

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	▶ ☒
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	▶ ☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>STE. MICHELLE WINE ESTATES LTD. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
1c Effective date of plan <u>10/01/2021</u>		
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>STE. MICHELLE WINE ESTATES, LLC</u> <u>14111 NE 145TH STREET</u> <u>WOODINVILLE, WA 98072</u>	2b Employer Identification Number (EIN) <u>91-0897041</u>	
	2c Plan Sponsor's telephone number <u>425-488-1133</u>	
	2d Business code (see instructions) <u>312130</u>	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2023	MICHELLE VERRET-SULLIVAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☐ Same as Plan Sponsor MICHELLE VERRET-SULLIVAN, PLAN ADMINISTRATOR 14111 NE 145TH STREET WOODINVILLE, WA 98072		3b Administrator's EIN 91-0897041 3c Administrator's telephone number 425-488-1133
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 1007
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6a(1) 814 6a(2) 717 6b 0 6c 637 6d 1354 6e 1 6f 1355 6g 1165 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3B 3D 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan STE. MICHELLE WINE ESTATES LTD. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 STE. MICHELLE WINE ESTATES, LLC	D Employer Identification Number (EIN) 91-0897041	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 64 65	RECORDKEEPER	89635	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MOSS ADAMS LLP

91-0189318

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT/AUDITOR	10500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>STE. MICHELLE WINE ESTATES LTD. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STE. MICHELLE WINE ESTATES, LLC</u>	D Employer Identification Number (EIN) <u>91-0897041</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	3607400
(2) Participant contributions.....	1b(2)	0	240623
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	24046	203074
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests.....	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans.....	1c(8)	188760	480425
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	10750768	24174912
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	10963574	28706434

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	21966
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	21966

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10963574	28684468
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5435390	
(B) Participants	2a(1)(B)	7543724	
(C) Others (including rollovers)	2a(1)(C)	7751541	
(2) Noncash contributions	2a(2)	0	20730655
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2973	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	15213	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		18186
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	504351	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		504351
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-3403477
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		17849715
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1187894	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1187894
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		2846
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	18391	
(2) Contract administrator fees	2i(2)	89635	
(3) Investment advisory and management fees	2i(3)	-1247	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		106779
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1297519
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		16552196
l Transfers of assets:			
(1) To this plan	2l(1)		1168698
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MOSS ADAMS LLP

(2) EIN: 91-0189318

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan STE. MICHELLE WINE ESTATES LTD. 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 STE. MICHELLE WINE ESTATES, LLC		D Employer Identification Number (EIN) 91-0897041
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	14a		
a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....		14b	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			14c
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)			
15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	15a		
a The corresponding number for the plan year immediately preceding the current plan year.....		15b	
b The corresponding number for the second preceding plan year.....			
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:	16a		
a Enter the number of employers who withdrew during the preceding plan year		16b	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....			
17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐			

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Ste. Michelle Wine Estates Ltd. 401K Plan

**Financial Statements
at December 31, 2022 and 2021**

STE. MICHELLE WINE ESTATES LTD. 401K PLAN
INDEX TO FINANCIAL STATEMENTS

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, are omitted because they are not applicable.

Report of Independent Auditors

The Retirement Plans Administrative Committee of
Ste. Michelle Wine Estates Ltd. 401(k) Plan

Report on the Audit of the Financial Statements

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Ste. Michelle Wine Estates Ltd. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the year ended December 31, 2022, and for the period from October 1, 2021 (inception) to December 31, 2021, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Ste. Michelle Wine Estates Ltd. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, and the period from October 1, 2021 (inception) to December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ste. Michelle Wine Estates Ltd. 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ste. Michelle Wine Estates Ltd. 401(k) Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ste. Michelle Wine Estates Ltd. 401(k) Plan's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ste. Michelle Wine Estates Ltd. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, line 4(i) – schedule of assets (held at year end) as of December 31, 2022 and 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Moss Adams LLP

Seattle, Washington

October 3, 2023

STE. MICHELLE WINE ESTATES LTD. 401K PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

At December 31,	2022	2021
Assets:		
Interest-bearing cash	\$203,074	\$24,046
Registered investment companies	24,174,912	10,750,768
Receivables:		
Employer contributions	3,607,400	947,943
Participant contributions	240,623	238,723
Notes receivable from participants	480,425	188,760
Total receivables	4,328,448	1,375,426
Total assets	28,706,434	12,150,240
Liabilities:		
Accrued expenses	21,966	17,968
Net assets available for benefits	\$28,684,468	\$12,132,272

The accompanying notes are an integral part of these financial statements.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the period ended December 31,	2022	2021
Investment (loss) income		
Net (depreciation) in fair value	\$ (3,403,477)	\$ (3,794)
Dividends and interest	507,324	197,546
Investment (loss) income	(2,896,153)	193,752
Interest income on notes receivable from participants	15,213	94
Contributions:		
Employer	5,435,390	1,258,319
Rollovers	7,751,541	9,075,729
Participant	7,543,724	1,660,359
Total contributions	20,730,655	11,994,407
Deductions:		
Withdrawals and distributions	1,190,740	33,352
Administrative expenses	106,779	22,629
Total deductions	1,297,519	55,981
Net increase	16,552,196	12,132,272
Net assets available for benefits:		
Beginning of period	12,132,272	-
End of period	\$28,684,468	\$12,132,272

The accompanying notes are an integral part of these financial statements.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following description of the Ste. Michelle Wine Estates Ltd. 401k Plan (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description or the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan maintained for the benefit of eligible salaried and hourly employees, as discussed below in *Plan Participation*, of Ste. Michelle Wine Estates Ltd. (“SMWE”) and certain of its subsidiaries (individually, a “Participating Company”; collectively, the “Participating Companies”). The Plan is designed to provide eligible employees with company contributions, the opportunity for employees to make contributions on a before-tax and/or after-tax basis, company match contributions on employee contributions for Match-Eligible Participants (as such term is defined below), and tax-advantaged investment of the Plan accounts, including a Roth contribution feature. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

The Plan became effective October 1, 2021 after the sale of SMWE from Altria Group, Inc. (“Altria”) to Sycamore Partners. Prior to the effective date, SMWE participated in the Altria Deferred Profit Sharing Plan (“Altria Plan”) for Salaried Employees. Participants had the option to maintain their previous balance in the Altria Plan or rollover the balance.

