)	-	-	(7.1)	-	(0.2)	(40.8)
Amortisation/impairment of intangible assets	**(33.5)**	-	-	**(7.1)**	-	**(0.2)**	**(40.8)**
NET VALUE OF INTANGIBLE ASSETS	**671.8**	**15.7**	**-**	**(7.1)**	**0.1**	**(6.0)**	**674.4**

(In millions of euros)	01/01/2021	Acquisitions	Disposals	Amortisation	Foreign exchange differences	Other	12/31/2021
Trademarks	663.0	-	-	-	-	-	663.0
Intangible assets in progress	3.8	1.4	-	-	-	(3.7)	1.6
Other intangible assets	37.3	2.2	(0.5)	-	0.5	1.3	40.7
Intangible assets	**704.1**	**3.5**	**(0.5)**	**-**	**0.5**	**(2.4)**	**705.3**
Amortisation/impairment of other intangible assets	(26.8)	-	0.3	(7)	(0.3)	0.3	(33.5)
Amortisation/impairment of intangible assets	**(26.8)**	**-**	**0.3**	**(7)**	**(0.3)**	**0.3**	**(33.5)**
NET VALUE OF INTANGIBLE ASSETS	**677.3**	**3.5**	**(0.2)**	**(7)**	**0.2**	**(2.1)**	**671.8**

At December 31, 2022, the Group's four trademarks, Sandro, Maje, Claudie Pierlot and Fursac, were valued for a total of €663 million, with respectively €320 million for Sandro, €226 million for Maje, €54 million for Claudie Pierlot and €63 million for the Fursac brand.

In 2022, acquisitions of intangible assets of €15.7 million represented a cash outflow of €18.4 million (see Statement of cash flows in paragraph 5.1.1.4 "Purchases of intangible assets and property, plant and equipment" for €45.5 million)

5.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognised at acquisition cost less accumulated depreciation and any cumulative impairment losses. The depreciable amount of property, plant and equipment comprises the acquisition cost of components less residual value, which is the estimated disposal price of the assets at the end of their useful lives.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group has estimated the useful lives of property, plant and equipment at two to ten years, depending on the type of asset. Costs for maintenance and repairs are expensed as incurred.

The main useful lives applied are as follows:

Type of asset	Period (in years)
Plant, equipment and tools	2-5
Miscellaneous fixtures and fittings for points of sale	2-5
Miscellaneous fixtures and fittings for warehouses and head offices	4-10
Office equipment, furniture	2-5

The table below illustrates changes in this item over the period presented:

(In millions of euros)	01/01/2022	Acquisitions	Disposals	Amortisation	Impairments	Foreign exchange differences	Other	12/31/2022
Technical fittings, equipment and industrial tools	3.8	-	-	-	-	-	-	3.8
Property, plant and equipment in progress	9.0	4.5	-	-	-	(0.1)	(6.4)	7.0
Advances and down payments on property, plant and equipment	0.3	-	-	-	-	-	(0.2)	0.1
Other property, plant and equipment	223.6	33.6	1.3	-	-	0.8	3.4	262.7
Property, plant and equipment	**236.7**	**38.1**	**1.3**	**-**	**-**	**0.7**	**(3.2)**	**273.6**
Amortisation/impairment of technical fittings, equipment and industrial tools	(2.7)	-	-	(0.6)	-	-	-	(3.3)
Amortisation/impairment of other property, plant and equipment	(146.4)	-	(1.5)	(38.5)	(0.7)	(0.9)	0.2	(187.8)
Amortisation/impairment of property, plant and equipment	**(149.1)**	**-**	**(1.5)**	**(39.1)**	**(0.7)**	**(0.9)**	**0.2**	**(191.1)**
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT	**87.6**	**38.1**	**(0.2)**	**(39.1)**	**(0.7)**	**(0.2)**	**(3.0)**	**82.5**

(In millions of euros)	01/01/2021	Acquisitions	Disposals	Amortisation	Impairments	Foreign exchange differences	Other	12/31/2021
Technical fittings, equipment and industrial tools	5.7	0.3	(2.2)	-	-	-	-	3.8
Property, plant and equipment in progress	9.3	4.6	-	-	-	0.3	(5.2)	9.0
Advances and down payments on property, plant and equipment	0.4	0.3	-	-	-	0.0	(0.4)	0.3
Other property, plant and equipment	199.7	35.5	(22.1)	-	-	11.1	(0.6)	223.6
Property, plant and equipment	**215.1**	**40.7**	**(24.3)**	**-**	**-**	**11.4**	**(6.2)**	**236.7**
Amortisation/impairment of technical fittings, equipment and industrial tools	(3.7)	-	2.1	(1.1)	0.0	-	-	(2.7)
Amortisation/impairment of other property, plant and equipment	(124.5)	-	21.7	(38.5)	(2.7)	(8.3)	5.9	(146.4)
Amortisation/impairment of property, plant and equipment	**(128.2)**	**-**	**23.8**	**(39.6)**	**(2.7)**	**(8.3)**	**5.9**	**(149.1)**
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT	**86.9**	**40.7**	**(0.5)**	**(39.6)**	**(2.7)**	**3.1**	**(0.3)**	**87.6**

Other property, plant and equipment mainly corresponds to fixtures and fittings at points of sale. In 2022, purchases of property, plant and equipment of €38.1 million represented a cash outflow of €27.1 million (see Cash flow statement in paragraph 5.1.1.4 "Purchases of intangible assets and property, plant and equipment" for €45.5 million)

5.3 LEASES

Scope of application of IFRS 16

A lease is a contract or part of a contract whereby the right to use an underlying asset is transferred for a given period in return for consideration.

The Group applies the accounting principles defined by IFRS 16 to all of its leases, with the exception of:

- short-term leases with an initial term less than or equal to 12 months;
- leases where the underlying asset is of low value, considering the value of the asset in new condition.

These exempt leases are recognised as rental expenses on a straight-line basis over the term of the lease. When certain contracts contain an explicitly identifiable portion relating to services that do not fall within the definition of a lease, this portion is recognised in current operating expenses in accordance with its cost nature.

Accounting for leases in accordance with IFRS 16

The application of IFRS 16 consists of recognising in the balance sheet at the start date of the lease:

- a lease liability, corresponding to the present value of future fixed lease payments relating to the estimated term of the lease. This liability is presented separately for its current portion and its non-current portion. Future fixed rents include any revaluation of rents corresponding to an index or a contractually established growth rate. They may also include the value of a call option or estimated early termination penalties when the Group is reasonably certain to exercise such options. In addition, fixed payments include the deduction of any lease incentives to be received at the start date of the lease;
- a right of use on leases, corresponding to the value of the lease liability minus the lease incentives received from the landlord, plus prepaid rent, initial direct costs and an estimate of restoration costs when these are subject to contractual obligations.

At each reporting date, the lease liability is remeasured as follows:

- an increase reflecting the discounting charge for the period applying the incremental borrowing rate applied to the lease, offset by an interest charge on leases in the financial income, in the income statement;
- a decrease reflecting the rent payments for the period, offset against the cash and cash equivalents account in the balance sheet;
- an increase reflecting the updating of an index or growth rate of the rent, if applicable, in exchange for the right of use on leases in the balance sheet;
- an increase or decrease reflecting a re-estimate of future fixed rent payments following a change in the estimate in the lease term, against the right of use on leases in the balance sheet.

Similarly, at each reporting date, the right of use on leases is revalued as follows:

- a decrease reflecting straight-line depreciation over the lease term, offset by a charge for depreciation of rights of use on leases within current operating income, in the income statement;
- a decrease reflecting a possible impairment of the right of use on leases, against other non-recurring operating income and expenses in the income statement;
- an increase reflecting the updating of an index or rent growth rate, if applicable, against the lease liability in the balance sheet;
- an increase or decrease reflecting a re-estimate of future fixed rent payments as a result of a change in the lease term estimate, offset against the lease liability in the balance sheet.

The impact on the income statement of the application of IFRS 16 is reflected as follows:

- the variable portion of rents, as well as short-term or low-value leases, are recognised in current operating income;
- the straight-line depreciation expense corresponding to the right of use on leases is recognised in current operating income;
- the interest expense corresponding to the unwinding of discounting of lease liabilities is recorded in financial income.

Finally, the impact on the cash flow statement of the application of IFRS 16 is reflected as follows:

- in the net cash flows from operating activities: payments relating to the variable portion of rents, rental expenses as well as short-term or low-value leases;
- in the net cash flows from financing activities: the repayment of lease liabilities, for the principal portion, as well as the portion of interest presented on the interest paid and similar line item.

Estimated lease term

The term of a lease is the non-cancellable period during which the tenant has the right to use the underlying asset, adjusted for:

- any period covered by an option to extend the lease that the tenant is reasonably certain to exercise; or on the contrary;
- any period covered by an option to terminate the lease that the tenant is reasonably certain to exercise.

In estimating the duration of its property leases, which is the predominant part of all of its leases, the Group has used:

- for its points of sale (free-standing stores, outlets): the term used corresponds to the initial term of the lease on the date of signature, *i.e.* without taking into account a possible extension option, considering that acting on location opportunities throughout the contract term is a key element in the management of its store network. During the lease term, the Group reviews its term at the end of each period, taking into account the latest operational decisions that themselves take into account termination options, or extension options if applicable, that had not been considered reasonably certain in previous reporting periods;
- for its head offices and warehouses: the term used corresponds to the initial term of the lease.

Specifically, for commercial leases signed in France (leases 3-6-9), the Group recognises a lease term of nine years, then reviews this period at each subsequent closing date to reduce it, if necessary, to three or six years depending on the profitability of the point of sale. At the end of this initial nine-year period and during the tacit extension period that applies during a renegotiation phase, the Group determines the duration of these leases taking into account the date on which the Group is reasonably certain to continue the lease beyond the contractual term.

Determination of the discount rate for lease liabilities

The discount rate is determined for each contract according to the country of the contracting subsidiary. Considering the organisation of the Group's financing, carried exclusively by SMCP Group SAS, this marginal borrowing rate is actually defined by the sum of the risk-free rates for the contract currency, by reference to its residual duration, and the Group's credit risk for this same currency and duration reference.

Leasehold rights taken into account in the calculation of Right of use on leases

In France, leasehold rights represent the amount that the new tenant pays to the previous tenant in exchange for the right to lease the property and the corresponding legal guarantees. From a legal point of view, leasehold rights include the right to be the tenant of the asset and the right to assign leasehold rights. Leasehold rights are therefore intrinsically linked to the lease itself and constitute an initial direct cost for the tenant which must be taken into account in the initial valuation of the right of use of the asset.

Being transferable, leasehold rights in France constitute the residual value of the right of use (component of the estimated amount that the tenant would obtain from the disposal of the asset). The depreciable amount of the rights of use as a whole is therefore determined by deducting this residual value, the latter being revised at least once per financial year.

Outside France, leasehold rights are generally not transferable and are therefore amortised over the term of the lease.

5.3.1 Rights of use

Rights of use break down as follows:

	12/31/2021	12/31/2022		
(In millions of euros)	Net	Gross	Amortisation, depreciation and impairment	Net
Stores	321.8	647.9	(347.5)	300.4
Offices and warehouses	43.5	85.8	(38.7)	47.1
Capitalised fixed rents	**365.3**	**733.7**	**(386.2)**	**347.5**
Leasehold rights	102.1	129.4	(22.8)	106.6
Right of use	**467.4**	**863.1**	**(409.0)**	**454.1**

The change in the net balance of rights of use during 2022 can be explained by the following elements:

Gross value in millions of euros	Capitalised discounted fixed lease payments: Stores	Offices and warehouses	Total	Leasehold rights	Total
As of January 1, 2022	597.2	71.1	668.3	125.6	793.9
Arrangement of new leases	101.6	14.2	115.8	2.7	118.5
Early terminations and downward revised durations	(52.7)	-	(52.7)	(0.6)	(53.3)
Other (including foreign exchange difference)	1.8	0.5	2.3	1.7	4.0
AS OF DECEMBER 31, 2022	**647.9**	**85.8**	**733.7**	**129.4**	**863.1**

Amortisation, depreciation and impairment in millions of euros	Capitalised discounted fixed lease payments: Stores	Offices and warehouses	Total	Leasehold rights	Total
As of January 1, 2022	(275.4)	(27.6)	(303.0)	(23.5)	(326.5)
Depreciation & amortisation	(95.9)	(11.0)	(106.9)	(2.6)	(109.5)
Impairments	(13.4)	-	(13.4)	5.1	(8.2)
Early terminations and downward revised durations	38.1	-	38.1	0.6	38.7
Other (including foreign exchange difference)	(0.9)	(0.1)	(1.0)	(2.3)	(3.4)
AS OF DECEMBER 31, 2022	**(347.5)**	**(38.7)**	**(386.2)**	**(22.8)**	**(409.0)**
NET VALUE AT DECEMBER 31, 2022	**300.4**	**47.1**	**347.5**	**106.6**	**454.1**

Lease arrangements mainly concern store rentals, and incidentally, administrative and storage buildings.

The change in the net balance of rights of use during 2021 was explained by the following elements:

Gross value in millions of euros	Capitalised discounted fixed lease payments: Stores	Offices and warehouses	Total	Leasehold rights	Total
As of January 1, 2021	517.5	69.2	586.7	132.9	719.6
Arrangement of new leases	119.0	3.6	122.6	1.2	123.8
Early terminations and downward revised durations	(65.9)	(2.4)	(68.3)	(8.0)	(76.3)
Other (including foreign exchange difference)	26.6	0.7	27.3	(0.5)	26.8
AS OF DECEMBER 31, 2021	**597.2**	**71.1**	**668.3**	**125.6**	**793.9**

Amortisation, depreciation and impairment in millions of euros	Capitalised discounted fixed lease payments: Stores	Offices and warehouses	Total	Leasehold rights	Total
As of January 1, 2021	(208.9)	(18.7)	(227.6)	(15.3)	(242.9)
Depreciation & amortisation	(89.1)	(10.7)	(99.8)	(2.1)	(101.9)
Impairments	(1.9)	-	(1.9)	(14.5)	(16.4)
Early terminations and downward revised durations	33.5	2.1	35.6	7.3	42.9
Other (including foreign exchange difference)	(9.0)	(0.3)	(9.3)	1.1	(8.2)
AS OF DECEMBER 31, 2021	**(275.4)**	**(27.6)**	**(303.0)**	**(23.5)**	**(326.5)**
NET VALUE AT DECEMBER 31, 2021	**321.8**	**43.5**	**365.3**	**102.1**	**467.4**

5.3.2 Lease liabilities

Lease liabilities break down as follows:

(In millions of euros)	12/31/2021	12/31/2022
Lease liabilities at more than 5 year	88.7	85.4
Lease liabilities between 4 and 5 years	41.7	40.5
Lease liabilities between 3 and 4 years	47.8	49.3
Lease liabilities between 2 and 3 years	58.7	56.5
Lease liabilities between 1 and 2 years	76.3	71.2
Lease liabilities at less than 1 year	99.2	100.0
TOTAL	**412.4**	**402.9**

The change in lease liabilities during the year can be explained by the following items:

(In millions of euros)	Stores	Offices and warehouses	Total
As of January 1, 2022	366.3	46.1	412.4
Arrangement of new leases	101.2	14.2	115.4
Reimbursement of the nominal	(102.3)	(10.8)	(113.1)
Changes in incurred interests	0.5	-	0.5
Early terminations and downward revised durations	(14.9)	-	(14.9)
Other (including foreign exchange difference)	2.2	0.4	2.6
AS OF DECEMBER 31, 2022	**353.0**	**49.9**	**402.9**

(In millions of euros)	Stores	Offices and warehouses	Total
As of January 1, 2021	367.5	52.6	420.1
Arrangement of new leases	112.5	3.6	116.1
Reimbursement of the nominal	(101.0)	(10.3)	(111.3)
Changes in incurred interests	0.4	-	0.4
Early terminations and downward revised durations	(32.6)	(0.3)	(32.9)
Other (including foreign exchange difference)	19.5	0.5	20.0
AS OF DECEMBER 31, 2021	**366.3**	**46.1**	**412.4**

The amount of rent paid in the 2022 financial year is €120.9 million. It was €120.3 million in 2021. (See Statement of cash flows in paragraph 5.1.1.4 "Repayment of lease liabilities").

The residual rent expense shown in the income statement under operating income and expenses (see Note 3.4) breaks down as follows:

(In millions of euros)	12/31/2021	12/31/2022
Variable lease payments or rents on low-value assets	(5.4)	(8.7)
Rental charges	(14.9)	(14.8)
Rent concessions granted by landlords	10.9	2.2
TOTAL	**(9.4)**	**(21.3)**

In some countries, store leases include a minimum amount and a variable portion, particularly when the lease contains a clause indexing the rent to sales. In accordance with the provisions of IFRS 16, only the minimum fixed portion is capitalised.

Payments relating to non-capitalised leases (variable rents or lease payments on low-value assets) do not differ much from the expense recognised.

5.4 IMPAIRMENT TESTS

Basic principles

If indications of impairment are identified, such as events or changes in circumstances that may affect the recoverable amount of an asset, IAS 36 "Impairment of Assets" requires companies to perform an impairment test in order to verify that the net carrying amount of property, plant and equipment and intangible assets does not exceed the recoverable amount.

Goodwill, brands and other intangible fixed assets with an indefinite life or which have not yet been put into service must be tested for impairment at least annually or whenever there is an indication that they may be impaired.

The recoverable amount of assets is tested by comparing their net carrying amount with the higher of their fair value less costs to sell and value in use.

The value in use of property, plant and equipment or intangible assets is determined based on the estimated future cash flows expected to result from the use of the asset. These are calculated using a post-tax discount rate and factor in the risks relating to the performance of the asset tested.

If the cash flows generated by a given asset cannot be estimated independently from the cash flows generated by other assets, the Group must identify the cash-generating unit (CGU) to which the asset belongs and with which the future cash flows – calculated objectively and generated independently of the cash flows generated by other assets – can be associated. The identification of cash-generating units was carried out according to the Group's organisational and operational architecture.

If the impairment test reveals that an asset has lost value, its carrying amount is written down to its recoverable amount by recognising an impairment loss in the income statement.

When the reasons for impairment cease to exist, the carrying amount of the asset or cash-generating unit (except goodwill) is increased to the amount resulting from the estimate of its recoverable amount, not to exceed the net carrying amount that would have been reported had the impairment loss not been recognised. The reversal of an impairment loss is recognised in the income statement.

Allocation of assets/liabilities to cash-generating units (CGUs) and estimated values

The Group has defined several types of CGUs in order to test its property, plant and equipment, intangible assets and goodwill for impairment.

Each store is a CGU based on the specific geographic base of its customers and the property, plant and equipment and intangible assets owned by the store, and impairment tests are performed at this level.

Goodwill and brands are subject to an impairment test in a second stage, within the three CGU combinations which also include the assets related to the CGUs described above, *i.e.* the points of sale operated under each brand, the direct support structure of each brand, and an allocation of head office expenses.

Goodwill comes from the three original brands Sandro, Maje and Claudie Pierlot acquired in October 2016 and the Fursac brand acquired in September 2019.

Goodwill is not amortised but is subject to an impairment test whenever an indication of impairment is identified, and at least once a year. Indications that goodwill may be impaired include material adverse changes of a lasting nature affecting the economic environment or the assumptions and objectives made at the time of acquisition.

When the net carrying amount of the cash-generating unit is greater than its recoverable amount, an impairment loss is recognised first on goodwill, then if necessary on the other elements tested. Impairment losses are recognised in the income statement (under the "Other expenses" heading).

Impairment losses in respect of goodwill may not be reversed.

Judgements and estimates

The main judgements and estimates relating to impairment testing are based on the following assumptions:

- identifying the appropriate CGU level;
- assessing the economic and commercial trends and the competitive environment in order to determine the discount rate and perpetuity growth rate;
- forecasting cash flows.

5.4.1 Points of sale test

The Group defines its directly owned outlets as CGUs, *i.e.* the Dmallest group of assets (including right-of-use assets, property, plant and equipment, intangible assets and the allocation of the brand attached to the point of sale) that can individually generate cash flows. A test of the points of sale must be carried out in the event of any indication of impairment, and at least once a year. The impairment criteria used are a decrease in revenue and/or a decrease in profitability and/or a decrease in the marketability of the point of sale.

The recoverable amount of each of these points of sale is determined using the discounted cash flow method (DCF). These FCFs are based on the Budget by point of sale and the Business Plan by CGU combination and CGU (retained for the duration of the contract), approved by the Executive Committee and the Board of Directors, and are used to calculate the value in use as of December 31, 2022. The growth rates used are those used by management for the Business Plan and take into account both the post-pandemic catch-up effects and the growth prospects specific to each brand and/or market (Sandro Europe, Maje Europe, Claudie Pierlot Europe, Fursac, APAC, North America). At the end of their useful life, points of sale are considered closed and non-amortised assets, such as leasehold rights in France, are sold. To calculate the value in use, future cash flows are discounted using a weighted average cost of capital (WACC), which varies between 11.0% and 11.3% based on the brand operating at that point of sale. When this value in use is lower than the net carrying amount of the assets constituting the CGU, an impairment loss is recorded in the financial statements and allocated by default, for the sake of simplicity, to the right of use.

Management has identified and recognised a loss of value of the right-of-use assets in the amount of €13.1 million as at December 31, 2022.

5.4.2 Testing of CGU combinations

IAS 36 requires an impairment test to be performed annually for each CGU or CGU combinations to which the goodwill has been allocated.

As recommended by IAS 36, each CGU or CGU combination to which goodwill is thus allocated must represent, within the entity, the lowest level at which goodwill is monitored for internal management purposes and must not be larger than a segment determined under IFRS 8 "Operating Segments", before consolidation.

The level of analysis at which the SMCP Group assesses the recoverable amount of goodwill corresponds to the brand. This level of goodwill test is based on both organisational and strategic criteria.

An impairment test was therefore carried out on each of the four Sandro, Maje, Claudie Pierlot and Fursac brands.

This impairment test is a carried out in a context marked by uncertainty, inflation leading to a restrictive monetary policy by central banks and a health situation marked by a clear improvement in the European and American markets but resurgences in China, disrupting store traffic.

As part of the preparation of its annual strategic plan, the Group reviewed the business outlook for its various segments. This strategic plan served as the basis for the impairment test carried out on each combination of the Group's CGUs as at December 31, 2022. It compares the net carrying amount of each of the four brands (composed of the brand, the portion of the allocated goodwill, the right-of-use assets, the other fixed assets and the working capital requirement) with the higher of the fair value net of asset disposal costs and the value in use of the brands. This is determined using the free cash flow (DCF) method. These DCFs are based on the 2023 Budget and the Business Plan by combination of CGUs over an eight-year period determined by the Executive Committee and approved by the Board of Directors.

For the 2023 financial year, SMCP expects mid-to high-single digit growth of its sales vs 2022, at constant exchange rates. With regard to its profitability, the Group aims to improve its profitability, measured by the adjusted EBIT margin as a percentage of revenue.

The Group called upon an independent appraiser to update the discount rate and the long-term growth rate for each of its CGU combinations. This review takes into account differentiated rates by country. The rates applied to each CGU combination result from the weighting of these rates by country, according to the geographical presence of the brands. The following table presents the discount and long-term growth rates used for each CGU combination:

	2021 test discount rate	2021 test long-term growth rate	2022 test discount rate	2022 test long-term growth rate
Sandro	10%	2%	11.2%	1.9%
Maje	10%	2%	11.3%	1.9%
Claudie Pierlot	10%	2%	11.0%	1.8%
Fursac	10%	2%	11.0%	1.8%

Following the impairment tests carried out in 2022, the Group did not recognise any additional impairments. For the record, in 2021, the Group recognised a partial impairment of goodwill of €5 million.

Among the Group's business segments, only Claudie Pierlot and Fursac have assets with a carrying amount close to their recoverable amount. The amount of the intangible assets at December 31, 2022, as well as the impairment amount that would result from a 0.5 point change in the discount rate after taxes, or a 0.5 point change in the growth rate beyond the duration of the plans, or a 0.5 point decrease in the final EBITDA value compared with rates applied at December 31, 2022 are detailed below:

(In millions of euros)	Carrying amount of goodwill and intangible assets with an indefinite useful life at 12/31/2022	Carrying amount of assets in CGU combination affected at 12/31/2022	0.5% increase in the discount rate after taxes	0.5% decrease in the perpetual growth rate	0.5 pt decrease in the EBITDA rate
Sandro	708.0	712.2	833.7	857.2	866.7
Maje	499.1	514.5	725.5	745.5	753.3
Claudie Pierlot	110.6	113.5	120.1	124.4	125.4
Fursac	78.3	66.7	71.0	73.6	74.2
TOTAL	**1,396.1**	**1,406.9**	**1,750.3**	**1,800.7**	**1,819.6**

Sensitivity to changes in the discount rate

The carrying amount of the Sandro, Maje, Claudie Pierlot and Fursac CGU groups would remain lower than the recoverable amount if the discount rate were 11.7%, 11.8% and 11.5%, respectively (*i.e.* discount rate used of 11.2% for Sandro, 11.3% for Maje and 11.0% for Claudie Pierlot and Fursac increased by 50 basis points).

The carrying amount of the Sandro CGU combination would be higher than the recoverable amount if the discount rate were higher than 13.1% (*i.e.* discount rate used of 11.2% increased by 190 basis points).

The carrying amount of the Maje CGU combination would be higher than the recoverable amount if the discount rate were higher than 15.3% (*i.e.* discount rate used of 11.3% increased by 400 basis points).

The carrying amount of the Claudie Pierlot CGU combination would be higher than the recoverable amount if the discount rate were higher than 11.8% (*i.e.* discount rate used of 11% increased by 80 basis points).

The carrying amount of the Fursac CGU combination would be higher than the recoverable amount if the discount rate were higher than 11.8% (*i.e.* discount rate used of 11% increased by 80 basis points).

Sensitivity to perpetual growth rate variations

The carrying amount of the Sandro, Maje, Claudie Pierlot and Fursac CGU combinations would remain lower than the recoverable amount if the perpetual growth rate were 1.4% and 1.3% respectively (*i.e.* perpetual growth rate used of 1.9% for Sandro and Maje and 1.8% for Claudie Pierlot and Fursac, less 50 basis points).

Assuming a perpetual growth rate of zero, the carrying amount of the Sandro and Maje CGU combinations would remain below their recoverable amount.

The carrying amount of the Claudie Pierlot and Fursac CGU combinations would be higher than the recoverable amount if the perpetual growth rate were 0.3% (i.e. perpetual growth rate used of 1.8%, less 150 basis points).

Sensitivity to the final year EBITDA rate

The carrying amount of the Sandro, Maje, Claudie Pierlot and Fursac CGU combinations would remain lower than the recoverable amount if the final year EBITDA rate were 0.5% lower than that used for each of the CGU combinations.

SMCP also tested the sensitivity to a cumulative change in these three variables. The carrying amount of the Sandro and Maje CGU combinations would remain lower than the recoverable amount, while that of Claudie Pierlot and Fursac would be slightly higher (€2 million for each of these CGU combinations).

As every year, SMCP has reviewed its forecast targets with regard to the economic and health situation of the countries in which the Group operates its points of sale. Except with the impact of the *gilets jaunes* (yellow vests) protests and demonstrations in Hong Kong, and with the Coronavirus pandemic, the SMCP Group has historically respected its forecasts.

5.5 NON-CURRENT FINANCIAL ASSETS

Financial assets amounted to €18.7 million at December 31, 2022 and correspond mainly to loans and guarantees.

5.6 INVENTORIES

Raw materials and other supplies are recognised at the lower of purchase cost and their estimated net realisable value.

The cost of finished products and goods (excluding defective goods) is based on purchase price or production cost. The production cost is determined by the integration of all costs directly attributable to products.

The cost of finished products includes the cost of design, raw materials, and direct costs including logistics costs. It does not include borrowing costs.

At the end of the period (annual or interim), the Group recognises an impairment on its inventories for all collections that have already been sold within its outlet network and based on their expected turnover.

The table below illustrates changes in inventories at the end of the period:

	12/31/2022		
(In millions of euros)	Gross value	Impairments	Carrying amount
Raw materials and other supplies	44.7	(7.5)	37.2
Finished products	274.9	(20.5)	254.4
TOTAL INVENTORIES	**319.6**	**(28.0)**	**291.6**

	12/31/2021		
(In millions of euros)	Gross value	Impairments	Carrying amount
Raw materials and other supplies	35.8	(8.0)	27.8
Finished products	222.4	(16.7)	205.7
TOTAL INVENTORIES	**258.2**	**(24.7)**	**233.5**

The impairment of inventories reflects the technical and stylistic obsolescence of the Group's inventories at December 31, 2022.

(In millions of euros)	12/31/2022
Cumulative impairment at the beginning of the period	**(24.7)**
Impairments	(27.0)
Reversals	26.1
Other and foreign exchange differences	(2.3)
CUMULATIVE IMPAIRMENT AT THE END OF THE PERIOD	**(27.9)**

(In millions of euros)	12/31/2021
Cumulative impairment at the beginning of the period	**(24.8)**
Impairments	(25.5)
Reversals	26.5
Other and foreign exchange differences	(0.9)
CUMULATIVE IMPAIRMENT AT THE END OF THE PERIOD	**(24.7)**

5.7 TRADE AND RELATED RECEIVABLES

Trade and related receivables are initially recognised at fair value. Subsequent measurement takes account of the probability that the receivables will be collected and a specific impairment loss is recorded for any doubtful receivables, as follows:

- disputed receivables are impaired when there is certain and specific evidence showing that the receivables will not be collected;
- the impairment of other doubtful items is recorded to adjust the estimated recoverable amounts on the basis of information available when the financial statements are prepared.

The net carrying amount of assets is reduced through impairment and the loss is recorded in the income statement under "Other operating income and expenses". Irrecoverable receivables are recorded in the income statement and existing impairments are reversed.

The Group's exposure is limited to its wholesale/partnered retail, affiliate and department store sales activities.

Judgements and estimates

Impairment for doubtful receivables represents a reasonable estimate of loss attributable to the specific and general risk of not being able to collect the trade receivables recognised in the financial statements.

(In millions of euros)	01/01/2022	Changes in gross value	Impairments	Reversals	Translation adjustment	Changes in scope	12/31/2022
Trade and related receivables	57.0	6.3	-	-	0.2	-	63.1
Provisions for impairment	(0.3)	-	-	0.1	-	-	0.2
TRADE RECEIVABLES, NET	**56.7**	**6.3**	**-**	**0.1**	**0.2**	**-**	**62.9**

(In millions of euros)	01/01/2021	Changes in gross value	Impairments	Reversals	Translation adjustment	Changes in scope	12/31/2021
Trade and related receivables	53.6	1.6	-	-	1.8	-	**57.0**
Provisions for impairment	(0.1)	-	(0.2)	-	-	-	**(0.3)**
TRADE RECEIVABLES, NET	**53.5**	**1.6**	**(0.2)**	**-**	**1.8**	**-**	**56.7**

Department stores are invoiced at the end of the month, for payment the following month. Receivables from local partners are paid between 30 and 45 days. Bank guarantees are set up where appropriate.

5.8 OTHER CURRENT ASSETS

Other receivables, for a total amount of €61.4 million at December 31, 2022, mainly include prepaid expenses of €20.7 million, advances and down payments paid to suppliers for €19.8 million, tax receivables for €14.6 million, notably the value added tax recoverable by the Group from the tax authorities of the countries in which it operates, as well as €0.9 million of corporate tax receivables, mainly in France.

5.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of readily available liquid assets and financial investments with a maturity of no more than three months from the date of acquisition. These assets are highly liquid, easily convertible into cash and subject to a negligible risk of change in value.

Loans and guarantees pledged as collateral are recorded as non-current financial assets.

As of December 31, 2022, the Group's cash position comprises liquidities (net of current bank overdrafts) for an amount of €71.3 million, of which €27 million are invested in short-term accounts which are immediately available:

(In millions of euros)	12/31/2021	12/31/2022
Cash and cash equivalents	131.3	73.3
Current bank overdrafts	(1.9)	(2.0)
CASH NET OF CURRENT BANK OVERDRAFTS	**129.4**	**71.3**

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5.10 EQUITY

5.10.1 Share capital

The total value of the shares issued by the parent company is recognised in full within equity, as these instruments represent its share capital.

At December 31, 2022, the Company's fully subscribed and paid-up share capital amounted to €83,871,608.70 and broke down as follows:

- 73,535,338 fully-paid up common shares with a nominal value of one euro and ten cents (€1.10);
- 711,579 class G preferred shares which are the preferred shares within the meaning of Articles L. 228-11 *et seq.* of the French Commercial Code and with a nominal value of one euro and ten cents (€1.10).

	12/31/2022			
Shareholders	**Number of ordinary shares**	**Number of Class G preferred shares**	**Total number of shares**	**% share capital**
European TopSoho	6,075,848		6,075,848	8.0%
Trustee Glas SAS	21,952,315		21,952,315	28.8%
Other shareholders	12,106,939		12,106,939	15.9%
Founders & Managers	5,259,444	622,666	5,882,110	7.7%
Free float	29,172,984	88,913	29,261,897	38.4%
Treasury shares	967,808		967,808	1.2%
TOTAL	**75,535,338**	**711,579**	**76,246,917**	**100%**

	12/31/2021			
Shareholders	**Number of ordinary shares**	**Number of Class G preferred shares**	**Total number of shares**	**% share capital**
European TopSoho	6,075,848	-	6,075,848	8.0%
Trustee Glas SAS	21,952,315	-	21,952,315	29.0%
Other shareholders	12,106,939	-	12,106,939	16.0%
Founders & Managers	4,094,048	657,414	4,751,462	6.3%
Free float	30,081,961	242,077	30,324,038	40.1%
Treasury shares	487,038	-	487,038	0.6%
TOTAL	**74,798,149**	**899,491**	**75,697,640**	**100.0%**

5.10.2 Rights attached to shares

Voting rights attached to common shares

Each share is entitled to one vote after its issuance, proportional to the portion of share capital they represent.

Voting rights attached to class G preferred shares

The 711,579 class G preferred shares existing at December 31, 2022 are convertible into 2,791,588 ordinary shares since January 1, 2019. All class G preferred shares have not been converted will be automatically converted on January 1, 2025. The new ordinary shares issued on the occasion of the conversion of the class G preferred shares will be fully assimilated to the old ordinary shares of the same class after payment, if any, of the dividend relating to the previous financial year. At January 1, 2023, 14,236 class G preferred shares were converted into 55,849 ordinary shares.

There were six free share plans at December 31, 2022 (see Note 5.5 "*Share-based payments*").

5.10.3 Treasury shares

Treasury shares are recognised as a deduction from equity at their acquisition cost. Earnings from the disposal or cancellation of shares are recognised directly in equity.

The total amount of treasury shares consists on the one hand of shares purchased under the liquidity agreement of €2.5 million (128,338 shares) and on the other hand of shares repurchased in order to deliver the LTIP plan. At the end of the period, SMCP SA held 834,590 shares for an amount of €5.1 million.

5.11 FINANCIAL LIABILITIES

Each quarter, the Group calculates consolidated net debt, which constitutes an important indicator of the Group's financial performance, as follows:

(In millions of euros)	12/31/2021	12/31/2022
Cash and cash equivalents	131.3	73.3
Current bank overdrafts	(1.9)	(2.0)
Cash net of current bank overdrafts	**129.4**	**71.3**
Short-term bank borrowings and debt	(108.3)	(101.0)
Long-term bank borrowings and debt	(337.8)	(262.3)
Deposits and sureties received	(0.1)	(0.1)
Accrued interest on borrowings	(0.9)	(0,9)
NET FINANCIAL DEBT LINKED TO OPERATIONS	**(317.7)**	**(292.9)**

The financial leverage clause (net financial debt excluding IFRS 16/EBITDA excluding IFRS) limiting this ratio to 2.5x was respected at the end of 2022, with leverage standing at 1.9x.The main components of financial liabilities are presented below:

Liabilities in €M	Initial or maximum amount	Capital outstanding at 12/31/2022	Maturity
Term Loan A	265.0	155.0	May 2024
Revolving Credit Facility	200.0	0.0	May 2024
SGL 2020	140.0	126.0	June 2026
SGL 2021	53.0	53.0	June 2024
NEU CP	200.0	25.0	N/A

In 2022, the Group repaid €85 million in borrowings including the second tranche of €55 million of the Term Loan A, the first instalment of €14 million for the 2020 SGL, €13 million of variation for NEU CP and €3 million of various medium-term borrowings (see statement of cash flows in paragraph 5.1.1.4 "Repayment of financial liabilities" for €85.0 million).

The debt maturity schedule is as follows:

(In millions of euros)	Carrying amount as of December 31, 2022	Contractual cash flows	< 1 year	2 to 5 years	> 5 years
Bank borrowings	**341.3**	**337.7**	**75.9**	**261.8**	-
Amortisable term loans (Term Loan A & SGL)	334.6	334.0	74.3	259.7	
Drawn down credit lines (RCF)	0,0	-	-	-	-
Other bank borrowings	3.9	3.7	1.6	2.1	-
Bank overdrafts	2.0	-	-	-	-
Interest expenses	0.8	-	-	-	-
Other loans and borrowings	**24.9**	**25.0**	**25.0**	-	-
Short-term negotiable securities (NEU CP)	24.9	25.0	25.0	-	-
FINANCIAL LIABILITIES	**366.2**	**362.7**	**100.9**	**261.8**	**-**

Loans contracted under the Credit Facility (RCF) will bear interest at an EURIBOR-indexed floating rate for the drawn period, increased by the applicable margin.

The margin is scaled according to the leverage ratio (total net debt/ Group consolidated EBITDA). The applicable margin as of December 31, 2022 was 2.3% per annum for the Term Loan A and 1.9% per annum for the Revolving Credit.

Lastly, for NEU CPs, in 2022, the Group recorded an average rate of 0.69% per year for all issuances made in 2022.

5.12 CURRENT AND NON-CURRENT PROVISIONS

Basic principles

A provision is recognised whenever the Group has an obligation with regard to a third party which is likely to result in an outflow of cash that can be reliably estimated. When execution of this obligation is expected to be deferred by more than one year, the provision is classified within "Non-current liabilities" and the amount is discounted, with the effects of discounting recognised as net financial expense using the effective interest rate method.

Judgements and estimates

The main estimates and judgements relating to provisions for contingent liabilities are based on the following assumptions:

- restructuring costs: number of employees, probable costs per employee;
- disputes and litigation (*e.g.* contractual penalties, tax risks): the assumptions underlying the assessment of the legal position and the valuation of risks based on the probability of occurrence.

The table below illustrates changes in this item over the period presented:

(In millions of euros)	01/01/2022	Additions	Reversals (utilised provisions)	Reversals N/A	Reclassifi-cation	Foreign exchange differences	12/31/2022
Provision for contingencies and charges	3.4	0.5	(1.7)	(0.5)	(1.2)	0.2	0.7
Provisions for pension liabilities	5.2	1.4	(0.8)	-	(1.5)	-	4.3
TOTAL NON-CURRENT PROVISIONS	**8.6**	**1.8**	**(2.9)**	**-**	**(2.7)**	**0.2**	**5.0**
Provisions for disputes	1.4	0.8	(0.6)	-	-	-	1.6
TOTAL CURRENT PROVISIONS	**1.4**	**0.8**	**(0.6)**	**-**	**-**	**-**	**1.6**

(In millions of euros)	01/01/2021	Additions	Reversals (utilised provisions)	Reversals N/A	Reclassifi-cation	Foreign exchange differences	12/31/2021
Provision for contingencies and charges	4.0	0.1	(0.5)	-	-	-	3.4
Provisions for pension liabilities	4.5	0.5	(0.1)	-	-	-	5.2
TOTAL NON-CURRENT PROVISIONS	**8.5**	**0.6**	**(0.6)**	**-**	**-**	**-**	**8.6**
Provisions for disputes	1.1	0.5	(0.2)	-	-	-	1.4
TOTAL CURRENT PROVISIONS	**1.1**	**0.5**	**(0.2)**	**-**	**-**	**-**	**1.4**

Provisions for disputes include provisions for labour-related risks and supplier-related risks.

5.13 EMPLOYEE BENEFITS

Defined contribution plans

Under defined contribution plans, the Group pays contributions based on salaries to external bodies and has no obligation with regard to the level of benefits paid to the beneficiaries. Expenses are recognised when the contributions become due.

Defined benefit plans

Retirement benefit obligations under defined-benefit plans are recognised at the present value of the obligations arising from these plans as of December 31, 2022. The Group's liability for defined benefit pension plans is calculated annually by independent actuaries, using a discount rate determined by reference to the EUR Composite AA curve at December 31, 2021.

The obligation depends on the retirement conditions provided for in the collective agreement and on the length of service of the employees, insofar as it is determined according to their possible retirement date. This commitment takes into account the probability that the employee will leave the Company after having acquired the right to a full pension. All of these costs, including social security contributions, are accumulated and systematically recognised in the income statement for as long as the employee remains in the workforce. The provision for severance packages concerns, under the collective agreements, the specific benefits of the French plan. The Group has no commitments of this nature for its employees, who are employed in countries other than France. It is estimated on an actuarial basis using the projected unit credit method (method of allocating accrued benefits pro-rated on years of service) in accordance with IAS 19 "Employee Benefits". The IFRIC amendment has no impact on the Company (see accounting rules and policies 2.2.2).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised under "Other comprehensive income" and are not reclassified to profit or loss.

Past service costs are immediately recognised in the income statement.

The provision for pension liabilities only relates to France and takes into account:

- the rights acquired by each employee at the end of each period. The salary revaluation rate (excluding inflation) is estimated at 2.5% for managerial-grade staff and supervisors and 1.5% for blue-collar workers and administrative staff;
- the probability of each employee being with the Group at retirement (and being entitled to a full-rate pension);
- the probability of termination of the employment contract by the employee;
- an inflation rate of 1% and a discount rate scale up to 0.29% at 15 years;
- top management is not eligible for pension benefits.

(In millions of euros)	12/31/2021	12/31/2022
Projected benefit obligation at the beginning of the period	**4.5**	**5.2**
Current service cost	0.7	0.5
Estimated interest cost	-	-
Other comprehensive income/(loss)	-	(1.5)
Projected benefit obligation at the end of the period	**5.2**	**4.2**
Liability recognised on the statement of financial position	**5.2**	**4.2**
Service cost	**0.7**	**0.5**
Current service cost	0.7	05
Net interest cost	-	-
Interest cost	-	-
Net cost for the period	**0.7**	**0.5**

5.14 TRADE AND OTHER PAYABLES

Trade payables, amounting to €171.8 million as of December 31, 2022, include, in particular, €18.8 million of payables related to acquisitions of non-current assets.

5.15 OTHER CURRENT LIABILITIES

Other current liabilities amounted to €92.2 million at December 31, 2022 and were mainly composed of taxes, duties and other payroll-related liabilities totalling €71.3 million, advances and down payments from customers for €15.2 million.

5.16 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value measurement

Pursuant to IFRS 13 "Fair Value Measurement", fair value (or market value) is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by employing the asset in its highest and best use or by selling it to another market participant that would employ the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy (see below) based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable.

In "Non-current financial assets" (Note 5.5), the Group measures assets pledged as collateral at fair value as of December 31, 2022 (Level 2 of the fair value hierarchy).

The fair value of derivative financial instruments recognised at December 31, 2021 was determined using Level 2 of the fair value hierarchy.

Fair value hedge (FVH):

These changes in the fair value of the hedged assets or liabilities are recorded in the income statement and offset changes in the value of the derivative financial instrument allocated to the underlying asset. The time value of a purchased option and the forward component (carry forward/discount) of forward contracts are treated as a "cost" related to the hedging. Thus, the change in the time value of the options and the change in the carry forward/discount of forward transactions are recorded in equity during the life of the transactions, and reclassified in the income statement symmetrically as a hedged item.

Cash flow hedge (CFH):

The effective portion of changes in the value of the derivative is recorded in other comprehensive income and recognised in the income statement symmetrically with the hedged item. The time value of a purchased option and the forward component (carry forward/discount) of forward contracts are treated as a "cost" related to the hedging. Thus, the change in the time value of the options and the change in the carry forward/discount of forward transactions are recorded in equity during the life of the transactions, and recognised in the income statement symmetrically with the hedged item. The ineffective portion is recognised immediately in the income statement.

The net carrying amounts and fair values of financial assets and liabilities are summarised in the table below:

(In millions of euros)	Notes	Valuation procedures	Fair value hierarchy	12/31/2021 Net carrying amount	12/31/2021 Fair value	12/31/2022 Net carrying amount	12/31/2022 Fair value
Loans and receivables		Loan&Receivable	(1)	19.6	19.6	18.7	18.7
Non-current financial assets	**5.5**			**19.6**	**19.6**	**18.7**	**18.7**
Trade and related receivables	5.7	**Loan&Receivable**	**(1)**	56.7	56.7	62.9	62.9
Derivative instruments eligible for hedge accounting[2]		**FV OCI/FV PL**	**(2)**	0.3	0.3	1.9	1.9
Cash and cash equivalents	5.9	**Loan&Receivable**	**(1)**	131.3	131.3	73.3	73.3
Term Loan		Amortised costs	(1)	155.0	155.0	100.0	100.9
PGE		Amortised costs	(1)	179.0	179.0	159.7	159,7
Other borrowings		Amortised costs	(1)	3.8	3.8	2.3	2.1
Deposits and sureties received		Amortised costs	(1)	0.1	0.1	0.1	0.1
Accrued interest on borrowings		Amortised costs	(1)	0.9	0.9	0.9	0.9
Long-term financial borrowings	**5.11**			**338.8**	**338.8**	**263.0**	**262.8**
Trade and other payables	**5.14**	**Amortised costs**	**(1)**	**154.7**	**154.7**	**171.8**	**171.8**
Current bank overdrafts		Amortised costs	(1)	1.9	1.9	2.0	2.0
Term Loan		Amortised costs	(1)	53.2	55.0	54.2	55.0
NEU CP		Amortised costs	(1)	38.0	38.3	24.9	25.0
PGE		Amortised costs	(1)	14.4	14.0	20.7	19.3
Other borrowings		Amortised costs	(1)	2.7	2.7	1.6	1.6
Bridge		Amortised costs	(1)	-	-	-	-
Bank overdrafts and short-term borrowings and debt	**5.9**	**Amortised costs**	**(1)**	**110.2**	**111.9**	**103.4**	**102.9**
Derivative instruments eligible for hedge accounting[2]		**FV OCI/FV PL**	**(2)**	**2.7**	**2.7**	**0.4**	**0.4**

(1) Fair value is not provided since the net carrying amount represents a reasonable estimate of their fair value.
(2) These are forward contracts or options intended to hedge future cash flows denominated in foreign currencies. The application of IFRS 9 has broadened the scope of financial instruments eligible for hedge accounting. Below are the Group's accounting rules for hedge accounting under IAS 39 and then IFRS 9:

At December 31, 2022, the fair value of derivative instruments was estimated based on their market value (using Level 2 of the fair value hierarchy according to IFRS 13, by reference to recent transactions between knowledgeable, willing parties in an arm's length transaction).

FV OCI: Fair value through Other Comprehensive Income

FV PL: Fair value through profit or loss

5.17 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

5.17.1 Organisation of foreign exchange, interest rate and market risk management

Foreign exchange and interest rate risk are managed on a centralised basis.

The Group has implemented a strict policy and rigorous guidelines to manage, assess and monitor these market risks and may use financial instruments within this framework.

5.17.2 Foreign exchange risk

The Group has a significant portion of its revenue (approximately 42% during the period ended December 31, 2022) in foreign currencies, notably the US dollar, the Chinese yuan, the pound sterling, the Swiss franc, the Canadian dollar and the Hong Kong dollar. A portion of the cost of its sales is also denominated in foreign currencies, in particular purchases denominated in US dollars or Chinese yuan from its suppliers in Asia. The Group also holds certain assets that are recorded in its balance sheet in foreign currencies.

The Group is therefore exposed to changes in its currencies, as its reporting currency is the euro.

However, the Group has cash pooling and centralised foreign exchange risk management arrangements designed to limit its foreign exchange exposure and the related hedging costs by matching as far as possible proceeds from sales made in US dollars and Chinese yuan with purchases made in the same currency with suppliers and private label manufacturers in Asia. This helps reduce the sensitivity of its net margin to foreign exchange risk **(natural hedging)**. In addition, for other currencies, the Group's policy is to convert all surpluses not needed to finance future growth into the Group's reporting currency (euros) at the end of each month, in order to minimise the Group's sensitivity to these other exposures.

With this in mind, the Group anticipates its surpluses and hedges its highly probable future cash flows through simple forward sales or vanilla options. The Group also hedges its current accounts and intragroup loans in foreign currencies, financing the investments of its subsidiaries in foreign currencies by swaps covering all the short- and medium-term commitments of its subsidiaries. However, the Group remains exposed to a sensitivity to exchange rate risk given its investments in countries whose functional currency is different from the Group's reporting currency (stores and businesses in the United States, Great Britain, Asia etc..), for which the Group has not wished to refinance itself in the currency concerned.

5.17.3 Interest rate risk

The Group is exposed to the risk of interest rate fluctuations due to some of its debt whose interest rates are indexed to the European Interbank Offered Rate ("EURIBOR"), plus a margin. The table below shows the breakdown of fixed-rate/floating-rate debt at December 31, 2022:

(In millions of euros)	12/31/2021		12/31/2022	
Floating-rate debt	**281.4**	**63%**	**218.6**	**60%**
Amortisable term loan (TLA)	210.0	47%	155.0	43%
Floating-rate PGEs	71.4	16%	63.6	17%
Fixed-rate debt	**166.4**	**37%**	**144.2**	**40%**
Fixed-rate PGE lines	121.6	27%	115.5	32%
Short-term negotiable securities (NEU CP)	38.3	9%	25.0	7%
Other bank borrowings	6.5	1%	3.8	1%
TOTAL	**447.8**	**100%**	**362.8**	**100%**

5.17.4 Sensitivity to interest rate risk

Based on the Group's financial commitments at December 31, 2022, and the level of interest rates, a 50 basis points increase of these rates would have an impact of €1 million over the period.

5.17.5 Derivatives used to manage foreign exchange risk

Foreign currency transactions

Transactions carried out by consolidated companies in a currency other than their functional currencies are translated at the exchange rate prevailing at the transaction date.

Trade receivables, trade payables and liabilities denominated in currencies other than the entities' functional currencies are translated at the applicable exchange rates as of December 31, 2022.

Unrealised gains and losses resulting from this translation are recognised:

- as cost of sales in the case of commercial transactions;
- as net financial expense in the case of financial transactions.

Foreign exchange gains and losses arising from the translation of intragroup transactions or receivables and payables denominated in currencies other than the entities' functional currency are recorded in the income statement.

The Group uses financial instruments to reduce its exposure to foreign exchange risks.

Derivative financial instruments are initially recognised at fair value on the date of signature of the derivative contract, and are subsequently revalued at their fair value, whether or not the derivatives qualify as hedges within the meaning of IFRS 9. The recognition of gains or losses the income statement depends on whether or not the derivative is designated as a hedging instrument and, in this case, on the nature of the hedged item. The Group hedges the foreign exchange risk relating to recognised assets or liabilities, or future transactions deemed highly probable (cash flow hedges).

The fair values of asset and liability derivative instruments at December 31, 2022 are as follows:

(In millions of euros)	Positive Fair Value	Negative Fair Value	Net Fair Value
Terms	1.6	(0.3)	1.3
Options	0.3	(0.1)	0.2
TOTAL	**1.9**	**(0.4)**	**1.5**

The fair value of asset and liability derivative financial instruments was as follows on December 31, 2021:

(In millions of euros)	Positive Fair Value	Negative Fair Value	Net Fair Value
Terms	0.2	(1.9)	(1.8)
Options	0.1	(0.8)	(0.6)
TOTAL	**0.3**	**(2.7)**	**(2.4)**

At the time of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, the management objective and the hedging strategy. The Group also documents the efficiency of the hedge in offsetting changes in fair value or cash flows of hedged items from the time of its application and for its full duration.

