LAGFIN S.C.A.,
SOCIETE EN COMMANDITE PAR ACTIONS
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

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About this report

Note on presentation

The financial statement for the year ended 31 December 2024 was prepared in accordance with the International Financial Reporting Standards ('IFRS'), issued by the International Accounting Standards Board ('IASB'), as adopted by the European Union. The designation IFRS also includes International Accounting Standards ('IAS') as well as all the interpretations of the International Financial Reporting Standards Interpretation Committee ('IFRS IC'), formerly the Standard Interpretations Committee ('SIC').

Forward-looking statements

This annual report contains forward-looking statements that reflect management's current view of the Group's future development. In some cases, words such as 'may', 'will', 'expect', 'could', 'should', 'intend', 'estimate', 'anticipate', 'believe', 'outlook', 'continue', 'remain', 'on track', 'design', 'target', 'objective', 'goal', 'plan' and similar expressions are used to identify forward-looking statements that contain risks and uncertainties that are beyond the control of the Group and call for significant judgement. Should the underlying assumptions turn out to be incorrect or if the risks or opportunities described materialise, the actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. The outlook is based on estimates that Lagfin has made on the basis of all the information available at the time of completion of this annual report.

Factors that could cause the actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section 'Risk management and Internal Control System' of this annual report. These factors may not be exhaustive and should be read in conjunction with the other cautionary statements included in this report. Forward-looking statements made in this annual report shall be evaluated in the context of these risks and uncertainties.

Lagfin does not assume any obligations or liability in respect of any inaccuracies in the forward-looking statements made in this annual report or for any use by any third party of such forward-looking statements. Lagfin does not assume any obligation to update any forward-looking statements made in this annual report beyond statutory disclosure requirements.

Information on the figures presented

All references in this annual report are expressed in €.

For ease of reference, all the figures in this annual report are expressed in millions of € to one decimal place, whereas the original data is recorded and consolidated by the Group in €. Similarly, all percentages relating to changes between two periods or to percentages of net sales or other indicators are always calculated using the original data in €. The use of values expressed in millions of € may therefore result in apparent discrepancies in both absolute values and data expressed as a percentage.

For information on the definition of the alternative performance measures used, see paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures in the dedicated paragraph of this annual report.

The language of this annual report is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

Corporate officers

General Partner-Artemisia Management S.A.,

Société Anonyme Board of Directors

Vania Baravini	Chairman
Federico Franzina	Director
Massimiliano Seliziato	Director

Independent Auditor
Ernst&Young S.A., Société Anonyme

Management board report for the year ended 31 December 2024

Management board report

Group structure

Lagfin S.C.A., Société en Commandite par Actions (the 'Company' or 'Lagfin' or the 'Parent Company'), with registered office at 3, Rue Des Bains, L-1212 Luxembourg, controls directly:

- 10 Chapel Street Ltd.;
- 14 Chapel Street Ltd.;
- 150 NM Chicago, LLC;
- AC Partners S.p.A. (in liquidation);
- Bizzy Izzy, LLC;
- Boulevardier Spritz, LLC (formerly Portfolio6, LLC);
- Bourbon Manhattan, LLC (formerly Portfolio5, LLC);
- Bourbon Sidecar, LLC (formerly Portfolio4, LLC);
- Brown Derby, LLC;
- D.R. Finance S.à.r.l.;
- Davide Campari-Milano N.V. ('Campari' o 'DCM'), parent company of the Campari Group, whose shares are listed on the Italian Stock Exchange;
- Dirty Banana, LLC;
- Fuzzy Navel, LLC;
- Grand 75, LLC;
- Grand Margarita, LLC;
- Halsdon Ltd.;
- Highball S.à r.l.;
- La Rosita, LLC;
- LG Partners, LLC;
- Longshoreman, LLC;
- Negroni Ltd. (indirectly through D.R. Finance S.à.r.l.);
- Palingenia S.r.l.;
- Piga S.r.l.;
- Portfolio3, LLC;
- SCI Vesper;
- SCI Feu Rouge;
- SCI Sazerac;
- SCI Vieux Carrée;
- Tehama St, LLC;
- Telco Real Estate S.r.l.;
- Teton Tanya, LLC;
- Very Old Fashioned, LLC;

and indirectly all Campari's subsidiaries (the 'Campari Group').

Lagfin and its directly and indirectly controlled subsidiaries constitute the 'Lagfin Group' or the 'Group'.

The Company has two branches, one in Milan, Italy (the 'Italian Branch'), and one in Paradiso (Lugano), Switzerland (the 'Swiss Branch').

Significant events of the year

Acquisitions and commercial agreements

Acquisition of Courvoisier Cognac

On 30 April 2024, Campari Group completed the acquisition of 100% of Beam Holdings France S.A.S. (renamed Courvoisier Holding France S.A.S.), which in turn owns 100% of Courvoisier S.A.S., the owner of the Courvoisier brand, according to the terms of the acquisition agreement previously disclosed. The closing of the agreement occurred after the successful and seamless completion of the consultation process with the French employees' representatives, the fulfilment of the appropriate regulatory processes, as well as the receipt of customary antitrust approvals.

The purchase price paid amounted to US$1.2 billion, corresponding to €1.1 billion at the hedged currency exchange rate. In addition to the price paid, an amount related to finished goods has been agreed following a dedicated stock transfer agreement. The standard price adjustment mechanisms resulted in an additional payment obligation of US$7.7 million (€7.2 million at the exchange rate on the closing date), which was paid in the last quarter of 2024.

Moreover, a contractually defined earn-out estimated at US$67.9 million on an undiscounted basis (€48.7 million discounted at the closing date currency exchange rate), will be payable in 2029 based on the achievement of net sales targets realized in full year 2028.
The transaction was financed in cash using the Campari's available resources resulting from the combined offer directed to qualified investors on 10 January 2024. This offer consisted in the issuance of new ordinary shares for gross proceeds of approximately €650 million, as well as senior unsecured bonds that are convertible into new and/or existing ordinary shares of Davide Campari-Milano N.V. due in 2029, resulting in gross proceeds of approximately €550 million (for more detailed information refer to Lagfin Group's annual report for the year ended 31 December 2023).
The consolidation effect of the acquisition was reflected in Campari's financials from the closing date onwards. The acquired business includes an enviable inventory of maturing eaux-de-vie, consisting of well-balanced age profiles to support future brand's development. Moreover, the acquisition perimeter includes the trademarks as well as production facilities consisting of distillation, warehouses, vineyards, a visitor center and château (hosting a museum), blending facilities, ageing cellars and an automated bottling plant. As a premium cognac, Courvoisier is positioned to further strengthen Campari Group's portfolio of global priority brands, particularly in aged spirits, as well as supporting future long-term premiumisation ambitions in key strategic segments for the Group. The brand, world-renowned and a global icon of luxury, presents the opportunity to strategically enhance Campari Group's presence in one of the most significant spirits' categories in the United States. Additionally, it promises to reshape Campari Group's growth profile in Asia and GTR.

Additional Acquisition Endeavours
In September 2024, Campari Group announced the completion of the acquisition of a 14.6% minority stake in Capevin Holdings Proprietary Ltd., with an additional 0.7% in October 2024, thus leading to a total stake of 15.4%. The target South African holding company indirectly owns 100% of CVH Spirits Ltd., a Scottish company operating in the production and commercialisation of renowned single malt whiskies Bunnahabhain, Deanston, Tobermory and Ledaig, and blended whiskies Scottish Leader and Black Bottle. Campari Group also holds distribution rights for brands of CVH Spirits Limited's portfolio in France and South Korea. In accordance to Capevin Holdings Proprietary Limited's memorandum of incorporation, Campari Group has exercised its right to appoint a board member and has additional governance rights to protect its minority position. The purchase price paid in September 2024 amounted to £69.6 million (corresponding to €82.6 million at the exchange rate of the transaction date) plus £3.5 million (€4.2 million at the relative exchange rate of the transaction date) for the additional stake subsequently acquired. The transaction was financed using available cash.

Moreover, in September 2024 and November 2024 respectively, Campari's Group finalised negotiations to acquire the remaining 49% minority interests in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V., (for a final consideration amounting to €55.2 million) as well as in Trans Beverages Company Ltd. (for a final consideration of €21.9 million), which was subsequently renamed Campari Korea Ltd.. The final considerations were aligned with the estimated debts recognised previously and represented as 'Liabilities for put option and earn-out payments' in the consolidated accounts.
Furthermore, in December 2024, the remaining 40% minority interest in Thirsty Camel Ltd. (effectively renamed as Campari New Zealand Ltd. starting from 1 January 2025) was acquired. The consideration paid was broadly in line with the related non-controlling interests previously recognised at Campari Group's level.
As all companies were already under Campari Group's control and included within its consolidation perimeter, the above-mentioned transactions had no material impact on its economic results.

New Route-to-Market and Distribution Agreements Evolution
As of 1 January 2024, Campari Group entered the Greek market through its subsidiary Campari Hellas S.A., which undertook the trading and distribution of Campari's portfolio in Greece. The strategic decision demonstrates the importance of the Greek market for Campari's growth trajectory, given the prospects and opportunities the country offers, particularly for aperitifs, as one of the most popular summer destinations.

From January 2024, Campari France S.A.S. is the exclusive distributor of Irish whiskeys Bushmills and The Sexton as well as of The Kraken rum owned by Proximo Spirits in France and Monaco, across all trade channels. Proximo Spirits products will complete and reinforce Campari's position in two key segments of the market. Simultaneously, Campari Group stopped distributing Beam Suntory's brands in France as the distribution agreement expired at the end of 2023 with no extension.

From October 2024, Campari Japan Ltd. entered into an exclusive distribution agreement for Jägermeister's products in the Japanese market.

Group significant events and corporate actions

Annual General Meeting of Davide Campari-Milano N.V. and Board member changes
The Annual General Meeting of shareholders of Davide Campari-Milano N.V. held on 11 April 2024 (‘AGM’) approved the annual accounts for the financial year 2023 (including, *inter alia*, the financial statements for the year ended 31 December 2023, the non-financial disclosure, the corporate governance and the remuneration report) and the distribution of a cash dividend of €0.065 per share outstanding, gross of withholding taxes, up by +8.3% compared with the previous financial year. The total dividend amounted to €78.1 million and was paid on 24 April 2024 in accordance with the Italian Stock Exchange calendar. The AGM granted discharge to the Executive and Non-Executive directors in office in 2023 in relation to the performance of their respective duties pursuant to applicable regulation. Other AGM resolutions were the following:

- adoption of a new Company remuneration policy aimed at providing a compensation structure that allows Campari to attract and retain the most highly qualified executive talent and to motivate such executives to achieve business and financial goals that create value for shareholders and other stakeholders consistently in line with the Group’s core business and leadership values;
- approval of a Long-Term Incentive Plan (‘LTI Plan’) for the Company’s Lead Team with the aim of creating a link between the Company’s performance and the Company’s Lead Team members: the latter will be awarded a right to receive a number of Campari shares for free, subject to i) their continued directorship or employment relationship during a three-year vesting period and ii) the achievement of certain performance targets; as well as approval of a LTI Plan for eligible employees of Campari Group’s, aimed at rewarding selected employees for their active participation in Campari Group performance and to foster retention. The eligible employees will be awarded a right to receive for free a number of Campari shares, subject to their continued employment during a three-year vesting period. All details of the plans are available at https://www.camparigroup.com/en/page/group/governance in the ‘Lead Team LTI Information Document’ and in the ‘LTI Information Document’, prepared in accordance with Article 84-bis of the 11971 Regulation;
- approval of a LTI Plan for the Campari’s Chief Financial and Operating Officer (‘CFOO’), aimed at rewarding the CFOO, who has provided the Company extraordinary value during a long-standing managerial period, and ensuring retention of the CFOO with a long-term vision. The Company’s CFOO will be awarded a right to receive for free a number of Campari shares, subject to his continued directorship relationship during an eight-year vesting period and the achievement of certain performance targets, as further explained in accordance with Article 114-bis of the 11971 Regulation;
- authorisation of the Board of Directors to purchase Davide Campari-Milano N.V.’s own shares, mainly aimed at the replenishment of the portfolio of own shares to serve the current and future equity-based incentive plans for the Campari Group’s management, according to the limits and procedures provided by the applicable laws and regulations. The authorisation is granted until 11 October 2025.

Following the decision of Robert Kunze-Concewitz to resign as Executive Director and Chief Executive Officer of Davide Campari Milano N.V., effective as of the 2024 AGM, Matteo Fantacchiotti was appointed as Executive Director of the Company by the AGM and subsequently Chief Executive Officer by the Board of Directors on 15 April 2024. Due to Matteo Fantacchiotti’s resignation for personal reasons, effective 18 September 2024, the Board decided to appoint Paolo Marchesini (Chief Financial and Operating Officer) and Fabio Di Fede (Chief Legal and M&A Officer) as *interim* co-Chief Executive Officers. Considering these Board changes, Paolo Marchesini and Fabio di Fede have also been appointed as executive members of a Leadership Transition Committee, chaired by Robert Kunze-Concewitz. This Committee has been entrusted with overseeing the selection of the new Chief Executive Officer, to be proposed to the Board of Directors following a thorough evaluation of both internal and external candidates, in line with best governance practices. Simultaneously, Jean-Marie Laborde, currently serving as a member of the Board of Directors of Davide Campari-Milano N.V. and the Control, Risks, and Sustainability Committee, has been appointed Vice Chairman.
On 4 December 2024 the Board of Directors of Davide Campari Milano N.V. announced that Simon Hunt had been selected as the nominee for Chief Executive Officer of Campari Group. In accordance with Dutch law, the Board of Directors has resolved to call an Extraordinary General Meeting on 15 January 2025 to appoint Simon Hunt as Executive Director of Davide Campari-Milano N.V.. During that extraordinary meeting a large majority of shareholders approved the appointment of Simon Hunt as Executive Director of the Board of Directors of the Company until the Annual General Meeting to be held in 2028.

Campari’s financial debt management
In addition to the funding mentioned above related to the Courvoisier acquisition, on 18 June 2024 Davide Campari-Milano N.V. successfully completed the placement of an unrated 7-year bond targeted at institutional investors for €220.0 million in principal aggregate amount of notes maturing on 25 June 2031, paying a fixed annual coupon of 4.256% and issued at an issue price of 100% of the principal amount. The notes were admitted to trading on Euronext Access Milan on 25 June 2024.

The funds raised from this issuance will be allocated towards general corporate purposes, encompassing capital investments aimed at fostering the Campari's growth. Through this transaction, which follows the repayment of the two bonds that expired in April 2024 for an overall amount of €300.0 million, Davide Campari-Milano N.V. intends to optimize its debt structure by extending the average maturity of its liabilities while benefiting from favourable market conditions.

Reorganization of Brand clusters and Business Unit Reconfiguration
Starting 1 January 2024, Campari undertook a partial business unit reconfiguration, resulting in the combined EMEA region. The unified European area is aimed at strengthening Campari's leadership position in this region, unlocking operational and commercial efficiencies. Therefore, to enhance disclosure concerning net sales information, from 2024 Campari is overseen through distinct business units organised by the following geographical regions: 'Americas', 'EMEA' (combining Europe and Southern Europe Developing Markets, Middle East and Africa), and 'Asia-Pacific'.

The following table highlights the changes that affected Campari's net sales data, published during 2023, which are re-presented combined, with reference to the new EMEA region. Despite the changes mentioned being applicable from 1 January 2024, the table is shown to guarantee comparative consistency.

Group net sales focus by region	for the year ended 31 December 2023			
	after reclassification		published	
	€ million	%	€ million	%
Americas	1,282.6	43.9 %	1,282.6	43.9 %
Southern Europe, Middle East and Africa	-	-	804.5	27.6 %
North, Central and Eastern Europe	-	-	601.3	20.6 %
EMEA	1,405.8	48.2 %	-	-
Asia-Pacific	230.2	7.9 %	230.2	7.9 %
total	**2,918.6**	**100.0 %**	**2,918.6**	**100.0 %**

Simultaneously, Campari reorganised its brand clusters, with Espolòn being promoted to global priority brand status. Global expansion for Espolòn is now enabled by an unconstrained supply supported by the recent production capacity expansion. Furthermore, to align with the comprehensive product portfolio review, minor adjustments have been made to the composition of regional priority clusters.

The following table highlights the changes that affected the Campari Group's net sales data published during 2023, which are re-presented with reference to the brand clusters review, despite the changes mentioned being applicable from 1 January 2024, to guarantee comparative consistency.

Group net sales focus by priorities	for the year ended 31 December 2023			
	after reclassification		published	
	€ million	%	€ million	%
global priority brands	1,897.8	65.0 %	1,664.1	57.0 %
regional priority brands	570.1	19.5 %	751.1	25.7 %
local priority brands	191.1	6.5 %	242.2	8.3 %
rest of the portfolio	259.5	8.9 %	261.1	8.9 %
total	**2,918.6**	**100.0 %**	**2,918.6**	**100.0 %**

	for the year ended 31 December 2023	
	after reclassification	published
	€ million	€ million
global priority brands	**1,897.8**	**1,664.1**
Aperol	703.5	703.5
Campari	309.6	309.6
Espolòn	233.2	-
Wild Turkey portfolio	226.9	226.9
Jamaican rums portfolio	156.5	156.5
Grand Marnier	143.2	143.2
SKYY	124.4	124.4
regional priority brands	**570.1**	**751.1**
Sparkling wines, Champagne&vermouth	158.8	-
Other specialities	289.8	-
Other whisk(e)y	57.7	-
Crodino	63.9	63.9
Espolòn	-	233.2
Sparkling wine&vermouth	-	150.5
Italian specialities	-	79.7
Magnum Tonic	-	52.5
Aperol Spritz RTE (ready-to-enjoy)	-	38.7
The GlenGrant	-	31.1
other	-	101.5
local priority brands	**191.1**	**242.2**
Campari Soda	78.7	78.7
Wild Turkey ready-to-drink	48.6	48.6
SKYY ready-to-drink	40.8	40.8
Ouzo 12	23.0	-
X-Rated Fusion Liqueur	-	12.3
other	-	61.8
rest of the portfolio	**259.5**	**261.1**
total	**2,918.6**	**2,918.6**

Future Relocation of Campari Group's Headquarters
Campari Group undertook a new real-estate project to host its new headquarters and the new combined EMEA region, creating a fully modernised working environment, leveraging its proprietary brand houses and academies in the city center, thus re-establishing its bond with Milan. The new headquarters will serve as a pivotal, iconic and accessible hub, attracting and retaining the best domestic and international talent. Additional capital expenditure to support the Group's move to the new headquarters in downtown Milan is estimated at approximately €110.0 million in 2024 plus renovation. The move is expected to take place in 2027 following renovation.

Lagfin repurchase of portion of the Exchangeable bonds due 2028
Lagfin carried out, in several tranches during 2024, partial repurchases of its outstanding €536.4 million exchangeable bonds due 2028 (ISIN: XS2630795404) (Bonds'). Lagfin repurchased a total of €105.0 million amounting to 19.6% of the original aggregate principal amount of the Bonds.

Lagfin tax audit report
In 2024, a tax audit report was issued to Lagfin S.C.A., Société en Commandite par Actions-Italian Branch, primarily addressing compliance with the Italian 'exit tax' related to the 2019 cross-border merger between Alicros S.p.A. and Lagfin S.C.A. Société en Commandite par Actions. To date, the Company has not yet received a notice of assessment or request for payment of taxes, penalties, or interest following the audit.

Supported by its legal advisors, Lagfin considers the findings in the tax audit report to be unfounded, both factually and legally, and believes it can effectively challenge these findings with robust arguments, in any instance or at any stage of any dispute that may arise. The Company is confident that the fairness of its behavior can be validly demonstrated.

Subsequent events

Lagfin repurchase a further portion of the Exchangeable bonds due 2028
Lagfin has carried out on March 6, 2025 an additional repurchase of its outstanding €536.4m exchangeable bonds due 2028 (ISIN: XS2630795404) ('Bonds'). As a result, Lagfin has totally repurchased €107.5million of its outstanding €536.4m exchangeable bonds due 2028 representing 20.04% of the aggregate principal amount of the Bonds currently outstanding. The repurchase of the Bonds has been executed via open market purchases, as well as via over-the counter trading, at an average price of about €92.96 per bond. Following the settlement of the repurchases, an aggregate principal amount of Bonds of €428.9 million will be outstanding and not held by Lagfin.

Group Financial Review

Sales performance

The nature, amount, timing and uncertainty of sales, as well as the corresponding cash flows, are affected by economic and business factors which differ across markets, also as a function of their different sizes and maturity profiles. These elements are primarily attributable to demographics, consumption habits and are also influenced by historical, social and climatic factors, local consumer taste preferences, propensity to consume, the market commercial structure in terms of the weight of the distribution channels (off-premise versus on-premise) as well as retailer concentration. As an effect of the above factors, the sales composition by brand differs from market to market. Consequently, the brand-building and sales infrastructure investments are allocated to respond to each market priority.

Starting from 1 January 2024, the Group implemented a partial business unit reconfiguration which combined the EMEA region (combining Europe and Southern Europe Developing Markets, Middle East and Africa), aiming to enhance the Group's leadership position in this region, unlocking operational and commercial efficiencies.

Following the aforementioned changes, the Group's business units are organised by the subsequent geographical regions: 'Americas', 'EMEA' and 'Asia-Pacific'.

To highlight the main business performance drivers in a diversified context and to assess the contribution of the different brands to the overall sales performance of the Group, further breakdowns by brand category (global, regional and local brands) and for major brands are provided to better explain their contribution to the region. The categorisation of brands into three main clusters (global priorities, regional priorities and local priorities) is based on their scale, growth potential and business priority. As indicated in the ‘Group significant events and corporate actions’, effective as of 1 January 2024, the Group also reorganised its brand clusters, applying modifications with a retrospective approach. Although the changes mentioned are applicable from 1 January 2024, the information presented below has been uniformly restated to ensure comparative consistency.

i. Key highlights

In 2024, the Group’s net sales amounted to €3,096.2 million, with an overall increase of +5.1% compared with 2023. Organic and perimeter were positive at +2.0% and +2.9% while the exchange rate component was negligible at +0.1%.

	for the years ended 31 December						
	2024	2023	total change	full year change %, of which			
	€ million	€ million	€ million	total	organic	perimeter	exchange rate[1]
total	**3,096.2**	2,946.9	**149.3**	5.1%	**2.0%**	2.9%	0.1%

[1] Includes the effects associated with hyperinflation in Argentina.

To mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS (i.e. Argentina) includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects. As regards the ongoing business in Russia-Ukraine, it continued to have a limited impact on the Group’s consolidated results.

An in-depth analysis by geographical region and core market of sales registered in 2024 compared with the same period of 2023 is provided below. Unless otherwise stated, the comments relate to the organic change in each market.

ii. Organic sales performance of operating segments

The sales performance of the Group’s operating segments in 2024 compared with the same period of 2023 is provided in the table below.

	for the years ended 31 December								
Group net sales focus	2024		2023		total change	full year change %, of which			
by region	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]
Americas	1,410.4	45.5%	1,294.6	43.9%	115.8	8.9%	3.7%	4.3%	0.9%
EMEA	1,469.3	47.5%	1,422.1	48.2%	47.2	3.3%	1.8%	1.8%	-0.3%
Asia-Pacific	216.5	7.0%	230.2	7.8%	(13.7)	-5.9%	-5.8%	1.6%	-1.8%
total	**3.096.2**	**100.0%**	**2,946.9**	**100.0%**	**149.3**	**5.1%**	**2.0%**	**2.9%**	**0.1%**

[1] Includes the effects associated with hyperinflation in Argentina.

- **Americas**

The region, broken down into its core markets below, recorded an organic increase of +3.7%. The region is predominantly off-premise skewed, particularly North America.

	% of Group total	for the years ended 31 December 2024 € million	2024 %	2023 € million	2023 %	total change € million	full year change %, of which total	organic	perimeter	exchange rate[1]
US	28.5%	882.1	62.5%	825.0	63.7%	57.1	6.9%	0.2%	6.7%	-
Jamaica	4.8%	148.2	10.5%	151.0	11.7%	(2.7)	-1.8%	1.1%	-1.4%	-1.5%
Other countries of the region[1]	12.3%	380.1	26.9%	318.6	24.6%	61.5	-19.3%	14.1%	0.6%	4.6%
Americas	**45.6%**	**1,410.4**	**100.0%**	**1,235.4**	**100.0%**	**115.8**	**8.9%**	**3.7%**	**4.3%**	**0.9%**

(1) Includes the effects associated with hyperinflation in Argentina.

In 2024, the **United States**, accounting for 28.5% of Group net sales, showed flat full year performance in a softened market context. Espolòn (+11.8% in 2024 and +38.1% in 2023) and Aperol (+10.9% in 2024 and +52.0% in 2023), despite tough comparison bases, as well as Grand Marnier, continued to outperform the industry, offset by persisting challenges in SKYY and some softness in Wild Turkey.

Jamaica showed low single-digit growth (full year 2024 was +1.1%) with normalisation following the impact of the hurricane in July. Performance was driven by Appleton Estate and Magnum Tonic Wine during the year, supported by price increases offsetting supply challenges, mainly in Wray and Nephew Overproof.

Ongoing solid performance (+14.1%) was registered across the **rest of the region**, mainly driven by double-digit growth in Brazil due to aperitifs and local Brazilian brands. Sustained performance in the other markets was mainly driven by Aperol.

- **EMEA**

The region, which is broken down by core markets in the table below, reported an organic increase of + 1.8%. The predominance between off-premise and on-premise channels varies by country.

	% of Group total	for the years ended 31 December 2024 € million	2024 %	2023 € million	2023 %	total change € million	full year change %, of which Total	organic	perimeter	exchange rate
Italy	15.2%	470.4	32.0%	502.8	35.4%	(32.4)	-6.4%	-6.5%	0.1%	-
Germany	8.2%	253.2	17.2%	240.1	16.9%	13.1	5.5%	5.1%	0.4%	-
France	5.2%	160.3	10.9%	171.7	12.1%	(11.4)	-6.6%	0.3%	-6.9%	-
United Kingdom	3.9%	119.2	8.1%	97.4	6.9%	21.7	22.3%	-5.7%	25.6%	2.4%
Other countries of the region	15.1%	466.2	31.7%	410.1	28.8%	56.1	13.7%	12.5%	2.9%	-1.8%
EMEA	**47.5%**	**1,469.3**	**100.0%**	**1,422.1**	**100.0%**	**47.2**	**3.3%**	**1.8%**	**1.8%**	**-0.3%**

In **Italy** performance stabilised in the fourth quarter, mainly driven by Aperol and Campari, confirming their ongoing leading position and brand health in the market following a challenging period impacted by poor weather, commercial dispute and wholesalers de-stocking leading to a full year decrease of -4.3% related to the Campari Group portfolio. The residual effect is due to sale of real estate investments that generated income in 2023 whereas no transaction of this kind was reported in 2024.

Solid ongoing performance in **Germany** (+5.1%) was driven by further reinforcement of aperitifs leadership with Aperol as well as Sarti Rosa (5.6% of Germany sales compared to 1.4% last year) with continued gains in brand health indicators.

France showed stable full year performance (+0.3%) in an ongoing subdued market environment, mainly driven by Campari and Picon.

Performance in **the United Kingdom** was driven by the impact of supply constraints in Jamaican rums and Magnum Tonic Wine as well as a challenging comparison base.

The other countries in the region showed double-digit growth (+12.5%) driven by a positive contribution from most markets, mainly driven by aperitifs as well as Espolòn off a small base. The biggest drivers of growth are GTR and Greece (which now contributes 1% of Group sales benefiting from recent local route-to-market investments) as well as Spain and the Netherlands.

- **Asia-Pacific**

This region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded organic change of -5.8%.

		for the years ended 31 December									
	% of Group total	2024		2023		total change	full year change %, of which				
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Australia	3.7%	115.8	53.5%	123.2	53.5%	(7.4)	-6.0%	-5.5%	0.1%	-0.7%
Other countries of the region	3.3%	100.8	46.5%	107.0	46.5%	(6.2)	-5.8%	-6.1%	3.3%	-3.1%
Asia-Pacific	**7.0%**	**216.5**	**100.0%**	**230.2**	**100.0%**	**(13.6)**	**-5.9%**	**-5.8%**	**1.6%**	**-1.8%**

Australia showed positive fourth-quarter performance, mainly driven by aperitifs during peak season, to be further supported by a focused on-premise strategy in the upcoming period. Espolòn grew rapidly both in bottled and newly launched RTD formats off a small base. Full year performance was -5.5%. Excluding co-packing activities, it was flat in full year and +5.0% in the fourth quarter of 2024.