Plan Administration

The administration of the Plan has generally been delegated to the Administrator (as defined in the Plan). The Retirement Plans Administrative Committee of the Ste. Michelle Wine Estates Ltd. 401(k) Plan (the “Committee”) is the named fiduciary responsible for the operation and management of the investment options in the Plan.

Plan Participation

Eligibility for benefits under the Plan depends on an employee’s Participating Company affiliation as follows:

Match-Eligible Participants - Non-agricultural employees of Ste. Michelle Wine Estates LLC and its affiliates (“SMWE”) who are not represented by a collective bargaining unit are eligible to make employee contributions immediately and to receive company match contributions after completing twelve (12) months of service (years of service with the predecessor company were transferred into the new plan).

In September 2022, SMWE completed the acquisition of A to Z Wineworks, LLC (“A to Z”). Effective September 7, 2022, A to Z participants became participants of the SMWE Plan including company contributions for eligible employees; the opportunity for employees to make contributions on a before-tax and/or after-tax basis; company match contributions on employee contributions; and tax-advantaged investment of the SMWE Plan accounts, including a Roth contribution feature. A to Z participants had the option to maintain their previous balance in the A to Z Wineworks, LLC 401(k) Retirement Plan or rollover their balance to the SMWE Plan. As of December 31, 2022, twenty A to Z participants had rolled over balances totaling \$2,403,736 to the SMWE Plan.

Employee Contributions

Each eligible employee may make before-tax, Roth after-tax, and traditional after-tax contributions to the Plan as soon as administratively feasible after a participant’s date of hire.

No contribution is required from any participant under the Plan. However, employees hired or rehired after a date specific to their employee group are automatically enrolled in the Plan to make before-tax contributions of six percent (6%) of their eligible compensation beginning with the first payroll period after the completion of 35 days of service. Employees who are

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

automatically enrolled can elect to opt out of making contributions or to contribute a different percentage of their eligible compensation.

Before-tax contributions automatically increase by 1% each March 1, subject to Internal Revenue Service ("IRS") limits. Employees can opt out of this automatic increase program at any time.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes a dollar limitation on the combined amount of before-tax and Roth after-tax contributions for a calendar year. A participant's combined before-tax and Roth after-tax contributions were limited to \$20,500 and \$19,500 in 2022 and 2021, respectively. Additionally, the Plan limited the participant's combined before-tax, Roth after-tax, and traditional after-tax contributions to thirty-five percent (35%) of eligible compensation, excluding catch-up contributions.

Participants who are age 50 or older by the end of a Plan year are eligible to make before-tax and/or Roth after-tax catch-up contributions up to the limit prescribed in the Code. For 2022 and 2021, the catch-up contribution was limited to \$7,000 and \$6,500 respectively.

The aggregate contributions actually made by participants may not cause the Plan to violate limitations on such contributions set forth in the Code.

Employer Contributions

Contributions by Participating Companies may consist of a supplemental company contribution, a discretionary profit sharing company contribution and/or company match contributions as discussed below.

Contributions for highly compensated employees are subject to limitations imposed by the Code.

Supplemental Company Contribution – A supplemental company contribution equal to three percent (3%) of eligible compensation is made on behalf of each eligible participant, subject to the limitations below. During the periods ended December 31, 2022 and 2021, SMWE made \$1,477,146 and \$516,053 supplemental company contributions, respectively.

Discretionary Profit Sharing Company Contribution – A discretionary profit sharing company contribution equal to a range between zero percent (0%) and three percent (3%) of each eligible participant's compensation is made subject to the limitations below. If actual income performance measures and execution of business strategies meet or exceed target performance, a two percent (2%) contribution of each eligible participant's compensation will be made. SMWE's executive management may exercise judgment to increase the contribution by one percent (1%), for a maximum contribution of three percent (3%). If the targets are not met, the contribution will be zero percent (0%). Under certain circumstances, executive management has the option to consider other financial factors in determining the discretionary company contribution. During the periods ended December 31, 2022 and 2021, SMWE made \$1,853,767 and \$352,333 discretionary profit sharing company contributions, respectively.

Company match contributions – Participants who make before-tax, Roth after-tax, and/or traditional after-tax contributions for a payroll period after completing one year of service will receive company match contributions of fifty percent (50%) for each dollar, up to the first six percent (6%) of eligible compensation that is contributed for a payroll period. During the periods ended December 31, 2022 and 2021, SMWE made \$2,104,477 and \$389,933 company match contributions, respectively.

Plan participants are generally eligible for the supplemental and discretionary company contributions, as well as a year-end true-up matching contribution for a particular year if they are employed by one of the Participating Companies on the last business day of the calendar year (the "Last Day Rule"). This requirement to be employed on the last business day of the year is waived if participants leave employment due to retirement, death or disability. Participants are considered to have retired if they had reached age 55 and completed at least five years of service as of the date they left employment with the Participating Companies. Company contributions are based on compensation through the participant's departure date.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

Participant Accounts

Each participant's Plan accounts are adjusted by any employee and employer contributions, as well as the allocated share of the investment activities and administrative expenses for each investment option held.

Vesting

Participants are fully vested at all times in their Plan account balances.

Investment Options

Participants can direct all contributions among thirty investment options and may change their investment elections at any time and short-term redemption fees that may be applicable to certain of the investment options and other applicable laws. If a participant has not provided an investment election, any contributions are invested in a Fidelity Freedom Index Target Date Fund Investment Option, for which the underlying investment is a Registered Investment Company fund.

The Plan assets are held in investment funds for which Fidelity Management Trust Company serves as the custodian.

Withdrawals and Distributions

Participants may make in-service withdrawals in accordance with the provisions outlined in the Plan.

Participants may receive a distribution upon termination of employment, including retirement, in a lump sum, partial distributions, or installments.

Notes Receivable from Participants

Participants are permitted to borrow from their Plan accounts in accordance with the loan provisions and applicable interest rate as outlined in the Plan. Interest on participant loans is fixed for the term of the loan. The minimum loan amount is \$1,000 and the maximum loan amount is the lesser of fifty percent (50%) of a participant's account balance at the time of the loan request or \$50,000, less the participant's highest outstanding loan balance during the twelve-month period preceding the loan request. Loan repayment periods are up to twenty-five years depending on the type of loan. Interest rates on outstanding loans range from 4.25% to 8.00% with loan maturities through November 2046.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein in the financial statements and related disclosures. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan has diversified investment options in investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. The financial markets, both domestically and internationally, can experience significant volatility on a daily basis that affects the valuation of investments. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

will occur and that such changes could materially affect participant account balances and the amounts reported in the financial statements.

