

MONTE•CARLO
SOCIÉTÉ DES BAINS DE MER



Notice of Meeting
Ordinary General Meeting

2023

September 27, 2023 at 9.30 a.m.
Monte-Carlo Bay Hotel & Resort - Salon America

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The financial statements in English are a faithful translation of the original French version but should not be considered as completely accurate due to the unavailability of English equivalents for certain French accounting terms. Consequently, this English document is intended for general information only.

1

GENERAL MEETING INVITATION

Ladies, Gentlemen, Dear Shareholders,

*I am pleased to invite you to attend the Ordinary General Meeting of Société des Bains de Mer to follow, to be held on **Wednesday, September 27, 2023 at 9.30 a.m.** at the Monte-Carlo Bay Hotel & Resort, salon America, 40 avenue Princesse Grace in Monaco.*

The purpose of this meeting is to provide you with information on the Company's developments, and is a privileged occasion to answer all the questions you may have, regardless of the number of shares you own.

***I sincerely hope you will be able to participate, either by attending, or by using the proxy form** which allows you **to vote directly, or be represented** by the Chairman, or any other Shareholder of your choice.*

In this document, you will find instructions on how to participate in the General Meeting, the agenda and the text of the resolutions submitted to your approval.

Finally, we propose you to consult the digital interactive version of the "Document d'enregistrement universel" including the annual report as of March 31, 2023, available on our website (montecarlosbm-corporate.com).

I would like to thank you in advance for taking the time to consider the resolutions proposed.

Yours sincerely,

Stéphane Valeri

Chairman and Chief Executive Officer

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HOW TO PARTICIPATE IN THE GENERAL MEETING

The terms and conditions for attending General Meetings are defined in Article 30 of the Company's bylaws:

"The General Meeting, ordinary or extraordinary, shall be composed of all holders of a share that was transferred for their benefit at least ten days prior to the date of the meeting."

Only a holder possessing on his or her own behalf a share can take part in the deliberations of meetings.

Any shareholder may be represented by another shareholder at the General Meeting. The proxy shall be filed two days before the date of the meeting. Each shareholder attending the General Meeting is granted as many votes as he or she holds or represents in shares.

The shareholders can vote or give a proxy by any way, especially by transmitting postal voting form or proxy by remote transmission or by online voting before the meeting.

The Board of Directors determines the deadline date for the return form of proxies. This date is communicated in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires (Official Legal Announcement Publication)."

Thus you can attend the Shareholders General Meeting in person, vote using the proxy or be represented. In any case, you must indicate your choice using the proxy form enclosed to the invitation meeting received and detailed hereafter. To ensure a correct preparation of the Shareholders' General Meeting, we ask you to transfer your choice as soon as possible.

Société Générale (SGSS) centralizes the General Meeting:

Société Générale, Service des Assemblées Générales, CS 30812, 44308 NANTES CEDEX 3.

Shares held or represented should be registered or transferred to the Company's Register held by Société Générale Securities Services by no later than **September 17, 2023** (Euroclear settlement-delivery date corresponding to the transfer of share ownership).

The voting right attached to the share belongs to the usufructuary in ordinary general meetings.

A
You wish to attend
the General Meeting

B
You wish to vote
using the proxy form

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci ☒ la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this ☒, date and sign at the bottom of the form.

A ☐ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.

MONTE-CARLO
SOCIÉTÉ DES BAINS DE MER

Place du Casino
Principauté de Monaco
Société Anonyme Monégasque
au capital de 24 516 661 Euros
R.C.S. Monaco 56 S 523 - Siren: 775 751 878

ASSEMBLÉE GÉNÉRALE ORDINAIRE
convoquée le 27 septembre 2023 à 09h30
Au Monte-Carlo Bay Hotel & Resort - Salon America
40 avenue Princesse Grace - 98000 MONACO

ORDINARY GENERAL MEETING
convened on September 27, 2023 at 09:30 a.m.
At Monte-Carlo Bay Hotel & Resort - Salon America
40 avenue Princesse Grace - 98000 MONACO

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account	Nominatif Registered	Vote simple Single vote
Nombre d'actions Number of shares	Porteur Bearer	Vote double Double vote
Nombre de voix - Number of voting rights		

B ☐ JE VOTE PAR CORRESPONDANCE // I VOTE BY POST

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ☒ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this ☒, for which I vote NO or I abstain.

1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27
28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45

Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noircissant comme ceci ☒ la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ☒.

Oui / Yes	Non/No	Oui / Yes	Non/No
A	F	B	G
C	H	D	J
E	K		

C ☐ JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING

Bon pour l'acceptation de Pouvoir (signature du Mandataire)
 Good for acceptance of power of attorney (signature of the proxy)

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être faites sur ce formulaire. Cf au verso (GENERAL INFORMATION))
 Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (GENERAL INFORMATION)

D ☐ JE DONNE POUVOIR À :
I HEREBY APPOINT:
 M., Mme, Mlle ou Raison Sociale / Mr, Mrs, Miss or Corporate Name
 Address / Adresse

DATE and SIGN here, whatever your choice

Date et Signature par l'actionnaire

Si des amendements ou des résolutions nouvelles étaient présentés en AG (p. 46, 48) / If case amendments or new resolutions are proposed during the GM (p. 46, 48)
 - Je donne pouvoir au Président de l'Assemblée Générale de voter en mon nom / I appoint the Chairman of the General Meeting to vote on my behalf
 - Je m'abstiens (l'abstention équivaut à un vote contre) / I abstain from voting (is equivalent to vote NO)
 - Je donne procuration à M., Mme, Mlle ou Raison Sociale pour voter en mon nom / I appoint Mr, Mrs, Miss or Corporate Name to vote on my behalf
 Pour être prise en considération, toute formule doit paraître au plus tard :
 In order to be considered, this completed form must be returned at the latest:
 à la banque / to the bank: 25 septembre 2023 / September 25, 2023

C You wish to give your proxy
to the Chairman
of the General Meeting

D You wish
to be represented

A– You wish to attend the General Meeting:

Fill in the box A of the enclosed form, date and sign the bottom of the form.

The form must be returned to SGSS. As from September 12, 2023, you will receive an admission card, which you will be asked to show at the entrance to the meeting room. It is recommended that you make this request as soon as possible in order to receive your card in time for the meeting.

Should you represent other Shareholders, we would ask you to enclose the proxies duly granted by the Shareholders with your form.

For any demand of an admission card related to a corporation, the form must be accompanied with a power of representation. The representative will have to show an identification document the day of the General Meeting.

B– You wish to vote using the proxy form:

Fill in the box B of the enclosed form.

■ Resolutions approved by the Board of Directors (numerical references):

Boxes correspond to resolutions proposed in section 4.3 of the present document.

If you wish to vote « yes » for all resolutions proposed and approved by the Board of Directors, leave the boxes blank.

If you wish to vote « no – abstention » for one or more resolution(s), shade the corresponding box(es).

■ Resolutions not agreed by the Board of Directors (alphabetical references):

For each resolution, shade the box of your choice: « yes » or « no – abstention ».

■ Amendments or new resolutions proposed during the General Meeting:

In the case of the agenda of the General Meeting would be completed after the convening of shareholders, according to the Article 40 of the Company's bylaws, you are requested to fill in the box of your choice. Complete the identity of the authorized representative who must be Company shareholders, if needed.

Your proxy form must then be dated and signed in the appropriate box.

C– You wish to give your proxy to the Chairman of the General Meeting:

Fill in the box C of the enclosed form, date and sign the bottom of the form.

D– You wish to be represented at the General Meeting:

If you wish to be represented at the General Meeting by a representative who must be Company Shareholders:

- fill in the box D;
- complete the identity of the authorized representative;
- date and sign the bottom of the form.

In the event that no authorized representative is specified in a shareholder's proxy, the Chairman of the General Meeting shall cast a vote on the draft resolutions according to the recommendations of the Company's Board of Directors.

In any case, the enclosed form must be received by the Société Générale Securities Services (SGSS), using the T envelop, at the latest on **September 25, 2023**, after being duly completed.

For any additional question, you are invited to contact directly the Société Générale, from Monday to Friday from 9.30 a.m. to 6 p.m. at +33(0)2 51 85 59 82 (cost of the call depending on the local operator from outside France).

The "Document d'enregistrement universel" 2022/2023 including the annual financial report as of March 31, 2023 is available at the Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco, Place du Casino, 98000 – Monaco (Principauté de Monaco), as well as in electronic version on the website of the Company (fr.montecarlosbm-corporate.com).

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BOARD OF DIRECTORS AS OF MARCH 31, 2023

Chairman

Mr. Stéphane VALERI

Directors

Mrs. Agnès FALCO

Mrs. Marie-Pierre GRAMAGLIA

Mr. Troy Fraser HICKOX

Mr. Alexandre KEUSSEOGLOU

Mr. Thierry LACOSTE

Mr. Fabrice LARUE

Mr. Christophe NAVARRE

Mr. Laurent NOUVION

Mr. Pierre SVARA

UFIPAR SAS (permanent representative Mr. Nicolas BAZIRE)

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ORDINARY GENERAL MEETING HELD ON SEPTEMBER 27, 2023

4.1 Agenda

- Report of the Board of Directors
- Reports of the Statutory Auditors and Contractual Auditor on financial statements as of March 31, 2023
- Approval of the fiscal year 2022/2023 Parent Company financial statements
- Approval of the fiscal year 2022/2023 Group consolidated financial statements
- Discharge of all Directors from any liabilities with respect to the performance of their mandate
- Final discharge to Directors whose term of office ended during the fiscal year
- Appropriation of earnings for the year ended March 31, 2023
- Ratification of a Director
- Appointment of the Statutory Auditors
- Real property matters
- Authorization granted by the General Meeting to the members of the Board of Directors to deal with the company personally or in an official capacity pursuant to Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws
- Authorization for the buyback of the company shares

4.2 Board of Directors' report

The purpose of this report is to draw your attention to the main points and issues of the draft resolutions submitted by the Board of Directors to the Ordinary General Meeting of Shareholders, due to deliberate on September 27, 2023. Therefore, this report is not comprehensive and should by no means replace your careful reading of the submitted resolutions before exercising your voting right.