Regarding the **other countries of the region**, a positive performance was achieved in the fourth quarter, mainly driven by China and India, benefiting from RTM investments which previously weighed on performance. Full year performance (-6.1%) was driven by Wild Turkey bottle and Ready-To-Drink innovation in Japan and positive performance in China.

- **Brand contribution to segments**

The table shows, only for Campari Group's perimeter, the brand contribution to Lagfin Group consolidated net sales and the most relevant segment and markets for each brand. While the global priority cluster includes brands with a globally diversified geographic exposure (either current or potential), regional priorities are concentrated in a limited number of countries within the same region and local priorities focus on one main domestic market.

Campari Group percentage and net sales by priority for the year ended 31 December 2024			full year change % compared with full year 2023, of which[1]				fourth quarter organic change % compared with fourth	main region/markets for brands
	%	€ million	total	organic	perimeter	exchange rate		
global priority brands	**66.8%**	**2,050.2**	**8.1%**	**3.6%**	**3.8**	**0.6%**	**4.1%**	**-**
Aperol	24.1%	740.9	5.3%	5.1%	-	0.2%	13.7%	- *Italy, EMEA* *Germany, EMEA* *US, AMERICAS* *France, EMEA* *United Kingdom, EMEA*
Campari	11.0%	337.4	9.0%	8.8%	-	0.2%	12.8%	- *Italy, EMEA* *Brazil, AMERICAS* *US, AMERICAS* *Germany, EMEA* *Jamaica, AMERICAS*
Espolòn	8.6%	264.6	13.5%	13.7%	-	-0.3%	0.2%	- *US, AMERICAS* *Australia, APAC* *Canada, AMERICAS* *Italy, EMEA* *GTR, EMEA*
Wild Turkey portfolio[2][3]	7.0%	215.7	-4.9%	-4.2%	-	-0.7%	-2.8%	- *US, AMERICAS* *Australia, APAC* *South Korea, APAC* *Japan, APAC* *Canada, AMERICAS*
Jamaican rums portfolio[4]	4.8%	147.1	-6.0%	-5.2%	-	-0.8%	-5.1%	- *Jamaica, AMERICAS* *US, AMERICAS* *United Kingdom, EMEA* *Canada, AMERICAS* *Mexico, AMERICAS*
Grand Marnier	4.7%	144.7	1.1%	1.3%	-	-0.2%	-10.6%	- *US, AMERICAS* *Canada, AMERICAS* *France, EMEA* *GTR, EMEA* *Italy, EMEA*
SKYY[2]	4.1%	127.3	2.3%	-8.5%	-	10.8%	-1.8%	- *US, AMERICAS* *Argentina, AMERICAS* *Germany, EMEA* *China, APAC* *South Africa, EMEA*
Courvoisier[5]	2.4%	72.5	-	-	-	-	-	- *US, AMERICAS* *United Kingdom, EMEA*
regional priority brands	**18.4%**	**563.7**	**-1.1%**	**-1.6%**	**-**	**0.5%**	**0.5%**	**-**
Sparkling wines, Champagne&vermouth	5.7%	176.4	11.1%	10.3%	-	0.8%	10.3%	
Other specialities[6]	9.1%	278.0	-4.1%	-4.9%	-	0.8%	-0.1%	
Other whisk(e)y[7]	1.5%	45.2	-21.6%	-19.9%	-	-1.7%	-31.5%	
Crodino	2.1%	64.0	0.3%	0.1%	-	0.2%	-0.1%	
local priority brands	**6.1%**	**188.2**	**-1.5%**	**-0.7%**	**-**	**-0.9%**	**0.3%**	**-**
Campari Soda	2.5%	77.0	-2.2%	-2.3%	-	-	-1.2%	
Wild Turkey ready-to-drink	1.6%	48.7	0.3%	1.2%	-	-0.9%	1.0%	
SKYY ready-to-drink	1.2%	36.8	-9.8%	-6.7%	-	-3.1%	-	
Ouzo 12	0.8%	25.7	11.6%	11.6%	-	0.1%	3.4%	
rest of the portfolio	**8.7%**	**267.6**	**3.0%**	**4.8%**	**1.9%**	**-3.8%**	**8.6%**	**-**
Total Campari Group[9]	**100.0%**	**3,069.7**	**5.2%**	**2.4%**	**2.7%**	**0.1%**	**3.4%**	**-**

(1) For information on reclassifications of comparative figures, refer to note 'Significant events during and after the end of the period'.

(2) Excludes ready-to-drink.

(3) Includes American Honey.

(4) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.

(5) Excluding Salignac.

(6) Includes Braulio, Cynar, Averna, Frangelico, Del Professore, Ancho Reyes, Montelobos, Cabo Wabo, Bisquit&Dubouché, Bulldog, Trois Rivières, Picon, Maison La Mauny, Magnum Tonic, Aperol Spritz ready-to-enjoy and X-Rated Fusion Liqueur.

(7) Includes The GlenGrant, Forty Creek and Wilderness Trail.

(8) Includes American Honey ready-to-drink.

Focusing on the key brands driving the aforementioned performance by segment, the main drivers by brand-category and by brand are reported below.

Global priority brands reported resilient performance of +3.6% overall. Double-digit growth for **Aperol** in the fourth quarter (+13.7%) was driven especially by the United States, Germany and Italy. Full year growth (+5.1%) was mainly driven by the Americas, including the United States, Canada and seeding markets like Mexico and Brazil, as well as Germany, Greece, Spain, GTR and Australia, partially offset by softened trends in Italy during peak season. **Campari** recorded solid ongoing growth in the fourth quarter (+12.8%), leading to solid +8.8% full year growth driven by the Americas, especially Brazil, as well as GTR, France and Greece. **Espolòn** continued double-digit growth (+13.7%) on a high comparison base (full year 2023: +35.7%) led by the core United States market and seeding markets like Australia, Italy and GTR off a small base, in line with the international expansion strategy. **Wild Turkey** showed soft full year performance (-4.2%) driven by the core United States and Australia, offsetting solid growth in Japan and other European markets off a small base. Russell's Reserve grew by +2.1% in the full year and +9.3% in the fourth quarter with an impact on volumes offset by price repositioning against a backdrop of ongoing competition. **Jamaican Rums** declined in the fourth quarter (-5.1%), albeit with decelerating pace in comparison with the third quarter of 2024, across all core markets (the United States, Canada, the United Kingdom and Jamaica) due to supply constraints offsetting the positive contribution from Jamaica in the full year due to strong first half of the year performance. **Grand Marnier** grew by +1.3% on a full year basis, mainly driven by the core United States (+2.6%) and GTR. Decline in the fourth quarter (-10.6%) was driven by the United States. **SKYY** was down by -8.5% with decelerating pace in the fourth quarter (-1.8%). The trend was mainly driven by the core United States market in line with other major players in the category, more than offsetting growth in the rest of the Americas as well as GTR off a small base. **Courvoisier** was incorporated into the Campari Group's global priority brands as of May 2024 and generated sales of €72.5 million (excluding Salignac) primarily in the United States and the United Kingdom, accounting for 2.4% of total net sales. The integration of the new business is progressing in line with plan, with strengthening of sales capabilities in core focus markets underway, primarily the United States, the United Kingdom and China. Concomitantly, commercial actions are ongoing with a focus on (i) clearing of trade channels, (ii) renegotiation of commercial agreements to re-align the pricing structure and (iii) start of brand-building investments. The brand is to be consolidated into organic growth as of May 2025.

Regional priority brands showed an organic decrease of -1.6%. **Sparkling wines, Champagne&vermouth** reported solid growth (+10.3%), driven particularly by Lallier Champagne across various countries, including Australia, the United Kingdom, Italy and France supported by increased focus and the launch of the new Reflexion R.020 edition during the year; solid growth for Mondoro Sparkling Wine and Cinzano Vermouth. **Other specialities** were down by -4.9%, with positive performance of Picon and Aperol Spritz RTE offset by Magnum Tonic due to supply constraints and X-Rated in the Asia-Pacific region. The performance of **other whisk(e)y** (-19.9%) was impacted by pressure on the category, albeit positive trends in Japan. Core no-alcohol **Crodino** (+0.1%) showed solid growth across EMEA excluding Italy (+18.7% in 2024) while Italy was impacted by variant discontinuation (excluding this impact, Italy recorded +3% growth).

The **local priority** brands showed a negligible organic reduction of -0.7%. **Campari Soda** (-2.3%) was impacted by poor weather in the core Italian market in the second quarter of the year. **Wild Turkey ready-to-drink** (+1.2%) grew, driven mainly by ongoing positive results in Japan off a small base. **SKYY ready-to-drink** (-6.7%) was impacted by the highly competitive core Mexican market. **Ouzo 12** reported solid positive double-digit growth (+11.6%) mainly thanks to the core market Germany as well as the United States and GTR off a small base.

The **rest of the portfolio** reported positive growth of +4.8% mainly driven by Sarti Rosa and the Brazilian brands.

iii. Perimeter variation

The perimeter variation of 2.9% in 2024, as compared with sales in 2023, is analysed in the table below.

perimeter variation		
breakdown of the perimeter effect	€ million	% on 2023
asset deals and business acquisitions	82.6	2.8%
total asset deals and business acquisitions	**82.6**	**2.8%**
new agency brands	36.2	1.2%
discontinued agency brands	(33.3)	-1.1%
total agency brands	**2.9**	**0.1%**
total perimeter effect	**85.5**	**2.9%**

- **Asset deals and business acquisitions**

In the year 2024, the contribution to sales from business acquisitions amounted to +2.8% at overall Group level and was comprised mainly of the Courvoisier brands (Courvoisier and Salignac), since the business has been integrated into the Group since the completion of the transaction on 30 April 2024.

- **Agency brands distribution**

The perimeter variation due to the agency brands in the year ended 31 December 2024 was +0.1%, mainly related to the sales generated by Miraval, which was exclusively distributed in the United States and France markets, and the Proximo portfolio in France, offset by the discontinuation of other agency brands

iv. Exchange rate effects

The exchange rate effect for the year ended 31 December 2024 was slightly positive at +0.1% due to the offsetting effect of the depreciation and appreciation against the € of the Group's key currencies. The exchange rate effect includes the impact of applying the IAS29 Hyperinflation principle in Argentina. Moreover, as a prudent measure to strip out the effects of the local high inflation rate, the exchange rate effect also includes the pricing component.
The table below shows, for the Group's most important currencies, the average exchange rates for the year ended 31 December 2024 and the same period of 2023 respectively, and the spot rates at 31 December 2024, with the percentage change against the € compared with 31 December 2023.

	average exchange rates			spot exchange rates		
	for the year ended 31 December 2024 1 Euro	for the year ended 31 December 2023 : 1 Euro	revaluation/(devaluation) vs. nine months 2023 %	at 31 December 2024 1 Euro	at 31 December 2023 : 1 Euro	revaluation/(devaluation) vs. 31 December 2023 %
US$	1.082	1.082	-	1.039	1.105	6.4%
Canadian Dollar	1.482	1.460	-1.5%	1.495	1.464	-2.0%
Jamaican Dollar	169.267	166.714	-1.5%	161.513	170.623	5.6%
Mexican Peso	19.825	19.190	-3.2%	21.550	18.723	-13.1%
Brazilian Real	5.827	5.402	-7.3%	6.425	5.362	-16.6%
Argentine Peso(1)	1,070.806	892.924	-16.6%	1,070.806	892.924	-16.6%
Russian Ruble(2)	100.374	92.479	-7.9%	116.562	99.192	-14.9%
Great Britain Pound	0.847	0.870	2.8%	0.829	0.869	4.8%
Swiss Franc	0.953	0.972	2.0%	0.941	0.926	-1.6%
Australian Dollar	1.640	1.628	-0.7%	1.677	1.626	-3.0%
Yuan Renminbi	7.786	7.659	-1.6%	7.583	7.851	3.5%

(1) The average exchange rate of the Argentine Peso for both 2024 and 2023 was equal to the spot exchange rate at 31 December 2024 and at 31 December 2023 respectively, based on IFRS accounting requirements for hyperinflation.
(2) On 2 March 2022, the European Central Bank ('ECB') decided to suspend the publication of € reference rate for the Russian Ruble until further notice. The Group has therefore decided to refer to an alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

Statement of profit or loss

Key highlights

The table below shows the statement of profit or loss for the year ended 31 December 2024 and a breakdown of the total change by organic, perimeter and exchange rate effects.

	for the year ended 31 December											
	2024		2023		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[(1)]	**3,096.2**	**100.0**	**2,946.9**	**100.0**	**149.3**	**5.1%**	**60.3**	**2.0%**	**86.2**	**2.9%**	**2.9**	**0.1%**
Cost of sales	(1,334.7)	(43.1)	(1,250.0)	(42.4)	(84.7)	6.8%	(19.2)	1.5%	(66.6)	5.3%	1.1	-0.1%
Gross profit	**1,761.5**	**56.9**	**1,696.9**	**57.6**	**64.6**	**3.8%**	**41.1**	**2.4%**	**19.6**	**1.2%**	**4.3**	**0.3%**
Advertising and promotional expenses	(513.3)	(16.6)	(494.1)	(16.8)	(19.2)	3.9%	(5.2)	1.1%	(13.4)	2.7%	(0.6)	0.1%
Contribution margin	**1,248.2**	**40.3**	**1,202.8**	**40.8**	**45.4**	**3.8%**	**35.9**	**3.0%**	**6.2**	**0.5%**	**3.7**	**0.3%**
Selling, general and administrative expenses	(663.4)	(21.4)	(595.6)	(20.2)	(67.8)	11.4%	(59.5)	10.0%	(9.1)	1.5%	1.0	-0.2%
Result from recurring activities (EBIT-adjusted)[(2)]	**584.8**	**18.9**	**607.2**	**20.6**	**(22.4)**	**-3.7%**	**(23.6)**	**-3.9%**	**(2.9)**	**-0.5%**	**4.7**	**0.8%**
Other operating income (expenses)	(212.6)	(6.9)	(78.5)	(2.7)	(134.2)	170.9%						
Operating result (EBIT)	**372.2**	**12.0**	**528.7**	**17.9**	**(156.5)**	**-29.6%**						
Financial income (expenses) and adjustments	(102.3)	(3.3)	(119.4)	(4.1)	17.1	-14.3%						
Earn out income (expenses) and hyperinflation effect	11.6	0.4	10.3	0.3	1.4	12.6%						
Profit (loss) related to joint-ventures and other investments	(59.5)	(1.9)	(8.3)	(0.3)	(51.2)	616.9%						
Profit before taxation	**221.9**	**7.2**	**411.4**	**14.0**	**(189.5)**	**-46.1%**						
Profit before taxation-adjusted[(2)]	**489.1**	**15.8**	**489.1**	**16.6**	**-**	**0.0%**						
Taxation	(60.8)	(2.0)	(107.6)	(3.7)	46.8	-43.5%						
Net profit for the period	**161.1**	**5.2**	**303.7**	**10.3**	**(142.6)**	**-46.9%**						
Net profit for the period-adjusted[(2)]	**335.5**	**10.8**	**363.6**	**12.3**	**(28.1)**	**-7.7%**						
Non-controlling interests	88.9	2.9	149.6	5.1	(60.7)	-40.6%						
Group net profit	**72.2**	**2.3**	**154.2**	**5.2**	**(82.0)**	**-53.2%**						
Group net profit-adjusted[(2)]	**246.6**	**8.0**	**214.1**	**7.3**	**32.5**	**15.2%**						
Total depreciation and amortisation	(145.7)	(4.7)	(118.4)	(4.0)	(27.3)	23.1%	(21.2)	17.9 %	(7.0)	5.9%	0.9	-0.1%
EBITDA-adjusted[(2)]	**730.6**	**23.6**	**725.6**	**24.6**	**5.0**	**0.1%**	**(2.9)**	**-0.1%**	**4.1**	**0.1%**	**3.8**	**0.1%**
EBITDA	**517.9**	**16.7**	**647.1**	**21.9**	**(129.2)**	**-20.0%**						

(1) Sales after deduction of excise duties.

(2) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures' of this additional financial information.

The perimeter component for the year ended 31 December 2024 reflected the integration of the Courvoisier business from May 2024 onwards with negligible contribution in terms of EBIT due to the reinvestment into the business brand building and commercial capabilities. In addition, the perimeter included the net effect of new agency brands, including the Miraval and Proximo Spirits brands, which were more than offset by the discontinuation of other agency business in France, and the effect of the acquisition of the real estate investment property in 150 North Michigan, Chicago.

Statement of profit or loss in detail

The key profit or loss items for the year ended 31 December 2024 are analysed below, while a detailed analysis of the 'sales performance' is included in the previous paragraph, to which reference is made.

Gross profit for the period was €1,761.5 million, up +3.8% compared with the full year 2023 driven by top-line performance despite a challenging comparison base offsetting the increase in cost of sales. As a percentage of net sales, gross margin stood at 56.9%, below the 57.6% reported in 2023, and hence generating a dilutive effect of 70 basis points on a reported basis. The organic component was 2.4%, with a flat effect on margin with positive price impact, mainly skewed in the first quarter due to carry-over effect, offset by cost of sales inflation on high-cost stock and the impact of lower volume on fixed production costs as well as a negative mix effect in a challenging peak season for the high margin aperitifs. Espolòn's contribution to margin was positive in 2024 thanks to the impact of declining agave cost, mainly skewed in the fourth quarter with positive price impact offset by mix.

In the fourth quarter, organic gross profit benefited from a higher increase in net sales than cost of sales with a positive effect on margin, thanks to a more efficient absorption of fixed production costs due to increased production volume, despite mix being negatively affected by Espolòn's growth. Full year exchange rate variation was positive at 0.3% (equivalent to an accretion of 10 basis points), while the perimeter was positive at 1.2% (resulting in a dilution of 80 basis points).

Advertising and promotional expenses amounted to €513.3 million, reporting a 3.9% increase compared with 2023. In organic terms, the variation was positive by 1.1%, thus generating an organic accretive effect of 20 basis points on profitability, impacted mainly by lower activations during peak season due to poor weather especially in Europe. Advertising and promotional expenses remained stable as a percentage of net sales on an annual basis (16.6% for the year ended 31 December 2024, broadly in line with the 16.8% reported in 2023) below normalized levels of 17-17.5%. Perimeter and exchange rate variation were both negligible at 2.7% and 0.1% respectively.

Contribution margin was €1,248.2 million for the year ended 31 December 2024, with a reported increase of 3.8% compared to 2023. As a percentage of sales, contribution margin stood at 40.3%. The organic growth component was 3.0% with an accretive effect on profitability (20 basis points). The perimeter effect was positive at 0.5%, with an 80 basis points dilutive effect on profitability, while the exchange rate effect of 0.3% led to an accretive impact on margins of 10 basis points.

Selling, general and administrative expenses amounted to €663.4 million in 2024, up by 11.4% compared with 2023. As a percentage of sales, they amounted to 21.4% (20.2% in 2023). At organic level, selling, general and administrative expenses increased by 10.0%, therefore generating a dilutive effect on margins of 130 basis points. The variation was largely due to the finalization of planned business investments, especially in route-to-market, in the context of a more moderate top-line growth trend period which led to lower absorption of fixed costs.

The result from recurring operations (EBIT-adjusted) for the period was €584.8 million. The return on sales-adjusted (‘ROS’) stood at 18.9%, down from 20.6% in the same period of 2023, resulting in a dilutive effect of 170 basis points on a reported basis. The organic component was -3.9% with a profit dilution of 120 basis points on net sales. The impact of the exchange rate variation was positive at 0.8% (10 basis points accretive). The perimeter effect was negative at -0.5% (60 basis points dilutive), mainly due to the net effect of the Courvoisier business contribution from May 2024 onwards, Miraval and Proximo, partly offset by the termination of some agency brands in France.

Other operating income (expenses) comprised a net expense of €212.6 million compared with €78.5 million reported in 2023. The primary factors impacting 2024 were attributable to restructuring initiatives for €102.6 million, representing one of several key initiatives aimed at enhancing performance, alongside efforts to drive growth, improve profitability, streamline processes and contain costs. At Campari Group level, the program is projected to achieve an improvement of 200 basis point of selling, general and administrative expenses over the three-year period from 2025 to 2027, encompassing both personnel and non-personnel expenses. Included in the 2024 consolidated financial statements, the program underwent a comprehensive evaluation and estimation process to ensure compliance with applicable accounting standards and accurate forecasting of expected costs which covered the full scope of the plan with partial payment made by 31 December 2024.
Other operating income (expenses) also comprised the non-cash effect of the impairment of brands and fixed assets (€56.8 million) and acquisition costs (totalling €12.3 million) primarily related to the Courvoisier deal, penalties from the settlement of legal disputes (€5.4 million), non-recurring costs linked to finance transformation (€4.9 million), last-mile long-term incentive schemes with retention purposes to be potentially awarded to senior management (€2.5 million) as well as associated route-to-market changes (€25.9 million of which €16.0 million cash neutral).

Operating result (EBIT) for the year ended 31 December 2024 was €372.2 million, reflecting a decrease of -29.6% compared with 2023. ROS stood at 12.0% (17.9% reported in 2023).

Depreciation and amortisation totalled €145.7 million, up by +23.1% on the year ended 31 December 2023, of which +17.9% was at organic level, -0.1% related to exchange rate variations and +5.9% increase due to perimeter.

EBITDA-adjusted stood at €730.6 million, up by 0.1% compared to 2023 (-0.1% organic level, 0.1% exchange rate variations and 0.1% perimeter effect).

EBITDA was €517.9 million for the year ended 31 December 2024, with a variation of -20.0% on a reported basis compared with 2023.

Net financial expenses totalled €102.3 million compared with €119.4 million reported in 2023, including the positive foreign exchange rate effect of cross-currency transactions of €6.8 million compared with the corresponding negative effect of €19.2 million recorded for the year ended 31 December 2023, benefiting from a supportive trend in exchange rates despite the ongoing inability to mitigate exposure to certain currencies through derivative agreements. Excluding these components, net financial expenses amounted to €109.1 million in the year ended 31 December 2024, showing an increase of €8.9 million compared to 2023. The growth was driven by the higher average net debt in the year ended 31 December 2024, mainly due to the Courvoisier acquisition combined with the increased average cost of financing in a higher interest rate environment, partially offset by the benefit of temporary significant cash position ahead of the Courvoisier closing and debt repayments.

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Total interest expenses bond, loans and leases	(183.1)	(100.0)
Bank and other term deposit interest income	41.7	23.5
Other net expenses	32.3	(23.7)
Total financial expenses before exchange gain (losses)	**(109.1)**	**(100.2)**
Exchange gain (losses)	6.8	(19.2)
Total financial income (expenses)	**(102.3)**	**(119.4)**

Earn-out income (expenses) and hyperinflation effect was positive at €11.6 million and mainly related to hyperinflation in Argentina.

Profit (loss) related to joint-ventures and other investments represented a net loss of €59.5 million, mainly related to the non-cash effect of the impairment of the investments in Dioniso Group and Monkey Spirits.

Profit before taxation (Group and non-controlling interests) was €221.9 million, -46.1% compared with 2023. Profit before taxation as a percentage of sales was 7.2% (14.0% reported in 2023). After excluding operating adjustments, the profit before taxation-adjusted amounted to €489.1 million in line to the year ended 31 December 2023, adjusted accordingly.

Taxation amounted to €60.8 million on a reported basis in 2024. The reported tax rate for the year was 27.4% compared with the reported tax rate of 26.2% in 2023.

Profit (loss) before taxation relating to non-controlling interests for the period under analysis was positive at €88.9 million, compared to €149.6 million in the year 2023.

Group net profit was €72.2 million in 2024, a decrease of -53.2% compared to 2023, with a sales margin of 2.3%, lower than 2023 (5.2%). Excluding the adjustments to the operating and financial result and the related tax effects and tax adjustments, the Group's net profit increased by 15.2% to €246.6 million (€214.1 million in 2023 reported on a consistent basis).

Basic and diluted earnings per share of Campari Group were both €0.17. Once adjusted for the aforementioned components, adjusted basic earnings amounted to €0.31 and adjusted diluted earnings amounted to €0.31. Adjusted basic earnings per share and adjusted diluted earnings per share were up by -9.5% and -9.0% respectively, compared to 2023 measured on a consistent basis.

Profitability by business area

A breakdown of the four geographical regions in which the Group operates is provided below and shows the percentage of sales and the operating result from recurring activities for each segment for the two periods under comparison.
Please refer to the 'Sales performance' paragraph of this management board report for a more detailed analysis of sales by business area for the period.

	for the year ended							
	2024				2023			
	net sales	% of total	result from recurring activities (EBIT-adjusted) [1]	% of total	net sales	% of total	result from recurring activities (EBIT-adjusted) [1]	% of total
	€ million	%	€ million	%	€ million	%	€ million	%
Americas	1,410.4	45.5%	281.6	48.1%	1,294.6	43.9%	257.4	42.4%
EMEA	1,469.3	47.5%	303.6	51.9%	1,422.2	48.3%	339.8	56.0%
Asia-Pacific	216.5	7.0%	(0.4)	-0.1%	230.2	7.8%	10.0	1.6%
Total	**3,096.2**	**100.0%**	**584.8**	**100.0%**	**2,946.9**	**100.0%**	**607.2**	**100.0%**

[1] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures' of this additional financial information.

Americas

	for the years ended								
	2024		2023		total change		organic change		organic accretion / dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**1,410.4**	**100.0%**	**1,294.6**	**100.0%**	**115.8**	**8.9%**	**48.5**	**3.7%**	**-**
Gross margin	**756.0**	**53.6%**	**699.0**	**54.0%**	**57.0**	**8.2%**	**38.5**	**5.5%**	**30**
Advertising and promotional expenses	(243.3)	-17.3%	(233.3)	-18.0%	(10.0)	4.3%	(2.8)	1.2%	40
Selling, general and administrative expenses	(231.2)	-16.4%	(208.3)	-16.1%	(22.9)	10.9%	(24.6)	11.8%	(80)
result from recurring activities (EBIT-adjusted) [1]	**281.6**	**20.0%**	**257.4**	**19.9%**	**24.2**	**9.4%**	**23.7**	**9.0%**	**10**

[1] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures' of this additional financial information.

EMEA

	for the year ended								
	2024		2023		total change		organic change		organic accretion / dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**1,469.3**	**100.0**	**1,422.2**	**100.0**	**47.2**	**3.3%**	**25.4**	**1.8%**	**-**
Gross margin	**908.8**	**61.8**	**894.7**	**63.6**	**14.1**	**1.6%**	**8.2**	**0.9%**	**(60)**
Advertising and promotional expenses	(234.3)	(15.9)	(224.7)	(15.8)	(9.6)	4.3%	(2.3)	1.0%	30
Selling, general and administrative expenses	(370.7)	(25.2)	(330.2)	(23.2)	(40.5)	12.3%	(29.5)	8.9%	(130)
result from recurring activities (EBIT-adjusted) [1]	**303.6**	**20.7**	**339.8**	**23.9**	**(36.2)**	**-10.7%**	**(4.6)**	**-1.6%**	**(160)**

[1] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures' of this additional financial information.

APAC

	for the year ended								
	2024		2023		total change		organic change		organic accretion / dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**216.5**	**100.0**	**230.2**	**100.0**	**(13.6)**	**-5.9%**	**(13.3)**	**-5.8%**	**–**
Gross margin	**96.7**	**44.7**	**103.2**	**44.8**	**(6.4)**	**-6.2%**	**(4.6)**	**-4.5%**	**60**
Advertising and promotional expenses	(35.7)	(16.5)	(36.1)	(15.7)	0.3	-0.9%	(0.1)	0.2%	(100)
Selling, general and administrative expenses	(61.4)	(28.4)	(57.1)	(24.8)	(4.3)	7.6%	(5.1)	8.9%	(390)
result from recurring activities (EBIT-adjusted) [1]	**(0.4)**	**(0.2)**	**10.0**	**4.4**	**(10.4)**	**-103.9%**	**(9.8)**	**-97.8%**	**(430)**

[1] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures' of this additional financial information.