Valuation of the Plan Investments and Income Recognition

The Plan investment assets are reported at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. See Note 4 - *Fair Value Measurements* for a detailed discussion of fair value measurements.

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date; interest income is recorded as earned on an accrual basis. In accordance with the policy of stating investments at fair value, the net appreciation (depreciation) in the fair value of investments reflects both realized gains or losses and the change in the unrealized appreciation (depreciation) of investments held at year-end. Realized gains or losses from security transactions are reported on the average cost method.

Withdrawals and Distributions

Withdrawals and distributions are recorded when paid.

Expenses

Investment management fees, fund manager administrative fees, brokerage commissions and other investment related expenses are part of the total operating expenses of an investment option, and are charged against the net asset value of the specific investment option and reduce investment return.

Plan administrative fees such as custodian fees, participant recordkeeping, communications and audit fees are paid by the Plan and evenly distributed to all participant accounts.

Individual participant transaction fees, managed account fees, and short-term redemption fees for sales of an investment option within a specified period of time after purchase are paid by the Plan and are charged solely to the accounts of the participant who initiated the transaction or service.

Subsequent Events

The Plan has evaluated subsequent events through October 3, 2023, the date the financial statements were available to be issued. See Note 9 - *Subsequent Events* for further detail.

3. Information Certified by the Custodian

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the custodian of the Plan, has certified to the completeness and accuracy of:

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

- Investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021.
- Investment income (loss) in fair value of investments, dividends and interest reflected on the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2022 and the three-month period ended December 31, 2021.
- Investments reflected on the schedules of assets (held at end of year) as of December 31, 2022 and 2021 except for participant loans.

As discussed in Note 2 - *Summary of Significant Accounting Policies - Valuation of Plan Investments*, the Plan's net assets and investment activities are based upon the total of the participants' Plan accounts.

4. Fair Value Measurements

Financial Accounting Standards Board authoritative guidance provides a framework for measuring fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SMWE uses a fair value hierarchy, which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for investments measured at fair value.

There were no transfers between Level 1 and Level 2 holdings in the Plan investment assets during 2022 and 2021. In addition, there were no Level 3 holdings or transactions in the Plan investment assets at December 31, 2022 and 2021.

The methods described below are not necessarily indicative of net realizable value or reflective of future fair values, nor is categorization of a security in any particular valuation level necessarily an indication of the risk associated with an investment in that security. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Registered Investment Companies

Investments in registered investment companies are valued at the closing net asset value ("NAV") publicly reported on the last business day of the year. The funds held by the Plan are deemed to be actively traded. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

Cash and Cash Equivalents

Cash and cash equivalents consist of U.S. government securities and repurchase agreements and are valued at cost that approximates fair value.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

The fair value of the Plan investment assets by asset category as of December 31, 2022 were as follows:

	Level 1	Level 2	Totals
Registered investment companies	\$ 24,174,912	\$ —	\$ 24,174,912
Cash & cash equivalents	203,074	—	203,074
Total Plan investments at fair value	\$ 24,377,986	\$ —	\$ 24,377,986

The fair value of the Plan investment assets by asset category as of December 31, 2021 were as follows:

	Level 1	Level 2	Totals
Registered investment companies	\$ 10,750,768	\$ —	\$ 10,750,768
Cash & cash equivalents	24,046	—	24,046
Total Plan investments at fair value	10,774,814	\$ —	\$ 10,774,814

5. Related Party and Party-In-Interest Transactions

Plan investments include registered investment company funds (including Target Date Funds) managed by Fidelity Investment Asset Management, an affiliate of Fidelity Management Trust Company which is the custodian as defined by the Plan. These investments and transactions in these investments do not constitute prohibited transactions under ERISA. The Plan incurred costs of approximately \$112,000 with Fidelity in 2022 primarily for recordkeeping and asset custodian services.

6. Plan Amendment and Termination

The SMWE Board of Directors (the “Board”) has the right, subject to the applicable provisions of ERISA and the Code, to amend (retroactively or otherwise) the Plan, suspend making the company contribution, supplemental company contribution and/or company match contributions to the Plan or to terminate the Plan. The Board has delegated to the Committee and the Administrator the right to amend the Plan, provided that the annual cost of such amendment does not exceed specified dollar

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

limits. Each Participating Company has the right to terminate its participation in the Plan. However, no such action may deprive any participant or beneficiary under the Plan of any vested right.

7. Tax Status

By letter dated June 30, 2020, the Internal Revenue Service ("IRS") has determined that the Plan constitutes a qualified plan under Section 401(a) of the Code and the related Trust is, therefore, exempt from federal income taxes under the provisions of section 501(a) of the Code. The Plan has been amended since the period covered by the determination letter; however, the Plan Administrator believes that the Plan continues to be designed and operated in accordance with the applicable provisions of the Code. U.S.GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The tax provisions of the plan have been analyzed as of December 31, 2022 and 2021, and there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

8. Reconciliation of Financial Statements to Form 5500

As discussed in Note 1. *Description of the Plan*, the Plan became effective on October 1, 2021. SMWE elected that an audit would not be performed in calendar year 2022 for the short period from October 1, 2021 through December 31, 2021 but rather both the three-month 2021 and full year 2022 periods, respectively would be audited together in calendar year 2023. A Plan Form 5500 however was filed in October 2022 for the three-month period from October 2021 through December 31, 2021. The October 2021 Plan Form 5500 Schedule H Financial Information therefore did not contain all applicable accounting adjustments that resulted during the course of preparing the audited financial statements presented herein. The 2022 financial statements will agree to the upcoming 2022 Form 5500 filing.