The Ordinary General Meeting to be held on September 27, 2023 shall be asked to vote on ten resolutions.

Overview of the resolutions

APPROVAL OF THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (1ST AND 2ND RESOLUTIONS)

The first two resolutions enable you, after familiarizing yourself with the reports of your Board of Directors, the Contractual Auditor and Statutory Auditors, to indicate whether you approve or disapprove the Company's financial statements and the consolidated financial statements for year ended March 31, 2023 as well as the transactions reflected in such financial statements and summarized in such reports.

The **first resolution** submitted to you concerns the approval of the Parent Company's financial statements for the fiscal year ended March 31, 2023, which show a profit of €61,248,613.85.

The **second resolution** asks the Meeting to vote its approval (if appropriate) of the S.B.M. Group's consolidated financial statements, which show a net consolidated profit (Group share) of €896,215,000.

DISCHARGE TO ALL CURRENT DIRECTORS (3RD RESOLUTION)

You are asked to grant discharge to all current Directors with respect to their management during the 2022/2023 financial year.

FINAL DISCHARGE OF DIRECTORS WHOSE TERM OF OFFICE ENDED DURING THE FISCAL YEAR (4TH RESOLUTION)

You are asked to grant final discharge to Mrs. Brigitte Boccone-Pagès who resigned as of September 19, 2022 as Director appointed by the Shareholders' General Meeting and to Mr. Jean-Luc Biamonti who resigned as of January 24, 2023 as Director and Chairman and Chief Executive Officer.

ALLOCATION OF PROFITS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 (5TH RESOLUTION)

The **fifth resolution** concerns the allocation of profits of the Parent Company.

The proposed profit allocation is as follows:

- after noting that the company's net income for the year ended March 31, 2023 amounts to €61,248,613.85 and that retained earnings amount to €114,809,294.48 as of March 31, 2023;

- hence net income available for appropriation amounting to €206,057,908.33;
- propose to allocate the total net income for appropriation, i.e. an amount of €206,057,908.33 as follow:
 - an amount of €1,224,972.28 to the contingency reserve fund, i.e. 2% of the net income for the year in accordance with the Article 48 of the Bylaws,
 - a dividend of €1.20 allocated to each share, i.e. an amount of €29,419,993.20,
 - an amount of €175,412,942.85 to retained earnings.

RATIFICATION OF MR. FABRICE LARUE'S TERM OF OFFICE AS DIRECTOR (6TH RESOLUTION)

It is proposed that you ratify the appointment of Mr. Fabrice Larue to the Board of Directors, appointed by the Shareholders' General Meeting, effective as of February 15, 2023. Mr. Fabrice Larue was co-opted under the conditions of Article 12 of the Bylaws at the Board of Directors meeting of February 15, 2023.

In accordance with the provisions of Article 12 of the Bylaws, the term of office of Mr. Fabrice Larue will expire at the close of the Shareholders' General Meeting to be held following August 17, 2025.

The purpose of the **sixth resolution** is to ratify his appointment to the Board of Directors.

APPOINTMENT OF THE STATUTORY AUDITORS (7TH RESOLUTION)

The terms of office of Mr. Stéphane Garino and Mr. Jean-Humbert Croci as Permanent Statutory Auditors as well as those of Mrs. Bettina Ragazzoni and Mr. Romain Viale as Substitute Statutory Auditors will expire at the end of this Shareholders' Meeting.

The **seventh resolution** asks you to appoint:

- Mr. Stéphane Garino and Mr. Claude Boéri as Permanent Statutory Auditors;
- Mrs. Bettina Ragazzoni and Mr. Jean-Humbert Croci as Substitute Statutory Auditors.

Their terms of office will expire at the end of the Ordinary General Meeting of Shareholders held to approve the 2025/2026 financial statements.

REAL PROPERTY MATTERS (8TH RESOLUTION)

The purpose of the **eighth resolution** is to propose that you authorize the sale of the 64 m² separate parcel registered in section AC, no. 165 located in the Municipality of Beausoleil (Alpes-Maritimes) for the price of €120,000, and give all powers to the Chairman and Chief Executive Officer to sign a preliminary contract and the deed of sale, and more generally to take any actions required to give effect to this decision, with the right to delegate said powers to any person they may choose.

Following these transactions, the agent will be validly released from responsibility for everything they have done pursuant to this authorization.

We ask you to authorize said transfer on the above mentioned terms and conditions.

AUTHORIZATION GRANTED BY THE GENERAL MEETING TO THE MEMBERS OF THE BOARD OF DIRECTORS TO DEAL WITH THE COMPANY PERSONALLY OR IN AN OFFICIAL CAPACITY PURSUANT TO ARTICLE 23 OF THE ORDER OF MARCH 5, 1895 AND ARTICLE 20 OF THE BYLAWS (9TH RESOLUTION)

The **ninth resolution** asks you to:

- approve the transactions carried out over the course of the 2022/2023 fiscal year that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws;
- renew the authorization granted to the Members of the Board of Directors to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

In Chapter 6.1.7 of this document, we reported on the transactions that took place, directly or indirectly, between your Company and its Directors or your Company and affiliated and unaffiliated companies with the same directors.

Pursuant to Article 23 of the Order of March 5, 1895, we kindly ask you to ratify said transactions.

AUTHORIZATION TO BUYBACK THE COMPANY SHARES (10TH RESOLUTION)

The **tenth resolution** asks you to renew your authorization to buyback Company shares.

The Ordinary General Meeting held on September 23, 2022 gave such an authorization for an 18-month period as from the date of said Meeting, i.e. until March 23, 2024. This option has not been exercised.

However, the Meeting is asked to renew this authorization and thereby allow the Board of Directors to acquire a maximum of 5% of the Company's share capital.

The objectives pursued are identical to those that were indicated on September 23, 2022, i.e.:

- holding and subsequently using the shares in exchange or as payment within the framework of external growth (including the acquisition and increase of shareholding);
- ensuring active operation and market liquidity through an investment service provider, acting independently pursuant to a liquidity agreement that complies with a charter of ethics recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
- holding shares in order to enable the Company to honor its obligations in respect of debt securities that may be converted into shares or other securities granting access to existing shares;
- holding shares that may be allocated to employees and affiliate companies within the framework of stock options or free allocation of existing shares;
- carrying out any other practice as may be permitted or recognized by French law or by the French Financial Markets Authority (*Autorité des Marchés Financiers*), or pursuing any other objective that complies with the applicable laws and regulations.

Consequently, we ask you to adopt the following share buyback program:

- authorization to purchase Company shares, under the conditions set forth here below, and representing a maximum of 5% of the existing share capital as of the date of this General Meeting;
- the maximum purchase price must not exceed €130 per share, it being hereby specified that in the event of capital transactions, including but not limited to, capitalization of reserves and allocation of free shares and/or splitting or pooling of shares, this maximum price shall be adjusted accordingly;
- maximum amount of funds to be used for the buyback program shall not be exceeded €40 million;
- authorization valid for an 18-month period as from September 27, 2023;
- shares to be acquired or transferred by any means, including, but not limited to, on the market or by private sale, including block purchases or transfers, through derivative financial instruments traded on a regulated market or by private sale, in accordance with the applicable laws as of the date of the transactions in question, and at such time as the Board of Directors or any person acting on the authority of the Board of Directors deems appropriate.

As from the date hereof such authorization would replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Shareholders' General Meeting for the same purpose.

We kindly ask you to authorize the share buyback program that we have submitted to you for approval.

4.3 Resolutions submitted to the Ordinary General Meeting

FIRST RESOLUTION

APPROVAL OF THE FINANCIAL STATEMENTS OF SOCIÉTÉ DES BAINS DE MER FOR THE YEAR ENDED MARCH 31, 2023

The Shareholders' General Meeting, after listening to the report of the Board of Directors and the reports of the Contractual Auditor and Statutory Auditors, approves the financial statements of the Parent Company for the financial year ended March 31, 2023, as presented to it, and the transactions reflected in the financial statements and summarized in these reports.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Shareholders' General Meeting, after listening to the report of the Board of Directors and the reports of the Contractual Auditor and Statutory Auditors, approves the consolidated financial statements for the financial year ended March 31, 2023, as presented to it, and the transactions reflected in the financial statements and summarized in these reports.

THIRD RESOLUTION

DISCHARGE TO ALL CURRENT DIRECTORS

The Shareholders' General Meeting granted discharge to the current Directors with respect of their management during the financial year.

FOURTH RESOLUTION

FINAL DISCHARGE TO DIRECTORS WHOSE TERMS OF OFFICE ENDED DURING THE FISCAL YEAR 2022/2023

The Shareholders' General Meeting granted final discharge to Mrs. Brigitte Boccone-Pagès and Mr. Jean-Luc Biamonti.

FIFTH RESOLUTION

ALLOCATION OF PROFITS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

The Shareholders' General Meeting, having read the Board of Directors' and the Statutory Auditors' reports:

- notes that the profit for the 2022/2023 financial year amounts to €61,248,613.85
- notes that the retained earnings as of March 31, 2023 amount to €144,809,294.48
- hence, net income available for appropriation amounts to €206,057,908.33
- decides to appropriate the resulting total:
 - to the contingency reserve fund, i.e. 2% of the net income for the year €1,224,972.28
 - to dividends, i.e. €1.20 for each share €29,419,993.20
 - to retained earnings €175,412,942.85

The rights to the dividend will be paid by the Company's Securities Department starting from October 12, 2023, with the last trading day for dividends being set at October 9, 2023.