EMEA is the Group's largest region in terms of net sales, at 47.5%, and profitability, at 51.9%, followed by Americas (net sales and profitability respectively 45.5% and 48.1%) and APAC (net sales and profitability respectively 7.0% and -0.1%).

Americas reported a result from recurring activities at 48.1% of Group overall, up 9.4%, and flat margin, driven by gross margin accretion of 30 basis points due to the favorable price impact in Jamaica and Brazil; advertising and promotional expenses were accretive by 40 basis points in a muted on-premise environment and selling, general and administrative expenses were dilutive by -80 basis points due to planned investments in the commercial and marketing infrastructure with accelerated focus on efficiency gains.

EMEA reported a result from recurring activities at 51.9% of Group overall (-10.6% compared to 2023) and organic margin dilution of -160 basis points, driven by gross margin dilution of -60 basis points caused by a less favorable sales mix due to softened trend in aperitifs during peak season; advertising and promotional expenses were accretive by 30 basis points due to lower activations during peak season. Selling, general and administrative expenses were dilutive by -130 basis points driven by new route-to-market investments (Greece), completion of committed business investments and lower fixed cost abortion on moderate top-line growth trend.

APAC reported a result from recurring activities at -0.1% of Group overall and organic margin dilution of -430 basis points with an overall contribution remaining relatively negligible within the broader context of the Group's operations. Gross margin was accretive by 60 basis points, mainly driven by the mix effect in Japan (thanks to the growth in more premium whiskey) and China (supported by route-to-market investments); advertising and promotional expenses and selling, general and administrative expenses were impacted by investments in route-to-market capabilities in the region to support accelerated growth going forward, leading to margin dilution of -100 basis points and -390 basis points respectively.

Operating working capital

The breakdown of the total change in operating working capital compared with the figure at 31 December 2023 is as follows.

	at 31 December 2024	at 31 December 2023	total change	*organic*	*perimeter*	*exchange rates and hyperinflation*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
Trade receivables	426.4	375.3	51.1	54.1	3.4	(6.4)
Total inventories, of which:	1,703.1	1,252.5	450.7	(6.5)	441.3	15.8
- maturing inventory	*1,127.0*	*603.3*	*523.7*	*106.7*	*394.3*	*22.7*
- biological assets	*21.3*	*15.1*	*6.2*	*8.7*	*0.1*	*(2.6)*
- other inventory	*554.8*	*634.1*	*(79.2)*	*(121.9)*	*47.0*	*(4.3)*
Trade payables	(676.5)	(525.5)	(151.0)	(125.3)	(30.3)	4.6
Operating working capital	**1,453.0**	**1,102.3**	**350.7**	**(77.6)**	**414.4**	**14.0**
Sales in the previous 12 months rolling	3,096.2	2,946.9				
Working capital as % of net sales rolling	46.9	37.4				

At 31 December 2024, operating working capital amounted to €1,453.0 million, marking an increase of €350.7 million compared to 31 December 2023. This increase was primarily due to the Courvoisier business acquisition, which contributed €414.4 million. The existing business registered an organic decrease of €77.6 million, partially offset by exchange rate variations of €14.0 million, thus leading to a reduction of percentage of net sales from 37.9% at the end of 2023 to 34.6% at the end of 2024 on a like-for-like comparison base. Including the impact of the Courvoisier acquisition, working capital as a percentage of net sales stood at 46.9% at the end of 2024 on a reported basis.

Focusing solely on organic performance, trade receivables increased by €54.1 million, persistently mirroring the positive performance of net sales, notwithstanding the steadily progressing improvement in collection conditions during the year. Inventory saw a slight organic decrease of €6.5 million, primarily driven by a significant reduction in other inventory represented namely by finished products, by €121.9 million. This decrease was partially offset by an increase of €106.7 million in maturing liquid across bourbon, Scotch, rum and cognac supporting the strategic focus on premiumisation. It should be noted that, due to its nature, ageing liquid is comparable to invested capital as its growth profile is planned over a long-term horizon. Trade payables experienced an organic increase of €125.3 million compared to 2023, largely driven by the business dynamics, especially in the final quarter of 2024.

The increase of €14.0 million related to the exchange rate component was primarily associated with inventories, which saw a rise of €15.8 million. This was driven by maturing stock valued at €22.7 million, located in the United States, Jamaica and the United Kingdom, and was impacted by the revaluation of the US$, Jamaican Dollar and Great Britain Pound.

The effect of the first consolidation of Courvoisier, following its acquisition completed on 30 April 2024, led to a substantial increase in operating working capital by €414.4 million. This rise was essentially attributed to maturing inventory of cognac valued at €394.3 million, which was recorded at fair market values in accordance with applicable accounting standards within the context of a business combination (refer to the paragraph 'Acquisitions and commercial agreements' in the events section of the Management Board Report).

Reclassified statement of cash flows

The table below shows a simplified and reclassified version of the cash flow statement in the consolidated financial statements. The main classification consists of the representation of the change in net financial debt at the end of the period as the final result of the total cash flow generated (or absorbed). Therefore, the cash flows relating to changes in net financial debt components are not shown.

	for the years ended 31 December			
	2024	*of which recurring*	2023	*of which recurring*
	€ million	*€ million*	€ million	*€ million*
Operating result (EBIT)	**372.2**		**528.7**	
Result from recurring activities (EBIT-adjusted)		**584.8**		**607.2**
Depreciation and amortization	145.7	145.7	118.4	118.4
EBITDA	**517.9**		**647.1**	
EBITDA-adjusted		***730.5***		***725.6***
Effects from hyperinflation accounting standard adoption	16.8	*16.8*	14.6	*14.6*
Accruals and other changes from operating activities	92.0	*45.3*	27.0	*12.5*
Goodwill, brand, tangible fixed assets and sold business impairment	56.8	-	11.9	-
Income taxes paid	(61.0)	*(65.4)*	(210.8)	*(188.0)*
Cash flow from operating activities before changes in working capital	**622.5**	***727.2***	**489.8**	***564.7***
Changes in net operating working capital	77.2	77.2	(377.8)	(377.8)
Cash flow from operating activities	**699.7**	***804.4***	**112.0**	***186.9***
Net interest paid	(104.0)	*(104.0)*	(136.2)	*(40.8)*
Capital expenditure	(563.2)	*(139.8)*	(473.9)	*(112.4)*
Free cash flow	**32.6**	***560.7***	**(498.1)**	***33.7***
(Acquisition) disposal of business	(1,220.3)	-	(13.0)	
Issuing of new shares	643.3			
Dividend paid out by the Company	(37.0)		(31.7)	
Other items including net purchase of own shares	16.7		(5.3)	
Cash flow invested in other activities	**(597.3)**		**(50.0)**	
Other changes	(19.3)		20.5	
Total change in net financial debt due to operating activities	**(584.0)**		**(527.6)**	
Put option and earn-out liability changes [(1)]	(11.1)		(3.4)	
Increase in investments for lease right of use	(18.8)		(14.0)	
Net cash flow of the period=change in net financial debt	**(613.9)**		**(545.0)**	
Effect of exchange rate changes	**(28.1)**		**(13.4)**	
Net financial debt at the beginning of the period	**(2,672.7)**		**(2,111.5)**	
Opening restatements	**-**		(2.8)	
Net financial debt at the beginning of the period-reclassified	**(2,672.7)**		**(2,114.3)**	
Net financial debt at the end of the period	**(3,314.7)**		**(2,672.7)**	

(1) This item, which is a non-cash item, was included purely to reconcile the change in financial debt relating to activities in the period with the overall change in net financial debt.

Key highlights

At 31 December 2024, net cash flow showed a cash flow absorption of €613.9 million, also reflected as an equivalent increase in the net financial debt compared to 31 December 2023, to which a negative exchange rate effect of €28.1 million was added. The cash generation in terms of free cash flow on a reported basis was at €32.6 million in 2024 compared to negative free cash flow of €498.1 million reported in 2023. The main driver of the change was due to the different contribution of operating working capital evolution compared to the last year, which showed a cash generation of €77.2 million in 2024. The recurring free cash flow was strong during the period and amounted to €560.7 million, compared with a positive recurring cash flow of €33.7 million in 2023.

In terms of percentages on EBITDA-adjusted, recurring free cash flows totalled 68.9%, compared to 4.6% in the same period of 2023.

Analysis of the consolidated statement of cash flows
The following drivers contributed to the generation of the above-mentioned free cash flows in 2024:
- operating result (EBIT) amounted to €372.2 million, compared to €528.7 million in 2023, and included a negative effect of €212.6 million related to operating adjustments (€78.5 million in 2023). Excluding operating adjustments, the result from recurring activities (EBIT-adjusted) amounted to €584.8 million (€607.2 million in 2023);
- EBITDA amounted to €517.9 million decreasing by €129.2 million on the previous year. Excluding the aforementioned non-recurring components, EBITDA-adjusted amounted to €730.5 million (€725.6 million in 2023);
- non-cash component arising from the application of the hyperinflation accounting standard in Argentina amounted to €16.8 million in 2024 (€14.6 million in 2023);
- accruals for provisions net of utilizations and other miscellaneous operating changes showed a positive effect of €92.0 million. Excluding non-recurring provisions related to restructuring initiatives (€72.1 million) as well as carving out the payment of non-recurring last mile long-term incentive schemes with retention purposes (€33.2 million), accruals and other changes from recurring operating activities amounted to €45.3 million;
- non-cash write-off losses related to tangible and intangible assets stood at €56.8 million and related principally to the impairment loss of €50.8 million attributable to the Cabo Wabo, Wilderness and Bulldog brands;
- the cash financial impact deriving from the tax payments effected during 2024 was €61.0 million, a decrease of €149.8 million compared to the previous year. The amount paid included refunds of tax credits totalling €4.4 million, which pertained to the Courvoisier business prior to acquisition but were received after its completion. Consequently, this effect was classified as a non-recurring item and excluding the latter, taxes paid amounted to €89.7 million, a decrease of €98.3 million compared to the same period of the previous year. This variation was primarily due to cash phasing effects based on tax calendars and the use of tax credits from previous years. Moreover, the benefit derived from the Italian Patent Box (€6.5 million referred to 2024 and €18.4 million from the recapture of previous year's tax credit) is not yet reflected and will have a cash benefit impact on tax payments starting from 2025;
- working capital recorded a cash generation of €77.2 million (refer to the paragraph ‘Operating working capital’ for details);
- interest paid, net of interest received, stood at €104.0 million in 2024 (€136.2 million in 2023);
- net investment in capital expenditure amounted to €563.2 million, of which the recurring component was €139.8 million. Extraordinary capital expenditure amounted to €423.4 million, confirming the Group’s commitment to continue to invest in the expansion of its production capacity and efficiency to support long-term growth and sustainability initiatives. Additionally, the extraordinary capital expenditure also included the Group’s real-estate project in the heart of Milan and completion of real estate investment project is the USA, UK and Principality of Monaco

Cash flow invested in other activities was negative at €597.3 million, compared to a negative absorption of €50.0 million in 2023 resulting primarily in:
- the purchase of the Courvoisier business for a total consideration of €1,121.5 million, inclusive of the net financial positions acquired, as well as the acquisition of the 15.4% minority stake in Capevin Holdings Proprietary Limited for €87.8 million (GBP74.0 million inclusive of acquisition-related fees) and the capital contribution amounting to €11.0 million in the Dioniso joint-venture (contribution equally supported by Moët Hennessy);
- the proceeds from the issuance of new ordinary shares net of related fees for €643.3 million;
- dividends paid of €37.0 million;
- other items including net sale of own shares for €16.7 million.

New **lease** changes, **put option and earn-out liabilities changes** are presented solely to reconcile net cash flows for the period with total net financial debt. These components collectively contributed total net debt absorption of €29.9 million.

Net financial debt

As of 31 December 2024, consolidated net financial debt amounted to €3,314.7 million, up by €642.0 million compared with €2,672.7 million reported at 31 December 2023 driven by a perimeter increase of €1,313.0 million, partially compensated by the issuance of ordinary shares (€650.0 million). Organically, the net financial position decreased by €52.1 million, remaining focused on medium to long-term maturities. Changes in the debt structure in the two periods under comparison are shown in the table below.

Changes in the debt structure in the two periods under comparison are shown in the table below.

	at 31 December			of which			
	2024	2023	total change	organic	Issuance of ordinary shares	perimeter	exchange rates
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
cash and cash equivalents	871.4	826.3	45.1	608.1	650.0	(1.208.6)	(4.4)
bonds	-	(300.0)	300.0	300.0	-	-	-
loans due to banks	(676.5)	(466.7)	(209.8)	(204.6)	-	(11.5)	6.3
lease payables	(18.8)	(16.0)	(2.8)	(2.7)	-	(0.1)	-
other financial assets and liabilities	240.7	316.9	(76.2)	(76.6)	-	-	0.4
short-term net financial position	**416.9**	**360.5**	**56.4**	**624.2**	**650.0**	**(1.220.2)**	**2.2**
bonds	(1,980.1)	(1,331.9)	(648.2)	(648.2)	-	-	-
loans due to banks	(1,542.6)	(1,416.1)	(126.5)	(58.6)	-	(44.0)	(23.9)
lease payables	(58.7)	(60.0)	1.3	2.8	-	(0.1)	(1.4)
other financial assets and liabilities	18.3	9.8	8.5	8.5	-	-	-
medium-/long-term net financial position	**(3,563.1)**	**(2,798.2)**	**(764.9)**	**(695.5)**	**-**	**(44.1)**	**(25.3)**
net financial debt before put option and earn-out	**(3,146.2)**	**(2,437.7)**	**(708.5)**	**(71.3)**	**650.0**	**(1,264.3)**	**(23.1)**
liabilities for put option and earn-out payments	(168.4)	(235.1)	66.7	123.4	-	(48.7)	(8.0)
net financial debt	**(3,314.7)**	**(2,672.7)**	**(642.0)**	**52.1**	**650.0**	**(1,313.0)**	**(31.1)**

The **short-term net financial debt position**, mainly consisting of cash and cash equivalents (€871.4 million) net of loans due to banks (€676.5 million) and other financial assets and liabilities (€240.7 million), was positive at €416.9 million, thus increasing compared with 31 December 2023. The main transactions that impacted the cash position in 2024 were the following:

- the issuance of new ordinary shares of Davide Campari Milano N.V. (for €650.0 million) and 5-year convertible bonds (for €550.0 million), leading to a total gross amount cashed in of €1,200.0 million, primarily used to support the acquisition of Courvoisier business, as well as to capitalise on market conditions optimizing the funding structure;
- the issuance of a new unrated 7-year bond on 18 June 2024 for a nominal amount cashed in of €220.0 million allocated for general corporate purposes;
- the repayment of unrated bonds issued in 2017 and 2019 with maturity in April 2024 for a total overall amount cashed out of €300.0 million;
- the outlay for acquiring a minority stake of 15.4% in Capevin Holdings Proprietary Ltd. for €87.8 million (€86.8 million and acquisition-related fees for €1.0 million);
- the outlay for acquiring the remaining 49% stakes in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V. as well as in Trans Beverages Company Ltd. (€55.2 million and €21.9 million respectively) impacting liabilities for put option and earn-out payments;
- the capital contribution in the Dioniso joint-venture (contribution of €11.0 million equally supported by Moët Hennessy);
- capital expenditure initiatives (€563.3 million), the reduction of current financial assets (€72.2 million).

The **medium-to long-term financial debt**, which largely consisted of bonds and loans due to banks totalling €3,563.1 million, increasing by €764.9 million, primarily related to the issue of the aforementioned bonds net of the partial repurchases of Lagfin outstanding Euro 536.4 million exchangeable bonds due 2028 for total nominal value of Euro 105.0 million.
The Group's bank loans include sustainability-linked facilities for an original nominal aggregated value of €450.0 million, reinforcing the Group's dedication to its sustainability journey. These facilities provide for a variable interest rate component tied to the achievement of certain ESG targets identified by Campari Group and which are particularly focused on the reduction of emissions, as well as the responsible use of water and gender equality.

The Group's net financial debt position included liabilities of €168.4 million related to future commitments to acquire outstanding minority interests in controlled companies as well as liabilities for put options and earn-out payments, including the earn-out related to the Courvoisier acquisition. The net decrease of €66.7 million observed during the period can be attributed to the interplay of the following factors:

- the above-mentioned acquisition of the remaining 49% minority interests in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V.. The total consideration was confirmed to be aligned with the estimated debt previously recognised. Since the companies were already under Campari Group's control and included within its consolidation perimeter, hence in the estimated put option and earn-out liabilities, the transaction had no material impact on the Group's figures;

- net effect from remeasurement of the estimated liabilities resulted in a total net decrease of €45.6 million, primarily related to Wilderness Trail Distillery, LLC and exchange rate fluctuations (€8.0 million);
- the recognition of the Courvoisier earn-out of liability assessed at €48.7 million at the acquisition date and payable in 2029, contingent upon achievement net sales targets realized in full year 2028.

Capital expenditure

During 2024, net investments totalled €563.2 million, of which €139.8 million were recurring and €423.4 million were non-recurring.
The recurring investments were related to initiatives focused on continuously enhancing the supply chain, via efficiency improvements, sustainability-related initiatives and business infrastructure development.
Specifically, they related to the following projects:

- maintenance expenditure on the Group's operations and production facilities, offices and IT infrastructure which, although individually not material, amounted overall to €71.1 million;
- the purchase of barrels for maturing bourbon and rum totalling €52.7 million, net of related disposals;
- investments to develop biological assets, totalling €15.9 million.

In terms of non-recurring investments, €96.9 million were related to the real-estate project to host the Group's future new headquarters. Moreover, initiatives associated with supply chain capacity expansion aimed at meeting anticipated long-term consumer demand were carried out for an amount of €187.7 million. The initiatives were primarily allocated in the United States to expand bourbon production capacity (€53.7 million), in Jamaica (€38.4 million), in Mexico to expand supply chain facilities for tequila production (€40.6 million), in Italy to enhance the manufacturing footprint for aperitifs (€19.9 million), in France to modernise the production process for cognac (€19.5 million), as well as in the United Kingdom (€3.1 million). Other investments in property for €122.6 million were carried out by the Group and were mainly related to the acquisition of a building in 150 North Michigan, Chicago (€62.6 million) and to the improvement and completion projects of several real estate investments in the USA, UK and in the Principality of Monaco.

Focusing on sustainability-related investments included in the initiatives listed above (€55.7 million in 2024), they were allocated to Jamaica (€32.6 million), Mexico (€13.6 million), the United Kingdom (€2.5 million) and Martinique (€1.9 million).
Additionally, the Group continued to pursue its digital transformation path, investing €16.2 million during the year. The investments also include an integrated transformation program designed to support the Group's strategic agenda: it enhances planning capabilities, drives actionable insights through improved external data connection and structures, thus achieving improved business outcomes.

Concerning the nature of investments, net purchases encompassed tangible assets totalling €387.0 million, biological assets namely related to agave plantations amounting to €15.9 million and intangible assets valued at €37.6 million.

Lastly, investments for the rights of use of third-party assets were related to tangible assets attributable to offices, plant and machinery and vehicles, which increased by €18.8 million during the period.

Reclassified statement of financial position

The Group's financial position is shown in the table below in summary and in reclassified format, to highlight the structure of invested capital and financing sources.

	at 31 December			*of which*		
	2024	2023	total change	*organic change*	*Perimeter*	*exchange rates and hyperinflation*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
fixed assets	6,159.7	4,829.6	1,330.1	*368.3*	*867.8*	*94.0*
other non-current assets and (liabilities)	(415.9)	(320.0)	(138.8)	*(1.6)*	*(77.0)*	*(17.3)*
operating working capital	1,453.1	1,102.3	350.8	*(77.6)*	*414.3*	*14.0*
other current assets and (liabilities)	(152.3)	(120.7)	21.5	*(38.2)*	*9.6*	*(3.0)*
total invested capital	**7,044.6**	**5,491.2**	**1,553.4**	***250.9***	***1,214.7***	***87.7***
Group shareholders' equity	1,812.4	1,425.1	387.3	*439.6*	*(98.8)*	*46.5*
non-controlling interests	1,917.5	1,393.4	524.1	*513.5*	*0.5*	*10.2*
net financial debt	3,314.7	2,672.7	642.0	*(702.1)*	*1,313.0*	*31.0*
total financing sources	**7,044.6**	**5,491.2**	**1,553.4**	***250.9***	***1,214.7***	***87.7***

Invested capital at 31 December 2024 was €7,044.6 million, an increase of €1,553.4 million compared with the figures at 31 December 2023. This change was primarily related to the Courvoisier acquisition, completed on 30 April 2024. It was mainly driven by fixed assets, particularly intangible assets for brand and goodwill, and inventory, primarily related to maturing stock. All reported values at the acquisition date were recorded at fair market values in accordance with applicable accounting standards for business combination (refer to the paragraph ‘Acquisitions and commercial agreements’ in the events section of the Management Board Report).

Focusing on the organic change, the most significant variations attributable to the invested capital referred to:
- the increase of €368.3 million in fixed assets, mainly related to investments envisaged for enhancing supply chain capacity and efficiency, sustainability-related initiatives, as well as the real-estate project for the Group’s headquarters in Italy and the real estate capital improvements in the UK and the Principality of Monaco;
- the decrease of €77.6 million in operating working capital, mainly attributable to an increase in trade payables largely driven by business dynamics, especially in the final quarter of 2024, partially offset by an increase in trade receivables, followed by the positive performance of net sales (refer to paragraph ‘Operating working capital’ for more information);
- the change of €38.2 million in other current liabilities net of assets, mainly related to value added tax as well as excise taxes.

Moreover, invested capital at 31 December 2024 was significantly impacted by non-monetary foreign currency exchange effects, resulting in a net increase of €87.7 million.

In terms of financing sources, significant changes occurred, notably an overall increase of €911.5 million in the Group’s shareholders’ equity combined with the non-controlling interests. This increase predominantly arose from the combined effect of issuance of new ordinary shares for gross proceeds of €650.0 million, the Group results for the period of €161.1 million, dividend payment of €37.0 million as well as an increase in non-monetary foreign currency effect of €46.5 million. The net financial debt variations totalling €642.0 million were primarily related to the successful placement of senior unsecured convertible bonds due in 2029 with an aggregate principal amount of €550.0 million as well as the placement of an unrated bond issue due in 2031 for €220.0 million in principal aggregate amount (for more detailed information, refer to the paragraph ‘Net financial debt’ in this Management Board Report) and the incremental financing for the real estate investments in the USA and the Principality of Monaco.

Reconciliation of the Company and Group net profit and shareholders’ equity

For information related to the reconciliation between the result for the period and shareholders’ equity for the Group with the same items of the Parent Company, please refer to paragraph ‘Shareholders’ equity’ in the Company only financial statement at 31 December 2024.

Conclusion and outlook

The full-year 2024 results demonstrated resilient performance in an environment marked by macroeconomic and geopolitical volatility.

In the context of the current low visibility as to the duration of cyclical macro headwinds, 2025 is expected to be a transition year. Moderate organic full-year net sales growth is expected to continue, with an improving trend in the second half of 2025. The timing of Easter will drive a phasing of shipments leading to a low single-digit negative growth in the first quarter, mainly driven by the European markets, followed by a progressive improvement as markets continue to get back to normal consumption patterns.
Organic EBIT-adjusted margin is expected to be directionally flat for the year. Gross margin trends will be determined based on the sales mix evolution despite confirmed cost of sales tailwinds. The step-up of reinvestment in advertising and promotion initiatives is intended to restore to a historic normalized range of 17-17.5% of net sales. The initiated selling, general and administrative expenses containment program is confirmed to deliver approximately 50 basis points of benefit on sales in 2025, phased into the second half of the year. Accordingly, EBIT-adjusted performance is projected to be skewed into the second half of 2025 due to adverse phasing of gross margin improvement, adverting and promotion spending and selling, general and administrative expenses savings.
The 25% tariffs on imports from Mexico, Canada and Europe into the United Stated are estimated to have an annualized potential impact of approximately €90.0 to €100.0 million before any potential mitigation actions, which are currently under assessment and not included in the aforementioned guidance.

Medium- to long-term outlook announced on 29 of October 2024, is confirmed with confidence in continued outperformance and market share gains leveraging strong brands in growing categories, leading to a gradual return to mid-to-high single digit organic net sales growth trajectory in the medium-term in a normalized macro environment before the impact of potential tariffs. Gross margin is expected to benefit from sales growth with positive sales mix driven by aperitifs, tequila and premiumisation across the portfolio, as well as cost of sales efficiencies. EBIT-adjusted margin accretion is expected to be also supported by the key company initiatives delivering 200 basis points overall benefit on selling, general and administrative expenses over net sales in three years by 2027 and increased efficiency in brand building spending.

Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures

This paragraph presents and comments on certain financial performance measures that are not defined in the IFRS (non-GAAP measures).
These measures, which are described below, are used to analyse the Group's business performance in the 'Key Highlights' and 'Management board report' sections and comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415.
The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of the annual report to gain a better understanding of the Group's economic, financial and capital position. They are applied to Group planning and reporting, and some are used for incentive purposes.
Alternative performance measures can serve to facilitate comparison with groups operating in the same sector, although, in some cases, the calculation method may differ from those used by other companies. They should be viewed as complementary to, and not replacements for, the comparable GAAP measures and movements they reflect.

FINANCIAL MEASURES USED TO MEASURE GROUP PERFORMANCE

Organic change: Lagfin shows organic changes to comment on its underlying business performance. By using this measure, it is possible to focus on the business performance common to both periods under comparison and which management can influence. Organic change is calculated by excluding both the impact of currency movement against the € (expressed at average exchange rates for the same period in the previous year) and the effects of brands asset deal, business acquisitions and disposals, as well as the signing or termination of distribution agreements.
Specifically:
- the exchange rate effects are calculated by converting the figures for the current period at the exchange rates applicable in the same period in the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the previous year are included in full in the figures for the previous year as from the closing date of the transaction, and are only included in the current period's organic change 12 months after their conclusion;
- the results from business disposals or the termination of distribution agreements during the same period in the previous year are wholly excluded from the figures for that period and, therefore, from organic change;
- the results from business disposals or the termination of distribution agreements during the current period are excluded from the figures for the same period in the previous year from their corresponding date of disposal or termination.

In order to mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.
The organic change as a percentage is the ratio of the overall value of the organic change, calculated as described above, to the overall value of the measure in question for the previous period under comparison.

Gross profit: calculated as the difference between net sales and the cost of sales (consisting of their materials, production and distribution costs components).

Contribution margin: calculated as the difference between net sales, the cost of sales (consisting of their materials, production and distribution cost components) and advertising and promotional expenses.

Other operating income (expenses): related to certain transactions or events identified by the Group as adjustment components for the operating result, such as:
- capital gains (losses) on the disposal of tangible and intangible assets;
- capital gains (losses) on the disposal of businesses;
- penalties or gains arising from the settlement of tax disputes;
- impairment losses on fixed assets (tangible and intangible);
- restructuring and reorganisation costs;
- ancillary expenses associated with acquisitions/disposals of businesses or companies;
- other non-recurring income (expenses).

These items are deducted from, or added to, the following measures: operating result (EBIT), EBITDA, profit or loss before taxation, the Group's profit before taxation, net profit and the Group's net profit for the period. For a detailed reconciliation of the items that impacted on the alternative performance measures referred to above in the current and comparison periods, see the appendix at the end of this section.
The Group believes that properly adjusted measures help both management and investors to assess the Group's results and cash flows year on year on a comparable basis as well as against those of other groups in the sector, as they exclude the impact of certain items that are not relevant for assessing performance.

Operating result (EBIT): calculated as the difference between net sales, the cost of sales (in terms of their materials, production and distribution), advertising and promotional expenses, and selling, general and administrative expenses.

Result from recurring operations (EBIT-adjusted): the operating result for the period before the other operating income (expenses) mentioned above.

EBITDA: the operating result before depreciation and amortisation of intangible assets with a finite life, property, plant and equipment and right of use assets.

EBITDA-adjusted: EBITDA, as defined above, excluding other operating income (expenses).

Adjustments to financial income (expenses): certain transactions or events identified by the Group as components adjusting the profit or loss before taxation related to events covering a single period or financial year, such as:
- interests on penalties or gains arising from the settlement of tax disputes;
- expenses related to the early settlement of financial liabilities or liability management operations including financial liability remeasurement effects;
- financial expenses arising from acquisitions/disposals of businesses or companies;
- other non-recurring financial income (expenses).