The following is a reconciliation of the Plan's net assets available for benefits per the financial statements to the Form 5500 for the period ended December 31, 2021:

	2021
Net assets available for benefits per the financial statements	\$ 12,132,272
Adjustment to accrue employer and employee receivables	(1,186,666)
Adjustment to accrue plan administrative expenses	17,968
Net assets available for benefits per the Form 5500	<u>\$ 10,963,574</u>

The following is a reconciliation of the Plan's change in net assets available for benefits per the financial statements to the Form 5500 for the period ended December 31, 2021:

	2021
Change in net assets available for benefits per the financial statements	\$ 12,132,272
Adjustment to accrue employer and employee receivables	(1,186,666)
Adjustment to accrue plan administrative expenses	17,968
Change in net assets available for benefits per the Form 5500	<u>\$ 10,963,574</u>

9. Subsequent Events

U.S. Retirement Plans' Legislation

On December 29, 2022, the Setting Every Community Up for Retirement Enhancement 2.0 Act (commonly known as the SECURE 2.0 Act) was signed into law. Various changes go into effect over time in 2023, 2024 or 2025 and later. Major provisions include:

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

Required Changes Beginning on or After January 1, 2024 (unless otherwise noted)

- A further increase in the required minimum distribution (RMD) age from 72 to 73 in 2023 and then to age 75 in 2033.
- Catch up contributions beginning at age 50 are required to be Roth basis for anyone earning \$145,000 or more in the prior year (effective January 1, 2026).
- Mandatory cash out limit raised from \$5,000 to \$7,000
- Emergency withdrawal expenses (once per year up to \$1,000 allowed and would be exempt from the 10% early withdrawal penalty)

Optional Changes

- Student loan payments may be treated as elective deferrals for purposes of matching contributions (beginning January 1, 2024)
- Offer emergency savings accounts (post tax contributions) to non-highly compensated employees capped at \$2,500
- Additional catch up contribution for ages 60-63 (greater of \$10,000 or 50% more than "regular" catch up amount)

SMWE will continue to monitor the SECURE 2.0 Act provisions and amend the Plan periodically as needed.

Sale of Stag's Leap Wine Cellars Subsidiary

On May 5, 2023 SMWE announced the sale of its subsidiary Stag's Leap Wine Cellars to Marchesi Antinori. The transaction closed on June 28, 2023 and Plan participants were offered the option to either leave their account balances in the SMWE Plan or transfer into another qualified plan.

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Ste. Michelle Wine Estates LLC 401k Plan Assets	Investment Funds	n/a	See Attached
*	Notes receivable from participants	Interest rates range from 4.25% to 8.00% Maturity dates through November 2046	n/a	\$ 480,425

* indicates party-in-interest

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Target Date 2030 Fund	Registered Investment Company	**	\$2,816,769
*	Fidelity S&P 500 Index Fund	Registered Investment Company	**	2,765,468
*	Fidelity Target Date 2035 Fund	Registered Investment Company	**	2,563,989
*	Fidelity Target Date 2040 Fund	Registered Investment Company	**	2,105,157
*	Fidelity Target Date 2045 Fund	Registered Investment Company	**	1,496,394
*	Fidelity Target Date 2050 Fund	Registered Investment Company	**	1,398,995
*	Fidelity Target Date 2025 Fund	Registered Investment Company	**	1,341,288
*	Fidelity Target Date 2020 Fund	Registered Investment Company	**	1,325,928
*	Fidelity Mid Cap Index Fund	Registered Investment Company	**	1,038,149
*	Fidelity Target Date 2055 Fund	Registered Investment Company	**	907,353
*	Fidelity Small Cap Index Fund	Registered Investment Company	**	835,728
*	Fidelity International Index Fund	Registered Investment Company	**	799,089
*	Fidelity Target Date 2060 Fund	Registered Investment Company	**	781,172
	T Rowe Price Large Cap Growth	Registered Investment Company	**	723,039
	Columbia Dividend Income Fund	Registered Investment Company	**	605,272
*	Fidelity US Bond Index Fund	Registered Investment Company	**	604,932
	Blackrock Strategic Inc Opp Fund	Registered Investment Company	**	429,010
	Blackrock Mid-Cap Growth Fund	Registered Investment Company	**	408,789
	American Century Mid-Cap Value	Registered Investment Company	**	235,404
	Blackrock International Fund	Registered Investment Company	**	210,571
	Columbia Emerging Market Fund	Registered Investment Company	**	197,288
	American Century Small-Cap Value	Registered Investment Company	**	192,445
	Alliance Bernstein Small-Cap Growth	Registered Investment Company	**	178,025
	PGIM Total Return Bond Fund	Registered Investment Company	**	173,596
*	Fidelity Target Date 2000 Fund	Registered Investment Company	**	15,580
*	Fidelity Target Date 2010 Fund	Registered Investment Company	**	13,766
*	Fidelity Target Date 2005 Fund	Registered Investment Company	**	5,018
*	Fidelity Target Date 2015 Fund	Registered Investment Company	**	4,782
*	Fidelity Target Date 2065 Fund	Registered Investment Company	**	1,916
*	Fidelity Gov't Money Market	Money Market Account	**	203,074
				\$24,377,986

* Indicates party-in-interest

** Information is not required as investments are participant directed

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Ste. Michelle Wine Estates LLC 401k Plan Assets	Investment Funds	n/a	See Attached
*	Notes receivable from participants	All Interest rates at 4.25% Maturity dates through November 2046	n/a	188,760

* indicates party-in-interest

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Target Date 2030 Fund	Registered Investment Company	**	\$2,186,015
*	Fidelity S&P 500 Index Fund	Registered Investment Company	**	1,449,768
*	Fidelity Target Date 2025 Fund	Registered Investment Company	**	845,404
*	Fidelity Target Date 2035 Fund	Registered Investment Company	**	754,595
*	Fidelity Mid Cap Index Fund	Registered Investment Company	**	748,504
*	Fidelity Target Date 2040 Fund	Registered Investment Company	**	710,646
*	Fidelity Small Cap Index Fund	Registered Investment Company	**	604,891
*	Fidelity Target Date 2045 Fund	Registered Investment Company	**	475,202
*	Fidelity Target Date 2050 Fund	Registered Investment Company	**	417,513
*	T Rowe Price Large Cap Growth	Registered Investment Company	**	387,121
*	Fidelity Target Date 2055 Fund	Registered Investment Company	**	347,605
*	Fidelity US Bond Index Fund	Registered Investment Company	**	271,176
*	Blackrock Mid-Cap Growth Fund	Registered Investment Company	**	232,830
*	Fidelity Target Date 2060 Fund	Registered Investment Company	**	218,053
*	Columbia Dividend Income Fund	Registered Investment Company	**	179,221
*	Blackrock International Fund	Registered Investment Company	**	174,514
*	Fidelity International Index Fund	Registered Investment Company	**	163,669
*	Blackrock Strategic Inc Opp Fund	Registered Investment Company	**	156,395
*	Columbia Emerging Market Fund	Registered Investment Company	**	100,785
*	Alliance Bernstein Small-Cap Growth	Registered Investment Company	**	88,615
*	American Century Mid-Cap Value	Registered Investment Company	**	68,814
*	American Century Small-Cap Value	Registered Investment Company	**	68,812
*	PGIM Total Return Bond Fund	Registered Investment Company	**	51,132
*	Fidelity Target Date 2020 Fund	Registered Investment Company	**	44,255
*	Fidelity Target Date 2010 Fund	Registered Investment Company	**	2,202
*	Fidelity Target Date 2005 Fund	Registered Investment Company	**	1,121
*	Fidelity Target Date 2000 Fund	Registered Investment Company	**	1,025
*	Fidelity Target Date 2015 Fund	Registered Investment Company	**	885
*	Fidelity Gov't Money Market	Money Market Account	**	24,046
				\$10,774,814