SIXTH RESOLUTION

RATIFICATION OF MR. FABRICE LARUE'S TERM OF OFFICE AS DIRECTOR

The Shareholders' General Meeting ratifies Mr. Fabrice Larue's term of office as a Director.

Mr. Fabrice Larue's term of office will expire at the Shareholders' General Meeting to be held following August 17, 2025, in accordance with Article 12 of the Bylaws.

SEVENTH RESOLUTION

APPOINTMENT OF THE STATUTORY AUDITORS

The Shareholders' General Meeting approves the appointment of:

- Mr. Stéphane Garino and Mr. Claude Boéri as Permanent Statutory Auditors;
- Mrs. Bettina Ragazzoni and Mr. Jean-Humbert Croci as Substitute Statutory Auditors.

Their terms of office will expire at the end of the Ordinary General Meeting of Shareholders held to approve the 2025/2026 financial statements.

EIGHTH RESOLUTION**REAL PROPERTY MATTERS**

The Shareholders' General Meeting authorizes the sale of the 64 m² separate parcel registered in section AC, no. 165 located in the Municipality of Beausoleil (Alpes-Maritimes) for the price of €120,000, and gives all powers to the Chairman and Chief Executive Officer to sign a preliminary contract and the deed of sale, and more generally to take any actions required to give effect to this decision, with the right to delegate said powers to any person they may choose.

Following these transactions, the agent will be validly released from responsibility for everything they have done pursuant to this authorization.

NINTH RESOLUTION

AUTHORIZATION ENABLING MEMBERS OF THE BOARD OF DIRECTORS TO ENTER INTO CONTRACTS WITH THE COMPANY PERSONALLY OR IN AN OFFICIAL CAPACITY PURSUANT TO ARTICLE 23 OF THE ORDER OF MARCH 5, 1895 AND ARTICLE 20 OF THE BYLAWS

The Shareholders' General Meeting approved the transactions that were carried out over the course of the 2022/2023 financial year and that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws.

It renewed the authorization granted to Members of the Board of Directors enabling them to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

TENTH RESOLUTION**AUTHORIZATION TO BUYBACK COMPANY SHARES**

Pursuant to Article 41 of the Bylaws, the Shareholders' General Meeting authorizes the Board of Directors to purchase Company shares, under the terms defined below and for up to 5% of the share capital as of the date of this meeting:

- the maximum purchase price shall not exceed €130 per share, bearing in mind that in the event of share capital transactions, particularly through the capitalization of reserves and allotment of bonus shares, and/or share splits or reserve splits, this price shall be adjusted accordingly;

- the maximum amount of funds intended for this buyback program may not exceed €40 million;
- this authorization is valid for a period of 18 months as from September 27, 2023;
- these shares may be purchased or transferred, by any means, particularly on the stock exchange or in a private transaction, including through purchase or sale of blocks, use derivative financial instruments traded on a regulated market or in a private transaction, in accordance with the regulations prevailing on the date of the transactions considered, and at times that the Board of Directors or the person acting on behalf of the Board shall see fit.

The Shareholders' General Meeting decides that this share buyback program is as follows:

- retention and subsequent tender of shares within the scope of an exchange offer or for payment in external growth transactions (including new investments or additional investments);
- maintaining an active and liquid market in the Company's shares through an independent investment services provider, pursuant to a liquidity agreement in accordance with an ethics charter recognized by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
- possession of shares enabling the Company to fulfil obligations relating to debt securities exchangeable for shares or other marketable securities granting entitlement to existing shares;
- possession of shares that may be allotted to the Company's personnel and that of affiliates under share purchase option or bonus share allotment plans;
- adoption of any other practice accepted or recognized by French law or the French Financial Markets Authority in the future, or any other objective that would comply with prevailing regulations.

As from the date hereof this authorization shall replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Shareholders' General Meeting for the same purpose.

The Shareholders' General Meeting grants full powers to the Board of Directors, with the possibility of delegating such powers, to deliberate and implement this authorization, clarify, if need be, the terms and conditions and approve them, place orders for trades, enter into all agreements, prepare all disclosure documents, allocate, and where appropriate reallocate, the purchased share to the various objectives, perform all formalities and make all declarations with regard to all authorities and, generally, do all that necessary.

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KEY FIGURES

Key figures related to the last three fiscal years

<i>(in million of euros)</i>	2020/2021	2021/2022	2022/2023
CONSOLIDATED FIGURES			
Consolidated revenue	336.9	530.5	667.0
Operating income before depreciation and amortization	(14.0)	111.6	145.3
Operating income	(103.3)	35.4	72.2
Consolidated net income attributable to the owners of the parent company	(79.1)	76.4	896.2
Comprehensive income attributable to the owners of the parent company	(80.9)	82.8	880.5
Cash generated from operations*	(7.5)	99.7	131.6
Purchase of PP&E and intangible assets	43.2	23.8	95.6
Equity	567.2	653.1	1,509.9
Net Debt/(Cash position)*	129.9	(30.0)	(276.5)
Average number of employees	3,664	3,718	4,166
Market share price as of fiscal year's last day <i>(in euros)</i>	63.40	65.20	91.80
GAMING SECTOR FIGURES			
Casinos operated (number of permanent establishments at the end of the period)	3	2	2
Consolidated revenue (gross gaming revenue)	124.3	200.8	215.4
Operating income	(46.9)	9.5	10.8
HOTEL SECTOR FIGURES			
Hotels operated	5	5	5
Accommodation capacity (average number of rooms available)	1,070	1,242	1,249
Occupancy rate (average rate including Le Méridien Beach Plaza)**	26.0%	44.7%	59.0%
Consolidated revenue	109.0	213.3	325.1
Operating income	(61.7)	(19.2)	20.2
RENTAL SECTOR FIGURES			
Consolidated revenue	106.2	117.6	124.8
Operating income	71.9	84.4	91.3

* Cash generated from operations and net debt are defined in the "Document d'enregistrement universel" 2023 in Chapter 4.1.5.

** The number of rooms in establishments closed from mid-March 2020 and in the first quarter of the fiscal year 2020/2021 due to the Covid-19 pandemic was restated in calculating the occupancy rate.

The key figures related to the last three fiscal years are extracted from the Group consolidated financial statements (statement of financial position, statement of income, cash flow statement) for the fiscal years ended March 31, 2021, 2022 and 2023.

6

ANALYSIS OF THE FINANCIAL POSITION AND ACTIVITY OF S.B.M. GROUP DURING FISCAL YEAR 2022/2023

Introduction to the analysis of the financial position of S.B.M. Group during fiscal year 2022/2023

Business recovered substantially in fiscal year 2022/2023 after two years heavily impacted by the health crisis. Despite a year still marked by a contrasted economic environment and an agitated international context, the S.B.M. Group delivered an outstanding business performance driven by all activity sectors.

Société des Bains de Mer and its subsidiaries reported consolidated revenue of €667 million for the fiscal year 2022/2023, compared with €530.5 million in 2021/2022. This improvement of 26% across the year as a whole is the result of higher revenue across all business sectors with:

- a +7% increase for the gaming sector;
- a +52% surge for the hotel sector;
- a +6% rise for the rental sector.

As a reminder, the first quarter of the previous year (April to June) was still very severely impacted by the unprecedented nature of the health crisis (with the Rolex Monte-Carlo Master's tennis tournament played behind closed doors and limited attendees at the Formula 1 Grand Prix), as well as restrictions on access to venues during part of the period (with a curfew until June 25, 2021). The 2021 summer season (July to September) then saw an upturn in activity.

The initial signs of an improvement in activity observed in the previous year were fully confirmed in fiscal year 2022/2023 with the removal of all health restrictions and all S.B.M. Group establishments operating normally.

Since the start of 2022/2023, traditional events such as the Rolex Monte-Carlo Master's tennis tournament and the Formula 1 Grand Prix have taken place under normal conditions due to the favorable health context. Following the return of certain international clients

and the full operation of seasonal establishments, especially festive venues (e.g. Buddha Bar, Coya, Jimmy'z, Rascasse, Monte-Carlo Beach), the summer season was very successful, particularly in the hotel sector, with an increase in the number of visitors to all S.B.M. Group establishments and a surge in average prices in the accommodation segment and, to a lesser extent, in the catering segment. This favorable mix effect, combined with controlled operating expenses and strict management of staffing requirements, helped improve hotel sector margins and offset the impacts of general price trends in a particularly inflationary context.

The S.B.M. Group's operating profit was therefore €72.2 million compared to €35.4 million the previous fiscal year, an improvement of €36.8 million.

This favorable trend in operating performance was reported across all S.B.M. Group business sectors.

It is reminded that the S.B.M. Group has held a stake in the capital of Betclic Everest Group ("BEG"), an online gaming group, since May 2009.

The S.B.M. Group, through its subsidiary Monte-Carlo SBM International S.à.r.l. had transferred the full ownership of 47.30% it held in Betclic Everest Group (BEG) to FL Entertainment N.V., by means of a disposal and contribution of assets conducted on June 30, 2022.

The transaction valued SBM International's stake in BEG at €850 million. Half of this price was paid in cash with the other half in the form of shares in FL Entertainment, giving SBM International 4.95% of the voting rights and 10.39% of the economic interests in the company. FL Entertainment is listed on the Euronext Amsterdam regulated market since July 1, 2022.

This transaction resulted in the recognition of an exceptional profit of €813.5 million on S.B.M. Group's consolidated financial statements for the fiscal year 2022/2023. The S.B.M. Group also accounted for a positive share of income from BEG of €15.6 million in fiscal year 2022/2023, in relation with the period predating the sale, i.e. April 1 to June 30, 2022.