A significant portion of Group companies' sales to customers and to their own retail subsidiaries as well as some of their purchases are denominated in currencies other than their functional currency. Hedging instruments are used to mitigate risks arising from currency fluctuations in transactions forecasted in future periods (cash flow hedges).

Future foreign currency-denominated cash flows are estimated in the budget preparation process and are hedged progressively over average maturity for a collection period rarely exceeding one year. In fact, in accordance with market trends, identified foreign exchange risks are hedged by forward contracts or options.

		USD	GBP	CHF	CNY	CAD	HKD	NOK	SEK	DKK	
Type of impact	**Hedge type**	**Export**	**Export**	**Export**	**Export**	**Export**	**Export**	**Export**	**Export**	**Export**	**12/31/2022**
OCI impacts	CFH	-	0.4	-	0.5	0.4	0.1	-	-	-	1.4
OCI impacts	FVH	-	-	-	-	-	-	-	-	-	-
P&L impacts	FVH	-	-	-	-	-	-	-	-	-	-
P&L impacts	CFH	-	0.1-	-	-	-	-	-	-	-	0.1
P&L impacts	Trading	-	-	-	-	-	-	-	-	-	-
TOTAL *(in €M)*		**-**	**0.5**	**-**	**0.5**	**0.4**	**0.1**	**-**	**-**	**-**	**1.5**
Position *(in million foreign currency)*		12	24	4	109	14	7	1	9	2	

Cash flow hedges are used to hedge purchases and sales of the Group's spring/summer and autumn/winter collections.

Foreign exchange risk sensitivity analysis

An increase (decrease) in the euro against the various currencies at December 31 would have affected the value of the financial instruments denominated in foreign currencies and would have led to a decrease (increase) in equity and profit as indicated in the table below.

This analysis is based on exchange rate fluctuations that the Group considers reasonable as of December 31, 2022. For the purposes of this analysis, it was assumed that all other variables and particularly interest rates, remained constant. Impacts on forecast sales and purchases were not taken into account.

12/31/2022	Equity		Income statement	
(In millions of euros)	Increase	Decrease	Increase	Decrease
USD (+/-10% change)	(0.3)	0.3	(0.7)	0.7
GBP (+/-10% change)	(1.1)	2.1	(0.7)	0.9
CHF (+/-10% change)	(0.8)	0.7	0.5	(0.6)
HKD (+/-10% change)	(0.5)	0.9	0.7	(0.9)
CNY (+/-10% change)	(0.4)	1.4	-	-
CAD (+/-10% change)	(0.5)	1.3	-	-
DKK (+/-10% change)	-	-	-	-
NOK (+/-10% change)	-	-	-	-
SEK (+/-10% change)	-	-	-	0.1
NET CASH FLOW SENSITIVITY	**(3.6)**	**6.8**	**(0.2)**	**0.3**

An increase (decrease) in the euro against these currencies at December 31 would have affected the presentation of the consolidated financial statements to the extent indicated in the table below *(excluding the impact of financial instruments and derivatives above).* This analysis is based on the exchange rate in force as of December 31, 2022 on the financial statements denominated in foreign currencies of consolidated entities as of December 31, 2021.

12/31/2022	Equity		Income statement	
(In millions of euros)	Increase	Decrease	Increase	Decrease
USD (+/-10% change)	(2.4)	2.9	(0.4)	0.4
GBP (+/-10% change)	0.2	(0.2)	(0.4)	0.5
HKD (+/-10% change)	(4.3)	5.2	1.3	(1.6)
CNY (+/-10% change)	(5.7)	7.0	1.4	(1.6)
SENSITIVITY TO EXCHANGE RATE	**(12.2)**	**14.9**	**1.9**	**(2.3)**

5.17.6 Maturity of financial liabilities and liquidity risk

The Group's exposure to liquidity risk can be assessed in relation to the amount of its short-term borrowings excluding derivatives, net of cash and cash equivalents.

The Group's liquidity depends on the amount of its investments, its capacity to raise long-term borrowings and the quality of its banking relationships (*i.e.* whether there are any committed credit facilities).

The following table presents the contractual repayment schedule of principal and interest (excluding derivatives) at December 31, 2022.

(In millions of euros)	2022	2023	2024	2025	2026	Total	Carrying amount as of December 31, 2022
Amortisable term loans (Term Loan A & SGL)	69.0	74.3	175.7	42.0	42.0	403.0	334.6
Drawn down credit lines (RCF)	-	-	-	-	-	-	0.0
Other bank borrowings	1.5	1.6	1.1	0.9	0.2	5.3	3.9
Bank overdrafts and short-term borrowings and debt	25.0	-	-	-	-	25.0	24.9
Interest expenses	9.5	11.6	5.6	1.9	0.3	29.1	0.8
Bank overdraft	-	-	-	-	-	-	2.0
TOTAL FINANCIAL LIABILITIES AS OF DECEMBER 31, 2022	**105.0**	**87.7**	**182.4**	**44.8**	**42.5**	**462.4**	**366.2**

The Group has bank overdrafts for €40.6 million not drawn down at the end of the period, providing it with some room for manoeuvre in the event of a liquidity issue. In addition, its budget for the NEU CP programme was not drawn down in the amount of €175.1 million.

5.17.7 Credit risk

The Group is exposed to a limited credit risk given the various sales channels for the Group's products:

- a large part of its business is retail for which customers pay cash;
- affiliates are billed once or twice a month and payment is made within a few days. The Group has a bank guarantee for each of its affiliates;
- department stores are billed at the end of each month for payment during the following month;
- local partners, or "wholesale/partnered retail" (outside France) pay within 30 to 45 days usually covered by letters of credit, except if the local partners are located in a country considered at risk, in that case the local partners pay before the delivery of the goods;
- at the end of period on December 31, 2022, the amount of receivables due represented €13.1 million, or 20.8% of the balance of trade receivables, of which 2.9% overdue by more than 30 days.

Note 6 Off-balance sheet commitments

6.1 COMMITMENTS RECEIVED

(In millions of euros)	12/31/2021	12/31/2022
Undrawn credit lines (RCF)	200.0	200.0
Guarantee commitments	3.4	4.2
COMMITMENTS RECEIVED	**203.4**	**204.2**

At December 31, 2022, the Guarantee commitments consisted of guarantees received from affiliates for €1.8 million and from partners for €2.4 million.

6.2 COMMITMENTS GIVEN

(In millions of euros)	12/31/2021	12/31/2022
Sureties	0.4	0.3
Letters of credit	4.6	0.9
Pledging of a business	1.9	1.9
Guarantee commitments	25.8	25.8
COMMITMENTS GIVEN	**32.7**	**28.9**

At December 31, 2022, the guarantee commitments consist of bank guarantees.

Note 7 Additional information

7.1 WORKFORCE

The table below shows the breakdown of the Group's workforce by geographical area:

	Operational workforce[1]		Average operational workforce in full-time equivalent[2]	
	12/31/2021	12/31/2022	12/31/2021	12/31/2022
France	2,477	2,578	2,314	2,412
Europe (excluding France)	1,583	1,708	1,241	1,314
America	613	659	460	504
Asia	1,418	1,580	1,407	1,580
TOTAL WORKFORCE	**6,091**	**6,525**	**5,422**	**5,810**

(1) The Group's operational workforce includes persons employed by one of the Group's companies under permanent contracts (CDI) or fixed-term contracts (CDD) and recorded in the personnel registers at December 31, regardless of their length of service. This includes employees on maternity or adoption leave, employees on secondment to another Group entity and employees on sabbatical leave (more than six months) who have been replaced. It excludes subcontractors, temporary workers, interns, apprentices and employees on work-study programs, employees seconded to non-Group companies and employees on sabbatical leave (more than six months) but who have not been replaced.

(2) The average number of full-time equivalent (FTE) operational employees corresponds to the operational workforce at the end of each month of the period, adjusted to reflect the number of part-time employees using the individual attendance rate, as well as employees present for only part of the period, divided by the number of months of the period concerned.

7.2 STATUTORY AUDITORS' FEES

Audit fees for the consolidated financial statements of SMCP SA and its subsidiaries for the financial year ended December 31, 2022 (including non-audit services, notably one independent third party audit and certifications of revenue) break down as follows within the panel composed of Deloitte et Associés (including their network) and Grant Thornton (including their network):

	Grant Thornton		Deloitte et Associés		Other networks	
	(In millions of euros)	%	*(In millions of euros)*	%		
Certification of accounts						
SMCP SA	0.3	50	0.3	60%	0.0	0%
Fully consolidated subsidiaries	0.3	50	0.2	40%	0.1	100%
Sub-total	**0.6**	**100%**	**0.5**	**100%**	**0.1**	**100%**
Services other than the certification of accounts						
SMCP SA	0.0		0.0			
Fully consolidated subsidiaries	0.0		0.0			
Sub-total	**0.0**		**0.0**		**0.0**	
TOTAL	**0.6**	**100%**	**0.5**	**100%**	**0.1**	**100%**

7.3 RELATED-PARTY TRANSACTIONS

In accordance with IAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity preparing its financial statements.

This may be any of the following:

- a person or company that has control over the Group;
- an associated company of the Group;
- a joint venture;
- an important member of the Company's management team (or a member of his/her family) or someone with a sensitive position.

A transaction with a related party involves a transfer of goods, services or commitments between the Group and the related party.

The Group's related party transactions include:

- transactions with a company that controls the Group or with associated companies;
- transactions with key members of the Group's management and supervisory bodies (or close members of their families).

7.3.1 Transactions with shareholders (whether or not they control the Group)

None.

7.3.2 Transactions with members of the Group's management and supervisory bodies

a) Transactions with members of the Group's management and supervisory bodies or their families or close friends

Certain members of the Group's management or supervisory bodies and their families or close friends are also members of other companies which they control or over which they have significant influence. Some of these companies recorded transactions with the Group at December 31, 2022 and 2021 as presented below:

(In millions of euros)	Executive management services	Affiliation agreements
Évelyne Chétrite SASU, managed by Évelyne Chétrite	1.3	
Judith Milgrom SASU, managed by Judith Milgrom	1.2	
LEV company managed by Lévana Gampel, daughter of Judith Milgrom		1.3
Total for the period	2.5	1.3
TOTAL TRANSACTIONS FOR 2022	**3.8**	

The Group has also negotiated severance packages with some of its managers to be paid if they leave the Group. The total amount of benefit obligations amounted to €6.3 million at December 31, 2022.

(In millions of euros)	Executive management services	Affiliation agreements
Évelyne Chétrite SASU, managed by Évelyne Chétrite	1.6	
Judith Milgrom SASU, managed by Judith Milgrom	1.6	
LEV company managed by Lévana Gampel, daughter of Judith Milgrom		0.8
Total for the period	3.2	0.8
TOTAL TRANSACTIONS FOR 2021	**4.0**	

Similarly, the total amount of commitments in compensation amounted to €5.1 million as of December 31, 2021.

b) Executive compensation

The table below presents the breakdown of total compensation recognised in respect of members of the Executive Committee and Board of Directors in respect of their functions within the Group, as well as the amount of provisions for retirement indemnities related to the Group's managers:

(In millions of euros)	12/31/2021	12/31/2022
Gross fixed salary	4.8	5.5
Variable salary	1.7	2.6
Social security expenses	2.6	3.1
Directors' compensation	0.2	0.5
Free shares	4.0	3.4
TOTAL	**13.3**	**15.1**
Retirement indemnities	**0.1**	**0.1**

The Group has negotiated severance packages with some of its managers to be paid if they leave the Group. The total amount of end-of-service liabilities amounted to €5.6 million at December 31, 2022.

7.4 SCOPE OF CONSOLIDATION

The table below shows the scope of consolidation at December 31, 2022:

	12/31/2021		12/31/2022	
Companies	**% interest***	**Consolidation method**	**% interest***	**Consolidation method**
SMCP	**100.00%**	Parent company	**100.00%**	**Parent company**
SMCP GROUP SAS	100.00%	FC	100.00%	FC
SMCP HOLDING [1]	100.00%	FC	0.00%	NC
SMCP LOGISTIQUE	100.00%	FC	100.00%	FC
SANDRO ANDY	100.00%	FC	100.00%	FC
SMCP BELGIQUE	100.00%	FC	100.00%	FC
SMCP DEUTSCHLAND	100.00%	FC	100.00%	FC
PAP SANDRO ESPANA	100.00%	FC	100.00%	FC
SMCP ITALIA	100.00%	FC	100.00%	FC
SMCP UK	100.00%	FC	100.00%	FC
SMCP IRELAND	100.00%	FC	100.00%	FC
MAJE	100.00%	FC	100.00%	FC
SMCP LUXEMBOURG	100.00%	FC	100.00%	FC
MAJE SPAIN	100.00%	FC	100.00%	FC
MAJE STORES	100.00%	FC	100.00%	FC
CLAUDIE PIERLOT	100.00%	FC	100.00%	FC
SMCP USA	100.00%	FC	100.00%	FC
SMCP USA Retail East, Inc.	100.00%	FC	100.00%	FC
SMCP USA Retail West, Inc.	100.00%	FC	100.00%	FC
SMCP CANADA	100.00%	FC	100.00%	FC
SMCP ASIA	100.00%	FC	100.00%	FC
SMCP SHANGHAI TRADING CO.	100.00%	FC	100.00%	FC
SMCP NETHERLANDS	100.00%	FC	100.00%	FC
SMCP SWITZERLAND	100.00%	FC	100.00%	FC
SMCP HONG KONG	100.00%	FC	100.00%	FC
SANDRO FASHION SINGAPORE	100.00%	FC	100.00%	FC
AZ RETAIL	100.00%	FC	100.00%	FC
SMCP DENMARK	100.00%	FC	100.00%	FC
SMCP NORWAY	100.00%	FC	100.00%	FC
SMCP MACAU	100.00%	FC	100.00%	FC
SMCP SWEDEN	100.00%	FC	100.00%	FC
SMCP PORTUGAL	100.00%	FC	100.00%	FC
SMCP TAIWAN	100.00%	FC	100.00%	FC
SMCP JAPAN	100.00%	FC	100.00%	FC
SMCP MALAYSIA	100.00%	FC	100.00%	FC
DE FURSAC	99.97%	FC	99.97%	FC

* NC Percentage stake is identical to percentage ownership.
(1) Company that was dissolved after absorption in 2022.
Abbreviation used: "FC" = Full consolidation. "NC" = Not Consolidated.

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7.5 SUBSEQUENT EVENTS

7.5.1 Conversion of class G preferred shares

On January 1, 2023, 14,236 class G preferred shares were converted into ordinary shares by two managers of the Company. As a result, 55,849 newly created ordinary shares were issued and the Company's Articles of Association were amended accordingly. The share capital then consisted of 76,288,530 shares divided into 75,591,187 ordinary shares and 697,343 class G preferred shares, amounting to €83,917,383.

7.5.2 Acquisition of the activity in Australia and New Zealand

As part of its Retail distribution policy, in January 2023 SMCP internalised the network of points of sale previously operated by a local partner in Australia and New Zealand. These two countries represent around 40 physical and e-commerce points of sale, distributing the products of the Sandro, Maje and Claudie Pierlot brands. Through this acquisition, SMCP strengthens its position in Asia Pacific, in a profitable and developing market.

7.5.3 Capitalisation of the intra-group loan granted by SMCP SA to SMCP Group SAS in 2016

On March 1, 2023, SMCP SA decided to capitalise the intra-group loan granted to its subsidiary SMCP Group SAS in its equity, for an amount of €492,120,898 (principal and interest).

7.5.4 Change in shareholding structure

On March 1, 2023, a press release was issued by Alastair Beveridge and Daniel Imison, of AlixPartners UK LLP, in their capacity as receivers (professional agent under English law), announcing the launch, on behalf of the bondholders and of Glas SAS (London Branch) as Trustee in respect of exchangeable bonds in the amount of €250 million issued in 2018 by European TopSoho S.à r.l., a process of sale of the pledged stake of approximately 37% of the capital of SMCP. This press release indicated that, at this initial stage of the sale process, the timetable for such a sale, whether it would be concluded or not, the identity of the eventual buyer(s) and whether all or part of the pledged shares could be sold to one or more buyers were uncertain and it was therefore not possible at that stage to assess whether or not the transaction would trigger a subsequent mandatory takeover bid.

5.1.3 Report of the Statutory Auditors on the consolidated financial statements

Financial year ended December 31, 2022

To the SMCP General Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we performed an audit of the consolidated financial statements of the company SMCP SA relating to the financial year ended December 31, 2022, as attached to this report.

In our opinion the consolidated financial statements give a true and fair view of the results of operations at the end of the financial year, and of the financial position, assets and liabilities of the group of persons and entities included in the consolidation, in accordance with IFRS as adopted by the European Union.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit guidelines

We conducted our audit according to the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are indicated in the section "Statutory Auditors' responsibility with respect to the audit of the consolidated financial statements" in this report.

Independence

We performed our audit engagement in accordance with the independence rules pursuant to the French Commercial Code and applicable to our profession through its Code of Ethics, from January 1, 2022 until the issue date of our report, and in particular, we provided no service prohibited by Article 5, Section 1 of Regulation (EU) No. 537/2014.

Justification of our assessments – Key points of the audit

In application 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 material misstatements which, in our professional opinion, were most significant for the audit of the consolidated financial statements for the financial year, and the response we provided to address these risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and led to the opinion expressed above. We express no opinion on the information contained in these consolidated financial statements taken in isolation.

Impairment tests on intangible fixed assets with indefinite useful lives

Identified risks

At December 31, 2022, as stated in Note 5.4.2, the value of the Group's intangible fixed assets with indefinite useful lives amounted to €1,396.1 million compared to a total balance sheet of €2,380.9 million. These intangible fixed assets with indefinite useful lives are mainly composed of the Sandro, Maje, Claudie Pierlot and Fursac brands, and the goodwill recognized on acquisitions.

Goodwill and intangible assets with indefinite useful lives such as brands are tested for impairment once a year, or more frequently if there are indications of impairment.

Goodwill and intangible assets with an indefinite useful life are allocated to four groups of cash-generating units (hereinafter referred to as "CGU groups"), which correspond to the Group's three operating segments (Sandro, Maje and Other Brands, grouping Claudie Pierlot and Fursac) and are subject to an impairment test by CGU group.

The recoverable amount of CGU groups is defined as the higher of the fair value less costs of disposal and the value in use. It is compared to their net carrying amount.

If the impairment test reveals an impairment loss for a CGU combination, its carrying amount is reduced to its recoverable amount through the recognition of an impairment loss in the income statement.

The value in use of CGU combinations is based on the value of the estimated future cash flows resulting from the use of the CGU combination. They are determined on the basis of a discount rate net of tax incorporating the risks related to the performance of the asset tested.

We considered that the impairment tests on the intangible fixed assets with indefinite useful lives are a key audit matter given their significant importance in the Group's financial statements. The determination of their recoverable amount, often based on discounted future cash flow forecasts, requires the use of assumptions involving a high degree of judgement on the part of Management as indicated in Note 5.4 "Impairment tests" to the consolidated financial statements.

Our response

As part of our due diligence, we assessed the compliance of the methodology applied by the Group for the implementation of impairment tests with the accounting standards in force. We also performed a critical review of the procedures used to apply this methodology.

Our audit consisted in particular of:

- assessing the assumptions and the time-frames used by Management to estimate future cash flows in the light of our knowledge of the economic environment in which the Group operates;
- assessing the consistency of the cash flow projections used in the 2023 budget and the eight-year business plan approved by the Board of Directors;
- assessing the relevance of the approach adopted by Management to determine the CGU groups at the level of which goodwill and other intangible assets with indefinite useful lives are tested by the Group;
- assessing the reasonableness of the discount rates applied to the estimated cash flows, in particular by assessing whether the various parameters comprising the weighted average cost of capital for each CGU group make it possible to approximate the rate of return expected by market participants for similar activities;
- assessing the consistency of the growth rate used for the projected flows with the rates used by our experts;
- comparing the accounting estimates of cash flow projections for previous periods with the corresponding actual results to assess their reliability;
- assessing the items making up the net carrying amount of the CGU groups used to carry out the impairment tests;
- carrying out analyses of the sensitivity of the value in use to a change in the main assumptions made by Management and presented in Note 5.4.2 to the consolidated financial statements;

Lastly, we assessed whether the information provided in the Notes to the consolidated financial statements is appropriate.

Specific verifications

As required by the laws and regulations, we also performed, in accordance with the professional standards applicable in France, specific audits of the information related to the Group presented in the Board of Directors' report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We hereby attest that the consolidated Statement of Non-Financial Performance stipulated by Article L. 225-102-1 of the French Commercial Code appears in the information related to the Group in the management report. It is specified that, in accordance with the provisions of Article L. 823-10 of the Code, we have not verified that the information contained in this declaration is true and fair, or consistent with, the consolidated financial statements, and a report on this information should be prepared by an independent third party.

Other verifications or information resulting from other legal and regulatory obligations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the European Delegated Regulation no. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements to be included in the annual financial report mentioned in section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our work included verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements using the single European electronic reporting format, the content of certain tags in the notes to the financial statements may not be reproduced in the same way as the consolidated financial statements attached to this report.

It is not our responsibility to verify that the consolidated financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of SMCP by your General Meeting of September 25, 2017 with deferred effect from September 29, 2017 for Deloitte & Associés and from June 9, 2022 for Grant Thornton.

As of December 31, 2022, Deloitte & Associés was in the sixth continuous year of its mission and the firm Grant Thornton in its first year.

Responsibilities of Management and of corporate governance members with regard to the consolidated financial statements

Management is responsible for preparing the consolidated financial statements and for ensuring that they present a true and fair view in accordance with IFRS as adopted by the European Union and for setting up the internal control that it considers necessary for the preparation of consolidated financial statements that are free of any material misstatements, be they from fraud or errors.

While preparing the consolidated financial statements, Management is responsible for evaluating the company's capacity to continue its operation, for presenting in these financial statements, as applicable, the required disclosures about going concern and for applying the going concern accounting principle, unless there are plans to wind up the company or to discontinue its activity.

The Audit Committee is responsible for monitoring the financial reporting preparation process and for monitoring the effectiveness of the internal control and risk management systems, and as applicable, of internal audit, with respect to procedures concerning the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of Statutory Auditors with respect to the audit of the consolidated financial statements

Audit aim and procedure

It is our responsibility to draw up a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of any material misstatements. Reasonable assurance corresponds to a high level of assurance without, however, providing a guarantee that an audit performed in accordance with professional standards will systematically lead to the detection of material misstatements. Misstatements may occur as a result of fraud or errors and are considered as material when one can reasonably expect that they might, taken individually or together, influence the economic decisions that the users of the financial statements make on the basis of these statements.

As stated in Article L. 823-10-1 of the French Commercial Code, under our assignment to certify the financial statements, we are not required to guarantee either the viability or the quality of management of your company.

During an audit carried out in accordance with the professional standards applicable in France, Statutory Auditors apply their professional judgement throughout the audit. Furthermore:

- they define and evaluate the risks that the financial statements might contain material misstatements, whether such misstatements stem from fraud or errors, define and implement audit procedures to address these risks, and gather elements that they consider sufficient and appropriate to use as the basis for their opinion. The risk of non-detection of a material misstatement stemming from fraud is higher than the risk of a material misstatement stemming from an error, because fraud can imply collusion, falsification, wilful omissions, misrepresentations or the circumvention of internal control;
- they obtain an understanding of the relevant internal control for the audit in order to define appropriate audit procedures suitable for the specific context, and not for the purpose of expressing an opinion on the efficiency of internal control;
- they assess the suitability of the accounting methods adopted and the reasonable nature of the accounting estimates made by Management, and the disclosures related thereto provided in the consolidated financial statements;
- they assess the suitability of the application by Management of the going concern accounting principle and, according to the collected elements, the existence or not of a material uncertainty linked to events or circumstances likely to call into question the company's capacity to continue its operation. This assessment is based on the elements collected up to the date of the auditors' report, on the understanding, however, that subsequent circumstances or events may call into question the going concern. Should they conclude on the existence of a material uncertainty, they draw the attention of the readers of their report to the disclosures in the consolidated financial statements regarding this uncertainty or, if this information is not disclosed or is not pertinent, they issue a qualified certification or may refuse to certify;
- they assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements adequately reflect the underlying transactions and events to provide a true and fair view;
- concerning financial reporting of the persons or entities included in the scope of consolidation, they collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for managing, supervising and performing the audit of the consolidated financial statements and for the opinion expressed on these financial statements.

Report to the Audit Committee

We present a report to the Audit Committee which contains the scope of the audit proceedings and the work programme implemented, in addition to the findings from our audit. We also notify the Audit Committee, if necessary, of the significant weaknesses in the internal control system that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

The elements disclosed in the report to the Audit Committee include the risks of material misstatements that we considered to be the most significant for the audit of the consolidated financial statements for the financial year and that accordingly represent the key points of the audit, which we are required to describe in this report.

We also provide the Audit Committee with the declaration specified by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, as defined by the rules applicable in France, specified in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Statutory Auditors' Code of Ethics. As applicable, we discuss the risks impacting our independence and the precautionary measures taken with the Audit Committee.

Neuilly-sur-Seine & Paris-La Défense, April 11, 2023

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Guillaume GINÉ	Albert AIDAN

5.2 Financial statements of the parent company

5.2.1 Financial statements of the parent company SMCP SA

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) ASSETS

(In millions of euros) Headings	Gross amount	Depreciation, Amortisation and Provisions	12/31/2022	12/31/2021
Intangible assets	**0.1**	**0.1**	**-**	**-**
Start-up costs				
Concessions, patents and similar rights	0.1	0.1	-	-
Property, plant and equipment	**0.4**	**0.1**	**0.3**	**0.2**
Technical fittings, equipment and industrial tools				
Other property, plant and equipment	0.4	0.1	0.3	0.2
Assets under development				-
Financial investments	**1,074.2**	**1.1**	**1,073.1**	**1,061.5**
Other equity interests	581.5		581.5	581.5
Loans	484.4		484.4	472.7
Other non-current financial assets	8.3	1.1	7.2	7.3
Total fixed assets	**1,074.7**	**1.3**	**1,073.4**	**1,061.8**
Inventories and work in progress				
Advances and down payments on orders			-	-
Receivables	**93.3**		**93.3**	**85.0**
Trade and related receivables	14.1		14.1	10.4
Other receivables	79.2		79.2	74.6
Miscellaneous	**5.4**		**5.4**	**3.0**
Marketable securities (including treasury shares: €2.9 million)	5.2		5.2	2.9
Cash at hand	0.1		0.1	0.1
Accrual accounts				
Prepaid expenses			-	
Total current assets	**98.7**		**98.7**	**88.1**
Conversion differences – assets				
GRAND TOTAL	**1,173.4**	**1.3**	**1,172.1**	**1,149.9**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) LIABILITIES

Headings	12/31/2022	12/31/2021
Individual or share capital (of which €83,871,608.70 paid)	83.9	83.3
Issue, merger and contribution premiums	949.6	950.2
Legal reserve	5.3	4.1
Retained earnings	100.0	77.4
Profit/(loss) for the financial year	**14.0**	**23.8**
Equity	**1,152.7**	**1,138.8**
Provisions for risks	0.2	0.3
Provisions	**0.2**	**0.3**
Liabilities	**19.2**	**10.8**
Trade and other payables	2.1	2.0
Income tax and social security liabilities	7.7	5.8
Other liabilities	9.4	3.0
Accrual accounts	**-**	**-**
Prepaid income	-	
Liabilities	**19.4**	**10.8**
Translation adjustment (liability)	-	
GRAND TOTAL	**1,172.1**	**1,149.9**

INCOME STATEMENT

Headings	France	Exports	12/31/2022	12/31/2021
Production sold – services	15.3	0.7	16.0	16.2
Net revenue	**15.3**	**0.7**	**16.0**	**16.2**
Reversals of impairments, provisions (and depreciation), expense transfers			0.1	0.1
Other income			-	-
Operating income			**16.1**	**16.3**
Other purchases and external expenses			1.8	1.6
Taxes other than on income			0.4	0.4
Wages and salaries			4.8	5.5
Social security expenses			12.6	9.1
Provisions for depreciation and amortisation			0.1	0.1
Provisions for contingencies and charges			-	0.3
Other expenses			0.5	0.2
Operating expenses			**20.1**	**17.2**
Operating income			**(4.0)**	**(0.9)**
Income from other marketable securities and fixed asset receivables			12.5	12.5
Foreign exchange gains			-	-
Financial income			**12.5**	**12.5**
Financial allocation for amortisation, depreciation and provisions			-	
Interest and similar expenses			0.1	0.1
Foreign exchange losses			-	-
Financial expenses			**0.1**	**0.1**
Financial income (expense)			**12.4**	**12.4**
Pre-tax profit on ordinary activities			**8.4**	**11.5**
Non-recurring income on operating transactions			-	
Non-recurring income on share capital transactions			-	-
Reversals of impairments and provisions, expense transfers			-	2.5
Non-recurring income			**-**	**2.5**
Non-recurring expenses on operating transactions			0.9	1.0
Non-recurring expenses on share capital transactions			-	
Non-recurring amortisation, depreciation and provisions			-	
Non-recurring expenses			**0.9**	**1.0**
Non-recurring income			**(0.9)**	**1.5**
Employee profit-sharing			0.3	0.2
Income tax			(6.8)	(11.0)
NET INCOME			**14.0**	**23.8**

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5.2.2 Notes to the financial statements

Significant events during the financial year

Changes in the governance of SMCP, and in particular changes in the composition of the Board of Directors and the various committees

On January 14, 2022, an Ordinary Shareholders' General Meeting was held at the request of Glas SAS (GLAS, shareholder with approximately 29% of the share capital). On the agenda was a change in the composition of SMCP's Board of Directors.

During this Meeting, the shareholders approved the dismissal of five members of the Board of Directors representing European TopSoho S.à r.l./Shandong Ruyi, and approved the appointment of three new independent directors: Christophe Chenut, Xavier Véret and Natalia Nicolaidis.

The Board of Directors, which met after this Meeting, appointed Christophe Cuvillier, Independent Director, as Chairman of the Company's Board of Directors, to replace Yafu Qiu.

The Board of Directors also appointed Christophe Chenut, Independent Director, as a member of the Nominations and Compensation Committee, and Xavier Véret, Independent Director, as a member of the Audit Committee.

Following the change in the composition of its shareholding structure and in view in particular of the intentions expressed by GLAS, the Company's Board of Directors also set up an *ad hoc* Committee comprising three independent directors, which is responsible for overseeing the restructuring of its share capital and the stabilising and consolidation of its shareholding structure, in the interests of the Company and its stakeholders.

Lastly, other changes in 2022 concerning the Board and its Committees were as follows: (i) Évelyne Chétrite resigned from her position as member of the Nominations and Compensation Committee and was replaced by Natalia Nicolaidis and (ii) Xiao Wang resigned as director of the Company for personal reasons.

Accounting rules and policies

As at December 31, 2022, and before appropriation of earnings for the financial year, the balance sheet total amounts to a gross value of €1,182.3 million and a net value of €1,181.0 million. The income statement for the financial year, presented in list form, shows a profit of €14.0 million.

The financial year lasts 12 months, covering the period from January 1 to December 31, 2022. The notes or tables below are an integral part of the annual financial statements.

The general accounting principles were applied as dictated by the principle of prudence, in accordance with the following basic assumptions:

- going-concern;
- consistency of accounting policies from one period to the next;
- independence of financial years; and
- observance of the general rules governing the preparation and presentation of annual financial statements.

The Company's annual financial statements are prepared in accordance with the provisions of the French Commercial Code (Articles L. 123-12 to L. 123-28), of the ANC Regulation No. 2018-07 of December 10, 2018, amending Regulation No. 2014-03 of June 5, 2014 relating to the French general accounting plan (PCG), approved by decree on December 26, 2018.

The basic method used to evaluate accounting data is the historic cost method.

Intangible assets

Start-up costs mainly consist of fees. They are fully amortised as at December 31, 2022.

Property, plant and equipment

Property, plant and equipment are valued at their acquisition cost (purchase price and associated costs).

Depreciation and amortisation is calculated on a straight-line basis depending on the expected useful life.

Under the new rules on fixed assets (CRC 2002-10 and CRC 2004-06), the Company has not identified any significant components. In terms of useful lives, the durations applied reflect the duration of use of the good and were not modified during the financial year.

Financial investments

The gross value of capitalised securities is based on the purchase price excluding associated costs.

When the inventory value is less than the gross value, impairment is recognised in the amount of the difference.

SMCP SA has entered into a liquidity agreement for a total amount of €2.5 million. SMCP SA holds 128,338 shares through this contract. An impairment in the amount of €1.1 million was recognised at December 31, 2022, bringing the value of the SMCP share to the closing price at December 31, 2022, *i.e.* €6,629.

Equity interests, other long-term investments, short-term investments

The gross value of equity investments consists of the purchase price, including acquisition costs. When the inventory value is lower than the gross value, an impairment loss is recognised for the difference. This inventory value is determined by the discounted cash flow (DCF) approach based on the going concern assumption. These DCFs take into account the 2023 Budget and the eight-year Business Plan, validated by the Executive Committee and approved by the Board of Directors. After stabilising its operating margin in 2022, SMCP forecasts an improvement during 2023 compared to 2022. Depending on the brand, SMCP has retained a discount rate of between 11% and 11.3%, and a long-term growth rate of between 1.8% and 1.9%.

Share capital

The total value of the shares issued by the parent company is recognised in full within equity, as these instruments represent its share capital.

At December 31, 2022, the Company's fully subscribed and paid-up share capital amounted to €83,871,608.70 and broke down as follows:

- 73,535,338 fully-paid up common shares with a nominal value of one euro and ten cents (€1.10);
- 711,579 class G preferred shares which are the preferred shares within the meaning of Articles L. 228-11 *et seq.* of the French Commercial Code and with a nominal value of one euro and ten cents (€1.10).

Compensations allocated to members of management bodies

For reasons of privacy, these compensations are indicated in the Management report.

Receivables

Receivables are valued at their nominal value. Impairment is recorded when their fair value is lower than their carrying amount.

Average number of employees

Managerial-grade employees: 25

Employee: 0

Provisions for contingencies and charges

These recognised provisions are made to cover contingencies and charges that current or past events render probable, and which are clearly identifiable but whose timing or amount is uncertain.

TABLE OF CHANGES IN PROVISIONS FOR CONTINGENCIES AND CHARGES

			Reversals for the financial year		
(In millions of euros)	**12/31/2021**	**Additions**	**Used**	**Unused**	**12/31/2022**
Provision for risks	0.3	0.2		(0.3)	0.2
Other provisions for risks – non-current					
TOTAL	**0.3**	**0.2**		**(0.3)**	**0.2**

Accrued expenses

€9.7 million in accrued expenses mainly include trade payables of €2.0 million and income tax and social security liabilities of €7.7 million.

Foreign currency transactions

The related payables, receivables and cash assets are shown in the balance sheet at their equivalent value at the closing rate of the financial year. The difference arising from the discounting of payables and receivables in foreign currencies at this closing price is recognised as translation difference, with unrealised foreign exchange losses that are not offset subject to a provision for contingencies.

Non-recurring income and expenses

Non-recurring income consists primarily of provisions for fees

Additional information

FEES

Details about Statutory Auditors' fees are provided in the notes to the consolidated financial statements.

SOCIAL SECURITY EXPENSES

This item includes social security and pension costs for €3.9 million and those related to the free share plan (LTIP) for an amount of €8.7 million.

REVENUE

Revenue for 2022 was composed of intra-company re-billing for the provision of services and the delivery of free shares to managers of SMCP SA subsidiaries.

Revenue is presented excluding tax after any reductions, discounts or rebates awarded.

Off-balance sheet retirement commitments

Commitments relating to retirement were estimated at December 31, 2022, after taking into account a discount to present value ratio of 3.75% and a salary growth rate of 2.75-3.75%.

This amount is calculated according to the agreement-based retirement conditions, with employees' seniority calculated based on the date of their potential retirement at 65 years old. It takes into account the likelihood that the employee will leave the Company before retirement age.

The estimate of end-of-career indemnity commitments includes agreement-based indemnities that are specific to French regimes through the application of a retrospective actuarial method which takes into account mortality risk, projected wage trends, workforce turnover and a discount rate.

The end-of-career indemnity commitment totalled €55 thousand and is not recognised in the financial statements of the parent company.

Tax consolidation

SMCP SA has opted for the ordinary tax consolidation regime.

In line with the current tax consolidation agreement within the Group, each subsidiary bears a tax charge equivalent to the amount payable in the absence of a tax group. For 2022, the Company presented a tax income of €6.8 million.

For the 2022 financial year, the tax consolidation group included the following companies:

- Sandro Andy SAS
- Maje SAS
- Claudie Pierlot SAS
- Suite 341 SASS
- SMCP Logistique SAS
- SMCP Group SAS
- De Fursac SA (newly consolidated as of January 1, 2022)

Through a universal transfer of assets, SMCP Holding SAS was merged with SMCP Group SAS on November 4, 2022.

FREE SHARE PLANS

	Plan no. 1	Plan no. 2	Plan no. 3	Plan no. 4	
Free shares allocation plan	**November 2017**	**August 2018**	**January 2020**	**January 2021**	**July 2021**
Initial allocation date	11/23/2017	08/31/2018	01/01/2020	01/01/2021	07/01/2021
Vesting period	2, 3 and 4 years per third	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half	2 and 3 years per half
Availability date	03/31/2022	03/31/2022	03/31/2023	03/31/2024	09/30/2024
	03/31/2020				
	03/31/2021	03/31/2021	03/31/2022	03/31/2023	09/30/2023
Vesting date	03/31/2022	03/31/2022	03/31/2023	03/31/2024	09/30/2024
Number of beneficiaries	10	5	10	11	1
Number initially granted	958,645	10,985	459,948	799,790	1,600
Number outstanding as of 12/31/2021	274,734	2,468	324,735	588,499	1,600
Number cancelled over the financial year	(52,702)	(627)		(5,681)	(1,600)
Number exercised over the financial year [1]	(222,032)	(1,841)	(163,030)		
Number of shares transferred [2]					
Number surrendered over the financial					
Number outstanding as of 12/31/2022			161,705	582,818	
Number that may be exercised over the financial year					
Performance conditions	Yes	Yes	Yes	Yes	Yes
Expense for the financial year *(in €M)*	0.0	0.0	0.3	1.5	0.0

(1) The number exercised over the financial year corresponds to the number of shares delivered to directors, managers and certain employees of the Group.
(2) The number of shares delivered corresponds to the number of shares awarded.

	Plan no. 5		Plan no. 6	
Free shares allocation plan	**December 2021**	**January 2022**	**December 2022**	**January 2023**
Initial allocation date	12/31/2021	01/01/2022	12/31/2022	01/01/2023
Vesting period	1 year in a single transaction	2 and 3 years per half	1 year in a single transaction	3 years in a single transaction
Availability date	12/31/2022	03/31/2025	12/31/2023	03/31/2026
		03/31/2024		
Vesting date	12/31/2022	03/31/2025	12/31/2023	03/31/2026
Number of beneficiaries	15	10	16	9
Number initially granted	75	454,700	80	496,100
Number outstanding as of 12/31/2021	75			
Number cancelled over the financial year		(3,400)		
Number exercised over the financial year [1]				
Number of shares transferred [2]		454,700	80	
Number surrendered over the financial				
Number outstanding as of 12/31/2022		451,300	80	
Number that may be exercised over the financial year				
Performance conditions	No	Yes	No	Yes
Expense for the financial year *(in €M)*	0.0	1.1	-	-

(1) The number exercised over the financial year corresponds to the number of shares delivered to directors, managers and certain employees of the Group.
(2) The number of shares delivered corresponds to the number of shares awarded.

For plans no. 2, 3 and 4, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SBF 120 between the initial allocation date and the definitive vesting date) (30%) and an internal condition (achievement of an average of two or three years of EBITDA) (70%).

For plan no. 5, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SMALL & MID CAP between the initial allocation date and the definitive vesting date) for 20% and an internal condition (achievement of an average of two or three years of EBIT) for 70%, and a CSR condition for 10%.

For plan no. 6, the performance conditions are based on an external condition (comparison of the performance of the SMCP share with that of the SMALL & MID CAP between the initial allocation date and the definitive vesting date) for 30% and two internal conditions (achievement of an average of three years of EBIT for 30% and an average of three years of revenue for 20%) and CSR conditions for 20%.

Plans no. 2, 3, 4, 5 and 6 also have an employment condition on the date of definitive vesting.

In accordance with the payment terms of these plans, the SMCP Board of Directors may adjust the performances conditions in exceptional and unforeseeable circumstances justifying such a modification, including in the event of economic crises or geopolitical events which have a significant impact on the Group's sector of activity, or any other circumstances justifying such an adjustment, in order to neutralise, as far as is possible, the consequences of these modifications on the target set during the initial allocation. This was the case with the 2020 financial statements due to the impact of the Covid-19 pandemic.

These neutralisations have an impact on the number of shares to be delivered in March 2023 in the amount of 47,380 shares.

Cash at hand

At December 31, 2022, SMCP SA held 967,808 shares.

Post-closing significant events

CONVERSION OF CLASS G PREFERRED SHARES

As of January 1, 2023, 14,236 class G preferred shares had been converted into ordinary shares by eight managers of the Company. Consequently, 55,849 new ordinary shares were issued and the Company's Articles of Association were modified accordingly. The share capital now comprises 76,288,530 shares divided into 75,591,187 ordinary shares and 697,343 class G preferred shares and amounts to €83,917,383.

ACQUISITION OF THE ACTIVITY IN AUSTRALIA AND NEW ZEALAND

As part of its Retail distribution policy, SMCP acquired in January 2023 the network of points of sale previously operated by a local partner in Australia and New Zealand. These two countries represent around 40 physical and e-commerce points of sale, distributing the products of the Sandro, Maje and Claudie Pierlot brands. Through this acquisition, SMCP strengthens its position in Asia Pacific, in a profitable and developing market.

CAPITALISATION OF THE INTAGROUP LOAN GRANTED BY SMCP SA TO SMCP GROUP SAS IN 2016

On March 1, 2023, SMCP SA decided to capitalise the intra-group loan granted to its subsidiary SMCP Group SAS in its equity, for an amount of €492,120,898 (principal and interest).

SHAREHOLDING CHANGE

On March 1, 2023, a press release was issued by Alastair Beveridge and Daniel Imison of Alix Partners UK LLP, acting as receivers (professional agent under English law), announcing the launch, on behalf of the bondholders and of Glas SAS (London Branch) as Trustee for the exchangeable bonds for the amount of €250 million issued in 2018 by European TopSoho S.à r.l., a process of selling the pledged stake of approximately 37% of SMCP's share capital. This press release indicated that, at this initial stage of the sale process, the timetable for such a sale, whether it would be concluded or not, the identity of the eventual buyer(s) and whether all or part of the pledged shares could be sold to one or more buyers were uncertain and it was therefore not possible at that stage to assess whether or not the transaction would trigger a subsequent mandatory takeover bid.

Fixed assets

Gross value *(in millions of euros)*	Beginning of period	Revaluation	Acquisitions, contributions	Transfer	Disposal	End of year
Intangible assets	**0.2**					**0.2**
Gen. equip., fixtures and fittings, landscaping	0.2		0.1			0.3
Property, plant and equipment	**0.2**		**0.1**			**0.3**
Other equity interests	581.5					581.5
Loans and other non-current financial assets	478.6		11.6			490.2
SMCP Group treasury shares	2.5					2.5
Financial investments	**1,062.6**		**11.6**			**1,074.2**
TOTAL NON-CURRENT ASSETS	**1,063.0**		**11.7**			**1,074.7**

An impairment of €1.1 million was recognised in respect of SMCP treasury shares in order to reduce their net carrying amount to €6.63 at the closing price on December 31, 2022.

Provisions and impairments

(In millions of euros)	Beginning of period	Additions	Reversals	End of year
Provisions for disputes	0.3		0.1	0.2
Other provisions for contingencies and charges				
Provision for contingencies and charges	**0.3**		**0.1**	**0.2**
Impairment of other non-current financial assets	1.1			1.1
Impairments	**1.1**			**1.1**
GRAND TOTAL	**1.4**		**0.1**	**1.3**
Operating expenses and reversals			0.1	
Financial expenses and reversals				
Non-recurring expenses and reversals				

Receivables and payables

Statement of receivables *(in millions of euros)*	Gross amount	Up to 1 year	More than 1 year
Loans	484.4		484.4
Other non-current financial assets	8.4		8.4
Other trade receivables	14.1	14.1	
State, local authorities: income tax	0.2	0.2	
State, local authorities: value added tax	1.8	1.8	
Group and associates	77.2	77.2	
GRAND TOTAL	**586.1**	**93.3**	**492.8**
Loans granted during the period	-		

Statement of liabilities *(in millions of euros)*	Gross amount	Up to 1 year	Between 1 and 5 years	More than 5 years
Trade and other payables	2.1	2.1		
Personnel and related expenses	3.3	3.3		
Social security and other social institutions	0.8	0.8		
State: value added tax	3.4	3.4		
State: taxes other than on income	0.2	0.2		
Other liabilities	9.4	3.8	5.6	
GRAND TOTAL	**19.2**	**13.6**	**5.6**	

Share capital – Changes in equity

(In millions of euros)	Closing at 12/31/2021	Capital increase	Distribution of dividends	Appropriation of income	Profit (loss) for the financial year	Closing at 12/31/2022
Share capital	83.3	0.6				83.9
Share premium	133.7	(0.6)				133.1
Merger premium	816.4					816.4
Legal reserve	4.1			1.2		5.3
Retained earnings	77.4			22.6		100.0
Profit (loss) for the financial year	23.8			(23.8)	14.0	14.0
TOTAL	**1,138.7**		**-**	**-**	**14.0**	**1,152.7**

Shareholders	Number of ordinary shares	Number of Class G preferred shares	Total number of shares	Total number of voting rights
European TopSoho S.à r.l.	6,075,848		6,075,848	12,151,696
Trustee Glas SAS	21,952,315		21,952,315	21,952,315
Other shareholders	12,106,939		12,106,939	12,106,939
Founders & Managers	5,259,444	622,666	5,882,110	9,539,248
Free float	29,172,984	88,913	29,261,897	30,303,756
Treasury shares	967,808		967,808	
TOTAL	**75,535,338**	**711,579**	**76,246,917**	**85,953,954**

Financial commitments given and received

None.

Breakdown of income tax

Breakdown *(in millions of euros)*	Profit/(loss) before tax	Tax due	Net income after tax
Profit on ordinary activities	8,.4	(2.1)	6.3
Short-term non-recurring income	(0.9)	0.2	(0.7)
Long-term non-recurring income			
Employee profit-sharing	(0.3)		(0.3)
Corporate tax (carry back)			
Corporate income tax (share of previous individual tax losses not used - tax consolidation)		8.7	8.7
ACCOUNTING NET INCOME	**7.2**	**6.8**	**14.0**

Subsidiaries and equity interests

(In millions of euros)	Share capital	Equity	Proportion held	Gross value securities	Net value securities	Loans, advances, guarantees	Revenue	Net income
Subsidiaries (more than 50%)								
SMCP Group SAS	58.2	432.8	100%	581.5	581.5	na	49.4	(11.3)
Equity interests (10 to 50%)			None					
Other equity interests			None					

5.2.3 Statutory Auditors' report on the annual financial statements

Financial year ended December 31, 2022

To the SMCP General Meeting,

Opinion

In compliance with the assignment entrusted to us by your General Meeting, we performed an audit of the annual financial statements of SMCP S.A. relating to the financial year ended December 31, 2022, as attached to this report.

In our opinion, the annual financial statements, in accordance with the French accounting rules and principles, give a true and fair view of the results of the Company's operations for the financial year just ended and of its financial position and assets and liabilities as of the end of the financial year.

The above opinion is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit guidelines

We conducted our audit according to the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are indicated in the section named "Responsibilities of Statutory Auditors with respect to the audit of the annual financial statements" in this report.

Independence

We performed our audit engagement in accordance with the independence rules pursuant to the French Commercial Code and applicable to our profession through its Code of Ethics, from January 1, 2022 until the issue date of our report, and in particular, we provided no service prohibited by Article 5, Section 1 of Regulation (EU) No. 537/2014.

Justification of our assessments – Key points of the audit

In application of the provisions 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 material misstatements which, in our professional opinion, were most significant for the audit of the annual financial statements for the financial year, and the response we provided to address these risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole and led to the opinion expressed above. We express no opinion on the information contained in these annual financial statements taken in isolation.

Measurement of the value in use of the equity interests of the subsidiary SMCP Group SAS

Identified risk

At December 31, 2022, the net carrying amount of the equity interests of the subsidiary SMCP Group SAS amounted to €581.5 million and represented more than 49% of the balance sheet total. Equity interests are recognised at their entry date at acquisition cost and are measured at their net asset value.

As indicated in the note "Accounting rules and methods - Equity interests, other long-term investments, marketable securities" in the appendix, if the net asset value is lower than the gross value, an impairment is made for an amount equal to the difference.

The net asset value of equity investments is determined using the discounted cash flow (DCF) approach based on the 2023 budget and the 8-year business plan, validated by the Executive Committee and approved by the Board of Directors.

Due to the importance of the net carrying amount of these interests and the uncertainties related in particular to the probability of realisation of the future cash flow forecasts used in the assessment of the value in use, we have considered the valuation of the value in use of SMCP Group SAS's equity interests as a key audit matter.

Our response

In order to assess the estimated value in use of SMCP Group SAS's equity interests determined by Management, our work consisted in:

- assessing the relevance of the methodology used to determine value in use;
- assessing the consistency of the cash flow projections used in the 2023 budget and the eight-year business plan approved by the Board of Directors;
- verifying the consistency of the assumptions retained with the economic environment and our understanding of the Group's outlook and strategic orientations;
- assessing the reasonable nature of the financial parameters used (discount rate and perpetual growth rate) with help from our financial assessment experts and building notably on expert assessments;
- comparing the assumptions retained for prior periods with the corresponding achievements in order to assess the achievement of past objectives.

Lastly, we verified that the note "Accounting rules and methods - Equity investments, other long-term investments and marketable securities" to the annual financial statements provided appropriate information.

Specific verifications

In accordance with the professional standards applicable in France, we also conducted the specific audits required by the laws and regulations.

Information given in the management report and in other documents on the financial position and on the annual financial statements addressed to shareholders

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the annual financial statements.

We hereby certify that the information on the terms of payment mentioned in Article D. 441-46 of the French Commercial Code is true and fair and consistent with the annual financial statements.

Corporate governance report

We certify that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

With regard to the information provided in application of the provisions of Article L. 22-10-9 of the French Commercial Code on compensation and benefits paid or awarded to corporate officers, as well as the commitments granted to them, we verified that it was consistent with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information collected by your company from the companies controlled by it that are included in the scope of consolidation. On the basis of this work, we have no matters to report on this information.

Concerning the information relating to the elements that your company considers likely to have an impact in the event of a takeover or exchange offer, provided in accordance with the provisions of the Article L.22-10-11 of the French Commercial Code, we verified their compliance with the documents from which they originate and which were communicated to us. Based on this work, we have no matters to report on this information.

Additional information

In accordance with the law, we have ensured that the various information relating to the identity of the holders of the share capital or voting rights has been provided to you in the management report.