* Indicates party-in-interest

** Information is not required as investments are participant directed

Ste. Michelle Wine Estates Ltd. 401K Plan

**Financial Statements
at December 31, 2022 and 2021**

STE. MICHELLE WINE ESTATES LTD. 401K PLAN
INDEX TO FINANCIAL STATEMENTS

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* Other schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, are omitted because they are not applicable.

Report of Independent Auditors

The Retirement Plans Administrative Committee of
Ste. Michelle Wine Estates Ltd. 401(k) Plan

Report on the Audit of the Financial Statements

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Ste. Michelle Wine Estates Ltd. 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the year ended December 31, 2022, and for the period from October 1, 2021 (inception) to December 31, 2021, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Ste. Michelle Wine Estates Ltd. 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, and the period from October 1, 2021 (inception) to December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ste. Michelle Wine Estates Ltd. 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ste. Michelle Wine Estates Ltd. 401(k) Plan's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ste. Michelle Wine Estates Ltd. 401(k) Plan's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ste. Michelle Wine Estates Ltd. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, line 4(i) – schedule of assets (held at year end) as of December 31, 2022 and 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

- the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Moss Adams LLP

Seattle, Washington

October 3, 2023

**STE. MICHELLE WINE ESTATES LTD. 401K PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

At December 31,	2022	2021
Assets:		
Interest-bearing cash	\$203,074	\$24,046
Registered investment companies	24,174,912	10,750,768
Receivables:		
Employer contributions	3,607,400	947,943
Participant contributions	240,623	238,723
Notes receivable from participants	480,425	188,760
Total receivables	4,328,448	1,375,426
Total assets	28,706,434	12,150,240
Liabilities:		
Accrued expenses	21,966	17,968
Net assets available for benefits	\$28,684,468	\$12,132,272

The accompanying notes are an integral part of these financial statements.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the period ended December 31,	2022	2021
Investment (loss) income		
Net (depreciation) in fair value	\$ (3,403,477)	\$ (3,794)
Dividends and interest	507,324	197,546
Investment (loss) income	(2,896,153)	193,752
Interest income on notes receivable from participants	15,213	94
Contributions:		
Employer	5,435,390	1,258,319
Rollovers	7,751,541	9,075,729
Participant	7,543,724	1,660,359
Total contributions	20,730,655	11,994,407
Deductions:		
Withdrawals and distributions	1,190,740	33,352
Administrative expenses	106,779	22,629
Total deductions	1,297,519	55,981
Net increase	16,552,196	12,132,272
Net assets available for benefits:		
Beginning of period	12,132,272	-
End of period	<u>\$28,684,468</u>	<u>\$12,132,272</u>

The accompanying notes are an integral part of these financial statements.

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following description of the Ste. Michelle Wine Estates Ltd. 401k Plan (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description or the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan maintained for the benefit of eligible salaried and hourly employees, as discussed below in *Plan Participation*, of Ste. Michelle Wine Estates Ltd. (“SMWE”) and certain of its subsidiaries (individually, a “Participating Company”; collectively, the “Participating Companies”). The Plan is designed to provide eligible employees with company contributions, the opportunity for employees to make contributions on a before-tax and/or after-tax basis, company match contributions on employee contributions for Match-Eligible Participants (as such term is defined below), and tax-advantaged investment of the Plan accounts, including a Roth contribution feature. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

The Plan became effective October 1, 2021 after the sale of SMWE from Altria Group, Inc. (“Altria”) to Sycamore Partners. Prior to the effective date, SMWE participated in the Altria Deferred Profit Sharing Plan (“Altria Plan”) for Salaried Employees. Participants had the option to maintain their previous balance in the Altria Plan or rollover the balance.

Plan Administration

The administration of the Plan has generally been delegated to the Administrator (as defined in the Plan). The Retirement Plans Administrative Committee of the Ste. Michelle Wine Estates Ltd. 401(k) Plan (the “Committee”) is the named fiduciary responsible for the operation and management of the investment options in the Plan.

Plan Participation

Eligibility for benefits under the Plan depends on an employee’s Participating Company affiliation as follows:

Match-Eligible Participants - Non-agricultural employees of Ste. Michelle Wine Estates LLC and its affiliates (“SMWE”) who are not represented by a collective bargaining unit are eligible to make employee contributions immediately and to receive company match contributions after completing twelve (12) months of service (years of service with the predecessor company were transferred into the new plan).

In September 2022, SMWE completed the acquisition of A to Z Wineworks, LLC (“A to Z”). Effective September 7, 2022, A to Z participants became participants of the SMWE Plan including company contributions for eligible employees; the opportunity for employees to make contributions on a before-tax and/or after-tax basis; company match contributions on employee contributions; and tax-advantaged investment of the SMWE Plan accounts, including a Roth contribution feature. A to Z participants had the option to maintain their previous balance in the A to Z Wineworks, LLC 401(k) Retirement Plan or rollover their balance to the SMWE Plan. As of December 31, 2022, twenty A to Z participants had rolled over balances totaling \$2,403,736 to the SMWE Plan.

Employee Contributions

Each eligible employee may make before-tax, Roth after-tax, and traditional after-tax contributions to the Plan as soon as administratively feasible after a participant’s date of hire.