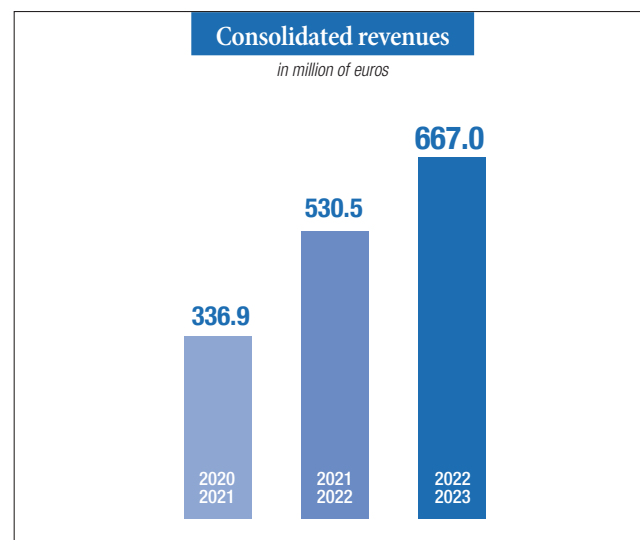
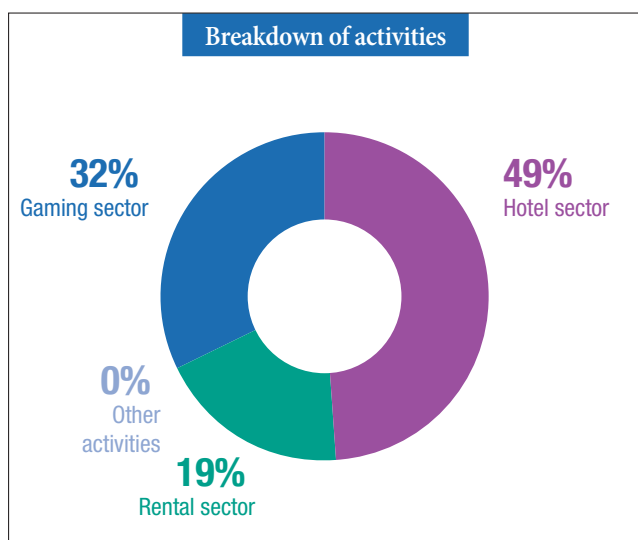
The S.B.M. Group's net consolidated income stood at €896.2 million compared to €76.4 million for fiscal year 2021/2022, i.e. a +€819.9 million increase.

6.1 Presentation of fiscal year 2022/2023 results

6.1.1 Highlights of activity in fiscal year 2022/2023

S.B.M. Group reported consolidated revenue of €667 million for fiscal year 2022/2023 compared to €530.5 million for fiscal year 2021/2022, an increase of 26%.

Consolidated revenue by business segment (in million of euros)	2020/2021	2021/2022	2022/2023	Variation (in million of euros)
Gaming Sector	124.3	200.8	215.4	14.6
Hotel Sector	109.0	213.3	325.1	111.8
Rental Sector	106.2	117.6	124.8	7.2
Other Activities	4.6	9.3	12.7	3.4
Internal transfers	(7.2)	(10.4)	(11.0)	(0.6)
CONSOLIDATED REVENUES	336.9	530.5	667.0	136.5



This €136.5 million increase in revenue reflects the long-term business recovery despite an ongoing unstable economic and international context. The revenue increase was due to improved takings in all business sectors, particularly the hotel sector, where activity was still heavily affected by the impacts of the health crisis in Q1 2021/2022 (April to June). The health crisis had hindered

spring events in the Principality, with the staging of the Rolex Monte-Carlo Master's tennis tournament behind closed doors and limited attendees at the Formula 1 Grand Prix. In fiscal year 2022/2023, the gradual long-term improvement in the health context led to the return of major events under normal conditions and a particularly successful summer season in terms of activity.

The gaming sector achieved revenue of €215.4 million, compared with €200.8 million in 2021/2022. This 7% growth is essentially due to improved table games revenue at the Casino de Monte-Carlo, with a year-on-year increase of €8 million. Despite an improvement in coin-in, slot machines revenue fell slightly as a result of payouts at the Casino Café de Paris, in particular. Revenues from gaming-related activities (catering, bar, entrance fees and retail) bounced back strongly, as a direct consequence of the casinos' increase in attendance compared with the previous year.

Hotel revenue was €325.1 million compared with €213.3 million in 2021/2022, a year-on-year significant increase of €111.8 million. As a reminder, the first quarter of the previous year (April to June) was still very severely impacted by the travel restrictions and health rules that were then still in place as well as restrictions on access to establishments. Over fiscal year 2022/2023, the return to a stable, more favourable health situation allowed the main springtime events to be held without any restrictions, while all of

the Group's establishments were able to operate normally. The summer season was particularly positive, with some international clients returning.

The rental sector, which combines boutiques and office leasing together with the activities of the Monte-Carlo Bay, the Balmoral, the Villas du Sporting and the One Monte-Carlo, reported revenue of €124.8 compared with €117.6 million for the previous year, an increase of 6%. The increase is mainly due to the rise in residential leasing activities following the gradual release of spaces in the One Monte-Carlo, and the application of contractual rent rises.

Finally, other activities accounted for annual consolidated revenue of €12.7 million, compared with €9.3 million for the previous year, an increase of €3.4 million, largely due to the fact that the Monte-Carlo Rolex Masters tennis tournament went ahead under normal operating conditions, having been played behind closed doors the year before.

6.1.2 Analysis of fiscal year 2022/2023 operating results by sector

The developments in the various business sectors – gaming, hotel and rental – are analyzed below for the year ended March 31, 2023.

GAMING SECTOR

The gaming sector achieved revenue of €215.4 million, compared with €200.8 million in 2021/2022. Revenue improved in the table games, catering and other activities segments, due to a first-quarter business turnaround following the easing of restrictions relating to the health crisis and the return of certain clients (particularly for table games).

The following table shows the development of gaming sector receipts by business segment, being specified that other activities segment mainly comprised the entrance fees to the Monte-Carlo Casino and the catering and bar receipts recorded within the gaming establishments.

Gaming revenue (in million of euros)		2020/2021	2021/2022	2022/2023	%
43%	Table games	41.2	85.7	93.7	9%
50%	Slot machines	79.6	108.9	107.4	(1)%
7%	Other activities	3.4	6.2	14.3	130%
100%	TOTAL GAMING SECTOR	124.3	200.8	215.4	7%

The **table games** sector reported revenue of €93.7 million in fiscal year 2022/2023 compared to €85.7 million the previous year, an increase of +€8.1 million or +9%.

It is reminded that table games activity had been affected in the first quarter of last year by the health crisis and its repercussions on client behavior, particularly the impacts of transport and travel restrictions. Business had been hindered by the lack of traditional international clientele.

Therefore, overall in fiscal year 2022/2023, the drop increased +21% and the hold (receipts/betting ratio) decreased by 2.6 points to 16.9%.

The main trends are as follows:

- the Monte-Carlo Casino mainly operates European games. In fiscal year 2022/2023, the establishment's table game receipts rose by €8 million compared to the previous year. Texas Holdem Ultimate takings increased by €8.4 million year-on-year with more players and a favorable environment with a hold rate of 23% compared to 20.6% in the previous year. English Roulette and European Roulette takings rose by +4% and +6%, respectively, compared to last year. Finally, Punto Banco takings dropped by €3.2 million due to a substantial decline in the hold rate by 8.8 points to 5.5% compared to last year;

- Café de Paris Casino table game operations generated revenue of €3.7 million for the year, up +€0.1 million compared to the previous year.

Business slipped slightly in the **slot machines** sector, with revenue falling -€1.6 million (-1%) to €107.4 million in fiscal year 2022/2023, compared to €108.9 million in the previous year.

Monte-Carlo Casino slot machine takings rose €2.9 million year-on-year due to the success of the "1889" room. This room, open to High Rollers since October 2020, is part of the S.B.M. Group's strategy to reorganize floors by type of clientele.

Café de Paris Casino revenue dropped by -€4.5 million compared to the previous year. While the betting volume rose by +9%, the -0.7 point decline in the hold rate compared to 2021/2022 had a negative impact on takings. The rise in the number of players is also of note, up 2% compared to fiscal year 2021/2022.

The receipts of other activities totaled €14.3 million, up +€8.1 million compared to the previous year. This major increase was primarily due to the catering activity, with revenue of €8.1 million, up

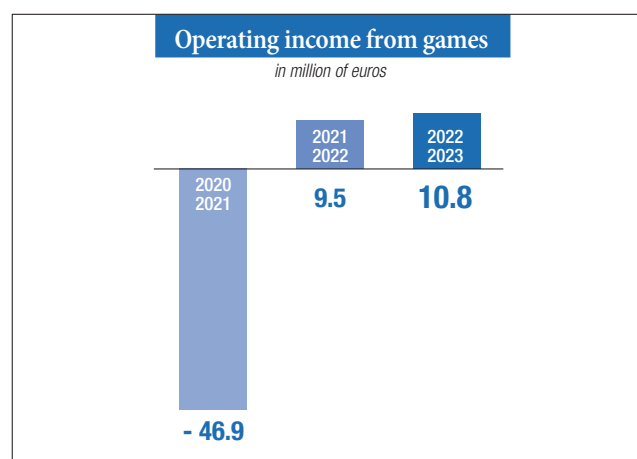
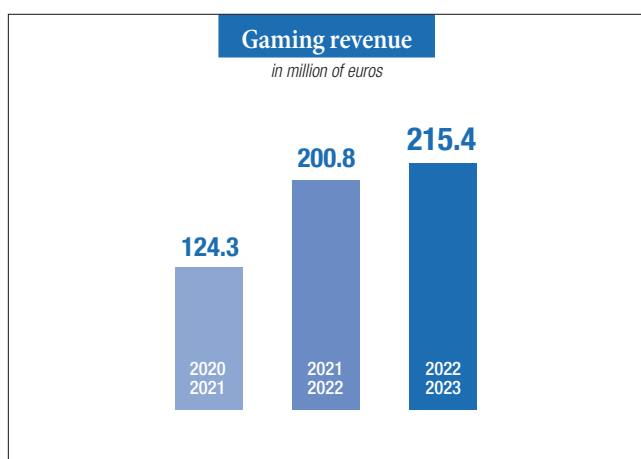
+€3.6 million year-on-year and receipts at the Monte Carlo Casino, with revenue of €4.2 million, up +€2.8 million compared to the previous year. Gift Shop revenue totaled €1.1 million, up +€0.9 million compared to fiscal year 2021/2022, in line with the higher number of Monte-Carlo Casino visitors.