Other verifications or information required by laws and regulations

Format of the annual financial statements to be included in the annual financial report

In accordance with professional standards on the Statutory Auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the European Delegated Regulation no. 2019/815 of December 17, 2018 in the presentation of the annual financial statements to be included in the annual financial report mentioned in section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of Statutory Auditors

We were appointed as Statutory Auditors of SMCP by your General Meeting of September 25, 2017 with deferred effect from September 29, 2017 for Deloitte & Associés and from June 9, 2022 for Grant Thornton.

As of December 31, 2022, Deloitte & Associés was in the sixth continuous year of its mission and the firm Grant Thornton in its first year.

Responsibilities of Management and of corporate governance members with regard to the annual financial statements

Management is responsible for drawing up annual financial statements that present a true and fair view in accordance with French accounting standards and for setting up the internal control that it considers necessary for the preparation of annual financial statements free of any material misstatements, be they from fraud or errors.

While preparing the annual financial statements, Management is responsible for evaluating the company's capacity to continue its operation, for presenting in these financial statements, as applicable, the required disclosures about going concern and for applying the going concern accounting principle, unless there are plans to wind up the company or to discontinue its operations.

The Audit Committee is responsible for monitoring the financial reporting preparation process and for monitoring the effectiveness of the internal control and risk management systems, and as applicable, of internal audit, with respect to procedures concerning the preparation and processing of accounting and financial information.

These annual financial statements have been approved by the Board of Directors.

Responsibilities of Statutory Auditors with respect to the audit of the annual financial statements

Audit aim and procedure

It is our responsibility to draw up a report on the annual financial statements. Our aim is to obtain reasonable assurance that the annual financial statements taken as a whole are free of any material misstatements. Reasonable assurance corresponds to a high level of assurance without, however, providing a guarantee that an audit performed in accordance with professional standards will systematically lead to the detection of material misstatements. Misstatements may occur as a result of fraud or errors and are considered as material when one can reasonably expect that they might, taken individually or together, influence the economic decisions that the users of the financial statements make on the basis of these statements.

As stated in Article L. 823-10-1 of the French Commercial Code, under our assignment to certify the financial statements, we are not required to guarantee either the viability or the quality of management of your company.

During an audit carried out in accordance with the professional standards applicable in France, Statutory Auditors apply their professional judgement throughout the audit. Furthermore:

- they define and assess the risks that the annual financial statements contain material misstatements, whether such misstatements stem from fraud or errors, define and implement audit procedures to address these risks, and gather elements that they consider sufficient and appropriate to use as the basis for their opinion. The risk of non-detection of a material misstatement stemming from fraud is higher than the risk of a material misstatement stemming from an error, because fraud can imply collusion, falsification, wilful omissions, misrepresentations or the circumvention of internal control;
- they obtain an understanding of the relevant internal control for the audit in order to define appropriate audit procedures suitable for the specific context, and not for the purpose of expressing an opinion on the efficiency of internal control;
- they evaluate the suitability of the accounting methods adopted and the reasonable nature of the accounting estimates made by Management, and the disclosures related thereto provided in the annual financial statements;
- they assess the suitability of the application by Management of the going concern accounting principle and, according to the collected elements, the existence or not of a material uncertainty linked to events or circumstances likely to call into question the company's capacity to continue its operation. This assessment is based on the elements collected up to the date of the auditors' report, on the understanding, however, that circumstances or subsequent events may call into question the going concern. Should they conclude on the existence of a material uncertainty, they draw the attention of the readers of their report to the disclosures in the annual financial statements regarding this uncertainty or, if this information is not disclosed or is not pertinent, they shall issue a qualified certification or refuse to certify;
- they assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events so as to provide a true and fair image.

Report to the Audit Committee

We present a report to the Audit Committee which contains the scope of the audit proceedings and the work programme implemented, in addition to the findings from our audit. We also notify the Audit Committee, if necessary, of the significant weaknesses in the internal control system that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

The elements disclosed in the report to the Audit Committee include the risks of material misstatements that we considered to be the most significant for the audit of the annual financial statements for the financial year and that accordingly represent the key points of the audit, which we are required to describe in this report.

We also provide the Audit Committee with the declaration specified by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, as defined by the rules applicable in France, specified in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Statutory Auditors' Code of Ethics. As applicable, we discuss the risks impacting our independence and the precautionary measures taken with the Audit Committee.

Neuilly-sur-Seine & Paris-La Défense, April 11, 2023

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Guillaume GINÉ	Albert AIDAN

5.2.4 Table of results over the last five financial years

	2018 financial year	2019 financial year	2020 financial year	2021 financial year	2022 financial year
1. Closing share capital					
Share capital (€)	81,913,824	82,222,037.70	82,687,319	83,267,404	83,871,608.70
Number of shares	74,467,113	74,747,307	75,170,290	75,697,640	76,246,917
• ordinary	73,174,015	73,550,068	74,117,760	74,798,149	75,535,338
• class G preferred	1,293,098	1,197,239	1,052,530	899,491	711,579
2. Operations and profit or loss for the financial year (€m)					
Revenue excluding tax	10.3	7.7	8.8	16.1	16.0
Profit/(loss) before tax, employee profit-sharing, depreciation, amortisation and provisions	27.8	18.6	7.8	10.6	7.2
Income tax	8.3	8.8	0.2	11.0	6.8
Employee profit-sharing due in the financial year	(0.2)	(0.2)	0.0	(0.2)	(0.3)
Profit/(loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	35.4	21.9	10.1	23.8	14.0
Distributed profits	-	-	-	-	-
3. Earnings per share (€m)					
Profit/(loss) after tax, employee profit-sharing, but before depreciation, amortisation and provisions	0.48	0.37	0.11	0.28	0.18
Profit/(loss) after tax, employee profit-sharing, depreciation, amortisation and provisions	0.48	0.29	0.13	0.31	0.18
Dividend paid per share	-	-	-	-	-
4. Personnel					
Average workforce during the year	30	29	28	24	21
Annual payroll (€m)	5.4	4.1	5.3	5.5	4.8
Amount of social security payments and fringe benefits (incl. €11m for LTIP plans in 2022)*(€m)*	1.9	1.7	1.7	2.0	12.6

6

Non-financial performance

6.1 SMCP's CSR approach

6.1.1 The Group and its values

SMCP believes in more virtuous fashion and acts from every angle to dress the world in a more responsible way.

All over the world, in our stores, registered offices and warehouses, our desire to reduce our negative impacts on the environment continues to grow. This year, the renewal of our carbon footprint measurement, which covers both our direct and indirect emissions, highlighted the positive changes we have made in recent years.

THE GROUP AND ITS VALUES

In the beginning, there were three women, Évelyne Chétrite, Judith Milgrom and Claudie Pierlot who dreamed of dressing Parisians in elegant clothes. Sandro and Claudie Pierlot were created in 1984, then Maje in 1998. The SMCP Group emerged from the union of these three brands in 2010. Fursac was added to the Group in 2019. Founded in 1973, the iconic French fashion house aims to elevate Parisian style. Our four brands have the same purpose.

Driven by this desire to inspire Parisian elegance around the world, SMCP is an international leader in ready-to-wear apparel and accessories, with 1,683 points of sale[1] in 47 countries, reaching €1,205.8 million in annual sales in 2022.

Because we have a leading role in the accessible luxury sector, we aspire to make this Parisian elegance sustainable by developing more desirable and responsible collections, season after season.

Our CSR commitments are therefore reflected in our values.

Being a passionate entrepreneur: acting with agility, as if it were your own company. The entrepreneurial heritage of the founders of our four brands is rooted in our veins and we hold their ambition high.

Acting with a sustainable awareness: reduce our negative impacts on the planet to protect its natural resources. We are the ambassadors of our brands and as such, we share the desire to grow them by placing people and the environment at the heart of our actions.

Nurturing creativity and innovation: bringing new ideas to always stay one step ahead. We encourage all our employees to find new solutions to grow the Group's performance in a responsible and sustainable manner.

Developing a global mindset: looking beyond our own field of action. We need to think about the overall impact of our work on an international scale, to respect and include all cultures.

Thinking of elegance as an attitude: showing respect and caring for others. Sensitive to the world around us, we aspire to an ethical and responsible performance.

(1) 1,280 directly operated stores and 403 partner points of sale.

6.1.2 Ambition and strategy

OUR THREE STRATEGIC AREAS AND OUR AMBITIONS FOR 2027

Our three strategic areas have been carefully designed in 2019 to ensure sustainable and more responsible growth for the Group.

In 2020, these three pillars, SMC*Product*, SMC*Planet* & SMC*People* – our "3Ps", guided us in building a CSR strategy with strong ambitions to make real changes in our sector by 2027. We are resolutely committed with our four brands to achieving and even surpassing them. In 2022, these three pillars are at the heart of each action carried out by the Group and our brands as gestures to build a fashion world more respectful of people and their environment.

In addition, SMCP is a signatory of the UN Global Compact. The Global Compact brings together companies and non-profit organisations around CSR and sustainable development issues. It offers a framework of voluntary commitment based on ten principles to be respected in terms of human rights, labour law, the environment and the fight against corruption. It is also mandated by the United Nations to support the implementation of an Agenda 2030 and the adoption of the Sustainable Development Goals (SDGs) by the business world.

All SMCP contributions to the SDGs can be found in Section 6.9 UN Sustainable Development Goals Cross-Reference Table.

Our commitments for 2027

SMCProduct – producing ever more desirable and responsible collections
The Group is committed to designing traceable and more responsible collections by offering at least 75% of products made from materials and/or transformation processes with a lower environmental impact, and to intensify all the circular economy initiatives of its four brands while ensuring good employee manufacturing conditions.

SMCPlanet – Reducing our environmental impacts
The Group is committed to reducing its CO_2 emissions by at least 20% (vs 2018) thanks to the progress made on the SMCProduct pillar, but also by reducing its air transport flows and its energy consumption around the world.

SMCPeople – Unveiling the potential of our passionate entrepreneurs
The Group is committed to strengthening the well-being and professional development of each of its employees by promoting internal mobility and promotions, developing training and establishing a culture which favours diversity and inclusion.

6.1.3 Main non-financial risks

An analysis of non-financial risks was initially carried out in 2018 as part of the work used to define the Group's CSR strategy. Conducted by a specialised consulting firm, this analysis was based on a series of internal interviews and interviews with external stakeholders. The analysis of CSR risks is subject to an annual review with the Group Internal Audit Department as part of the update of the company's risk mapping. The CSR risks are presented in Chapter 3, "Risk factors and internal control", of the 2022 universal registration document in the following Sections:

- talent and key people management;
- suppliers, manufacturers and products;
- respect for human rights, fundamental freedoms and ethics;
- evolution of major global climate and biodiversity issues.

This SNFP sets out the policies implemented to address these risks as well as the monitoring indicators associated with these policies.

Risks	Risk management policies described in the SNFP		Indicator
Talent management	6.5.2	Recruiting motivating and developing talent	Employees, gender pay gap, turnover, internal mobility, training
	6.5.4	Committing to inclusion and diversity	
Working conditions	6.5.3	Ensuring the health and safety of all and promoting social dialogue	Workplace accidents
Corruption and ethics	6.5.5	Demonstrating ethics and solidarity	-
Product quality and safety	6.3.1	Monitoring the safety and manufacturing conditions of our products	More responsible collections, CSR certifications and audits, results of social and environmental audits
Compliance with human rights and social and environmental standards by our suppliers	6.3.1	Monitoring the safety and manufacturing conditions of our products	
	6.3.3	Developing the traceability of our supply chains	Traceability
Climate change and biodiversity loss	6.3.2	Offering a range of products that have a lower environmental impact and are respectful of animal welfare	More responsible collections, certifications and CSR audits
	6.3.3	Developing the traceability of our supply chains	Traceability
	6.3.4	Promoting the circular economy	
	6.4.1	Measuring and reducing our carbon footprint	GHG emissions
	6.4.2	Controlling our energy consumption and using more sustainable modes of transport	Electricity consumption, transport
	6.4.3	Rethinking our points of sale	Green concept store
	6.4.4	Reducing and recycling our waste, reason our use of single-use supplies	
Animal welfare	6.3.2	Offering a range of products that have a lower environmental impact and are respectful of animal welfare	More responsible collections

6.1.4 CSR governance and integration of CSR objectives into assessment of the Company's performance

The CSR strategy is driven by the Group Executive Committee and implemented by SMCP's CSR Department with the help of contacts within the brands and the various geographical areas. CSR is represented on the Executive Committee by the Director of Human Resources and CSR. A Group Sustainability Committee meets every two months to monitor the progress of the annual roadmap and brings together representatives of the various Business Units (brands, France-Europe, North America and Asia) and the Production, Marketing, Works, Supply Chain and HR functions.

Fully integrated into the Group's overall strategy, the CSR policy is also presented to the Board of Directors, which validates its main themes.

Each year, CSR objectives are defined in line with the three pillars of the Group's CSR strategy: SMCProduct, SMCPlanet and SMCPeople. Whether or not these objectives have been achieved is taken into account when determining the portion of the bonuses paid to corporate officers, and counts as one of the performance criteria in the free share award plans. For 2022, the objectives cover developing a more responsible product offering, the full integration of environmental criteria when renovating or opening stores and raising awareness of diversity. The objectives for 2023 will cover the topics of production chain traceability, climate policy and diversity training.

In addition, since 2022, a CSR objective has been taken into account when calculating incentives for Group employees working in France (excluding Fursac).

6.2 Business model

The information in this section should be compared with Section 2 "The Group and its activities" of the 2022 universal registration document.

Since 2020, we have entered a new chapter in our history with "global, desirable, sustainable and phygital brands". With this chapter, SMCP continues to combine the codes of luxury and Direct to Consumer while incorporating new priorities to pursue its ambition to become a global leader in accessible luxury:

4 strategic priorities to build global, responsible and phygital brands

Promoting the uniqueness and complementary nature of brands, promoting desirability

Creating a sustainable "wardrobe" thanks to an ambitious plan

Developing new customer contact points by broadening SMCP horizons

Strengthening infrastructure capacity to push the boundaries of excellence

6.3 SMC*Product*: producing ever more desirable and responsible collections

6.3.1 Monitoring the safety and manufacturing conditions of our products

SMCP is committed to developing its activities with respect for the environment and human rights by ensuring that its suppliers adhere to and comply with these principles.

This policy is part of a supplier approach based on contractual commitments, checks and support. Our brands rely on a stable base of suppliers, with whom they build relationships of trust and a shared desire for continuous improvement.

6.3.1.1 PRODUCT SAFETY AND QUALITY

The Group's brands have structured and stringent policies on the safety and quality of the products they market. For cut-and-sew products, all components are supplied by our brands. For our finished products, the components are set by our brands and purchased by the suppliers.

In 2016, shared standards for our brands were appended to their General Terms and Conditions of Sale (GTC) which stipulate in particular that:

- products must meet all the toxicological requirements of the regulation 2006/1907/EC of December 18, 2006, known as "REACH" (azo dyes, allergenic dyes, carcinogenic substances, etc.), of the POP regulation (EU regulation 2019/1021 of June 20, 2019) on persistent organic pollutants, the requirements of the regulation on biocides (EU regulation no. 528/2012) and all those concerning materials of animal origin;
- quality tests must be carried out by accredited laboratories;
- final inspections are required, carried out by independent service providers before the products are shipped.

6.3.1.2 MONITORING SOCIAL AND ENVIRONMENTAL CONDITIONS FOR PRODUCT MANUFACTURING

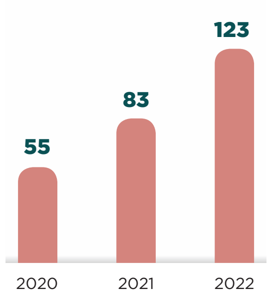
The supplier social and environmental compliance policy is managed by the Group's CSR Department and is regularly monitored as part of compliance reviews carried out by the Internal Audit Department.

It is based on the following system:

- prior to any commercial relationships, all suppliers must sign a Code of Conduct setting out in detail our requirements (code freely available on the Group's website[1]). The signing of this code commits the supplier in its manufacturing plants but also in respect of its own suppliers. Here is an extract: "*SMCP suppliers undertake to comply unconditionally with all applicable laws, regulations and international treaties concerning human, labour and social rights; business ethics practices, particularly the fight against corruption, compliance with competition law and international trade rules; protection of resources, including information and data; respect for the environment*";
- when listing a new supplier, the collection and review of social audits or social certifications available to the manufacturing sites;
- social and environmental audits can either be performed by the Group, or carried out at the request of other companies according to standards recognised by the Group (BSCI, SEDEX, WRAP, WCA and SA 8000 for social; ISO 14001, Bluesign, Leather Working Group and Step by Oeko-Tex for the environment);
- follow-up of the corrective action plans put in place following the audits.

Social compliance

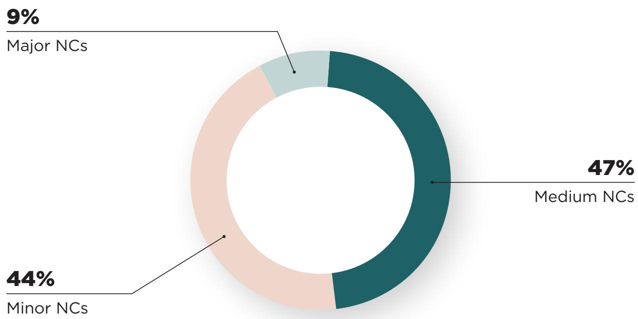
Number of suppliers with current certification or social audit



In 2022, 123 of the Group's suppliers (finished products, cut-and-sew products, fabrics) had an up-to-date social audit report. 34 social audits were carried out directly by the Group in 2022 and carried out by an independent international audit firm. These on-site audits are based on a large number of criteria. They set in motion a continuous improvement momentum aimed at sharing best practices. Certain topics are particularly important to the Group and its brands, such as banning child labour, ensuring that all employees have employment contracts, following international recommendations on working hours, ensuring that there is no discrimination in the hiring process and that there is no forced labour, complying with the minimum wage, ensuring that personal protective equipment is present and worn correctly, having certificates that certifies that the site's construction is legal, ensuring that there are fire safety procedures in place, ensuring that all plant fittings are correctly maintained, and making sure that chemical products are stored safely.

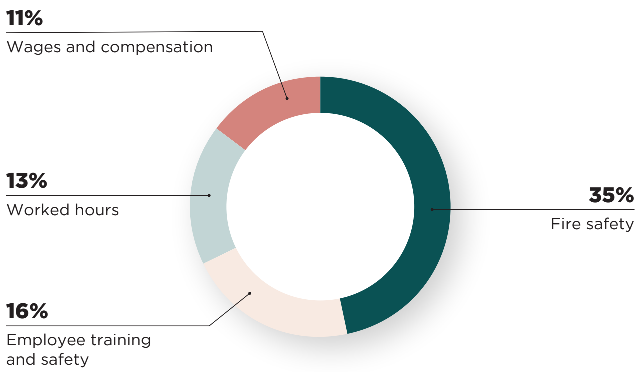
(1) https://www.smcp.com/fr/homepage/rse/documents-ethique-rse/

Breakdown by severity of non-compliances identified during social audits conducted by the Group in 2022



The social audits conducted in 2022 revealed 175 anomalies (an average of five per audit).

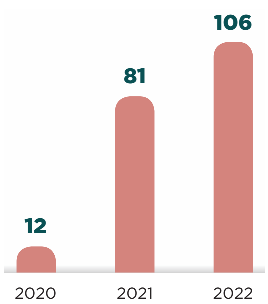
Breakdown by theme of the main anomalies noted during the social audits conducted by the Group in 2022[1]



At the end of these audits, corrective action plans are defined and we help our suppliers to implement them through an appropriate personalised follow-up: control audit over a period of two to three years, remote review or follow-up audit at six months or one year, depending on the circumstances.

Environmental compliance

Number of suppliers with a valid environmental certification or audit

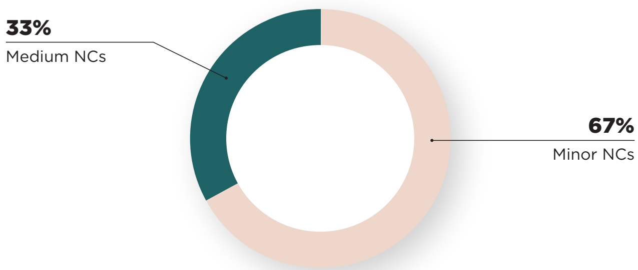


In 2022, 106 suppliers of the Group (finished products, cut-and-sew products, fabrics) had an up-to-date environmental certification or audit report.

(1) Breakdown based on average and major non-conformities
(2) Breakdown based on average non-conformities

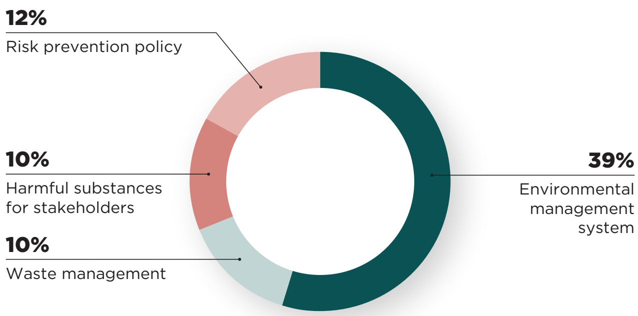
32 environmental audits were conducted directly by the Group in 2022 and carried out by an independent international audit firm. These audits have been in place since 2019 and cover the following topics: environmental management system, energy management, water management, air emissions, waste management, pollution prevention, soil management and biodiversity management.

Breakdown by severity of non-conformities identified during environmental audits conducted by the Group in 2022



The environmental audits conducted in 2022 revealed 149 anomalies (an average of five per audit), none of which was classified as a major non-conformity.

Breakdown by theme of the main anomalies observed during the environmental audits conducted by the Group in 2022[2]



As with social audits, corrective action plans are implemented following environmental audits, the nature of which varies according to the level of severity of the non-conformities identified during the audit.

6.3.2 Offering a range of products that have a lower environmental impact and are respectful of animal welfare

Materials and transformation processes with a lower environmental impact

The manufacturing steps of our products (raw materials, transformation into thread and fabric, dyeing) are responsible for most of the environmental impacts related to our business. This issue is therefore a priority in our sustainable development approach. Reducing greenhouse gas emissions, water consumption, the use of chemicals and polluting emissions are all issues that we address through the use of environmental criteria to increase our use of materials and/or transformation processes with a lower environmental impact.

These criteria are based on a selection of independent labels, materials and manufacturing techniques whose environmental benefits are based on factual and public evidence. Our target is to achieve at least 75% of SKUs meeting our environmental criteria by 2027.

The materials with a lower environmental impact that we recognise are:

- organic cotton certified by the GOTS or OCS labels;
- recycled materials (polyester, nylon, wool, viscose, cotton, etc.) certified by the GRS or RCS labels;
- sheep, alpaca or angora goat wool (mohair) certified by labels which protect ecosystems and animal well-being: Responsible Wool Standard (RWS) for sheep's wool, Responsible Mohair Standard (RMS) for mohair and Responsible Alpaca Standard (RAS) for alpaca wool;
- FSC-certified viscose guaranteeing wood supplies from sustainably managed forests or LENZING ECOVERO® viscose, which also guarantees a more environmentally-friendly manufacturing process (significant reduction in water and energy consumption and in chemical use);
- European linen certified by the European Flax or Master of Linen labels.

For a product to be considered more responsible, at least 50% of its main material must meet one of these criteria.

The transformation processes with a lower environmental impact that we recognise are:

- for denim, the most water, energy and chemical-efficient washing techniques which obtain the best score in Jeanologia's[1] Environmental Impact Measurement (EIM);
- leather from tanneries certified by the Leather Working Group (LWG) label at Silver or Gold level. These tanneries meet industry best practices in terms of water and energy consumption and the use of chemicals.

(1) *https://www.jeanologia.com/eim/*

Since 2019, the Style and Production teams have been participating in training sessions on responsible sourcing and eco-design. In 2022, 70 employees from the brand studios took part in this type of training, covering the major social and environmental labels for textile materials, certification processes, fundamental principles and methods for deploying eco-design.

By using this shared framework, all our brands have taken on this strategy of a more responsible offering based on their identity and their specific procurement models. Various programmes have thus emerged within each brand in recent years to increase the proportion of more environmentally friendly products, including: *Sandro for the Future* at Sandro, *Dream Tomorrow* at Maje and *Claudie Cares* at Claudie Pierlot.

Thus, in 2022, the proportion of manufactured products meeting SMCP's environmental criteria was 51% overall for our four brands. This proportion is 54% at Sandro, 42% at Maje, 69% at Claudie Pierlot and 30% at Fursac.

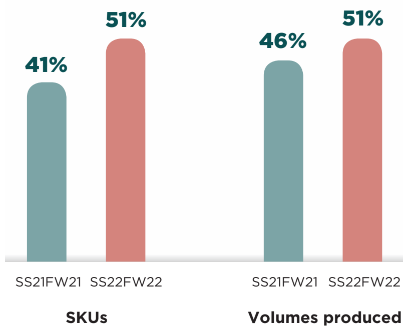
Collections with a lower environmental impact

(Ready-to-wear and accessories, for our four brands in SS22 and FW22)

Percentage of manufactured products meeting our environmental criteria	Share of SKUs meeting our environmental criteria
51%	47%

Change in the share of collections with a lower environmental impact on a like-for-like basis

(Between 2021 and 2022, ready-to-wear and accessories, excluding Fursac)



Between 2021 and 2022, the number of products manufactured and the number of SKUs meeting SMCP environmental criteria increased by 5 and 10 points respectively. This increase is all the more remarkable given the more stringent product qualification criteria in 2022 (50% of the material must be considered to have a lower environmental impact compared to a threshold of 30% in 2021). The share of products with lower environmental impact was 3% in 2019 and 26% in 2020.

Respect for animal welfare and protection of endangered species

The Group and its brands have been committed to animal welfare for several seasons. Our four brands stopped using fur in early January 2020 and we are gradually increasing the use of wool that guarantees breeding practices that respect animal welfare (RWS-certified).

In addition, none of the Group's brands use leather from exotic animals (pythons, water snakes, crocodiles, etc.) or test on animals.

6.3.3 Developing the traceability of our supply chains

At SMCP, we are committed to being transparent with our customers about the origin of the creations of our Parisian Houses. We are transparent in the CSR progress we are making, as well as being clear about what remains to be done to dress the world in an ever more elegant and ethical way.

In 2022, SMCP established a partnership with Fairly Made, a French green tech player, to retrace the journey of each of our items.

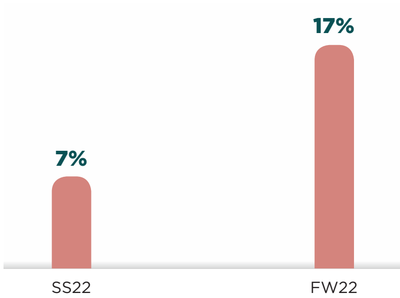
Since the summer of 2022, we have been offering our customers a QR code in-store or *via* a link on our e-shop product sheets, which provides quick access to information on suppliers involved at each stage of the production line, together with the traceability score awarded. Our customers have fast, simple and transparent access to all of this information, including the origin of the raw materials, the processing and manufacturing plants, and the modes of transport.

In addition to being informative for our customers, this universal analysis tool for our supply chain is invaluable in helping us improve the environmental performance of our production processes.

Our traceability approach will gradually be extended to all of our collections, with the following objectives to be achieved by 2025:

- communicate manufacturing traceability[1] for 100% of our items;
- obtain an average traceability score of 4/5 on all of our collections (score calculated according to the number of manufacturing steps traced and plants identified within the supply chain).

% of SKUs for which traceability information is available



In 2022, 495 SKUs had a QR Code, representing 12% of all our Sandro, Maje and Claudie Pierlot collections (7% for the summer season 2022 and 17% for the winter season 2022). The product traceability score was 3.15/5 for the E22 collections and 3.92/5 for the H22 collections, representing an overall score of 3.84/5 for all 2022 collections.

(1) Raw materials, spinning, weaving/knitting, dyeing, finish

6.3.4 Promoting the circular economy

To tackle fast fashion and over-consumption in the fashion industry, and in response to our customers' expectations for a real accessible luxury alternative, SMCP has decided to make a concrete commitment to the circular economy.

Our approach is based on four areas:

- **rental**: an alternative in line with the ethical aspirations of our customers for more responsible consumption, and our desire to make luxury more accessible. In 2021, Maje launched #MAJELOCATION, a unique rental service to optimise the use of its already produced iconic pieces and allow its French customers to borrow the item of their dreams, for one day. We are continuing our rental business with our North-American subsidiary, in partnership with the market leader, Rent the Runway, which offers Maje and Sandro pieces for rent. In 2022, Sandro also launched a rental service in partnership with a specialist online plaform.
- **second hand**: Sandro's second hand service opened in 2021, offering a second life to Parisian pieces that our customers no longer wear. A new online platform allows enthusiasts of the brand to sell and buy used Sandro clothing with ease. In 2022, this second-hand platform ramped up in France, and was also rolled out in Germany. Maje launched its second-hand platform in November 2022.
- **upcycling:** the ethical approach to enhance our old fabrics. For the summer 2022 season, Sandro launched a wardrobe made solely from stocks of fabric from previous collections, the profits of which were donated to the Sandro Fund. This capsule is a continuation of what the brand offered at the end of 2021, with a limited-edition upcycling capsule of women's pyjamas.
- **responsible management of our unsold products**: in accordance with regulations, we do not destroy unsold goods and each of our brands has implemented multiple solutions to offer them a second chance. Whether through private sales, outlet stores or donations to associations such as Aides and La Cravate Solidaire, they always find a new home. We give a new lease of life to our defective items by organising a sale for our employees and their families, or using recycling solutions.

6.4 SMC*Planet*: reduce our environmental impact

SMCP and its four brands aspire to a more elegant, but also a more responsible future, and global growth that pushes for solutions to climate change and the loss of biodiversity. To achieve this, we are deploying all our energy to create more virtuous products, to use more environmentally responsible transport flows for the manufacture and distribution of our pieces, to manage our energy consumption, to open our Green Stores worldwide, and to raise our employees' awareness of green issues.

6.4.1 Measuring and reducing our carbon footprint

As part of a dynamic and long-term energy transition, the Group has set itself a new target of reducing our total carbon footprint by 20% by 2027 (*vs* 2018). Significant and encouraging first results have been achieved in recent years, and are evidenced by the reduction of our CO_2 emissions in absolute value, and obtaining a B rating in the Carbon Disclosure Project in 2022.

6.4.1.1 GOVERNANCE OF THE CARBON STRATEGY

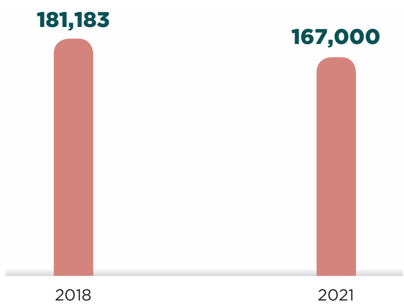
A steering committee was set up in 2022 to define and monitor the Group's CO_2 emissions reduction policy. Based on the results of SMCP's 2021 carbon footprint, this committee is composed of the Group Chief Executive Officer, the Chief Executive Officer of Sandro, the Chief Financial Officer, the Director of Operations and Transformation, the Chief Strategy Officer, the Group HR and CSR Director, the Sandro and Maje Production Directors and the Group CSR team. The Group's carbon strategy is also presented to the Board of Directors.

6.4.1.2 BREAKDOWN OF THE GROUP'S GLOBAL GREENHOUSE GAS EMISSIONS

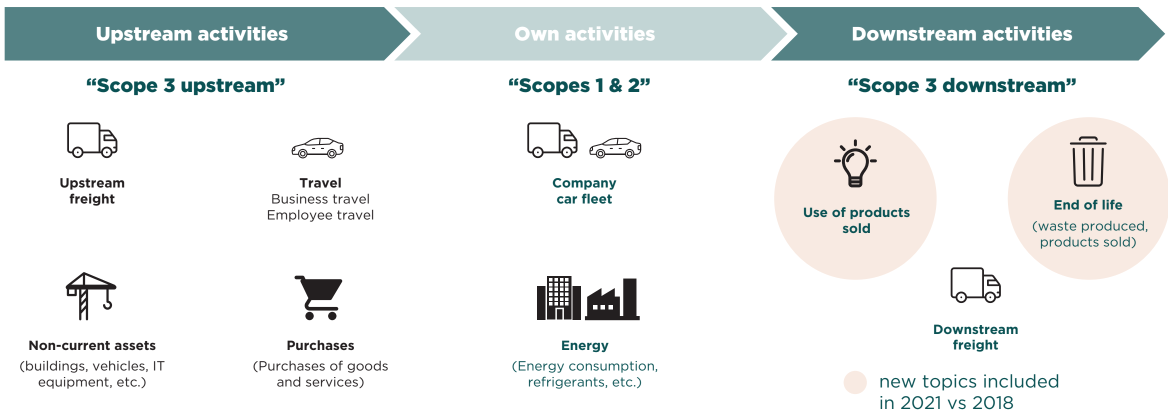
To demonstrate our commitment to a process of continued improvement and environmental performance since it calculated its first carbon footprint in 2018, in 2022 SMCP repeated a similar study covering 2021. The study covers all direct and indirect company GHG emissions ("scopes" 1, 2, and 3) and two new emission sources were added to the analysis compared to the work carried out in 2018: use and end of life of the products.

The results presented below show that CO_2 emissions generated by SMCP's activity in 2021 amounted to 167,000 metric tons, representing a fall of 8% compared to the emissions figure for 2018.

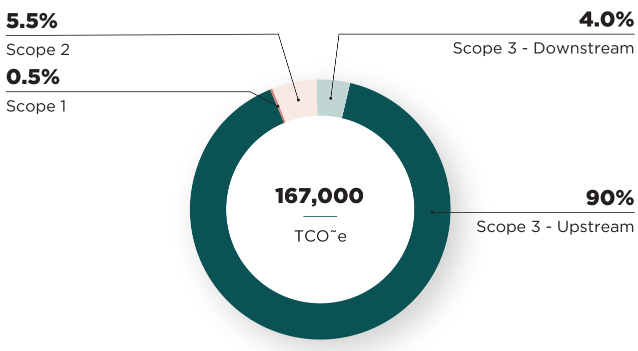
Reduction of our carbon footprint in absolute terms between 2018 and 2021 *(tCO_2eq)*



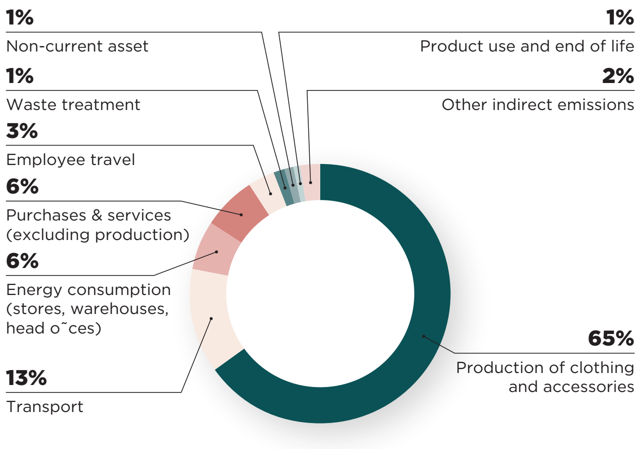
Main emission sources studied as part of the carbon footprint



Breakdown of 2021 CO_2 emissions by scope *(in %)*



Breakdown of 2021 CO_2 emissions by category



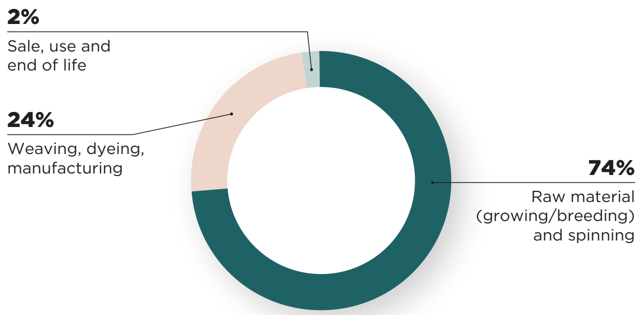
Like the ready-to-wear sector, we found that the main sources of emissions were the same as in 2018, namely:

- item no. 1: manufacturing of products sold, including raw materials and transformation processes;
- item no. 2: upstream freight and downstream freight for goods;
- item no. 3: energy, and primarily the electricity used by our stores, registered offices and warehouses.

Focus on products

The products sold to our customers are clearly the main source of the Group's CO_2 emissions. With 112,000 metric tons of CO_2 emitted in 2021, this item represents 67% of the SMCP's carbon footprint.

Carbon footprint related to the manufacture, use and end of life of products



The above graph highlights the impact of the materials selected on the carbon footprint. The Group is aware of this challenge and is continuing its efforts to integrate more and more materials with a reduced environmental impact into products and to develop new business models, such as rental or second-hand (see paragraph 6.3).

6

6.4.2 Controlling our energy consumption and using more sustainable modes of transport

6.4.2.1 ENERGY CONSUMPTION AND RELATED CO_2 EMISSIONS

2022 electricity consumption in kWh

Measured electricity consumption (coverage rate of 77% of surface areas)	Estimated electricity consumption (coverage rate of 100% of surface areas)
12,251,043	18,940,732

Based on a scope covering 77% of the surface areas of the buildings (head offices, warehouses, stores)[1], the Group's electricity consumption was 12,251 MWh. By estimating the missing consumption on the basis of kWh/m² ratios by geographical area, the Group's total electricity consumption is 18,940 MWh.

Change in electricity consumption between 2021 and 2022 in kWh on a like-for-like basis

2021	2022	Change
11,787,911	12,213,151	+ 4%

On a like-for-like basis, the Group's electricity consumption increased by 4% between 2021 and 2022. This increase is mainly due to the longer store opening period in 2022 than in 2021, with the gradual exit from the Covid crisis.

In 2022, the Group implemented several actions in stores aimed at contributing to the collective effort to increase energy efficiency. On and off times as well as the air conditioning and heating instructions for stores have been changed.

2022 CO_2 emissions related to electricity consumption in metric tons of CO_2eq

CO_2 emissions related to measured electricity consumption (coverage rate of 77% of surface areas)	CO_2 emissions related to estimated electricity consumption (coverage rate of 100% of surface areas)
3,752	5,991

On a scope covering 77% of the surface areas of buildings (registered offices, warehouses and stores), greenhouse gas emissions related to the Group's electricity consumption amounted to 3,752 metric tons of CO_2. By estimating missing consumption on the basis of kWh/m² ratios by geographical area, CO_2 emissions related to the Group's total electricity consumption are 5,991 metric tons of CO_2.

Change in CO_2 emissions related to electricity consumption between 2021 and 2022 in metric tons of CO_2 eq on a like-for-like basis

(Actual consumption for sites opened in 2021 and 2022)

2021	2022	Change
3,180	3,729	+15%

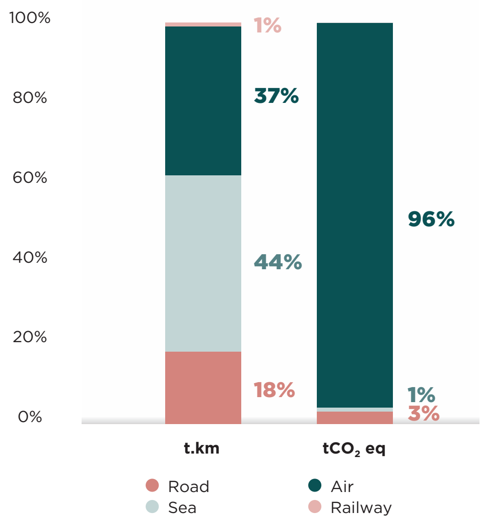
On a like-for-like basis, CO_2 emissions related to the Group's electricity consumption increased by 15% between 2021 and 2022. Note that this increase is correlated with the increase in electricity consumption in geographical areas with a high-carbon energy mix.

In addition to its efforts to reduce energy consumption, the Group is developing its purchases of electricity guaranteed to be from renewable sources. This system applies to all Sandro, Maje and Claudie Pierlot stores in France.

6.4.2.2 MODES OF TRANSPORT AND RELATED CO2 EMISSIONS

In 2022, the Group's freight transport emissions represented 22,046 metric tons of CO_2 for an activity of 51,096,866 metric tons.km. These emissions are mainly generated by upstream freight, which accounts for 89% of SMCP's transport emissions.

Carbon footprint for product transportation



The graph above illustrates the dominant proportion of air transport in greenhouse gas emissions from transport. Air transport accounts for 37% of the quantities transported and around 96% of greenhouse gas emissions from freight. Maritime transport is the Group's most widely used mode of transporting goods. It represents less than 1% of transport-related CO_2 emissions. The gradual transition from air transport to maritime, road or rail transport is therefore one of the priorities for the coming years.

(1) For all data on electricity, the consumption of subcontracted warehouses, corners and affiliates is excluded.

	Metric tons.km	Metric tons.km *(%)*	GHG emissions *(tCO_2e)*	GHG emissions *(%)*
Sea	22,701,602	44%	192	1%
Air	19,008,885	37%	21,105	96%
Road	8,997,611	18%	741	3%
Railway	388,768	1%	9	0%
TOTAL	**51,096,866**	**100%**	**22,047**	**100%**

Comparison of greenhouse gas emissions related to freight transport between 2021 and 2022:

Greenhouse gas emissions from freight transport increased by 1% between 2021 and 2022, from 21,932 tCO_2e in 2021 to 22,047 tCO_2e in 2022. This change represents a good performance in view of the Group's business recovery in 2022, compared to 2021 which was marked by the Covid crisis, store closures and a reduction in production volumes. Between 2021 and 2022, maritime transport increased by 45% and road transport by 8%, while air transport remained stable.

6.4.2.3 BUSINESS TRAVEL AND RELATED CO_2 EMISSIONS

In 2022, business travel for SMCP staff based in France who need to travel as part of their role (*i.e.* 76% of the Group's head office workforce), can be broken down into two main modes of transport: air travel and train travel.

As a result, the business travel carbon footprint was 291 metric tons of CO_2 in 2022, of which 97% comes under air travel.

6.4.3 Rethinking our points of sale

Our stores are our showcase to the outside world and should embody our desire to reduce our environmental impact.

Ambitious targets have been defined in this area for 2027: 100% of our openings and renovations will comply with the Green Store concept.

In our view, there are seven main components that define a Green Store and we are doing everything we can to apply them in all our stores:

- systematic LED lighting;
- the use of certified materials (FSC wooden floors, recycled brass, etc.) and the reuse of materials and decorative items from one store to another;
- reducing as much as possible the proportion of lost-water air conditioning, in favour of air-to-air climate control;
- the signing by all our TCE[1] and suppliers of the Supplier Code of Conduct to ensure that all those working on projects respect our ethical and moral values;
- the installation of sensors in storerooms (activity detectors for all lighting) and clocks in the window to ensure that the window lights are switched off in the evening;
- sorting construction waste during works;
- daily waste sorting in stores.

2021

4 criteria

1. Power load of lighting equipment. LEDs lighting
2. Eco-materials (certified wood, Recycled materials, design for re-use, low VOC in coatings)
3. No waste water AC (performance HVAC – energy use)
4. Code of Conduct signed with our GC and suppliers

2022

5 criteria

1. Power load of lighting equipment. LEDs lighting
2. Eco-materials (certified wood, Recycled materials, design for re-use, low VOC in coatings)
3. No waste water AC (performance HVAC – energy use)
4. Code of Conduct signed with our GC and suppliers
5. Sensors in our BOH and Timers on show windows

2024

6 criteria

1. Power load of lighting equipment. LEDs lighting
2. Eco-materials (certified wood, Recycled materials, design for re-use, low VOC in coatings)
3. No waste water AC (performance HVAC – energy use)
4. Code of Conduct signed with our GC and suppliers
5. Sensors in our BOH and Timers on show windows
6. Waste stream sorting during works

2027

7 criteria

1. Power load of lighting equipment. LEDs lighting
2. Eco-materials (certified wood, Recycled materials, design for re-use, low VOC in coatings)
3. No waste water AC (performance HVAC – energy use)
4. Code of Conduct signed with our GC and suppliers
5. Sensors in our BOH and Timers on show windows
6. Waste stream sorting during works
7. Waste sorting day-to-day

In 2022, 100% of our openings and renovations were compliant with our first five areas, and we are already working on integrating areas 6 and 7.

(1) Tout Corps d'Etat – all trades involved in construction projects

As regards the final two areas, which are more complex to implement due to our global presence, we are continuing our reflection and are starting pilot tests with various service providers, particularly in France, so that we can then deploy them in all the countries in which we operate.

Lastly, three of our stores were LEED certified in 2022:

- LEED Platinum for the Sandro Unisex Chengdu Taikooli store;
- LEED Gold for the Claudie Pierlot Shanghai Grandgateway store;
- LEED Gold for the Maje Hangzhou Mixc store.

In total, 13 of our stores worldwide are now LEED-certified. The SMCP Group registered offices and the Maje and Claudie Pierlot brands in Paris are HQE certified.

6.4.4 Reducing and recycling our waste, reason our use of single-use supplies

Waste sorting has been in place at our registered offices for a long time. In order to reduce our paper consumption and waste production, we have digitised a number of media, including employment contracts and employee administrative documents, meal vouchers and invoices.

In our warehouses, we take action to promote the recycling of cardboard, plastic packaging and paper.

Recycling systems are being implemented in our stores. In November 2022, the recycling of all polybags and hangers was introduced in Chinese stores.

Since 2021, we have redesigned all our in-store supplies by favouring recycled and recyclable materials:

- the majority of our brands' polybags are now fully recyclable and made of recycled materials, and their use is reduced season after season;
- shopping bags are made of certified paper from sustainably managed forests and are plastic-free to allow better recyclability;
- we favour the use of recycled wooden hangers in stores. With regard to our transport and warehouse hangers, we are reducing the proportion of suspended pieces in our collections and we are thinking about the materials used to make them easily recyclable.

6.5 SMC*People*: Unveiling the potential of our passionate entrepreneurs

Within SMCP, each employee is considered at the highest level, whatever their job, and wherever they are in the world.

Because all of our passionate entrepreneurs are our creative force and the future of our four Parisian fashion houses, we respect each other's talent and uniqueness and offer everyone the means to find their place and flourish as long as possible.

6.5.1 Workforce and employment structure within the Group

6.5.1.1 NUMBER AND DISTRIBUTION OF EMPLOYEES

As of December 31, 2022, the Group employed a total of 6,525 people, including approximately 26% for the Sandro brand, 19% for the Maje brand, 11% for the Claudie Pierlot brand and 4% for the Fursac brand. The rest of the workforce is spread over SMCP North America, SMCP Asia, SMCP Global Services and SMCP Logistique.

The table below shows the breakdown of the Group's workforce by geographical area, subsidiary, function and age at December 31, 2021 and 2022:

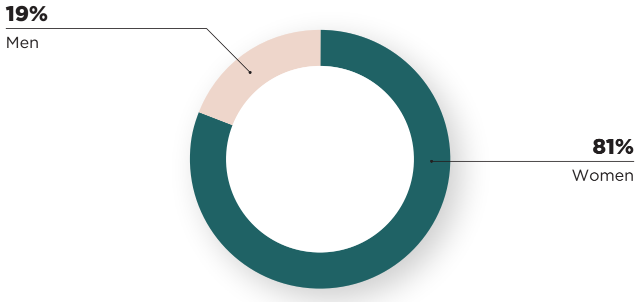
Country	2021	2022
France	2,477	2,578
Europe	1,583	1,708
United States	613	659
Asia	1,418	1,580
TOTAL	**6,091**	**6,525**

Subsidiaries	2021	2022
SMCP SA	24	27
SMCP GROUP SAS	166	170
SMCP LOGISTIQUE SAS	146	149
SANDRO ANDY SAS	829	880
MAJE SAS	636	654
CLAUDIE PIERLOT SAS	444	451
SMCP ASIA Ltd. and its subsidiaries	1,418	1,580
SMCP USA Inc. & SMCP CANADA Inc.	613	659
DE FURSAC SA	232	247
OTHER SUBSIDIARIES	1,583	1,708

Categories	2021	2022
Registered offices	910	966
Networks	5,029	5,410
Logistics	152	149
TOTAL	**6,091**	**6,525**

Age pyramid	2021	2022
< 25 years old	1,213	1,400
25-40 years old	4,008	4,061
41-55 years old	748	922
56-60 years old	85	97
> 60 years old	37	45

Breakdown of workforce by gender at December 31, 2022



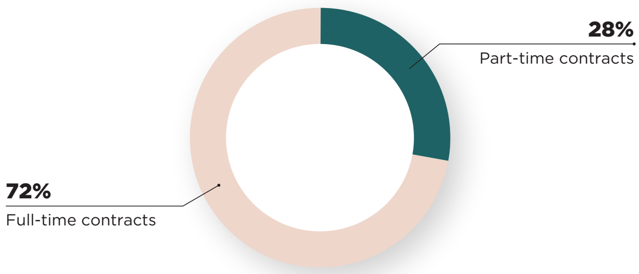
6.5.1.2 EMPLOYMENT STRUCTURE

The table below shows the breakdown of the Group's workforce by type of contract as at December 31, 2021 and 2022:

Employees per type of contract	2021	2022
Permanent contracts	5,378	5,612
Other (fixed-term contracts, apprentices, interns)	713	913

As of December 31, 2022, 86% of the Group's employees were on permanent contracts.

Breakdown of the Group's workforce between full-time and part-time contracts



The turnover rate of the Group's permanent staff was 60% in 2022.

6.5.2 Recruiting, motivating and developing talent

Because we are convinced that professional fulfilment promotes productivity and creativity, we are committed to valuing each of our employees.

We also ensure that all our employees are well received and trained in our values and our business lines from the first day of their arrival, in order to offer internal mobility opportunities and to enable them to develop as much as possible within the Group. The Company has a compensation system based on motivation, fairness and competitiveness, which also helps it to recruit and retain its talent.

All of our employees around the world now have access to our e-learning platform. 77% of them used it in 2022 for training and we aim to reach 100% by 2027. We also aim to keep the annual rate of open positions filled through internal mobility at a high level (the figure for 2022 was 29%).

6.5.2.1 RECRUITING AND ONBOARDING OUR NEW EMPLOYEES

Recruitment

With 3,225 new permanent hires, 2022 saw a very strong recruitment drive, up sharply compared to 2021.

In October 2022, the Group launched an inclusive recruitment event for salesperson positions in Paris *via* a recruitment campaign proposing an application without a CV, and based solely on candidate motivation.

Moreover, through our first agreement on professional equality, quality of life at work and diversity, the Group undertakes to hold a recruitment event without a CV at least once a year, to guarantee greater fairness in the recruitment process.

Offering an onboarding experience to all our employees

***Onboarding registered office* and warehouses**: The onboarding process for new employees at the SMCP registered office is composed of several key steps:

- once a month, a full morning is dedicated to welcoming new recruits and providing them with a comprehensive view of the Group: presentation of the organisation of the SMCP Group, its brands and how the various business lines work together;
- our new employees are then given a guided tour of the Vémars and Marly-la-Ville warehouses to discover and understand the logistics business lines;
- all new hires also attend the SMCP VISION information meeting. They learn about the Group's history and its values;
- all new hires can use the MyLearning digital platform as soon as they start, and specific training is also provided;
- lastly, to allow the new registered office recruits to gain in-depth knowledge of the activity of SMCP's brands, they may have the opportunity to visit a pilot store of one of the Group's brands for a day.

Retail onboarding: The onboarding process for our employees in the network combines on-the-job learning with our e-learning platform, which provides key support during this strategic period. The onboarding process varies according to the brand and the function that the employee joins (Regional Director, Store Manager/Deputy Store Manager, etc.).