No contribution is required from any participant under the Plan. However, employees hired or rehired after a date specific to their employee group are automatically enrolled in the Plan to make before-tax contributions of six percent (6%) of their eligible compensation beginning with the first payroll period after the completion of 35 days of service. Employees who are

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

automatically enrolled can elect to opt out of making contributions or to contribute a different percentage of their eligible compensation.

Before-tax contributions automatically increase by 1% each March 1, subject to Internal Revenue Service ("IRS") limits. Employees can opt out of this automatic increase program at any time.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes a dollar limitation on the combined amount of before-tax and Roth after-tax contributions for a calendar year. A participant's combined before-tax and Roth after-tax contributions were limited to \$20,500 and \$19,500 in 2022 and 2021, respectively. Additionally, the Plan limited the participant's combined before-tax, Roth after-tax, and traditional after-tax contributions to thirty-five percent (35%) of eligible compensation, excluding catch-up contributions.

Participants who are age 50 or older by the end of a Plan year are eligible to make before-tax and/or Roth after-tax catch-up contributions up to the limit prescribed in the Code. For 2022 and 2021, the catch-up contribution was limited to \$7,000 and \$6,500 respectively.

The aggregate contributions actually made by participants may not cause the Plan to violate limitations on such contributions set forth in the Code.

Employer Contributions

Contributions by Participating Companies may consist of a supplemental company contribution, a discretionary profit sharing company contribution and/or company match contributions as discussed below.

Contributions for highly compensated employees are subject to limitations imposed by the Code.

Supplemental Company Contribution – A supplemental company contribution equal to three percent (3%) of eligible compensation is made on behalf of each eligible participant, subject to the limitations below. During the periods ended December 31, 2022 and 2021, SMWE made \$1,477,146 and \$516,053 supplemental company contributions, respectively.

Discretionary Profit Sharing Company Contribution – A discretionary profit sharing company contribution equal to a range between zero percent (0%) and three percent (3%) of each eligible participant's compensation is made subject to the limitations below. If actual income performance measures and execution of business strategies meet or exceed target performance, a two percent (2%) contribution of each eligible participant's compensation will be made. SMWE's executive management may exercise judgment to increase the contribution by one percent (1%), for a maximum contribution of three percent (3%). If the targets are not met, the contribution will be zero percent (0%). Under certain circumstances, executive management has the option to consider other financial factors in determining the discretionary company contribution. During the periods ended December 31, 2022 and 2021, SMWE made \$1,853,767 and \$352,333 discretionary profit sharing company contributions, respectively.

Company match contributions – Participants who make before-tax, Roth after-tax, and/or traditional after-tax contributions for a payroll period after completing one year of service will receive company match contributions of fifty percent (50%) for each dollar, up to the first six percent (6%) of eligible compensation that is contributed for a payroll period. During the periods ended December 31, 2022 and 2021, SMWE made \$2,104,477 and \$389,933 company match contributions, respectively.

Plan participants are generally eligible for the supplemental and discretionary company contributions, as well as a year-end true-up matching contribution for a particular year if they are employed by one of the Participating Companies on the last business day of the calendar year (the "Last Day Rule"). This requirement to be employed on the last business day of the year is waived if participants leave employment due to retirement, death or disability. Participants are considered to have retired if they had reached age 55 and completed at least five years of service as of the date they left employment with the Participating Companies. Company contributions are based on compensation through the participant's departure date.

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NOTES TO FINANCIAL STATEMENTS

Participant Accounts

Each participant's Plan accounts are adjusted by any employee and employer contributions, as well as the allocated share of the investment activities and administrative expenses for each investment option held.

Vesting

Participants are fully vested at all times in their Plan account balances.

Investment Options

Participants can direct all contributions among thirty investment options and may change their investment elections at any time and short-term redemption fees that may be applicable to certain of the investment options and other applicable laws. If a participant has not provided an investment election, any contributions are invested in a Fidelity Freedom Index Target Date Fund Investment Option, for which the underlying investment is a Registered Investment Company fund.

The Plan assets are held in investment funds for which Fidelity Management Trust Company serves as the custodian.

Withdrawals and Distributions

Participants may make in-service withdrawals in accordance with the provisions outlined in the Plan.

Participants may receive a distribution upon termination of employment, including retirement, in a lump sum, partial distributions, or installments.

Notes Receivable from Participants

Participants are permitted to borrow from their Plan accounts in accordance with the loan provisions and applicable interest rate as outlined in the Plan. Interest on participant loans is fixed for the term of the loan. The minimum loan amount is \$1,000 and the maximum loan amount is the lesser of fifty percent (50%) of a participant's account balance at the time of the loan request or \$50,000, less the participant's highest outstanding loan balance during the twelve-month period preceding the loan request. Loan repayment periods are up to twenty-five years depending on the type of loan. Interest rates on outstanding loans range from 4.25% to 8.00% with loan maturities through November 2046.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein in the financial statements and related disclosures. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan has diversified investment options in investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. The financial markets, both domestically and internationally, can experience significant volatility on a daily basis that affects the valuation of investments. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

will occur and that such changes could materially affect participant account balances and the amounts reported in the financial statements.

Valuation of the Plan Investments and Income Recognition

The Plan investment assets are reported at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. See Note 4 - *Fair Value Measurements* for a detailed discussion of fair value measurements.

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date; interest income is recorded as earned on an accrual basis. In accordance with the policy of stating investments at fair value, the net appreciation (depreciation) in the fair value of investments reflects both realized gains or losses and the change in the unrealized appreciation (depreciation) of investments held at year-end. Realized gains or losses from security transactions are reported on the average cost method.

Withdrawals and Distributions

Withdrawals and distributions are recorded when paid.

Expenses

Investment management fees, fund manager administrative fees, brokerage commissions and other investment related expenses are part of the total operating expenses of an investment option, and are charged against the net asset value of the specific investment option and reduce investment return.

Plan administrative fees such as custodian fees, participant recordkeeping, communications and audit fees are paid by the Plan and evenly distributed to all participant accounts.

Individual participant transaction fees, managed account fees, and short-term redemption fees for sales of an investment option within a specified period of time after purchase are paid by the Plan and are charged solely to the accounts of the participant who initiated the transaction or service.

Subsequent Events

The Plan has evaluated subsequent events through October 3, 2023, the date the financial statements were available to be issued. See Note 9 - *Subsequent Events* for further detail.