For the **entire gaming sector**, operating income before depreciation and amortization amounted to €17.1 million in fiscal year 2022/2023 compared to €16 million last year, an improvement of +€1.1 million.

Despite a €24.5 million decline in revenue, operating income before depreciation and amortization increased by €14.5 million compared to fiscal year 2019/2020.

After taking into account the depreciation and amortization charge, the gaming sector reported an operating profit of €10.8 million for fiscal year 2022/2023 compared to €9.5 million the previous year.

Earnings improved due to the increase in table games segment revenue and better operational cost control in the gaming sector.



HOTEL SECTOR

Hotel revenue was €325.1 million compared to €213.3 million in 2021/2022, a year-on-year increase of €111.8 million. As a reminder, the first quarter of 2021/2022 (April to June) was still heavily impacted by the health crisis and the curfew which continued until June 25, 2021 in the Principality of Monaco. In 2022/2023, all S.B.M. Group hotels and catering outlets operated normally with no health restrictions due to the improvement in the health context since March 2022. All S.B.M. Group hotels reported business growth compared to the previous year due to the combined effect of greater visitor numbers, mainly driven by the return of certain international clients, and higher average prices.

The business recovery that began in the previous year following the removal of health restrictions was therefore confirmed in fiscal year 2022/2023, resulting in a particularly successful summer season. This favorable trend also continued in the second half of the year (October to March).

Hotel sector revenue increased by +52% or +€111.8 million compared to last year:

- Hôtel de Paris revenue totaled €79.9 million, up sharply by +€20.7 million on the previous year due to a substantial increase in the number of individual clients and particularly international individual clients and a considerable rise in average prices;

- Hôtel Hermitage revenue also rose sharply to €58.3 million, up €25.1 million compared to fiscal year 2021/2022. Business grew due to a greater number of visitors and higher average prices in the accommodation segment, the return of the “Banquets” activity in catering and the impact of the full-year opening of Yannick Alléno’s Pavillon Monte-Carlo restaurant;
- Monte-Carlo Bay Hotel & Resort revenue increased by €15.5 million due to a favorable mix effect in the accommodation segment;
- Le Méridien Beach Plaza revenue also rose sharply to €42.1 million, up €19.2 million compared to fiscal year 2021/2022.

The trends of the various activity segments can be analyzed as follows:

Hotel revenue (in million of euros)		2020/2021	2021/2022	2022/2023	%
47%	Accommodation	46.2	95.8	152.6	59%
41%	Catering	45.2	90.2	133.4	48%
12%	Other activities	17.5	27.3	39.1	43%
100%	TOTAL HOTEL SECTOR	109.0	213.3	325.1	52%

The S.B.M. Group’s **accommodation** revenue stood at €152.6 million, compared to €95.8 million for fiscal year 2021/2022.

Accommodation activity revenue rose significantly by +59% year-on-year. The first quarter of 2021/2022 (April to June) was heavily impacted by ongoing travel restrictions and health regulations, as well as limited access to the establishments, all due to the health crisis.

The hotel sector occupancy rate was 59%, compared to 45% for fiscal year 2021/2022, due to the end of the health crisis and the staging of major events such as the Rolex Monte-Carlo Master’s tennis tournament, the Formula 1 Grand Prix and the Monte-Carlo Sporting Summer Festival, as well as the return of certain international clients.

The following are some of the accommodation indicators for the entire S.B.M. Group:

- the occupancy rate rose sharply to 59% compared to 45% in fiscal year 2021/2022, in line with pre-health crisis standards;
- average accommodation prices rose considerably by 20% in all five establishments, reflecting a strategy focused on higher rates for all room categories, and boosted by the return of certain international clients, particularly from North America;
- client segmentation by geographical origin was heavily impacted by the return to a favorable health situation and the removal of all travel restrictions that had been previously imposed due to the pandemic. The North American and UK markets accounted for the highest increases with 18% and 10% of accommodated clients, respectively, compared to 12% and 8% in the previous year. French clients continued to dominate the segment, accounting for 22% of S.B.M. Group hotel clients, down 5 points compared to fiscal year 2021/2022. Finally, due to the Russian-Ukrainian conflict, the percentage of Russian clients fell 3 points compared to the previous year.

Catering activity revenue totaled €133.4 million, compared to €90.2 million the previous year, i.e. a €43.2 million increase, including €37.5 million in the first half-year alone (April to September). In the same way as the accommodation sector, the catering sector therefore enjoyed favorable business trends, benefitting from the end of the health crisis, major events in the Principality of Monaco, a successful summer season and the return of banquet, caterer and private event activities that had been particularly affected by the pandemic. In contrast to last year when health restrictions were still in place in the first quarter, all S.B.M. Group catering outlets, particularly festive and seasonal venues (Buddha Bar, Coya, Jimmy’s, Monte-Carlo Beach, Rascasse), were able to operate normally.

847,000 meals were served across the entire S.B.M. Group in fiscal year 2022/2023, i.e. an increase of 183,000 on last year. Boosted by the substantial improvement in accommodation activity, the number of visitors to catering outlets rose primarily at Le Méridien Beach Plaza (+36,000 meals served), Monte-Carlo Bay Hotel & Resort (+36,000 meals served), the Hôtel Hermitage (+32,000 meals served) and the Hôtel de Paris (+18,000 meals served). All S.B.M. Group catering outlets recorded a higher number of meals served, except for the Café de Paris (-12,000 meals served), whose famous brasserie was operated from the Salle Empire at the Hôtel de Paris throughout 2022/2023 following the start of refurbishments in March 2022.

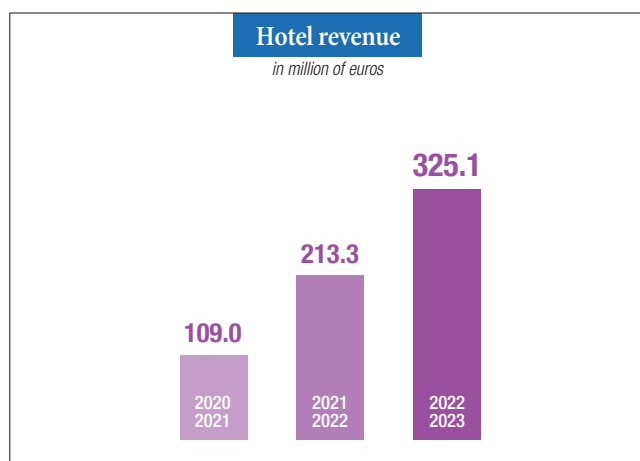
Across all establishments, the average price per meal rose by 9% compared to the previous year, mainly due to a change in the mix of visits to the various establishments and the return of international clients.

Revenue from **other activities** in the hotel sector rose by 43% to €39.1 million for fiscal year 2022/2023, versus €27.3 million the previous year.

For the **entire hotel sector**, operating income before depreciation and amortization amounted to €57.4 million for fiscal year 2022/2023, compared to €19.8 million for fiscal year 2021/2022, an increase of €37.6 million.

In addition to the considerable rise in activity compared to last year, hotel sector earnings also improved due to ongoing cost cutting measures and strict management of staffing requirements, particularly permanent employees, in a context still marked by economic and geopolitical instability.

After taking into account depreciation and amortization charges, hotel sector operating income amounted to €20.2 million for fiscal year 2022/2023, compared to a loss of -€19.2 million the previous year.



RENTAL SECTOR

The rental sector reported revenue of €124.8 million for fiscal year 2022/2023, compared to €117.6 million for the previous year, an increase of 6%.

Rental revenue (in million of euros)		2020/2021	2021/2022	2022/2023	%
59%	Commercial rental	63.7	69.3	73.4	6%
41%	Residential rental	42.5	48.3	51.4	6%
100% TOTAL RENTAL SECTOR		106.2	117.6	124.8	6%

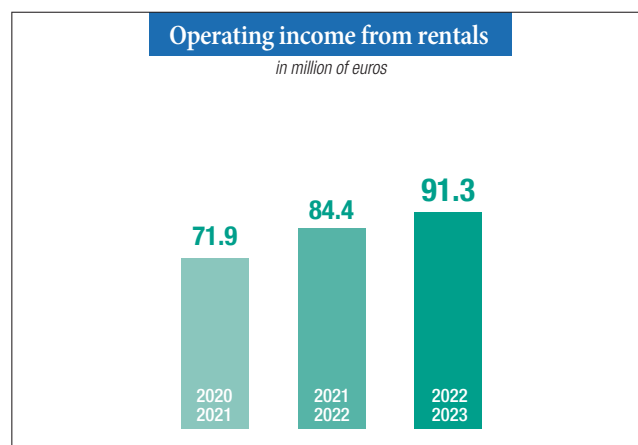
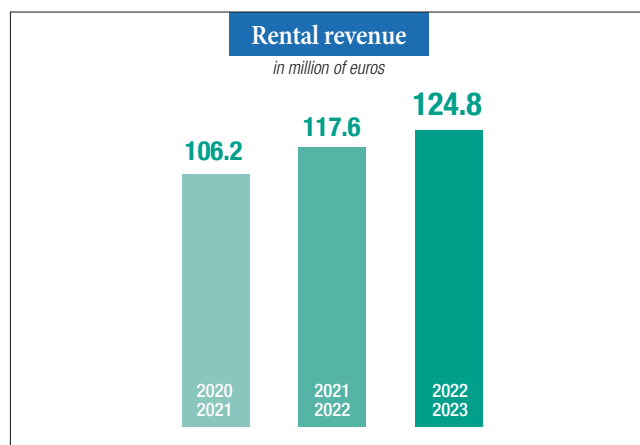
Revenue from the **commercial rental** segment, which combines the leasing of boutiques and office space, totaled €73.4 million for fiscal year 2022/2023, compared to €69.3 million the previous year. This 6% increase was mainly due to the contractual application of boutique lease indexations and the ongoing rental of remaining office space at One Monte-Carlo.