Put option, earn out income (expenses): relates to the income (expenses) associated with the review of estimates and assessment of expected cash-out settlement for put option and earn-out agreements, also including the non-cash effect, arising from the related actualisation.

Profit (loss) related to joint-ventures and other investments: relates to the income (expenses) resulting from the application of the equity method in the valuation of the Group's interests in joint-ventures as well as from other investments. The item also includes any fair value re- assessments of previously held Group's interests in joint-ventures before their consolidation.

Profit or loss before taxation-adjusted: refers to the result before taxation for the period, excluding other operating income (expenses) and adjustments to financial income (expenses), as well as put option and earn-out income (expenses). It also excludes the profit (loss) associated with the reassessments of previously held joint-venture investments before their consolidation and any impairment related to investment initiatives, while including the result before taxation attributable to non-controlling interests.

Tax adjustments: include the tax effects of transactions or events identified by the Group as components adjusting the taxation of the period related to events covering a single period or financial year, such as:
- positive (negative) taxation effects associated with the operating and financial adjustments, as well as the put option earn out income (expenses) and the profit (loss) related to re-assessments of previously held joint-ventures before their consolidation;
- non-recurring positive (negative) taxation effects.

Tax rate-adjusted
The tax rate-adjusted is calculated by deducting the tax adjustments mentioned above from the taxation. The new value of taxation adjusted is then correlated to the profit or loss before taxation-adjusted.

Cash tax rate
The cash tax rate is calculated by deducting the tax adjustments mentioned above and the deferred taxes on brands and goodwill which are relevant for tax purposes from the taxation. The new value of cash taxation is then correlated to the profit or loss before taxation-adjusted.

Group's net profit-adjusted: the result for the period attributable to the Group (i.e., excluding the non-controlling interests result after taxation) before other operating income (expenses), adjustments to financial income (expenses), to put option, earn out income (expenses) and the profit (loss) related to re-assessments of previously held joint-venture investments before their consolidation, before the related taxation effect and before other positive/negative tax adjustments for the period.

ROS (return on sales): the ratio of the operating result (EBIT) to net sales for the period.

ROS-adjusted: the ratio of the result from recurring activities (EBIT-adjusted) to net sales for the period.

Operating working capital as percentage of net sales
The ratio is calculated by dividing the net sales on operating working capital balances based on the reported value at the closing date of the reference period; the net sales reference value is twelve months and is calculated based on the reported value at the closing date of the reference period, into which the portion of net sales recorded in the previous year is incorporated for the remaining months. Upon the occurrence of significant business acquisition (or disposal) transactions a pro-forma index is calculated to take into account the annual effect on net sales of the business transaction (including for acquisition, excluding for a disposal) of the last twelve months, to ensure consistency in comparative terms with the previous year reported.

Reclassified statement of financial position
The items included in the reclassified statement of financial position are defined below as the algebraic sum of specific items contained in the financial statements:

Fixed assets: calculated as the algebraic sum of:
- property, plant and equipment;
- right-of-use assets;
- biological assets;
- investment property;
- goodwill;
- brands;
- intangible assets with a finite life.

Other non-current assets and liabilities: calculated as the algebraic sum of:
- other non-current assets;
- deferred tax assets;
- other non-current financial assets;
- deferred tax liabilities;
- post-employment benefit obligations;
- provisions for risks and charges;
- investments in joint-ventures;
- other non-current liabilities;
- other non-current financial liabilities.

Operating working capital: calculated as the algebraic sum of:
- inventories;
- biological asset inventories;
- trade receivables;
- trade payables.

Other current assets and liabilities: calculated as the algebraic sum of:
- income tax receivables;
- other current assets;
- income tax payables;
- other current liabilities;
- other current financial assets;
- other current financial liabilities;
- assets and liabilities held for sales.

Invested capital: calculated as the algebraic sum of the items listed above and in particular:
- fixed assets;
- other non-current assets and liabilities;
- operating working capital;
- other current assets and liabilities.

Financing sources: calculated as the algebraic sum of:
- Group shareholders' equity;
- non-controlling interests;
- net financial debt.

Net financial debt: calculated as the algebraic sum of:
- cash and cash equivalents;
- lease receivables;
- bonds;

- loans due to banks;
- lease payables;
- liabilities for put option and earn-out payments;
- other current and non-current financial assets and liabilities.

Organic change reported in operating working capital, net financial debt and reclassified financial position items
The organic change is calculated by excluding, from the overall change of the period, the exchange rate effects and the perimeter effect. The perimeter effect represents the items of the business acquired and sold as well as the items connected with brands asset deal, at the date of their transaction.

Capital expenditure
This item includes the cash flow from the purchase of intangible and tangible fixed assets net of disposals made during the period.

Recurring capital expenditure
This item shows the net cash flows from purchases/disposals relating to projects managed in the ordinary course of business.

Reclassified statement of cash flows
The reclassified statements show a simplified and reclassified version of the cash flow statement disclosed in the Consolidated Financial statements. The main classification consists of the representation of the change in net financial debt at the end of the period as the final result of the total cash flow generated (or absorbed). The total cash flows generated (or used) in the period thus correspond to the change in net financial debt.

Free cash flow
This is a liquidity measure and provides useful information to the readers of the report about the amount of cash generated, which can be used for general corporate purposes, after payments for interests, direct taxes, capital expenditure, and excluding income from the sale of fixed assets. Free cash flow shall be considered in addition to, not as a substitute for, or superior to, cash flow from operating activities prepared in accordance with GAAP.

Recurring free cash flows: cash flows that measure the Group’s self-financing capacity, calculated on the basis of cash flows from operations, before the other operating income and expenses referred to above, and adjusted for interest, net direct taxes paid and cash flows used in capital expenditure attributable to ordinary business before the income/losses component arising from the sale of fixed assets.

Recurring provisions and operating changes: these include provisions and operating changes, excluding the other operating income and expenses referred to above.

Recurring taxes paid: these include taxes paid, excluding cash flows from tax incentives and from the disposal of the Group's non-strategic assets.

Appendix of alternative performance indicators

In 2024, EBITDA, the result from recurring activities (EBIT), profit or loss before taxation and Group net profit were adjusted to take into account the items shown in the tables below.

For the year ended 31 December 2024	EBITDA		EBIT		profit before taxation		Group net profit	
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**517.9**	**16.7%**	**372.2**	**12.0%**	**221.9**	**7.2%**	**72.2**	**2.3%**
restructuring and reorganization costs	(102.6)	-3.3%	(102.6)	-3.3%	(102.6)	-3.3%	(102.6)	-3.3%
impairment of tangible assets, brands and business disposed	(56.8)	-1.8%	(56.8)	-1.8%	(56.8)	-1.8%	(56.8)	-1.8%
last mile long-term incentive schemes with retention	(2.5)	-0.1%	(2.5)	-0.1%	(2.5)	-0.1%	(2.5)	-0.1%
fees from acquisition/disposals of business or companies	(12.3)	-0.4%	(12.3)	-0.4%	(12.3)	-0.4%	(12.3)	-0.4%
net expenses from route to market changes and indemnities from contract resolutions	(25.9)	-0.8%	(25.9)	-0.8%	(25.9)	-0.8%	(25.9)	-0.8%
net penalties or gains arising from the settlement of tax and legal disputes	(5.4)	-0.2%	(5.4)	-0.2%	(5.4)	-0.2%	(5.4)	-0.2%
finance transformation costs	(4.9)	-0.2%	(4.9)	-0.2%	(4.9)	-0.2%	(4.9)	-0.2%
other adjustments of operating income (expenses)	(2.3)	-0.1%	(2.3)	-0.1%	(2.3)	-0.1%	(2.3)	-0.1%
financial interest on tax litigation	-	-	-	-	0.5	-%	0.5	-%
impairment related to investment initiatives	-	-	-	-	(55.1)	-1.8%	(55.1)	-1.8%
tax adjustments	-	-	-	-	-	-%	92.8	3.0%
total adjustments	**(212.6)**	**-6.9%**	**(212.6)**	**-6.9%**	**(267.2)**	**-8.7%**	**(174.4)**	**-5.7%**
alternative performance measure adjusted	**730.5**	**23.6%**	**584.8**	**18.9%**	**489.1**	**15.8%**	**246.6**	**8.0%**

for the year ended 31 December € million	reported	2024 adjustments	adjusted
profit before taxation	**221.9**	**(267.2)**	**489.1**
total taxation	**(60.8)**	**92.8**	**(151.9)**
tax adjustments		*30.2*	
tax effect on operating and financial adjustments		*62.6*	
net profit for the period	**161.1**	**(174.4)**	**337.2**
tax rate (reported and adjusted)	**-27.4%**		**-31.1%**
deferred taxes on goodwill and trademarks		(16.4)	(16.4)
cash tax rate			-27.7%

For the year ended 31 December 2024	Free cash flow
	€ million
alternative performance measure reported	**33.1**
impairment of assets	56.8
other changes from operating activities	(212.6)
non-recurring taxes paid	4.4
changes in other non-financial assets and liabilities	46.7
net cash flow from non-recurring investments	(423.4)
total adjustments	**(528.1)**
alternative performance measure adjusted (recurring free cash flow)	**561.3**

for the year ended 31 December 2023	EBITDA		EBIT		profit before taxation		Group net profit	
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**647.1**	**21.9%**	**528.7**	**17.9%**	**411.4**	**14.0%**	**154.2**	**5.3%**
net expenses from acquisition/disposals of business or companies and indemnities from contract resolutions	(17.0)	-0.6%	(17.0)	-0.6%	(17.0)	-0.6%	(17.0)	-0.6%
restructuring and reorganization costs	(19.6)	-0.7%	(19.6)	-0.7%	(19.6)	-0.7%	(19.6)	-0.7%
last mile long-term incentive schemes with retention purposes	(10.0)	-0.3%	(10.0)	-0.3%	(10.0)	-0.3%	(10.0)	-0.3%
Ukraine and Russia conflict	(2.3)	-0.1%	(2.3)	-0.1%	(2.3)	-0.1%	(2.3)	-0.1%
impairment of assets	(11.9)	-0.4%	(11.9)	-0.4%	(11.9)	-0.4%	(11.9)	-0.4%
net penalties or gains arising from the settlement of tax and legal disputes	(8.4)	-0.3%	(8.4)	-0.3%	(8.4)	-0.3%	(8.4)	-0.3%
non-recurring costs related to IT system implementation	(13.3)	-0.5%	(13.3)	-0.5%	(13.3)	-0.5%	(13.3)	-0.5%
capital (gains) losses on the disposal of tangible and intangible assets	7.6	0.3%	7.6	0.3%	7.6	0.3%	7.6	0.3%
other net (gain) expenses	(3.6)	-0.1%	(3.6)	-0.1%	(3.6)	-0.1%	(3.6)	-0.1%
adjustments to financial income (expenses)					(0.1)	0.0%	(0.1)	0.0%
profit (loss) related to re-assessments of previously held joint-ventures					0.9	0.0%	0.9	0.0%
tax adjustments							17.7	0.6%
total adjustments	**(78.5)**	**-2.7%**	**(78.5)**	**-2.7%**	**(77.7)**	**-2.6%**	**(60.0)**	**-2.0%**
alternative performance measure adjusted	**725.6**	**24.6%**	**607.2**	**20.6%**	**489.1**	**16.6%**	**214.1**	**7.3%**

for the year ended 31 December		2023	
€ million	reported	adjustments	adjusted
profit before taxation	**411.4**	**(77.7)**	**489.1**
total taxation	**(107.6)**	**17.7**	**(125.3)**
tax adjustments		*(2.6)*	
tax effect on operating and financial adjustments		*20.3*	
net profit for the period	**303.7**	**(59.9)**	**363.6**
tax rate (reported and adjusted)	**-26.2%**		**-18.1%**
deferred taxes on goodwill and trademarks		(21.4)	(21.4)
cash tax rate			-24.0%

for the year ended 31 December 2023	**Free cash flow**
	€ million
alternative performance measure reported	**(491.4)**
impairment of assets	11.9
other changes from operating activities	(78.5)
non-recurring taxes paid	(160.3)
changes in other non-financial assets and liabilities	10.0
net cash flow from non-recurring investments	(375.8)
total adjustments	**(592.7)**
alternative performance measure adjusted (recurring free cash flow)	**101.3**

Proposal for the appropriation of profit

We propose to allocate the 2024 Financial Year result to the profits brought forward from previous years.

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Lagfin Group-Consolidated financial statements at 31 December 2024

Lagfin Group consolidated financial statements

Consolidated primary statements

Consolidated statement of profit or loss

	notes	for the years ended 31 December	
		2024	2023
		€ million	€ million
Gross sales		**3,680.0**	**3,512.0**
Excise duties[1]		(583.7)	(565.1)
Net sales	3 i.	**3,096.2**	**2,946.9**
Cost of sales	3 iii.	(1,334.7)	(1,250.0)
Gross profit		**1,761.5**	**1,696.9**
Advertising and promotional costs	3 iv.	(513.3)	(494.1)
Contribution margin		**1,248.2**	**1,202.8**
Selling, general and administrative expenses	3 vi.	(876.0)	(674.1)
Operating result		**372.2**	**528.7**
Financial expenses	3 x.	(287.8)	(237.9)
Financial income	3 x.	197.0	128.8
Share of profit (loss) of joint-ventures	3 xii.	(59.5)	(8.3)
Profit before taxation		**221.9**	**411.4**
Taxation	3 xiii.	(60.8)	(107.6)
Profit for the period		**161.1**	**303.7**
Profit attributable to:			
Shareholders of the parent Company		72.2	154.2
Non-controlling interests		88.9	149.6

[1] Excise duties where Campari Group acts as an agent.

Consolidated statement of comprehensive income

	notes	for the year ended 31 December	
		2024	2023
		€ million	€ million
Profit for the period (A)		**161.1**	**303.7**
B1) Items that may be subsequently reclassified to the statement of profit or loss			
Gains (losses) on cash flow hedge	6 i.	(3.7)	(23.6)
Related Income tax effect	3 xiii.	1.0	5.7
Cash flow hedge		**(2.7)**	**(17.8)**
Exchange differences on translation of foreign operations	**7 iv.**	**63.1**	**(43.8)**
Total: items that may be subsequently reclassified to the statement of profit or loss (B1)		**60.4**	**(61.8)**
B2) Items that may not be subsequently reclassified to the statement of profit or loss			
Gains (losses) on remeasurement of defined benefit plans	8 iv.	(1.3)	0.4
Related Income tax effect	3 xiii.	0.3	(0.2)
Remeasurements of defined benefit plans		**(1.0)**	**0.2**
Total: items that may not be subsequently reclassified to the statement of profit or loss (B2)		**(1.0)**	**0.2**
Other comprehensive income (expenses) (B=B1+B2)		**59.4**	**(61.6)**
Total comprehensive income (A+B)		**220.5**	**242.1**
Attributable to:			
Shareholders of the parent Company		98.2	123.1
Non-controlling interests		122.3	119.0

Consolidated statement of financial position
(before appropriation of results)

	notes	31 December 2024 € million	31 December 2023 € million
ASSETS			
Non-current assets			
Property, plant and equipment	4 ii.	1,435.3	979.6
Right of use assets	4 ii.	65.1	64.2
Biological assets	4 ii.	30.5	22.8
Real estate investments	4 iii.	648.5	526.8
Goodwill	4 iv.	2,591.3	2,022.0
Brands	4 iv.	1,314.8	1,155.8
Other intangible assets	4 iv.	74.2	58.4
Interests in joint-ventures and other investments	3 xii.	9.6	33.4
Deferred tax assets	3 xiii.	114.9	91.4
Other non-current assets	4 v.	105.0	25.4
Other non-current financial assets	6 iv.	10.2	9.8
Total non-current assets		**6,399.5**	**4,989.6**
Current assets			
Inventories	5 iii.	1,681.9	1,237.4
Biological assets	5 iii.	21.3	15.1
Trade receivables	5 i.	426.4	375.3
Other current financial assets	6 iii.	288.3	371.8
Cash and cash equivalents	6 ii.	871.4	826.3
Income tax receivables	3 xiii.	47.3	73.0
Other current assets	4 vi.	104.2	105.3
Total current assets		**3,440.7**	**3,004.2**
Total assets		**9,840.2**	**7,993.8**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Issued capital and reserves attributable to shareholders of the parent Company	7 iv.	1,812.4	1,425.1
Non-controlling interests	7 iv.	1,917.5	1.393.4
Total shareholders' equity		**3,730.0**	**2,818.6**
Non-current liabilities			
Bonds	6 v.	1,980.1	1,331.9
Loans due to banks	6 v.	1,542.6	1,416.1
Other non-current financial liabilities	6 v.	219.0	269.0
Post-employment benefit obligations	8 iv.	25.8	22.6
Provisions for risks and charges	8 i.	118.2	41.4
Deferred tax liabilities	3 xiii.	501.4	406.2
Other non-current liabilities	4 vii.	53.1	76.5
Total non-current liabilities		**4,440.2**	**3,563.8**
Current liabilities			
Bonds	6 vi.	-	300.0
Loans due to banks	6 vi.	676.5	466.7
Other current financial liabilities	6 vi.	66.3	95.8
Trade payables	5 ii.	676.5	525.5
Income tax payables	3 xiii.	13.4	23.3
Provisions for risks and charges	8.i	-	0.8
Other current liabilities	4 viii.	237.3	199.6
Total current liabilities		**1,670.0**	**1,611.6**
Total liabilities		**6,110.2**	**5,175.4**
Total liabilities and shareholders' equity		**9,840.2**	**7,993.8**

Consolidated statements of cash flows

	notes	for the years ended 31 December 2024 € million	2023 € million
Operating profit		**372.2**	**528.7**
Depreciation and amortisation	3 viii	145.7	118.4
(Gain) or loss on sale of fixed assets		0.8	(7.6)
Impairment loss (or reversal) of tangible fixed assets, goodwill, brand and sold business	4 ii – 4 iv	56.8	11.9
Net cost of share-based instruments		27.1	22.1
Change in provisions		(34.0)	0.4
Change in payables to employees		80.7	11.4
Change in net operating working capital		77.2	(377.8)
Income taxes refund (paid)		(61.0)	(210.8)
Other operating items		34.1	(15.1)
Other changes		-	0.2
Cash flow generated from (used in) operating activities		**699.6**	**112.0**
Disposal (purchase) of tangible and intangible fixed assets	4 ii – 4 iv	(460.3)	(303.7)
Disposal (purchase) of investment properties		(122.5)	(189.8)
Disposal of tangible and intangible assets		19.6	19.6
Change in investments in subsidiaries, associates and joint venture		(98.8)	(37.9)
Acquisition of companies or business divisions net of cash and cash equivalents acquired	6 ix	(1,109.8)	2.0
Put options and earn-out payments		-	(3.4)
Interests received		46.2	22.8
Decrease (increase) in short-term deposits and investments	6 iii	60.1	(38.6)
Dividends received		3.8	-
Cash flow generated from (used in) investing activities		**(1,661.7)**	**(519.6)**
Proceeds (repayment) of notes and debentures		-	(6.9)
Proceeds from issue of bonds, notes and debentures		664.2	834.9
Repayments of bonds, notes and debentures	6 viii	(300.0)	(423.0)
Proceeds from non-current borrowings	6 viii	328.5	646.5
Repayment of non-current borrowings	6 viii	(46.6)	(298.5)
Net change in short-term financial payables and loans due to bank	6 viii	16.4	(132.0)
Payment of lease payables	6 vii	(18.3)	(16.0)
Interest on paid leases	6 vii	(3.7)	(3.3)
Interests paid on other financial items	6 viii	(146.5)	(94.3)
Distribution to shareholders on demerger		-	-
Inflows (outflows) of other financial items	6 viii	(9.4)	(9.8)
Purchase of own shares	7 iv	(6.4)	(21.0)
Sale of own shares	7 iv	5.5	54.8
Dividends paid to equity holders of the Parent		(37.0)	(29.7)
Dividends paid to non-controlling interests		(0.8)	(2.0)
Change in ownership interest in Davide Campari-Milano N.V.		643.3	-
Put options and earn-out payments		(77.8)	-
Cash flow generated from (used in) financing activities		**1,011.5**	**499.7**
Net change in cash and cash equivalents: increase (decrease)		**49.5**	**92.1**
Effect of exchange rate changes on cash and cash equivalents		**(4.4)**	**(13.4)**
Cash and cash equivalents at the beginning of period	6 ii	826.3	747.4
Cash and cash equivalents at end of period	6 ii	871.4	826.3

Consolidated statement of changes in shareholders' equity

	Notes	issued capital	Legal reserve	retained earnings	Other reserves	equity attributable to owners of the parent	non-controlling interests	total
		€ million	€ million	€ million	€ million	€ million	€ million	€ million
at 31 December 2023		**3.7**	**0.4**	**1,523.5**	**(102.5)**	**1,425.1**	**1,393.4**	**2,818.6**
Dividends to owner of the company	7 iv.					-	(37.8)	(37.8)
Davide Campari-Milano N.V. share purchase	7 iv.				(17.1)	(17.1)	(12.1)	(29.2)
Subsidiaries own shares operations increase (decrease) through treasury share transactions	7 iv.			(2.6)		(2.6)	1.8	(0.8)
Subsidiaries own shares operations increase (decrease) through share-based payment transactions	7 iv.			14.3		14.3	12.7	27.0
Changes in ownership interests	7 iv.				26.7	26.7	19.9	46.6
Increase (decrease) through other changes	7 iv.				24.2	24.2	17.6	41.8
Change in ownership interest in Davide Campari-Milano N.V.	7 iv.				243.6	243.6	399.6	643.3
Profit (loss)	7 iv.			72.2		72.2	88.9	161.1
Other comprehensive income (expense)	7 iv.				26.0	26.0	33.4	59.4
at 31 December 2024		**3.7**	**0.4**	**1,607.4**	**200.9**	**1,812.5**	**1,917.5**	**3,730.0**

	issued capital	Legal reserve	retained earnings	Other reserves	equity attributable to owners of the parent	non-controlling interests	total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
at 31 December 2022 post reclassifications	**3.7**	**0.4**	**1,352.8**	**(43.6)**	**1,313.3**	**1,272.6**	**2,585.9**
Dividends to owner of the company						(31.9)	(31.9)
Davide Campari-Milano N.V. share purchase				(17.7)	(17.7)	(4.7)	(22.4)
Subsidiaries own shares operations increase (decrease) through treasury share transactions			4.4		4.4	28.3	32.7
Subsidiaries own shares operations increase (decrease) through share-based payment transactions			12.1		12.1	9.6	21.7
Changes in ownership interests				(7.9)	(7.9)	(0.7)	(8.6)
Increase (decrease) through other changes				(2.3)	(2.3)	1.3	(1.0)
Profit (loss)			154.2		154.2	149.5	303.7
Other comprehensive income (expense)				(31.0)	(31.0)	(30.5)	(61.5)
at 31 December 2023	**3.7**	**0.4**	**1,523.5**	**(102.5)**	**1,425.1**	**1,393.4**	**2,818.6**

Notes to the consolidated financial statements

1. General information

Lagfin was incorporated under the law of Luxembourg on 22 June 1995 for an unlimited period as a Société Anonyme. The registered office of the Company is established in 3, Rue des Bains, L-1212 Luxembourg (Grand Duchy of Luxembourg).
The primary object of the Company is the holding of either direct or indirect control of Davide Campari-Milano N.V., the sixth-largest player in the premium spirits industry.
The Company may also carry out transactions aimed at acquiring and maintaining relevant shareholdings in companies of any kind, both in Luxembourg or abroad, as well as financial commercial and real estate transactions. Its strategy is based on long-term investments in companies and financial and real estate assets with solid potential for value creation and divesting them as they are deemed to have reached their full potential value. The Group is active in premium spirits industry, with an extensive and varied product portfolio. In addition, group's activities include buy, own, rent out, improve and manage real estate assets, primarily in the residential, retail and office sectors.
Lagfin established on 2 August 2018 the Italian Branch and on 27 August 2018 the Swiss Branch.
Lagfin's financial year runs from 1 January to 31 December.
The consolidated financial statements of the Group for the year ended 31 December 2024 were approved for issue on 24 April 2025 by the Board of Directors of Lagfin's General Partner Artemisia Management S.A., Société Anonyme.
The Group includes Davide Campari-Milano N.V. and all Campari subsidiaries, as well as various real estate SPVs and other controlled entities involved in financial investments and the publishing industry.
The General Partner reserves the right to amend the financial statements should any significant events occur that require changes to be made, up to the date of Lagfin's shareholders' meeting. The financial statements are presented in millions of €, the functional currency of the Lagfin and many of its subsidiaries.

2. Accounting information and material general accounting policies

The consolidated financial statements at 31 December 2024 were prepared in accordance with the International Financial Reporting Standards issued by the IASB and ratified by the European Union ('IFRS-EU'). These include all the IAS and interpretations of the IFRS IC, formerly the SIC.

The accounting standards adopted by the Group are the same as those that were applied for the annual financial statements for the year ended 31 December 2023, except for the accounting standards specified in note 2 viii-'Change in accounting standards-Summary of the new accounting standards adopted by the Group from 1 January 2024'. For the year ended 31 December 2024 there were no changes in accounting estimates and errors.

The financial statements were prepared in accordance with the historical cost method and taking any value adjustments into account where appropriate for certain categories of assets and liabilities, which were measured in accordance with the methods provided by IFRS.
Comparative information shall be disclosed in respect of the preceding period for all amounts reported in the financial statements. Comparative information has been included for narrative and descriptive information where it is relevant to an understanding of the current period's financial statements.

Unless otherwise indicated, the figures reported in these notes are expressed in millions of €.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of signing the Company's consolidated financial statements.

Transactions with related parties form part of ordinary operations and are carried out under market conditions (i.e. conditions that would apply between two independent parties) or using criteria that allow for the recovery of costs incurred and a return on invested capital. All transactions with related parties were carried out in the Group's interest.
The Group is continuously improving its financial disclosures to make them more accessible and understandable to stakeholders. Material accounting policies applied by the Group based on IFRS have been identified and are indicated within the notes to the Consolidated Financial statements with 'Accounting policy', as well as key assumptions and estimates.

Disclosures are provided for transactions and other events or conditions that are material for the Group, following the overall sequence of items in the consolidated statement of profit or loss, and accounting subjects related to the consolidated statement of financial position categorized by their intrinsic nature.

i. Form and content

In accordance with the format selected by the Group, the statement of profit or loss has been classified by function, and the statement of financial position is based on a distinction between current and non-current assets and liabilities. We consider that this format will provide a more meaningful representation of the items that have contributed to the Group's results and its assets and financial position.
Transactions or events that may generate income and expenses that are not relevant for assessing business performance, such as gains (losses) on the sale of fixed assets, restructuring and reorganisation costs, non-recurring financial expenses, and any other non-recurring income (expenses), are described in the disclosures.
In 2024, the Group did not carry out any atypical and/or unusual transactions that, due to their materiality or size, type of counterparties to the transaction, or method for determining the price and timing of the event (proximity to the close of the period), could give rise to concerns over the accuracy or completeness of the information in the financial statements, conflicts of interest, the safeguarding of company assets or the protection of minority shareholders.
The statement of cash flows was prepared using the indirect method.

ii. Seasonal factors

Sales of certain Group products are more affected than others by seasonal factors, because of different consumption patterns or consumer habits. In particular, aperitif consumption tends to be concentrated during spring and summer, whereas sales of other products, such as sparkling wines and spirits, are concentrated in the last quarter of the year. Seasonal consumption cycles in the markets in which the Group operates may impact its financial results and operations. Notwithstanding the Group's global presence, most of its revenue is in the northern hemisphere, and unseasonably cool or wet weather in the summer months can affect sales volumes. In general, the Group's diversified product portfolio and its geographical sales spread substantially help reduce risks relating to seasonal factors. Moreover, in order not to be excessively exposed to seasonal peaks, the Group is implementing initiatives to de-seasonalize the consumption moments of the main brands, with particular attention to the aperitif segment, ensuring constant consumption throughout the year, unlocking new consumption opportunities outside seasonal peaks.

iii. Currency conversion criteria and exchange rates applied to the financial statements

Currency conversion

Items included in the financial statements of the Group's subsidiaries and joint ventures are measured using the currency of the primary economic environment in which each entity operates (its functional currency) and are converted to the Group presentation currency (€) as follows:

- statement of profit or loss items are converted at the average exchange rate for the period, while statement of financial position items are converted at period-end exchange rates; exchange rate differences resulting from the application of differing criteria for conversion to the € of statement of profit or loss and statement of financial position items are recorded under the currency translation reserve under shareholders' equity until the investment in question is sold or terminated;
- any conversion differences between the value of initial shareholders' equity, as converted at end-of-period exchange rates, and the value of shareholders' equity for the previous year converted at current exchange rates are also recorded under the currency translation reserve.