The Regional Director has a three-week onboarding period during which they will familiarise themselves with the SMCP registered office and their brand registered office and get to know the various key contacts. They spend time in a pilot point of sale in another sector, and do a tour with a pilot Regional Director. These three weeks of training will allow the RD to familiarise themselves with the sector, supported by their manager.

Store managers receive three months of onboarding, including one week at the pilot point of sale alongside an Expert SM, who will visit them at their own point of sale for a whole day and will continue to provide close support, as will their Regional Director during their first three months of onboarding.

Onboarding for Deputy Managers lasts three to five days at the pilot point of sale alongside an Expert SM.

The onboarding experience of our sales staff is organised by the point of sale Manager. It generally lasts two to three weeks, giving them ample time to discover their job: brand (brand history and values/DNA of the House), sales (steps of the customer journey, sales techniques and the omnichannel approach), product (respect for the product, knowledge of collections and trends, enhancement *via* the merchandising visual policy), management (handling the point of sale, opening and closing, validating payments, stock).

6.5.2.2 TRAINING ALL OUR EMPLOYEES

All of our employees worldwide are provided with a professional e-mail address and access to the MyLearning international online training platform. Therefore they can follow daily training on a range of subjects, thus developing their skills and enhancing their expertise.

We endeavour to give everyone access to key modules such as Strategy & Values, Brand Culture, Collections and Sales Ceremonies, to enable them to fully accomplish their mission within the Group.

To engage all our employees in our sustainable development strategy, we created a CSR training course on MyLearning in 2021. We inform them about our major social, environmental and societal ambitions so that they are imbued and inspired by them every day.

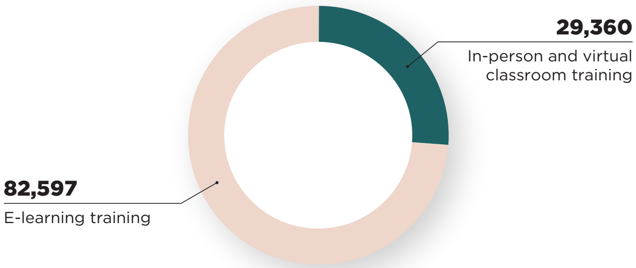
Beyond access to training, these tools have multiple benefits for SMCP and for all our employees:

- developing a sense of belonging to our Group and team spirit;
- establishing smooth communication and exchange with Management and employees and circulating information and internal surveys;
- contributing to equal opportunities.

To go further in developing performance, we also deliver in-person training. These courses can be dedicated to all our employees or to a specific business line.

The training effort was boosted significantly in 2022 compared to the previous year. This resulted in a 36% increase in the number of training hours provided. The proportion of employees who attended at least one training course during the year is also increasing in both remote and face-to-face formats.

Hours of training delivered in 2022



In 2022, 74% of training hours were delivered *via* e-learning.

Training	2021	2022
Total number of training hours	82,174	111,957
% of employees having attended at least one in-person/virtual classroom training	26%	28%
% of employees who have received at least one e-learning training session	67%	77%

6.5.2.3 ENCOURAGING INTERNAL MOBILITY

Thanks to its brands, its different business lines and its international presence, our Group offers genuine career prospects to our employees. We strive to transform these into genuine opportunities with our mobility committee which meets regularly, and through our annual people review.

Since 2022, access to mobility has been made easier *via* a feature on our internal recruitment site. The aim is to make our recruitment offers more visible to our employees and to promote functional and geographical mobility. Each employee can now easily apply *via* our internal portal. Our HR teams can easily view any internal application and respond to them as a priority. Whenever possible, we prioritise the mobility and promotion of our employees, whether from one brand to another, one department to another or one country, even from one continent to another.

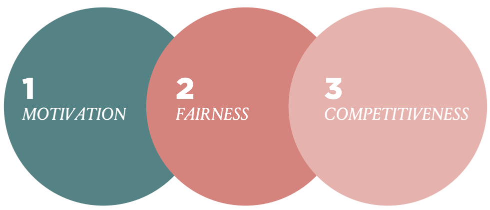
In 2022, 29% of vacancies were filled internally, and we aim to increase this figure over the coming years.

6.5.2.4 RECOGNISED THROUGH COMPENSATION

SMCP has taken care to develop an attractive and incentive-based compensation policy as a real strategic challenge and a performance driver.

To attract new talent and develop it within SMCP, it is competitive and fair compared to equivalent positions in our market. It is designed to be motivating by encouraging performance and professional fulfilment.

The Group's compensation policy is based on three key concepts:



The Group's compensation system provides each employee with a motivating and competitive compensation package, which includes compensation components (fixed salary, short-term and long-term variable compensation), and employee benefits.

Competitive compensation

SMCP ensures that each employee's compensation has been reviewed every year. The pay increase budgets allocated to the salary policy are negotiated with the social partners at various meetings devoted to mandatory annual negotiations. Individual raise requests are structured to guide managers in their proposals by taking into account the employee's situation in relation to their peers and/or the external market, their performance and their potential for development, while following our policy of non-discrimination (against background, gender, nationality, or any other personal criterion).

Performance-based compensation

To optimise the relationship between the compensation of employees and Group objectives, variable compensation is structured to reflect the contribution of each employee to the achievement of collective and individual objectives, defined in line with the Group's strategy. Objectives combine individual contribution and collective performance. Annual objectives relate to performance indicators for the sector in which the employee works, but also to the Group's performance indicator, which is EBIT. The variable component for sales team members is indexed against a collective target, such as revenue for the store. The vast majority of our workforce is eligible for variable compensation. This performance is assessed through an annual appraisal system for all our employees.

Since 2022, employees have been involved in the Company's performance through a collective incentive scheme linked to results with the aim of strengthening their sense of belonging and motivation.

All members of the management committees also receive free performance shares constituting long-term compensation. The number of shares awarded to each executive varies according to the level of responsibility. The number of shares delivered at the end of the vesting period is subject to a number of conditions. Firstly, to a condition of continued employment at the time of the acquisition, then to performance conditions linked to the achievement of internal financial targets, to the performance of SMCP shares compared to the companies in the Mid & Small CAC index, but also to whether or not CSR targets have been achieved.

Employee benefits within the Group

In addition to monetary compensation, SMCP has always attached great importance to the social protection offered to its employees in terms of health and provident schemes. For several years now, the Group has implemented competitive schemes in each country.

6.5.3 Ensuring the health and safety of all and promoting social dialogue

Safety

The table below presents changes in workplace safety in the 2021 and 2022 financial years (workplace accidents – France scope):

Safety at work	2021	2022
Number of fatal occupational accidents	0	0
Number of employees having taken sick leave (following an occupational accident or commuting accident)	97	76
Workplace accident frequency rate (Number of accidents per million hours worked)	28.6	26.7

Labour relations

Employee representation in France is organised at the level of the SMCP Economic and Social Unit (UES). A Social and Economic Committee (CSE) has thus been set up at the level of the SMCP UES and is currently composed of 21 Sandro, Maje, Claudie Pierlot, SMCP Logistique and SMCP employees. The CSE meets once a month and is chaired by the SMCP Social Affairs Director. The diversity of this group allows for rich discussions, nurtures a 360° vision of the subjects discussed and develops the corporate culture.

To enable it to fulfil its missions, the CSE has also decided to set up several committees and working groups within it whose role is to carry out study and analysis work and to facilitate decision-making in plenary meetings. There is a committee dedicated to health, safety and working conditions, a committee for professional equality and diversity, an economic committee, a training committee and finally a housing assistance committee.

Elected officials also have the opportunity to meet their respective Human Resources department at *ad hoc* meetings, in addition to the CSE meeting. This spontaneous practice makes it possible to maintain local exchanges and to deal with more operational subjects.

In addition, Fursac employees are represented by a specific CSE.

Overall, the Group considers that it has satisfactory working relations with its employees and their representatives, with, for example, numerous collective agreements or action plans negotiated since December 2012 with representative trade unions. In addition, the CSE's opinions are very often in favour of the projects presented by management on topics such as strategic orientations, working hours, quality of life at work, professional equality and diversity.

6.5.4 Committing to inclusion and diversity

Policy on diversity and inclusion

The Group is committed to encouraging diversity at all levels of its business. The Group's policy on diversity and gender equality helps to enrich interaction and skills development and challenge views, as well as foster innovation.

At SMCP, we are convinced that it is men and women who make all the difference, with all their difference.

Our ability to meet the expectations and various needs of an international population is closely linked to our ability to promote and value diversity and inclusion internally.

A large proportion of the Group's workforce are women. The number of women is higher than men in operational teams and in the head offices. Women are largely present in management teams. Moreover, of the 50 highest salaries in the Group, 68% are awarded to women. Men's and women's bonuses, increases and salaries are regularly monitored and compared to identify any discrepancies and implement corrective actions.

We are proud of our representation of women in all of the Group business activities:

Proportion of women in 2022

In 2022, in order to measure the diversity in our organisation and the impact of our actions, we carried out an inventory of diversity and inclusion in the Group by a third-party expert (Mixity), in two stages:

- an audit of our actions, our social data and our commitments with the aim of measuring and basing our future work on factual and objective indicators;
- a survey sent to all our employees, to which 53% of them responded, in order to learn about their perception of the situation and current policies in terms of diversity and inclusion.

In an audit of our HR processes and a survey of our employees, we addressed five main themes:

- gender;
- disability;
- multicultural factors;
- multigenerational factors;
- LGBTQIA+

The objective is to "hear and understand", in order to deploy and monitor a continuous improvement approach over the coming years.

This inventory will make it possible to build a roadmap for 2027.

Agreement on professional equality, quality of life at work and diversity

In June 2022, an agreement was signed for France with our social partners on professional equality, quality of life at work and diversity.

The Group is committed to concrete actions marking key moments in the lives of employees in France and beyond:

- firstly, during recruitment (initially in France), with recruitment campaigns without CVs to open up our opportunities to as many people as possible and with training on bias-free recruitment techniques for recruiting employees;
- when managing careers (World scope):
  - implementation of training and awareness-raising actions on the challenges of diversity and anti-discrimination measures. On MyLearning, the "Recruiting without discrimination" module is mandatory for all managers and must be completed within the first three months of becoming a Group manager. At the end of 2022, a new "Diversity standard" module was launched, to raise awareness among all employees on these topics. Lastly, an awareness campaign on different disabilities was rolled out to all of our employees;
  - promotion of internal mobility worldwide with the implementation of special access to the Group's offers on the MyTalent platform, and a mobility committee;
  - deployment of HR development tools, providing guidance to aid objective decision-making (EAD, People Review, management model, etc.).
- key life events:
  - in France, in order to offset the impact of maternity leave on compensation for all female employees, the SMCP group has removed the condition of one year of service to retain full maternity leave salary.
  - inclusion also means introducing guarantees for future fathers: time off for antenatal appointments are paid by the employer, and fathers benefit from half a day off during the weeks following their return from paternity leave.

– the Group has committed to creating a "parenthood kit" for both women and men, to provide an information hub on parenting rights for both women and men, which will keep all employees updated of the various parenting initiatives in place within the Group. This includes the implementation of an adjusted working hours system upon return from parental and adoption leave.

SMCP Retail Lab

Following a hackathon initiated in November 2021 based on Retail challenges, followed by a project group made up of internal talent, the Group worked throughout 2022 to launch the SMCP Retail Lab. This is a school which provides qualifying training and trains its students on future sales professions.

SMCP Retail Lab offers innovative and qualifying omnichannel sales advisor training. This will be rolled out for one year, as part of work-study programmes within our four brands. This is a three-pronged programme: firstly, it is based on a customisation of the omnichannel sales advisor training led by EMA SUP; secondly the Institut Français de la Mode will host several days on fashion culture and new CSR issues; and finally, SMCP will be responsible for acclimatising work-study students to the brands, their DNA and their operations throughout the year.

When recruiting its first cohort of students, SMCP chose to welcome candidates from all backgrounds, with the only selection criteria being motivation and interest in fashion. An inclusive recruitment campaign was launched on social networks (Facebook, Instagram and TikTok) and on various channels such as Spotify, Indeed, LinkedIn, etc. No CVs or previous experience were required of candidates, who had to answer a series of questions on why they wanted to apply for this programme. The most motivated candidates were invited to a recruitment event in the Maje showroom, based on activity workshops. In total, more than 200 applications were received to join the first SMCP Retail Lab cohort.

6.5.5 Demonstrating ethics and solidarity

6.5.5.1 SUPPORT FROM ASSOCIATIONS AND COMMUNITY ACTION

For the fourth year in a row, our four brands have partnered with a high school from the Apprentis d'Auteuil network to enable young people experiencing major social difficulties to integrate into the fashion sector. We contributed to the opening of an educational store and participated in sales training to maximise their chances of success.

Several of our Group entities have launched initiatives to support Ukraine. Donations of warm clothing, sleeping bags, first aid equipment, tents and hygiene products were collected.

In addition to these multi-brand initiatives, many actions were put in place in 2022 within each Business Unit to support social and environmental causes:

- **Sandro:**
  - donation of clothing to various charities, in particular to La Pièce Solidaire and Rose Up;
  - collection of gifts in partnership with association FXB, to be distributed to vulnerable mothers and their children;
  - thanks to the launch of the Sandro Fund and the profits generated by the sale of the upcycled capsules and the creation of the Believe game, more than €125,000 was donated to various associations such as It Gets Better and Pencil of Promise.
  - taking part in the Odyssea charity race to help the fight against cancer.
- **Maje:**
  - continuation of the partnership in 2022 with Médecins Sans Frontières for the sale of UNS1 masks[1]. More than €110,000 has been donated to MSF since the start of the pandemic. Maje contributes all profits on this protective equipment;
  - relaunch of the "A Gift for Life" (*Un Cadeau pour la Vie*) community project, to collect toys to be distributed to hospitalised children at Christmas. Earlier in the year, Maje employees took part in the Heroes' Run (*Course des Héros*) for the same association;
  - donation of clothing to various associations, including Aides, the Red Cross, Mécénat Chirurgie Cardiaque, ORT France, OHR Anna, Arcat and Smart Works;
  - partnership with the French Blood Service (*Établissement Français du Sang*) to enable our employees to donate blood during their working hours;
  - taking part in the Heroes' Run (*Course des Héros*) for various associations;
  - distributing roses for International Women's Day at the registered office in partnership with an association employing people with disabilities.
- **Claudie Pierlot:**
  - donations of clothing to Mécénat Chirurgie Cardiaque, la Cravate Solidaire and Aides;
  - taking part in the Odyssea charity race to help the fight against cancer.
- **Fursac:**
  - organisation of an in-store donation campaign for Cravate Solidaire in December, which raised €27,000;
  - donations of clothing to Cravate Solidaire, Mécénat Chirurgie Cardiaque, Aides and La Lettre Solidaire;
  - taking part in the Odyssea charity race to help the fight against cancer.

(1) UNS1 = Non-sanitary use level 1, standardised by AFNOR and recognised by the WHO.

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- **SMCP Asia:**
  - organising a team competition at the Hong Kong registered office aiming to accumulate the greatest number of volunteer hours with various associations. In total, 68 volunteers provided 272 hours of their time to local associations;
  - preparation of the traditional end-of-year "Box of Hope" containing essential products for people with disabilities from the Tung Wah Group of Hospitals;
  - organising a fundraising competition for a local NGO at the registered office in Shanghai based on creative activities;
  - planting of 70 trees during a team day for employees of the Shanghai registered office.
- **SMCP North America:**
  - the collection of internal donations for LGBT+ people in difficulty during "Pride Giving" month in June 2022;
  - food collection for families in need.
- **SMCP Global Services (Group registered office):**
  - raising awareness of blood donation in June 2022;
  - donations of clothing to Cravate Solidaire;
  - collection of gifts in partnership with association FXB, to be distributed to vulnerable mothers and their children.

6.5.5.2 ETHICS AND ANTI-CORRUPTION

The ethical practices and anti-corruption rules defined in the Code of Ethics and the policy for the prevention of corruption and conflicts of interest are key values and a major concern for the Group. These policies form part of our commitment to the values of integrity, fair competition, prevention of conflicts of interest, respect for professional secrecy and the fight against all forms of discrimination that we defend as part of developing our activities. As a responsible Group, SMCP adopts a zero tolerance policy for any form of corruption or influence peddling both within the Group and through the actions of its contractors, business partners, suppliers or any other affiliated party or person.

In parallel with the deployment of the Code of Ethics, an Ethics Committee was set up composed of the General Secretary, the Director of Human Resources and CSR and the Director of Internal Audit, whose main missions are to:

- contribute to the definition of the Group's rules of conduct and ethical culture;
- ensure compliance with these rules and values through the deployment of the compliance programme;
- promote the principles of the Code of Ethics and encourage the development of best practices in this area;
- collect, analyse and process reports and alerts relating to behaviour/situations contrary to the Code of Ethics.

The Group's Code of Ethics and Ethics Committee are the foundations of the ethics policy. The Ethics Committee is responsible for collecting, reporting and processing report and alerts relating to the Code of Ethics. All reports are tracked in a dedicated register which formalises the risk analysis and the action plans undertaken. The whistleblowing process and Code of Ethics are available in several local languages.

In 2022, the Ethics Committee received seven reports *via* the Group's whistleblowing system. These reports are dealt with anonymously and confidentially. Of the seven reports, six resulted in an investigation under the responsibility of the Ethics Committee; and one file was not investigated due to the off-topic nature of the alert. Four reports were closed as of December 31, 2022, and three are still being investigated (reports received at the end of the year). Any observed breaches of the Code of Ethics led to appropriate corrective actions. In general, they led to areas for improvement in terms of communication or management.

Each year, a report on the implementation of the principles of the Code of Ethics and any remediation plans are submitted to Executive Management and to the Group Audit Committee.

In addition, corruption risks were mapped under the supervision of the Ethics Committee. The corruption risks and influence peddling associated with these potential corruption situations were identified and prioritised in a risk map, the results and action plans of which were presented to Executive Management and the Board of Directors' Audit Committee in July 2022.

The Group's Tax Department ensures that the laws in force in the countries in which the Group operates are complied with. The Group transmits the required information to tax administrations. It also facilitates the performance of their investigations. The Group performs tax audits and sets up any required action plans.

The Group does not fall within the scope of tax schemes such as DAC6. The Group is committed, in particular in the context of its transfer pricing policy (internal sales of products and interest rates on current accounts and intercompany loans), to complying with the principles of the OECD aimed at the harmonious distribution of profits in the various jurisdictions.

6.6 European taxonomy

This section is prepared by the SMCP Group in accordance with Regulation (EU) 2020/852 of 18 June 2020 (known as the "Green Taxonomy" Regulation) and Delegated Regulations (EU) 2021/2139 and (EU) 2021/2178 aimed at promoting environmentally sustainable investment.

The aim of the Green Taxonomy is to identify economic activities that meet at least one of the following six environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- sustainable use and protection of aquatic and marine resources;
- the transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

To date, economic activities "eligible" for the Green Taxonomy are only defined with regard to the first two climate objectives of mitigation and adaptation (Appendices I & II of the Climate Delegated Acts). Within the framework of these two objectives, the activities targeted are those that contribute significantly to greenhouse gas emissions in the European Union or that offer solutions for adapting to climate change. SMCP is thus required, for the 2022 financial year, to publish the three indicators of Revenue, Capex and Opex corresponding to the eligible portion and the aligned portion considered sustainable pursuant to the regulation for the two climate objectives.

Given the absence of eligible revenue, the analysis of eligible Capex focused on investments related to assets or expenses individually eligible for the taxonomy. The main Capex targets are real estate assets, in particular new leases, as well as investments related to store renovation.

Revenue

In 2022, the SMCP Group's eligible and aligned revenue is zero.

				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria										
Economic activities	**Codes**	**Absolute revenue**	**Share of revenue**	**Climate change mitigation**	**Adaptation to climate change**	**Aquatic and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Adaptation to climate change**	**Aquatic and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum guarantees**	**Share of revenue aligned with taxonomy, year N**	**Share of revenue aligned with taxonomy, year N-1**	**Category (enabling activity)**	**Category (transitional activity)**
		€m	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Revenue from aligned activities (A.1)	NA	0	0%	0%	0%	0%	0%	0%	0%	NA	NA	NA	NA	NA	NA	NA	0%	0%	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Revenue from non-aligned eligible activities (A.2)	NA	0	0%														0%	0%	NA	NA
TOTAL A (A.1 + A.2)	**NA**	**0**	**0%**														**0%**	**0%**	**NA**	**NA**
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Revenue from non-eligible activities (B)	NA	1,205.8	100%																	
TOTAL A + B	**NA**	**1,205.8**	**100%**																	

Capital expenditure

"Taxonomy eligible Capex" represents 90.9% of SMCP's "Total Taxonomy Capex". This mainly corresponds to new store leases and investments related to the renovation of buildings.

Investment category	Increase in gross value in 2022 *(in €m)*
Right-of-use assets on leases (IFRS 16)[1]	118.5
Property, plant and equipment (IAS 16)[2]	38.1
Intangible assets (IAS 38)[3]	15.7
"TOTAL TAXONOMY CAPEX" (DENOMINATOR)	**172.3**

(1) Note 5.3.1 to the consolidated financial statements "Right of use".
(2) Note 5.2 to the consolidated financial statements "Property, plant and equipment".
(3) Note 5.1.2 to the consolidated financial statements "Intangible assets".

Investments aligned with the Taxonomy correspond to:

- new leases or lease renewals in environmentally certified buildings (HQE, LEED) or with a high level of energy performance;
- the installation of LED lighting and new energy-efficient air conditioning systems as part of store renovations or openings.

"Taxonomy aligned Capex" represents 13% of SMCP's "Total Taxonomy Eligible Capex".

				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria										
Economic activities	Codes	Absolute CAPEX	Share of CAPEX	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	Share of CAPEX aligned with taxonomy, year N	Share of CAPEX aligned with taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
		€m	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Installation, maintenance and repair of equipment promoting energy efficiency	7.3	0.906	0.5%	100%	0%	0%	0%	0%	0%	NA	YES	NA	NA	YES	NA	YES	0.5%	NA	NA	NA
Acquisition and ownership of buildings	7.7	19.1	11.1%	100%	0%	0%	0%	0%	0%	NA	YES	NA	NA	NA	NA	YES	11.1%	NA	NA	NA
CAPEX of environmentally sustainable activities (aligned with the taxonomy) (A.1)	NA	20	11.6%	100%	0%	0%	0%	0%	0%								11.6%	NA	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Renovation of existing buildings	7.2	37.2	22%																	
Acquisition and ownership of buildings	7.7	99.4	57.7%																	
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)	NA	136.6	79.3%														79.3%	NA	NA	NA
TOTAL A (A1 + A2)	**NA**	**156.61**	**90.9%**														**90.9%**	**NA**	**NA**	**NA**
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Capex of non-eligible activities (B)	NA	15.7	9.1%																	
TOTAL A + B	**NA**	**172.3**	**100%**																	

Operating expenses

In 2022, the "Total Taxonomy Opex" as defined by the related texts amounted to less than 10% of the Group's total operating expenses (cost of sales, personnel costs and other current operating expenses[1]). In view of this limited amount and the nature of the expenses concerned, which do not represent the Group's core business, the work carried out concludes that this indicator is not material. The numerator is therefore considered to be zero. In accordance with the regulation, no analysis of Taxonomy eligible and aligned Opex was therefore carried out.

				Substantial contribution criteria						DNSH (Do No Significant Harm) criteria										
Economic activities	Codes	Absolute OPEX	Share of OPEX	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum guarantees	Share of OPEX aligned with taxonomy, year N	Share of OPEX aligned with taxonomy, year N-1	Category (enabling activity)	Category (transitional activity)
		€m	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*%*	*H*	*T*
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																				
A.1 Environmentally sustainable activities (aligned with the taxonomy)																				
Opex of environmentally sustainable activities (aligned with the taxonomy) (A.1)	NA	0	0%	0%	0%	0%	0%	0%	0%	NA	NA	NA	NA	NA	NA	NA	0%	0%	NA	NA
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Opex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)	NA	0	0%														0%	0%	NA	NA
TOTAL A (A1 + A2)	**NA**	**0**	**0%**														**0%**	**0%**	**NA**	**NA**
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																				
Opex of activities not eligible for the taxonomy (B)	NA	25.7	100%																	
TOTAL A + B	**NA**	**25.7**	**100%**																	

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6.7 Our methodology

This SNFP includes social, societal and environmental indicators relating to defined scopes. The purpose of this document is to clearly and precisely specify to the reader the scope and calculation method for each indicator present.

6.7.1 Reporting period

The 2022 SNFP covers the period from January 1 to December 31, 2022.

6.7.2 Reporting *scope*

Indicators were collected, calculated and consolidated based on data available internally and extracted from IT tools. The data presented are aimed at covering all activities and all host countries of SMCP and its brands. When indicators do not cover the entire scope, the entities, categories or geographical areas excluded are specified in the summary table of indicators in Section 6.8.

Topics related to combating food waste, food insecurity and responsible, fair and sustainable food are not dealt with in this Statement of Non-Financial Performance as they are not material with respect to the Group's activity.

6.7.3 Reporting methodology

The report's content was based on indicators selected to reflect the main social, environmental and societal impacts of the Group's business activities.

This SNFP complies with the transcription of the European Directive on non-financial reporting which led to the publication of an order and its application decree replacing so-called "Grenelle II" CSR reporting. The issues identified are based on the Global Reporting Initiative (GRI) guidelines under the GRI sector supplement "Textiles, Apparel, Footwear and Luxury Goods", the United Nations Global Compact and the OECD Guidelines.

6.7.4 Report verification

SMCP has entrusted the verification of the data presented in its SNFP report to the independent third party, Deloitte.

6.7.5 SMC*Product* pillar indicators

DATA ON SOURCING AND COLLECTIONS

The data is derived from the Group-level consolidation of information extracted from our IT tools in connection with production activities. The product and SKU indicators relate to the summer and winter 2022 seasons.

The indicator on the % of SKUs for which traceability information is available corresponds to the SKUs of the Sandro, Maje and Claudie Pierlot brands, and excludes Fursac.

RESULTS OF EMPLOYEE AND ENVIRONMENTAL AUDITS

The data comes from the consolidation at Group level of information extracted from the audit reports by our external service provider, and from our IT tools in connection with production activities. They cover a worldwide scope and concern all of our brands.

6.7.6 SMC*Planet* pillar indicators

ELECTRICITY

- Europe scope:

The electricity consumption of European stores and head offices is based on invoice amounts for 2022. Monetary ratios (euros/kWh) from each supplier's electricity supply contracts were used to calculate annual consumption.

The electricity consumption of the warehouses was collected in a 2022 annual report sent by the electricity supplier.

The electricity consumption calculated using the information collected covers 87% of the sites' surface area in square metres.

The consumption of the remaining stores was estimated on the basis of surface area consumption ratios (kWh/m²) determined from the consumption of the stores for which actual data are available.

Electricity consumption at the head office of Maje and Claudie Pierlot was estimated by reporting a consumption identical to that of 2021.

- Asia and North America scope:

  The electricity consumption of stores and head offices in Asia and North America is based on 2022 billing data. The electricity consumption calculated using the information collected covers:

  – 66% of the surface area of stores and head offices in Asia;

  – 14% of the surface area of stores and head offices in North America.

The consumption of the remaining stores was estimated on the basis of surface area consumption ratios (kWh/m²) determined from the consumption of the stores for which actual data are available.

The electricity consumption of the head offices was estimated by reporting a consumption identical to that of 2021.

- Comparison between 2021 and 2022:

In order to obtain a comparison on an identical scope between 2021 and 2022, only sites open during these two years and with actual data were taken into account.

The change in electricity consumption covers:

– 85% of the surface area of stores, head offices and warehouses in Europe;

– 61% of the surface area of stores and head offices in Asia;

– 14% of the surface area of stores and head offices in North America.

GREENHOUSE GAS (GHG) EMISSIONS

In this document, for the sake of simplicity, the term CO_2 refers to CO_2e.

All the GHG data presented in the 2022 SNFP for the year 2021 are taken from the carbon footprint report that the Group produced in partnership with an office specialising in this type of exercise. The carbon footprint was finalised in 2022 and relates to consolidated data from 2021.

The GHG emissions data presented in the SNFP for 2022 relate to the electricity consumption of the Group's sites, and to the transport flows managed by the Group.

Emissions related to electricity consumption

Electricity consumption in kWh in each country was multiplied by emission factors in gCO_2e/kWh from the IEA and the IPCC.

For stores with a green electricity contract, an emission factor of 6 gCO_2e/kWh was applied, corresponding to that of hydroelectric energy, which represents 90% of renewable electricity production in France.

Emissions related to product transport flows

Transport activity data in metric tons.km have been multiplied by emission factors in $kgCO_2e$/t.km, from the ADEME database transport WG, specific to each mode of transport (road, air, sea and rail):

Mode of transport	Emission factor unit	Emission factor
Sea	$kgCO_2e$/t.km	0.00847
Air	$kgCO_2e$/t.km	1.07995
Road	$kgCO_2e$/t.km	0.0823
Railway	$kgCO_2e$/t.km	0.0226

TRANSPORT

The data comes from the consolidation at Group level of information extracted from our IT tools and from the invoicing of our carriers in connection with our supply chain activities in the three regions in which the Group operates (Europe, North America and Asia), and based on upstream and downstream logistics flows.

The upstream logistics flow takes into account the transportation of goods from our tier-one suppliers to our warehouses according to the three delivery zones, Europe, Asia and North America, and transfers between warehouses.

The downstream logistics flow includes transport in each area from the warehouse to the point of sale in the case of a store delivery, or from the warehouse directly to the end customer in the case of an e-commerce sale.

GREEN STORE CONCEPT

The data come from the Group-level consolidation of resources extracted from our IT tools in connection with maintenance and architecture activities. They relate to the points of sale managed by the Group.

Affiliates, corners and wholesale points of sale are excluded.

6.7.7 SMC*People* pillar indicators

Employees

The data are based on the Group-level consolidation of information extracted from our HRIS IT tools and concern a World scope. They exclude data relating to temporary employees with the exception of payroll, which includes temporary employees and occupational accidents, which relate exclusively to France, excluding Fursac.

Training

The data are based on the Group-level consolidation of information extracted from our HRIS IT tools and concern a World scope.

Turnover

The data are based on the Group-level consolidation of information extracted from our HRIS IT tools, concern a world scope and exclusively on permanent contracts as the Group considers that to have a reliable interpretation of the hours, departures and layoff trends, these indicators must be studied on the population benefiting from permanent contracts, namely the Company's permanent population who, under optimal conditions, are unlikely to leave the Group. The recognition of permanent contracts alone also provides a fairer view of net jobs created by the Group.

For the Internal Mobility indicator, the scope excludes the mobility carried out for the positions of Deputy Store Managers, Lead Sellers and Salespeople.

Workplace and commuting accidents

The "number of workplace accidents" indicator covers only workplace and commuting accidents that resulted in lost days, and not the total number of workplace and commuting accidents. It only covers the France scope.

Gender pay gap

The data are based on the Group-level consolidation of information extracted from our HRIS IT tools.

The data on the gender pay gap covers a European scope. It also excludes all fixed-term contracts, interns, apprentices and temporary workers of all brands.

The indicator on the difference in compensation between women and men covers a world scope. Fixed-term contracts, interns, apprentices and temporary workers are excluded.

The indicator on the proportion of women among the top ten earners and the top 50 earners covers a world scope, and does not exclude certain groups.

The indicators relating to bonuses received cover a world scope. They also exclude interns, apprentices and temporary workers for all brands combined.

Lastly, the indicators relating to the distribution of full-time and part-time employees are calculated on a world scope and exclude temporary workers.

6.8 Summary table of indicators

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
SMC*Product*							
More responsible collections	RTW and accessory SKUs with lower environmental impact in all our collections	%	-	47	Percentage of RTW and accessory SKUs meeting the Group's definition of a product with a lower environmental impact (see definition in Section 6.3.2)	-	World
	RTW and accessory SKUs with lower environmental impact in all our collections on a like-for-like basis vs. N-1	%	41	51	Percentage of RTW and accessory SKUs meeting the Group's definition of a product with lower environmental impact (see definition in Section 6.3.2). The change is calculated on a comparable scope of brands between year N and N-1	Fursac	World
	Volume of RTW and accessory products with lower environmental impact in all our collections	%	-	51	Percentage of RTW and accessory products meeting the Group's definition of a product with lower environmental impact (see definition in Section 6.3.2).	-	World
	Volume of RTW and accessory products with lower environmental impact in all our collections on a like-for-like basis vs. N-1	%	46	51	Percentage of RTW and accessory product volumes meeting the Group's definition of a product with lower environmental impact (see definition in Section 6.3.2). The change is calculated on a comparable scope of brands between year N and N-1	Fursac	World
Social and environmental compliance of suppliers	Social certifications and audits	No.	83	123	Number of suppliers (RTW and accessory) of Finished products, Cut-and-Sew products and fabrics with a valid certification (SA 8000) or social audit (QIMA, BSCI, SMETA, WCA, WRAP internal audit) as of 12/31	Suppliers of components excluding fabrics, indirect purchasing suppliers	World
	Environmental certifications and audits	No.	81	106	Number of suppliers (RTW and accessory) of Finished products, Cut-and-Sew products and fabrics with a valid certification (ISO 14001, Oeko-Tex Step, LWG Gold, LWG Silver, Bluesign) or environmental audit (QIMA internal audit) at 12/31	Suppliers of components excluding fabrics, indirect purchasing suppliers	World

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Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Social and environmental compliance of suppliers	Audits conducted by the Group	No.	61	66	Number of social and environmental audits conducted by the Group on suppliers (initial and follow-up) for the reference year	-	World
	Cases of social non-compliance observed	No.	4	5	Average number of non-compliance events observed per social audit		World
	Social audits – Minor non-compliance events – Breakdown of anomalies by type of seriousness	%	39	44	Percentage of minor non-compliance events out of all social non-compliance events observed	-	World
		%	53	47	Percentage of moderate non-compliance events out of all social non-compliance events observed	-	World
		%	8	9	Percentage of major non-compliance events out of all social non-compliance events observed	-	World
	Observed environmental non-compliance events	No.	6	5	Average number of non-compliance events observed per environmental audit	-	World
	Environmental audits – Minor non-compliance events – Breakdown of anomalies by type of seriousness	%	57	67	Percentage of minor non-compliance events out of all environmental non-compliance cases observed	-	World
		%	41	33	Percentage of moderate non-compliance events out of all environmental non-compliance events observed	-	World
		%	2	0	Percentage of major non-compliance events out of all environmental non-compliance events observed	-	World
Traceability	Percentage of SKUs equipped with a traceability QR Code	%	0	12	Percentage of SS22 and FW22 SKUs equipped with a traceability QR Code	Fursac	World
	Overall traceability score obtained for SKUs equipped with a traceability QR Code	Ratio	0/5	3.84/5	Overall score out of 5 obtained by SKUs equipped with a traceability QR Code. Score calculation based on the number of manufacturing steps traced and plants identified within the supply chain.	Fursac	World
SMC*Planet*							
Electricity consumption	Total electricity consumption (measured + estimated)	kWh	22,485,245	18,940,732	Total electricity consumption measured (from supplier invoices / reports) + estimated electricity consumption based on kWh/m² ratios by region	Affiliates, concessions , wholesale	World
	Electricity consumption measured	kWh		12,251,043	Total electricity consumption measured (from supplier invoices / reports)	Affiliates, concessions , wholesale	World

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Electricity consumption	Electricity consumption on a like-for-like scope vs. N-1	kWh	11,787,911	12,213,151	Change in the electricity consumption of sites opened in year N and N-1. The comparison is made only on sites with actual (not estimated) data	Affiliates, concessions , wholesale	World
	GHG emissions generated by total electricity consumption (measured + estimated)	tCO_2eq	8,821	5,991	Electricity consumption of each country (measured + estimated) multiplied by the CO_2 emission factor of each country's electricity mix. For sites covered by a green electricity contract, application of the hydraulic energy emission factor in France	Affiliates, concessions , wholesale	World
	GHG emissions generated by electricity consumption measured	tCO_2eq	-	3,752	Electricity consumption in each country (measured only) multiplied by the CO_2 emission factor of each country's electricity mix. For sites covered by a green electricity contract, application of the hydraulic energy emission factor in France	Affiliates, concessions , wholesale	World
	GHG emissions generated by electricity consumption on a like-for-like scope vs. N-1	tCO_2eq	3,180	3,729	The comparison of GHG emissions related to electricity consumption is made only on sites with actual (not estimated) data that were open in years N and N-1	Affiliates, concessions , wholesale	World
	Green electricity contract coverage	%	35.5	32	Percentage of points of sale with an electricity contract with a Guarantee of Origin (or guarantee of renewable origin) certifying that the electricity was produced from a renewable energy source and injected into the electrical network	Affiliates, concessions , wholesale	World
Green Store concept	Percentage of openings and renovations compliant with "Green Store" specifications	%	98	100	Percentage of store openings and renovations compliant with the Green Store specifications according to five criteria: LED lighting, use of certified materials (FSC wooden flooring, recycled brass, etc.), energy-efficient air conditioning, signature by service providers of the Code of Conduct, installation of sensors in storage areas	Affiliates, concessions , wholesale	World
Transport	Quantity of products and distances transported by sea	tonnes.km		22,701,602	Freight transport by sea paid for by the Group. Transport flows include upstream and downstream freight.	-	World
	Quantity of products and distances transported by air	tonnes.km		19,008,885	Freight transport by air paid for by the Group. Transport flows include upstream and downstream freight	-	World

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Transport	Quantity of products and distances transported by road	tonnes.km		8,997,611	Freight transport by road paid for by the Group. Transport flows include upstream and downstream freight	-	World
	Quantity of products and distances transported by rail	tonnes.km		388,768	Freight transport by rail paid for by the Group. Transport flows include upstream and downstream freight		World
	GHG emissions generated by the Group's transportation of goods	tCO_2eq	21,932	22,047	GHG emissions generated by the Group's freight (upstream and downstream freight)	-	World
	GHG emissions generated by the teams' business travel by rail in France (European head offices)	tCO_2eq		9	GHG emissions calculated according to the number of kilometres travelled by rail by employees	Business travel for the Asia and North America BUs	Europe
	GHG emissions generated by the teams' business travel by air in France (European head offices)	tCO_2eq		282	GHG emissions calculated according to the number of kilometres travelled by air by employees	Business travel for the Asia and North America BUs	Europe
SMC*People*							
Employees	Female members of the Executive Committee	No.	8	8	Number of women on the Executive Committee	-	World
	Male members of the Executive Committee	No.	5	5	Number of men on the Executive Committee	-	World
	Female members of the Board of Directors	No.	7	5	Number of women on the Board of Directors	-	World
	Male members of the Board of Directors	No.	5	4	Number of men on the Board of Directors	-	World
	Total employees	No.	6,091	6,525	Workforce as of 12/31	Temporary staff	World
	Total women	No.	4,950	5,288	Workforce as of 12/31	Temporary staff	World
	Total men	No.	1,141	1,237	Workforce as of 12/31	Temporary staff	World
	Female managers	No.	952	1,403	Workforce as of 12/31	Temporary staff	World
	Male managers	No.	272	417	Workforce as of 12/31	Temporary staff	World
	Non-executive women	No.	3,998	3,885	Workforce as of 12/31	Temporary staff	World
	Non-executive men	No.	869	820	Workforce as of 12/31	Temporary staff	World
	Number of employees working in head offices	No.	910	966	Workforce as of 12/31	Temporary staff	World

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Employees	Number of employees working in warehouses	No.	152	149	Workforce as of 12/31	Temporary staff	World
	Number of employees working in the network	No.	5,029	5,410	Workforce as of 12/31	Temporary staff	World
	Number of SMCP SA employees	No.	24	27	Workforce as of 12/31	Temporary staff	World
	Number of SMCP GROUP SAS employees	No.	166	170	Workforce as of 12/31	Temporary staff	World
	Number of SMCP LOGISTIQUE SAS employees	No.	146	149	Workforce as of 12/31	Temporary staff	World
	Number of SANDRO ANDY SAS employees	No.	829	880	Workforce as of 12/31	Temporary staff	World
	Number of MAJE SAS employees	No.	636	654	Workforce as of 12/31	Temporary staff	World
	Number of CLAUDIE PIERLOT SAS employees	No.	444	451	Workforce as of 12/31	Temporary staff	World
	Number of employees of SMCP ASIA Ltd. and its subsidiaries	No.	1,418	1,580	Workforce as of 12/31	Temporary staff	World
	Number of SMCP USA Inc. & SMCP CANADA Inc. employees	No.	613	659	Workforce as of 12/31	Temporary staff	World
	Number of DE FURSAC SA employees	No.	232	247	Workforce as of 12/31	Temporary staff	World
	Number of employees of Other subsidiaries	No.	1,583	1,708	Workforce as of 12/31	Temporary staff	World
	Number of employees aged under 25	No.	1,213	1,400	Workforce as of 12/31	Temporary staff	World
	Number of employees aged 25 to 40	No.	4,008	4,061	Workforce as of 12/31	Temporary staff	World
	Number of employees aged 41 to 55	No.	748	922	Workforce as of 12/31	Temporary staff	World
	Number of employees aged 56 to 60	No.	85	97	Workforce as of 12/31	Temporary staff	World

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Employees	Number of employees aged 61 and over	No.	37	45	Workforce as of 12/31	Temporary staff	World
	Number of employees based in France	No.	2,477	2,578	Workforce as of 12/31	Temporary staff	World
	Number of employees based in Europe	No.	1,583	1,708	Workforce as of 12/31	Temporary staff	World
	Number of employees based in Asia	No.	1,418	1,580	Workforce as of 12/31	Temporary staff	World
	Number of employees based in North America	No.	613	659	Workforce as of 12/31	Temporary staff	World
	Number of employees on permanent contracts	No.	5,378	5,612	Workforce as of 12/31		
	Number of employees on fixed-term contracts, apprenticeships or internships	No.	713	913	Workforce as of 12/31		
Working hours	Percentage of employees on a full-time contract	%	73	72	Percentage of employees on a full-time contract at 12/31	Temporary staff	World
	Percentage of employees on a part-time contract	%	27	28	Percentage of employees on a part-time contract at 12/31	Temporary staff	World
	Rate of absenteeism	%	9	10	Number of hours of absence (excluding paid leave and rest) in relation to the planned number of hours worked	Temporary staff	France
	Overtime	No.	0	477	Hours worked beyond the legal weekly maximum for full-time employees	Temporary staff	France
	Overtime and supplementary working	No.	21,147	27,717	Hours worked beyond the legal weekly maximum for part-time employees	Temporary staff	France
Internal mobility	Percentage of positions filled internally	%	31	29	Percentage of open positions filled by a person already working within SMCP	Fixed-term contracts, interns, apprentices, temporary workers, all positions below "store manager"	World

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Turnover	New hires	No.	2,204	3,225	Number of new hires during the year	Fixed-term contracts, interns, apprentices, temporary staff	World
	Departures	No.	2,602	3,335	Number of departures, for any reason, during the year	Fixed-term contracts, interns, apprentices, temporary staff	World
	Layoffs	No.	316	341	Number of departures due exclusively to layoff by the employer	Fixed-term contracts, interns, apprentices, temporary staff	World
	Turnover rate on permanent contracts	%	46	60	Turnover rate of employees on permanent contracts	Fixed-term contracts, interns, apprentices, temporary staff	World
	Voluntary departures – permanent employees	%	35	46	Departure rate of permanent employees taking into account only departures at the initiative of the employee	Fixed-term contracts, interns, apprentices, temporary staff	World
	Recruitment rate – permanent contracts	%	41	58	Number of permanent contract hires compared to the average headcount	Fixed-term contracts, interns, apprentices, temporary staff	World
Training	Number of hours of training given in the presence of a trainer (face-to-face and/or remotely)	No.	22,781	29,360	Number of hours of training given in the presence of a trainer in face-to-face and/or virtual classroom mode	-	World
	Number of training hours delivered *via* e-learning	No.	59,393	82,597	Time spent on e-learning training content (content + activities)	-	World
	Employees who have received at least one training session face-to-face and/or remotely	%	26	28	Percentage of employees having received at least one training session in the presence of a trainer (face-to-face and/or remotely)	-	World
	Employees who have received at least one e-learning training session	%	67	77	% of employees present during the year having completed at least one e-learning module	-	World
	Percentage of payroll allocated to the employee training budget	%	1	1	% of payroll allocated to the face-to-face training and e-learning budget	-	France

Indicator	Sub-indicator	Unit	Data for 2021	Data for 2022	Definition	Data excluded	Scope
Gender pay gap	Increase in wages for women and men	%	-0.5 in favour of men	0.1 in favour of women	Difference in the rate of increase of wages between women and men	Fixed-term contracts, interns, apprentices, temporary staff	Europe
	Compensation of women and men	%	-9 in favour of men	-5 in favour of men	Difference in compensation between women and men	Fixed-term contracts, part-time contracts, interns, apprentices, temporary staff	World
	Women who received a bonus	%	78	72	Percentage of women who received at least one bonus (annual, half-yearly, monthly)	Interns, apprentices, temporary staff	World
	Men who received a bonus	%	83	78	Percentage of men who received at least one bonus (annual, half-yearly, monthly)	Interns, apprentices, temporary staff	World
	Number of women among the 10 highest salaries	No.	6	6	Number of women among the 10 highest salaries – excluding corporate officers – Real-time compensation	-	World – excluding corporate officers
	% of women among the 50 highest salaries	%	66	68	% of women among the 50 highest paid members of the Group, including corporate officers		World – excluding corporate officers
	Women with a full-time contract	%	72	70	Percentage of women with a full-time contract	Temporary staff	World
	Men with a full-time contract	%	79	80	Percentage of men with a full-time contract	Temporary staff	World
	Women with a part-time contract	%	28	30	Percentage of women with a part-time contract	Temporary staff	World
	Men with a part-time contract	%	21	20	Percentage of men with a part-time contract	Temporary staff	World
Compensation	Payroll	€m	216.4	259.9	Sum of all gross salaries and employer social security expenses, as well as profit-sharing and incentive plans	-	World
Workplace accidents	Workplace accidents	No.	97	76	Number of employees with lost days due to a workplace or commuting accident	Fursac	France
	Frequency rate of workplace accidents	%	28.6	26.7	(Number of workplace accidents/hours worked) x 1,000,000	Fursac	France

6.9 Cross-reference table UN Sustainable Development Goals

	4	5	6	7	8	10	12	13	15	16
Eco-responsible collection (labelled materials)			SMCP				SMCP	SMCP	SMCP	
Eco-responsible sourcing (certified suppliers)			SMCP	SMCP	SMCP		SMCP	SMCP	SMCP	
Circular economy							SMCP	SMCP		
Greener transport								SMCP		
Greener stores				SMCP				SMCP		
Waste reduction							SMCP	SMCP		
Training	SMCP	SMCP				SMCP				
Philanthropy and inclusion	SMCP	SMCP				SMCP				SMCP

6.10 Independent third-party report

Report by one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated Statement of Non-Financial performance

Financial year ended December 31, 2022

To the General Meeting,

In our capacity as Statutory Auditors of your company, SMCP (hereinafter "entity"), appointed as independent third party, accredited by COFRAC under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion expressing a conclusion of moderate assurance on historical information (recorded or extrapolated) from the consolidated Statement of Non-Financial Performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the financial year ended December 31, 2022 (hereinafter the "Disclosures" and the "Statement" respectively), presented in the Group's management report in accordance with the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

CONCLUSION

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and the information we collected, with the exception of the items described above, we detected no material misstatement likely to call into question the fact that the Statement is compliant with the applicable regulatory provisions and that the Disclosures, taken as a whole, are presented fairly, in accordance with the Guidelines.

PREPARATION OF THE STATEMENT

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Disclosures allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement and available on the website or on request at the entity's head office.

LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION RELATED TO THE STATEMENT

The Disclosures may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions or estimates used to prepare it and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

The Board of Directors is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Disclosures;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- as well as implementing the internal control that it deems necessary to prepare Disclosures that are free from material misstatements, whether due to fraud or error.

The Statement was prepared in accordance with the entity's Guidelines as mentioned above.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to present a reasoned opinion expressing a moderate assurance conclusion on:

- the compliance of the Statement with the provisions set out in Article R. 225-105 of the French Commercial Code;
- the true and fair nature of the disclosures pursuant to Article R. 225-105 of the French Commercial Code, Sections I and II, subparagraph 3, on the results of the policies, including the key performance indicators, and actions relating to main risks, hereafter the "Disclosures".

As we are responsible for making an independent conclusion on the Disclosures as prepared by management, we are not authorised to be involved in the preparation of such Disclosures as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (green taxonomy), and the fight against corruption and tax evasion;
- the fairness of the Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL DOCTRINE

Our work described below was carried out in accordance with our audit programme pursuant to the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional doctrine of the Compagnie nationale des commissaires aux comptes, the revised international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions set out in Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of the profession. In addition, we have implemented a system of quality control including documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French National Association of Statutory Auditors for this intervention.

MEANS AND RESOURCES

Our work mobilised the skills of four people and took place between February and March 2023 over a total intervention period of six weeks.

We were assisted in our work by our specialists in sustainability and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement, representing in particular CSR Reporting, the Human Resources, Environment and Sustainable Development departments.

Our work involved the use of information and communication technologies enabling the work and maintenance to be carried out remotely without hindering their execution.

NATURE AND SCOPE OF OUR WORK

We planned and carried out our work taking into account the risk of material misstatement of the Disclosures.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to formulate a conclusion of moderate assurance:

- we obtained an understanding of the activity of all the companies included in the scope of the consolidation, and of the presentation of the main risks.
- we assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate.
- we verified that the Statement covers each category of information specified in Article L. 225-102-1 Section III on social and environmental reporting as well as on compliance with human rights and the fight against corruption and tax evasion.
- we verified that the Statement presents the disclosures described under Section II of Article R. 225-105 when relevant with respect to the main risks and includes, where appropriate, an explanation of the reasons justifying the lack of information required by Article L. 225-102-1, Section III, paragraph 2.
- we verified that the Statement presents the business model and the main risks linked to the activity of all the entities included in the scope of consolidation, including, when relevant and proportionate, the risks created by its business relations, its products or services as well as the policies, actions and results, including key performance indicators relating to the main risks.

- we referred to documentary sources and conducted interviews to:
  - assess the selection process and the validation of the main risks as well as the consistency of the results including the key performance indicators adopted with respect to the main risks and policies presented; and
  - corroborate the qualitative information (actions and results) that we considered to be the most important.[1]
- we checked that the Statement covers the scope of consolidation, namely all the companies included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement.
- we reviewed the internal control and risk management procedures set up by the entity and assessed the collection process set up by the entity aimed at ensuring the completeness and fairness of the Disclosures.
- for the key performance indicators and the other quantitative results that we considered the most [2]important, we implemented:
  - analytical procedures consisting of checking that the collected data had been consolidated correctly and the consistency of the changes in this data;
  - detailed tests on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 56% and all of the consolidated data selected for these tests.
- we assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented in the context of a moderate assurance are less extensive than those required for a reasonable assurance carried out in accordance with the professional doctrine of the French National Association of Statutory Auditors; a higher level of assurance would have required more extensive verification work.

