

7

SHARE CAPITAL AND OWNERSHIP

7.1 SHARE CAPITAL OF THE COMPANY

TRANSACTIONS ON THE SHARE CAPITAL IN THE LAST THREE YEARS AND SHARE CAPITAL AS OF DECEMBER 31, 2021

Effective date of the transaction	Shares created / (canceled) by the transaction <i>(number of shares)</i>	Type of transaction	Nominal amount of the transaction <i>(in €)</i>	Amount of share capital after the transaction <i>(in €)</i>	Shares making up the share capital after the transaction <i>(number of shares)</i>
May 16, 2019	1,018,400	Capital increase reserved for employee members of a company savings plan	254,600.00	171,518,400.00	686,073,600
July 24, 2019	27,355	Capital increase reserved for employees of foreign companies	6,838.75	171,525,238.75	686,100,955
September 26, 2019	19,851	Capital increase reserved for employees of foreign companies	4,962.75	171,530,201.50	686,120,806
July 22, 2020	508,794	Capital increase reserved for employee members of a company savings plan	127,198.50	171,657,400.00	686,629,600
May 18, 2021	1,010,400	Capital increase reserved for employee members of a company savings plan	252,600	171,910,000.00	687,640,000
September 23, 2021	42,489	Capital increase reserved for employees of foreign companies	10,622.25	171,920,622.25	687,682,489
Share capital as of December 31, 2021				171,920,622.25	687,682,489

SHARES CONSTITUTING THE SHARE CAPITAL

Shares are fully paid-up, are all of the same class and have a nominal value of €0.25. Each share gives the right to ownership of a proportion of the Company's assets, profits and liquidation surplus, based on the percentage of share capital that it represents.

7.2 TREASURY SHARES HELD BY THE COMPANY AND ITS SUBSIDIARIES

This section 7.2 describes the share buyback program set up in accordance with Articles 241-2 *et seq.* of the General Regulations of the French Financial Markets Authority.

AUTHORIZATION GRANTED TO THE COMPANY TO BUY BACK ITS OWN SHARES

Existing authorization

The Shareholders' Meeting of April 29, 2021 authorized the Board of Directors, for an 18-month period, to buy back a number of shares representing a maximum of 10% of the Company's share capital at a maximum purchase price of €85 per share. This authorization superseded the authorization previously granted by the Shareholders' Meeting of June 26, 2020.

This authorization was used during fiscal year 2021 (see section *Transactions on Company shares in 2021 and situation as of December 31, 2021* hereinafter) following the sale by Danone of its stake in Mengniu.

Authorization subject to approval by the Shareholders' Meeting

The Board of Directors will submit a new authorization, valid for 18 months, to the Shareholders' Meeting to be held on April 26, 2022 to repurchase up to 10% of the total number of shares comprising the share capital of the Company (*i.e.*, for information purposes, 68,768,248 shares as of December 31, 2021, representing a maximum potential purchase amount – excluding transaction fees – of approximately €5.8 billion) at a maximum purchase price of €85 per share.

Subject to the authorization being approved by the Shareholders' Meeting of April 26, 2022, the Company's buyback of its own shares would be executed for the purpose of:

- the allocation of shares with respect to the exercise of stock-options by employees and/or corporate officers of the Company and of companies or economic interest groups related to it, pursuant to applicable statutory and regulatory provisions;
- the implementation of any plan for the allocation of shares, with a continuous presence condition and/or with performance conditions,

to employees and/or corporate officers of the Company and of companies or economic interest groups related to it, pursuant to applicable statutory and regulatory provisions, either directly or through entities acting on their behalf;

- the sale of shares to employees (either directly or through an employee savings mutual fund) within the context of employee shareholding plans or company savings plans;

- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital;
- the later delivery of shares as payment or for exchange in the context of external growth transactions;
- the cancellation of shares within the maximum legal limit; and/or
- supporting the market for shares in connection with a liquidity contract entered into with an investment service provider, in accordance with the market practice permitted by the French Financial Markets Authority.

Share buybacks may be carried out, in whole or in part, by acquisition, sale, exchange or transfer, on one or more occasions, by any means

on any stock markets, including multilateral trading facilities (MTF), through a systematic internalizer or over the counter, including by acquisition or disposal of blocks of shares (without limiting the portion of the share repurchase program that may be completed this way). These means include the use of any financial contract or derivative instrument (including in particular any future or any option), except the sale of put options, in accordance with applicable regulations.

These transactions may be carried out at any time during an 18-month period beginning April 26, 2022 (with the exception of periods of public tender offers on the Company's shares) within the limits allowed by the applicable regulations.

AUTHORIZATION TO CANCEL SHARES AND REDUCE THE SHARE CAPITAL FOLLOWING THE BUYBACK BY THE COMPANY OF ITS OWN SHARES

The Shareholders' Meeting of April 29, 2021 authorized the Board of Directors, for a period of 24 months, to cancel shares acquired in the context of a share buyback program, within a limit of 10% of the existing share capital as of the day of the Meeting. This authorization was not used in 2021.

TRANSACTIONS ON COMPANY SHARES IN 2021 AND SITUATION AS OF DECEMBER 31, 2021

In 2021, the Company carried out the following transactions involving DANONE shares:

- repurchase of 13.2 million shares for cancellation for an amount of €800 million carried out by an investment services provider acting independently within the framework of the Company's share buyback program;
- transfer of 0.7 million shares allocated to external growth transactions to shares allocated to employee shareholding plans;
- delivery of 0.4 million shares in the framework of the delivery of performance shares to executive corporate officers and approximately 1,500 senior executives of Danone as well as the grant of a free share to eligible employees ("One Person, One Voice, One Share" program).

Transactions on Company treasury shares during fiscal year 2021 presented by type of objectives were as follows:

<i>(number of shares)</i>	Situation as of December 31, 2020	Buybacks	Sales / Transfers	Delivery of shares	Situation as of December 31, 2021
Shares allocated to external growth transaction	30,769,360	-	(710,000)	-	30,059,360
Shares allocated to employee shareholding plans	284,325	-	710,000	(400,406)	593,919
Shares allocated to cancellation	-	13,158,315	-	-	13,158,315
Treasury shares	31,053,685	13,158,315	-	(400,406)	43,811,594
Shares held by Danone Spain	5,780,005	-	-	-	5,780,005
Shares held by the Group	36,833,690	13,158,315	-	(400,406)	49,591,599

The average price of DANONE shares repurchased during 2021 was €60.80 per share and the transaction expenses during this period totaled €2.5 million.

Treasury shares held by the Company as of December 31, 2021

	As of December 31, 2021
Number of DANONE shares	43,811,594
<i>Percentage of share capital</i>	6.37 %
Value of DANONE shares held by the Company (in euros)	
Nominal value	10,952,899
Gross value	2,372,242,885

Market value of DANONE shares held by Danone and its consolidated subsidiaries

	As of December 31, 2021
Number of DANONE shares	49,591,599
<i>Closing price (in euros)</i>	54.59
Value of DANONE shares held by the Group (in euros)	
At the closing price	2,707,205,389