The key exchange rates used for conversion transactions are shown below.

	For the year ended 31 December 2024 average rate	at 31 December 2024 end-of-period rate	For the year ended 31 December 2023 average rate	at 31 December 2023 end-of-period rate
US$	1.082	1.039	1.082	1.105
Canadian Dollar	1.482	1.495	1.460	1.464
Jamaican Dollar	169.267	161.513	166.714	170.623
Argentine Peso(1)	1,070.806	1,070.806	892.924	892.924
Australian Dollar	1.640	1.677	1.628	1.626
Brazilian Real	5.827	6.425	5.402	5.362
Swiss Franc	0.953	0.941	0.972	0.926
Yuan Renminbi	7.786	7.583	7.659	7.851
Great Britain Pounds	0.847	0.829	0.870	0.869
Japanese Yen	163.817	163.060	151.941	156.330
South Korea Won	1,475.256	1,532.150	1,413.269	1,433.660
Mexican Peso	19.825	21.550	19.190	18.723
New Zealand Dollar	1.788	1.853	1.762	1.750
Peruvian Sol	4.061	3.905	4.049	4.082
Russian Ruble(2)	100.374	116.562	92.479	99.192
Singapore Dollar	1.446	1.416	1.452	1.459
Ukraine Hryvnia	43.469	43.686	39.558	41.996
South Africa Rand	19.832	19.619	19.953	20.348

(1) The average exchange rate of the Argentine Peso was assumed to be equal to the spot exchange rate at the reporting date as required by the hyperinflation accounting standard. For reference only the average exchange rate would have been 989.539.

(2) On 2 March 2022, the European Central Bank ('ECB') decided to suspend the publication of € reference rate for the Russian Rouble until further notice. The Group has therefore decided to refer to an alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

Transactions in foreign currencies (not hedged with derivatives)

Revenues and costs related to foreign currency transactions are reported at the exchange rate applied on the date on which the transaction is carried out.

Monetary assets and liabilities in foreign currencies are initially converted into € at the exchange rate in effect on the transaction date and subsequently converted into € at the exchange rate applied on the reporting date, with the difference in value being posted to the statement of profit or loss.

Non-monetary assets and liabilities arising from the payment/collection of a foreign currency advance are initially recognised at the exchange rate in effect on the transaction date and are not subsequently modified to take account of any change in the exchange rate in effect on the reporting date.

Hyperinflation

If a subsidiary operates in a hyperinflationary economy, the related economic and financial results are adjusted in accordance with the method established by IFRS, before being translated into the functional currency of the Group (€). The economic and financial data are restated in local currency, taking into account the current purchasing power of the currency on the date of the financial statements. This process requires a number of complex procedural steps, which are maintained consistently over time.

The restatement procedures used by the Group are as follows:

- selection of a general price index;
- segregation of monetary and non-monetary items;
- restatement of non-cash items;
- restatement of the statement of profit or loss;
- calculation of monetary profit or loss;
- restatement of adjusted balance-sheet and income-statement values.

The restated statement of profit or loss is converted into € by applying the spot exchange rate at the end of the period instead of the average exchange rate for the period.

No restatement of the values presented in the comparative period prior to the official declaration of the subsidiary's adoption of hyperinflationary accounting is required in the Group's consolidated figures.

The effect of restating non-cash items is recognised in the statement of profit or loss under net financial income (expenses).

The indexes used to remeasure the values at 31 December 2024, in accordance with hyperinflationary economies IFRS rules, are shown in the table below. Specifically, the national Consumer Price Index ('nationwide CPI') of Argentina was used.

	for the year ended 31 December	
	2024 average rate	2023 average rate
Consumer Price Index	7,708.683	3,297.610
	2024 conversion factor	2023 conversion factor
January	1.809	2.937
February	1.597	2.754
March	1.439	2.558
April	1.322	2.360
May	1.269	2.190
June	1.214	2.067
July	1.167	1.943
August	1.120	1.728
September	1.082	1.533
October	1.054	1.415
November	1.029	1.255
December	1.000	1.000

iv. Use of estimates

Preparation of the financial statements and the related notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the Group's assets and liabilities and items in the profit or loss during the year. These estimates and assumptions, which are based on the best valuations available at the time of their preparation and are reviewed regularly, may differ from the actual circumstances and may be revised accordingly at the time the circumstances change or when new information becomes available. Future outcomes can consequently differ from estimates.

Details of critical estimates and judgements that could have a material impact on the financial statements are set out in the related notes as follows

- business combination: management judgement to determine all the factors relevant to the relationship with the investee to ascertain whether control has been established and whether the investee should be consolidated as a subsidiary. Management judgement to define fair acquisition values that are attributed to the assets and liabilities acquired. Please refer to note 4 i-'Acquisition and sale of businesses and purchase of non-controlling interests', 6 iv-'Other non-current financial assets', 6 v-'Non-current financial debt', 6 vi-'Current financial debt' and 8 iii-' Fair value information on assets and liabilities' of the Consolidated financial statements at 31 December 2024;
- disclosures for contingent assets and liabilities: management judgement in assessing the likelihood of whether a liability will arise and an estimate to quantify the possible range of any settlement and judgement in assessing the likelihood of the assets collection. Please refer to note 8 i- 'Provisions for risks, charges and contingent assets and liabilities' of the Consolidated financial statements at 31 December 2024;
- restructuring provisions, provisions for risk and charges: management judgement in assessing the likelihood of whether a liability will arise and an estimate to quantify the possible range of any settlement. Please refer to note 8 i- 'Provisions for risks, charges and contingent assets and liabilities' of the Consolidated financial statements at 31 December 2024;
- compensation plans in the form of share-based payments: management estimate in determining the assumptions in calculating the fair value of the plans. Please refer to note 7 v-'Share-based payments' of the Consolidated financial statements at 31 December 2024;
- goodwill and intangible assets: management judgement of the assets to be recognised and synergies resulting from an acquisition. Management judgements and estimates required to determine future cash flows and appropriate applicable assumptions to support the intangible asset value. Please refer to note 4 iii- 'Intangible assets' of the Consolidated financial statements at 31 December 2024;
- taxation: management judgement and estimate required to assess uncertain tax positions and the recoverability of deferred tax assets. Please refer to note 3 xiii-'Taxation' of the Consolidated financial statements at 31 December 2024;
- incremental interest rate for lease transactions: management judgements and estimates required to determine the rate level. Please refer to note 6 vii- 'Lease components in the statement of financial position' of the Consolidated financial statements at 31 December 2024.

Macroeconomic and geopolitical uncertainty

During 2024 the Group has continued to monitor and analyse the evolution of macroeconomic and geopolitical uncertainties. The critical review that was conducted included the ongoing conflicts and the impact of import tariffs in strategic geographies.

Recent announcement of potential tariffs of 25% on Mexico, Canada and Europe from the United States would have an impact on the Group performance given the current exposure in those markets. The Group is currently evaluating all potential remediation opportunities. Regarding the temporary tariffs on cognac in China, the impact for the Group is expected to be immaterial and the Group will continue to monitor the evolution of this topic.
Moreover, Campari Group, like all members of the spirits industry, has been exposed to a persistently volatile macroeconomic environment, which may have potential downside effects on consumer behavior. Campari Group therefore continuously monitors the evolving macroeconomic scenario to mitigate its impact on operations.

Climate and other environmental matters

Lagfin recognises that sustainability and climate-related matters are among the greatest challenges for the future of the planet. In this context, its subsidiary, Campari Group, is actively engaged in its path related to the defined sustainability priorities, to which all major global functions of the Group contribute. Following a very positive progression in recent years, Campari Group has set even more challenging medium- and long-term targets to reinforce its environmental, social, and governance commitments. In the context of the prevailing macroeconomic environment, it is crucial to underscore that the production operations, the comprehensive value chain, and the implementation of Campari Group's strategies might all potentially be affected by the ramifications of climate change (both physical climate risks as well as transition risks, as mentioned below). These impacts could encompass both acute and extreme events, as well as chronic factors such as rising temperatures and drought, and they therefore present physical risks.
Throughout previous years and in 2024, Campari Group undertook a thorough climate change risk assessment to evaluate and better understand the potential impacts of climate change on its operations, strategies, and value chain. This assessment includes an in-depth analysis of environmental risks, opportunities for sustainability improvements, and the development of mitigation and adaptation plans. By doing so, the Group aims to enhance its resilience and contribute positively to global climate action efforts.
Climate- and nature-related risks encompass the potential for adverse impacts on human lives, livelihoods, health, assets, services, biodiversity, ecosystems, supply chains, and infrastructure. These risks stem from shifts in climatic patterns, rising global temperatures, and other environmental challenges.
Physical risks refer to the growing intensity and frequency of climate- and weather-related events, such as floods, droughts, and tropical storms, as well as ecological issues, including soil degradation and the decline of pollinator populations. Transition risks and opportunities pertain to structural changes associated with the shift to a low-carbon, environmentally sustainable economy, driven by evolving consumer behaviors, advancements in technology, and the implementation of climate- and nature-focused policies and regulations.
Climate change is therefore a major disruptive force with the potential to drive substantial changes to Campari Group's operations in the short- to medium- and long-term. In 2024 Lagfin Group, through its subsidiary, Campari Group, has focused on reviewing and integrating ESG information in alignment with the new EU legislation, including the Corporate Sustainability Reporting Directive ('CSRD'). This process involved the implementation of the European Sustainability Reporting Standards ('ESRS'), enabling insights into double materiality analysis, taxonomy disclosures, and gap assessments against previously applied sustainability standards. These efforts aim to ensure full compliance with the regulatory requirements governing the Annual Report as of 31 December 2024. The impact of the 2024 assessment in relation to ESG-related material impacts, risks, and opportunities has been considered in evaluating estimates and judgments in the preparation of these Consolidated Financial Statements. The analysis conducted at Campari Group level, in the course of 2024, did not identify any issue not attributable to and not addressable in the ordinary course of business:

- the anticipated effect of climate change is not expected to be material over the going concern periods specified below;
- the capital investment focused on climate-related topics amounted to €55.7 million, with the related impact included in the disclosures provided in 4-ii. 'Property, plant and equipment, right-of-use asset' in the 'Operating assets and liabilities' chapter;
- the impact of climate change is more sensitive on biological goods as all agricultural ingredients remain at risk mainly due to water scarcity and rising temperatures. To address and mitigate these risks, the Group developed contingency plans for alternative sourcing of biological assets (which remained inactive in 2023 and 2024) and implemented proactive measures to combat water scarcity, including capital investments in the United Kingdom and Jamaica, as reflected in the overall cash out of capital expenditure;
- the impact of climate change on cash flow forecasts has been factored into projections used for impairment assessments of the value in use of non-current assets including goodwill, with capital expenditure budgets for 2025 supporting climate-related initiatives also considered for an amount of €20.3 million;
- given Campari Group's approach to managing its business with a strategic focus on emissions reduction, no carbon allowances were purchased during the year 2024, consistent with the practice observed in 2023;

- the impact of climate change on factors such as residual values, useful lives, and depreciation methods that influence the carrying values of fixed assets was assessed, and no triggering factors were identified in 2024 that would necessitate a revision;
- the impact of other initiatives linked to the adoption of a sustainable strategy has been managed within the framework of standard negotiations with suppliers, with the associated values (impacts) reflected across the various reporting lines as part of ordinary business operations (i.e. training initiatives, community involvement initiatives, logistics and transportation management, etc.);
- the achievement of improved positioning on ESG targets linked to financing agreements resulted in a saving in financial costs of €0.2 million for the year ended 31 December 2024, included in the 'Financial income and expenses' profit or loss line.

Going concern including net financial debt

In terms of its operating and financial profiles, the Group continues to be very sound and has not been exposed to any going-concern issues neither during 2024 nor in the 12 months subsequent these consolidated financial statements were authorised for issue, thanks to the agility and resilience of its organisation.
With regard to the Group's net debt position and namely with respect to financial assets, these are not subject to particular risks, since the investments considered by the Group are always the subject of a careful and scrupulous preliminary analysis and are always coherent with the financial needs. With respect to financial liabilities, the Group's indebtedness ratios measured internally were under control and consistently at a level considered entirely manageable by the Group. During 2024, the Group's financial structure was confirmed to have been strengthened by the availability of significant committed and uncommitted credit lines. No renegotiation of interest rates or conditions was performed outside the normal course of business. The debt profile is appropriately balanced between variable and fixed rate, thus minimizing the Group's exposure to market risk. In 2024 with respect to lease and rental agreements, there were no new significant negotiations, including sub-leases, nor significant contract amendments generating financial receivables or liabilities. In terms of fair value measurement hierarchies of financial items, there were no changes to be reflected other than those disclosed in the related notes. A separate analysis was performed with reference to financial liabilities arising from put option and earn-out agreements valued at fair value and where the basis of the estimate is linked to brand performance.

The analysis was conducted in conjunction with the considerations described in relation to the impairment test on goodwill, brands and intangible assets with a finite life, in order to ensure homogeneity and consistency in the valuation, and from the analyses no particular circumstances emerged requiring significant revisions of these liabilities.
The macroeconomic trend in 2024 did not trigger any significant change in clients' contracts or any change in the revenue recognition criteria previously identified. Significant judgements were used to review the expected credit losses based on the Group business model to manage financial instruments, namely with reference to the markets directly impacted by the Russia-Ukraine conflict. To facilitate liquidity management, the Group continued the reverse factoring program, confirmed with a limited number of trusted suppliers involved, consistent with previous years: the trade payables under reverse factoring agreements continued to be classified as a component of the Group's operating working capital with no separate disclosure as primary line items of the consolidated financial statements in consideration of the total exposure.

Impairment of goodwill, brands and intangible assets with a finite life

Intangible assets with an infinite life are represented by goodwill and brands, both associated with business acquisitions. The Group expects to obtain positive cash flow from these assets for an infinite period of time.
Regarding the 2024 performance, the Group continued leveraging its strong brand portfolio, particularly in growing categories such as aperitifs and tequila. In the current environment characterised by continued macro volatilities, the Group performed an assessment to identify any event that might trigger the risk of impairment on its goodwill, brands and intangible assets with a finite life. This assessment confirmed that neither external nor internal events have led to any substantial change on the recoverability of these intangible assets with the exception of the Cabo Wabo, Bulldog and Wilderness Trail Distillery trademarks for a total value of €50.8 million at average exchange rate for the period 1 January to 31 December 2024.
In the current macroeconomic circumstances, there was no evidence of significant deterioration of consumer demand affecting business plans. Moreover, there has not been any interruption of the operation of the Group's plants or supply from suppliers or problems with logistics and freight transport activities that the Group was not able to mitigate in the ordinary course of business.
During 2024, there were no issues related to operations in terms of production facilities since all the Group's plants and distilleries remained fully operational. Furthermore, there was no direct impact caused by international conflicts as the Group does not have any production facilities in the countries directly involved.

Provision for risk and charges and onerous contracts

In terms of the assessment of provisions for risks and charges and onerous contracts, significant judgements were used to assess the impact of triggering events. The restructuring provision included in the 2024

Consolidated Financial statements was subject to a thorough evaluation and estimation process, in accordance with IFRS principles, ensuring that recognition and measurement align with the underlying obligations and anticipated costs. No supply chain constraints were detected that should have been reflected in the above assessment.

Taxation
During the year, all material assumptions and estimates considered in the preparation of this annual report were reviewed. In particular tax rates were investigated to check for any changes that occurred during the period in the various tax jurisdictions and any amendments substantially enacted were considered in assessing both current and deferred taxes. The review conducted has not identified any new triggering events that could influence the recoverability of deferred tax assets and the recognition of any additional liabilities for uncertain tax positions or tax risks related to the macroeconomic environment connected with the Russia-Ukraine conflict or concerning climate-related or other environmental matters. With reference to Organisation for Economic Co-operation and Development (‘OECD’) global minimum taxes (‘Pillar two’), the Group updated its assessment confirming no significant amount of current taxes needed to be recorded in the profit or loss for 2024.

v. Principles of control and consolidation

Principles of control
Control is determined when the Group is exposed to or has a right to variable returns resulting from its involvement with the investee, and, at the same time, has the ability to use its power over the investee to affect these returns. Specifically, the Group controls a business if, and only if, it has:
- power over the investee (or holds valid rights that give it the actual ability to manage significant activities of the investee);
- exposure or rights to variable returns resulting from its involvement with the investee;
- the ability to use its power over the investee to affect the size of its returns.

Generally, control is assumed to exist when the Group possesses a majority of the voting rights. In support of this assumption and when the Group holds less than the majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances in assessing whether it controls the investee, including contractual arrangements with other holders of voting rights, rights arising from contractual arrangements, and the Group’s voting rights and potential voting rights.
The Group reassesses whether or not it controls a subsidiary if facts and circumstances indicate that one or more of the three significant elements defining control have changed. Consolidation of a subsidiary begins when the Group obtains direct or indirect control of that subsidiary (or through one or more other subsidiaries) and ceases when the Group loses control therefrom. The assets, liabilities, revenues and costs of the subsidiary acquired or disposed of over the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
Changes in investments in subsidiaries that do not result in acquisition or loss of control are recorded as changes in shareholders’ equity.
If the Group loses control of a subsidiary, the related assets (including goodwill), liabilities, non-controlling interests and other components of shareholders’ equity are derecognised, while any gain or loss is recognised in the statement of profit or loss. Any ownership interest maintained is recorded at fair value.

Principles of consolidation
The consolidated financial statements include the financial statements of Lagfin and of its subsidiaries. All subsidiaries are consolidated on a line-by-line basis. The carrying amount of the equity of the investments in subsidiaries is derecognised against the corresponding portion of the shareholders’ equity of the subsidiaries. At the first consolidation stage individual assets and liabilities are measured at fair value in the context of the purchase price allocation at the date control was acquired. Any residual positive difference in the allocation is recorded under the asset item ‘Goodwill’, and any negative amount is allocated to the statement of profit or loss. The subsidiaries’ financial statements are based on the same financial year as the Parent Company and drawn up for the purposes of consolidation. When necessary, appropriate adjustments are made to subsidiaries’ financial statements to bring them into line with the Group’s accounting policies. Joint-ventures are measured by applying the equity method.
When preparing the consolidated financial statements, unrealised gains and losses resulting from intra-group transactions are derecognised, as are the entries giving rise to payables and receivables, and costs and revenues between the companies included in the basis of consolidation. All intra-group assets and liabilities, shareholders’ equity, revenues, costs and cash flow relating to transactions between Group entities are fully derecognised on consolidation.

All remaining assets and liabilities, expenses and revenues of the subsidiaries are fully reflected in the consolidated financial statements. Unrealised gains and losses generated on transactions with joint-ventures are derecognised to the extent of the Group's percentage interest in those companies. Dividends collected from consolidated companies are derecognised.
The profit (loss) for the year and all other components of the statement of other comprehensive income are attributed to the shareholders of the Parent Company and to non-controlling interests, even if this results in non-controlling interests having a negative value. Non-controlling interests in shareholders' equity and related results are reported under the appropriate items in the primary financial statements.

Basis of consolidation

The following changes were made to the basis of consolidation, resulting from the acquisitions and reorganisation of companies:

- with effective date of merger 1 January 2024, Terrazza Aperol S.r.l. was merged within Campari Mixology S.r.l.;
- on 30 April 2024, Campari completed the acquisition of 100% of Beam Holdings France S.A.S. (now renamed Courvoisier Holding France S.A.S.), which in turn owns 100% of Courvoisier S.A.S., the owner of the Courvoisier brand;
- on May 29 2024, Lagfin purchased 99% of SCI Anden, subsequently renamed SCI Vesper;
- on 30 September 2024, Campari finalised negotiations to acquire the remaining 49% minority interests in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V.;
- on 5 November 2024, Scev des Gloriettes and Sci Athena were merged within Champagne Lallier S.A.S., the effective date of the merger was 1 January 2024;
- on 29 November 2024, Campari acquired the outstanding 49% minority interest in Trans Beverages Company Ltd., subsequently renamed Campari Korea Ltd.;
- on 1 December 2024, Courvoisier Holding France was merged within Courvoisier S.A.S., the effective date of the merger was 1 January 2024;
- on 12 December 2024, Campari acquired the remaining 40% minority interest in Thirsty Camel Ltd. (effectively renamed as Campari New Zealand Ltd. starting from 1 January 2025);

The tables below list the companies included in the basis of consolidation at 31 December 2024.

name of company, activity	registered office	share capital at 31 December 2024		% owned by Lagfin S.C.A.		indirect ownership through
		currency	amount	direct	Indirect	
Lagfin S.C.A., Sociètè en Commandite par Actions, holding company	Rue de Bains 3, Luxembourg	€	3,717,200			
Fully consolidated companies						
Italy						
Campari International S.r.l., trading company	Via Franco Sacchetti 20, 20099 Sesto San Giovanni; Milan, Italy	€700,000			52.966	Davide Campari-Milano N.V. 100%
Campari Mixology S.r.l., trading company	Piazza Duomo 21, 20121 Milan, Italy	€68,880			52.966	Davide Campari-Milano N.V. 100%
Palingenia S.r.l., publishing company	Via Candia 9, Venice, Italy	€300,500		83.195		
Piga S.r.l. , holding company	Corso di Porta Vittoria 18, Milan, Italy	€10,000		50.00		
Telco Real Estate S.r.l., real estate company	Foro Buonaparte 12, Milan, Italy	€10,000		100.00		
Europe and Africa						
10 Chapel Street Ltd., real estate company	71 Queen Victoria Street, London, England	GBP	2,857,813	100.00		
14 Chapel Street Ltd., real estate company	71 Queen Victoria Street, London, England	GBP	2,672,805	100.00		
Campari Austria GmbH, trading company	Naglergasse 1/Top 13,1010 Wien, Austria	€500,000			52.966	Davide Campari-Milano N.V. 100%
Campari Benelux S.A., trading company	Rue aux Laines 70, 1000 Bruxelles, Belgium	€1,000,000			52.966	Glen Grant Ltd. 38.99% Davide Campari-Milano N.V. 100%
Campari Deutschland GmbH, trading company	Adelgundenstr. 7, 80538 Munich, Germany	€5,200,000			52.966	Davide Campari-Milano N.V. 100%
Campari España S.L.U., trading company	Calle de la Marina 16-18, planta 29, Barcelona, Spain	€4,279,331			52.966	Davide Campari-Milano N.V. 100%

name of company, activity	registered office	share capital at 31 December 2024		% owned by Lagfin S.C.A.		indirect ownership through
		currency	amount	direct	Indirect	
Campari RUS LLC, trading company	115088, Moscow, 2nd Yuzhnoportovy proezd, 14/22, Russia	RUB	210,000,000		52.966	Davide Campari-Milano N.V. 100%
Campari Schweiz A.G., trading company	Lindenstrasse 8, 63471 Baar, Switzerland	CHF	500,000		52.966	Davide Campari-Milano N.V. 100%
Campari Ukraine LLC, trading company	8, Illinska Street, 5 Floor, block 8 and 9, Kiev, 4070 Ukraine	UAH	87,396,209		52.966	Campari RUS LLC 1% Davide Campari-Milano N.V. 99%
Glen Grant Ltd., manufacturing and trading company	Glen Grant Distillery, Elgin Road, Rothes, Morayshire, AB38 7BS, United Kingdom	GBP	164,949,000		52.966	Davide Campari-Milano N.V. 100%
Campari Hellas Single Member Societe Anonyme, manufacturing and trading company	6 and E Street, A' Industrial Area, 38500 Volos, Greece	€6,811,220			52.966	Davide Campari-Milano N.V. 100%
Société des Produits Marnier Lapostolle S.A.S., holding company	14 rue Montalivet 75008 Paris, France	€62,941,820			52.966	Davide Campari-Milano N.V. 100%
Campari France S.A.S., manufacturing and trading company	14 rue Montalivet 75008 Paris, France	€262,093,200			52.966	Société des Produits Marnier Lapostolle S.A.S. 100%
Davide Campari-Milano N.V., holding, manufacturing and trading company	Legal domicile: Amsterdam, The Netherlands Corporate address: Via Franco Sacchetti 20, Sesto San Giovanni, Italy	€12,312,677(1)		52.966		
Bellonnie et Bourdillon Successeurs S.A.S., manufacturing and trading company	Zone de Génipa, 97224, Ducos, Martinique	€5,100,000			51.113	Campari France S.A.S.96.53%
Distilleries Agricole de Sainte Luce S.A.S., agricultural production company	Zone de Génipa, 97224, Ducos, Martinique	€2,000,000			51.113	Bellonnie et Bourdillon Successeurs S.A.S. 100%
Halsdon Ltd. , real estate company	71 Queen Victoria Street, London, England	GBP	4,685,338	100.00		
Highball S.à r.l. , real estate company	3 Rue des Bains, Luxembourg	GBP	5,229,747	100.00		
SCEA Trois Rivières, agricultural service company	Zone de Génipa, 97224, Ducos, Martinique	€5,920			51.113	Bellonnie et Bourdillon Successeurs S.A.S. 25% Distilleries Agricoles de Sainte Luce S.A.S 75%
Champagne Lallier S.A.S., manufacturing company	4 Place de la Libération, 51160, Ay, France	€3,778,450			52.966	Campari France S.A.S. 100%
Eric Luc, manufacturing and property company	5 rue Ritterbandt, 51160, A-Champagne, France	€700,000			50.318	Campari France S.A.S. 95%
Courvoisier S.A.S., manufacturing and trading company	2 place du Château, 16200 Jarnac, France	€168,100,293			52.966	Courvoisier Holding France 100%
L. De Salignc & CIE, trading company	2 place du Château, 16200 Jarnac, France	€1,143,750			52.966	Courvoisier S.A.S 100%
D.R. Finance S.à.r.l., financial company	3 Rue des Bains, L-1212 Luxembourg	€10,000,000		51.00		
Negroni Ltd. , real estate company	71 Queen Victoria Street, London, England	GBP	3,000,000		51.00	D.R. Finance S.à.r.l. 100%
Distillerie Charentaise Jubert S.A.S., manufacturing and trading company	12 rue Guy Barat, 16120 Châteauneuf-Sur-Charente, France	€329,400			52.966	Courvoisier S.A.S 100%
SCEA Domaine Guilloteau, agricultural production company	16 rue de la Croix, Les Basses Champagnères, 16200 Les	€10,000			45.021	Courvoisier S.A.S 85%
SCI Feu Rouge, real estate company	33 Boulevard du General Leclerc, Beausoleil	€10,000		99.00		
SCI Sazerac, real estate company	5 bis, avenue Princesse Alice, Monaco	€1,000		99.00		
SCI Vieux Carrée, real estate company	5 bis, avenue Princesse Alice, Monaco	€1,000		99.00		
SCI Vesper, real estate company	5 bis, avenue Princesse Alice, Monaco	€2,000		99.00		
SICA Des Baronnies de Jarnac, agricultural production company(3)	4 place du Château, 16200 Jarnac, France	€116,516			8.676	Courvoisier S.A.S 8.19% Distillerie Charentaise Jubert S.A.S. 8.19%
SICA Quinze des Borderies et Champagnes, agricultural production company(3)	4 place du Château, 16200 Jarnac, France	€168,147			2.871	Courvoisier S.A.S 3.61% Distillerie Charentaise Jubert S.A.S. 1.81%