Paris-La Défense, April 11, 2023

One of the Statutory Auditors

Deloitte & Associés

Albert Aidan	Julien Rivals
Partner, Audit	Partner, Sustainable Development

(1) Actions to develop supply chain traceability; Actions to promote the circular economy; Definition of the three criteria of a "more responsible" product; Committing to inclusion and diversity

(2) Workforce at 31 December – Number of employees with lost time (due to workplace accidents or commuting accidents) – Hours worked in excess of the legal weekly maximum for full-time employees – Number of hours of training provided with a trainer (face-to-face and/or remotely) – Percentage of employees who have taken at least one e-learning training course – Difference in the rate of increase in salaries between women and men – Rate of turnover on permanent contracts – Total electricity consumption (measured + estimated) – Like-for-like electricity consumption vs N-1 – Percentage of points of sale with a green electricity contract – GHG emissions generated by total electricity consumption (measured + estimated) and on a like-for-like basis vs N-1 (in tCO_2eq) – Quantity of products and distances travelled by sea / air / road / rail – GHG emissions generated by the Group's transportation of goods (in tCO_2eq) – Volumes of PAP and accessory products with lower environmental impact in all of our collections on a like-for-like scope vs N-1 – Average number of non-compliant events observed per audit (social and environmental).

(3) Group's business activities in France, Europe (EMEA), Asia and the United States.

7

Corporate governance

Introduction: Code of Corporate Governance

Since the Company's shares were listed for trading on Euronext Paris regulated market ("Euronext Paris") in October 2017, the Company has referred to and, subject to the information below, complied with the Code of Corporate Governance for listed companies published by the *Association Française des Entreprises Privées* ("Afep") and *Mouvement des Entreprises de France* ("MEDEF") in its updated version in December 2022 (the "Afep-MEDEF Code").

The Afep-MEDEF Code to which the Company refers may be consulted on the internet at the following address: http://www.medef.com. The Company keeps copies of the Code available for members of its corporate bodies at all times.

The Company applies the Afep-MEDEF Code (as revised in December 2022), with the exception of the following recommendation:

Recommendation of the Afep-MEDEF Code	Company's comment
Recommendation 25.5.1 of the Afep-MEDEF Code **"The performance conditions set by the Boards for these payments must be assessed over a period of at least two financial years."**	The performance condition set for the payment of the severance package for Ms Isabelle Guichot, Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite is assessed on the basis of the last twelve months prior to the termination of their duties in comparison with the performance achieved over the 12-month period preceding this reference period, whereas recommendation 25.5.1 of the Afep-MEDEF Code recommends the period for assessment of the performance conditions be at least 24 months. The Company indeed believes that, given the strong historical growth of the Group from one year to the next, the performance of each officer must be assessed over the 12-month period preceding the end of his/her duties.

Until 6 April 2022, the Nominations and Compensation Committee was composed of four members, including three independent members and Ms Évelyne Chétrite, Deputy General Manager of the Company. As a result, the composition of this committee did not comply with recommendations 17.1 and 18.1 of the Afep-MEDEF Code, which require the absence of executive corporate officers on the committee. Given the importance of the nomination and compensation of executives for the development of the SMCP group, it had indeed been decided to appoint one of the founders of the Group to sit on this committee. It should be noted that Ms Chétrite did not take part in the deliberations or voting on resolutions of the Nominations and Compensation Committee when she was affected by these resolutions. Ms Évelyne Chétrite resigned from the Nominations and Compensation Committee and has not been a member since 6 April 2022. The composition of this committee now complies with recommendations 17.1 and 18.1 of the Afep-MEDEF Code.

7.1 Organisation of governance

7.1.1 Management bodies

CHIEF EXECUTIVE OFFICER

Ms Isabelle Guichot is Chief Executive Officer of the Company.

DEPUTY GENERAL MANAGERS

The positions of Deputy General Managers in the Company are assumed respectively by Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite.

CHAIRMAN OF THE BOARD OF DIRECTORS

Mr Christophe Cuvillier is Chairman of the Company's Board of Directors.

PROCEDURES AND FUNCTIONING OF THE MANAGEMENT BODIES

Missions and powers of the Chairman, Chief Executive Officer and the Deputy General Managers

The offices of Chairman of the Board of Directors and Chief Executive Officer of the Company are separated. Mr Christophe Cuvillier is Chairman of the Board of Directors and Ms Isabelle Guichot is Chief Executive Officer of the Company. The positions of Deputy General Managers in the Company are assumed respectively by Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite. Each Deputy General Manager is responsible for the policy of creation, the design, the artistic direction and the marketing strategy of the brand(s) within his or her area of responsibility, namely:

- Sandro and Claudie Pierlot for Ms Évelyne Chétrite;
- Maje and Claudie Pierlot for Ms Judith Milgrom;
- Sandro Men for Mr Ilan Chétrite.

Conduct of Executive Management – Limitations of powers

As required by law, the Company's Articles of Association and the internal rules of the Board of Directors, the Chairman of the Company chairs the meetings of the Board, ensures the correct operation of the Company's governing bodies, and ensures, in particular, that the Board members are able to perform their tasks.

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company. She exercises these powers within the limits of the corporate purpose and subject to those powers expressly attributed by law to General Meetings and to the Board of Directors.

She represents the Company vis-à-vis third parties. The Company is bound even by acts of the Chief Executive Officer that do not fall within the Company corporate purpose, unless it can prove that the third party knew that the act exceeded such purpose or that the party could not fail to be aware of it under the circumstances; publication of the Articles of Association alone is not sufficient to constitute such proof.

Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

Together with the Chief Executive Officer, the Board of Directors determines the scope and the duration of the powers conferred on the Deputy General Managers. The Deputy General Managers have the same powers as the Chief Executive Officer vis-à-vis third parties.

The Chief Executive Officer or the Deputy General Managers may, subject to the limits set by the legislation in force, delegate the powers they deem appropriate, for one or more specific purposes, to any agents, even from outside the Company, either individually or forming a committee or commission, with or without the power of substitution, subject to the limitations set by law. These powers may be permanent or temporary and may include the power of substitution or otherwise. The delegations thus granted retain their full effects despite expiry of the office of the person conferring them.

Under Article 3.2 of its internal rules, the Board of Directors gives its prior approval, by simple majority vote of the members present or represented, for any act or decision of the Chief Executive Officer concerning the following:

(i) the approval of/or amendments to the Group's annual budget;

(ii) the approval or material amendments to the Group's annual business plan;

(iii) any issue of shares, instruments or securities giving rights, immediately or deferred, to the capital of the Company subject to the provisions of paragraph 3.4;

(iv) the subscription by any Group company, of any indebtedness of a cumulative amount of more than €10,000,000 per year in excess of the annual budget;

(v) any decision that may lead to an event of default or an acceleration under the terms of the financing documentation for any Group company;

(vi) any over-expenditure on the Group's capital expenditures (capex) in excess of 10% of the annual budget;

(vii) the conclusion, termination of or material amendment of any agreement to which a Group company is a party for which the annual amount exceeds €4,000,000, other than contracts covered by point (ix) and cash investments by Group companies in term accounts and deposits made with institutions whose financial health is proven, and which allow funds to be withdrawn within a reasonable period of time;

(viii) any expenditure of an individual amount exceeding €2,000,000, not included in the Group's annual budget;

(ix) the creation, acquisition, disposal or constitution of any collateral by a Group company relating to any activity, subsidiary or assets for an amount exceeding €2,000,000 (unless the aforementioned transactions have been approved as part of the budget);

(x) the recruitment, the redundancy, the contractual termination ("rupture conventionnelle") or the settlement ("accord transactionnel") putting an end to the functions, the dismissal, the substantial modification of the functions or a change in compensation (unless it is part of the annual wage increases) of any member of the Executive Committee or corporate officer of the Group;

(xi) the conclusion by a Group company of any industrial or commercial joint-venture agreement or merger agreements with a third party that could have a significant impact on the Group;

(xii) the opening of a store or a subsidiary or a new activity in a new country;

(xiii) the appointment or renewal of Statutory Auditors;

(xiv) any significant transformation or restructuring of a Group entity;

(xv) the development of any new line of activity without a direct link to the corporate purpose of the Group's companies;

(xvi) any transaction that directly or indirectly modifies the share capital or equity of the Company (including any merger, spin-off or partial contribution of assets or distribution of dividends); subject to the provisions of paragraph 3.4;

(xvii) a modification of more than 3% per year of the compensation of the Group payroll compared to the annual budget;

(xviii) the execution, termination or modification of any agreement entered into with the founders or the principal executives of the Group (including their employment contracts or service agreements);

(xix) the settlement of a dispute in an amount exceeding €2,000,000.

In accordance with paragraph 3.4 of the Internal Rules, the Board of Directors requires prior authorisation, acting by a majority of three-quarters of its members present or represented and including a vote in favour by at least three-quarters of the independent directors, for (i) any decision of the Board of Directors to implement one of the delegations granted by the Company Shareholders' Combined General Meeting of June 9, 2022 under its 23rd to 31st resolutions on an extraordinary basis, and (ii) any decision of the Board of Directors to amend the provisions of paragraph 3.4.

7.1.2 Composition of the Board of Directors

7.1.2.1 BOARD OF DIRECTORS

The following table lists the members of the Board of Directors on the date of registration of this universal registration document, as well as the principal offices held and duties performed by the Board members in the last five years.

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Christophe Cuvillier [(1)]	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	Chairman of the Board of Directors	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Raisesherpas Endowment Fund - Director – HEC International Advisory Board - Member – Nextus SAS - Chairman – Salesforce EMEA Advisory Board - Member **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – Unibail-Rodamco-Westfield SE - Chairman of the Management Board – Comexposium Holding SA - Director – Rodamco Europe BV - Chairman of the Supervisory Board – European Public Real Estate Association (EPRA) - Chairman of the Board of Directors – Fédération Française des Sociétés Immobilières et Foncières (FSIF) - Representative of Unibail-Rodamco-Westfield SE – Société Paris-Île de France Capitale Économique - Representative of Unibail-Rodamco-Westfield SE on the Board of Directors – Viparis Holding SA - Director – WFD Unibail-Rodamco NV - Chairman of the Supervisory Board – U&R Management BV - Director and Chairman of the Board of Directors – Pavillon de l'Arsenal - Director

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Isabelle Guichot	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	Chief Executive Officer and Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* – SMCP Group SAS – Chief Executive Officer – Claudie Pierlot SAS – Chairman – 341 SMCP SAS - Chairman – SMCP Logistique SAS – Chairman – De Fursac SA - Chairman of the Board of Directors – SMCP Deutschland GmbH – Manager – SMCP Switzerland SA - Chairman of the Board of Directors – SMCP USA Inc. - Director, Vice-President – SMCP Retail East Coast Inc.- Director, Vice-President – SMCP Retail West Coast.- Director, Vice-President – SMCP Canada Inc - Director, Vice-President – SMCP Asia Ltd. (HK) – Director – SMCP Hong Kong Limited – Director – SMCP Shanghai Trading Co. Ltd. - Director – SMCP Taiwan - Director – SMCP Japan GK - Director – SMCP Malaysia SDN.BHD - Director – AZ Retail – Director – SMCP Portugal - Manager – SMCP Sweden - Chairman of the Board of Directors *Outside the Group:* – Chargeurs SA - Independent Director **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – Maje SAS - Deputy General Manager – SMCP Holding SAS - Chairman *Outside the Group:* – Arcades Ponthieu SAS (France) - Chairman – Kering Foundation - Director

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Évelyne Chétrite	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	Deputy General Manager and Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* – Sandro Andy SAS – Chairman: Évelyne Chétrite SASU represented by Évelyne Chétrite *Outside the Group:* – EDID – Manager – Évelyne Chétrite SASU – Chairman – Grand Chene – Manager – Petite Princesse – Manager – Hessed – Manager – Sagesse – Manager – Kemisi – Co-Manager – Kismi – Manager – Maison Blanche – Manager – SIVAN SAS – Chairman – Fonds TAL – Chairman – JOIE S.à.r.l. - Co-Manager – ARCHIVES SAS – Chairman **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – Eve Art – Chairman
Judith Milgrom	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	Deputy General Manager and Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* – Maje SAS – Chairman: Judith Milgrom SASU represented by Judith Milgrom *Outside the Group:* – SC SAVA - Manager – SC SHMIL - Manager – SC AVANA – Co-Manager – SCI MAJ – Manager – SCI MAIL – Manager – SCI J&A – Co-Manager – Judith Milgrom SASU – Chairman – Fonds TODA – Chairman – Judor Investissements SAS – Chairman – HARMONY SAS – Chairman: Judith Milgrom SASU represented by Judith Milgrom – SCI PALOMA 2011 – Co-Manager **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – SCI A&J – Co-Manager – SC AMJM – Co-Manager

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Natalia Nicolaidis [(2)]	Greek	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	Independent Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Dynamic Counsel Ltd. - Founder and Chairman – Aegean Airlines, SA - Non-executive Director, Chairman of the Compensation and Nominations Committee, Chairman of the Sustainability Committee – Mytilineos SA - Non-executive Director, Member of the Sustainability Committee – Titan Cement Group - Non-executive Director, Member of the Audit and Risk Committee – Bain Consulting - Member of the senior advisors network **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – Credit Suisse - Head of Legal Investment Banking & Capital Markets – ElvalHalcor SA - Non-executive Director, Chairman of the Governance and Nominations Committee, Member of the Audit Committee
Christophe Chenut [(2)]	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	Independent director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Christophe Chenut Conseil SAS - Chairman – LOSC Lille - Director – Group Hopscotch - Chairman of the Supervisory Board – Inès de la Fressange - Director – Dauphine alumni - Chairman **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – Stage Rennais - Director
Xavier Véret [(2)]	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	Independent director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – InVivo - Transformation Director of the wheat activity **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* None *Outside the Group:* – Presstalis - Chief Financial Purchasing and Information Systems Officer – Jet Services Group - Deputy Chief Executive Officer finance – Nextiraone Antilles Guyane - Chairman – Bourbon Offshore - Director of Financial Restructuring – Nutrixio - Chief Financial and Transformation Officer – Vivescia - Chief Financial and Transformation Officer – Colisée France - Chief Financial Officer

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Orla Noonan	French and Irish	General Meeting called to approve the financial statements for the financial year ended December 31, 2022	Independent Director	**Offices held and duties performed on the registration date of this universal registration document:** ***Within the Group:*** None ***Outside the Group:*** – Adevinta – Chairman of the Board of Directors – Agence France Presse (AFP) – Independent Director – Knightly Investments – Chairman – Believe – Independent Director – TF1 - Independent Director **Previous offices held and duties performed during the past five years and no longer held:** ***Within the Group:*** None ***Outside the Group:*** – Iliad SA – Independent Director – Schibsted Media Group – Independent Director – Groupe AB – Chief Executive Officer and Director – AB Entertainment – Director – RTL9 – Director
Dajun Yang	Chinese	General Meeting called to approve the financial statements for the financial year ended December 31, 2022	Independent director	**Offices held and duties performed on the registration date of this universal registration document:** ***Within the Group:*** None. ***Outside the Group:*** – UTA International Brand Inv. Management Co. Ltd. - Chairman and Chief Executive Officer – UI International Brand Management (Beijing) Co. Ltd. - Chairman and Executive Officer – Jihua Group – Executive Officer – HCLC – Member of the Board of Directors – China National Garment *Association Committee of Experts* – Committee Member – China Textile Planning Research Association – Vice-President **Previous offices held and duties performed during the past five years and no longer held:** ***Within the Group:*** None ***Outside the Group:*** – UTA Fashion Management Group – Chairman and Chief Executive Officer – Trinity Limited - Member of the Board of Directors and of the Audit Committee

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years
Lauren Schuller Cohen	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2026	Director representing employees	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* – SMCP - International Development Manager *Outside the Group:* – Equerre Conseil - Chairman **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP - Head of international development of stores – SMCP - Works Council (CSE) Secretary *Outside the Group:* – Laplace Le Chemin de La Propriété - Chief Financial Officer and Partner
Jean Loez[3]	French	General Meeting called to approve the financial statements for the financial year ended December 31, 2027	Director representing employees	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* – Maje SAS - Production and Quality Director *Outside the Group:* None **Previous offices held and duties performed during the past five years:** *Within the Group:* None *Outside the Group:* None

(1) Mr Christophe Cuvillier was appointed Chairman of the Board of Directors by the Board of Directors on January 17, 2022.
(2) Mr Christophe Chenut, Ms Natalia Nicolaidis and Mr Xavier Veret were appointed by the Ordinary General Meeting of January 14, 2022.
(3) Mr Jean Loez was elected as a Director representing employees by SMCP's Works council (CSE) on February 16, 2023 and took office on March 1, 2023, replacing Ms Marina Dithurbide, who left her duties as Director representing employees on February 28, 2023, the same date on which she left her position as Supply Chain Director within the Group.

The table below presents the members of the Board of Directors who left the Board in 2022, including those who left the Board up to the date of this universal registration document as well as the main offices held and duties performed during the last five years.

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years [3]
Yafu Qiu [1]	Chinese	on January 14, 2022 [2]	Chairman of the Board of Directors	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Shandong Ruyi Technology Group Co., Ltd. – Chairman of the Board of Directors – Shandong Ruyi Woolen Garment Group Co., Ltd. – Chairman of the Board of Directors – Trinity Limited - Chairman of the Board and non-executive Director – Renown Incorporated – Director **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA - Chairman of the Board of Directors *Outside the Group:* None
Weiying Sun [1]	Chinese	on January 14, 2022 [2]	Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Shandong Ruyi Technology Group Co., Ltd.– Chairman – Trinity Limited – Executive Director – Renown Incorporated – Director – Beijing Ruyi Fashion Investment Holding Company Limited - Chairman **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA - Director *Outside the Group:* None
Chenran Qiu [1]	Chinese	on January 14, 2022 [2]	Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Shandong Ruyi Technology Group Co., Ltd.– Vice-Chairman of the Board of Directors and Executive Chairman – Renown Incorporated – Director – Trinity Limited – Executive Director – European TopSoho S.à r.l. - Director **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA – Deputy General Manager and Director *Outside the Group:* None

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First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years [3]
Xiao Su [1]	Chinese	on January 14, 2022 [2]	Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Shandong Ruyi Technology Group Co., Ltd.– Chairman – Shandong Ruyi Woolen Garment Group Co., Ltd.– Director – Trinity Limited – Executive Director **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA – Director *Outside the Group:* None
Kelvin Ho [1]	Chinese	on January 14, 2022 [2]	Director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Shandong Ruyi Technology Group Co., Ltd – Chief Strategy Officer – Ruyi International Fashion (China) Financial Investment Holding Group Limited – Chairman – Trinity Limited – Chief Strategy Officer **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA – Director *Outside the Group:* – European TopSoho S.à r.l. – Director
Xiao Wang	Chinese	on March 4, 2022 [4]	Independent director	**Offices held and duties performed on the registration date of this universal registration document:** *Within the Group:* None *Outside the Group:* – Hillhouse Capital Group – Partner – Hong Xing Mei Kai Long – Director – Longyuan Jianshe – Director **Previous offices held and duties performed during the past five years and no longer held:** *Within the Group:* – SMCP SA – Director *Outside the Group:* – Lu.com – Deputy Chief Executive Officer – IDG Capital Partners – Partner in charge of M&A

First and last name	Nationality	Expiration date of the term of office	Principal duty performed for the Company	Principal offices and duties performed outside the Company during the past five years [3]
Marina Dithurbide	French	February 28, 2023 [5]	Director representing employees	**Offices held and duties performed on the registration date of this universal registration document:** ***Within the Group:*** – SMCP - Supply Chain Director ***Outside the Group:*** None **Previous offices held and duties performed during the past five years and no longer held:** ***Within the Group:*** – SMCP SA - Director ***Outside the Group:*** None

(1) Director appointed by the Shandong Ruyi group.
(2) Director dismissed by the General Meeting of January 14, 2022.
(3) Sources: Information provided in 2021 and public information.
(4) Mr Xiao Wang resigned from his position as director for personal reasons.
(5) Ms Marina Dithurbide left her position as Supply Chain Director within the Group on February 28, 2023, and her duties as director representing employees ended on that date.

Biographical information about the Members of the Board of Directors

Christophe Cuvillier, 60 years old, is a graduate of HEC Paris. He has extensive experience at the head of many large French groups. For eight years, he was Chairman of the Management Board of Unibail-Rodamco, which in 2018 became Unibail-Rodamco-Westfield, and which he had joined in 2011 as Chief Operating Officer. Previously, he held various senior positions within the PPR group (now Kering), including Chief Operating Officer of FNAC from 2000 to 2005, Chairman and Chief Executive Officer of Conforama from 2005 to 2008, then Chairman and Chief Executive Officer of FNAC from 2008 to 2010. Before joining the PPR group, he spent 14 years in L'Oréal group's Luxury Products Division, holding various senior management positions in France and abroad.

Isabelle Guichot, 58 years old, is a graduate of HEC Paris. She began her career at Cartier International where she held the following positions: Project Manager at Cartier Incorporated in New York (United States) (1988-89), Deputy General Secretary (1989-91), Commercial Director of Cartier International (1992-95), Chief Executive Officer of Cartier SA France (1996-99), Chairman and Chief Executive Officer of Van Cleef & Arpels International (1999-2005) and then of Lancel (2003-2005). She then joined the Pinault Printemps Redoute Group (PPR, now Kering) where she held the positions of Director of Development of Gucci Group (2005–2007), Chairman and Chief Executive Officer of Sergio Rossi (2005–2007), then Chairman and Chief Executive Officer of Balenciaga SA (2007-2017), also having a seat on the Board of Directors of the Kering Foundation. She joined SMCP group in 2017, where she was Chief Executive Officer of Maje before being appointed Chief Executive Officer and director of SMCP in August 2021. Isabelle Guichot is also a member of the Board of Directors of Chargeurs SA.

Évelyne Chétrite, 65 years old, studied law at the University Paris 1 Panthéon-Sorbonne. Passionate about fashion and styling, Évelyne Chétrite created the Sandro brand in 1984 with her husband Didier Chétrite. The first store opened in 2004 in the heart of the Marais district of Paris. Under the creative impetus and vision of Évelyne Chétrite, Sandro quickly became a leading brand in the ready-to-wear market. Since the creation of the brand, Évelyne Chétrite has created and directed Sandro collections as Artistic Director. In addition to these operational duties, Évelyne Chétrite, who served for many years as Chairman of the Group, is currently a member of the Board of Directors, and Deputy General Manager of the Company charged with design policy and the marketing strategy of Sandro and Claudie Pierlot.

Judith Milgrom, 58 years old, passionate about fashion and style, worked for many years in creation and design. With this experience, Judith Milgrom founded Maje in 1998, for which she creates and directs the collections since the creation of the brand. Maje opened its first shop in Paris in 2003 and quickly became a leading brand in the ready-to-wear market. Judith Milgrom is currently Artistic Director of Maje. In addition to these operational duties, Judith Milgrom is currently a member of the Board of Directors and Deputy General Manager of the Company charged with the design policy and the marketing strategy of Maje and Claudie Pierlot.

Orla Noonan, 53 years old, is a graduate of HEC Paris (1994) and holds a BA (Economics) from Trinity College Dublin (1992). She has been Chairman of the Board of Adevinta, the world's leading online classifieds company, since 2018. She started her career in 1994 in investment banking in London at Salomon Brothers as a financial analyst, particularly in the media/telecom sector. She joined AB Groupe in 1996 as Director in charge of business development, M&A and financial communication. She led IPOs in New York and Paris as well as external growth operations, including the acquisitions of the TV channels RTL9 and TMC. She was President of the television channel NT1 between 2005 and 2010. Orla Noonan became Executive Vice President of the group in 1999 and a member of its Board of Directors in 2003. As CEO of AB group between 2014 and 2018, she undertook the acquisition of a number of independent production companies, thereby strengthening the group's position as the French leader in the production and distribution of audiovisual content. Orla Noonan is also an Independent Director of Believe and Agence France Presse (AFP) and TF1. She was an Independent Director of Iliad SA for 12 years (from 2009 to 2021) and of Schibsted Media Group between 2017 and 2019.

Dajun Yang, 55 years old, holds an MBA from the International University of Commerce, Agriculture and Technology of Dhaka in Bangladesh. From 1998 to 2012, he served as Chairman and Chief Executive Officer of the UTA Fashion Management Group, and then in 2012 served as Chairman and Chief Executive Officer of the company UTA International Brand Inv. Management Co. Ltd. Dajun Yang is the author of several works on fashion markets. Backed by more than 25 years of management experience in the fashion industry, Dajun Yang is regularly consulted about investments in China by European companies.

Natalia Nicolaidis, 58 years old, holds a bachelor's degree (economics) from Yale University, a doctorate in law and a master's degree in foreign service from Georgetown University, Washington, DC, as well as a master's degree in European law from the College of Europe, in Bruges. Natalia Nicolaidis began her career practicing in major law firms in New York, focusing on corporate finance. She then spent 24 years at Crédit Suisse, notably as Global Head of the Investment Banking Risks & Controls department. She was General Counsel of the Investment Banking & Capital Markets division from 2015 to 2020. She was a non-executive director, Chairman of the Governance and Nominations Committee and member of the Audit Committee of the listed company ElvalHalcor SA (a Greek industrial company specialising in metallurgy). She is currently non-executive director and Chairman of the Compensation and Nominations Committee and Chairman of the Sustainability Committee of the listed airline Aegean Airlines SA (member of Star Alliance) since July 2021, as well as non-executive director and member of the Sustainability Committee of the listed company Mytilineos SA (an international industrial company active in metallurgy, EPC, electrical energy, gas trading and environmental solutions) since February 2021. Natalia Nicolaidis has been a non-executive director and member of the Audit and Risk Committee of the listed company Titan Cement Group since May 2022 and member of the Bain Consulting network of senior advisors since November 2022.

Christophe Chenut, 60 years old, is a graduate of the University of Paris Dauphine and the Institut Supérieur des Affaires (ISA - MBA HEC). As soon as he finished his studies in 1986, Christophe Chenut created his direct marketing agency "Directing", which he sold in 1993 to the DDB Group to merge with its subsidiary RappCollins. He became Chairman of RappCollins France in 1993, then Europe in 1998. He was appointed Chief Executive Officer of Groupe DDB France in 2000, a position he held until 2003. Christophe Chenut was then Chief Executive Officer of SNC L'Equipe from 2003 to 2008, of Lacoste SA from 2008 to 2013, of the newspaper L'Opinion (co-founder) from 2013 to 2015, of Comptoir des Cotonniers and Princesse Tam Tam in 2015, and of Elite Model Management from 2016 to 2017. He is currently Chairman of Christophe Chenut Conseil and Chairman of the Supervisory Board of Hopscotch Group. Christophe Chenut has been a member of the Board of Directors of the Stade Rennais, Evian TG, Paris Saint Germain, Lonsdale Agency and Bonpoint. He is a member of the Board of Directors of LOSC Lille and of Ines de la Fressange Paris. He is also a senior advisor for several investment funds and M&A firms (Ryder & Davis, Calao, LinkSport), as well as until 2020 for Artemis. He is the Chairman of Dauphine Alumni.

Xavier Véret, 56 years old, is a graduate of the University of Paris Dauphine. Xavier Véret has recognised experience in turnaround and crisis situations. He was Chief Financial, Purchasing and Information Systems Officer at Presstalis (press messaging) from 2013 to 2018. In 2018, he was Deputy Chief Financial Officer of Jet Services Group (airline, handling, maintenance & repair), then Chairman of Nextiraone Antilles Guyane (global service for all information systems components) as part of a conciliation plan. Between October 2018 and September 2019, he was Chief Financial Officer and Restructuring Director of Bourbon Offshore (leader in offshore oil maritime services) in a context of financial restructuring and a change of shareholder. Subsequently, he was Chief Financial Officer and Chief Transformation Officer of Nutrixio and then the Vivescia group (an international agricultural and agrifood cooperative group) from October 2019 to October 2021. Xavier Véret is currently Chief Financial Officer for France at the Colisée group (nursing homes, geriatric support solutions).

Lauren Schuller Cohen, 41 years old, graduated from ESCP Europe in France (2006) and holds a Master's degree in Finance from the University of Paris Dauphine (2003). She began her career in 2006 by launching her own company in the sector of wines and spirits, focused primarily on exporting to Asia, and later acquired an existing French wine retailing company to develop the French market. After nearly ten years of entrepreneurship, Lauren Cohen decided to join the SMCP Group. From May 2015 to December 2016, she was Manager of International Store Planning, and later became Development Manager for the four brands in France and in Europe, then International.

Jean Loez, 57 years old, holds a degree in textile engineering from ESTIT (École Supérieure des Techniques Industrielles et des Textiles), and has a background in international negotiation from HEC business school. He began his career in the textile industry, first as R&D quality manager, then as plant manager in Morocco, and finally as director of industrialisation and logistics for Vanity Fair group. His career in ready-to-wear continued in 1995 with the Mulliez group as group purchasing and production director. In 2004, Jean joined Comptoir des Cotonniers as Production and Supply Chain Director, before joining Agnès B. in 2008, in the same role. Jean Loez then joined SMCP in 2011 as Production and Quality Director at Maje.

Independent members of the Board of Directors

Six members of the Board of Directors are independent within the meaning of the Afep-MEDEF Code (*i.e.* more than half of the Board of Directors, in accordance with the requirements of the Afep-MEDEF Code).

MAIN AREAS OF EXPERTISE AND EXPERIENCE OF THE DIRECTORS APPOINTED BY THE GENERAL MEETING AND OF THE NON-VOTING BOARD MEMBER (1)

Directors have a range of skills and experience in key areas for the Group, which are identified in the table below:

	General management	Sustainability	Governance	M&A	Human resources	Finance/ Audit/ Risk management	International experience	Innovation/ Digital	Fashion, luxury and retail expertise
Christophe Cuvillier	X	X	X		X		X	X	X
Isabelle Guichot	X	X	X				X	X	X
Évelyne Chétrite	X		X		X		X		X
Judith Milgrom	X				X		X		X
Orla Noonan	X		X	X	X	X	X	X	
Natalia Nicolaidis		X		X	X	X	X		
Xavier Véret				X		X		X	
Christophe Chenut	X			X	X				X
Dajun Yang				X		X	X		X
Ilan Chétrite	X				X		X	X	X

(1) Excluding directors representing employees.

The appointment of Mr Atalay Atasu, in the event of the adoption of the sixth resolution by the Shareholders' General Meeting of June 21, 2023, would primarily boost the skills of the Board of Directors and of the Sustainability Committee in the following areas: Sustainability, International experience, Innovation/Digital and Fashion, luxury and retail expertise.

Gender balance representation of women and men

As of the date of this universal registration document, the Board of Directors had five female members (not including the director representing employees who is not taken into account in the calculation of the percentage of women on the Board, in accordance with the applicable legal provisions). It is therefore in compliance with the provisions of law no. 2011-103 of January 27, 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards, and gender equality.

Non-voting Board member

Mr Ilan Chétrite is a non-voting Board member of the Company's Board of Directors.

Mr Ilan Chétrite studied finance at the University Paris-Dauphine prior joining Sandro in 2006. He opened Sandro to male clientele by founding Sandro Men in 2007. He has been the brand's founding Artistic Director since its inception. He is also a Deputy General Manager of the Company.

7.1.2.2 RULES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Articles of Association stipulate that the Company's Board of Directors (the "Board" or the "Board of Directors") has between three and eighteen members, subject to exceptions provided by law. As of the date of this universal registration document, the Board of Directors has eleven members.

Pursuant to Article 16 of the Articles of Association, the term of office of directors is four years and may be renewed. This term of offices complies with the recommendations of the Afep-MEDEF Code. As an exception, the General Meeting may appoint certain directors for a term of less than four years, or as required, reduce the term of the functions of one or several directors to allow a staggered renewal of terms of office of members of the Board of Directors. Directors must not be more than 75 years of age (it being stipulated that the number of directors of more than 70 years of age may not be greater than one-third of the directors in office) and are subject to the statutory and regulatory provisions applicable to the accumulation of offices.

Directors are elected by the General Meeting on the recommendation of the Board of Directors, which receives proposals from the Nominations and Compensation Committee. They may be dismissed by the Ordinary General Meeting at any time. The term of office of each director expires at the end of the Ordinary General Meeting that has been called to approve the financial statements for the past financial year and is held in the year the term expires.

7.1.2.3 INDEPENDENCE OF DIRECTORS

Pursuant to the Afep-MEDEF Code used by the Company as a reference, the Board of Directors shall assess the independence of each of its members (or candidates) at the occasion of each renewal or appointment of a member of the Board of Directors and at least once a year prior to the publication of the Company's corporate governance report. During this assessment, after obtaining the opinion of the Nominations and Compensation Committee, the Board of Directors reviews the qualifications of each of its members (or candidates) on a case-by-case basis, in terms of the criteria of the Afep-MEDEF Code, the particular circumstances and situation of the individual concerned in relation to the Company. The conclusions of this review are presented to shareholders in the annual report and, where appropriate, to the General Meeting at the time of the appointment of Board members.

At its meeting of March 21, 2023, the Nominations and Compensation Committee carried out the annual assessment of the independence of the members of the Board of Directors with regard to all the criteria set by the Afep-MEDEF Code.

The conclusions of the Nominations and Compensation Committee were presented to and approved by the Board of Directors at its meeting on March 23, 2023. Under the terms of this analysis, the Board of Directors concluded, after consulting the Nominations and Compensation Committee, that there were six independent members: Mr Christophe Chenut, Mr Christophe Cuvillier, Ms Natalia Nicolaidis, Ms Orla Noonan, Mr Xavier Véret and Mr Dajun Yang, *i.e.* more than half of the directors, in line with the recommendation of the Afep-MEDEF Code.

7.1.3 Functioning of the Board of Directors

7.1.3.1 INTERNAL RULES

The Board of Directors has internal rules intended to specify the operating conditions of the Board, in addition to the applicable laws and regulations and the Company's Articles of Association. In addition, as appendices to the Board's internal rules, the Audit Committee, the Nominations and Compensation Committee and the Sustainability Committee each have internal rules.

The internal rules of the Board of Directors follow marketplace recommendations aimed at guaranteeing compliance with the basic principles of corporate governance, and in particular those specified in the Afep-MEDEF Code. These internal rules describe the operating method, the powers and attributions of the Board of Directors and specify the ethical rules applicable to its members. In particular, they provide for the rules applicable to the organisation of Board of Directors' meetings, as well as the provisions on the frequency of meetings, the presence of directors and their disclosure obligations regarding the rules on multiple terms of office and conflicts of interest.

The Articles of Association and internal rules of the Company are available on the Company's website (www.smcp.com).

7.1.3.2 MISSIONS

The first priority of the Board of Directors is to determine the strategic directions of the Company. The Board reviews and decides major transactions. The members of the Board of Directors are informed of market changes, the competitive environment and the principal challenges, including in the area of the Company's social and environmental responsibility.

The Board of Directors assumes the tasks and exercises the powers conferred on it by the law, the Company's Articles of Association and the internal rules of the Board of Directors. The Board of Directors determines and addresses the Company's business strategy and objectives and monitors their implementation. Subject to the powers expressly attributed to Shareholders' General Meetings and within the limits of the Company purpose, it deals with any questions concerning the proper running of the Company and settles the business that concerns it through its resolutions.

The Board of Directors also conducts the checks and verifications it deems appropriate and can request the communication of the documents that it considers useful for carrying out its task.

The Board of Directors sets the limits to the powers of the Chief Executive Officer, where applicable, pursuant to its internal rules, by targeting the operations for which the prior authorisation of the Board of Directors is required (for more information, see paragraph 7.1.1 "Management Bodies" of this universal registration document).

The Board ensures good corporate governance for the Company and the Group, respecting the socially responsible principles and practices of the Group and of its executive corporate officers and employees.

The Board ensures that shareholders and investors receive relevant, balanced and educational information about the strategy, the business model, the consideration of significant non-financial challenges for the Company, and about its long-term prospects.

The internal rules define the procedures for informing Board members. The rules specify, in particular, that the Chairman of the Board of Directors provides to Board members, with sufficient time, except in emergency situations, the information or the documents in its possession that will allow the members to properly perform their duties. Any member of the Board who has been unable to deliberate with full knowledge has a duty to so inform the Board of Directors and to demand the information crucial to the performance of his or her duties.

7.1.3.3 ORGANISATION AND WORK OF THE BOARD

Meetings and deliberations of the Board of Directors

The internal rules of the Board of Directors stipulate the conditions for Board meetings. Thus, a meeting of the Board of Directors is called by the Chairman or one of the members nominated by the Chairman, by any means in writing. The author of the notice of meeting sets the agenda for the meeting.

The Board meets at least four (4) times a year and at any other time, as often as the interest of the Company requires. The frequency and duration of Board meetings must be such as to allow for in-depth examination and discussion of the matters falling within the jurisdiction of the Board of Directors.

Board of Directors' meetings are chaired by the Chairman. In the event of the absence of the Chairman, Board meetings are chaired by a member of the Board of Directors nominated by the Board of Directors.

Decisions of the Board of Directors are only valid if at least one half if its members are present. For the calculation of a quorum and majority, members are deemed present to attend meetings *via* videoconferencing or telecommunications that allow them to be identified and guarantee their effective participation, under the conditions set forth by the applicable laws and regulations.

Each meeting of the Board of Directors and the committees established by the Board must be long enough to properly discuss the agenda in detail. Decisions are taken by a simple majority of members present or represented. In the event of a tie vote, the Chairman of the meeting casts the deciding vote.

The internal rules of the Board of Directors also set out the obligations for members of the Board of Directors, as they are described in the Afep-MEDEF Code. In particular, the internal rules stipulate that the members of the Board may receive, when they are nominated, additional training on the specific characteristics of the Company and the companies it controls, their business lines, and their business sector, and that they may periodically hear from the principal executives of the Company, who may be called to attend Board of Directors' meetings.

Finally, it is stipulated that the Board of Directors is regularly informed about the financial position, the cash position, and the commitments of the Company and the Group, and that the Chairman and the Chief Executive Officer shall continually communicate to the Board members any information about the Company which they learn and which they believe to be useful or pertinent. The Board of Directors and the committees also have the option to hear from experts in the areas which fall within their respective expertise.

Pursuant to the internal rules, each member of the Board of Directors is required to notify the Board of any situation of conflict of interest, even potential, and should refrain from participating in the corresponding deliberation.

Functioning of the Board of Directors

(a) Composition: members of the Board of Directors at December 31, 2022

The table below shows the members of the Board of Directors at December 31, 2022:

Name	Age	Gender	Nationality	Date of first appointment	Date of General Meeting approving the last appointment	Expiration date of the term of office	Nominations and Compensation Committee	Audit Committee	Principal duty performed for the Company
Christophe Cuvillier	60	M	French	June 17, 2021	June 17, 2021	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	Yes	No	Independent Director
Isabelle Guichot	58	F	French	August 2, 2021	June 9, 2022	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	No	No	Chief Executive Officer Director
Évelyne Chétrite	65	F	French	October 5, 2017	June 17, 2021	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	No	No	Deputy General Manager Director
Judith Milgrom	58	F	French	October 5, 2017	June 17, 2021	General Meeting called to approve the financial statements for the financial year ended December 31, 2024	No	No	Deputy General Manager Director
Natalia Nicolaidis	58	F	Greek	January 14, 2022	January 14, 2022	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	Yes	No	Independent Director
Christophe Chenut	60	M	French	January 14, 2022	January 14, 2022	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	Yes	No	Independent Director
Xavier Véret	56	M	French	January 14, 2022	January 14, 2022	General Meeting called to approve the financial statements for the financial year ended December 31, 2025	No	Yes	Independent Director
Orla Noonan	53	F	French and Irish	October 5, 2017	June 17, 2021	General Meeting called to approve the financial statements for the financial year ended December 31, 2022	No	Yes	Independent Director
Dajun Yang	55	M	Chinese	October 5, 2017	June 17, 2021	General Meeting called to approve the financial statements for the financial year ended December 31, 2022	No	Yes	Independent Director

Name	Age	Gender	Nationality	Date of first appointment	Date of General Meeting approving the last appointment	Expiration date of the term of office	Nominations and Compensation Committee	Audit Committee	Principal duty performed for the Company
Lauren Schuller Cohen	41	F	French	June 18, 2018	N/A[2]	General Meeting called to approve the financial statements for the financial year ended December 31, 2026	No	No	Director representing employees International Development Manager
Marina Dithurbide[1]	45	F	French	June 4, 2020	N/A[2]	General Meeting called to approve the financial statements for the financial year ended December 31, 2023	No	No	Director representing employees Supply Chain Director

(1) Ms Marina Dithurbide left her position as Supply Chain Director within the Group on February 28, 2023, the same date on which her duties as Director representing employees ended.

(2) Ms Lauren Schuller Cohen and Ms Marina Dithurbide were appointed by SMCP's Social and Economic Committee.

The list of other current offices and biographies of the members of the Board of Directors whose mandates are underway on April 11, 2023 is indicated in paragraph 7.1.2.1 of this universal registration document.

COMPOSITION AS OF THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT

On April 11, 2023, the Board of Directors of the Company was composed of the following eleven members: Mr Christophe Cuvillier, Ms Isabelle Guichot, Ms Évelyne Chétrite, Ms Judith Milgrom, Ms Orla Noonan, Mr Dajun Yang, Ms Lauren Schuller Cohen, Mr Christophe Chenut, Ms Natalia Nicolaidis, Mr Xavier Véret and Mr Jean Loez. The latter was elected Director representing employees by SMCP's Social and Economic Committee on February 16, 2023 and took office on March 1, 2023, replacing Ms Marina Dithurbide. In addition, Mr Ilan Chétrite was reappointed as non-voting Board member of the Company by the Board of Directors at its meeting of April 28, 2021, for a renewable term of four years.

The composition of the Board as of the date of this universal registration document complies with the recommendation of the Afep-MEDEF Code, which recommends that at least half of the proportion of independent directors be in companies without controlling shareholders. The composition of the Board of Directors on the date of this universal registration document also complies with the recommendation of the French Financial Markets Authority (AMF) on the diversification of directors in terms of international experience; one third of the Board members are foreign nationals.

Pursuant to Article L. 225-27-1 of the French Commercial Code, and insofar as the Board of Directors consists of more than eight directors, the Board of Directors must include at least two directors representing employees, appointed by the Group's Social and Economic Committee. Ms Lauren Schuller Cohen was appointed Director representing employees by the Social and Economic Committee on October 16, 2018, then reappointed by the Social and Economic Committee on May 12, 2022. Ms Marina Dithurbide, who was appointed Director representing employees by the Social and Economic Committee on November 19, 2020, left her position as Supply Chain Director within the Group on February 28, 2023, the same date on which her duties as Director representing employees ended. Mr Jean Loez was elected Director representing employees by SMCP's Social and Economic Committee on February 16, 2023 and took office on March 1, 2023, replacing Ms Marina Dithurbide.

CHANGES TO THE BOARD FOLLOWING THE JUNE 21, 2023 GENERAL MEETING

At the General Meeting to be held on June 21, 2023, the date on which the terms of office of Ms Orla Noonan and Mr Dajun Yang shall expire, the shareholders of the Company will be asked to vote on the renewal of the term of office of Ms Orla Noonan as director (independent) and on the appointment of Mr Atalay Atasu as a new director (independent) to replace Mr Dajun Yang.

Mr Atasu, aged 44, is a graduate of Istanbul Technical University, Bogazici University and INSEAD, and is a professor of technology and operations management at INSEAD. His research focuses on the management of socially and environmentally responsible operations, with topics of interest such as the circular economy, extended producer responsibility and environmental regulation. His research has been published in Management Science, Manufacturing and Service Operations Management, Production and Operations Management, Journal of Industrial Ecology, Harvard Business Review and California Management Review. He has received numerous awards, including the Wickham Skinner Best Paper Award (2007 winner, 2014 finalist), the Wickham Skinner Early Career Research Award (2012), the Paul Kleindorfer Award in Sustainability (2013) and the McKinsey Award for the best Harvard Business Review paper (finalist) in 2021. He has served as editor-in-chief of the sustainable operations department of Production and Operations Management (POMS) and deputy editor-in-chief of Manufacturing and Service Operations Management (M&SOM), as well as Chairman of the Manufacturing and Service Operations Management Society. He is co-director and founder of INSEAD's sustainable business executive training programme and founder and director of INSEAD's sustainable business initiative.

FIFTH RESOLUTION
(Renewal of the term of office of Ms Orla Noonan as director)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, renews the term of office of Ms Orla Noonan as director for a period of four years which will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2026.

SIXTH RESOLUTION
(Appointment of Mr Atalay Atasu as director)
The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, appoints Mr Atalay Atasu as director for a period of four years which will expire at the end of the General Meeting called to approve the financial statements for the year ended 31 December 2026.

(b) Activities of the Board of Directors during the financial year ended December 31, 2022

The Board of Directors met nine times in 2022. The attendance rate for all directors was 90%.

The following table presents each director's attendance rate at Board of Directors' meetings:

Director	Presence at meetings	Total number of meetings	Individual attendance rate
Christophe Cuvillier	9	9	100%
Isabelle Guichot	9	9	100%
Évelyne Chétrite	9	9	100%
Judith Milgrom	8	9	89%
Natalia Nicolaidis	9	9	100%
Christophe Chenut	8	9	89%
Xavier Véret	8	9	89%
Orla Noonan	8	9	89%
Dajun Yang	6	9	67%
Lauren Schuller Cohen	9	9	100%
Marina Dithurbide	9	9	100%
Xiao Wang	0	3	0%

* Mr Xiao Wang resigned from his position as independent director for personal reasons on March 4, 2022.

On **January 17**, 2022, a Board of Directors meeting was held attended by eleven members, convened and chaired by Maître Christophe Thévenot as the representative of SELARL THEVENOT PARTNERS, appointed by the order issued on January 12, 2022 by the President of the Paris Commercial Court. During this meeting, the Board appointed a new Chairman of the Board of Directors.

On **January 19**, 2022, a Board of Directors meeting was held, attended by ten members. The Board replaced the members of the Audit Committee and the Nominations and Compensation Committee dismissed during the Shareholders' General Meeting of January 14, 2022.

On **January 25**, 2022, the Board of Directors held a meeting that was attended by ten members. The Board decided to initiate a review of the restructuring of its share capital in order to stabilise and consolidate its shareholding structure, and in this context, set up an *ad hoc* Committee to oversee a review of this area, in strict compliance with the interests of the Company, its employees and all of its shareholders.

On **March 9**, 2022, a Board of Directors meeting was held, attended by ten members. In particular, the Board examined the following points:

- financial results 2021;
- 2021 bonuses and 2022 salaries;
- the composition of the Board;
- delivery and award of free shares.

On **April 6**, 2022, a Board of Directors meeting was held, attended by ten members. The Board examined the following points in particular:

- universal registration document 2021; report of the Chairman of the Board of Directors on corporate governance;
- consolidated Statement of Non-Financial Performance 2021;
- invitation to the Shareholders' Ordinary General Meeting (June 9, 2022).
- appointment of Ms Natalia Nicolaidis as a member of the Nominations and Compensation Committee.

On **June 2**, 2022, a Board of Directors meeting attended by nine members was held, which amended the Board of Directors' internal rules.

On **August 1**, 2022, a Board of Directors meeting was attended by ten members, which approved the results of the first half of 2022.

On **September 13**, 2022, a Board of Directors meeting was held, attended by eleven members. The Board examined the following points in particular:

- Business Plan;
- share buyback programme.

On **December 7**, 2022, a Board of Directors meeting was held, attended by eleven members. The Board examined the following points in particular:

- 2023 budget;
- approval of the acquisition of the Group's distributor in Australia and New Zealand;
- free share award.

(c) Description of the diversity policy for the Board of Directors as defined by Article L. 22-10-10 2° of the French Commercial Code

The Board monitors the balance of its members and the balance on the committees it creates, specifically in terms of diversity (international experience, expertise, etc.). Based on recommendations made by the Nominations and Compensation Committee, directors are appointed at General Meetings or through cooptation, on the basis of their qualifications, their professional skills and independent mindset.

The directors of the Company come from different backgrounds and have a variety of experience and skills and thus reflect the objectives of the Board.

The presentation of each director's profile in paragraph 7.1.2.1 of the Company's universal registration document sheds further light on this diversity and complementary skill sets.

(d) Information on balanced gender representation on the Board of Directors

As of December 31, 2022, the Board of Directors had five women: Ms Isabelle Guichot, Ms Évelyne Chétrite, Ms Judith Milgrom, Ms Orla Noonan and Ms Natalia Nicolaidis, representing 56% of the directors. In the event of the adoption by the Shareholders' General Meeting of June 21, 2023 of the fifth and sixth resolutions, under which Ms Orla Noonan and Mr Atalay Atasu would be appointed directors, the Board of Directors would still have five women representing 56% of the directors.

The Board thus is in compliance with the provisions of Law no. 2011-103 of January 27, 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards and equal opportunity in business, and the proportion of female directors is greater than 40% as required by Article L. 225-18-1 and et L. 22-10-3 of the French Commercial Code.

Ms Lauren Schuller Cohen and Mr Jean Loez, directors representing employees, are not included in the calculation of the proportion of directors of each gender pursuant to the provisions of Article L. 225-27-1 of the French Commercial Code.

(e) Annual assessment of the Board of Directors

The internal rules of the Board of Directors stipulate the conditions under which the Board must evaluate its ability to respond to the expectations of shareholders by periodically analysing its composition, organisation and functions. For this purpose, once a year, the Board, on the report of the Nominations and Compensation Committee, must devote one item on its agenda to an evaluation of its operating conditions and procedures, a verification that important questions are properly prepared and discussed within the Board of Directors, and an assessment of the actual contribution of each member to the work of the Board on the basis of the member's expertise and participation in deliberations. This evaluation is performed on the basis of answers to an individual, anonymous questionnaire sent to each member of the Board of Directors once a year.

The Board of Directors assessed its composition, organisation and functioning, as well as that of its committees, by means of a questionnaire and discussion during the Board of Directors' meetings of March 23, 2023. The directors considered these elements to be generally satisfactory. The Board of Directors assessed its composition at its meeting of March 23, 2023.

Directors' compensation

Under the terms of Article 6 of its internal rules, and on the recommendation of the Nominations and Compensation Committee, the Board of Directors freely distributes among its independent members the compensation set by the Shareholders' General Meeting, taking into account actual attendance at Board and Committee meetings. A portion set by the Board and deducted from this compensation is paid to the independent members of the specialised committees, also taking into account their actual participation in committee meetings.

The criteria for the distribution of directors' compensation are presented in paragraph 7.2.1.3 "Directors' compensation" in this universal registration document.

Non-voting Board member

Under Article 16 of the Articles of Association, the Board of Directors may appoint one or more non-voting Board members, up to a maximum of three. The non-voting Board members are natural or legal persons, selected from among the shareholders or otherwise. The term of office of non-voting Board members is four years, except in the event of resignation or early termination of office as decided by the Board of Directors. The arrangements for performance of the non-voting Board members' task, including any compensation, are decided by the Board of Directors. Non-voting Board members may be re-elected. They are invited to meetings of the Board of Directors and take part in the deliberations in an advisory capacity. The obligations set out in the internal rules of the Board of Directors of the Company applicable to directors and relating to the prevention of conflicts of interest apply, *mutatis mutandis*, to the non-voting Board members.

By a decision of the Board on April 28, 2021, Mr Ilan Chétrite, Deputy General Manager, was re-appointed as a non-voting Board member for a term of four years, ending at the end of the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2024, in accordance with Article 16 of the Company Articles of Association.

7.1.4 Committees

Introduction: specialised committees of the Board of Directors

At its meeting of October 23, 2017, the Board of Directors of the Company decided to form three Board committees: an Audit Committee and a Nominations and Compensation Committee to assist it in some of its missions and to contribute effectively to the preparation of certain specific issues submitted for its approval, together with a Sustainability Committee (with the decision on the latter taken during its meeting of March 23, 2023). Each of these committees has internal rules (attached to the internal rules of the Board of Directors).

At its meeting of January 25, 2022, the Company's Board of Directors decided to create an *ad hoc* Committee to oversee a review of the recomposition of its share capital with a view to stabilising and consolidating its shareholding structure, in strict compliance with the interests of the Company, its employees and all of its shareholders.