3. Information Certified by the Custodian

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the custodian of the Plan, has certified to the completeness and accuracy of:

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

- Investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2022 and 2021.
- Investment income (loss) in fair value of investments, dividends and interest reflected on the accompanying statement of changes in net assets available for benefits for the year ended December 31, 2022 and the three-month period ended December 31, 2021.
- Investments reflected on the schedules of assets (held at end of year) as of December 31, 2022 and 2021 except for participant loans.

As discussed in Note 2 - *Summary of Significant Accounting Policies - Valuation of Plan Investments*, the Plan's net assets and investment activities are based upon the total of the participants' Plan accounts.

4. Fair Value Measurements

Financial Accounting Standards Board authoritative guidance provides a framework for measuring fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SMWE uses a fair value hierarchy, which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for investments measured at fair value.

There were no transfers between Level 1 and Level 2 holdings in the Plan investment assets during 2022 and 2021. In addition, there were no Level 3 holdings or transactions in the Plan investment assets at December 31, 2022 and 2021.

The methods described below are not necessarily indicative of net realizable value or reflective of future fair values, nor is categorization of a security in any particular valuation level necessarily an indication of the risk associated with an investment in that security. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Registered Investment Companies

Investments in registered investment companies are valued at the closing net asset value ("NAV") publicly reported on the last business day of the year. The funds held by the Plan are deemed to be actively traded. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission.

Cash and Cash Equivalents

Cash and cash equivalents consist of U.S. government securities and repurchase agreements and are valued at cost that approximates fair value.

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NOTES TO FINANCIAL STATEMENTS

The fair value of the Plan investment assets by asset category as of December 31, 2022 were as follows:

	Level 1	Level 2	Totals
Registered investment companies	\$ 24,174,912	\$ —	\$ 24,174,912
Cash & cash equivalents	203,074	—	203,074
Total Plan investments at fair value	\$ 24,377,986	\$ —	\$ 24,377,986

The fair value of the Plan investment assets by asset category as of December 31, 2021 were as follows:

	Level 1	Level 2	Totals
Registered investment companies	\$ 10,750,768	\$ —	\$ 10,750,768
Cash & cash equivalents	24,046	—	24,046
Total Plan investments at fair value	10,774,814	\$ —	\$ 10,774,814

5. Related Party and Party-In-Interest Transactions

Plan investments include registered investment company funds (including Target Date Funds) managed by Fidelity Investment Asset Management, an affiliate of Fidelity Management Trust Company which is the custodian as defined by the Plan. These investments and transactions in these investments do not constitute prohibited transactions under ERISA. The Plan incurred costs of approximately \$112,000 with Fidelity in 2022 primarily for recordkeeping and asset custodian services.

6. Plan Amendment and Termination

The SMWE Board of Directors (the “Board”) has the right, subject to the applicable provisions of ERISA and the Code, to amend (retroactively or otherwise) the Plan, suspend making the company contribution, supplemental company contribution and/or company match contributions to the Plan or to terminate the Plan. The Board has delegated to the Committee and the Administrator the right to amend the Plan, provided that the annual cost of such amendment does not exceed specified dollar

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

limits. Each Participating Company has the right to terminate its participation in the Plan. However, no such action may deprive any participant or beneficiary under the Plan of any vested right.

7. Tax Status

By letter dated June 30, 2020, the Internal Revenue Service ("IRS") has determined that the Plan constitutes a qualified plan under Section 401(a) of the Code and the related Trust is, therefore, exempt from federal income taxes under the provisions of section 501(a) of the Code. The Plan has been amended since the period covered by the determination letter; however, the Plan Administrator believes that the Plan continues to be designed and operated in accordance with the applicable provisions of the Code. U.S.GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The tax provisions of the plan have been analyzed as of December 31, 2022 and 2021, and there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

8. Reconciliation of Financial Statements to Form 5500

As discussed in Note 1. *Description of the Plan*, the Plan became effective on October 1, 2021. SMWE elected that an audit would not be performed in calendar year 2022 for the short period from October 1, 2021 through December 31, 2021 but rather both the three-month 2021 and full year 2022 periods, respectively would be audited together in calendar year 2023. A Plan Form 5500 however was filed in October 2022 for the three-month period from October 2021 through December 31, 2021. The October 2021 Plan Form 5500 Schedule H Financial Information therefore did not contain all applicable accounting adjustments that resulted during the course of preparing the audited financial statements presented herein. The 2022 financial statements will agree to the upcoming 2022 Form 5500 filing.

The following is a reconciliation of the Plan's net assets available for benefits per the financial statements to the Form 5500 for the period ended December 31, 2021:

	2021
Net assets available for benefits per the financial statements	\$ 12,132,272
Adjustment to accrue employer and employee receivables	(1,186,666)
Adjustment to accrue plan administrative expenses	17,968
Net assets available for benefits per the Form 5500	<u>\$ 10,963,574</u>

The following is a reconciliation of the Plan's change in net assets available for benefits per the financial statements to the Form 5500 for the period ended December 31, 2021:

	2021
Change in net assets available for benefits per the financial statements	\$ 12,132,272
Adjustment to accrue employer and employee receivables	(1,186,666)
Adjustment to accrue plan administrative expenses	17,968
Change in net assets available for benefits per the Form 5500	<u>\$ 10,963,574</u>

9. Subsequent Events

U.S. Retirement Plans' Legislation

On December 29, 2022, the Setting Every Community Up for Retirement Enhancement 2.0 Act (commonly known as the SECURE 2.0 Act) was signed into law. Various changes go into effect over time in 2023, 2024 or 2025 and later. Major provisions include:

STE. MICHELLE WINE ESTATES LTD. 401K PLAN

NOTES TO FINANCIAL STATEMENTS

Required Changes Beginning on or After January 1, 2024 (unless otherwise noted)

- A further increase in the required minimum distribution (RMD) age from 72 to 73 in 2023 and then to age 75 in 2033.
- Catch up contributions beginning at age 50 are required to be Roth basis for anyone earning \$145,000 or more in the prior year (effective January 1, 2026).
- Mandatory cash out limit raised from \$5,000 to \$7,000
- Emergency withdrawal expenses (once per year up to \$1,000 allowed and would be exempt from the 10% early withdrawal penalty)

Optional Changes

- Student loan payments may be treated as elective deferrals for purposes of matching contributions (beginning January 1, 2024)
- Offer emergency savings accounts (post tax contributions) to non-highly compensated employees capped at \$2,500
- Additional catch up contribution for ages 60-63 (greater of \$10,000 or 50% more than "regular" catch up amount)

SMWE will continue to monitor the SECURE 2.0 Act provisions and amend the Plan periodically as needed.