name of company, activity	registered office	share capital at 31 December 2024		% owned by Lagfin S.C.A.		indirect ownership through
		currency	amount	direct	Indirect	
Association Coopérative des Bouilleurs de Cru, agricultural production company(3)	2 place Du Chateau, 16200 Jarnac France	€248,561			1.038	SCEA Domaine Guilloteau 2.30%
Campari South Africa Pty Ltd., trading company	2nd Floor ICR House Alphen Park, Constantia main road, Constantia, Western Cape 7806, South Africa	ZAR	310,247,750		52.966	Campari España S.L.U. 100%
Americas						
Campari America, LLC, manufacturing and trading company	1114 Avenue of the Americas, 19th Floor New York, 10036 United States	US$	566,321,274		52.966	Davide Campari-Milano N.V. 100%
150 NM Chicago, LLC, real estate company	40 E. Huron St., Chicago, United States of America	US$	16,900,000	100.00		
Bizzy Izzy, LLC, real estate company	915 West Fulton, Chicago, Illinois, United States of America	US$	14,570,000	100.00		
Boulevardier Spritz, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	4,960,000	100.00		
Bourbon Manhattan, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	2,550,000	100.00		
Bourbon Sidecar, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	4,883,471	100.00		
Brown Derby, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	20,000,000	100.00		
Dirty Banana, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	5,848,000	100.00		
Fuzzy Navel, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	1.00	100.00		
Grand 75, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	8,420,000	100.00		
Grand Margarita, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	4,080,000	100.00		
La Rosita, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	4,348,000	100.00		
LG Partners, LLC, holding company	7568 Paseo Vista Pl Monterey, United States of America	US$	2,030,781	100.00		
Longshoreman, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	1.00	100.00		
Portfolio3, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	9,258,400	100.00		
Tehama St, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	928,000	100.00		
Teton Tanya, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	5,723,000	100.00		
Very Old Fashioned, LLC, real estate company	Tri-Star Equities, 155 East 26th Street, New York, United States of America	US$	250,000	100.00		
Wilderness Trail Distillery, LLC, holding company	4095 Lebanon Road Danville, Kentucky 40422 United States	US$	-		37.076	Campari America LLC 70%
Wilderness Trace Distillery, LLC, manufacturing and trading company	4095 Lebanon Road Danville, Kentucky 40422 United States	US$	-		37.076	Wilderness Trail Distillery, LLC 100%
Campari Argentina S.A., manufacturing and trading company	Tucuman, Piso 4 1107 Buenos Aires, Ciudad de Buenos Aires Argentina	ARS	1,179,565,930(2)		52.966	Davide Campari-Milano N.V. 98.81% Campari do Brasil Ltda. 1.19%
Campari do Brasil Ltda., manufacturing and trading company	Alameda Rio Negro 585, Edificio Demini, Conjunto 62, Alphaville-Barueri-SP, Brasil	BRL	36,870,056		52.966	Davide Campari-Milano N.V. 99.9999% Campari Schweiz A.G. 0.0001%

name of company, activity	registered office	share capital at 31 December 2024		% owned by Lagfin S.C.A.		indirect ownership through
		currency	amount	direct	Indirect	
Campari Mexico S.A. de C.V., trading company	Avenida Americas 1500 Piso G-A Colonia Country Club, Guadalajara, Jalisco, 44610 Mexico	MXN	5,525,434,642		52.966	Campari España S.L.U. 99.00% Campari America, LLC 1.00%
Campari Mexico Destiladora S.A. de C.V., manufacturing company	Camino Real a Atotonilco No. 1081, La Trinidad, San Ignacio Cerro Gordo, Jalisco, Z.C. 47195, Mexico	MXN	10,100,000		52.966	Campari Mexico, S.A. de C.V. 99.99% Campari America, LLC 0.01%
Licorera Ancho Reyes y cia, S.A.P.I. de C.V., manufacturing and trading company	Paseo de los Tamarindos No. 90 Edificio Arcos Bosques Torre II-Piso 5C Col. Bosques de las Lomas, 05120, Mexico	MXN	73,972		52.966	Campari España S.L.U. 99.99% Campari Mexico, S.A. de C.V. 0.01%
Casa Montelobos, S.A.P.I. de C.V., manufacturing and trading company	Paseo de los Tamarindos No. 90 Edificio Arcos Bosques Torre II-Piso 5C Col. Bosques de las Lomas, 05120, Mexico	MXN	5,247,771.30		52.966	Campari España S.L.U. 99.99% Campari Mexico, S.A. de C.V. 0.01%
Campari Peru SAC, trading company	Av. Jorge Basadre No.607, oficina 702, distrito de San Isidro, Lima, Peru	PEN	34,733,588		52.966	Campari Espāna S.L.U. 99.92%, Campari do Brasil Ltda. 0.08%
Forty Creek Distillery Ltd., manufacturing and trading company	297 South Service Road West, Grimsby, ON L3M 1Y6 Canada	CAD	105,500,100		52.966	Davide Campari-Milano N.V. 100%
J. Wray and Nephew Ltd., manufacturing and trading company	23 Dominica Drive, Kingston 5, Jamaica	JMD	750,000		52.966	Campari Espāna S.L.U.
Asia						
Campari (Beijing) Trading Co. Ltd., trading company	Building 1, Level 5, Room 66, 16 Chaowai Avenue, Chaoyang District, Beijing, China	CNY	104,200,430		52.966	Davide Campari-Milano N.V. 100%
Campari Australia Pty Ltd., manufacturing and trading company	Level 21, 141 Walker Street North Sydney, 2060, Australia	AUD	56,500,000		52.966	Davide Campari-Milano N.V. 100%
Campari India Private Ltd., trading company	Upper Ground and First Floor Shop No. SG-1 and SF-1, DT Greater Kailash-II, New Delhi 110048, India	INR	172,260		52.966	Davide Campari-Milano N.V. 99.99% Campari Australia Pty Ltd. 0.01%
Campari New Zealand Ltd., trading company	C/o KPMG 18, Viaduct Harbour Av., Maritime Square, Auckland, New Zealand	NZD	10,000		52.966	Campari Australia Pty Ltd. 100%
Thirsty Camel Limited, trading company	c/- Farry Law, Level 11, 152 Quay Street Auckland CBD, 1010, New Zealand	NZD	5,180,000		52.966	Campari Australia Pty Ltd. 100%
Campari Singapore Pte Ltd., trading company	152 Beach Road, #24-06, 1Gateway East, 189721, Singapore	SGD	19,100,000		52.966	Davide Campari-Milano N.V. 100%
Campari Korea Co. Ltd., trading company	5th Floor, 14 Samsung-ro 133-gil Gangnam-gu, Seoul, South Korea, Songpa-gu, Seoul, Korea	KRW	2,000,000,000		52.966	Glen Grant Ltd. 100%
Campari Japan Limited, trading company	107-0062 Tokyo 1-1-1 Minami-Aoyama, Shin Aoyama Bldg West 6F, Minato-Ku Japan	JPY	100,000,000		52.966	Davide Campari-Milano N.V. 100%

(1)The €12,312,677 represents ordinary share capital.

(2)The share capital does not include effects related to the hyperinflation accounting standard

vi. Change in representation

The disclosure of 'Net sales' and 'segment reporting' was reviewed due to the fact that the Group undertook a partial business unit reconfiguration, resulting in the combined EMEA region starting from 1 January 2024. The unified European area is aimed at strengthening the Group's leadership position in this region, unlocking operational and commercial efficiencies. Therefore, to enhance disclosure concerning net sales information, from 2024 the Group is overseen through distinct business units organised by the following geographical regions: 'Americas', 'EMEA' (combining Europe and Southern Europe Developing Markets, Middle East and Africa), and 'Asia-Pacific'. Simultaneously, the Group reorganised its brand clusters, with Espolòn being promoted to global priority brand status effective from the same date. Furthermore, to align with the comprehensive product portfolio review, minor adjustments have been made to the composition of regional priority clusters.
To reflect this change in representation, comparative data for full year 2023 has also been restated accordingly in both disclosures 'Group net sales focus by region' and 'Group net sales focus by priorities', statement of profit or loss and disclosure of selling, general and administrative expenses.
It is noted that the changes in representation do not imply changes in the disclosures provided in the Consolidated Financial statements at 31 December 2023, which remain fully comprehensive and complete.

vii. Change in accounting standards

- Summary of the new accounting standards endorsed and adopted by the Group from 1 January 2024

These amendments applied for the first time in 2024 but did not have a significant impact to be reported on Group's full year Consolidated Financial statements.

Amendment to IAS 1-'Presentation to Financial Statements' including the following:
- 'Classification of Liabilities as Current or Non-current' and 'Deferral of Effective Date' (issued on 23 January 2020 and 15 July 2020 respectively). The amendment specifies the requirements to classify liabilities as current or non-current by clarifying i) what is meant by a right to defer the settlement; ii) that if an entity has the right to roll over an obligation for at least twelve months after the end of the reporting period, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period; iii) that the classification is unaffected by the likelihood that an entity will exercise its deferral right and iv) that the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability.
- 'Non-current Liabilities with Covenants' (issued on 31 October 2022). The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current; while additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

Amendment to IFRS 16-'Leases: Lease Liability in a Sale and Leaseback' (issued on 22 September 2022). A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment specifies how a seller-lessee measures the lease liability, which arises in a sale and leaseback transaction, to ensure that it does not recognise any amount of the gain or loss related to the right-of-use retained. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions.

Amendments to IAS 7-'Statement of Cash Flows' and IFRS 7-'Financial Instruments: Disclosures: Supplier Finance Arrangements' (issued on 25 May 2023) which address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk (note 6- 'ix Explanatory notes to the cash flow statement'.

- Accounting standards, amendments and interpretations that have been endorsed but are not yet applicable/have not been adopted in advance by the Group

The Group is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable.

Amendments to IAS 21-'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability' (issued on 15 August 2023). The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The first application is for annual periods starting on or after 1 January 2025.

- Accounting standards, amendments and interpretations not yet endorsed

The Group is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable. Amendments to IFRS 9 and IFRS 7-'Amendments to the Classification and Measurement of Financial Instruments' (issued on 30 May 2024). The amendments are effective for annual periods starting on or after 1 January 2026 including:

- a clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- additional guidance on how the contractual cash flows for financial assets with ESG and similar features should be assessed;
- clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;
- the introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.

Amendments to IFRS 9 and IFRS 7-'Contracts Referencing Nature-dependent Electricity' (issued on 18 December 2024). The following amendments would enable the contracts relating to nature-based electricity to be better recognised in companies' financial statements:

- clarification of the application of the own use exemption to these contracts;
- amendment of the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met;
- introduction of additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flow.

The amendments are effective for annual periods starting on or after 1 January 2026.

Annual Improvements to IFRS Accounting Standards-Volume 11 (issued on 18 July 2024). Includes amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. The amendments contained in the Annual Improvements relate to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments are effective for annual periods starting on or after 1 January 2026, with earlier application permitted.

IFRS 18-'Presentation and Disclosure in Financial Statements' (issued on 9 April 2024). IFRS 18 replaces IAS 1-'Presentation of Financial Statements', introducing new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures ('MPMs'), which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.
In addition, narrow-scope amendments have been made to IAS 7-'Statement of Cash Flows', which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. The amendments are effective for annual periods starting on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

3. Results for the period

This section details accounting policies for net sales, operating segment, cost of sales, point of sale materials, personnel costs, depreciation and amortisation, financial income and expenses, lease components share of profit (loss) of joint ventures, as well as taxation. Judgements and estimates are stated regarding taxation.
This section discloses the information on costs and revenues, gain and losses affecting the results and performance for the period ended 31 December 2024, as well as financial information for taxation and joint ventures.

i. Net sales

Accounting policy
Revenue recognition
Revenues are recognised when the customer gains control of the goods. Transfer of control is determined using a five-step analytical model applied to all revenues from customer contracts.
This occurs when the goods are delivered to the customer, who has complete discretion over the sales channel and price of the products themselves, and there is no unfulfilled obligation that could affect acceptance by the customer. Delivery takes place when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract, the terms and conditions of acceptance have expired, or the Group has objective evidence that all criteria for acceptance have been met. The Group's revenues mainly include sales of spirits on the market and, to a marginal extent, revenues from co-packing services in some way linked to the Group's core business, for which the breakdown of sales is not disclosed in consideration of their limited importance.

Revenues are recognised at the price stated in the contract, net of any estimates of deferred discounts or incentives granted to the customer in line with industry practice, for example:
- volume/value discounts based on cumulative sales above a threshold at the end of a given period;
- performance-based discounts (such as discounts, rebates, performance bonuses, logistical discounts), based on promotional activities carried out by the customer and agreed upon in advance;
- customer incentives, such as discount vouchers, free products, price protection, market development allowances and price reduction allowances (to compensate for low sales);
- product placement allowances (such as contributions for placement and range).

Historical experience is used to estimate deferred discounts/incentives based on agreements with clients, and revenues are recognised only to the extent that it is highly probable that there will be no need for subsequent significant adjustments.

No financing element is deemed to be present as sales are made with only a brief delay before payment: contracts are generally not entered into when there is more than one year between the transfer of the goods and the payment by the customer.
Discounts relating to specific payment terms that lower the Group entity's collection risk or reduce administrative costs, and/or improve liquidity (such as payments at the time of sale) are recognised as a reduction in revenue. A liability reducing the related trade receivable is recognised for deferred discounts due to customers in relation to sales made up to the end of the period. Such liabilities can then be offset against the amounts payable by the customer.
Receivables are recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Consumption taxes recognition
The Group incurs consumption taxes worldwide. In most jurisdictions, excise duty is a production tax that is payable by the manufacturer, becomes payable when the product is removed from captive warehouses, and is not directly related to the sales value: the excise duty is consequently recognised as a cost for the Group. Excise duties are normally recovered through the sales, although they are generally not shown as a separate item on external invoices. Excise duty increases are not always passed on to the customer, and if a customer does not pay for the product received, the Group cannot request a refund of the excise duty. For excise duties passed on to customers, the Group considers itself an agent of the regulatory authorities, and consequently, the re-invoiced excise values are excluded from the presentation of net sales in the primary statements and are presented to offset the cost incurred by the Group.

Net sales presentation
Net sales relate to spirit products in Group's markets. Their nature, amount, timing and uncertainty, as well as the corresponding cash flows, are affected by economic and business factors which differ across markets, also as a function of their different sizes and maturity profiles. These elements are primarily attributable to demographics, consumption habits also influenced by historical, social and climatic factors, local consumer taste preferences, propensity to consume, the market commercial structure in terms of the weight of the distribution channels (off-premise vs. on-premise) as well as the retailers' concentration. As an effect of the above factors, the sales composition by brand differs from market to market. Therefore, the level of analysis of sales by operating segments reflects the four geographical areas.
In order to highlight the main business performance drivers in a diversified context and to assess the contribution of the different brands to the overall sales performance of the Group, further breakdowns by brand category (global, regional and local brands) and for major brands are provided to better explain their contribution to the region.

The categorisation of brands into three main clusters (global priorities, regional priorities and local priorities) is based on their scale, growth potential and business priority.

Rental income recognition
The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Disclosure
Net sales, which almost entirely relate to the sale of spirits, totalled €3,096.2 million at total Group level, compared with €2,946.9 million in the previous year. The year 2024 showed solid growth driven by Global Priorities, primarily in the Americas and EMEA, in a softened market context.
To highlight the main business performance drivers in a geographically diversified context and assess the contribution of the newly acquired brands to the overall sales performance of the Group, further breakdowns by brand category and for major brands are provided below to explain better their contribution to the region and the main related market. The categorisation of brands into three main clusters is based on the brands' geographic scale, business priorities and growth potential.

	for the years ended 31 December	
Net sales focus by region	2024	2023
	€ million	€ million
Americas	1,410.4	1,294.6
EMEA	1,469.3	1,422.2
Asia-Pacific	216.5	230.2
Total	**3,096.2**	**2,946.9**

	for the year ended 31 December[1]	
	2024	2023
	€ million	€ million
global priority brands	**2,050.2**	**1,897.4**
Aperol	740.9	703.5
Campari	337.4	309.6
Espolòn	264.6	233.2
Wild Turkey portfolio[2][3]	215.7	226.9
Jamaican rums portfolio[4]	147.1	156.5
Grand Marnier	144.7	143.2
SKYY[2]	127.3	124.4
Courvoisier[5]	72.5	-
regional priority brands	**563.7**	**570.1**
Sparkling Wines, Champagne&vermouth	176.4	158.8
Other specialities[6]	278.0	289.8
Other whisk(e)y[7]	45.2	57.7
Crodino	64.0	63.9
local priority brands	**188.2**	**191.1**
Campari Soda	77.0	78.7
Wild Turkey ready-to-drink[8]	48.7	48.6
SKYY ready-to-drink	36.8	40.8
Ouzo 12	25.7	23.0
rest of the portfolio	**267.6**	**259.9**
total	**3,069.7**	**2,918.6**

[1] This table disclose only the Net sales recorded at Davide Campari Milano N.V. Group level. For information on reclassifications of comparative figures, refer to note 'Group significant events and corporate and sustainable actions'.

[2-3-4-5-6-7-8] For notes from 2 to 8, please refer to the following disclosure table.

While the global priority cluster includes brands with a globally diversified geographic exposure (either current or potential), regional priorities are concentrated in a limited number of countries within the same region and local priorities focus on one main domestic market.

	for the year ended 31 December 2024	
	percentage of Group sales	main region/markets for brands
global priority brands	**66.8%**	
Aperol	24.1%	-
		Italy, EMEA
		Germany, EMEA
		US, AMERICAS
		France, EMEA
		United Kingdom, EMEA
Campari	11.0%	-
		Italy, EMEA
		Brazil, AMERICAS
		US, AMERICAS
		Germany, EMEA
		Jamaica, AMERICAS
Espolòn	8.6%	-
		US, AMERICAS
		Australia, APAC
		Canada, AMERICAS
		Italy, EMEA
		GTR, EMEA
Wild Turkey portfolio(1)(2)	7.0%	-
		US, AMERICAS
		Australia, APAC
		South Korea, APAC
		Japan, APAC
		Canada, AMERICAS
Jamaican rums portfolio(3)	4.8%	-
		Jamaica, AMERICAS
		US, AMERICAS
		United Kingdom, EMEA
		Canada, AMERICAS
		Mexico, AMERICAS
Grand Marnier	4.7%	-
		US, AMERICAS
		Canada, AMERICAS
		France, EMEA
		GTR, EMEA
		Italy, EMEA
SKYY(1)	4.1%	-
		US, AMERICAS
		Argentina, AMERICAS
		Germany, EMEA
		China, APAC
		South Africa, EMEA
Courvoisier(4)	2.4%	-
		US, AMERICAS
		United Kingdom, EMEA
regional priority brands	**18.4%**	**-**
Sparkling Wines, Champagne&vermouth	5.7%	
Other specialities(5)	9.1%	
Other whisk(e)y(6)	1.5%	
Crodino	2.1%	
local priority brands	**6.1%**	-
Campari Soda	2.5%	
Wild Turkey ready-to-drink(7)	1.6%	
SKYY ready-to-drink	1.2%	
Ouzo 12	0.8%	
rest of the portfolio	**8.7%**	**-**
total	**100.0%**	**-**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
(4) Excluding Salignac.
(5) Includes Braulio, Cynar, Averna, Frangelico, Del Professore, Ancho Reyes, Montelobos, Cabo Wabo, Bisquit&Dubouché, Bulldog, Trois Rivières, Picon, Maison La Mauny, Magnum Tonic, Aperol Spritz ready-to-enjoy and X-Rated Fusion Liqueur.
(6) Includes The GlenGrant, Forty Creek and Wilderness Trail.
(7) Includes American Honey ready-to-drink.

ii. Operating segment

Accounting policy

For management purposes, the Group is organised into business units and has three reportable segments. Each segments' business results, their nature, amount, timing and uncertainty as well as the related cash flow, are affected by economic factors influenced by homogeneous elements primarily attributable to geographical areas' features, although markets have different sizes and maturity profiles. Secondarily, the resource allocation to each region, particularly the investment in brand-building and the distribution capabilities, is driven by the development of brand clusters (global, regional and local) and the related breakdown by brands. The level of profitability analysed is, therefore, the operating result by the following regions: Americas ('AMERICAS'), Europe, Middle-East and Africa ('EMEA') and Asia-Pacific ('APAC'). The profitability of each region reflects the profit generated by the Group through sales to third parties in that region, thereby eliminating the effects of inter-company margins. In terms of financial position, the goodwill is assigned to operating segments reflecting the allocation defined at the time of the related business acquisition.

Disclosure

Segment reporting

for the year ended 31 December 2024	Americas	EMEA	Asia-Pacific	total allocated	non-allocated items and adjustments	consolidated
	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third-parties	1,410.4	1,469.3	216.5	3,096.2	-	3,096.2
Net sales between segments	74.9	255.1	0.1	330.0	(330.0)	-
Total net sales	**1,485.3**	**1,724.4**	**216.6**	**3,426.2**	**(330.0)**	**3,096.2**
Segment result	**212.6**	**189.4**	**(29.8)**	**372.2**	**-**	**372.2**
Operating result	-	-	-	-	-	372.2
Financial income (expenses)	-	-	-	-	(90.7)	(90.7)
Share of profit (loss) of joint-ventures	-	-	-	-	(59.5)	(59.5)
Taxation	-	-	-	-	(60.8)	(60.8)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**161.1**
Non-controlling interests	-	-	-	-	88.9	88.9
Group profit for the period	**-**	**-**	**-**	**-**	**-**	**72.2**

for the year ended 31 December 2023	Americas	EMEA	Asia-Pacific	total allocated	non-allocated items and adjustments	consolidated
	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third parties	1,294.6	1,422.2	230.2	2,946.9	-	2,946.9
Net sales between segments	72.7	558.9	0.1	631.8	(631.8)	-
Total net sales	**1,367.3**	**1,981.1**	**230.3**	**3,578.7**	**(631.8)**	**2,946.9**
Segment result	**232.9**	**300.5**	**(4.6)**	**528.7**	**-**	**528.7**
Operating result	-	-	-	-	-	528.7
Financial income (expenses)	-	-	-	-	(109.0)	(109.0)
Share of profit (loss) of joint-ventures	-	-	-	-	(8.3)	(8.3)
Taxation	-	-	-	-	(107.6)	(107.6)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**303.7**
Non-controlling interests	-	-	-	-	149.6	149.6
Group profit for the period	**-**	**-**	**-**	**-**	**-**	**154.2**

The operating result by region also embedded costs accrued and related to a restructuring program. This initiative is among several strategic measures aimed at enhancing performance, alongside efforts to drive growth, improve profitability, streamline processes and contain costs. The total cost amounting to €102.6 million as also indicated in the 'Selling, general and administrative expenses', was split as follows among the three reportable segments: EMEA for €80.3 million, Americas for €18.6 million and APAC for €3.7 million.

Geographical information

Information about geographical areas		Non-current non financial assets [*] - 2024	2023
		€ million	€ million
country of domicile	**Italy**	**983.7**	**1,013.3**
other countries		**5,290.6**	**3,875.1**
	United States	2,055.3	1,863.1
	France	1,565.9	715.1
	Jamaica	362.2	291.8
	Mexico	229.6	227.4
	Brazil	47.5	53.9
	other	1,030.0	723.8
total		**6,274.3**	**4,888.4**

Information about geographical areas		Net sales to third-parties 2024	2023
		€ million	€ million
country of domicile	**Italy**	**470.4**	**502.8**
other countries		**2,625.7**	**2,444.1**
	United States	882.1	825.0
	Germany	253.2	240.1
	Jamaica	148.2	151.0
	France	160.3	171.7
	Australia	115.8	123.2
	other	1,066.1	933.7
total		**3,096.2**	**2,946.9**

[*] Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets.

iii. Cost of sales

Disclosure

	for the years ended 31 December 2024	2023
	€ million	€ million
Materials and manufacturing costs	1,164.3	1,068.8
Distribution costs	170.4	181.1
Total cost of sales	**1,334.7**	**1,250.0**
Breakdown by nature		
Raw materials and finished goods acquired from third parties	844.1	772.4
Inventory write-downs	19.4	20.6
Personnel costs [1]	139.4	115.7
Depreciation/amortisation [1]	81.6	68.3
Utilities	30.5	33.7
External production and maintenance costs	41.7	41.2
Variable transport costs	125.1	133.7
Other costs	52.9	64.4
Total cost of sales	**1,334.7**	**1,250.0**

[1] For an analysis of personnel costs and depreciation and amortisation components by nature, please see also the breakdown of personnel costs in notes 3 vii-'Personnel costs' and 3 viii-'Depreciation and amortisation.

As a percentage of net sales, the cost of sales was broadly in line with the previous year and increased from 42.4% of 2023 to 43.1% in 2024.

iv. Advertising and promotional costs

Accounting policy

Point of sale materials are charged to advertising and promotional costs at the time when the items are purchased.

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Merchandising and promotional costs	201.6	183.4
Advertising spaces	143.6	137.2
Media production	22.5	22.5
Sponsorships, testimonial, influencers and events	106.4	117.1
Research and innovation	25.4	23.1
Trade allowance for promotional purposes	(3.9)	(5.6)
Depreciation/amortisation(1)	4.5	3.4
Personnel costs(1)	6.4	4.9
Other advertising and promotional costs	7.2	8.1
Total advertising and promotional costs	**513.3**	**494.1**

(1) For an analysis of personnel costs and depreciation and amortisation components by nature, please see also the breakdown of personnel costs in notes 3 vii-'Personnel costs' and 3 viii-'Depreciation and amortisation'.

Advertising and promotional expenses accounted for 16.6% of net sales, amounting to €513.3 million in 2024. This marked an overall increase of €19.2 million compared to 2023, when they stood at 16.8% of net sales. The investment mainly reflected increased sponsorship, testimonial and influencer expenses related to initiatives in line with the Group's focus on digital brand-building activities undertaken primarily on the on-premise channel.

v. Public grants

In 2024, operating grants for an overall €1.3 million (€2.6 million in 2023) were recorded in the statement of profit or loss. These public contributions were mainly due to the financing of marketing activities for the promotion of quality wines in non-EU countries, as well as for the support of industrial investments and sugar cane plantations in Martinique.

vi. Selling, general and administrative expenses

Disclosure

	for the year ended 31 December	
	2024	2023
	€ million	€ million
Personnel costs(1)	508.0	384.0
of which:	-	-
Restructuring and reorganization costs	102.6	17.7
Last mile long-term incentive schemes with retention purposes(2)	2.5	10.0
Services, maintenance and insurance	130.5	119.3
of which:	-	-
Non-recurring costs related to IT system implementation	-	13.3
Finance transformation	4.9	-
Net expenses from acquisition/disposals of business or companies and indemnities from contract resolutions	12.3	4.4
Restructuring and reorganization costs	-	0.2
Other net (gain) expenses	1.9	3.5
Travel, business trips, training and meetings	53.6	56.8
Depreciation/amortisation(1)	60.2	47.6
Agents and other variable sales costs	5.8	2.6
Utilities, fuel and insurance	8.3	7.6
Board fees and indemnities	6.0	7.9
Charges for use of third-party assets	5.7	4.9
Other	97.9	44.3
of which:	-	-
Net expenses from acquisition/disposals of business or companies and indemnities from contract resolutions	25.9	12.6
Impairment of assets	56.8	11.9
Net penalties or gains arising from the settlement of tax and legal disputes	5.2	8.4
Ukraine and Russia conflict costs	-	2.3
Restructuring and reorganization costs	-	1.7
Capital (gains) losses on the disposal of tangible and intangible assets	0.1	(7.6)
Other net (gain) expenses	0.6	0.2
Total selling, general and administrative expenses	**876.0**	**674.1**

At 31 December 2024, the total selling, general and administrative expenses amounted to €876.0 million, showing an increase of €201.9 million compared to the figures reported in 2023, mainly related to personnel, services, maintenance and insurance costs, depreciation and other cost.