Revenue from the **residential rental** segment totaled €51.4 million, up €3.1 million year-on-year. This 6% rise was primarily attributable to the continued signing of new leases for One Monte-Carlo apartments, as well as the contractual application of lease indexations for all rental properties. Revenue from the

Balmoral Residence declined as one of the apartments remained unoccupied for some time.

For the **rental sector as a whole**, operating income before depreciation and amortization amounted to €112.5 million for fiscal year 2022/2023, compared to €106.1 million the previous year, up by €6.4 million.

Taking into account the depreciation and amortization charge, operating income for the rental sector stood at €91.3 million, compared to €84.4 million the previous year, for an increase of €6.9 million.



6.1.3 2022/2023 consolidated earnings and other financial aggregates

The table below presents the S.B.M. Group's consolidated statement of income for the years ended March 31, 2022 and March 31, 2023:

CONSOLIDATED STATEMENT OF INCOME

<i>(in thousands of euros)</i>	2021/2022 Fiscal year	2022/2023 Fiscal year
Revenue	530,514	666,987
Cost of goods sold, raw materials & other supplies	(45,573)	(63,101)
Other external charges	(107,418)	(135,807)
Taxes and similar payments	(31,809)	(31,893)
Wages and salaries	(228,879)	(292,788)
Depreciation and amortization	(76,202)	(73,116)
Other operating income and expenses	(5,274)	1,894
Operating income	35,358	72,175
Income from cash and cash equivalents	11	1,766
Cost of debt	(5,149)	(4,956)
Cost of net debt	(5,138)	(3,190)
Other financial income and expenses	(94)	(1,947)
Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)	46,227	829,177
Income tax expense	-	-
Consolidated net income	76,352	896,215
Non controlling interests (minority shares)	-	-
CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	76,352	896,215
Average number of shares issued	24,516,661	24,516,661
Net earnings per share <i>(in euros)</i>	3.11	36.56
Net diluted earnings per share <i>(in euros)</i>	3.11	36.56

STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of euros)</i>	2021/2022 Fiscal year	2022/2023 Fiscal year
Consolidated net income	76,352	896,215
Items that will not be reclassified subsequently to profit or loss		
♦ Actuarial gains and losses on employee benefits (IAS 19 revised)	5,087	4,498
♦ Share of profit/(loss) of associates	-	-
♦ Gains and losses on the remeasurement of financial assets	-	(21,250)
Items that may be reclassified subsequently to profit or loss		
♦ Gains and losses on the remeasurement of financial instruments	468	394
♦ Share of profit/(loss) of associates	868	638
TOTAL COMPREHENSIVE INCOME	82,775	880,496
of which attributable to the owners of the parent company	82,775	880,496
of which attributable to non controlling interests (minority interests)	-	-

“Cost of goods sold” and “Other external charges” increased by €17.5 million and €28.4 million, respectively, due to the increase in activity.

The rise in “Taxes and similar payments” was due to the increase in the games licensing fee following business growth in this sector, as described in 6.1.2.

“Wages and salaries” in fiscal year 2022/2023 increased by €63.9 million compared to the previous year.

The main reasons for this evolution are as follows:

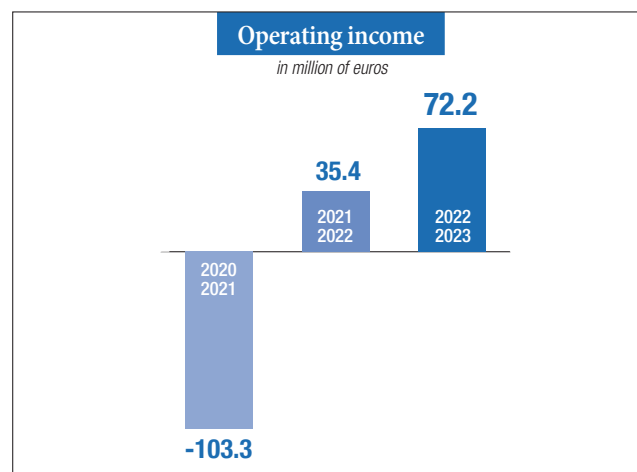
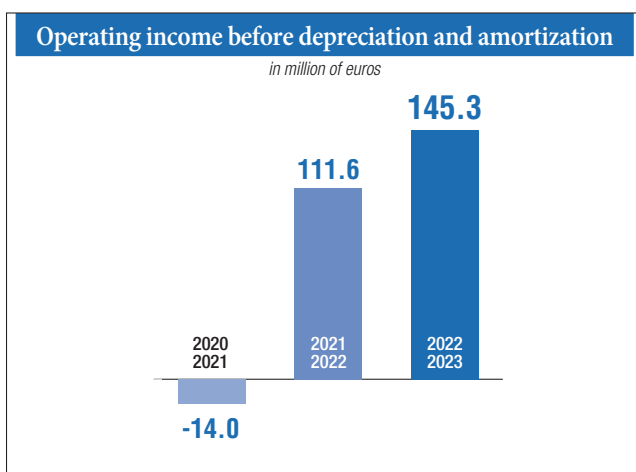
- an increase in gaming sector wages and salaries of €12.7 million, mainly due to the end of the Total Temporary Lay-off scheme compared to the previous year and greater variable wage components due to the rise in activity;
- a rise in hotel sector wages and salaries of €36.5 million, mainly due to the end of the Total Temporary Lay-off scheme and greater seasonal staff hirings compared to the previous year as a result of the business recovery, higher social security contributions for employees paid according to a service percentage and the indexation of wages to inflation;
- an increase in rental sector wages and salaries of €0.5 million;
- an increase in other employee costs of €14.2 million, with the end of the Total Temporary Lay-off scheme for support service staff and a €4.7 million rise in the expense provision for the S.B.M. Group employee profit-sharing scheme.

Finally, “Depreciation & amortization” decreased by €3 million due to strict control over capital expenditure since the health crisis.

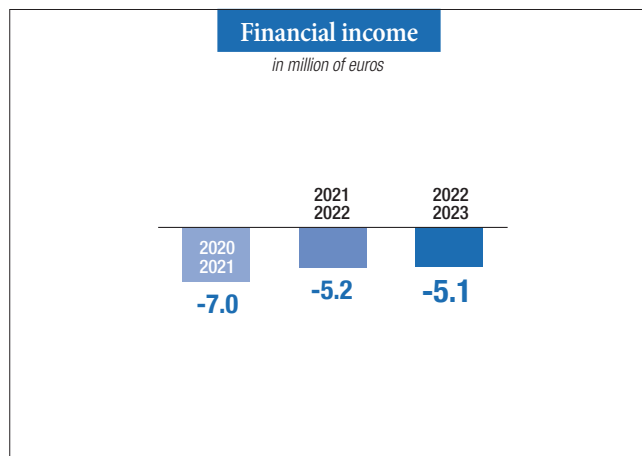
S.B.M. Group **operating income** is +€72.2 million, compared to +€35.4 million for the previous year, i.e. a €36.8 million increase. Operating income also rose by €49.5 million compared to fiscal year 2019/2020.

This enhanced operating performance was due to an increase in 2022/2023 revenue compared to last year, as described in 6.1.2 – “Analysis of fiscal year 2022/2023 operating results by sector”, and tighter cost control. Since the health crisis, the S.B.M. Group has striven to optimize its costs by reducing operating expenditure and better adapting costs to seasonal fluctuations.

The favorable trend in operating performance concerned all business sectors.



The financial loss for fiscal year 2022/2023 totaled €5.1 million, compared to €5.2 million last year. Cost of net debt declined by €0.2 million, as the gradual amortization of loans taken out in January 2017 was partially offset by rising interest rates.



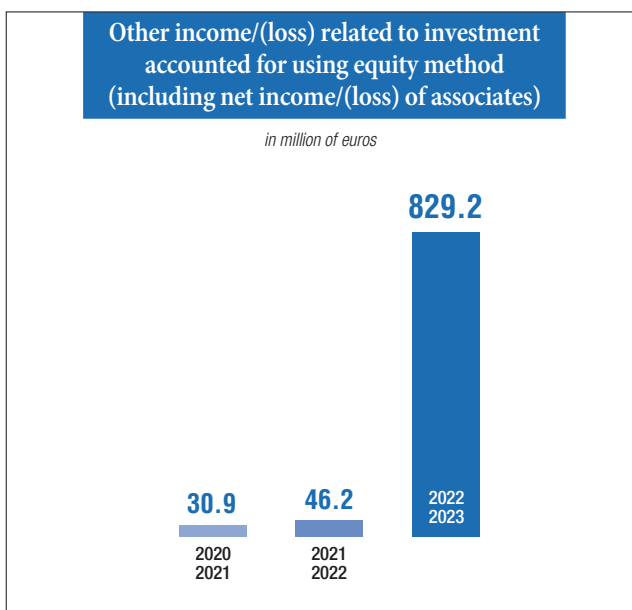
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The S.B.M. Group, through its subsidiary Monte-Carlo SBM International S.à.r.l. had transferred the full ownership of 47.30% it held in Betclic Everest Group (BEG) to FL Entertainment N.V., by means of a disposal and contribution of assets conducted on June 30, 2022.

The transaction valued SBM International's stake in BEG at €850 million. Half of this price was paid in cash with the other half in the form of shares in FL Entertainment, giving SBM International 4.95% of the voting rights and 10.39% of the economic interests in the company. FL Entertainment is listed on the Euronext Amsterdam regulated market since July 1, 2022.