The meetings of the specialised committees of the Board of Directors are regularly reported to the Board of Directors. The composition of these specialised committees, detailed below, complies with the recommendations of the Afep-MEDEF Code.

7.1.4.1 AUDIT COMMITTEE

(a) Composition of the Audit Committee on December 31, 2022

Under the terms of Article 2 of its internal rules, the Audit Committee is composed of at least three members, at least two thirds of whom are appointed from among the independent members of the Board of Directors on the recommendation of the Nominations and Compensation Committee. The composition of the Audit Committee may be amended by the Board of Directors and, in any event, must be modified in the event of any change in the general composition of the Board of Directors. In particular, pursuant to the applicable legal provisions, members of the Committee must have specific expertise in financial and/or accounting matters. The term of office of the members of the Audit Committee coincides with their term on the Board of Directors. It may be renewed at the same time as their term on the Board of Directors.

After careful consideration, the Chairman of the Audit Committee is appointed by the Board of Directors from among the independent members, on the recommendation of the Nominations and Compensation Committee. The Audit Committee may not include corporate officers. The Audit Committee is chaired by an independent director.

As of December 31, 2022, the Audit Committee comprised three members: Ms Orla Noonan (Chairman and independent director), Mr Dajun Yang (independent director) and Mr Xavier Véret (independent director, who was appointed to the Audit Committee by the Board of Directors on January 19, 2022, following the dismissal of Ms Xiao Su from her position as director by the General Meeting of January 14, 2022).

(b) Missions of the Audit Committee

Under the terms of Article 1 of the internal rules of the Audit Committee, the Committee is tasked with following up on matters relating to the preparation and audit of accounting and financial information, to ensure the effectiveness of the risk monitoring and operational internal control process, and assist the Board of Directors in its mission of control and verification in this area.

In this context, the Audit Committee performs the following primary duties:

- monitor the process for preparing financial information;
- monitor the effectiveness of the systems for internal control, internal audit and risk management relating to financial and accounting information;
- monitor the legal audit of the individual and consolidated financial statements by the Company's Statutory Auditors;
- review regulated agreements; and
- monitor the independence of the Statutory Auditors.

As required by its internal rules, the Audit Committee reports regularly to the Board of Directors on the performance of its missions and informs the Board promptly of any difficulties encountered.

(c) Meetings and work of the Audit Committee during the financial year ended December 31, 2022

As required by its internal rules, the Audit Committee meets at least twice a year when the annual and half-year financial statements are prepared.

The Audit Committee met three times in 2022.

The attendance rate at these meetings for all directors was 89%.

The following table presents each director's attendance rate at Audit Committee meetings:

Director	Presence at meetings	Total number of meetings	Individual attendance rate
Orla Noonan	3	3	100%
Dajun Yang	2	3	67%
Xavier Véret	3	3	100%
Xiao Su	-	-	-

On **March 7**, 2022, the Audit Committee was held, attended by three members. The Committee examined the following points in particular:

- presentation of the financial statements for the 2021 financial year;
- Statutory Auditors' report on the financial statements for the 2021 financial year;
- presentation of the Group's risk matrix;
- presentation of the results of the internal control assessment campaign (ICE);
- presentation of the 2022 audit and internal control plan.

On **July 29**, 2022, the Audit Committee held a meeting attended by three members. The Committee examined the following points in particular:

- presentation of 2022 first half results;
- Statutory Auditors' report on the financial statements for the first half of 2022.
- presentation of the progress of the 2022 audit and internal control plan;
- presentation of the Group's corruption risk mapping.

On **December 5**, 2022, the Audit Committee held a meeting attended by two members. In particular, the Committee presented the 2023 audit and internal control plan.

7.1.4.2 NOMINATIONS AND COMPENSATION COMMITTEE

(a) Composition of the Nominations and Compensation Committee as of December 31, 2022

Under the terms of Article 2 of its internal rules, the Nominations and Compensation Committee is composed of at least three members, over half of whom are independent members of the Board. They are appointed by the Board of Directors from its members and in consideration of their independence and expertise in the selection and compensation of executive officers of listed companies. The composition of the Committee may be modified by the Board of Directors and, in any event, must be modified in the event of any change in the general composition of the Board of Directors. The term of office of the members of the Nominations and Compensation Committee coincides with their term on the Board of Directors. It may be renewed at the same time as their term on the Board of Directors.

As of December 31, 2022, the Nominations and Compensation Committee had three members and al were independent: Mr Christophe Cuvillier (Chairman and independent director), Mr Christophe Chenut (independent director, who was appointed to the Nominations and Compensation Committee by the Board of Directors on January 19, 2022, following the dismissal of Ms Chenran Qiu from her position as director by the General Meeting of January 14, 2022), and Ms Natalia Nicolaidis (independent director who was appointed to the Nominations and Compensation Committee by the Board of Directors on April 6, 2022, following the resignation of Ms Évelyne Chétrite from her position as member of the Nominations and Compensation Committee on April 6, 2022).

It should be noted that Ms Chétrite, who was a member of the Nominations and Compensation Committee until April 6, 2022, did not take part in the Committee's deliberations or vote on resolutions when she was concerned by these resolutions.

Mr Xiao Wang, who resigned as a director on March 4, 2022, is no longer a member of the Nominations and Compensation Committee as of this date.

(b) Missions of the Nominations and Compensation Committee

Under the terms of Article 1 of its internal rules, the Nominations and Compensation Committee is a specialised committee of the Board of Directors with the principal mission to assist the Board in (i) the composition of the management bodies of the Company and its Group and (ii) to determine and regularly assess all compensation and benefits packages for executive corporate officers or executives of the Group, including all deferred benefits and/or Group voluntary or compulsory severance packages. In the context of its nominations role, the Committee performs the following tasks:

- recommends nominations for members of the Board of Directors, Executive Management and Board committees; and
- conducts an annual review of the independence of members of the Board of Directors.

In the context of its role relating to compensation, it performs the following tasks:

- reviews and recommends to the Board of Directors all aspects of the components and conditions of compensation for the Group's key executives;
- reviews and recommends to the Board of Directors the method for apportioning directors' compensation; and
- consults for recommendation to the Board of Directors on all other exceptional compensation for special assignments which the Board of Directors may assign, if necessary, to certain of its members.

(c) Activities and work of the Nominations and Compensation Committee during the financial year ended December 31, 2022

Under its internal rules, the Nominations and Compensation Committee meets as often as necessary and, in any event, at least twice a year, prior to the Board of Directors' meeting to decide on the situation of the members of the Board in terms of the independence criteria adopted by the Company and, in any event, prior to any meeting of the Board of Directors to set the compensation of the executive corporate officers and on the distribution of directors' compensation.

In 2022, the Nominations and Compensation Committee held three meetings.

The attendance rate at these meetings for all directors was 100%.

The following table presents each director's attendance rate at Nominations and Compensation Committee meetings:

Director	Presence at meetings	Total number of meetings	Individual attendance rate
Christophe Cuvillier	3	3	100%
Christophe Chenut	3	3	100%
Natalia Nicolaidis	1	1	100%
Évelyne Chétrite	2	2	100%
Chenran Qiu	-	-	-
Xiao Wang	-	-	-

On **March 7**, 2022, the Nominations and Compensation Committee held a meeting attended by three members. The Committee examined the following points in particular:

- achievement of the criteria for the 2021 bonuses;
- salary increase in 2022;
- compensation of Board members;
- composition of the Board and independence of its members;
- delivery and award of free shares.

On **April 6,** 2022, the Nominations and Compensation Committee held a meeting attended by three members, which, following the resignation of Ms Évelyne Chétrite as a member of the Committee, recommended the nomination of Ms Natalia Nicolaidis to the Committee.

On **December 2,** 2022, the Nominations and Compensation Committee held a meeting attended by three members. The Committee examined the following points in particular:

- CSR targets for 2023;
- salary increase in 2023;
- delivery and award of free shares.

7.1.4.3 SUSTAINABILITY COMMITTEE

(a) Creation of the Sustainability Committee

At its meeting of March 23, 2023, the Board of Directors of the Company decided to create as from the General Meeting of June 21, 2023 a Sustainability Committee which is responsible for monitoring the consideration of social, societal and environmental responsibility issues when defining the Group's strategy and implementation.

(b) Composition of the Sustainability Committee

Pursuant to Article 2 of its internal rules, the Sustainability Committee is composed of at least four members, half of whom are independent members of the Board of Directors. One member is the Chief Executive Officer of the Company. With the exception of the latter, the members are appointed by the Board of Directors, at the proposal of the Nominations and Compensation Committee. The composition of the committee may be modified by the Board of Directors and, in any event, must be modified in the event of any change in the general composition of the Board of Directors. The term of office of the members of the Sustainability Committee coincides with their terms on the Board of Directors. It may be renewed at the same time as their term on the Board of Directors.

The Chairman of the Sustainability Committee is appointed from among the independent members of the Board of Directors.

Upon its creation at the end of the General Meeting of 21 June 2023, the Sustainability Committee is expected to have the following four members: Mr Atalay Atasu (Chairman and independent director) subject to his appointment by the General Meeting, Ms Natalia Nicolaidis (independent director), Mr Jean Loez (director representing employees) and Ms Isabelle Guichot (Chief Executive Officer of SMCP), who were appointed to the Sustainability Committee by the Board of Directors on 23 March 2023 on the proposal of the Nominations and Compensation Committee.

(c) Missions of the Sustainability Committee

Under the terms of Article 1 of its internal rules, the Sustainability Committee is responsible for the governance and monitoring of the Group's social, societal and environmental projects as preparing the Board of Directors' decisions in this area. In this context, the Sustainability Committee's duties include:

- ensuring that issues relating to social, societal and environmental responsibility (such as policies promoting diversity, respect for human rights or reducing the carbon footprint) are taken into account in the Group's strategy and in the implementation of this strategy;
- reviewing the non-financial social, societal and environmental performance statement;
- examining the opinions issued by investors, analysts, rating agencies, proxies and other third parties and, where applicable, the potential action plan drawn up by the Company to improve the social, societal and environmental points raised;
- examining and assessing the relevance of the Group's commitments and multi-year strategic goals as presented by Executive Management, in terms of social and environmental issues, with regard to the challenges specific to its business and objectives, and to monitor their implementation;
- proposing to the Nominations and Compensation Committee the sustainable development objectives to be taken into account in the short-term and long-term variable compensation of corporate officers and managers eligible for stock subscription, share purchase or performance share awards;
- examining and assessing the Group's climate strategy and its results every year and, where applicable, ensuring that its objectives or action plan are adapted to any change in this strategy; and
- ensuring that the Group's climate strategy and sustainable development action plans are properly taken into account and modelled in the Group's ambitions, particularly in its budgets and business plans.

7.1.4.4 *AD HOC* COMMITTEE

Following the default of European TopSoho S.à r.l. on its exchangeable bonds and the taking of possession by Glas SAS (London Branch), as Trustee in respect of these bonds, of a portion of the shares pledged in this respect (see paragraph 8.1.2 of this universal registration document) an *ad hoc* Committee was created by decision of the Company's Board of Directors on January 25, 2022 to lead a reflection on the recomposition of its share capital in order to stabilise and consolidate its shareholding structure, in strict compliance with the interests of the Company, its employees and all its shareholders. As of the date of this universal registration document, this Committee is made up of Ms Orla Noonan, Mr Xavier Véret and Mr Christophe Cuvillier, all independent directors within the meaning of the Afep-MEDEF Code. It is chaired by Ms Orla Noonan.

7.1.5 Declarations relating to members of the administrative and management bodies and conflicts of interest

DECLARATIONS RELATING TO ADMINISTRATIVE BODIES

Ms Évelyne Chétrite, Deputy General Manager and director, is the sister of Ms Judith Milgrom, also Deputy General Manager and director; Ms Évelyne Chétrite is also the mother of Mr Ilan Chétrite, non-voting Board member and Deputy General Manager of the Company. Other than these circumstances, there are, as far as the Company is aware, no other family relationships between the members of the Board of Directors, the Chief Executive Officer and the Deputy General Managers.

In addition, to the Company's knowledge, over the last five years: (i) no convictions for fraud have been handed down against any member of the Board of Directors, Chief Executive Officer or Deputy General Managers; (ii) there have been no official implications of, and/or no official public sanctions handed down against, any member of the Board of Directors, Chief Executive Officer or Deputy General Managers by statutory or regulatory authorities (including designated professional bodies); and (iii) no member of the Board of Directors, Chief Executive Officer or Deputy General Managers has been prohibited by a court from acting as a member of an administrative body, a Board of Directors or a Supervisory Board of an issuer, or from involvement in the management or conduct of an issuer's business. Until October 31, 2022, Mr Dajun Yang was an independent director and member of the audit committee of Trinity Limited, a company incorporated in Bermuda listed on the Hong Kong Stock Exchange, which went into liquidation in 2021 and whose share trading was suspended on April 1, 2021 and then cancelled by the Hong Kong Stock Exchange on October 31, 2022. With this exception, none of the members of the Board of Directors, the Chief Executive Officer and the Deputy General Managers has been associated with a bankruptcy, receivership or liquidation or placing of companies under receivership.

CONFLICTS OF INTEREST

To the Company's knowledge, on the date of registration of this universal registration document, there are no potential conflicts of interest between the corporate obligations of the members of the Company's Board of Directors, Chief Executive Officer and Deputy General Managers, and their private interests and/or other duties.

INFORMATION ON AGREEMENTS OR ARRANGEMENTS BETWEEN THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OR ANY OF ITS SUBSIDIARIES

To the best of the Company's knowledge, as of the date of this universal registration document, there is no such arrangement or agreement entered into with the main shareholders or with customers, suppliers or others, under which one of the members of the Board of Directors, the Chief Executive Officer or one of the Deputy General Managers has been selected as a member of an administrative, management or supervisory body or as a member of Executive Management.

SHARES HELD BY DIRECTORS

Under the terms of Article 16 of the Articles of Association, each member of the Board of Directors (with the exception of directors representing employees) must own at least 100 shares in the Company throughout their term of office and, in any event, within six months of their appointment at the latest. Share loans by the Company to the members of the Board of Directors are not permitted in order to meet this obligation. At the time of taking up their duties, members of the Board of Directors must register the securities they hold. The same applies to any securities subsequently acquired.

Details of the number of shares held by the directors are given in paragraph 8.1.7 of the universal registration document.

7.2 Compensation and benefits

7.2.1 Corporate officer compensation policy for 2023

The following items below make up the compensation policy of the Company's corporate officers for 2023. They describe the components of fixed and variable compensation and explain the decision-making process used to calculate, revise, and implement it.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the compensation policy presented below is subject to the approval of the Combined General Meeting which will be convened for June 21, 2023.

It is recalled that the last annual approval of the compensation policy for the Company's executive corporate officers took place at the Shareholders' Combined General Meeting on June 9, 2022.

7.2.1.1 BASIC PRINCIPLES

Principles and decision-making processes followed to determine, revise, and implement the Group's compensation policy

The Group's compensation policy, in accordance with the corporate interest of the Company and market practices, aims to guarantee fair and competitive compensation levels while ensuring that strong ties are kept with the Company's performance and maintaining a balance between short-term and medium/long-term performance, to support the Group's commercial strategy and permanence.

The Group's policy for compensation of the Company's executive corporate officers, *i.e.* at the date of this universal registration document, for Mr Christophe Cuvillier as Chairman of the Board of Directors, Ms Isabelle Guichot, as Chief Executive Officer, Ms Évelyne Chétrite and Ms Judith Milgrom, as well as Mr Ilan Chétrite, as Deputy General Managers, is approved by the Board of Directors after review and an opinion from the Nominations and Compensation Committee. The Board of Directors applies the recommendations of the Afep-MEDEF Code, amended in December 2022, relating to the compensation of executive corporate officers of listed companies.

In this context, the Board of Directors defines the principles for determining the compensation of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy General Managers and the directors of the Company, by ensuring respect for the following principles in particular:

- principle of balance and measurement: the Board ensures that each component of the compensation of the Chairman of the Board of Directors, the Chief Executive Officer, and the Deputy General Managers is clearly explained and that none of these components is disproportionate;
- principle of competitiveness: the Board ensures that the compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy General Managers is competitive, primarily through sector compensation surveys;
- principle of alignment of interests: the compensation policy is both a management tool designed to attract, motivate and retain the talent necessary to the enterprise, but is also a response to the expectations of the shareholders and other stakeholders of the enterprise, particularly in terms of the relation to performance;
- principle of performance: the compensation of the Chief Executive Officer and the Deputy General Managers is closely tied to the Group's performance, primarily using a variable compensation measured every year. The payment of this variable portion depends on the achievement of one or more stringent, clear, straightforward and measurable targets, which are closely tied to the targets of the Group and regularly communicated to the shareholders. It is specified that these variable annual elements result in no minimum guaranteed payment. They are based, subject to the approval of the compensation policy by the Shareholders' General Meeting which will be convened for June 21, 2023, on one or more operational performance criteria. These operational criteria consist of (i) the Group's target EBIT for the Chief Executive Officer (taking into account the performance of each of the Group's brands); and (ii) the target EBIT of the Group and of one of the Group's brands for the Deputy General Managers[1]. Alongside the operational performance criteria are the CSR targets attached to the Group's CSR strategy aimed, firstly, at increasing the proportion of traceability of our increasingly responsible products in the collections, secondly, at reducing the Group's carbon footprint in order to limit its environmental impact, and, lastly, at developing the Group's talent, and promoting inclusion, diversity and a qualitative working environment, with varied development programmes and career opportunities, supported by a dynamic internal mobility policy.

The Board of Directors, on the recommendation of the Nominations and Compensation Committee, sets

- at the end of each financial year, the amount of their gross annual fixed compensation for the following financial year, as well as, where applicable, the ceiling of their annual variable compensation for the following financial year and the performance criteria to be used as the basis for these calculations,
- at the beginning of each financial year, the amount of their annual variable compensation due in respect of the previous financial year depending on whether the relevant targets have been achieved.

(1) Until 2020, the operational performance criteria were set on EBITDA. As part of the application of IFRS 16, the cancellation of rents in EBITDA weakened the economic relevance of this indicator. EBIT has therefore become a more appropriate indicator, since it includes the recognition of amortisation of rights-of-use assets as a counterparty.

In addition, in order to associate the Chief Executive Officer and the Deputy General Managers with the long-term performance, a portion of their compensation consists of free performance shares. This component of compensation is directly related to the Group's performance, since the number of shares vested at the end of the three-year vesting period is a function of the Group's performance on its internal EBIT (30%) or Group revenue targets (20%), on its TSR target (Total Shareholders' Return) (30%) and its CSR targets (20%). These CSR targets, the quantitative or qualitative elements of which are set each year by the Board of Directors, are based on the three strategic areas of SMCProduct, SMCPlanet and SMCPeople detailed in paragraph 6.1.2 of this universal registration document, which guide the Group in building its CSR strategy.

Lastly, as part of *say on pay*, the Company's corporate officer compensation policy, as well as the components of compensation and benefits granted to corporate officers in the past financial year, described here in Chapter 7, are submitted every year to the Company's General Meeting for approval, as required by the provisions of Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code.

As indicated above, Article L. 22-10-34 I. of the French Commercial Code provides for a shareholder vote on the information mentioned in I. of Article L. 22-10-9 of the French Commercial Code relating to all compensation paid or allocated during the previous financial year to corporate officers in respect of their term of office. If this resolution is rejected by the General Meeting, the Board of Directors submits a revised compensation policy, taking into account the shareholders' vote, for approval at the next General Meeting. The payment of the sum allocated to the directors and corporate officers for the current financial year is suspended until the approval of the policy. If the General Meeting does not approve the draft resolution presenting the revised compensation policy, the suspended amount cannot be paid, and the same effects as those associated with the non-approval of the draft resolution mentioned above apply.

Accordingly, the information mentioned in this Section 7.2 will be submitted to the shareholders' vote in accordance with Article L. 22–10–34 I of the French Commercial Code for approval of the information mentioned in Section I of Article L. 22-10-9 of the French Commercial Code *("*global *ex post* say on pay*")*. For the executive corporate officers, the information concerning them will also be submitted to the shareholders' vote in accordance with Article L. 22–10–34 II of the French Commercial Code *("*individual *ex post* say on pay").

The Board of Directors may, after consulting the Nominations and Compensation Committee, temporarily depart from the compensation policy for the Chief Executive Officer and/or the Deputy General Managers of the Company in the event of exceptional circumstances beyond the control of General Management described below having a significant impact on the achievement of one or more performance criteria and insofar as the changes made are in line with the Company's interest. The Board of Directors, in such an exceptional context, may use its discretion to depart from the principles governing annual variable compensation as well as the elements of long-term variable compensation (in particular free share awards). These exemptions may consist of a change in the compensation concerned. The events in question include in particular a significant change in the Group's scope or a major economic or health crisis impacting the Group's business sector (with, for example, the closure of the physical points of sale in the countries in which the Group operates, as was the case during the Covid-19 crisis). The exemption option granted to the Board of Directors will enable it to ensure that the implementation of the compensation policy for the Chief Executive Officer and/or Deputy General Managers of the Company is in line with their performance. The Board will justify the use of this exemption, which will be communicated to the shareholders and submitted to their binding vote at the Company's next Annual General Meeting.

In accordance with the terms of the plans regulations, the SMCP Board of Directors may adjust the performances conditions in exceptional circumstances justifying such a modification, including in the event of economic crises or geopolitical events which have a significant impact on the Group's sector of activity, or any other circumstances justifying such an adjustment, in order to neutralise, as far as is possible, the consequences of these modifications on the target set during the initial allocation (mainly due to the Covid-19 pandemic on the 2020 financial statements).

For the financial year ended December 31, 2023, the Board of Directors, at its meeting of March 23, 2023, on the proposal of the Nominations and Compensation Committee dated 21 March 2023, decided not to modify the fixed and variable compensation of the Chief Executive Officer and Deputy General Managers of the Company, with the exception of the proposal to allocate to Ms Isabelle Guichot, Chief Executive Officer, exceptional compensation subject to certain conditions described below.

Significant changes to the compensation policy

The Board of Directors submits to the General Meeting of June 21, 2023 changes to the current compensation policy for corporate officers in order, firstly, to address recent exchanges with investors in terms of the implementation of best practices in terms of compensation (extension to three years of the vesting period for performance share plans, overhaul of performance criteria) and, secondly, to ensure the motivation of corporate officers in the specific context of the current restructuring of the Company's share capital.

The proposed changes are as follows:

- The long-term variable compensation of the Chief Executive Officer and Deputy General Managers provides for changes in the employment and performance conditions and in the vesting period for free performance shares. The vesting of free performance shares is now carried out over a single period of three years (instead of two and three years in two halves as previously). The same will be applied to the employment condition. Performance criteria are now set based on the achievement of internal financial targets (linked to Group EBIT and Group revenue), an external TSR target (Total Shareholders' Return) and internal and external CSR targets. External targets now represent 40% of targets, compared to 20% previously. These changes were already implemented during the awards made by the Board of Directors on December 7, 2022, and will continue to apply to future awards after the General Meeting of June 21, 2023.

- a clawback clause has also been introduced in the free performance share plans in order to align the Group's policies with best corporate governance practices. The Board of Directors, for performance share plans awarded from 2023, reserves the right to make the definitive award of all or part of the performance shares not yet vested subject to the absence of gross negligence or fraud having a significant negative impact on the Group and giving rise, in particular, to a financial restatement.
- the variable compensation, which until now made it possible to generate outperformance only on the financial portion, may, from the year 2023 onwards, generate outperformance on the CSR portion. The maximum possible variable compensation remains the same as in previous years.
- on March 23, 2023, the Board of Directors approved the increase in the severance package in the event of the departure of Ms Isabelle Guichot from 100% to 150% of the sum of the gross annual fixed compensation over the 12 months preceding the end of her corporate term of office and the variable compensation paid in respect of the financial year preceding the end of her corporate term of office.
- exceptional compensation for Ms Isabelle Guichot in the amount of 75% of her fixed compensation (*i.e.* €600,000), the payment of which is conditional upon the effective transfer, within 24 months of the Board of Directors' decision of March 23, 2023, of all SMCP shares pledged under the exchangeable bond, to the buyer or potential buyers (see paragraph 8.1.2 of this universal registration document), as well as to the presence of Ms Isabelle Guichot within the Company three months after the date of this transaction, which would also be subject to the following payment conditions:
  - an automatic payment of 66% (*i.e.* €400,000);
  - a payment at the discretion of the Board of Directors of up to 33% (*i.e.* a maximum of €200,000), depending on certain criteria (see paragraph 7.2.1.2(d) below).

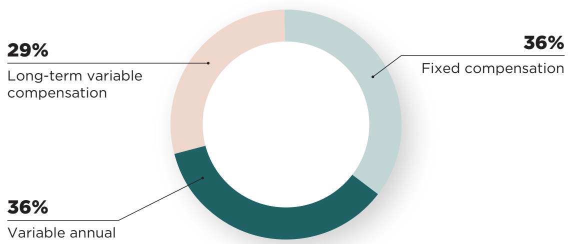
As a reminder, the Board of Directors proposed the following changes to its compensation policy before the General Meeting of June 9, 2022:

- the percentage of share capital allocated to awards of new or existing free shares, in favour of employees and executive corporate officers of the Company and companies related to it had been reduced to 2% (compared to 3% previously);
- the value of the performance shares granted to the Chief Executive Officer and the Deputy General Managers will be between 80% and 100% of their fixed compensation, and will be capped at 150% of this fixed compensation. Their allocation will be limited to a maximum of 40% of the total allocation of the free share plan (compared to 50% previously).

7.2.1.2 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Components of executive corporate officers' compensation

The compensation structure for executive corporate officers for the 2023 financial year should be composed of the following three aggregates: fixed compensation, annual variable compensation and long-term variable compensation. The relative share of each should be as follows for the Chief Executive Officer and the Deputy General Managers for 2023:



(a) Fixed compensation

The Board of Directors, on the recommendation of the Nominations and Compensation Committee, determines the fixed annual compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy General Managers with respect in particular to a detailed study of the fixed and variable compensations of the executives of comparable companies performed by the Company.

Mr Christophe Cuvillier (independent director), Chairman of the Board of Directors, receives gross annual fixed compensation of €150,000 in respect of this office, in accordance with the Board of Directors' decision of March 23, 2023.

The gross annual fixed portion of the compensation of the Chief Executive Officer and of the Deputy General Managers for 2023 remains unchanged in relation to the compensation adopted by the Board meeting of 2021:

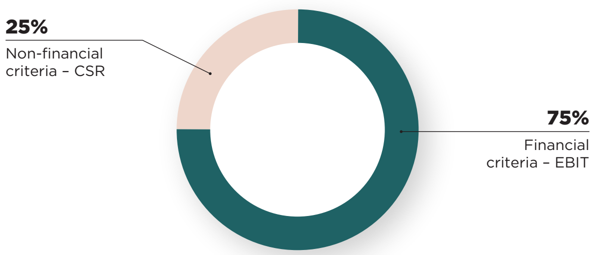
- €800,000 for Ms Isabelle Guichot as Chief Executive Officer of SMCP SA;
- €995,000 for Ms Évelyne Chétrite, in respect of her corporate offices (i) as Deputy General Manager of SMCP SA and (ii) of Évelyne Chétrite SASU as Chairman of Sandro Andy SAS;
- €995,000 for Ms Judith Milgrom in respect of her corporate offices (i) as Deputy General Manager of SMCP SA and (ii) Judith Milgrom SASU as Chairman of Maje SAS;
- €650,000 for Mr Ilan Chétrite, (i) as the Deputy General Manager of SMCP SA and (ii) as the Chief Executive Officer of Sandro Andy SAS.

(b) Short-term variable compensation

The Chairman of the Board of Directors does not receive any variable compensation in respect of his office.

The Board of Directors, on the recommendation of the Nominations and Compensation Committee, uses quantitative criterion or criteria to determine the annual variable compensation of the Chief Executive Officer and of the Deputy General Managers. For the 2023 financial year, the Board of Directors, through a decision of December 7, 2022, at the proposal of the Nominations and Compensation Committee, decided to submit to the approval of the General Meeting which will be convened for June 21, 2023, the criteria for determining and awarding the variable compensation under the financial year ended December 31, 2023 as follows:

Breakdown of the criteria for the annual variable compensation of the Chief Executive Officer and Deputy General Managers



Non-financial criteria defined by the Board of Directors on December 7, 2022:		25%
Product	40% of the product SKUs (Sandro, Maje and Claudie Pierlot ready-to-wear and accessories) have a traceability QR code	6.25%
Planet	2023 CDP (Carbon Disclosure Project) ranking in minimum category B	12.5%
People	2023 creation and deployment of a Diversity & Inclusion course on the MyLearning platform.	6.25%

Achievement of these performance conditions will be reviewed and noted at the end of the financial year ended December 31, 2023 and paid, if applicable, after the General Meeting has voted on the payment of this compensation. If the performance conditions are not met, this variable compensation is not paid; in the event of partial achievement, it is paid in proportion to its achievement. In the case of outperformance there may be an increase of the target amount.

MECHANISMS FOR TRIGGERING ANNUAL VARIABLE COMPENSATION CRITERIA

Chief Executive Officer	Level of achievement of objectives	% of payment
Financial objective (75%)		
EBIT	80%	0%
	90%	30%
	100%	100%
	112.5%*	maximum detailed below

Deputy General Managers	Level of achievement of objectives	% of payment
Financial objective (75%)		
EBIT	80%	0%
	90%	30%
	100%	100%
	125%*	maximum detailed below

* It is specified that the payment of outperformance is conditional upon the achievement of EBIT N-1.

	Level of achievement of objectives	% of payment
Non-financial objectives (25%)		
Product 25%	90%	80%
	100%	100%
	110%	120%
Planet 50%	Category B	100%
	Category A	120%
People 25%	100%	100%

Ms Isabelle Guichot, Chief Executive Officer:

- Ms Isabelle Guichot will receive annual variable compensation of which 75% is subject to a performance condition assessed at the rate of the achievement of Group EBIT set by the Board of Directors on March 23, 2023, and up to 25% subject to the achievement of CSR targets defined by the Board of Directors on December 7, 2022. The total variable compensation paid will be €800,000 if the targets are achieved. In the event of outperformance, this variable compensation may reach a maximum amount of €1,200,000 gross (*i.e.* 150% of her target annual variable compensation). The variable compensation of Ms Guichot is also subject to an employment condition at December 31 of each year.

Ms Évelyne Chétrite, Deputy General Manager:

- Ms Évelyne Chétrite will receive variable compensation paid for the corporate offices of Ms Évelyne Chétrite as Deputy General Manager of SMCP SA and for Évelyne Chétrite SASU as Chairman of the company Sandro Andy SAS, subject to performance conditions. The variable compensation paid for corporate offices amounts to a maximum of €995,000, if the targets are achieved. In view of the role played by Ms Évelyne Chétrite both in the management of the Sandro brand and as Deputy General Manager of the Group, the targets are up to 25% linked to the achievement of the Sandro brand EBIT, up to 50% to the achievement of the Group's EBIT set by the Board of Directors on March 23, 2023, and up to 25% to the achievement of the CSR targets set by the Board of Directors on December 7, 2022. In the event of outperformance, this variable compensation may reach a maximum amount of €1,990,000 gross (*i.e.* 200% of her target annual variable compensation).

Ms Judith Milgrom, Deputy General Manager:

- Ms Judith Milgrom will receive variable compensation paid for the corporate offices of Ms Judith Milgrom as Deputy General Manager of SMCP SA and Judith Milgrom SASU as Chairman of the company Maje SAS, subject to performance conditions. The variable compensation paid for corporate offices amounts to a maximum of €995,000, if the targets are achieved. In view of the role played by Ms Judith Milgrom both in the management of the Maje brand and as Deputy General Manager of the Group, the financial targets are up to 25% linked to the achievement of the EBIT of the Maje brand, up to 50% to achievement of the Group's EBIT set by the Board of Directors on March 23, 2023 and up to 25% to the meeting of CSR targets set by the Board of Directors on December 7, 2022. In the event of outperformance, this variable compensation may reach a maximum amount of €1,990,000 gross (*i.e.* 200% of her target annual variable compensation).

Mr Ilan Chétrite:

- Mr Ilan Chétrite's annual variable compensation includes compensation paid for his corporate office as Deputy General Manager of SMCP SA and as Chief Executive Officer of Sandro Andy SAS, subject to performance conditions. Mr Ilan Chétrite's annual variable compensation amounts to €650,000, if the targets are achieved. The targets are linked up to 25% to the achievement of the EBIT of the Sandro Men brand, up to 50% to the achievement of the Group's EBIT set by the Board of Directors on March 23, 2023 and up to 25% to a condition for achieving the CSR targets set by the Board of Directors on December 7, 2022. In the event of outperformance, this variable compensation may reach a maximum amount of €1,300,000 gross (*i.e.* 200% of his target annual variable compensation).

(c) Long-term variable compensation

Since its IPO on the Euronext Paris market in October 2017, the Group implements a compensation policy aimed at retaining and motivating the Group's talents and associating executives and employees in its performances, particularly through the free allocation of shares linked to the Group's long-term strategy. The Group awards free performance shares to executive corporate officers and to executives, and to senior executives, expatriates and employees to reward their performance and commitment.

The Chairman of the Board of Directors does not receive any free performance shares.

With regard to the Chief Executive Officer and the Deputy General Managers, in accordance with Article L. 225-197-1 of the French Commercial Code, the Board of Directors decided that 25% of the ordinary shares from which they could benefit in the event of the fulfilment of the conditions provided for in the various free share plans must be held in registered form until the termination of their positions as Chief Executive Officer or Deputy General Managers within the Company.

The number of free shares awarded to each executive corporate officer is detailed in paragraph 8.1.7 of this universal registration document.

For the Deputy General Managers, the plans regulations for the allocation of free performance shares implemented as from the General Meeting of June 17, 2021 (*i.e.* as of the date of this universal registration document, Plan no. 5 set up by the Board of Directors on December 14, 2021 and Plan no. 6 set up by the Board of Directors on December 7, 2022) provide, in the event of a forced or voluntary departure following a change in control, for maintaining all their rights to the allocation of free performance shares, by deeming that all the allocation conditions (including any presence and/or performance conditions) have been met at the end of the applicable vesting period.

At its meeting on December 7, 2022, the Board of Directors, on the basis of the authority granted by the General Meeting on June 17, 2021, established a free performance share award plan (LTIP) for executive corporate officers and salaried employees of the Company and its subsidiaries. In this context, the Company decided on the award on January 1, 2023 of 455,600 free performance shares to certain executive corporate officers.

Vesting and delivery period

Free performance shares awarded under the 2023 plan will vest and be delivered on March 31, 2026.

Employment and performance conditions

In order to be able to acquire the free performance shares award, beneficiaries must fulfil an employment condition of three years from the date of the award. The vesting of these shares is subject to performance conditions which combine internal financial components, an external stock market-related component and a CSR component (internal & external) as shown below

			Trigger thresholds						
Criteria		**Weighting**	**Minimum**	**Payment**	**Target**	**Payment**	**Maximum**	**Payment**	**Performance assessment condition**
EBIT	Internal	30%	Prev. yr	50%	100%	100%	110%	140%	Achievement of budget and previous year
Revenue	Internal	20%	Prev. yr	50%	100%	100%	110%	140%	Achievement of budget and previous year
TSR	External	30%	90%	0%	100%	100%	120%	140%	Change in the SMCP TSR for the Reference Period compared to the median TSR of the companies included in the CAC Mid and Small index
CSR	Internal/ External	5%	90%	80%	100%	100%	110%	120%	40% of product SKUs (Sandro, Maje and Claudie Pierlot ready-to-wear & Accessories) have a traceability QR code
		10%	< Cat B	0%	Cat B	100%	Cat A	120%	2023 CDP (Carbon Disclosure Project) ranked at a minimum category B
		5%	<100%	0%	100%	100%	100%	100%	2023 creation and deployment of a ready-to-wear Diversity & Inclusion course on MyLearning

DESCRIPTION OF THE JANUARY 2020 FREE PERFORMANCE SHARE AWARD PLAN (PLAN NO. 3) SET UP BY THE BOARD OF DIRECTORS ON DECEMBER 5, 2019

At its meeting on December 5, 2019, the Board of Directors, on the basis of the authority granted by the General Meeting on June 7, 2019 (Plan no. 3), established a free performance share award plan (LTIP) for executive corporate officers and salaried employees of the Company and its subsidiaries.

In this context, the Company decided to award 870,460 free performance shares to certain executive corporate officers and employees of the Group. Vesting of shares is subject to conditions of employment (for the entire duration of the period in question indicated below) and conditions of internal performance (70%) (achievement of a level of EBITDA) and external performance (20%) (dependent on a TSR target compared to the median TSR of the companies included in the CAC Mid and Small index) as well as CSR targets (10%).

The free performance shares will be fully vested for beneficiaries (subject to meeting the employment and performance conditions) by half, at the end of two vesting periods of two and three years that begin on the award date, therefore:

- half of the awarded shares were fully vested and delivered to beneficiaries on March 31, 2022; and
- half of the awarded shares were fully vested and delivered to beneficiaries on March 31, 2023.

Under the January 2020 Plan, 110,773 shares were awarded to Ms Évelyne Chétrite, 110,773 to Ms Judith Milgrom, and 69,962 to Mr Ilan Chétrite, Deputy General Managers.

DESCRIPTION OF THE JANUARY 2021 (PLAN NO. 4) AND JANUARY 2022 (PLAN NO. 5) FREE PERFORMANCE SHARE AWARD PLANS

The vesting of these shares is 70% subject to employment conditions (throughout the relevant period indicated below) and internal performance conditions (the achievement of an EBIT level), 20% subject to external performance conditions (dependent on a TSR target compared to the median TSR of companies in the CAC Mid and Small index) as well as 10% subject to CSR targets.

The free performance shares will be fully vested for beneficiaries (subject to meeting the employment and performance conditions) by half, at the end of two vesting periods of two and three years that begin on the award date, therefore:

- half of the free shares awarded shall be fully vested and delivered to beneficiaries on March 31, two years later, subject to meeting employment and performance conditions; and
- half of the free shares awarded shall be fully vested and delivered to beneficiaries on March 31, three years later, subject to meeting employment and performance conditions

January 2021 Plan (Plan No. 4) set up by the Board of Directors on December 17, 2020

On December 17, 2020, the Board of Directors, on the basis of the authorisation granted by the General Meeting of June 4, 2020 (Plan No. 4), decided to award 1,437,694 free performance shares to certain executive corporate officers and employees of the Group.

Under the January 2021 Plan, 180,806 free performance shares were awarded to Ms Évelyne Chétrite, 180,806 to Ms Judith Milgrom, and 118,115 to Mr Ilan Chétrite, Deputy General Managers.

January 2022 Plan (Plan no. 5) set up by the Board of Directors on December 14, 2021

On December 14, 2021, the Board of Directors, on the basis of the authorisation granted by the General Meeting of June 17, 2021 (Plan no. 5), decided to award 663,900 free performance shares to certain executive corporate officers and employees of the Group.

Under the First January 2022 Plan, 98,100 free performance shares were awarded to Ms Isabelle Guichot, Chief Executive Officer.

On December 14, 2021, the Board of Directors, on the basis of the authorisation granted by the General Meeting of June 17, 2021 (Plan No. 7), decided to award 323,700 free performance shares to certain executive corporate officers.

Under the Second January 2022 Plan, 122,000 free performance shares were awarded to Ms Évelyne Chétrite, 122,000 to Ms Judith Milgrom, and 79,700 to Mr Ilan Chétrite, Deputy General Managers. Ilan Chétrite, Deputy General Managers.

DESCRIPTION OF THE JANUARY 2023 FREE PERFORMANCE SHARE AWARD PLAN (PLAN NO. 6) SET UP BY THE BOARD OF DIRECTORS ON DECEMBER 7, 2022

On December 7, 2022, the Board of Directors, on the basis of the authorisation granted by the General Meeting of June 17, 2021, decided to award 455,600 free performance shares to certain executive corporate officers.

Under the First January 2023 Plan (Plan no. 6), 131,780 free performance shares were awarded to Ms Évelyne Chétrite, 131,780 to Ms Judith Milgrom, and 86,090 to Mr Ilan Chétrite, Deputy General Managers. Under the Second January 2023 Plan (Plan no. 6), 105,950 free performance shares were awarded to Ms Isabelle Guichot, Chief Executive Officer.

For plan no. 6, a clawback clause was introduced to align the Group's policies with best corporate governance practice. The Board of Directors reserves the right to make the final award of all or part of the free shares not yet vested subject to the absence of gross negligence or fraud having a significant negative impact on the Group and giving rise, in particular, to a financial restatement.

(d) Exceptional compensation

On March 23, 2023, the Board of Directors of the Company, on the recommendation of the Nominations and Compensation Committee, decided to award exceptional compensation to Ms Isabelle Guichot, Chief Executive Officer, linked to the completion of the disposal project by GLAS of 37% of the Company's share capital, given the strong involvement and contribution expected from Ms. Guichot in the execution of this project.

The characteristics and conditions of this exceptional compensation are as follows:

- Exceptional compensation for a maximum amount of €600,000 (*i.e.* 75% of fixed compensation);
- Payment of the exceptional compensation conditional upon (i) the effective transfer, within 24 months from March 23, 2023, of GLAS' 37% stake to the buyer or potential buyers and (ii) the presence of Ms Guichot within the Company three months after the completion of the transaction.

- The exceptional compensation will consist, subject to the fulfilment of the aforementioned conditions, of (i) the automatic payment of a fixed amount of €400,000 and (ii) the payment of a variable amount at the Board of Directors' discretion of a maximum of €200,000, depending on several criteria including the fluidity of project execution, quality of communication and reporting on the progress of the project with the Board of Directors and the *ad hoc* Committee and taking into account the interests of the various stakeholders.

In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the principle and terms of payment of this exceptional compensation will be subject to the approval of the Company's Shareholders' General Meeting to be held on June 21, 2023 (so-called *ex-ante* "say on pay"), under the fourteenth resolution. In addition, in accordance with the provisions of Article L. 22-10-34 of the French Commercial Code, this exceptional compensation may only be paid (in full or in part, where applicable) in 2024 after approval by the Company's Shareholders' General Meeting called in 2024 to approve the financial statements for the year ended December 31, 2023 (so-called *ex-post "say on pay"*).

(e) Benefits in kind

Ms Isabelle Guichot benefits from a company car. Ms Isabelle Guichot also benefits from unemployment insurance for executive corporate officers ("GSC").

Ms Évelyne Chétrite benefits from a company car.

Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite can also be covered by the executive corporate officers' unemployment insurance plan ("GSC"), that they did not use in the 2022 financial year, and which they waived for the 2023 financial year.

(f) Pension scheme

Executive corporate officers are not covered by a supplementary pension scheme.

(g) Severance package and non-compete indemnity

INDEMNITY UNDER A NON-COMPETE CLAUSE

Ms Isabelle Guichot is also bound by a non-compete commitment for a period of one year and in return would receive a gross monthly fixed payment equal to 70% of her monthly compensation calculated on the average of her gross compensation (fixed and variable) received during the 12 months prior to her departure date and for the effective duration of the non-compete commitment. In the event of the application of both the severance package described below and non-compete indemnity the total of these two payments must not exceed two years of compensation (fixed and theoretical variable received during the last 12 months prior to the date of departure).

Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite are bound to the companies of the Group by a non-compete commitment for a period of one year from the date of termination of their management duties within the Company. This commitment will be compensated at 70% of their gross fixed and variable, direct and indirect, compensation paid during the 12 months preceding the end date of the positions in question. In the event of the application of both the severance package described below and the non-compete indemnity, the total of these two items must not exceed two years of compensation (fixed and theoretical variable received during the last 12 months prior to the date of departure).

SEVERANCE PACKAGE

Ms Isabelle Guichot benefits from a severance package for a gross amount equal to a maximum 150% of the sum of the gross annual fixed compensation over the last 12 months preceding the end of her appointment and the variable compensation paid for the financial year preceding the end of her appointment. It would be due in the event of revocation of her office as Chief Executive Officer, except in the event of dismissal for gross negligence or in the event of resignation from this office for a reason other than in the event of forced departure.

Payment of this severance package would be subject to a target EBIT over the last 12 months measured against the EBIT achieved for the previous 12 months.

Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite benefit from a severance package for a gross amount equal to 200% of the sum of the gross fixed annual compensation over the last 12 months preceding the end of their term of office, and the variable compensation paid for the financial year preceding the end of their appointment. It would be due in the event of revocation of their office as Deputy General Managers and/or any of their duties performed individually or through any entity that they may control (this currently includes Évelyne Chétrite SASU and Judith Milgrom SASU), within the SMCP Group, in the context of a corporate office, except in the event of dismissal for gross negligence or in the event of resignation from this office for a reason other than in the event of a forced departure. Payment of this severance package would be subject to a target EBIT over the last 12 months measured against the EBIT achieved for the previous 12 months.

(h) Shares held by executive corporate officers

Shares held by executive corporate officers are detailed in paragraphs 8.1.1. and 8.1.7 of the universal registration document.

TABLE SUMMARISING THE FIXED AND VARIABLE COMPONENTS OF TOTAL COMPENSATION OF THE CHIEF EXECUTIVE OFFICER AND THE DEPUTY GENERAL MANAGERS

<table>
<tr><th>Elements of compensation</th><th>Principle</th><th></th><th>Ms Isabelle Guichot, Chief Executive Officer</th><th>Ms Évelyne Chétrite, Deputy General Manager of SMCP SA and Évelyne Chétrite SASU, Chairman of Sandro Andy SAS</th><th>Ms Judith Milgrom, Deputy General Manager of SMCP SA and Judith Milgrom SASU, Chairman of Maje SAS</th><th>Mr Ilan Chétrite, Deputy General Manager of SMCP SA and Chief Executive Officer of Sandro Andy SAS</th></tr>
<tr><td>Fixed compensation</td><td>Received in 12 monthly payments.</td><td></td><td>€800,000</td><td>€995,000</td><td>€995,000</td><td>€650,000</td></tr>
<tr><td rowspan="4">Variable compensation</td><td rowspan="4">Paid during the following year in respect of the year for which the performance was recorded. In accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, the payment of variable compensation is subject to approval by an Ordinary General Meeting of the compensation components.</td><td>Target amount</td><td>€800,000</td><td>€995,000</td><td>€995,000</td><td>€650,000</td></tr>
<tr><td>Maximum amount</td><td>€1,200,000 (150% of the target amount)</td><td>€1,900,000 (200% of the target amount)</td><td>€1,900,000 (200% of the target amount)</td><td>€1,300,000 (200% of the target amount)</td></tr>
<tr><td>Determination criteria</td><td>• 75%, on the Group's EBIT
• 25% on the defined CSR objectives
• condition of employment at 31 December 2022</td><td>• 50% on the Group's EBIT
• 25% on the EBIT of the Sandro brand
• 25% on the CSR objectives</td><td>• 50% on the Group's EBIT
• 25% on the EBIT of the Maje brand
• 25% on the CSR objectives</td><td>• 50% on the Group's EBIT
• 25% on the EBIT of the Sandro Homme brand
• 25% on the CSR objectives</td></tr>
<tr><td>Achievement of conditions</td><td colspan="4">If the performance conditions are not met, this variable compensation is not paid; in the event of partial achievement, it is paid in proportion to its achievement.</td></tr>
<tr><td rowspan="3">Long-term compensation (performance shares)</td><td rowspan="3">Award of free performance shares to retain and align the achievement of long-term objectives and value creation for the Group and its shareholders</td><td>Determination criteria</td><td colspan="4">The number of free performance shares awarded to each beneficiary at the end of a three-year vesting period varies according to the level of achievement of the financial, stock market and CSR objectives detailed in paragraph 7.2.1.2(c) above*.</td></tr>
<tr><td>Forced / voluntary departure due to a change in control</td><td>N/A</td><td colspan="3">Mechanism to accelerate the final award of said shares and maintain all rights by deeming that all award conditions (including any employment and/or performance conditions) have been met.</td></tr>
<tr><td>Clawback clause</td><td colspan="4">The Board of Directors reserves the right to make the final award of all or some of the free shares not yet vested subject to the absence of gross negligence or fraud having a significant negative impact on the Group and giving rise, in particular, to a financial restatement.</td></tr>
<tr><td>Exceptional compensation</td><td>Conditional upon the completion of the sale by GLAS of 37% of the Company's share capital within a period of 24 months from March 23, 2023 and on employment within the Company three months after the completion of the transaction</td><td></td><td>Maximum of €600,000, of which €400,000 paid automatically subject to fulfilment of the conditions and €200,000 paid at the discretion of the Board of Directors on the basis of several criteria.</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Non-compete indemnity</td><td>Compensation for the non-compete commitment over 1 year</td><td>Amount paid</td><td>70% of the average fixed and variable compensation received during the 12 months preceding the end of the term of office</td><td colspan="3">70% of gross fixed and variable, direct and indirect, compensation during the 12 months preceding the end of the term of office.</td></tr>
<tr><td rowspan="2">Severance package</td><td rowspan="2">Payment of severance pay in the event of termination of their duties</td><td>Maximum gross amount</td><td>150% the sum of the gross annual fixed compensation over the 12 months preceding the end of the corporate term of office and the variable compensation paid for the financial year preceding the end of the corporate term of office.</td><td colspan="3">200% of the sum of the gross annual fixed compensation over the 12 months preceding the end of the corporate term of office and the variable compensation paid for the financial year preceding the end of the corporate term of office.</td></tr>
<tr><td>Exclusion</td><td colspan="4">In the event of dismissal for gross misconduct or in the event of resignation from this term of office for any reason other than forced departure.</td></tr>
<tr><td colspan="3">Severance package and non-compete indemnity cap</td><td colspan="4">In the event of cumulative severance and non-compete payments, the total of these will be capped at two years.</td></tr>
<tr><td>Benefits in kind</td><td></td><td></td><td>• Company car
• Unemployment insurance for executive corporate officers ("GSC")</td><td>• Company car</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="3">Long-term compensation (stock options or share purchase options)</td><td colspan="4">NA</td></tr>
<tr><td colspan="3">Pension scheme</td><td colspan="4">NA</td></tr>
</table>

* Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite also benefit from the allocation of class G preferred shares carried out prior to the Company's IPO; these preferred shares have been convertible into ordinary Company shares since January 1, 2019 (see paragraph 7.2.1.2(c) of this universal registration document).

7

Draft resolutions drawn up by the Board of Directors pursuant to Article L. 22-10-8 of the French Commercial Code subject to a Combined General Meeting of June 21, 2023

THIRTEENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-8 II of the French Commercial Code, of the compensation policy for Christophe Cuvillier in his capacity as Chairman of the Board of Directors)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy for Mr Christophe Cuvillier, Chairman of the Board of Directors, as presented in the aforesaid report.

FOURTEENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-8 II of the French Commercial Code, of the compensation policy for Ms Isabelle Guichot in her capacity as Chief Executive Officer)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy for Ms Isabelle Guichot, Chief Executive Officer, as presented in the aforesaid report.

FIFTEENTH RESOLUTION

(Approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, of the compensation policy for Ms Évelyne Chétrite in her capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy for Ms Évelyne Chétrite, Deputy General Manager, as presented in the aforesaid report.

SIXTEENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-8 II of the French Commercial Code, of the compensation policy of Ms Judith Milgrom in her capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy of Ms Judith Milgrom, Deputy General Manager, as presented in the aforesaid report.

SEVENTEENTH RESOLUTION

(Approval, in accordance with Article L. 22-10-8 II of the French Commercial Code, of the compensation policy for Mr Ilan Chétrite in his capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy of Mr Ilan Chétrite, Deputy General Manager, as presented in the aforesaid report.