The expenses incurred during the year include components that may be considered non-representative of the current operating results and are therefore highlighted separately. They are represented as adjusting transactions for the purposes of alternative performance indicators considered in the Management Board Report. Throughout the year 2024, they comprised a net expense of €212.6 million compared with €78.5 million reported in 2023 (for details on previous year disclosure please refer to 2023 Annual Report). The primary factors impacting 2024 were attributable to impairment of brands and fixed assets (€56.8 million), acquisition costs (totalling €12.3 million included in Net expenses from acquisition/disposals of business or companies) primarily related to the Courvoisier deal, penalties from the settlement of legal disputes (€6.8 million), non-recurring costs linked to finance transformation (€4.9 million), last-mile long-term incentive schemes with retention purposes to be potentially awarded to senior management (€2.5 million), to restructuring initiatives (€102.6 million) as well as associated route-to-market changes (€24.4 million included in Net expenses from acquisition/disposals of business or companies). The restructuring is one of several key initiatives designed to enhance performance, alongside efforts to accelerate growth and profitability through focus, process simplification, and cost containment. This initiative, included in the 2024 Consolidated Financial statements, underwent a thorough evaluation and estimation process, ensuring alignment with applicable accounting principles and anticipated costs.

vii. Personnel costs

Accounting policy

For detailed information on the accounting policy on post-employment plans and share-based payments, please refer to note 7 v.-'Share-based payments', 8 iv-'Defined benefit and contribution plans', respectively

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Salaries and wages	418.6	364.9
Social security contributions	88.1	76.2
Cost of defined contribution plans	15.8	13.5
Cost of defined benefit plans	0.7	1.3
Other costs relating to mid/long-term benefits	0.6	0.5
Cost of share-based payments	27.1	22.1
Other personnel costs(1)	102.8	26.1
Total personnel costs	**653.7**	**504.6**
of which:		
Included in cost of sales	139.4	115.7
Included in selling, general and administrative expenses	507.9	384.0
Included in advertising and promotional expenses(2)	6.4	4.9
Total personnel costs	**653.7**	**504.6**

(1) Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purpose to be potentially awarded to the current CFO has been approved by the Parent Company's corporate bodies. For more information, refer to the section 'Governance' in the Campari Group annual report for the year ended 31 December 2024

(2) Includes personnel costs relating to the management of brand houses.

At 31 December 2024, personnel costs, totalled €653.7 million, with an increase of €149.1 million in comparison to the figures disclosed in the preceding year. Notably, when expressed as a percentage of sales, these costs accounted for 21.1% overall, compared to 17.1% reported in 2023 with the increase primarily driven by restructuring initiatives for €102.6 million (refer to note 3 vi.-'Selling, general and administrative expenses'). The total personnel costs also included the expenses associated with last-mile long-term incentive schemes with retention purposes to be potentially awarded to senior management (€2.5 million).

viii. Depreciation and amortization

Accounting policy

For detailed information on the accounting policy, please refer to note 6 vii-'Lease components in the statement of financial position', 4 ii-'Property, plant and equipment, right of use assets and biological assets', 4 iv-'Intangible assets' and 8 iii-'Fair value information on assets and liabilities'.

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
- Property, plant and equipment	75.4	62.6
- Right of use assets	2.8	2.3
- Intangible assets	3.4	3.3
Depreciation and amortisation included in cost of sales	**81.6**	**68.2**
- Property, plant and equipment	10.9	10.1
- Right of use assets	14.7	12.8
- Intangible assets	16.0	15.7
Depreciation and amortisation included in selling, general and administrative expenses	**41.6**	**38.6**
- Property, plant and equipment(1)	3.2	2.1
- Right of use assets	1.1	1.2
- Intangible assets	0.2	0.1
Depreciation and amortisation included in advertising and promotional expenses	**4.5**	**3.4**
- Property, plant and equipment	18.0	8.2
- Right of use assets	-	-
- Intangible assets	-	-
Depreciation and amortisation included in other expenses	**18.0**	**8.2**
- Property, plant and equipment(1)	108.1	83.0
- Right of use assets	18.6	16.3
- Intangible assets	19.6	19.1
Total depreciation and amortisation in the statement of profit or loss	**145.7**	**118.4**

(1)This item included depreciation of biological assets.

ix. Research and innovation costs

Accounting policy

Costs incurred in research, in developing alternative products or processes, or in conducting technological research and development are recognised in profit or loss in the period in which they are incurred under advertising and promotional costs.

Disclosure

The Group's research and development activities are related solely to ordinary production and commercial activities, namely ordinary product quality control and packaging studies in various markets. The research and innovation costs totalling €25.4 million in 2024 (€23.1 million in 2023) are recognised in the statement of profit or loss for the year they are incurred.

x. Financial income and expenses

Accounting policy

Financial income and expenses include interest income and charges in respect of financial instruments and the results of hedging transactions used to manage interest rate risk. Borrowing costs are recognised in the income statement based on the effective interest method. The remaining financial components include items in respect of post-employment plans, the discount unwind of long-term obligations and hyperinflation charges. The exchange gain or loss are inclusive of derivatives agreement impacts, excluding cash flow hedges that are used to cover the currency risk of highly probable future currency transactions.

For detailed information on the accounting policy for financial instruments, please refer to note 6 i.-'Financial instruments'

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Interest expenses on bonds	(67.4)	(23.6)
Interest expenses on leases	(67.6)	(43.9)
Interest expenses on loans	(47.8)	(32.5)
Total interest expenses	**(182.7)**	**(100.0)**
Bank and term deposit interests	41.7	23.5
Other income	-	74.7
Other income from transferable securities	117.3	32.3
Total financial income	**159.0**	**130.5**
Bank expenses	(10.1)	(4.2)
Loss on disposal of transferable securities	(66.9)	(17.7)
Loss on derivative financial instruments	(6.7)	(55.4)
Other charges and exchange rate differences	-	(18.4)
Other expenses	(2.4)	(35.0)
Total financial expenses	**(86.0)**	**(130.7)**
Net financial income (expenses) before exchange gain (losses), hyperinflation effects and put option	**(109.7)**	**(100.2)**
Exchange rate differences	6.8	(19.2)
Total financial income (expenses) before hyperinflation and put option	**(102.9)**	**(119.4)**
Discounting from put option liabilities and change in estimate	(1.0)	1.4
Financial income on tax assessment	0.5	-
Hyperinflation effects	12.6	8.9
Net financial income (expenses)	**(90.7)**	**(109.1)**

Net financial income (expenses), which included the effects of exchange rate differences and hyperinflation, reported a total net cost of €90.7 million, with a decrease of €18.4 million compared to the same period in 2023.

Focusing on the main components in 2024, interest expenses stood at €182.7 million compared to €100.0 million reported in the same period of 2023. This increase was mainly attributable to a higher level of average net debt reported at 31 December 2024 compared with the same period of 2023, combined with the overall rise in interest rates, which particularly affected the new bond issued in 2024 by Davide Campari Milano N.V. and the new term loans subscribed in 2024. The costs have been only partially offset by income deriving from short-term deposits, including deposits held in the first part of the year before the completion of the Courvoisier business acquisition (for detailed information, please refer to the 'Significant events of the period' paragraph in the management board report).
With regards to exchange rate differences, the main driver leading to a variance in exchange rate of €26.0 million on 2023 were the realized exchange gain on Financial assets held in USD that were partially off-set by cross-currency transactions involving certain emerging market currencies (mainly Argentine Peso) for which hedging would not be cost-efficient hence not activated by the Group.

The breakdown of interest payable to bondholders of Lagfin S.C.A., Société en Commandite par Actions-Italian Branch and Davide Campari Milano N.V. is shown in the table below.

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Financial expenses payable to bondholders	(58.1)	(21.4)
Net changes in fair value and other amortised cost components	(10.1)	(0.9)
Cash flow hedge reserve reported in the statement of profit or loss during the year	0.8	(1.3)
Net interest payable on bonds	**(66.6)**	**(23.6)**

xi. Leases components in the statement of profit or loss

Accounting policy
For detailed information on the accounting policy, please refer to note 6 vii.-'Lease components in the statement of financial position'.

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Interest on lease payables	3.7	3.3
Depreciation and amortisation on right of use underlying assets	18.6	16.3
Variable lease payment not included in measurement of lease liability	14.2	15.7
Expenses related to short-term leases	2.3	1.4
Expenses related to low-value leases	4.8	4.9
Total lease components in the statement of profit or loss	**43.5**	**41.6**

The borrowing costs associated with the acquisition of this qualified asset amounted to €0.2 million.
Variable leases continued to be included in the statement of profit or loss. They mainly referred to warehouses for storing products, information technology equipment and some production equipment in addition to the use of agricultural land. For further details of contractual commitments for the use of third-party assets that are not recognised using lease accounting, please refer to note 8 ii-'Commitments and risks'.

xii. Share of profit (loss) of joint ventures and associates

Accounting policy

Joint-venture recognition

A joint-venture exists where there is a joint-control agreement under which the parties that hold joint control, have a right to the net assets covered by the agreement.
Joint control is the contractually agreed sharing of control under an agreement, which solely exists when decisions on relevant activities require unanimous consensus from all the parties sharing control. The factors considered to determine significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Joint-ventures measurement

These companies are initially recognised at cost plus acquisition-related costs and are subsequently reported in the Consolidated Financial statements using the equity method from the date on which significant influence or joint control commences and ending when that influence or control ceases.
If there is a significant loss of influence or joint control, the holding and/or investment is recognised at fair value and the difference between the fair value and the carrying amount is recorded in the statement of profit or loss.
Any committed payments to increment the ownership interest in a joint-venture, in the form of a put and/or call option or a combination of both, cannot be estimated and recorded as a financial liability at the time of the transaction since the guidance valid for financial instruments does not apply to interests in joint-ventures that are accounted for using the equity method. These written agreements for put and/or call options are derivative agreements and represented in the Group accounts as financial instruments measured at fair value with an impact in the statement of profit or loss. At that time of expiration of the call and/or put options, the derivatives will be replaced by an increased value of the investment to be recorded against the cash out for the derivative settlement.
Contingent or variable and committed payments also in the form of an incentive plan granted to personnel of the joint-venture are recorded as an incremental cost of the investment once the attainment of the performance condition becomes probable, based on the fair value of the replacement award as of the acquisition date.
The Group assesses the existence of any impairment indicators whenever events or circumstances indicate that the carrying amount of the investment may not be recoverable; any impairment loss is allocated to the investment with effect in the statement of profit or loss. If the Group's interest in any losses of joint-ventures exceeds the carrying amount of the equity investment in the financial statements, the value of the equity investment is derecognised, and the Group's portion of further losses is not reported, unless, and to the extent to which, the Group has a legal or implicit obligation to cover such losses.

Disclosure

The joint-ventures at 31 December 2024 are listed below.

name, activity	registered office	share capital at 31 December 2024[1]		% owned by the company		direct shareholder
		currency	amount	direct	indirect	
Dioniso S.r.l., holding and trading company	Via Franco Sacchetti, 20 Sesto San Giovanni; Milan, Italy	€	1,000,000	50		
Spiritus Co Ltd., trading company	4F., No, 70, Sec. 3, Nanjing E. Rd Zhongshan Dist, Taipei City 104503, Taiwan (R.O.C.)	TWD	33,600,000		40	Glen Grant Ltd.

[1] Data from last approved financial statements.

€ million	investment in joint-ventures
at 31 December 2023	**32.6**
Share of profit (loss)	(34.8)
Capital injection	11.0
at 31 December 2024	**8.8**

€ million	investment in joint-ventures
at 31 December 2022	**36.0**
Perimeter effect for acquisition	3.8
Share of profit (loss)(1)	(8.3)
Increase in interests	5.0
Reclassification of previous Japan investment	(3.8)
at 31 December 2023	**32.6**

(1) The share of result does not include the cost associated with the provision recorded to offset the cumulated losses generated by the Japan joint-venture for €0.2 million.

During the year, a capital injection of €11.0 million into the Dioniso joint-venture, equally supported by Moët Hennessy, was completed. For the year ended 31 December 2024, the Group recorded a loss of €34.8 million (€8.3 million loss in 2023) resulting from the share of negative results of joint-ventures applying the equity method for all its interests and mainly driven by the non-recurring recognition of impairment loss over joint-venture's intangible assets. Under the share of profit from joint-ventures and other investments line (totalling €59.5 million in 2024) additional losses for €24.7 million related to operating investments in agency brand initiatives were recorded.
The following table includes the breakdown of interests in joint-ventures.

name of entity	country of business	% of ownership interest	nature of relationship	measurement method	currency	carrying amount	
						31 December	
						2024	2023
						€ million	€ million
Dioniso Group	Italy	50 %	*Joint-venture*	Equity method	EUR	8.5	32.2
Spiritus Co. Ltd.	Taiwan	40 %	*Joint-venture*	Equity method	TWD	0.3	0.4
Total investments in joint-ventures						**8.8**	**32.6**

The key financials, asset and profit or loss figures for the joint-ventures are shown in the tables below.

Highlights-Dioniso Group	at 31 December 2024	at 31 December 2023
	€ million	€ million
Revenues	60.5	64.6
Net income (loss) of the period	(63.6)	(16.6)
Total assets	57.1	116.9
Net assets from local financial statements	31.6	72.0
Adjustments for equity method	(14.6)	(7.8)
Underlying net assets for Lagfin Group	17.0	64.2
Group's share of net assets (50%)	**8.5**	**32.1**

Highlights-Spiritus Co. Ltd.	at 31 December 2024		at 31 December 2023	
	€ million	Taiwan dollar million	€ million	Taiwan dollar million
Revenues	2.1	72.4	2.6	86.0
Net income (loss) of the period	(0.3)	(11.4)	-	1.2
Total assets	2.5	86.1	2.5	83.4
Underlying net assets for Lagfin Group	0.7	23.1	1.0	35.3
Group's share of net assets (40%)	**0.3**	**-**	**0.4**	**-**

The associates are listed below.

name, activity	share capital at 31 December 2024		% owned by the company		direct shareholder
	currency	amount	direct	indirect	
Opera Participations 2 S.C.A.	€	375,236	1.3%		Lagfin S.C.A.
Il Portico S.p.A.	€	400,000	9.877%		Lagfin S.C.A.

name of entity	nature of relationship	measurement method	currency	2024 €million
Opera Participations 2 S.C.A.	*Associates*	Equity method	EUR	0.4
Il Portico S.p.A.	*Associates*	Equity method	EUR	0.4

xiii. Taxation

Accounting policy

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments and due to items that are never taxable or tax deductible. Tax benefits are not recognised unless it is probable that the tax positions are sustainable.
In preparing the taxation estimates, a detailed assessment is performed considering uncertainties regarding the tax treatment of transactions carried out, which could give rise to disputes with the tax authorities with related tax liabilities included in current liabilities. Current tax assets and liabilities are offset when these relate to income taxes levied by the same tax authority and a legal right of set-off exists, provided that the realisation of the asset and the settlement of the liability take place simultaneously.
Other non-income taxes, such as property and capital taxes, are included in operating expenses. Penalties and interest on tax liabilities are included in other operating income and expenses and financial income and expenses, respectively unless they qualify as income taxes based on local legislations, being in that case classified as income taxes.

Deferred tax assets and liabilities are calculated on all temporary differences between the asset and liability values recorded in the financial statements and the corresponding values recognised for tax purposes using the liability method. No deferred tax liability is provided in respect of any future dividend distributions of foreign subsidiaries where the Group is able to control those and it is probable that earnings will not be remitted in the foreseeable future or where no liability would arise on the remittance

Disclosure

	for the years ended 31 December	
	2024	2023
	€ million	€ million
- current taxes for the year	(102.1)	(106.4)
- current taxes relating to previous years	16.3	2.8
- deferred tax expenses	19.6	(4.2)
- accruals and release for tax risks	5.4	0.2
Taxes recorded in the statement of profit or loss	**(60.8)**	**(107.6)**
Taxes recorded in the statement of other comprehensive income	**1.3**	**5.5**

Reconciliation of tax expenses

The table below shows a reconciliation of the Group's theoretical tax liability with its actual tax liability. Considering the complexity of the global taxation rate applicable to Group companies, the theoretical rate used in preparing the reconciliation is that applicable for the Parent company. The rate in force on the reporting date is the Luxembourg corporate income tax of 24.94%, while the regional production tax, which is applicable to Luxembourg companies, has been taken into account as a permanent difference.

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Profit before taxation	**221.9**	**411.4**
Applicable tax rate in Luxembourg	-24.94%	-24.94%
Theoretical Group taxes at current tax rate in Italy	**-55.3**	**-102.6**
Difference in tax rate of Group companies	(13.5)	(24.0)
Permanent differences	(12.2)	1.4
Italian Patent Box tax benefit	24.9	
Tax incentives	-	2.1
Net releases to tax provision	5.1	0.2
Tax on future dividend distributions	(2.9)	(16.6)
Taxes relating to previous financial years	3.8	11.7
Other consolidation differences	-	17.1
Item with different theoretical tax rate	(10.7)	3.1
Actual tax charge	**(60.8)**	**(107.6)**
Actual tax rate	**-27.4%**	**-26.2%**

Taxation recorded in the statement of profit or loss totalled €60.8 million with decrease of €46.8 million compared to 2023 (€107.6 million). The reported tax rate in the 2024 period was 27.4%, compared to a reported tax rate of 26.2% in 2023.

Breakdown of deferred taxes by type

	at 31 December		
	2024 € million	*of which perimeter effect*[(1)] € million	2023 € million
Deferred tax assets	114.9	-	91.4
Deferred tax liabilities	(501.4)	(72.9)	(406.2)
Net deferred tax	**(386.5)**	**(72.9)**	**(314.8)**

[(1)]Of which represented in IFRS3 as €10.0 million deferred tax assets and €(82.9) million deferred tax liabilities.

	31 December		for the year ended 31 December					
	2024	2023	2024	2023	2024	2024	2023	2023
					statements of other comprehensive income			
	statement of financial position		statement of profit or loss		of which OCI variations	of which exchange rate and reclassifications	of which OCI variation	of which exchange rate and reclassifications
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Deferred expenses	16.2	16.3	(0.3)	7.1	-	0.3	-	(0.2)
Provisions for risk and charges	81.8	56.9	18.8	7.8	-	6.0	-	(3.9)
Tax losses carried forward	30.5	24.6	7.6	(1.5)	-	(1.8)	-	0.7
Reclassification to deferred tax liabilities	(88.6)	(72.1)	-	-	-	(16.4)	-	(8.0)
Leases	8.3	7.9	(1.8)	(1.5)	-	2.2	-	0.4
Intra-group profit elimination	21.5	23.4	(1.8)	(0.7)	-	-	-	-
Investment properties	6.4	6.4	-	6.0				
Other	38.8	28.0	10.2	7.6	0.2	0.5	0.1	2.6
Deferred tax assets	**114.9**	**91.4**	**32.7**	**24.8**	**0.2**	**(9.3)**	**0.1**	**(8.4)**
Accelerated depreciation	(80.6)	(49.9)	(2.5)	(3.8)	-	(28.2)	-	1.5
Gains subject to deferred taxation	(7.7)	(0.1)	-	-	-	(7.6)	-	-
Goodwill and brands deductible at local level	(254.0)	(230.4)	(10.8)	(6.3)	-	(12.7)	-	7.2
Goodwill and brands not deductible at local level	(162.3)	(115.1)	-	3.1	-	(47.2)	-	(2.6)
Taxes payable on undistributed profits	(43.4)	(40.5)	(2.9)	(15.1)	-	-	-	-
Leases	(9.2)	(8.8)	1.6	1.5	-	(2.1)	-	(0.4)
Reclassification of deferred tax assets	88.6	72.1	-	-	-	16.4	-	8.0
Other	(32.8)	(33.5)	1.5	(8.4)	1.0	(2.0)	5.4	4.0
Deferred tax liabilities	**(501.4)**	**(406.2)**	**(13.1)**	**(29.0)**	**1.0**	**(83.5)**	**5.4**	**17.7**
Total	**(386.5)**	**(314.8)**	**19.6**	**(4.2)**	**1.2**	**(92.8)**	**5.5**	**9.3**

Deferred tax assets in relation to past losses are mainly attributable to Campari do Brasil Ltda., Glen Grant Ltd., Campari España S.L.U., Campari Argentina S.A., Campari Mexico S.A. de C.V., Campari Japan Limited and Courvoisier S.A.S.. With the exception of Argentina, Mexico and Japan for which tax losses can be carried forward for a 5-year (Argentina) and 10-year period (Mexico and Japan), local legislation does not set a time limit for their use but does set a quantitative limit for each individual year, based on declared taxable income. The companies have also begun to use these losses to offset taxable profit. Unused tax losses carry forwards for which deferred tax assets were not activated mainly referred to Courvoisier S.A.S. (for tax period before the acquisition), Casa Montelobos, S.A.P.I. de C.V., Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Champagne Lallier S.A.S.. The following table includes a detail of tax losses carry forwards for which deferred tax assets were not activated.

	tax losses carry forwards	unrecognised deferred tax assets	expiry date
	€ million	€ million	
Casa Montelobos, S.A.P.I. de C.V.	9.9	3.0	10 years
Licorera Ancho Reyes y cia, S.A.P.I. de C.V.	7.9	2.4	10 years
Campari Mexico Destiladora S.A. de C.V.	0.5	0.1	10 years
Campari Argentina	4.7	1.6	5 years
Courvoisier S.A.S.	7.9	2.0	No Limit
CT Spirits Japan K.K.	2.6	0.9	No Limit
Champagne Lallier S.A.S.	16.9	4.2	No Limit
Campari Mixology S.r.l.	0.8	0.2	No Limit
Campari Ukraine LLC	0.5	0.1	No Limit
Brown Debry LLC	2.3	0.5	No Limit
Grand 75 LLC	1.5	0.3	No Limit
Bizzy Izzy LLC	2.4	0.5	No Limit
Boulevardier Spritz LLC	0.3	0.0	No Limit
Bourbon Manhattan LLC	0.7	0.1	No Limit
Portfolio3 LLC	0.6	0.1	No Limit
Grand Margarita LLC	2.1	0.4	No Limit
10 Chapel Street Ltd.	0.5	0.1	No Limit
14 Chapel Street Ltd.	0.5	0.1	No Limit
Highball S.a.r.l.	2.4	0.6	No Limit
Negroni Ltd.	2.7	0.7	No Limit

The corporate income tax payable is shown net of advance payments and taxes deducted at source. The net tax receivable position in 2024 is mainly due to lower taxes due for 2023 compared to the advance payments for the same year.

	2024	2023
	€ million	€ million
Income tax receivables	47.3	73.0
Income tax receivables	**47.3**	**73.0**
Income tax payables	13.4	23.3
Income tax payables	**13.4**	**23.3**

Effective 1 January 2024, the Pillar Two legislation applies in Luxembourg, where Lagfin S.C.A., Société en Commandite par Actions is tax resident. Following the enactment of Luxembourg's Minimum Tax Act, which transposes EU Directive 2022/2523 into national law, the Company became subject to Luxembourg's Pillar Two framework. This legislation introduces a minimum 15% effective tax rate, aligned with the OECD's Pillar Two Model Rules, applied on a jurisdictional basis across all countries where the Group operates. The Amendments to IAS 12 introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.
Where the effective tax rate in a jurisdiction falls below this 15% threshold, a top-up tax will be imposed under one of the following mechanisms:
(i) The Income Inclusion Rule (IIR),
(ii) The Under Taxed Payments/Profits Rule (UTPR),
(iii) The Qualified Domestic Minimum Top-up Tax (QDMTT).
The Group has conducted a preliminary assessment of its Pillar Two exposure using the Transitional Safe Harbour ('TSH') provisions based on accounting data. This assessment, at this stage, does not indicate any top-up tax liability. However, this preliminary analysis remains subject to further validation as more detailed data and guidance become available. The Group continues to monitor developments and remains committed to fair and transparent tax management.

4. Operating assets and liabilities

This section details accounting policies for the acquisition and sale of businesses and the purchase of non-controlling interests, property plant and equipment, right of use assets, biological assets, intangible assets, post-employment plans and share-based payments. Judgements and estimates are stated with regard to business combinations and goodwill and intangible assets.
This section discloses the information on the assets used to generate the Group's performance and the liabilities incurred, in addition to providing detailed disclosures on the recent acquisitions and disposals.

i. Acquisition and sale of businesses and purchase of non-controlling interests

Accounting policy

Business combinations recognition

Business combinations are recorded by applying the acquisition method. Ancillary costs relating to the transaction are recognised in the statement of profit or loss at the time at which they are incurred.

The Group verifies firstly whether the acquired set of activities and assets meets the definition of a business, and control is transferred to the Group, meaning that the transaction falls within the definition of a business combination. In particular, the Group deems an undertaking to be a business only if it is an integrated set of activities and assets that includes at least an input and a substantive process which, together, contribute to the ability to create an output. A business can therefore exist even without the inclusion of all the inputs and processes necessary to create an output. The Group undertakes this assessment by also applying the option of the 'concentration test' to simplify the assessment itself for each business combination to segregate asset deal transactions.
Information about the fair value measurement allocated to assets acquired and liabilities assumed in the context of the business combination are disclosed. Goodwill acquired in business combinations is initially measured at cost, as the excess of the sum of payments transferred as part of a business combination, the value of the portion of shareholders' equity relating to non-controlling interests and the fair value of any interest previously held in the acquired business over the Group's portion of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. If the value of the net assets acquired and liabilities assumed on the acquisition date exceeds the sum of the transferred payments, the value of the non-controlling interests' portion of shareholders' equity and the fair value of any interest previously held in the acquired business, this excess value is recorded in the statement of profit or loss as income from the transaction.
Any changes in fair value allocation of the net assets acquired occurring once more information related to the business acquired as per acquisition date becomes available during the measurement period (12 months from the date of acquisition) are included retrospectively in goodwill.

<u>Definition of the business combination costs and shareholders' equity attributable to non-controlling interests</u>
The cost of an acquisition is determined by the sum of the payments transferred as part of a business combination, measured at fair value, on the acquisition date and at the value of the portion of shareholders' equity relating to non-controlling interests. Non-controlling interests relate to the portion of a consolidated subsidiary shareholders' equity not directly or indirectly attributable to the Group. At the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are either measured:
- at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets, determined according to the rules set out by the accounting standard for business combination,
- at fair value.

The designated methodology of measurement method of non-controlling interests is made for each business combination on a transaction-by-transaction basis and is specified when the values deriving from the allocation process are shown.
In case of call options likely giving the acquirer present access to returns associated with the ownership interest in the shares subject to the call, or in case of put option granted to non-controlling interests giving present access to the returns associated with the ownership interest in the shares subject to the non-controlling interests put or in case of a combination of both, it is assumed that the purchase will take place on the earliest possible date for the maximum number of shares and the business combination is accounted for as though the acquisition is at 100% interest with the recognition of a financial liability at its fair value measured at the present value of the expected cash outflow to be paid to the non-controlling shareholders at the expiring of the option as any contingent considerations; the liability is classified as a financial instrument and considered part of the acquisition consideration. Changes in the carrying amount of the financial liability are recognised in the statement of profit or loss.
In case of put option granted to non-controlling interests at the date of or after acquiring control of a subsidiary, which does not provide a present ownership interest, the non-controlling interests is recognised on initial acquisition and, under Group policy choice while the non-controlling interests put remains unexercised, the accounting at the end of each reporting period is as follows:
(a) the amount that would have been recognised for the non-controlling interests value is determined by including allocations of profit or loss, changes in OCI and dividends declared for the reporting period;
(b) the non-controlling interests is derecognised as if it was acquired at that date;
(c) a financial liability is recognised at the present value of the amount payable on exercise of the non-controlling interests put;
(d) the Group accounts for the difference between (b) and (c) as an equity transaction.
If the non-controlling interests put expires unexercised, the position is unwound so that the non-controlling interests is recognised at the amount it would have been as if the put option had never been granted.
In the case of business combinations made in stages, the interest previously held by the Group in the acquired business is revalued at fair value on the date on which the control is acquired, and any resulting gains or losses are recognised in the statement of profit or loss.

Goodwill in a business combination
The goodwill acquired in a business combination is allocated to the individual cash-generating units or to the groups of cash-generating units likely to benefit from merger synergies, regardless of whether other assets or liabilities from the acquisition are assigned to these units or groups of units.
In the event of a business disposal, the goodwill of the cash-generating unit connected to the disposal is included in the carrying value of the net items sold by measuring its relative fair value, having as reference the proceeds from the sale and the most recent fair value attributed to the related cash-generating unit.