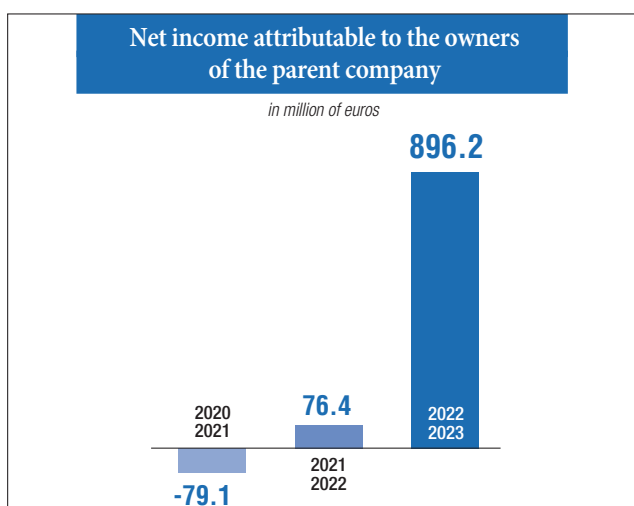
This transaction resulted in the recognition of an exceptional profit of €813.5 million on S.B.M. Group's consolidated financial statements for the fiscal year 2022/2023. The S.B.M. Group also accounted for a positive share of income from BEG of €15.6 million in fiscal year 2022/2023, in relation with the period predating the sale, i.e. April 1 to June 30, 2022.

The consolidation of the investment in Betclic Everest Group contributed +€829.2 million to the S.B.M. Group's consolidated earnings for fiscal year 2022/2023, compared to +€46.2 million last year.



Consolidated net income attributable to owners of the parent company stood at €896.2 million compared to €76.4 million for fiscal year 2021/2022.

Excluding "Other income/(loss) related to investments accounted for using the equity method (including net income/(loss) of associates)", which records the impacts of the shareholding in BEG and its sale in 2022/2023, 2022/2023 net income totaled €67 million, compared to €30.1 million the previous year.



6.1.4 Consolidated balance sheet as of March 31, 2023

ASSETS

<i>(in thousands of euros)</i>	March 31, 2022	March 31, 2023
Goodwill	32	32
Intangible assets	9,705	9,825
Property, plant & equipment	991,533	1,018,839
Right-of-use asset	4,405	2,997
Equity investments	18,265	-
Other non-current financial assets	426	597,216
Non-current financial assets	18,691	597,216
Non-current assets	1,024,366	1,628,910
Inventory	13,884	16,873
Trade receivables	24,739	15,705
Other receivables	19,084	24,928
Other financial assets	115	110,359
Cash and cash equivalents	208,344	258,897
Current assets	266,166	426,762
TOTAL ASSETS	1,290,532	2,055,671

LIABILITIES & EQUITY

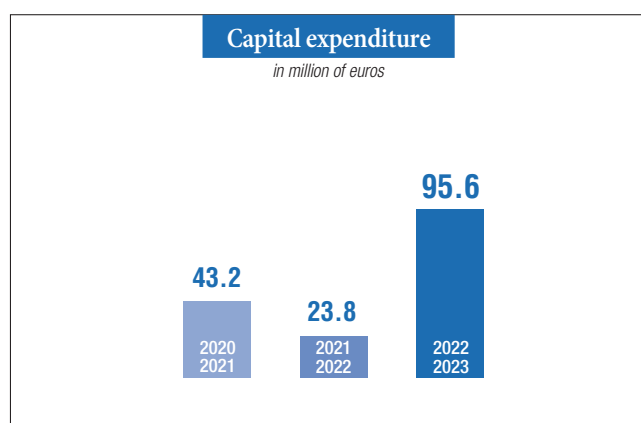
<i>(in thousands of euros)</i>	March 31, 2022	March 31, 2023
Common stock	24,517	24,517
Additional paid-in capital	214,650	214,650
Reserves	337,553	374,533
Consolidated net income for the period	76,352	896,215
Equity attributable to owners of the parent company	653,073	1,509,915
Non controlling interests (minority interests)	-	-
Equity	653,073	1,509,915
Financial liabilities and borrowings	87,377	17,365
Lease liabilities	2,070	1,323
Employee benefits	38,088	33,872
Provisions	7,937	3,476
Other non-current liabilities	142,373	139,792
Total non-current liabilities	277,844	195,827
Trade payables	25,409	32,632
Contract liabilities	39,926	37,947
Other payables	164,412	192,434
Provisions	11,303	4,037
Lease liabilities	3,539	1,906
Financial liabilities	115,027	80,973
Total current liabilities	359,615	349,929
TOTAL LIABILITIES & EQUITY	1,290,532	2,055,671

6.1.5 2022/2023 consolidated cash flow statement

<i>(in thousands of euros)</i>	2021/2022 Fiscal year	2022/2023 Fiscal year
OPERATING ACTIVITIES		
Consolidated net income attributable to owners of the parent company	76,352	896,215
Non controlling interest (minority interest)	-	-
Amortization	76,202	73,116
Other income/(loss) related to investment accounted for using equity method (including net income/(loss) of associates)	(46,227)	(829,177)
Portion of investment grant recorded in profit or loss	(150)	(150)
Changes in provisions	(7,939)	(11,445)
Gains and losses on changes in fair value	-	2,920
Other income and expenses calculated	31	(7)
Capital gains and losses on disposal	1,399	99
Cash generated from operations	99,668	131,571
Net finance costs (excluding change)	5,138	4,028
Cash generated from operations before net finance costs and income tax expense	104,806	135,599
Tax paid	-	-
Decrease/(increase) in WCR relating to operations	(4,895)	28,589
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	99,912	164,188
INVESTING ACTIVITIES		
Purchase of PP&E and intangible assets	(23,796)	(95,566)
Proceeds on disposal of PP&E and intangible assets	47	425,221
Impact of changes in scope of consolidation	-	-
Change in loans and advances granted	6	(37,496)
Change in financial investments and other financial assets	-	(268,539)
Others	95,037	-
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	71,294	23,619
FINANCING ACTIVITIES		
Dividends paid	-	(25,544)
Minority contributions and changes in scope of consolidation	-	-
Share capital increase	-	-
Changes in stable financing activities (including credit line)	(51,143)	(106,001)
Lease liabilities paid	(7,813)	(3,822)
Net interest received (paid)	(4,604)	(2,092)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	(63,561)	(137,459)
CHANGE IN CASH AND CASH EQUIVALENTS	107,645	50,348
Cash and cash equivalents at beginning of the period	100,699	208,344
Cash restated at fair value	-	205
Cash and cash equivalents at the end of the period	208,344	258,897
Cash and cash equivalents – Assets	208,344	258,897
Bank – Liabilities	-	-

Cash from operations totaled €131.6 million for fiscal year 2022/2023, compared to €99.7 million for the previous year. This increase was primarily due to the rise in operating income before depreciation and amortization of €33.7 million. After taking into account the €28.6 million decrease in the working capital requirement, net cash flows used in operations totaled €164.2 million for fiscal year 2022/2023, compared to €99.9 million for fiscal year 2021/2022.

In addition, the continued roll-out of the **capital expenditure** program (see Chapter 6.2.1 – “Capital expenditure”) led to a cash outflow of €95.6 million for fiscal year 2022/2023 for acquisitions of property, plant and equipment and intangible assets, compared to €23.8 million for the previous year. Due to the health crisis, the S.B.M. Group had tightened control over its investments last year. All capex projects were reviewed and budgets were drastically reduced by suspending all non-essential investments.



The contribution/sale of BEG on July 1, 2022 generated cash from investing activities of €388.5 million. A vendor loan was granted for €36.5 million. A portion of this cash was invested in financial assets representing cash flow used in investing

activities of €268.5 million. In total, net cash flows from investing activities amounted to €23.6 million for 2022/2023, compared to €71.3 million in the previous year. It is recalled that BEG distributed dividends and interim dividends during the previous fiscal year, including €95 million to the S.B.M. Group.

As of March 31, 2023, the S.B.M. Group had a net cash position of €276.5 million, compared to €30 million as of March 31, 2022. Net cash corresponds to the difference between period-end cash and cash equivalents plus term deposits maturing in 3 to 6 months on the subscription date and debt relating to bank borrowings and issues of short-term negotiable debt securities (NEU CP).

To secure the funding of its two major investment projects – extensive renovation of the Hôtel de Paris and One Monte-Carlo real estate development – the S.B.M. Group finalized its bank financing on January 31, 2017. Totalling €230 million, these credit facilities enable draw-downs at the S.B.M. Group's initiative until January 31, 2019. This financing is repaid every six months, with the first installment repaid on June 30, 2020 and the last scheduled for January 31, 2024. As of March 31, 2023, the debt relating to this borrowing totaled €72.4 million, following repayments for a total amount of €52.8 million in fiscal year 2022/2023.

To supplement its short-term financing means, the Company set up a short-term negotiable debt securities (NEU CP) issuance program in July 2019 for a maximum amount of €150 million. The Monegasque State pledged to subscribe, within the limit of a total principal amount of €120 million, to all or part of the negotiable debt securities that the Company will issue under this program and that will not be acquired on the market for whatever reason. Under this program and since its roll-out, outstanding security issues represented a maximum of €110 million. As of March 31, 2023, the Company no longer has any securities issued under this program, which however remains in place if required.

Furthermore, a portion of the cash received from the contribution/sale of BEG on June 30, 2023 was invested in financial assets not included in the definition of net cash for €178.3 million as of March 31, 2023.