7.2.1.3 DIRECTORS' COMPENSATION

Components of directors' compensation

As recommended by the Nominations and Compensation Committee, the Board of Directors distributes the compensation set by the General Meeting to its independent members, taking into account actual attendance at Board and Committee meetings. A portion fixed by the Board and taken from this compensation is paid to the members of the committees, also taking into consideration the effective participation of those members in said committees.

In response to comments raised by the main proxy advisory agencies notably at the Annual General Meeting of June 17, 2021, and in line with the best practices followed by a certain number of listed companies, SMCP decided to modify the compensation of its independent directors for 2022 by reducing the annual fixed compensation allocated to them for the Board and the Committees and by increasing the variable compensation so that the effective participation in the Board and its committees constitutes a greater part of their compensation. SMCP directors who are not independent are not remunerated. This compensation structure remains unchanged for 2023.

The Board of Directors has set a maximum amount of €650,000 for the compensation that may be paid to independent directors for the 2023 financial year.

For their participation on the Board, an annual fixed compensation of €20,000 is allocated to each independent director as compensation for their duties. In addition to this fixed compensation, a variable amount of €4,000 is payable for each Board meeting attended by the independent director concerned.

For their participation in Board Committees:

(i) with regard to the Audit Committee, annual fixed compensation of €4,500 (increased to €7,000 for the Chairman of the Audit Committee) is awarded to each independent director as compensation for their duties. In addition to this fixed compensation, a variable amount of €2,000 (increased to €3,500 for the Chairman of the Audit Committee) is payable for each Audit Committee meeting attended by the independent director concerned.

(ii) with regard to the Nominations and Compensation Committee, annual fixed compensation of €2,000 (increased to €4,000 for the Chairman of the Nominations and Compensation Committee) is awarded to each independent director as compensation for their duties. In addition to this fixed compensation, a variable amount of €2,000 (increased to €3,500 for the Chairman of the Nominations and Compensation Committee) is payable for each Nominations and Compensation meeting attended by the independent director concerned.

(iii) with regard to the Sustainability Committee, annual fixed compensation of €2,000 (increased to €4,000 for the Chairman of the Sustainability Committee) is awarded to each independent director as compensation for their duties. In addition to this fixed compensation, a variable amount of €2,000 (increased to €3,500 for the Chairman of the Sustainability Committee) is payable for each Sustainability Committee meeting attended by the independent director concerned.

(iv) concerning the *ad hoc* Committee, a maximum total fixed compensation of €21,000 (increased to €30,000 for the Chairman of the *ad hoc* Committee), payable by thirds as and when the steps related to the recomposition of the Company's share capital in order to stabilise and consolidate its shareholding structure are completed, is allocated to each independent director as compensation for their duties.

7.2.2 Compensation of corporate officers in 2022

In accordance with Article L. 22-10-34, II of the French Commercial Code, the Annual General Meeting will vote on a draft resolution concerning the information mentioned in sub-section I of Article L. 22-10-9 of the French Commercial Code, which must be included in the corporate governance report and includes the components of compensation paid in respect of the term of office for the past financial year or awarded in respect of the term of office held for the same year, i.e. the financial year ended on December 31, 2022. These components are presented in paragraphs 7.2.2.1 and 7.2.2.2 below for executive corporate officers and directors.

Furthermore, pursuant to Articles L. 22-10-34 and L. 22-10-8 of the French Commercial Code, the Annual General Meeting decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind due or awarded for the prior financial year. These components are presented in paragraph 7.2.2.1 below for the Company's Chief Executive Officer and Deputy General Managers.

The Combined General Meeting which will be convened for June 21, 2023 will be asked to approve, under separate resolutions, the information mentioned in sub-section I of Article L. 22-10-9 of the French Commercial Code, including the components presented in paragraphs 7.2.2.1 and 7.2.2.2 below, and the components of compensation paid or awarded under the financial year ended December 31, 2022 to the Chief Executive Officer and Deputy General Managers, pursuant to the principles and criteria for compensation approved by the Shareholders' Combined General Meeting of June 9, 2022, as presented in paragraph 7.2.2.1 below.

7.2.2.1 CHIEF EXECUTIVE OFFICER AND DEPUTY GENERAL MANAGERS

Components of the compensation paid or awarded in respect of the financial year ended December 31, 2022 to Ms Isabelle Guichot, Chief Executive Officer

Fixed compensation	€800,000
Variable compensation	€302,000 [1]
Exceptional compensation	€0
Compensation as director	None.
Free shares – Preferred shares	105,950 free performance shares subject to an employment condition of three years from the grant date and to performance conditions: • Group internal financial targets (30% EBIT and 20% revenue) • external stock market target (Total Shareholders' Return 30%) • CSR targets (10% internal and 10% external).
Pension scheme	None.
Benefits in kind	€2,545 [2]

(1) The achievement of the performance conditions for annual variable compensation is detailed in the tables below.
(2) In 2022, Ms Guichot had a company car.

Components of the compensation paid or awarded in respect of the financial year ended December 31, 2022 to Ms Évelyne Chétrite, Deputy General Manager

Fixed compensation	€995,000
Variable compensation	€651,924[1]
Exceptional compensation	None.
Compensation as director	None.
Free shares – Preferred shares	131,780 free performance shares subject to an employment condition of three years from the date of award and to performance conditions: • Group internal financial targets (30% EBIT and 20% revenue) • external stock market target (Total Shareholders' Return - 30%) • CSR targets (10% internal and 10% external).
Pension scheme	None.
Benefits in kind	€ 5,290 [2]

(1) The achievement of the performance conditions for annual variable compensation is detailed in the tables below.
(2) In 2022, Ms Chétrite had a company car.

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Components of the compensation paid or awarded in respect of the financial year ended December 31, 2022 to Ms Judith Milgrom, Deputy General Manager

Fixed compensation	€995,000
Variable compensation	€348,250 [(1)]
Exceptional compensation	None.
Compensation as director	None.
Free shares – Preferred shares	131,780 free performance shares subject to an employment condition of three years from the date of award and to performance conditions: • Group internal financial targets (30% EBIT and 20% revenue) • external stock market target (Total Shareholders' Return - 30%) • CSR targets (10% internal and 10% external).
Pension scheme	None.
Benefits in kind	None.

(1) The achievement of the performance conditions for annual variable compensation is detailed in the tables below.

Components of the compensation paid or awarded in respect of the financial year ended December 31, 2022 to Mr Ilan Chétrite, Deputy General Manager

Fixed compensation	€650,000
Variable compensation	€575,250 [(1)]
Exceptional compensation	None.
Compensation as director	None.
Free shares – Preferred shares	86,090 free performance shares subject to an employment condition of three years from the date of award and to performance conditions: • Group internal financial targets (30% EBIT and 20% revenue) • external stock market target (Total Shareholders' Return - 30%) • CSR targets (10% internal and 10% external).
Pension scheme	None.
Benefits in kind	None.

(1) The achievement of the performance conditions for annual variable compensation is detailed in the tables below.

Details of the annual variable compensation awarded in respect of the 2022 financial year

LEVEL OF ACHIEVEMENT OF 2022 TARGETS BY MS ISABELLE GUICHOT, CHIEF EXECUTIVE OFFICER

	Weighting	Achieved	% of payment	Amount in euros	Description	Comments
Financial indicator	**75%**					
Group EBIT	75%	91.7%	17%	€102,000	Group EBIT set in the 2022 budget	The Group EBIT target for 2022 was achieved at 91.7% of the 2022 budget
Non-financial indicators	**25%**					
CSR - Product	10%	100%	100%	€80,000	Increase the sustainability share of ready-to-wear materials and products to 50%	The share of eco-responsible ready-to-wear materials and products is 51%
CSR - Planet	10%	100%	100%	€80,000	Implement the green store concept in 2022 for 100% of our openings and renovations	Of the 74 stores concerned, all of them fulfilled the conditions of the green store concept
CSR - People	5%	100%	100%	€40,000	90% of our employees must have completed at least one training/ awareness-raising action on Diversity and Inclusion	SMCP has set up a training module as well as awareness-raising actions on Diversity and Inclusion in the various regions, therefore able to reach all of its employees
Sub-total	**100%**		**37.8%**	**€302,000**		

LEVEL OF ACHIEVEMENT OF 2022 TARGETS BY MS ÉVELYNE CHÉTRITE, DEPUTY GENERAL MANAGER

	Weighting	Achieved	% of payment	Amount in euros	Description	Comments
Financial indicator	**75%**					
Group EBIT	50%	91.7%	17%	€84,575	Group EBIT set in the 2022 budget	The Group EBIT target for 2022 was achieved at 91.7% of the 2022 budget.
Sandro EBIT	25%	102.6%	123.4%	€318,599	Sandro EBIT set in the 2022 budget	The Sandro EBIT target for 2022 was achieved at 102.6% of the 2022 budget. The outperformance is paid on 30% of the total bonus.
Non-financial indicators	**25%**					
CSR - Product	10%	100%	100%	€99,500	Increase the sustainability share of ready-to-wear materials and products to 50%	The share of eco-responsible ready-to-wear materials and products is 51%
CSR - Planet	10%	100%	100%	€99,500	Implement the green store concept in 2022 on 100% of our openings and renovations	Of the 74 stores concerned, all of them fulfilled the conditions of the green store concept
CSR - People	5%	100%	100%	€49,750	90% of our employees must have completed at least one training/ awareness-raising action on Diversity and Inclusion	SMCP has set up a training module as well as awareness-raising actions relating to Diversity and Inclusion in the various regions, therefore able to reach all of its employees
Total	**100%**		**66%**	**€651,924**		

LEVEL OF ACHIEVEMENT OF 2022 TARGETS BY MS JUDITH MILGROM, DEPUTY GENERAL MANAGER

	Weighting	Achieved	% of payment	Amount in euros	Description	Comments
Financial indicator	**75%**					
Group EBIT	50%	91.7%	17%	€84,575	Group EBIT set in the 2022 budget	The Group EBIT target for 2022 was achieved at 91.7% of the 2022 budget.
Maje EBIT	25%	90.6%	6%	€14,925	Maje EBIT set in the 2022 budget	The Maje EBIT target for 2022 was achieved at 90.6% of the 2022 budget.
Financial indicators	**25%**					
CSR - Product	10%	100%	100%	€99,500	Increase the sustainability share of ready-to-wear materials and products to 50%	The share of eco-responsible ready-to-wear materials and products is 51%
CSR - Planet	10%	100%	100%	€99,500	Implement the green store concept in 2022 for 100% of our openings and renovations	Of the 74 stores concerned, all of them fulfilled the conditions of the green store concept
CSR - People	5%	100%	100%	€49,750	90% of our employees must have completed at least one training/awareness-raising action on Diversity and Inclusion	SMCP has set up a training module as well as awareness-raising actions on Diversity and Inclusion in the various regions, therefore able to reach all of its employees
Total	**100%**		**35%**	**€348,250**		

LEVEL OF ACHIEVEMENT OF 2022 TARGETS BY MR ILAN CHÉTRITE, DEPUTY GENERAL MANAGER

	Weighting	Achieved	% of payment	Amount in euros	Description	Comments
Financial indicator	**75%**					
Group EBIT	50%	91.7%	17%	€55,250	Group EBIT set in the 2022 budget	The Group EBIT target for 2022 was achieved at 91.7% of the 2022 budget
Sandro Men EBIT	25%	156.7%	200%	€357,500	Sandro Men EBIT set in the 2022 budget	The Sandro Men EBIT target for 2022 was achieved at 156.7% of the 2022 budget. The outperformance is paid on 30% of the total bonus,
Non-financial indicators	**25%**					
CSR - Product	10%	100%	100%	€65,000	Increase the sustainability share of ready-to-wear materials and products to 50%	The share of eco-responsible ready-to-wear materials and products is 51%
CSR - Planet	10%	100%	100%	€65,000	Implement the green store concept in 2022 for 100% of our openings and renovations	Of the 74 stores concerned, all of them fulfilled the conditions of the green store concept
CSR - People	5%	100%	100%	€32,500	90% of our employees must have completed at least one training/awareness-raising action on Diversity and Inclusion	SMCP has set up a training module as well as awareness-raising actions on Diversity and Inclusion in the various regions, therefore able to reach all of its employees
Total	**100%**		**89%**	**€575,250**		

Table 1 AMF nomenclature

Summary table of compensation and shares and options awarded to each executive corporate officer (in euros):

SUMMARY TABLE OF COMPENSATION AND SHARES AND OPTIONS AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(Amount in euros)	2021 financial year	2022 financial year
Christophe Cuvillier, Chairman of the Board of Directors		
Compensation due for the financial year *(detailed in Table 2)*	€31,529	€162,445
Valuation of multi-year variable compensation paid during the financial year	None.	€0
Valuation of the options awarded during the financial year *(detailed in Table 4)*	None.	None.
Valuation of the free shares awarded *(detailed in Table 6)*	None.	None.
TOTAL	**€31,529**	**€162,445**

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, did not receive any compensation in 2021 and 2022.

SUMMARY TABLE OF COMPENSATION AND SHARES AND OPTIONS AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(Amount in euros)	2021 financial year	2022 financial year
Isabelle Guichot, Chief Executive Officer (from August 2, 2021)		
Compensation due for the financial year *(detailed in Table 2)*	€667,417	€1,104,545
Valuation of multi-year variable compensation paid during the year	€0	€0
Valuation of the options awarded during the financial year *(detailed in Table 4)*	None.	None.
Valuation of the free shares awarded *(detailed in Table 6)*	€650,323	€594,778
TOTAL	**€1,317,739**	**€1,699,323**

SUMMARY TABLE OF COMPENSATION AND SHARES AND OPTIONS AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(Amount in euros)	2021 financial year	2022 financial year
Évelyne Chétrite, Deputy General Manager		
Compensation due for the financial year *(detailed in Table 2)*	€1,993,530	€1,652,214
Valuation of multi-year variable compensation paid during the year	€0	€0
Valuation of the options awarded during the financial year *(detailed in Table 4)*	None.	None.
Valuation of the free shares awarded *(detailed in Table 6)*	€808,760	€739,781
TOTAL	**€2,802,290**	**€2,391,995**

SUMMARY TABLE OF COMPENSATION AND SHARES AND OPTIONS AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(Amount in euros)	2021 financial year	2022 financial year
Judith Milgrom, Deputy General Manager		
Compensation due for the financial year *(detailed in Table 2)*	€1,987,518	€1,343,250
Valuation of multi-year variable compensation paid during the year	€0	0
Valuation of the options awarded during the financial year *(detailed in Table 4)*	None.	None.
Valuation of the free shares awarded *(detailed in Table 6)*	€808,760	€739,781
TOTAL	**€2,796,278**	**€2,083,031**

SUMMARY TABLE OF COMPENSATION AND SHARES AND OPTIONS AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

(Amount in euros)	2021 financial year	2022 financial year
Mr Ilan Chétrite, Deputy General Manager		
Compensation due for the financial year *(detailed in Table 2)*	€1,298,478	1,225,250
Valuation of multi-year variable compensation paid during the financial year	€0	€0
Valuation of the options awarded during the financial year *(detailed in Table 4)*	None.	None.
Valuation of the free shares awarded *(detailed in Table 6)*	€528,346	483,289
TOTAL	**€1,826,824**	**1,708,539**

Table 2 AMF nomenclature

SUMMARY TABLE OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021 financial year		2022 financial year	
(Amount in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Christophe Cuvillier, Chairman of the Board of Directors	€31,529	None.	€162,445	€31,529
Fixed compensation	None.	None.	None.	None.
Annual variable compensation	None.	None.	None.	None.
Multi-year variable compensation	None.	None.	None.	None.
Exceptional compensation	None.	None.	None.	None.
Benefits in kind	None.	None.	None.	None.
TOTAL	**€31,529**	**€0**	**€162,445**	**€31,529**

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, did not receive any compensation in 2021 and 2022.

SUMMARY TABLE OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021 financial year		2022 financial year	
(Amount in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Isabelle Guichot, Chief Executive Officer				
Fixed compensation [(1)]	€333,333	€333,333	€800,000	€800,000
Annual variable compensation [(2)]	€333,151	None.	€302,000	€333,151
Multi-year variable compensation	None.	None.	None.	None.
Exceptional compensation	None.	None.	None.	None.
Benefits in kind [(3)]	€933	€933	€2,545	€2,545
TOTAL	**€667,417**	**€334,266**	**€1,104,545**	**€1,135,696**

(1) The annual fixed compensation of Ms Isabelle Guichot was set at €800,000 for 2021 and for 2022 in respect of her office as Chief Executive Officer of SMCP SA. The compensation shown for 2021 is that received from August 2, 2021, the date of her appointment as Chief Executive Officer.

(2) The annual variable compensation of Ms Isabelle Guichot includes compensation paid for the corporate office of Ms Isabelle Guichot as Chief Executive Officer of SMCP SA, subject to performance conditions. The performance conditions for the 2021 financial year were 127.1% achieved for Group EBIT and 100% achieved for CSR targets. The Board of Directors decided to cap the variable compensation at 67% in the context of the Covid-19 pandemic. The performance conditions for the 2022 financial year were 91.7% achieved for Group EBIT and 100% achieved for CSR targets. Ms Guichot will receive 38% of the target variable compensation. The breakdown is provided under "Level of achievement of 2022 targets".

(3) This amount includes a company car.

SUMMARY TABLE OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021 financial year		2022 financial year	
(Amount in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Évelyne Chétrite, Deputy General Manager				
Fixed compensation [(1)]	€992,523	€992,523	€995,000	€995,000
Annual variable compensation [(2)]	€995,000	€599,288	€651,924	€995,000
Multi-year variable compensation	None.	None.	None.	None.
Exceptional compensation	None.	None.	None.	None.
Benefits in kind [(3)]	€6,007	€6,007	€5,290	€5,290
TOTAL	**€1,993,530**	**€1,597,818**	**€1,652,214**	**€1,995,290**

(1) The fixed compensation includes fixed compensation paid in respect of the corporate offices of (i) Ms Évelyne Chétrite as Deputy General Manager of SMCP SA and (ii) Évelyne Chétrite SASU as Chairman of Sandro Andy. The annual fixed compensation of Ms Évelyne Chétrite was set at €995,000 for 2021. In the same way as the effort made by the other members of the Executive Committee in the context of the Covid-19 pandemic, the fixed compensation of Ms Chétrite was reduced in 2021.

(2) The annual variable compensation for Ms Évelyne Chétrite includes compensation paid for the corporate offices of Ms Évelyne Chétrite as Deputy General Manager of SMCP SA and for Évelyne Chétrite SASU as Chairman of Sandro Andy, subject to performance conditions. The performance conditions for the 2021 financial year were 127.1% achieved for Group EBIT, 122.7% achieved for Sandro EBIT and 100% achieved for the CSR targets. The Board of Directors decided to cap the variable compensation at 50% in the context of the Covid-19 pandemic. The targets for the 2022 financial year were 91.7% achieved for Group EBIT, 102.6% achieved for Sandro EBIT and 100% achieved for CSR targets. Ms Chétrite will receive 66% of the target variable compensation. The breakdown is provided under "Level of achievement of 2022 targets".

(3) This amount includes a company car.

SUMMARY TABLE OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021 financial year		2022 financial year	
(Amount in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Judith Milgrom, Deputy General Manager				
Fixed compensation [(1)]	€992,518	€992,518	€995,000	€995,000
Annual variable compensation [(2)]	€995,000	€599,786	€348,250	€995,000
Multi-year variable compensation	None.	None.	None.	None.
Exceptional compensation	None.	None.	None.	None.
Benefits in kind	None.	None.	None.	None.
TOTAL	**€1,987,518**	**€1,592,304**	**€1,343,250**	**€1,990,000**

(1) The fixed compensation includes fixed compensation paid in respect of the corporate offices of (i) Ms Judith Milgrom as Deputy General Manager of SMCP SA and (ii) Judith Milgrom SASU as Chairman of Maje. The annual fixed compensation of Ms Judith Milgrom was set at €995,000 for 2021. In the same way as the effort made by the other members of the Executive Committee in the context of the Covid-19 pandemic, the fixed compensation of Ms Milgrom was reduced in 2021.

(2) The annual variable compensation for Ms Judith Milgrom includes compensation paid for the corporate offices of Ms Judith Milgrom as Deputy General Manager of SMCP SA and for Judith Milgrom SASU as Chairman of Maje, subject to performance conditions. The performance conditions for the 2021 financial year were 127.1% achieved for Group EBIT, 129.6% achieved for Maje EBIT and 100% achieved for the CSR targets. The Board of Directors decided to cap the variable compensation at 50% in the context of the Covid-19 pandemic. The targets for the 2022 financial year were 91.7% achieved for Group EBIT, 90.6% achieved for Maje EBIT and 100% achieved for CSR targets. Ms Milgrom will receive 35% of the target variable compensation. The breakdown is provided under "Level of achievement of 2022 targets".

SUMMARY TABLE OF COMPENSATION PAID TO EACH EXECUTIVE CORPORATE OFFICER

	2021 financial year		2022 financial year	
(Amount in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Ilan Chétrite, Deputy General Manager				
Fixed compensation [1]	€648,478	€648,478	€650,000	€650,000
Annual variable compensation [2]	€650,000	€395,460	€575,250	€650,000
Multi-year variable compensation	None.	None.	None.	None.
Exceptional compensation	None.	None.	None.	None.
Benefits in kind	None.	None.	None.	None.
TOTAL	**€1,298,478**	**€1,043,938**	**€1,225,250**	**€1,300,000**

(1) The fixed compensation includes fixed compensation paid in respect of the corporate offices of Mr Ilan Chétrite as (i) Deputy General Manager of SMCP SA and (ii) Chief Executive Officer of Sandro Andy. The annual fixed compensation of Mr Ilan Chétrite was set at €650,000 for 2021. In the same way as the effort made by the other members of the Executive Committee in the context of the Covid-19 pandemic, the fixed compensation of Mr Chétrite was reduced in 2021.

(2) The annual variable compensation for Mr Ilan Chétrite includes compensation paid for the corporate offices of Mr Ilan Chétrite as Deputy General Manager of SMCP SA and as Chief Executive Officer of Sandro Andy, subject to performance conditions. The performance conditions for the 2021 financial year were 127.1% achieved for Group EBIT, 185.7% achieved for Sandro Men EBIT and 100% achieved for the CSR targets. The Board of Directors decided to cap the variable compensation at 50% in the context of the Covid-19 pandemic. The targets for the 2022 financial year were 91.7% achieved for Group EBIT, 156.7% achieved for Sandro Men EBIT and 100% achieved for CSR targets. Mr Chétrite will receive 89% of the target variable compensation. The breakdown is provided under "Level of achievement of 2022 targets".

Table 4 AMF nomenclature

SHARE SUBSCRIPTION AND SHARE PURCHASE OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY COMPANY OF THE GROUP

Name of the executive corporate officer	No. and date of plan	Type of option (new or existing shares)	Valuation of options according to the method used in the consolidated financial statements	Number of options allocated during the financial year	Exercise price	Exercise period
Christophe Cuvillier, Chairman of the Board of Directors	None.					
Isabelle Guichot, Chief Executive Officer	None.					
Évelyne Chétrite, Deputy General Manager	None.					
Judith Milgrom, Deputy General Manager	None.					
Ilan Chétrite, Deputy General Manager	None.					

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, was not awarded any share subscription or purchase options in 2022.

Table 5 AMF nomenclature

SHARE SUBSCRIPTION AND SHARE PURCHASE OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of the executive corporate officer	No. and date of plan	Number of options exercised during the financial year	Exercise price
Christophe Cuvillier, Chairman of the Board of Directors			None.
Isabelle Guichot, Chief Executive Officer			None.
Évelyne Chétrite, Deputy General Manager			None.
Judith Milgrom, Deputy General Manager			None.
Ilan Chétrite, Deputy General Manager			None.

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, did not exercise any share subscription or purchase options in 2022.

Table 6 AMF nomenclature

Performance shares allocated during the financial year to each executive corporate officer by the issuer and any Group company (named list)	No. and date of plan	Number of shares awarded during financial year	Valuation of shares according to method used for consolidated financial statements	Acquisition date	Availability date	Performance conditions
Christophe Cuvillier, **Chairman of the Board of Directors**	-	None.	None.	None.	None.	None.
Isabelle Guichot, **Chief Executive Officer**	Plan no. 6 12/07/2022	105,950	€594,778	03/31/2026	03/31/2026	Performance conditions linked to internal financial targets (30% Group EBIT and 20% SMCP revenue), a TSR* target (30%) and CSR targets (10% internal and 10% external).
Évelyne Chétrite, **Deputy General Manager**	Plan no. 6 12/07/2022	131,780	€739,781	03/31/2026	03/31/2026	Performance conditions linked to internal financial targets (30% Group EBIT and 20% SMCP revenue), a TSR* target (30%) and CSR targets (10% internal and 10% external).
Judith Milgrom, **Deputy General Manager**	Plan no. 6 12/07/2022	131,780	€739,781	03/31/2026	003/31/2026	Performance conditions linked to internal financial targets (30% Group EBIT and 20% SMCP revenue), a TSR* target (30%) and CSR targets (10% internal and 10% external).
Ilan Chétrite, **Deputy General Manager**	Plan no. 6 12/07/2022	86,090	€483,289	03/31/2026	3/31/2026	Performance conditions linked to internal financial targets (30% Group EBIT and 20% SMCP revenue), a TSR* target (30%) and CSR targets (10% internal and 10% external).

* Total Shareholders' Return.

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, was not awarded any performance shares in 2022.

Table 7 AMF nomenclature

Free shares made available for each corporate officer	No. and date of plan	Number of shares becoming available during the financial year
Christophe Cuvillier, Chairman of the Board of Directors	None.	0
Isabelle Guichot, Chief Executive Officer (1)	Plan no. 1 of 11/23/2017	20,347
	Plan no. 3 of 01/01/2020	14,200
	Plan no. 1 of 11/23/2017	75,200
Évelyne Chétrite, Deputy General Manager (2)	Plan no. 3 of 01/01/2020	55,387
	Plan no. 1 of 11/23/2017	75,200
Judith Milgrom, Deputy General Manager (3)	Plan no. 3 of 01/01/2020	55,387
Ilan Chétrite, Deputy General Manager (4)	Plan no. 1 of 11/23/2017	48,171
	Plan no. 3 of 01/01/2020	34,981

(1) The 2019 and 2020 EBITDA adjustment impacted the delivery of 47,484 shares for Ms Évelyne Chétrite.
(2) The 2019 and 2020 EBITDA adjustment impacted the delivery of 47,484 shares for Ms Judith Milgrom.
(3) The 2019 and 2020 EBITDA adjustment impacted the delivery of 30,213 shares for Mr Ilan Chétrite.

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, was not awarded any free shares during his time with the Group, and thus did not see any free shares become available.

Table 8 AMF nomenclature

History of allocation of stock options or share purchase options				
Information on stock options or share purchase options				
Date of General Meeting	**Plan no. 1**	**Plan no. 2**	**Plan no. 3**	**Etc.**
Date of the Board of Directors				
Total number of shares which may be subscribed or purchased, including the number which may be subscribed or purchased by:				
Starting point for exercise of options				
Expiration date				
Subscription or purchase price	None.			
Option exercise procedures (if the plan incorporates several tranches)				
Number of shares subscribed on December 31, 2022				
Cumulative number of share subscription or purchase options cancelled or expired				
Options for subscription or purchase of shares and award of bonus shares at the end of the financial year				

Table 9 AMF nomenclature

Stock options for new or existing shares awarded to the top ten employees who are not corporate officers and options exercised by these employees	Total number of options awarded/shares subscribed or purchased	Weighted average price	Plan no. 1	Plan no. 2
Options granted during the financial year by the issuer and any other company included in the scope of allocation of options, to the ten employees of the issuer and any company included in said scope, to whom the greatest number of options is granted (global information)	None.			
Options held in the issuer and the aforementioned companies and exercised, during the financial year, by the ten employees of the issuer and said companies, who have purchased or subscribed the greatest number of options (global information)				

Table 10 AMF nomenclature

Free share plan (LTIP)	G PS plan (tranche 1)	G PS plan (tranche 2)	G PS plan (tranche 3)	Plan no. 1	Plan no. 1	Plan no. 2	Plan no. 2
Date of General Meeting	10/10/2016	10/10/2016	10/10/2016	10/05/2017	10/05/2017	06/18/2018	06/18/2018
Date of the decision by the Board of Directors	10/10/2016	12/14/2016	02/27/2017	11/23/2017	04/25/2018	08/30/2018	11/20/2018
Total number of shares awarded	12,768,753	1,520,100	393,000	2,038,324	25,709	98,171	57,694
Corporate officers:	6,855,000	None.	None.	1,040,498	None.	None.	None.
Christophe Cuvillier, *Chairman of the Board of Directors*	None.	None.	None.	None.	None.	None.	None.
Isabelle Guichot, *Chief Executive Officer*	None.	None.	None.	81,818	None.	None.	None.
Évelyne Chétrite, *Deputy General Manager*	1,750,000 (1)	None.	None.	302,390	None.	None.	None.
Judith Milgrom, *Deputy General Manager*	1,750,000 (2)	None.	None.	302,390	None.	None.	None.
Ilan Chétrite, *Deputy General Manager*	1,750,000 (3)	None.	None.	193,700	None.	None.	None.
Date of acquisition of shares	10/10/2017	12/14/2017	02/27/2018	03/31/2020 03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2021 03/31/2022
Period end date	10/10/2018	12/14/2018	02/27/2019	03/31/2020 03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2021 03/31/2022	03/31/2021 03/31/2022
Number of shares subscribed	None.	None.	None.	None.	None.	None.	None.
Cumulative number of shares cancelled or expired	307,178	150,600	0	994,310	11,384	48,123	40,637
Free shares remaining at the end of the financial year	12,461,575	1,359,500	393,000	1,044,015	14,325	50,048	17,057

(1) Following the June 2018 reverse stock split (see paragraph 8.1.6), the number of shares held by Ms Évelyne Chétrite is 159,090 class G preferred shares, which may be converted into 624,121 ordinary shares. The next possible conversion date will be on January 1, 2024.
(2) Following the June 2018 reverse stock split (see paragraph 8.1.6), the number of shares held by Ms Judith Milgrom is 159,090 Class G preferred shares, which may be converted into 624,121 ordinary shares. The next possible conversion date will be on January 1, 2024.
(3) Following the June 2018 reverse stock split (see paragraph 8.1.6), the number of shares held by Mr Ilan Chétrite is 159,090 Class G preferred shares, which may be converted into 624,297 ordinary shares. The next possible conversion date will be on January 1, 2024.

Free share plan (LTIP)	Plan no. 3	Plan no. 3	Plan no. 4	Plan no. 4	Plan no. 5	Plan no. 5	Plan no. 5	Plan no. 6	Plan no. 6
Date of General Meeting	07/06/2019	07/06/2019	04/06/2020	04/06/2020	17/06/2021	17/06/2021	17/06/2021	17/06/2021	17/06/2021
Date of the decision by the Board of Directors	05/12/2019	24/03/2020	17/12/2020	28/04/2021	14/12/2021	14/12/2021	09/03/2022	07/12/2022	07/12/2022
Total number of shares awarded	870 460	34 256	1 437 694	61 289	5 110	987 600	28 780	1 139 380	5 090
Corporate officers:	401 548	None	660 533	None	None	421 800	None	455 600	None
Christophe Cuvillier, *Chairman of the Board of Directors*	None	None	None	None	None	None	None	None	None
Isabelle Guichot, *Chief Executive Officer*	28 400	None	58 000	None	None	98 100	None	105 950	None
Évelyne Chétrite, *Deputy General Manager*	110 773	None	180 806	None	None	122 000	None	131 780	None
Judith Milgrom, *Deputy General Manager*	110 773	None	180 806	None	None	122 000	None	131 780	None
Ilan Chétrite, *Deputy General Manager*	69 962	None	118 115	None	None	79 700	None	86 090	None
Date of acquisition of shares	31/03/2022 31/03/2023	30/09/2022 30/09/2023	31/03/2023 31/03/2024	30/09/2023 30/09/2024	31/12/2022	31/03/2024 31/03/2025	01/07/2024 01/07/2025	31/03/2026	31/12/2023
Period end date	31/03/2022 31/03/2023	30/09/2022 30/09/2023	31/03/2023 31/03/2024	30/09/2023 30/09/2024	31/12/2023	31/03/2024 31/03/2025	01/07/2024 01/07/2025	31/03/2026	31/12/2024
Number of shares subscribed	None	None	None	None	None	None	None	None	None
Cumulative number of shares cancelled or expired	278 426	10 701	417 786	19 360	230	113 500	4 420	0	0
Free shares remaining at the end of the financial year	592 034	23 555	1 019 708	41 929	4 880	874 100	24 360	1 139 380	5 090

Table 11 AMF nomenclature

Executive corporate officers	Employment contract		Supplementary pension scheme		Severance or benefits due or which may be due on termination of or a change of post		Severance under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Christophe Cuvillier, Chairman of the Board of Directors		X		X		X		X
Isabelle Guichot, Chief Executive Officer		X		X	X		X	
Évelyne Chétrite, Deputy General Manager		X		X	X		X	
Judith Milgrom, Deputy General Manager		X		X	X		X	
Ilan Chétrite, Deputy General Manager		X		X	X		X	

Mr Yafu Qiu, Chairman of the Board of Directors until January 14, 2022, did not have any of these benefits.

Draft resolutions drawn up by the Board of Directors pursuant to Article L. 22-10-34 of the French Commercial Code subject to a Combined General Meeting of June 21, 2023

SEVENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional items which make up the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded for the same period to Mr Yafu Qiu, in his capacity as Chairman of the Board of Directors (for the period from January 1, 2022 to January 14, 2022))

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22–10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Mr Yafu Qiu, Chairman of the Board of Directors from January 1 to January 14, 2022, as detailed in the aforesaid report.

EIGHTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional items which make up the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded for the same period to Mr Christophe Cuvillier, in his capacity as Chairman of the Board of Directors (for the period from January 17, 2022 to December 31, 2022))

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22–10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Mr Christophe Cuvillier, Chairman of the Board of Directors from January 17 to December 31, 2022 as detailed in the aforesaid report.

NINTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded in respect of the same financial year to Ms Isabelle Guichot, in her capacity as Chief Executive Officer)

The General Meeting, after acknowledging the Board of Directors' report on corporate governance drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for Ordinary General Meetings, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components comprising the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Ms Isabelle Guichot, Chief Executive Officer, as detailed in the aforementioned report.

TENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional items which make up the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded for the same period to Ms Évelyne Chétrite, in her capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Ms Évelyne Chétrite, Deputy General Manager, as detailed in the aforesaid report.

ELEVENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional items which make up the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded for the same period to Ms Judith Milgrom, in her capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Ms Judith Milgrom, Deputy General Manager, as detailed in the aforementioned report.

TWELFTH RESOLUTION

(Approval, pursuant to Article L. 22-10-34 II of the French Commercial Code, of the fixed, variable and exceptional items which make up the total compensation and benefits of any kind paid during the financial year ended December 31, 2022 or awarded for the same period to Mr Ilan Chétrite, in his capacity as Deputy General Manager)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded for the financial year ended December 31, 2022 to Mr Ilan Chétrite, Deputy General Manager, as detailed in the aforementioned

7.2.2.2 DIRECTORS

The table below shows the compensation received by members of the Board of Directors for the 2021 and 2022 financial years:

Table 3 AMF nomenclature

TABLE OF COMPENSATION RECEIVED BY MEMBERS OF THE BOARD OF DIRECTORS

	2021 financial year		2022 financial year	
Members of the Board of Directors	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Christophe Cuvillier*	€31,529	None.	€162,445	€31,529
Isabelle Guichot	None.	None.	None.	None.
Évelyne Chétrite	None.	None.	None.	None.
Judith Milgrom	None.	None.	None.	None.
Orla Noonan	€58,000	€28,000	€69,500	€58,000
Dajun Yang	€50,500	€22,012	€52,500	€50,500
Patrizio di Marco *(until June 17, 2021)*	€22,570	€38,700	None.	€22,570
Fanny Moisant *(until February 15, 2021)*	€4,159	None.	None.	€4,159
Xiao Wang *(until March 4, 2022)*	€26,422	None.	€3,797	€26,422
Christophe Chenut *(since January 14, 2022)*	None.	None.	€59,189	None.
Xavier Veret *(since January 14, 2022)*	None.	None.	€61,566	None.
Natalia Nicolaidis *(since January 14, 2022)*	None.	None.	€58,767	None.
Lauren Schuller Cohen	None.	None.	None.	None.
Marina Dithurbide	None.	None.	None.	None.
Total	**€193,180**	**€88,712**	**€467,764**	**€193,180**

* Mr Christophe Cuvillier was appointed Chairman of the Board of Directors on January 17, 2022. Since June 17, 2021, he has also been Chairman of the Nominations and Compensation Committee. Yafu Qiu, Daniel Lalonde, Chenran Qiu, Xiao Sun and Kelvin Ho left their positions on the Board of Directors and did not receive any compensation in 2022.

Draft resolution drawn up by the Board of Directors pursuant to Article L. 22-10-8 II of the French Commercial Code and submitted to the Combined General Meeting on June 21, 2023

NINETEENTH RESOLUTION

(Approval, pursuant to Article L. 22-10-8 II of the French Commercial Code, of the compensation policy for directors)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-8 II of the French Commercial Code, the compensation policy for directors, as presented in the aforesaid report.

7.2.2.3 LEVEL OF COMPENSATION OF EXECUTIVE CORPORATE OFFICERS IN RELATION TO THE COMPENSATION OF THE COMPANY EMPLOYEES AND PERFORMANCE

Ratio between the compensation level of the Chief Executive Officer and Deputy General Managers and the average and median compensation of the Company's employees

To calculate the ratios presented below in accordance with Article L. 22-10-9 I 6° of the French Commercial Code, the Company referred to the guidelines of the Afep-MEDEF Code dated December 2022.

In particular:

- the ratios below were calculated on the basis of the fixed compensation paid in year 1 and variable compensation due in year 1 (and paid in year 2) during the financial years mentioned as well as the free performance shares awarded during the same periods and valued at their carrying amount at the time they were awarded;
- for employees, the components of compensation used in the calculation are based on the full-time equivalent (FTE);
- for the sake of representation, France employees present over a two-year period were included in the calculation;
- EBIT is a performance indicator regularly monitored by the Group to analyse and evaluate its businesses and their trends, measure their performance, prepare earnings forecasts and make strategic decisions.

COMPARISON OF THE LEVEL OF COMPENSATION OF EXECUTIVE CORPORATE OFFICERS IN RELATION TO THE COMPANY'S EMPLOYEES

	2020 financial year		2021 financial year		2022 financial year	
Corporate executive officer	Ratio of average compensation	Ratio of median compensation	Ratio of average compensation	Ratio of median compensation	Ratio of average compensation	Ratio of median compensation
Mr Christophe Cuvillier	N/A	N/A	N/A	N/A	N/A	N/A
Ms Isabelle Guichot	N/A	N/A	53.29	70.53	35.12	44.94
Ms Évelyne Chétrite	54.82	76.47	66.36	87.83	49.44	63.25
Ms Judith Milgrom	54.70	76.30	66.22	87.65	43.06	55.08
Mr Ilan Chétrite	35.75	49.88	43.26	57.26	35.32	45.18

ANNUAL CHANGES IN THE COMPENSATION OF EXECUTIVE CORPORATE OFFICERS IN RELATION TO THE COMPANY'S PERFORMANCE

	2020 financial year	2021 financial year	2022 financial year
Compensation for Christophe Cuvillier, Chairman of the Board of Directors *(in euros)*	NA	NA	NA
Change vs previous year	*NA*	*NA*	*NA*
Compensation for Isabelle Guichot, Chief Executive Officer *(in euros)*	NA	2,250,323	1,699,323
Change vs previous year			*-24%*
Compensation for Évelyne Chétrite, Deputy General Manager *(in euros)*	2,427,892	2,802,290	2,391,995
Change vs previous year	*-4%*	*15%*	*-15%*
Compensation for Judith Milgrom, Deputy General Manager *(in euros)*	2,422,383	2,796,278	2,083,031
Change vs previous year	*-9%*	*15%*	*-26%*
Compensation for Ilan Chétrite, Deputy General Manager *(in euros)*	1,583,504	1,826,824	1,708,539
Change vs previous year	*-7%*	*15%*	*-6%*
EBIT *(excluding IFRS, in thousands of euros)*	827	74,792	96,473
Change vs previous year		*8,944%*	*29%*

7.2.3 Draft resolutions submitted to the General Meeting of June 21, 2023

Draft resolutions drawn up by the Board of Directors pursuant to Article L. 225-100 II of the French Commercial Code and submitted to the Combined General Meeting of June 21, 2023

EIGHTEENTH RESOLUTION
(Approval of the information mentioned in I of Article L. 22-10-9 of the French Commercial Code)

The General Meeting, after acknowledging the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French Commercial Code and provided in Section 7.2 of the Company's 2022 universal registration document, deliberating under the conditions of quorum and majority required for ordinary general meetings, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code as presented in the aforesaid report.

7.3 Commitments with related parties and Agreements

7.3.1 Transactions with related parties

The Group's related parties include the shareholders of the Company, companies with a controlling interest in the Group and the main members of the Group's management and supervisory bodies (and their immediate family members).

Quantified data detailing relationships with these related parties is provided in Note 7.3 to the consolidated financial statements for the financial year ended December 31, 2022, presented in paragraph 5.1.2 of this universal registration document.

On December 7, 2022, the Board of Directors adopted, on the proposal of the Audit Committee, a new internal charter on regulated and unrestricted agreements, the purpose of which is to set out the procedure applied to qualify and process agreements between SMCP or its subsidiaries and their related parties. This procedure requires the Legal Department to be informed of any agreement that may be entered into between the Company and a related party prior to its conclusion, except in the case of an agreement entered into between the Company and one of its wholly-owned subsidiaries. The Legal Department will review the draft agreement, with the support, where applicable, of the Finance Department and/or Internal Audit, to determine whether the draft agreement falls within the scope of the regulated agreements procedure or whether, conversely, it meets the criteria of ordinary agreements entered into under normal conditions. The conclusions of this assessment are communicated to the Chairman of the Board of Directors, who informs the Board of Directors of the draft agreements identified as regulated for prior authorisation. The Board of Directors, on the basis of the information provided to it and on the recommendations of the Audit Committee, annually reviews the regulated agreements, already authorised and entered into, whose execution has continued, in order to assess whether these agreements still meet the criteria that led to their classification as regulated agreements and reviews the reasons that led to the authorisation of agreements entered into during a previous financial year whose execution has continued, in order to ensure that these reasons remain unchanged. Any new regulated agreement is subject to the approval of the Shareholders' Ordinary General Meeting called to approve the financial statements for the financial year during which it was entered into.

7.3.1.1 AGREEMENTS AUTHORISED AND CONCLUDED DURING THE PAST FINANCIAL YEAR

No new agreement or commitment was authorised and concluded during the past financial year, pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

7.3.1.2 PREVIOUSLY APPROVED AGREEMENTS THAT REMAINED IN FORCE DURING THE PAST FINANCIAL YEAR

The General Meeting of June 9, 2022 approved, like the General Meetings of previous years, a portion of the compensation of Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite, corresponding to what they received for their respective duties as Deputy General Managers of SMCP SA, and these regulated agreements approved during previous financial years continued to apply during the financial year in question. In the light of regulatory changes, these agreements are no longer considered to be regulated, and should no longer be identified as such in the Statutory Auditors' special report on regulated agreements.

There are no other agreements or commitments approved in previous financial years that continued to be implemented during the past financial year.

7.3.2 Statutory Auditors' special report on regulated agreements

General Meeting to approve the financial statements for financial year ended December 31, 2022

To the SMCP General Meeting,

In our capacity as Statutory Auditors of your company,we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article ... [1] of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past financial year of agreements previously approved by the General Meeting, if any.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements subject to approval by the General Meeting

Agreements authorised and entered into during the past financial year

Please note that we were not advised of any agreement authorised and entered into during the past financial year to be submitted to the General Meeting for approval as required by the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the General Meeting

Previously approved agreements that remained in force during the past financial year

We hereby inform you that we have not been informed of any agreements approved in previous financial years, the execution of which continued during the past financial year, to be submitted for the approval of the General Meeting in application of the provisions of Article R. 225-30 of the French Commercial Code.

Neuilly-sur-Seine & Paris-La Défense, April 11, 2023

The Statutory Auditors

Grant Thornton French Member of Grant Thornton International	Deloitte & Associés
Guillaume GINÉ	Albert AIDAN

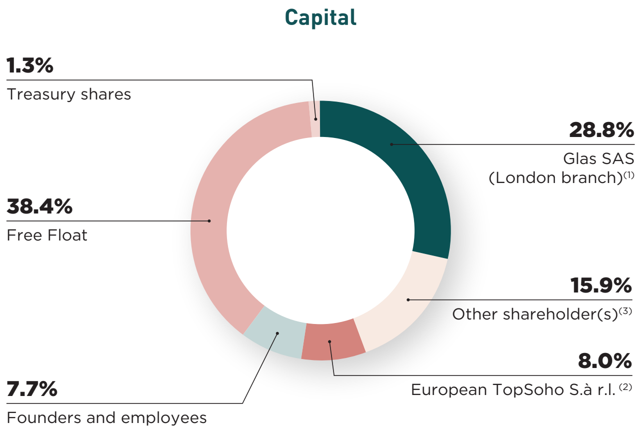
(1) Articles R. 225-31 (SA to CA), R. 225-58 (SA to CS), R. 226-2 (SCA) of the French Commercial Code.

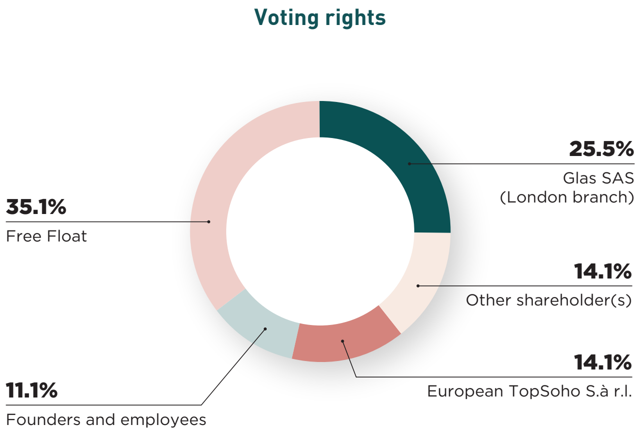
8

Share capital and shareholding structure

8.1 Shareholding structure

8.1.1 Breakdown of share capital and voting rights





SHAREHOLDING STRUCTURE

The following table shows the shareholding structure of the Company as of December 31, 2022:

Shareholders	Number of ordinary shares	Number of Class G preferred shares [4]	Total number of voting rights	% of share capital	% of voting rights
Free float	29,172,984	88,913	30,203,756	38.4%	35.1%
Glas SAS (London branch) [1]	21,952,315		21,952,315	28.8%	25.5%
European TopSoho S.à r.l. [2]	6,075,848		12,151,696	8.0%	14.1%
Founders and employees	5,259,444	622,666	9,539,248	7.7%	11.1%
Treasury shares	967,808			1.3%	0.0%
Other shareholder(s) [3]	12,106,939		12,106,939	15.9%	14.1%
TOTAL	**75,535,338**	**711,579**	**85,953,954**	**100.0%**	**100.0%**

(1) As Trustee in respect of the exchangeable bonds issued in 2018 by European TopSoho S.à r.l. (the "Bonds"), having taken possession of 21,952,315 SMCP shares pledged in respect of the Bonds following the default of European TopSoho S.à r.l.

(2) Entity indirectly held at 51.8% by Shandong Ruyi Technology Group and 48.2% by Yinchuan WeiXin Industry Funds Ltd Partnership. Yinchuan WeiXin Industry Funds Ltd Partnership is indirectly majority held by public investment funds in the People's Republic of China.

(3) To date, the Company has not been informed of the identity of the current holder(s) of the 12,106,939 shares transferred by European TopSoho S.à r.l., since no declaration of threshold crossing (statutory or legal) has been made to the Company or to the French Financial Markets Authority (AMF), and these shares are in bearer form. Glas SAS (London branch) nevertheless indicated in a communication dated December 8, 2021 that it had obtained a freezing order against European TopSoho S.à r.l and Dynamic Treasure Group Ltd, initial transferee, prohibiting any new transfer of these shares.

(4) The terms and conditions of the class G preferred shares are detailed in paragraph 8.1.6 of this universal registration document.

8.1.2 Change in shareholding structure

The composition of the Company's shareholding structure underwent significant changes at the end of the 2021 financial year, marked notably by Glas SAS (London branch) ("GLAS") taken temporary possession, in its capacity as Trustee of the €250 million bonds exchangeable into shares issued in 2018 by European TopSoho S.à r.l. ("ETS"), a majority-owned subsidiary of Shandong Ruyi, of part of the SMCP shares pledged in respect of these bonds (21,952,315 SMCP shares representing 37% of the share capital), following the default by ETS in respect of these bonds. As at the date of this universal registration document, GLAS thus holds 28.8% of the Company's share capital (*i.e.* 25.5% of its voting rights).

Of the 18,182,787 SMCP shares it still held, ETS sold 12,106,939 shares. As of the date of this universal registration document, the Company has not been informed of the identity of the current holder(s) of these 12,106,939 shares, as no declaration of threshold crossing (statutory or legal) has been made to the Company or the French Financial Markets Authority (AMF) and these shares are in bearer form. GLAS nevertheless indicated in a communication dated December 8, 2021 that it had obtained a freezing order against ETS and Dynamic Treasure Group Ltd, the initial transferee, prohibiting any new transfer of these shares. As of the date of this universal registration document, the final transferee of these 12,106,939 shares held 15.9% of the Company's share capital (*i.e.* 14.1% of its voting rights). ETS holds 6,075,848 SMCP shares, which corresponds to 8% of the Company's share capital (*i.e.* 14.1% of its voting rights). ETS was placed in bankruptcy proceedings on February 28, 2023 by the Luxembourg Court of Appeal and a trustee (*curateur*) was appointed.

In its threshold crossing declarations dated October 29, 2021 and November 10, 2021, GLAS indicated that it had appointed a receiver (a professional representative under English law) responsible for selling all the pledged shares to a third party, ideally by block and with the non-pledged shares, in which case said third party would be required to file a draft mandatory public offer for all of the Company's shares. GLAS also indicated, in the aforementioned threshold crossing declaration of October 29, 2021, that as long as an agreement has not been reached with a buyer, ETS remains entitled to repay the sums due in respect of the exchangeable bonds, which would entail an interruption in the process of enforcement of the collateral and therefore a recovery by ETS of the underlying shares of the Company. If the process of enforcement of the collateral is interrupted as mentioned above, the composition of the shareholding structure could change significantly.

On March 1, 2023, a press release was issued by Alastair Beveridge and Daniel Imison of AlixPartners UK LLP, acting as receivers, announcing the launch, on behalf of bondholders and GLAS, of a process to sell the pledged stake of approximately 37% of the share capital held by ETS and GLAS. This press release indicated that at this initial stage of the sale process, the timetable for such a sale, its conclusion or not, the identity of any buyer(s) and whether all or part of the pledged shares could be sold to one or more buyers were uncertain and it was therefore not yet possible to assess whether or not the transaction would trigger a subsequent mandatory takeover bid.

STATEMENT ON THE CONTROL OF THE COMPANY

Following Glas SAS (London Branch) taking temporary possession, at the end of 2021, as Trustee of the €250 million exchangeable bonds issued in 2018 by European TopSoho S.à r.l., a subsidiary of the Shandong Ruyi group, of 21,952,315 SMCP shares, corresponding to a portion of the SMCP shares pledged in respect of these bonds, following a default by European TopSoho S.à r.l. in respect of these bonds, SMCP no longer has a controlling shareholder.