Sale of Stag's Leap Wine Cellars Subsidiary

On May 5, 2023 SMWE announced the sale of its subsidiary Stag's Leap Wine Cellars to Marchesi Antinori. The transaction closed on June 28, 2023 and Plan participants were offered the option to either leave their account balances in the SMWE Plan or transfer into another qualified plan.

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Ste. Michelle Wine Estates LLC 401k Plan Assets	Investment Funds	n/a	See Attached
*	Notes receivable from participants	Interest rates range from 4.25% to 8.00% Maturity dates through November 2046	n/a	\$ 480,425

* indicates party-in-interest

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Target Date 2030 Fund	Registered Investment Company	**	\$2,816,769
*	Fidelity S&P 500 Index Fund	Registered Investment Company	**	2,765,468
*	Fidelity Target Date 2035 Fund	Registered Investment Company	**	2,563,989
*	Fidelity Target Date 2040 Fund	Registered Investment Company	**	2,105,157
*	Fidelity Target Date 2045 Fund	Registered Investment Company	**	1,496,394
*	Fidelity Target Date 2050 Fund	Registered Investment Company	**	1,398,995
*	Fidelity Target Date 2025 Fund	Registered Investment Company	**	1,341,288
*	Fidelity Target Date 2020 Fund	Registered Investment Company	**	1,325,928
*	Fidelity Mid Cap Index Fund	Registered Investment Company	**	1,038,149
*	Fidelity Target Date 2055 Fund	Registered Investment Company	**	907,353
*	Fidelity Small Cap Index Fund	Registered Investment Company	**	835,728
*	Fidelity International Index Fund	Registered Investment Company	**	799,089
*	Fidelity Target Date 2060 Fund	Registered Investment Company	**	781,172
	T Rowe Price Large Cap Growth	Registered Investment Company	**	723,039
	Columbia Dividend Income Fund	Registered Investment Company	**	605,272
*	Fidelity US Bond Index Fund	Registered Investment Company	**	604,932
	Blackrock Strategic Inc Opp Fund	Registered Investment Company	**	429,010
	Blackrock Mid-Cap Growth Fund	Registered Investment Company	**	408,789
	American Century Mid-Cap Value	Registered Investment Company	**	235,404
	Blackrock International Fund	Registered Investment Company	**	210,571
	Columbia Emerging Market Fund	Registered Investment Company	**	197,288
	American Century Small-Cap Value	Registered Investment Company	**	192,445
	Alliance Bernstein Small-Cap Growth	Registered Investment Company	**	178,025
	PGIM Total Return Bond Fund	Registered Investment Company	**	173,596
*	Fidelity Target Date 2000 Fund	Registered Investment Company	**	15,580
*	Fidelity Target Date 2010 Fund	Registered Investment Company	**	13,766
*	Fidelity Target Date 2005 Fund	Registered Investment Company	**	5,018
*	Fidelity Target Date 2015 Fund	Registered Investment Company	**	4,782
*	Fidelity Target Date 2065 Fund	Registered Investment Company	**	1,916
*	Fidelity Gov't Money Market	Money Market Account	**	203,074
				\$24,377,986

* Indicates party-in-interest

** Information is not required as investments are participant directed

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	Ste. Michelle Wine Estates LLC 401k Plan Assets	Investment Funds	n/a	See Attached
*	Notes receivable from participants	All Interest rates at 4.25% Maturity dates through November 2046	n/a	188,760

* indicates party-in-interest

Ste. Michelle Wine Estates Ltd. 401k Plan
EIN: 91-0897041, Plan # 001
Schedule H - Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Fidelity Target Date 2030 Fund	Registered Investment Company	**	\$2,186,015
*	Fidelity S&P 500 Index Fund	Registered Investment Company	**	1,449,768
*	Fidelity Target Date 2025 Fund	Registered Investment Company	**	845,404
*	Fidelity Target Date 2035 Fund	Registered Investment Company	**	754,595
*	Fidelity Mid Cap Index Fund	Registered Investment Company	**	748,504
*	Fidelity Target Date 2040 Fund	Registered Investment Company	**	710,646
*	Fidelity Small Cap Index Fund	Registered Investment Company	**	604,891
*	Fidelity Target Date 2045 Fund	Registered Investment Company	**	475,202
*	Fidelity Target Date 2050 Fund	Registered Investment Company	**	417,513
*	T Rowe Price Large Cap Growth	Registered Investment Company	**	387,121
*	Fidelity Target Date 2055 Fund	Registered Investment Company	**	347,605
*	Fidelity US Bond Index Fund	Registered Investment Company	**	271,176
*	Blackrock Mid-Cap Growth Fund	Registered Investment Company	**	232,830
*	Fidelity Target Date 2060 Fund	Registered Investment Company	**	218,053
*	Columbia Dividend Income Fund	Registered Investment Company	**	179,221
*	Blackrock International Fund	Registered Investment Company	**	174,514
*	Fidelity International Index Fund	Registered Investment Company	**	163,669
*	Blackrock Strategic Inc Opp Fund	Registered Investment Company	**	156,395
*	Columbia Emerging Market Fund	Registered Investment Company	**	100,785
*	Alliance Bernstein Small-Cap Growth	Registered Investment Company	**	88,615
*	American Century Mid-Cap Value	Registered Investment Company	**	68,814
*	American Century Small-Cap Value	Registered Investment Company	**	68,812
*	PGIM Total Return Bond Fund	Registered Investment Company	**	51,132
*	Fidelity Target Date 2020 Fund	Registered Investment Company	**	44,255
*	Fidelity Target Date 2010 Fund	Registered Investment Company	**	2,202
*	Fidelity Target Date 2005 Fund	Registered Investment Company	**	1,121
*	Fidelity Target Date 2000 Fund	Registered Investment Company	**	1,025
*	Fidelity Target Date 2015 Fund	Registered Investment Company	**	885
*	Fidelity Gov't Money Market	Money Market Account	**	24,046
				\$10,774,814

* Indicates party-in-interest

** Information is not required as investments are participant directed