6.1.6 Parent company results of Société des Bains de Mer

The financial statements (presented under French standards) of the Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco, the parent company, present the following results:

Société des Bains de Mer – Parent company (in million of euros)	2020/2021	2021/2022	2022/2023	Variation (in million of euros)
Revenue	325.4	509.2	611.8	102.6
Operating income/(loss) before depreciation and amortization	(23.5)	101.8	128.1	26.2
Amortization	(72.3)	(67.4)	(66.5)	0.9
Operating income/(loss)	(95.8)	34.4	61.5	27.1
Financial income/(loss)	13.0	75.3	(0.7)	(76.0)
Exceptional income/(loss)	65.8	(1.0)	0.4	1.4
NET INCOME/(LOSS)	(17.0)	108.7	61.2	(47.5)

REVENUE

Revenue amounted to €611.8 million for fiscal year 2022/2023, compared to €509.2 million the previous year, for an increase of €102.6 million, in line with the business turnaround.

OPERATING INCOME OR LOSS

Operating income amounted to €61.5 million, compared to €34.4 million in 2021/2022 and a loss of -€95.8 million in 2020/2021. This increase compared to last year was attributable to the business recovery following the end of the health crisis.

FINANCIAL INCOME OR LOSS

Financial income comprises interest on loan agreements, investment income and financial income received by the Company on funding granted to subsidiaries and canceled in the consolidated financial statements on elimination of S.B.M. Group intercompany transactions. Financial income also comprises intragroup provisions eliminated in the consolidated financial statements.

In 2021/2022, financial income increased following the buyback by Monte-Carlo SBM International S.à.r.l., a wholly-owned subsidiary, of convertible bonds issued in 2009 for €89.2 million. This purchase gave rise to the recognition of financial income of €74.5 million in the Company's accounts.

NET EXCEPTIONAL ITEMS

Net exceptional profit of €0.4 million was recorded for fiscal year 2022/2023, compared to a loss of -€1 million the previous year.

NET INCOME

The parent company net profit for fiscal year 2022/2023 amounted to €61.2 million, compared to a profit of €108.7 million the previous year.

6.1.7 Article 23 of the Order of March 5, 1895

We hereby inform you of the transactions directly or indirectly involving your Company and its Directors during 2022/2023 fiscal year, or between your Company and its affiliated or non-affiliated companies with common Directors:

■ transactions involving the affiliates of your Company:

- Société Anonyme Monégasque d'Entreprise de Spectacles (S.A.M.E.S),
- Société Anonyme Monégasque des Thermes Marins Monte-Carlo (S.T.M.),
- Société Anonyme Monégasque Générale d'Hôtellerie (SOGETEL),
- Société Anonyme Monégasque Hôtelière du Larvotto (S.H.L.),
- MC Financial Company (MCFC),
- Société Civile Particulière Soleil du Midi,
- Société Civile Immobilière de l'Hermitage,
- Société des Bains de Mer, USA, Inc.,
- Société Monte-Carlo SBM Singapore, Pte Ltd,
- S.à.r.l Monte-Carlo SBM International,
- SARL Café Grand Prix,
- Société Betclic Everest Group;

■ and:

- business relations with Société Monégasque pour l'Exploitation du Tournoi de Tennis (S.M.E.T.T.), in which the Company is a shareholder,
- wine purchases conducted on an arm's length basis with SARL Rainbow Wines, which is owned and managed by Mr. Laurent Nouvion, for non-material amounts.

6.2 Capital expenditure and future outlook

6.2.1 Capital expenditure

The total amount invoiced during the year was €98 million compared to €29.5 million for 2021/2022 and €25.8 million for 2020/2021, i.e. a total of €153.3 million for the last three years, as presented in the table below. This encompasses all capital expenditure, regardless of whether projects are completed and commissioned or still in progress.

Considering the health crisis, in 2021/2022 the S.B.M. Group strictly controlled capital expenditure initiated in 2020/2021. All capex projects were reviewed and budgets were drastically reduced by suspending all non-essential investments.

Capital expenditure (in thousands of euros)	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Gaming Sector	6,260	4,368	5,500
Hotel Sector	9,541	10,360	29,582
Rental Sector	5,080	1,810	8,967
Other Activities	4,910	12,991	53,965
TOTAL	25,791	29,528	98,013

GAMING SECTOR

Capital expenditure in the gaming sector amounted to €16.1 million over the last three fiscal years.

In fiscal year 2022/2023, the S.B.M. Group pursued its slot machine pool renewal policy, with total capital expenditure of €0.5 million for the last three fiscal years. The objective is to maintain a competitive edge in terms of gaming offers and innovation and match the latest trends.

The S.B.M. Group also carried out renovations at the Monte-Carlo Casino to better satisfy client expectations. These mainly focused on lighting in the Casino's Europe and Renaissance rooms to create an atmosphere that meets the expectations of clients who come there for leisure, and make the rooms more welcoming by adding light effects. A boutique was created in the Casino's Atrium and the Bar Rotonde was reorganized, while private rooms were created in the Médecin room, and more particularly its terrace, to welcome high roller clients, including the "1889" room opened in October 2020 (a very select room for High Rollers). The Grand Change and the Caisse Centrale were also overhauled to develop a new experience for fun players. In 2022/2023, the S.B.M. Group launched the creation of state rooms for High Rollers.

This work is part of the Monte-Carlo Casino long-term refurbishment program.

Excluding slot machines, a total of €6.5 million was invested in this project over the last three fiscal years.

HOTEL SECTOR

Capital expenditure in the hotel sector amounted to €49.5 million over the last three fiscal years.

In addition to the current refurbishments in S.B.M. Group's other hotels, other capital expenditure incurred in the last three fiscal years primarily concerned:

- work at the Monte-Carlo Beach with the creation of an underwater seawall to reduce coastal erosion during storms while preserving local underwater biodiversity. The first work phase, suspended in the winter of 2019, was completed during the winter of 2020. Considering the positive impacts of phase 1, phase 2 work was performed during fiscal year 2020/2021. The work continued this year with the finalized development of the new beach, which enables the Monte-Carlo Beach to recover its original beach from the 1930s, while protecting the site with a positive biodiversity underwater reef seawall. Capex recorded for this project in the last three years amounted to €5.2 million, including €1 million in fiscal year 2022/2023;
- work on Yannick Alléno's Pavillon Monte-Carlo restaurant at the Hôtel Hermitage, with the reorganization of the terrace and the new interior designed by Chahan Minassian with the subtle and comfortable feel of a private residence which encourages relaxation. Capex recorded for this project in the last three years amounted to €4.3 million, including €1.7 million in fiscal year 2022/2023;
- and, finally work undertaken in fiscal year 2021/2022 for the Café de Paris, with delivery scheduled for 2023/2024. This involves the creation of two floors, including a unique rooftop bar in the Principality of Monaco, as well as several luxury boutiques (around 800 additional square meters) and the creation of a new Amazonico restaurant, a Brazilian-Latino concept that is already present in Madrid, Dubai and London. Capex recorded for this project in the last three years amounted to €21.1 million, including €19.1 million in fiscal year 2022/2023.

Hotel sector capital expenditure amounted to €29.6 million in fiscal year 2022/2023.

RENTAL SECTOR

Capex of €15.9 million was incurred in the last three fiscal years in the rental sector.

In addition to the current real estate refurbishments and enhancements, the main capex incurred in this sector in the last three years involves the heightening project for the Aigue-Marine building. Capex incurred for this project in the last three years amounted to €7.1 million, including €6.3 million in fiscal year 2022/2023.

OTHER ACTIVITIES AND COMMON SERVICES

Capital expenditure in other activities and common services amounted to €71.9 million over the last three fiscal years.

The main capex involves the purchase of office space in the Aigue-Marine building, which already houses the S.B.M. Group's administrative headquarters, for €57.2 million, including €49.3 million in 2022/2023, in addition to an advance payment of €7.9 million recognized in the previous year.

Other capex involves the major work undertaken at the Monte-Carlo Country Club, and the implementation of new software and management systems as part of the IT master plan.

6.2.2 Main ongoing projects and future outlook**PURSUIT OF THE CAPITAL EXPENDITURE PROGRAM**

Current projects as of March 31, 2023 will continue in 2023/2024 as part of the capital expenditure program defined by the S.B.M. Group and in line with the policy adopted in previous years.

The main projects are the ongoing Monte-Carlo Casino and Café de Paris refurbishment programs as well as projects under the IT master plan, still in progress as of March 31, 2023.

OUTLOOK

The enhanced use of the real estate assets is a major growth vector for S.B.M. Group.

The Café de Paris project, which began in fiscal year 2021/2022, is in keeping with the aforementioned projects at the Place du Casino, with the enhanced use of the building and an increase in the commercial rental sector offering.

Furthermore, the transfer on June 30, 2022, via a sale and contribution, of the 47.30% investment in BEG to FL Entertainment provided the S.B.M. Group with the financial means to further its growth strategy in the Principality of Monaco and internationally.

MONTE-CARLO

SOCIÉTÉ DES BAINS DE MER

CASINOS

Casino de Monte-Carlo

Casino Café de Paris

HOTELS, RESTAURANTS & SEASIDE ACTIVITIES

Hôtel de Paris Monte-Carlo

Hôtel Hermitage Monte-Carlo

Monte-Carlo Bay Hotel & Resort

Monte-Carlo Beach

Le Méridien Beach Plaza

Café de Paris Monte-Carlo

Buddha Bar Monte-Carlo

Coya Monte-Carlo

Mada One

Jimmy'z Monte-Carlo

La Rascasse

Thermes Marins Monte-Carlo

Monte-Carlo Beach Club

RESIDENTIAL

One Monte-Carlo

La Résidence du Sporting

Les Villas du Sporting

Le Balmoral

Villa La Vigie

SHOPPING, SHOWS & SPORTING ACTIVITIES

Promenade Monte-Carlo Shopping

Salle Garnier – Opéra de Monte-Carlo

Sporting Monte-Carlo – Salle des Étoiles

Monte-Carlo Country Club

Monte-Carlo Golf Club

Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco

Siège social : Place du Casino – 98000 MONACO

Principauté de Monaco

www.montecarlosbm.com