8.1.3 Threshold crossing

For as long as the Company's shares are admitted to trading on a regulated market, besides the declarations on threshold crossing expressly provided for by the laws and regulations in force, any natural or legal persons finding themselves, directly or indirectly, alone or jointly, in possession of a portion of the capital or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the general regulations of the French Financial Markets Authority (AMF)), equal to or greater than 1% of the capital or voting rights, or any multiple thereof, including beyond the thresholds set by the legal and regulatory framework, must inform the Company of the total number (i) of shares and voting rights they own, directly or indirectly, alone or jointly; (ii) of the securities granting future access to the Company capital that they own, directly or indirectly, alone or jointly, and the voting rights potentially attached thereto; and (iii) of the shares already issued which those persons may acquire under an agreement or a financial instrument mentioned in Article L. 211-1 of the French Monetary and Financial Code. Such notification must be given, by registered letter with acknowledgment of receipt, within a period of four business days of the threshold crossing in question.

The obligation to inform the Company also applies, within the same periods and under the same conditions, when the shareholder's interest in the capital, or voting rights, falls below one of the aforesaid thresholds.

In the event of failure to comply with the obligation to make the aforementioned declaration of threshold crossing and at the request, recorded in the minutes of the General Meeting, of one or more shareholders representing at least 5% of the Company's share capital or voting rights, those shares exceeding the portion that should have been declared will be deprived of voting rights up until the expiry of a period of two years following the date on which the situation with regard to notification was rectified.

The Company reserves the right to inform the public and the shareholders either of the information notified to it or of failure to meet the aforesaid obligation by the person concerned.

On January 7, 2022, the Company took note of the threshold crossing declaration published by European TopSoho S.à r.l. ("ETS") with the French Financial Markets Authority (AMF), declaring, as an adjustment, that on October 27, 2021, it had fallen below the thresholds of 2/3 of voting rights and 50% of the Company's share capital and, as of that date, held 28,028,163 SMCP shares representing 56,056,326 voting rights, *i.e.* 37.03% of the Company's share capital and 51.79% of the voting rights. ETS specified in this declaration that the threshold crossing was the result of an off-market sale of 12,106,939 SMCP shares to Dynamic Treasure Group Limited (BVI) in execution of a commitment made by ETS. In the same declaration, ETS also declared that it had fallen below the thresholds of 50% of the voting rights, 1/3, 30%, 25%, 20%, 15% of the share capital and voting rights, and 10% of the Company's share capital on October 28, 2021 and, at that date, held 6,075,848 SMCP shares representing 12,151,696 voting rights, *i.e.* 8.03% of the Company's share capital and 14.08% of the voting rights. ETS specified in this declaration that this threshold crossing results from the appropriation of 21,952,315 SMCP shares by GLAS on October 28, 2021, in its capacity as Trustee under the terms of the Bonds. The declarant had also specified that it intended to challenge the appointment of GLAS as Trustee before the English courts and that in the event that this challenge is successful, all the measures taken by GLAS as Trustee, including the appropriation of the 21,952,315 SMCP shares it held, could be cancelled. A decision of the English courts handed down on October 27, 2022, dismissed ETS's claims and confirmed the validity of GLAS's appointment.

As of the date of this universal registration document, the Company had not been notified of any threshold crossing as stipulated by the legal provisions since the end of the 2022 financial year.

8.1.4 Changes in the distribution of share capital and voting rights over the last three financial years

Change in the distribution of the Company's share capital over the last three financial years:

	2020			2021			2022		
Shareholders	**Number of ordinary shares**	**Number of Class G preferred shares (4)**	**Total number of shares**	**Number of ordinary shares**	**Number of Class G preferred shares (4)**	**Total number of shares**	**Number of ordinary shares**	**Number of Class G preferred shares (4)**	**Total number of shares**
Free float	29,770,987	137,059	29,908,046	30,081,961	242,077	30,324,038	29,172,984	88,913	29,261,897
Glas SAS (London branch) (1)	0	0	0	21,952,315	0	21,952,315	21,952,315	0	21,952,315
European TopSoho S.à r.l. (2)	40,135,102	0	40,135,102	6,075,848	0	6,075,848	6,075,848	0	6,075,848
Founders and employees	4,052,680	915,471	4,968,151	4,094,048	657,414	4,751,462	5,259,444	622,666	5,882,110
Treasury shares	158,991	0	158,991	487,038	0	487,038	967,808		967,808
Other shareholder(s) (3)	0	0	0	12,106,939	0	12,106,939	12,106,939	0	12,106,939
TOTAL	**74,117,760**	**1,052,530**	**75,170,290**	**74,798,149**	**899,491**	**75,697,640**	**75,535,338**	**711,579**	**76,246,917**

(1) As Trustee in respect of the exchangeable bonds issued in 2018 by European TopSoho S.à r.l. (the "Bonds"), having taken possession of 21,952,315 SMCP shares pledged in respect of the Bonds following the default of European TopSoho S.à r.l.
(2) Entity indirectly held at 51.8% by Shandong Ruyi Technology Group and 48.2% by Yinchuan WeiXin Industry Funds Ltd Partnership. Yinchuan WeiXin Industry Funds Ltd Partnership is indirectly majority held by public investment funds in the People's Republic of China.
(3) To date, the Company has not been informed of the identity of the current holder(s) of the 12,106,939 shares transferred by European TopSoho S.à r.l.. since no declaration of threshold crossing (statutory or legal) has been made to the Company or to the French Financial Markets Authority (AMF), and these shares are in bearer form. Glas SAS (London branch) nevertheless indicated in a communication dated December 8, 2021 that it had obtained a freezing order against European TopSoho S.à r.l and Dynamic Treasure Group Ltd, initial transferee, prohibiting any new transfer of these shares.
(4) The terms and conditions of the G preferred shares are detailed in paragraph 8.1.6 of the universal registration document.

Change in distribution of the Company's voting rights over the last three financial years:

	2020		2021		2022	
Shareholders	**Total number of voting rights**	**% of voting rights**	**Total number of voting rights**	**% of voting rights**	**Total number of voting rights**	**% of voting rights**
Free float	30,045,105	25.10%	30,667,434	35.8%	30,203,756	35.1%
Glas SAS (London branch)(1)	0	0%	21,952,315	25.6%	21,952,315	25.5%
European TopSoho S.à r.l. (2)	80,270,204	67.06%	12,151,696	14.2%	12,151,696	14.1%
Founder and employees	7,378,270	7.84%	8,894,411	10.4%	9,539,248	11.1%
Other shareholder(s) (3)	0	0%	12,106,939	14.1%	12,106,939	14.1%
TOTAL	**119,700,663**	**100%**	**85,772,795**	**100%**	**85,953,954**	**100%**

(1) As Trustee in respect of the exchangeable bonds issued in 2018 by European TopSoho S.à r.l. (the "Bonds"), having taken possession of 21,952,315 SMCP shares pledged in respect of the Bonds following the default of European TopSoho S.à r.l.
(2) Entity indirectly held at 51.8% by Shandong Ruyi Technology Group and 48.2% by Yinchuan WeiXin Industry Funds Ltd Partnership. Yinchuan WeiXin Industry Funds Ltd Partnership is indirectly majority held by public investment funds in the People's Republic of China.
(3) To date, the Company has not been informed of the identity of the current holder(s) of the 12,106,939 shares transferred by European TopSoho S.à r.l.., since no declaration of threshold crossing (statutory or legal) has been made to the Company or to the French Financial Markets Authority (AMF), and these shares are in bearer form. Glas SAS (London branch) nevertheless indicated in a communication dated December 8, 2021 that it had obtained a freezing order against European TopSoho S.à r.l and Dynamic Treasure Group Ltd, initial transferee, prohibiting any new transfer of these shares.

8.1.5 Profit-sharing agreements and incentive schemes

PROFIT-SHARING AGREEMENTS

In France, the employees of Group companies belonging to the SMCP Economic and Social Unit (UES) (SMCP Group SAS, SMCP SA, Sandro Andy SAS, Maje SAS, Claudie Pierlot SAS and SMCP Logistique SAS) are entitled to profit sharing under a collective agreement concluded on September 1, 2012. Under this agreement, the special reserve for profit sharing is indexed to the earnings of the companies included in the scope of the agreement in the form of deferred financial profit-sharing entitlements calculated on the basis of the relevant companies' net profit. To be entitled to distribution of the special reserve, employees must be able to demonstrate at least three months' service in one or more companies that are signatories to the agreement. The special profit-sharing reserve is calculated in accordance with the legal provisions (Article L. 3324–1 of the French Labour Code) and the amounts are distributed proportionally to gross salary received in the reference year.

In 2022, the amount was approximately 0.95 months of gross salary (before CSG/CRDS) for an employee present all year round.

At Fursac, employees benefit from profit sharing under a collective agreement signed in 2002. The special profit-sharing reserve is calculated pursuant to applicable legal provisions (Article L. 3324-1 of the Labour Code) and the amounts are distributed in proportion to the gross salary received in the reference year. For 2022, the amount of the special profit-sharing reserve was nil.

INCENTIVE SCHEMES

Since 2022, in France, the employees of Group companies belonging to the SMCP Economic and Social Unit (UES) (SMCP Group SAS, SMCP SA, Sandro Andy SAS, Maje SAS, Claudie Pierlot SAS and SMCP Logistique SAS) are entitled to an incentive scheme for 2022-2025. The eligibility conditions are the same as those for profit-sharing.

Incentives are calculated based on collective CSR targets, a collective employee and human resources target, and a target linked to French sales performance.

COMPANY SAVINGS SCHEMES AND SIMILAR PLANS

The Group has a company savings scheme with five funds of different types offering varying degrees of risk and performance outlook (monetary, bonds, shares etc.). Fursac has a company savings scheme which can receive payments of the amounts received under the profit-sharing plan.

8.1.6 Employee shareholding structure

Certain executives and employees of the Group are shareholders of the Company (see paragraph 8.1.1 of this universal registration document).

CLASS G PREFERRED SHARES

Between 2016 and 2017, as part of the acquisition of the Group by Shandong Ruyi, the Group granted, on an exceptional basis, 14,224,075 class G preferred shares ("G PS") to certain Group executives (including Mses Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite). In June 2018, a reverse split of the G PS was completed, under which 11 old G PS, each with a nominal value of €0.10, were exchanged for one new G PS, with a nominal value of €1.10. At the end of this reverse split, the total number of G PS was 1,293,098 with a nominal value of €1.10. These G PS were convertible into 5,072,914 ordinary shares on January 1 of each year from January 1, 2019. Between January 1, 2019 and January 1, 2021, 393,607 G PS were converted into ordinary shares by 52 managers of the Company, and 1,544,124 newly created ordinary shares were issued. On January 1, 2022, 187,912 G PS were converted into ordinary shares by eight managers of the Company and 737,189 newly created ordinary shares were issued. On January 1, 2023, 14,236 G PS were converted into ordinary shares by two managers of the Company and 55,849 newly created ordinary shares were issued. As of the date of this universal registration document, 697,343 G PS remain convertible between January 1, 2024 and January 1, 2025, for a total of 2,735,752 ordinary shares. All class G preferred shares that have not been converted will be automatically converted on January 1, 2025.

The class G preferred shares are in mandatory registered form. As for ordinary shares, the voting rights attached to the G PS are proportional to the percentage of capital that they represent and each G PS gives the right to at least one vote. A double voting right is introduced for G PS that have been held continuously by the same holder for a minimum period of at least two years. Holders of G PS do not benefit from any financial rights until they have been converted into ordinary shares. The new ordinary shares issued on conversion of the class G preferred shares will carry the same rights as existing ordinary shares of the same class after the payment, where applicable, of a dividend in respect of the previous financial year. For each converted G PS that had a double voting right, one of the newly issued ordinary shares corresponding to this converted G PS will benefit from a double voting right, with the other newly issued ordinary shares not having such voting rights until they are held continuously by the same holder for a minimum period of at least two years after the conversion.

FREE SHARES

Meeting on April 25, 2018, the Board of Directors, on the basis of the authority granted by the General Meeting of October 5, 2017 (Plan no. 2), established a free performance share award plan (LTIP) solely for the benefit of certain staff members of the Company and its subsidiaries (the "April 2018 Plan"). In this context, the Company decided to award 25,709 free performance shares to certain Group employees. The vesting date for the last third of these free performance shares was March 31, 2022.

Meeting on December 5, 2019, the Board of Directors, on the basis of the authority granted by the General Meeting of June 7, 2019 (Plan no. 4), established a free performance share award plan solely for the benefit of certain staff members of the Company and its subsidiaries (the "January 2020 Plan"). In this context, the Company decided to award 870,460 free performance shares to certain Group employees. The vesting date for the last half of these free performance shares was March 31, 2023.

Meeting on March 24, 2020, the Board of Directors, on the basis of the authority granted by the General Meeting of June 7, 2019 (Plan no. 4), established a free performance share awrad plan solely for the benefit of certain staff members of the Company and its subsidiaries (the "July 2020 Plan"). In this context, the Company decided to award 34,256 free performance shares to certain Group employees. The vesting date for the last half of these free performance shares is September 30, 2023.

The Board of Directors meeting of December 17, 2020, on the basis of the authority granted by the General Meeting held on June 4, 2020 (Plan no. 5), set up a free performance share award plan for corporate officers and employees of the Company and its subsidiaries (the "January 2021 Plan"). In this context, the Company decided to award 1,437,694 free performance shares to certain corporate officers and employees of the Group. The vesting date of the last half of these free performance shares is March 31, 2024.

Meeting on April 28, 2021, the Board of Directors, on the basis of the authority granted by the General Meeting of June 4, 2020 (Plan no. 5), established a free performance share award plan solely for the benefit of certain staff members of the Company and its subsidiaries (the "April 2021 Plan"). In this context, the Company decided to award 61,289 free performance shares to certain Group employees. The vesting date for the last half of these free performance shares is September 30, 2024.

The Board of Directors' meeting of December 14, 2021, on the basis of the authority granted by the General Meeting held on June 17, 2021, set up:

- a free share award plan only for the benefit of certain employees of the Company and its subsidiaries (the "December 2021 Plan"). In this context, the Company decided to award 5,110 free shares to certain Group employees. The vesting date for these free shares was December 31, 2022;
- a free performance share award plan for corporate officers and employees of the Company and its subsidiaries (the "First January 2022 Plan"). In this context, the Company decided to award 663,900 free performance shares to certain corporate officers and employees of the Group. The vesting date of the last half of these free performance shares is March 31, 2025; and
- a free performance share award plan for executive corporate officers of the Company (the "Second January 2022 Plan"). In this context, the Company decided to award 323,700 free performance shares to certain executive corporate officers. The vesting date of the last half of these free performance shares is March 31, 2025

The Board of Directors' meeting of December 7, 2022, on the basis of the authority granted by the General Meeting held on June 17, 2021, set up:

- a free share award plan only for the benefit of certain employees of the Company and its subsidiaries (the "December 2022 Plan"). In this context, the Company decided to award 5,090 free shares to certain employees of the Group. The vesting date for these free shares is December 31, 2023;
- a free performance share award plan for corporate officers and employees of the Company and its subsidiaries (the "First Plan of January 2023"). In this context, the Company decided to award 683,780 free performance shares to certain executive corporate officers and employees of the Group. The vesting date for the last half of these free performance shares is March 31, 2026; and
- a free performance share award plan for certain executive corporate officers (the "Second Plan of January 2023"). In this context, the Company decided to award 455,600 free performance shares to certain executive corporate officers. The vesting date for the last half of these free performance shares is March 31, 2026.

8.1.7 Equity interest and stock options held by members of the Board of Directors and Executive Management

INTERESTS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Ms Isabelle Guichot, director and Chief Executive Officer of the Company since August 2, 2021, is a shareholder of the Company.

Ms Évelyne Chétrite, director and Deputy General Manager of the Company, and Ms Judith Milgrom, director and Deputy General Manager of the Company, are direct shareholders of the Company and indirect shareholders of the Company through the intermediary of the companies Sivan and Judor. Mr Ilan Chétrite, non-voting Board member and Deputy General Manager of the Company, is a direct shareholder of the Company.

None of the members of the General Management sold Company shares during the 2022 financial year.

The number of Company shares held by directors (other than directors representing employees) at December 31, 2022 is detailed below:

Director	Number of Company shares held
Christophe Cuvillier	3,000
Isabelle Guichot	72,802
Évelyne Chétrite/Sivan	1,860,552
Judith Milgrom/Judor	1,725,506
Ilan Chétrite	592,641
Orla Noonan	2,200
Dajun Yang	100
Christophe Chenut	1,000
Natalia Nicolaidis	100
Xavier Véret	100

Mr Yafu Qiu, who was director and Chairman of the Board of Directors of the Company until January 14, 2022, Ms Chenran Qiu, Ms Weiying Sun, Ms Xiao Su and Mr Kelvin Ho, who were directors of the Company until January 14, 2022, are members of the management team of the Shandong Ruyi Group, the majority shareholder of European TopSoho S.à r.l. (see paragraph 8.1.2 of this universal registration document).

OPTIONS FOR SUBSCRIPTION OR PURCHASE OF SHARES AND FREE AWARD OF SHARES

Between 2016 and 2017, the Group awarded 14,224,075 class G preferred shares to certain senior executives of the Group (including Mses Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite). On November 23, 2017, the Company decided to award 2,038,324 free performance shares to certain corporate officers (including Mses Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite) and certain Group employees, the terms of which are detailed in paragraph 7.2.1.2 of this universal registration document.

In June 2018, a reverse split of the G PS was completed, under which 11 old G PS, each with a nominal value of €0.10, were exchanged for one new G PS, with a nominal value of €1.10. At the end of this reverse split, the total number of G PS was 1,293,098 with a nominal value of €1.10

Between January 1, 2019, and January 1, 2021, 393,607 G PS were converted into ordinary shares by 52 managers of the Company and 1,544,124 new ordinary shares were issued and the Company's Articles of Association were modified accordingly.

On March 20, 2019, the Group awarded 132,000 free performance shares to certain corporate officers of the Group (including Mr Ilan Chétrite) and certain Group employees, as detailed in paragraph 7.2.1.2 of this universal registration document.

On December 5, 2019, the Company decided to award 870,460 free performance shares to certain corporate officers (including Mses Évelyne Chétrite and Judith Milgrom and Mr. Ilan Chétrite) and certain Group employees, the terms of which are detailed in paragraph 7.2.1.2 of this universal registration document.

On December 17, 2020, the Company decided to award 1,437,694 free performance shares to certain corporate officers (including Mses Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite) and certain Group employees, the terms of which are detailed in paragraph 7.2.1.2 of this universal registration document.

On December 14, 2021, the Company decided to award 987,600 free performance shares to certain corporate officers (including Mses Isabelle Guichot, Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite) and certain Group employees, the terms of which are detailed in paragraph 7.2.1.2 of this universal registration document.

On January 1, 2022, 187,912 G PS were converted into ordinary shares by eight managers of the Company. Consequently, the Group proceeded to the issue of 737,189 newly created ordinary shares and the Company's Articles of Association were amended accordingly.

On December 7, 2022, the Company decided to award 1,139,280 free performance shares to certain corporate officers (including Mses Isabelle Guichot, Évelyne Chétrite and Judith Milgrom and Mr Ilan Chétrite) and certain Group employees, the terms of which are detailed in paragraph 7.2.1.2 of this universal registration document.

On January 1, 2023, 14,236 G PS were converted into ordinary shares by two Company managers. Consequently, 55,849 newly-created ordinary shares were issued and the Company's Articles of Association were modified accordingly.

8.2 Dividends

No dividend was distributed by the Company during the financial year ended December 31, 2022.

The Company does not intend to pay dividends in 2023. The Group's available cash will be allocated primarily to the financing of its operating activities and the repayment of financial debt.

8.3 General Meeting and voting rights

8.3.1 Procedures for shareholders to attend General Meetings

NOTICE TO ATTEND AND PARTICIPATE IN GENERAL MEETINGS

Shareholders' decisions are taken at General Meetings. The Ordinary General Meeting is the meeting called to take all decisions that do not amend the Articles of Association. It takes place at least once a year, within six months of the end of each financial year, to rule on the financial statements for that year and on the consolidated financial statements.

The Extraordinary General Meeting alone is authorised to amend all the provisions of the Articles of Association.

General Meetings are convened by the Board of Directors under the conditions and within the periods stipulated by law. The General Meetings are held at the registered office or at any other place indicated in the notice of meeting.

Any shareholder may participate in meetings, either personally or through a representative, under the conditions laid down by the regulations in force, subject to providing proof of their identity and ownership of their securities in the form of accounting registration of their securities under the conditions provided for by the laws and regulations in force. Any shareholder may vote remotely or confer power of attorney in accordance with the regulations in force.

Meetings are chaired by the Chairman of the Board of Directors or, in his absence or otherwise failing this, by the director delegated for such purpose by the Board of Directors. Failing that, the meeting elects its Chairman itself.

The duties of tellers (*scrutateurs*) are performed by the two members of the meeting, present and accepting such duties, holding the highest number of votes, either themselves or as representatives.

The office (*bureau*) appoints the secretary, who need not be a shareholder.

EXERCISE OF VOTING RIGHTS, DOUBLE VOTING RIGHTS, LIMITATIONS TO VOTING RIGHTS

Each ordinary share grants the right to a share in the Company's profits and assets, in proportion to the amount of capital it represents. Each ordinary share also grants the right to vote and be represented at General Meetings, under the statutory conditions and the conditions of the Articles of Association.

A voting right is awarded to every share in the Company.

A double voting right is introduced for fully paid-up ordinary shares that have been held continuously as registered shares by the same holder for a minimum period of at least two (2) years.

In accordance with Article L. 225-123, Section 2 of the French Commercial Code, in the event of an increase in capital through the incorporation of reserves, profits or issue premiums, the double voting right is granted to the new ordinary shares awarded free of charge to a shareholder as from the issue thereof, on the basis of the former ordinary shares for which they are already entitled to this right.

This double voting right may be exercised at any meeting.

The double voting right ceases automatically when the ordinary share is converted to a bearer share or ownership is transferred.

As for ordinary shares, the voting rights attached to the G PS are proportional to the percentage of capital that they represent and each G PS gives the right to at least one vote. A double voting right is introduced for G PS that have been held continuously by the same holder for a minimum period of at least two years. The G PS are in mandatory registered form. The new ordinary shares issued on conversion of the G PS will carry the same rights as existing ordinary shares of the same category after the payment, where applicable, of a dividend in respect of the previous financial year. For each converted G PS that had a double voting right, one of the newly issued ordinary shares corresponding to this converted G PS will be granted a double voting right, with the other newly issued ordinary shares not having such voting rights until they have been held continuously by the same holder for a minimum period of at least two years after the conversion.

8.4 Elements likely to have an impact in the event of a public offering

The elements that could have an impact in the event of a public offering are described below.

8.4.1 Structure of the Company's capital

See paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4

8.4.2 Restrictions defined by the Articles of Association on the exercise of voting rights and stock transfers, or clauses of agreements of which the Company has been informed pursuant to Article L. 233-11 of the French Commercial Code

The restrictions defined by the Articles of Association on the exercise of voting rights and stock transfers, or the clauses of agreements of which the Company has been informed pursuant to Article L. 233-11 of the French Commercial Code, as well as the rules governing the nomination and replacement of members of the Board of Directors, and the agreements among shareholders of the Company known by the Company which may result in restrictions on stock transfers and the exercise of voting rights are described in paragraphs 7.1.2.2, 7.1.3 and 8.4.5 in the universal registration document. The powers of the Board of Directors, particularly the issuance and purchase of shares, and the agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, are described in paragraphs 8.4.6 and 8.4.7 respectively of the universal registration document.

8.4.3 Direct or indirect shareholdings in the Company of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code

Direct or indirect shareholdings in the Company of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code are described in the shareholding structure table above (see paragraph 8.1.1 of the universal registration document).

8.4.4 List of persons holding any security with special control rights and a description of those rights or control mechanisms stipulated in a potential employee shareholding structure, when the control rights are not exercised by employees

There are no persons holding a security that carries special control rights or control mechanisms stipulated in a potential employee shareholding structure system, when the control rights are not exercised by employees.

8.4.5 Shareholders agreements of which the Company is aware and which could result in restrictions on the transfer of shares and the exercise of voting rights

None.

8.4.6 Powers of the Board of Directors for capital increase and share buyback

Information relating to the powers of the Board of Directors to increase the share capital is detailed in the Company's Articles of Association and in paragraph 8.6.1 of this universal registration document, which describes the financial delegations for capital increases in force and those whose adoption will be proposed to the General Meeting of the Company which will be convened for June 21, 2023. It is specified that the Board of Directors may not use these delegations, without the prior authorisation of the Shareholders' General Meeting, as from the filing by a third party of a public offering for the Company's shares and until the end of the offer period.

SHARE BUYBACK PROGRAMME

The Shareholders' General Meeting of June 9, 2022 authorised the Board of Directors, for a period of 18 months from the date of the meeting, with the option of sub-delegation in accordance with laws and regulations and pursuant to the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, to purchase on one or more occasions at the times it shall establish, a number of shares of the Company that may not exceed 10% of the total number of shares composing the share capital, at any time, or 5% of the total number of shares composing the share capital for shares acquired by the Company in order to retain them and subsequently remit such shares as payment or exchange within a merger, demerger or spin-off transaction; it is specified that the number of shares held by the Company may not under any circumstances result in the Company holding at any time more than 10% of the shares composing its share capital.

The shares may be acquired, by resolution of the Board of Directors, in order to:

- ensure liquidity and stimulate the Company securities market through an investment service provider acting independently under a liquidity agreement in accordance with the code of ethics recognised by the AMF;
- award shares to members of the Company's personnel, particularly in respect of (i) Company profit-sharing; (ii) any Company share purchase option plan, under the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code; or (iii) any savings plan pursuant to Articles L. 3331-1 *et seq.* of the French Labour Code or any free award of shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, and perform any hedging transactions relating to these transactions, under the conditions laid down by the market authorities and at the times which the Board of Directors or the person acting by delegation of the Board of Directors will determine;
- hand over the Company shares at the time of exercise of the rights attached to securities granting the right, by repayment, conversion, exchange, presentation of a note or in any other way, to the award of shares of the Company under the regulations in force, and perform any hedging transactions relating to these transactions, under the conditions laid down by the market authorities and at the times which the Board of Directors or the person acting by delegation of the Board of Directors will determine;
- hold the Company shares and remit them at a later date for payment or exchange in connection with any external growth transactions;
- cancel the shares of the Company in connection with a reduction in share capital;
- implement any market practice that may be accepted by the AMF and, more generally, perform any transactions complying with the regulations in force.

The maximum unit purchase price, excluding fees, may not be greater than €44.

In the event of transactions in the Company's capital, particularly a change in the nominal value of the share, an increase in capital through the incorporation of reserves followed by the creation and the free award of shares, or the division or grouping of securities, the Board of Directors may adjust the aforementioned maximum purchase price, however, in order to account for the effect of these transactions on the Company's share value.

These shares may be acquired, disposed of or transferred and paid for by any means authorised by the regulations in force, on a regulated market, on a multilateral trading system, with a systematic internaliser or over the counter, particularly through the acquisition or transfer of blocks of shares, the use of options or other derivative financial instruments, or notes or, more generally, to securities granting the right to shares of the Company, at times determined by the Board of Directors, excluding public offer periods involving the Company's securities.

The Board of Directors will have all powers, with the option of sub-delegation under the statutory and regulatory conditions, to effect the permitted reallocations of shares bought back with a view to one of the objectives of the programme or to one or more of its other objectives, or to transfer them, on or off the market, in adherence to the relevant statutory and regulatory provisions.

The Board of Directors will inform the General Meeting of the transactions performed, under the statutory conditions.

The Board of Directors may not, without the prior authorisation of the General Meeting, make use of this authorisation as from the filing by a third party of a public offer proposal for the Company's shares, until the end of the offer period.

At its meeting on September 2, 2021, the Board of Directors approved the implementation of a 670,000 share buyback programme. The programme was implemented on two occasions. In this respect, on November 5, 2021, SMCP launched a share buyback programme covering 335,000 shares (purchased over a period until November 23, 2021) and on January 20, 2022, another programme also for 335,000 shares (purchased over a period until February 2, 2022). Under this programme, SMCP repurchased 670,000 shares.

At its meeting on September 13, 2022, the Board of Directors approved the implementation of a 830,000 share buyback programme. The programme was implemented on September 16, 2022 for a period running until November 24, 2022. Under this programme, SMCP repurchased 830,000 shares

LIQUIDITY AGREEMENT

A liquidity contract was signed with Exane BNP Paribas to manage the Company's shares. The contract took effect on November 28, 2017 and ended on December 31, 2022, renewable by tacit agreement for periods of one year.

As of December 31, 2022, pursuant to its liquidity agreement, the Company held 128,338 treasury shares in addition to €512,578 in cash.

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

The agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company are detailed in paragraphs 4.4.2.2 "Financial liabilities" and 4.4.2.6 "Voluntary early repayment" of the universal registration document.

8.4.8 Agreements stipulating 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 ends because of a public offering

The Group has established agreements that stipulated severance packages for the termination of Ms Isabelle Guichot in her capacity as Chief Executive Officer, and for Ms Évelyne Chétrite, Ms Judith Milgrom and Mr Ilan Chétrite in their capacity as Deputy General Managers. Detailed information is presented in paragraph 7.2.1.2 of the universal registration document. It should also be noted that, for the Deputy General Managers, the regulations for the award of free performance share plans implemented as from the General Meeting of June 17, 2021 (*i.e.* as of the date of this universal registration document, Plan no. 7 set up by the Board of Directors on December 14, 2021 and Plan no. 5 set up by the Board of Directors on December 7, 2022), provide, in the event of a forced or voluntary departure following a change in control of the Company, for maintaining all of their rights to the free performance share award, by deeming that all the award conditions (including any employment and/or performance conditions) have been met at the end of the applicable vesting period.

8.4.9 Statement summarising the transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code during the 2022 financial year

No transaction mentioned in Article L. 621-18-2 of the French Monetary and Financial Code was made during the 2022 financial year.

8.5 Change of control

As at the date of registration of this universal registration document, and to the Company's knowledge, there are no agreements which, if implemented, could result in a change of control of the Company. However, it should be noted that Glas SAS (London Branch) ("GLAS"), in its threshold crossing declarations dated October 29, 2021 and November 10, 2021, had indicated in particular that it had appointed a receiver (a professional representative under English law) responsible for selling to a third party all of the shares pledged under the €250 million in exchangeable bonds issued in 2018 by European TopSoho S.à r.l. ("ETS"), ideally by block and with the non-pledged shares, in which case the said third party should be required to file a proposed mandatory public offer on all of the Company's shares (see paragraph 8.1.2 "Changes in the shareholding structure"). GLAS also indicated, in the aforementioned threshold crossing declaration of 29 October 2021, that as long as an agreement has not been reached with a buyer, ETS remains entitled to repay the sums due in respect of the exchangeable bonds, which would entail an interruption in the process of enforcement of the collateral and therefore a recovery by ETS of the underlying shares of the Company. If the process of enforcement of the collateral were to be interrupted as mentioned above, the composition of the shareholding structure, and where applicable the governance of the Company, could change significantly (see paragraph 3.1.2 "Risks related to the Group's operations" of this universal registration document).

On March 1, 2023, a press release was issued by Alastair Beveridge and Daniel Imison of AlixPartners UK LLP, acting as receivers, announcing the launch, on behalf of bondholders and GLAS, of a process to sell the pledged stake of approximately 37% of the share capital held by ETS. This press release indicated that at this initial stage of the sale process, the timetable for such a sale, its conclusion or not, the identity of any buyer(s) and whether all or part of the pledged shares could be sold to one or more buyers were uncertain and it was therefore not yet possible to assess whether or not the transaction would trigger a subsequent mandatory takeover bid.

8.6 Information on share capital

8.6.1 Share capital subscribed and share capital authorised but not issued

On the date of this universal registration document, the Company's capital totalled €83,917,383, divided as follows:

- 75,591,187 ordinary shares with a nominal value of €1.10; and
- 697,343 class G preferred shares with a nominal value of €1.10 (the "G PS").

The ordinary shares and the class G preferred shares are issued and fully paid up.

The Company General Meeting held on June 17, 2021 approved the following capital increase financial delegations:

Resolution	Nature of the delegation	Maximum term	Maximum nominal amount	Utilisation in the 2022 financial year
42nd resolution	Authority given to the Board of Directors to award existing or new free shares to the employees and corporate officers of the Company and affiliated companies, with removal of the shareholders' preemptive subscription right	38 months	3% of the share capital [1]	Board of Directors meeting of December 7, 2022

(1) Delegation subject to the total ceiling of €32 million for capital increases (approximately 40% of the share capital).

8

The Company General Meeting held on June 9, 2022 approved the following capital increase financial delegations.

In response to questions raised during the dialogue with its shareholders and comments made by the main proxy advisory agencies and in line with the best practices followed by a certain number of listed companies, SMCP decided in particular to introduce at the General Meeting of June 9, 2022 a common sub-ceiling corresponding to 10% of the share capital for all delegations of capital increases without preemptive subscription rights (including capital increases in consideration for contributions in kind).

Resolution	Nature of the delegation	Maximum term	Maximum nominal amount	Utilisation in the 2022 financial year
21st resolution	Authority to trade in the Company's shares (share buyback programme)	18 months	Subject to a limit of 10% of the total number of shares forming the share capital or 5% of the total number of shares with a view to their retention and subsequent remittance for payment or exchange in connection with external growth transactions Maximum purchase price: €44	A liquidity contract was signed with Exane BNP Paribas to manage the Company's shares. The contract took effect on November 28, 2017 and ended on December 31, 2018, renewable by tacit agreement for periods of one year. At December 31, 2022, 128,338 SMCP SA shares were reported as contract assets.
22nd resolution	Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	26 months	Subject to a limit of 10% of the share capital every 24 months	None.
23rd resolution	Delegation of authority to the Board of Directors to increase the share capital through the capitalisation of reserves, profits or premiums or any other sum that may be capitalised	26 months	€15,820,000 (Approximately 20% of the capital)	None.
24th resolution	Delegation of authority to the Board of Directors to increase the share capital through the issuance, maintaining preemptive subscription rights, of shares and/or equity securities giving rights to other equity securities and/or giving rights to the allocation of debt securities and/or securities giving rights to equity securities to be issued	26 months	For capital increases: €32,050,000 [1] (Approximately 40% of the share capital) For issues of debt securities: €500 million [3]	None.
25th resolution	Delegation of authority to the Board of Directors to increase the share capital through the issuance, eliminating preemptive subscription rights, of shares and/or equity securities giving rights to other equity securities and/or giving rights to the allocation of debt securities and/or securities giving rights to equity securities to be issued in the context of public offerings other than those described in Article L. 411-2 of the French Monetary and Financial Code [5]	26 months	For capital increases: €8 million [1] [2] (Approximately 10% of the share capital) For issues of debt securities: €500 million [3]	None.

Resolution	Nature of the delegation	Maximum term	Maximum nominal amount	Utilisation in the 2022 financial year
26th resolution	Delegation of authority to the Board of Directors to increase the share capital through the issuance, eliminating preemptive subscription rights, of shares and/or equity securities giving rights to other equity securities and/or giving rights to the allocation of debt securities and/or securities giving rights to equity securities to be issued in the context of public offerings described in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code [1]	26 months	For capital increases: €8 million [1] [2] (Approximately 10% of the share capital) For issues of debt securities: €500 million [3]	None.
27th resolution	Authorisation to the Board of Directors in case of issue with elimination of preemptive subscription right, by public offerings in order to set the issue price in line with the conditions set by the General Meeting within the limit of 10% of the capital per year	26 months	For capital increases: €8 million [1] [2] (Approximately 10% of the share capital) For issues of debt securities: €500 million [3]	None.
28th resolution	Authority given to the Board of Directors to increase the amount of issues with or without preemptive subscription rights	26 months	Limit laid down by the applicable regulations (currently 15% of the initial issue) [1] [2]	None.
29th resolution	Delegation of authority to the Board of Directors to increase capital through the issuance of shares and/or equity securities giving rights to other equity securities and/or giving rights to the allocation of debt securities and/or securities giving rights to equity securities to be issued in consideration for in-kind contributions up to a limit of 10% of the share capital	26 months	For capital increases: €8 million [1] [2] (Approximately 10% of the capital) For issues of debt securities: €500 million [3]	None.

Resolution	Nature of the delegation	Maximum term	Maximum nominal amount	Utilisation in the 2022 financial year
30th resolution	Delegation of authority to the Board of Directors to increase share capital, eliminating preemptive subscription rights, through the issuance of shares of the Company reserved for the participants in a company savings plan	26 months	3% of the capital (1) (4)	None.
31st resolution	Delegation of authority to the Board of Directors to increase the share capital through the issuance of shares, eliminating preemptive subscription rights, to a defined category of beneficiaries	18 months	3% of the capital (1) (4)	None.

(1) Delegation subject to the total ceiling of €32,050,000 for capital increases (approximately 40% of the share capital).
(2) Delegation subject to the sub-ceiling applicable for capital increases with cancellation of preemptive subscription rights set at €8 million (approximately 10% of the share capital).
(3) Delegation subject to the total ceiling of €500 million for issues of debt securities.
(4) The maximum total of the capital increases that may be executed under this authority is charged against the total ceiling for operations reserved for employees that is set at €2.4 million.
(5) Including as part of a public exchange offer initiated by the Company (Article L. 22-10-54 of the French Commercial Code).

The table below shows the financial resolutions relating to a capital increase to be recommended for adoption to the Shareholders' General Meeting of the Company that will be called on June 21, 2023. These resolutions may not, without the prior authorisation of the General Meeting, be implemented as from the filing by a third party of a public offer proposal for the Company's shares, until the end of the offer period.

In response to questions raised during the dialogue with its shareholders and comments made by the main proxy advisory agencies, and in line with best practices followed by a certain number of listed companies, SMCP decided notably to increase to three years the vesting period of the performance share award plans that the General Meeting of 21 June 2023 is asked to authorise the Board of Directors to award (the performance criteria of which have been amended; see paragraph 7.2.1.1 of this universal registration document). The percentage of share capital allocated to awards of new or existing free shares, in favour of employees and executive corporate officers of the Company and companies related to, has been reduced to 2%.

Resolution	Nature of the delegation	Duration (maximum)	Nominal amount (maximum)
21st resolution	Authorisation to trade in the Company's shares (share buyback programme)	18 months	Subject to a limit of 10% of the total number of shares forming the share capital or 5% of the total number of shares with a view to their retention and subsequent remittance for payment or exchange in connection with external growth transactions Maximum purchase price: €44
22nd resolution	Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	26 months	Subject to a limit of 10% of the share capital every 24 months
23rd resolution	Delegation of authority to the Board of Directors to increase the share capital, without pre-emptive subscription rights, through the issuance of Company shares reserved for members of a company savings scheme	26 months	3% of the share capital(1) (2)
24th resolution	Delegation of authority to the Board of Directors to increase the share capital through the issuance of shares, eliminating pre-emptive subscription rights, to a defined category of beneficiaries	18 months	3% of the share capital(1) (2)
25th resolution	Authorisation given to the Board of Directors to allocate existing or new free shares to certain employees and corporate officers of the Company and its related companies, without shareholders' pre-emptive subscription rights	38 months	2% of the share capital(1)

(1) Delegation subject to the total ceiling of €32 million for capital increases (approximately 40% of the share capital).
(2) The maximum total of the capital increases that may be executed under this authority is charged against the total ceiling for operations reserved for employees that is set at €2.4 million.

8.6.2 Financial instruments not representing capital

As of the date of this universal registration document, the Company has not issued any non-equity securities.

8.6.3 Shares held by the Company or on its own behalf

As of December 31, 2022, pursuant to its liquidity agreement signed with Exane BNP Paribas, the Company held 128,338 treasury shares (nominal value of €1.10; for the carrying amount of these shares, see paragraph 5.2.2 of this universal registration document) in addition to €512,578 in cash.

For the share buyback programmes see paragraph 8.4.6 "Powers of the Board of Directors regarding capital increases and share buybacks" of this universal registration document.

8.6.4 Other securities giving access to share capital

As of the date of this universal registration document, the Company had not issued any securities giving rights to capital other than ordinary shares, the Class G preferred shares, and the free performance shares described in paragraph 8.1.6 of this universal registration document.

8.6.5 Change in the Company's capital over the last three financial years

(In euros)	Nature of the transaction	Capital before the transaction	Number of shares before the transaction
January 1, 2020	Capital increase	82,222,037.60	74,747,307 shares divided between: 73,550,068 ordinary shares 1,197,239 class G preferred shares
January 2, 2020	Capital increase	82,684,426	75,167,660 shares divided between: 74,114,230 ordinary shares 1,053,430 class G preferred shares
January 1, 2021	Capital increase	82,687,319	75,170,290 shares divided between: 74,117,760 ordinary shares 1,052,530 class G preferred shares
April 17, 2021	Capital increase	83,179,393	75,617,630 shares divided between: 74,718,139 ordinary shares 899,491 class G preferred shares
January 1, 2022	Capital increase	83,267,404	75,697,640 shares divided between: 74,798,149 ordinary shares 899,491 class G preferred shares
January 1, 2023	Capital increase	83,871,608.70	76,246,917 shares divided between: 75,535,338 ordinary shares 711,579 class G preferred shares

Number of shares after the transaction	Unit price per share *(in €)*	Nominal value *(in €)*	Capital after operation *(in €)*
75,167,660 shares divided between: 74,114,230 ordinary shares 1,053,430 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	82,684,426
75,170,290 shares divided between: 74,117,760 ordinary shares 1,052,530 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	82,687,319
75,617,630 shares divided between: 74,718,139 ordinary shares 899,491 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	83,179,393
75,697,640 shares divided between: 74,798,149 ordinary shares 899,491 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	83,267,404
76,246,917 shares divided between: 75,535,338 ordinary shares 711,579 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	83,871,608.70
76,288,530 shares divided between: 75,591,187 ordinary shares 697,343 class G preferred shares	Ordinary shares: 1.10 Class G preferred shares: 1.10	Ordinary shares: 1.10 Class G preferred shares: 1.10	83,917,383

Universal registration document cross reference table

Information required by Annexes 1 and 2 of the Delegated Regulation (EC) no. 2019/980 of March 14, 2019 in accordance with the universal registration document scheme.

Headings		Pages	Chapters
18.1.6	*Consolidated financial statements*	92 *et seq.*	5
18.1.7	*Date of latest financial information*	92 *et seq.*; 143 *et seq.*	5
18.2	Interim and other financial information (audit or review reports where applicable)	N/A	N/A
18.3	Audit of historical annual financial information		
18.3.1	*Independent audit of historical annual financial information*	139 *et seq.*; 153 *et seq.*	5
18.3.2	*Other audited information*	N/A	N/A
18.3.3	*Unaudited financial information*	N/A	N/A
18.4	*Pro forma* financial information	N/A	N/A
18.5	Dividend distribution policy		
18.5.1	*Description of the dividend distribution policy and any applicable restrictions*	269	8
18.5.2	*Amount of dividend per share*	N/A	N/A
18.6	Administrative, legal and arbitration proceedings	65 *et seq.*	3
18.7	Significant change in financial position	76; 138; 146 *et seq.*	4; 5
19.	**Additional information**		
19.1	Information on share capital		
19.1.1	*Amount of share capital subscribed, number of shares issued and fully paid up and nominal value per share, number of shares authorised*	125; 262 *et seq.*	5; 8
19.1.2	*Information on shares not representing share capital*	277	8
19.1.3	*Number, carrying amount and nominal value of shares held by the Company*	125; 278	5; 8
19.1.4	*Convertible securities, exchangeable securities or securities accompanied by warrants*	278	8
19.1.5	*Conditions governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid up, or on any undertaking to increase the capital*	266 *et seq.*	8
19.1.6	*Conditional or unconditional option or agreement of any Group member*	N/A	N/A
19.1.7	*History of share capital*	265 *et seq.*; 278 *et seq.*	8
19.2	Memorandum and Articles of Association		
19.2.1	*Register and company purpose*	6	*1*
19.2.2	*Rights, privileges and restrictions attached to each category of shares*	126; 266 *et seq.*	5; 8
19.2.3	*Provisions delaying, deferring or preventing a change of control*	88; 273	2; 8
20.	**Major contracts**	**86**	4
21.	**Available documents**	10	1

Management report cross-reference table

Headings	Reference texts	Pages	Chapters
1. Company situation and activity			
Company situation and objective and exhaustive analysis of the evolution of the business, the results and the financial situation of the Company, in particular its debt position in view of the volume and complexity of its business	Articles L. 225-100-1, I., 1, L. 232-1, II., L. 233-6 and L. 233-26 of the French Commercial Code	71 *et seq.*	4
Financial key performance indicators	Article L. 225-100-1, I., 2 of the French Commercial Code	104 *et seq.*	5
Non-financial key performance indicators related to the specific business activity of the Company	Article L. 225-100-1, I., 2 of the French Commercial Code	159 *et seq.*; 189	6
Significant events occurring between December 31, 2022, and the date on which the management report was prepared	Article L. 232-1, II and L. 233-26 of the French Commercial Code	73; 98; 138	4; 5
Existing free-standing stores	Article L. 232-1, II of the French Commercial Code	22 *et seq.*	2
Equity investment in a Company with its registered office in France on French territory	Article L. 233-6 par. 1 of the French Commercial Code	40; 157	2; 5
Disposal of cross-holdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A	N/A
Foreseeable development of the Company's situation and future outlook	Article L. 232-1, II and L. 233-26 of the French Commercial Code	9; 71 *et seq.*	1; 4
Research and development activities	Article L. 232-1, II and L. 233-26 of the French Commercial Code	65 *et seq.*	4
Table showing the Company's results for each of the last five financial years	Article R. 225-102 of the French Commercial Code	157	5
Information on payment terms for suppliers and customers	Article D. 441-4 of the French Commercial Code	84	4
Amount of inter-company loans granted and statutory auditor's statement	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A	N/A
2. Internal control and risk management			
Main risks and uncertainties facing the Company	Article L. 225-100-1, I., 3 of the French Commercial Code	47 *et seq.*; 154 *et seq.*; 162 *et seq.*	3; 5; 6
Financial risks related to the effects of climate change and presentation of measures taken to reduce them	Article L. 22-10-35,1 of the French Commercial Code	162 *et seq.*	6
Main characteristics of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information	Article L. 22-10-35, 2 of the French Commercial Code	67 *et seq.*	3
Objectives and hedging policy for each category of transaction and the Company's exposure to price, credit, liquidity and cash risks. The indications include the use by the Company of financial instruments	Article L. 225-100-1, I., 4 of the French Commercial Code	62 *et seq.*; 66; 131 *et seq.*	3; 5
Anti-corruption system	So-called "Sapin 2" Law no. 2016-1691 of December 9, 2016	69 *et seq.*; 153; 182	3; 6
Vigilance plan and report on its effective implementation	Article L. 225-102-4 of the French Commercial Code	N/A	N/A
3. Share capital and shareholding structure			
Structure, change in the Company's capital and crossing of thresholds	Article L. 233-13 of the French Commercial Code	38; 51; 72; 99; 125; 146; 261 *et seq.*; 273 *et seq.*	2; 3; 4; 5; 8

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Headings	Reference texts	Pages	Chapters
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Employee profit-sharing status	Article L. 225-102 paragraph 1 of the French Commercial Code	266 *et seq.*	8
Statement of any adjustments for securities giving access to the share capital in the event of share buybacks or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	N/A	N/A
Information on transactions by Executive Management and related persons on the Company's shares	Article L. 621-18-2 of the French Monetary and Financial Code	236; 268	7; 8
Amount of dividends distributed over the last three financial years	Article 243 *bis* of the French General Tax Code	96; 269	5; 8
4. Statement of Non-Financial Performance (SNFP)			
Business model	Articles L. 225-102-1 and R. 225-105 of the French Commercial Code	164 *et seq.*	6
Description of the main risks related to the Company's activity	Articles L. 225-102-1 and R. 225-105, I.1 of the French Commercial Code	162 *et seq.*	6
Information on the way in which the Company takes into account the social and environmental consequences of its activity, as well as the effects of this activity on respect for human rights and the fight against corruption	Art. L. 225-102-1, III, R. 225-104 and R. 225-105, I, 2 of the French Commercial Code.	165 *et seq.*	6
Results of policies applied by the Company or Group, including key performance indicators	Articles L. 225-102-1 and R. 225-105, I.3 of the French Commercial Code	189 *et seq.*	6
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Societal information (societal commitments in favour of sustainable development, subcontracting and suppliers, fair practices)	Articles L. 225-102-1 and R. 225-105, II, A, 3 of the French Commercial Code	165 *et seq.*	6
Information on the fight against corruption	Articles L. 225-102-1 and R. 225-105, II, B, 1 of the French Commercial Code	165; 182	6
Information on actions in favour of human rights	Articles L. 225-102-1 and R. 225-105, II, B, 2 of the French Commercial Code	52; 162	3; 6
Specific information on SEVESO facilities	Article L. 225-102-2 of the French Commercial Code	N/A	N/A
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Certification of the independent third party on the presence of the indicators in the SNFP	Articles L. 225-102-1, III and R. 225-105-2 of the French Commercial Code	198 *et seq.*	6
5. Additional information required for the preparation of the management report			
Additional tax information	Articles 223 *quater* and 223 *quinquies* of the French General Tax Code	64	3
Financial injunctions or sanctions for anti-competitive practices	Article L. 464-2 of the French Commercial Code	N/A	N/A
Any changes in the presentation of the annual financial statements	Article L. 232-6 of the French Commercial Code	N/A	N/A

Cross-reference table for the corporate governance report

Headings	Reference texts	Pages	Chapters
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Ratios between the level of compensation of each corporate officer and the **average** and **median** compensation of the Company's employees	Article L. 22-10-9, I., 6 of the French Commercial Code	255	7
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Explanation of how the total compensation complies with the adopted compensation policy, including how it contributes to the long-term performance of the Company and how the performance criteria were applied	Article L. 22-10-9, I., 8 of the French Commercial Code	229 *et seq.*; 231; 240 *et seq.*; 244 *et seq.*; 247 *et seq.*	7
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Allocation and retention of free shares to corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	108 *et seq.*; 147 *et seq.*; 234 *et seq.*; 246 *et seq.*; 250; 252; 266 *et seq.*	5; 7; 8
2. Governance information			
List of all offices and duties exercised in any company by each corporate officer during the financial year	Article L. 225-37-4, 1 of the French Commercial Code	207 *et seq.*	7
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Headings	Reference texts	Pages	Chapters
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Specific procedures for the participation of shareholders in the General Meeting	Article L. 22-10-10-5 of the French Commercial Code	269	8
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3. Information likely to have an impact in the event of a public offering or exchange offer	Article L. 22-10-11 of the French Commercial Code		
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Direct or indirect shareholdings in the Company of which it is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code		268; 270	8
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Rules applicable to the nomination and replacement of members of the Board of Directors and the amendment of the Company's articles of association		205; 218 *et seq.*; 269	7; 8
Powers of the Board of Directors, in particular with regard to the issue or buyback of shares		271 *et seq.*	8
Agreements entered into by the Company that are amended or terminate in the event of a change of control of the Company, unless such disclosure, except in the case of a legal obligation to disclose, would seriously harm its interests		272; 273	8
Agreements stipulating 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 ends because of a public offering		236 *et seq.*; 240 *et seq.* 272	7; 8

Cross-reference table of the annual financial report

Headings	Texts	Pages	Chapters
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