Disclosure

Acquisition of Courvoisier cognac
On 30 April 2024 Campari completed the acquisition of 100% of Beam Holdings France S.A.S. (on 24 April 2024 renamed Courvoisier Holding France S.A.S.), which in turn owned 100% of Courvoisier S.A.S., the owner of the Courvoisier brand.
The total consideration amounted to €1,141.5 million consisting of the following:
- the price paid at closing of €1,081.4 million (equivalent to US$1,170.0 million at the hedged currency exchange rate) to which, according to the agreement, the standard post-closing price adjustment mechanisms finalised in the second half of the year added an additional amount of €11.4 million. The Group mitigated its exposure to foreign exchange and liquidity risks related to the US$-denominated commitment made on 26 February 2024 to acquire Courvoisier cognac, through pre-hedge derivatives initiated in 2024 and maintained until the closing date (30 April 2024), with their impact of €10.5 million included in the above-mentioned price paid at closing;
- the contingent consideration in form of an earn-out agreement to be paid, which is contractually ranging from nil to a maximum amount of US$120.0 million based on achievement of net sales targets realized in the full year 2028. The best estimate at the closing date was €48.7 million (€58.1 million or US$67.9 million at the closing date currency exchange rate discounted at its present value at 30 April 2024). This deferred liability will be payable in 2029;
- the net financial position of the acquired companies at closing stood at €5.2 million, comprising €11.7 million in financial debt and €6.5 million in cash and cash equivalents. The latter was also reflected in the statements of cash flows, alongside the purchase price paid and the overall amount of €23.5 million associated with the finished goods under the stock transfer agreement separated from the business combination transaction. This resulted in an overall net cash outflow impact of €1,109.8 million. (please refer to note 6.ix.- 'Explanatory notes to the cash flow statement'.

Based on the assessment conducted it has been concluded that the Campari Group has control over the relevant activities of the acquired companies, and it is evident that the fair value of the gross assets acquired is not concentrated substantially in a single identifiable asset or group of similar assets and that the processes and inputs acquired together will contribute significantly to the Campari Group's ability to create outputs. Consequently, the transaction equates to a business combination over which the Group has full control, as defined in the relevant accounting standards.
The interests acquired on 30 April 2024 and consolidated by the Campari Group starting from that date onwards equate to 100% of the companies based on the Campari Group's control on the closing date and included non-controlling interests in the amount of €0.5 million. Given their nature, it was deemed appropriate to value the non-controlling interests based on the subsidiary's proportionate share of identifiable net assets, determined according to the rules set out by the accounting standard for business acquisitions.
Ancillary costs relating to external legal fees and due-diligence costs amounted to €11.5 million and were classified in the statement of profit or loss under selling, general and administrative expenses for the year ended 2024.

Provisional purchase price allocation ('PPA')
On the date on which these year-end Consolidated Financial statements were authorised for issue, the Group has finalised the allocation of the purchase price to the fair value of the net assets acquired, except for risk and contingencies, which are still under analysis. Once further information about facts and events existing at the closing of the transaction is obtained, the values calculated may therefore differ from those presented in this report. The analysis is carried out with the support of independent external experts, in compliance with the accounting standards, and will be completed within 12 months of the closing date. No changes in the policy choices elected or in the rationales of the allocation were identified compared to what was reported in the condensed Consolidated Financial statements at 30 June 2024.

Details of the consideration paid, the net assets acquired, including related fair values, and the goodwill obtained are as follows. The values shown here are explained in the notes to the financial statements, where they are highlighted as changes in the basis of consolidation.

values at acquisition date	IFRS values at acquisition date	provisional fair value disclosed at 30 June 2024	adjustments and reclassifications	provisional fair value disclosed at 31 December 2024
	€ million	€ million	€ million	€ million
ASSETS				
Non-current assets				
Property, plant and equipment	43.2	43.2	80.5	123.7
Biological assets	1.1	1.1	2.0	3.1
Brand	-	204.6	(15.3)	189.2
Deferred tax assets	1.1	1.1	9.0	10.0
Other non-current assets	0.1	0.1	3.2	3.3
Total non-current assets	**45.5**	**250.1**	**79.3**	**329.4**
Current assets	-	-	-	-
Inventories	468.4	466.5	(48.7)	417.8
Biological current assets	0.1	0.1	-	0.1
Trade receivables	3.4	3.4	-	3.4
Cash and cash equivalents	6.5	6.5	-	6.5
Income tax receivables	4.6	4.6	-	4.6
Other current assets	9.3	9.3	-	9.3
Total current assets	**492.4**	**490.5**	**(48.7)**	**441.8**
Total asset	**537.9**	**740.6**	**30.6**	**771.2**
LIABILITIES				
Non-current liabilities	-	-	-	-
Financial non-current liabilities	0.1	0.1	-	0.1
Post-employment benefit obligations	3.1	3.1	-	3.1
Other non-current liabilities	0.5	0.5	-	0.5
Deferred tax liabilities	12.9	63.5	19.4	82.9
Provisions for risks and charges	-	3.3	0.5	3.8
Total non-current liabilities	**16.6**	**70.6**	**19.9**	**90.5**
Current liabilities	-	-	-	-
Loans due to banks	11.5	11.5	-	11.5
Other current financial liabilities	0.1	0.1	-	0.1
Trade payables	30.1	30.1	-	30.1
Other current liabilities	4.4	4.4	-	4.4
Total current liabilities	**46.1**	**46.1**	**-**	**46.1**
Total liabilities	**62.7**	**116.6**	**19.9**	**136.5**
NET EQUITY ACQUIRED	**475.2**	**624.0**	**10.6**	**634.6**
TOTAL LIABILITY AND EQUITY	**537.9**	**740.6**	**30.6**	**771.2**

a) Total cost, of which:	**1,206.1**	**(64.6)**	**1,141.5**
Price paid in cash, excluding ancillary costs and including hedging effects	1,081.4	-	1,081.4
Price adjustments after closing	8.4	3.0	11.4
Stock transfer agreement in-market companies	23.5	(23.5)	-
Liabilities for earn-out agreements	92.8	(44.2)	48.7
b) Net financial position acquired, of which:	**5.2**	**-**	**5.2**
- Cash, cash equivalent and financial assets	(6.5)	-	(6.5)
- Financial debt acquired	11.7	-	11.7
Enterprise value (a+b)	**1,211.3**	**(64.6)**	**1,146.7**
Non-controlling interests	**0.5**	**-**	**0.5**
Purchase price to be allocated	**1,206.1**	**(64.6)**	**1,141.5**
Price paid incl. price adjustment	1,089.8	3.0	1,092.8
Liabilities for earn-out agreement	92.8	(44.2)	48.7
Liabilities for stock transfer agreement	23.5	(23.5)	-
Total value allocation	**1,206.6**	**(64.6)**	**1,142.0**
Net assets acquired	624.0	10.6	634.6
Goodwill generated by acquisition	582.6	(75.2)	507.4

The Courvoisier acquisition represents the largest deal in Campari Group's history with a unique opportunity to enter the cognac category with a world-renowned brand and a global icon of luxury.
The acquired business was composed of the trademarks as well as production facilities consisting of key distillation, warehouse capacity, vineyards, a visitor center and château (hosting a museum), blending facilities, ageing cellars and an automated bottling plant. Moreover, it included an enviable inventory of maturing eaux-de-vie, consisting of well-balanced age profiles to support future brand development.

In the context of the transaction, although managed as a separate stock transfer agreement from the business combination, the Group also acquired ownership of €23.5 million of finished goods across various geographies to accelerate the integration process into its distribution network.

As a premium cognac, Courvoisier is positioned to further strengthen Campari Group's portfolio of global brand priorities, particularly in aged spirits. In light of the new operating model 'House of Brands' starting from 2025, Courvoisier will have a key role in the 'House of Cognac&Champagne', supporting future long-term premiumisation and category ambition.
The Group has provisionally allocated to the acquired brand an amount of €189.2 million (with a related deferred tax liability component of €47.3 million). Goodwill, that is not tax-deductible based on the relevant local regulations, provisionally amounted to €507.4 million and was deemed to be fully reportable and the value of goodwill is attributed to various factors, including acquirer-specific synergies and initiatives.
The cash flows used for the valuation of intangible assets within the Purchase Price Allocation ('PPA') process excluded the effects of the net synergies expected by Campari. These synergies primarily stem from the expansion of Courvoisier's premium spirits portfolio and cognac offering, as well as the acceleration of the Group's premiumisation journey. The acquisition plan outlines specific initiatives for refocusing the Courvoisier brand starting in 2026, through increased marketing investments and commercial efforts. The primary goal is to relaunch the brand with new price positioning in key markets, supported by regular price reviews and sustained advertising and promotion investments. These initiatives were also excluded from the PPA underlying plan. The acquisition significantly strengthens Campari Group's presence in the United States, a key market with long-term strategic potential. Additionally, the acquisition is expected to drive substantial growth in the Asian market, aligning with the Group's broader strategic objectives. Goodwill may also encompass other intangible assets that cannot be recognised separately under the applicable reporting standards, as they do not meet the criteria for separable control. These include elements such as reputation and workforce. Reputation reflects the value generated by consistently delivering high-quality products and earning consumer trust, while the workforce embodies the expertise and specialisation inherent to cognac production. Lastly, core goodwill is an essential component, reflecting the Group's ability to maintain and expand its market share over time through product differentiation and customer acquisition. This combination of strategic and intangible elements underscores the acquisition's potential to deliver long-term value for Campari Group.

intangible assets generated by Courvoisier Group	goodwill € million	brands € million	total € million
provisional fair value at acquisition date published at 30 June 2024	582.6	204.6	787.2
provisional fair value published at 30 June 2024	**582.6**	**204.6**	**787.2**
change resulting from provisional allocation of acquisition value	(75.2)	(15.3)	(90.5)
provisional fair value published at 31 December 2024	**507.4**	**189.2**	**696.7**

Since the acquisition on 30 April 2024, the business has contributed €74.6 million to the Group's net sales. The contribution in terms of EBIT during the period was negligible due to the reinvestment into the business brand building and commercial capabilities in line with the Group's strategy to ensure future growth. The simulated amounts for revenue and profit or loss of the acquired business, as if it had been integrated into the Group figures since the beginning of the year, are not disclosed as audited data provided by the seller was not made available.

ii. Property, plant and equipment, right of use assets and biological assets

Accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation, which is applied on a straight-line basis to estimated residual values over their expected useful lives.
For right of use assets, please refer to the note 6 vii-'Lease components in the statement of financial position'.
For biological assets accounting treatment, please refer to note 8 iii-'Fair value information on assets and liabilities'.
Land, even if acquired in conjunction with a building, is not depreciated, nor are held-for-sale tangible assets, which are reported at the lower of their carrying amount and fair value less cost to sell. Barrels are depreciated based on the useful life, which can vary depending on the maturing work in progress for the liquid. For lease-hold-improvements, the period of depreciation is the shorter of the economic life of the asset and the contract duration of the underlying lease agreement. For right of use assets, unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, they are amortised on a straight-line basis over their estimated useful life or the term of the agreement, whichever is the shorter.
The Group depreciation rate ranges by asset category are as follows:

- business-related properties and light construction: 1.5%-10%;
- plant and machinery: 3%-10%;
- furniture, office and electronic equipment: 10%-20%;
- vehicles: 20%-25%;
- miscellaneous equipment: 10%-30%.

Depreciation ceases on the date on which the asset is classified as held for sale or on which the asset is derecognised for accounting purposes, whichever occurs first.

Depreciation rates are revised through an ongoing assessment of the residual useful life of each asset category. This assessment is conducted in accordance with the technical and physical condition of the assets, the technological environment, external factors, and generally accepted market and industry valuation criteria.

The Group performs impairment tests when there is an indication of impairment at the level of individual fixed asset or group of fixed assets, to ensure that property, plant and equipment are not carried at above their recoverable amounts.
Borrowing costs are capitalised as part of the cost of an asset, only when they are generally attributable to a qualifying asset.

Disclosure

property, plant and equipment by nature	land and buildings(1)	plant and machinery	other	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	653.5	631.4	322.8	1,607.7
Accumulated depreciation at the beginning of the period	(181.3)	(302.9)	(143.9)	(628.1)
at 31 December 2023	**472.2**	**328.4**	**178.9**	**979.6**
Perimeter effect from business combination	56.3	17.4	49.8	123.5
Additions	185.4	156.1	81.4	422.9
Disposals	(1.3)	0.7	(13.3)	(13.9)
Depreciation	(20.8)	(29.4)	(31.0)	(81.2)
Impairment	(3.1)	-	(0.9)	(4.0)
Exchange rate differences and other changes	(0.1)	1.0	7.5	8.4
at 31 December 2024	**688.7**	**474.3**	**272.3**	**1,435.3**
Carrying amount at the end of the period	924.0	827.1	454.0	2,204.9
Accumulated depreciation at the end of the period	(235.3)	(353.0)	(181.4)	(769.6)

(1)Additions in property, plant and equipment exclude advances to suppliers for fixed assets, which are considered as capital expenditure in the cash flow.

property, plant and equipment by nature	land and buildings	plant and machinery	other	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	583.5	482.3	260.3	1,326.0
Accumulated depreciation at the beginning of the period	(167.3)	(277.5)	(119.0)	(563.8)
at 31 December 2022	**416.2**	**204.8**	**141.2**	**762.3**
Change resulting from provisional allocation of acquisition value	14.9	4.7	14.0	33.6
Exchange rate effect of reclassifications	(0.2)	(0.1)	(0.2)	(0.4)
at 31 December 2022 post-reclassifications(1)	**430.9**	**209.4**	**155.1**	**795.5**
Perimeter effect from business combination	-	-	0.2	0.2
Additions	53.4	142.9	69.9	266.2
Disposals	(1.0)	(0.5)	(7.7)	(9.2)
Depreciation	(17.0)	(25.4)	(24.8)	(67.2)
Impairment	(0.2)	(0.8)	-	(1.0)
Reclassifications	3.4	6.1	(9.5)	-
Exchange rate differences and other changes	2.7	(3.4)	(4.2)	(4.9)
at 31 December 2023	**472.2**	**328.4**	**178.9**	**979.6**
Carrying amount at the end of the period	653.5	631.4	322.8	1,607.7
Accumulated depreciation at the end of the period	(181.3)	(302.9)	(143.9)	(628.1)

There are no restrictions or covenants associated with the aforementioned assets.

Capital expenditure for the period, totalling €422.8 million, was mainly related to improvements made to strengthen maintenance expenditure on the Group's operations and production facilities, as well as offices.
With respect to the purchase of barrels for maturing bourbon and rum, it totalled €52.7 million and was included in the 'other' category.
Moreover, initiatives associated with supply chain capacity expansion aimed at meeting anticipated long-term consumer demand were carried out for an amount of €187.7 million. The initiatives were primarily allocated in the United States to expand bourbon production capacity (€53.7 million), in Jamaica (€38.4 million), in Mexico to expand supply chain facilities for tequila production (€40.6 million), in Italy to enhance the manufacturing footprint for aperitifs (€19.9 million), in France to modernise the production process for cognac (€19.5 million), as well as in the United Kingdom (€3.1 million)

Additionally, an investment of €96.9 million was allocated to the real-estate project for the Campari Group's future headquarters in Milan city center. The borrowing costs associated with the acquisition of this qualified asset and capitalised, amounted to €0.2 million, calculated at an interest rate of 2.8%.

Moreover, sustainability-related investments were made and amounted to €55.7 million in the period and referred to water and wastewater treatment projects (€34.8 million) as well as energy- and climate-related projects (€20.9 million). These projects related to the installation of a wastewater treatment plant in Jamaica, which also included a cooling tower system (€22.8 million), as well as to the construction of a vinasse treatment plant in Mexico aiming to convert this by-product of distillation into renewable energy (biogas) (€13.6 million). Additionally, a first advanced energy recovery technology in distillation, so called thermal vapor recompression, was installed in Scotland's distillery (€2.5 million). Other investments for wastewater collection and treatment as well as for energy efficiency were made in the United States (€14.7 million), Italy (€1.8 million), France (€0.2 million) as well as in Australia (€0.1 million).

Disposals, amounting to €14.1 million, mainly related to the sale of barrels that were no longer suitable for use in the maturing process.

right of use assets by nature	land and buildings	plant and machinery	other	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	89.9	7.5	29.1	126.5
Accumulated depreciation at the beginning of the period	(40.6)	(3.7)	(18.1)	(62.4)
at 31 December 2023	**49.4**	**3.9**	**10.9**	**64.2**
Perimeter effect from business combination	-	0.1	0.1	0.2
Additions	6.8	0.3	11.7	18.8
Depreciation	(10.0)	(1.3)	(7.1)	(18.4)
Impairment	(0.3)	-	(0.1)	(0.3)
Exchange rate differences and other changes	0.5	0.1	0.1	0.7
at 31 December 2024	**46.3**	**3.1**	**15.6**	**65.0**
Carrying amount at the end of the period	93.4	7.9	28.8	130.2
Accumulated depreciation at the end of the period	(47.2)	(4.9)	(13.2)	(65.3)

right of use assets by nature	land and buildings	plant and machinery	other	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	86.1	7.2	20.8	114.1
Accumulated depreciation at the beginning of the period	(31.2)	(2.7)	(11.3)	(45.2)
at 31 December 2022	**55.0**	**4.5**	**9.5**	**69.0**
Perimeter effect from business combination	0.6	-	0.1	0.6
Additions	4.5	0.5	9.0	14.0
Depreciation	(9.4)	(1.0)	(5.9)	(16.3)
Reclassification	-	-	(1.7)	(1.7)
Exchange rate differences and other changes	(1.3)	(0.1)	(0.1)	(1.4)
at 31 December 2023	**49.4**	**3.9**	**10.9**	**64.2**
Carrying amount at the end of the period	89.9	7.5	29.1	126.5
Accumulated depreciation at the end of the period	(40.6)	(3.7)	(18.1)	(62.4)

In relation to right of use assets, increases for the year were mainly related to offices and vehicles included in the category 'other'. There are no restrictions or covenants on the aforementioned right of use assets.

biological assets represented as fixed assets	assets valued at cost
	€ million
Carrying amount at the beginning of the period	43.2
Accumulated depreciation at the beginning of the period	(20.4)
at 31 December 2023	**22.8**
Perimeter effect for acquisitions	3.1
Additions	15.9
Disposal	(1.2)
Depreciation	(9.5)
Exchange rate differences and other changes	(0.6)
at 31 December 2024	**30.5**
Carrying amount at the end of the period	58.2
Accumulated depreciation at the end of the period	(27.7)

biological assets represented as fixed assets	assets valued at cost
	€ million
Carrying amount at the beginning of the period	29.5
Accumulated depreciation at the beginning of the period	(12.0)
at 31 December 2022	**17.5**
Additions	13.1
Disposal	(0.7)
Depreciation	(7.5)
Exchange rate differences and other changes	0.5
at 31 December 2023	**22.8**
Carrying amount at the end of the period	42.3
Accumulated depreciation at the end of the period	(19.5)

The addition of €15.9 million was mainly related to agave plantations in Mexico (€11.7 million) and grape vineyards in France (€3.6 million). No guarantees were given to third parties in relation to these fixed assets.

At 31 December 2024, the Mexican agave plantations comprised 1,590 hectares. There is no non-productive biological asset for agave plantations and the average growing cycle covers a period of 6 years. During 2024 the Group harvested approximately 3,044 tons of agave in Mexico, which have been measured at fair value less costs to sell and transferred to inventories.
At 31 December 2024, the French grape plantations located in the Champagne region comprised 19.9 hectares, out of which overall 52% (63% in 2023) of these hectares were rented with medium- and long-term agreements, and the remaining 48% (37% in 2023) was owned. There are no non-productive biological assets for grape plantations. Agricultural output covers a one-year period and the harvest occurred in the second half of the year. Taking into account the biological and vegetative cycle, all the costs incurred in anticipation of the future harvest (service, products and other ancillary costs) have been considered as inventory in current biological assets at 31 December 2024 in the Group's accounts: this value is in line with the fair value of the growing grapes based on available information on commodities markets.

In addition, in the Martinique area, sugar cane plantations comprise 604 hectares, of which, overall, 44% are owned and 56% rented with long-term agreements. Of these, 498 hectares are cultivated, and the remaining 106 hectares are not cultivated. Agricultural output covers a one-year period and the harvest is expected from February to June. Given this process, the sugar cane has been considered as a current biological asset classified within the inventory and measured based on the costs sustained during the production process at 31 December: this value was estimated based on the costs of infrastructure, land preparation and sugar cane cultivation, due to the absence of any active reference market for comparable plantation and similar output in terms of age and qualitative characteristics. Operating grants in support of industrial investments and of sugar cane plantations in Martinique recognised in the statement of profit or loss in the period are equal to €0.2 million (€0.3 million in 2023).

No triggering events for impairment tests occurred during the year.

iii. Investment properties

Accounting policy
Property and buildings held to generate rental income or for capital appreciation or both (investment property), are valued at cost less accumulated depreciation and impairment losses. The depreciation rate for buildings is that used for the relevant fixed asset category.
Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.
Although investment property is measured using the cost model, the fair value of investment property is disclosed in accordance with IAS 40.79(e). The fair value is determined by independent valuers or internal management assessment based on market evidence of prices for similar properties.

Disclosure

Net amount at the beginning of the period	Assets valued at cost € million
Carrying amount at the beginning of the period	547.3
Accumulated depreciation at the beginning of the period	(20.4)
at 31 December 2023	**526.8**
Additions	122.5
Disposals	-
Depreciation	(16.6)
Exchange rate differences and other changes	15.7
at 31 December 2024	**648.5**
Carrying amount at the end of the period	686.4
Accumulated depreciation at the end of the period	(37.9)

Net amount at the beginning of the period	Assets valued at cost € million
at 31 December 2022	**337.0**
Additions	293.4
Advances transferred to subsidiaries	(102.5)
Disposal	(1.1)
at 31 December 2023	**526.8**
Carrying amount at the end of the period	547.3
Accumulated amortisation at the end of the period	(20.4)

At 31 December 2024, investment property was related to properties located in France, Italy, Principality of Monaco, UK and USA.
The additions were mainly related to:
- 150 NM, LLC acquired a property in Chicago, Illinois, United States of America;
- development of two properties in the Principality of Monaco;
- SCI Vesper acquired in 2024 with a property in the Principality of Monaco.

The fair value of the investment property as of December 31, 2024, is €850 million. The fair value is determined by independent external valuers using market-based valuation techniques, including the income approach and comparable sales method.

The most recent valuation was conducted by external valuers in December 2024. Although the valuation date precedes the financial statement reporting date, management has assessed market conditions, including the evolution of interest rates, stability of the markets where the Company holds its properties, and general real estate trends, and has determined that the fair values remain accurate and applicable to the financial statements as of December 31, 2024.

iv. Intangible assets

Accounting policy

<u>Intangible assets recognition</u>

Intangible assets with definite life are recorded at cost, net of accumulated amortisation and any impairment losses. In the event they are acquired through business combinations, they are reported separately from goodwill and brands, and measured at fair value, when this can reliably be measured, on the acquisition date.
Intangible assets produced internally are not capitalised and are reported in the statement of profit or loss for the financial year in which they are incurred; there are no significant development costs to be considered. The costs of innovation projects and studies are recorded in the income statement in full in the year in which they are incurred.
Software represents the cost of purchasing asset and licences and, if incurred, external consultancy fees and internal labour costs to prepare the technology so that it is capable of operating in the manner intended by management; there are normally no costs associated with development. These costs are recorded in the year in which the internal or external costs are incurred to train personnel and other related costs.
The following contracts are managed as a service contract with the related costs expensed as they are incurred: cloud computing arrangements under which i) the Group contracts to pay a fee in exchange for a right to access the supplier's application software for a specified term; ii) the cloud infrastructure is managed and controlled by the supplier, insofar as access to the software is on an 'as needed' basis over the internet or via a dedicated line and iii) the contract does not convey any rights over tangible assets to the Group. Any prepayment giving a right to a future service is recognised as a prepaid asset. Detailed analysis is undertaken to determine whether the implementation costs for software hosted under cloud arrangements can be capitalised.

Intangible assets amortisation and impairment
Intangible assets with a finite life are amortised on a straight-line basis in relation to their useful life and reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The amortisation period of intangible assets with a finite life is reviewed at least at the end of every financial year in order to ascertain any changes in their useful life, which, if identified, will be treated as changes in estimates.
Other intangible assets with indefinite and definite life contains distribution rights and key money, the latter tested for impairment leveraging on a specialised third-party expert opinion connected to real estate assets.
Intangible assets with indefinite life impairment test
Goodwill, brands and other intangible assets with an indefinite life are not amortised and are reviewed for impairment tests every year or more frequently if there is any indication that the asset may be impaired. The annual approval of the impairment test results is performed by the Board of Directors of Davide Campari-Milano N.V., which takes place before the approval of the annual financial reports (consolidated and Company only).

The ability to recover the assets is ascertained by comparing the carrying amount to the related recoverable value, which is represented by the higher of the fair value less cost of disposal, and the value in use.
In the absence of a binding sale agreement, the fair value is estimated on the basis of recent transaction values in an active market or based on the best information available to determine the amount that could be obtained from selling the asset. The value in use is determined by discounting expected cash flows resulting from the use of the asset, and, if significant and reasonably determinable, the cash flows resulting from its sale at the end of its useful life. Cash flows are determined on the basis of reasonable, documented assumptions representing the best estimate of the future economic conditions that will occur during the remaining useful life of the asset, with greater weight given to external information. Growth rate assumptions are applied to the years beyond the business plan horizon. The discount rate applied takes into account the implicit risk of the business segment.
When it is not possible to determine the recoverable value of an individual asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs.
Impairment loss is recorded if the recoverable value of an asset is lower than its carrying amount by posting the related cost in the statement of profit or loss and is charged to other operating expenses. Goodwill impairments can no longer be written back.

Disclosure

Goodwill and brands

	goodwill	brands with an indefinite life	brands with a finite life	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	2,024.7	1,204.1	31.5	3,260.3
Cumulative impairment at the beginning of the period	(2.7)	(52.6)	(27.2)	(82.5)
at 31 December 2023	**2,022.0**	**1,151.5**	**4.4**	**3,177.8**
Perimeter effect from business combination	507.4	189.2	-	696.7
Additions	-	1.7	-	1.7
Impairment loss	-	(50.8)	-	(50.8)
Amortisation	-	-	(2.2)	(2.2)
Exchange rate differences	61.9	20.8	0.2	82.9
at 31 December 2024	**2,591.3**	**1,312.5**	**2.3**	**3,906.1**
Carrying amount at the end of the period	2,594.0	1,415.8	31.7	4,041.5
Cumulative impairment at the end of the period	(2.7)	(103.3)	(29.4)	(135.4)

	goodwill	brands with an indefinite life	brands with a finite life	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	2,085.7	1,217.6	31.7	3,335.0
Cumulative impairment at the beginning of the period	(2.7)	(42.3)	(24.9)	(70.0)
at 31 December 2022	**2,083.0**	**1,175.3**	**6.7**	**3,265.0**
Change resulting from provisional allocation of acquisition value	(33.7)	1.1	-	(32.6)
Exchange rate effect of reclassifications	0.4	-	-	0.4
at 31 December 2022 post-reclassifications(1)	**2,049.7**	**1,176.4**	**6.7**	**3,232.8**
Additions	11.9	-	-	11.9
Perimeter effect from business combination	-	(10.3)	-	(10.3)
Amortisation	-	-	(2.2)	(2.2)
Exchange rate differences	(39.5)	(14.6)	(0.2)	(54.3)
at 31 December 2023	**2,022.0**	**1,151.5**	**4.4**	**3,177.8**
Carrying amount at the end of the period	2,024.7	1,204.1	31.5	3,260.3
Cumulative impairment at the end of the period	(2.7)	(52.6)	(27.2)	(82.5)

(1) For information on reclassification of comparative figures, refer to note 2 vi-'Reclassification of comparative figures at 31 December 2022' in the Annual Report at 31 December 2023.

The change in the basis of consolidation comprises an increase of €696.7 million attributable to the identification of amounts for goodwill (€507.4 million) and trademark (€189.2 million) related to the acquisition of Courvoisier (for further details, see note 4 i-'Acquisition and sale of businesses and purchase of non-controlling interests'). During the year, an impairment loss of €50.8 million was recognised for three brands (Cabo Wabo for €21.4 million, Wilderness for €19.9 million and Bulldog for €9.5 million at the average exchange rate for 2024 and corresponding to €18.2 million, €17.1 million and €7.9 million at the spot exchange rate at 31 December 2024). Refer to the following paragraph, 'Impairment test on goodwill and brands', for more information regarding the aforementioned impairment loss. Brands with a finite life included the value of the brand X-Rated Fusion Liqueur.
The positive exchange rate differences on goodwill and brands denominated in local non-Euro currencies totalled €82.9 million, mainly related to US$ and Jamaican Dollar.

Other Intangible assets

	software	other	other with indefinite life	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	170.1	19.2	3.6	192.9
Accumulated amortisation at the beginning of the period	(121.1)	(13.4)	-	(134.5)
at 31 December 2023	**49.1**	**5.8**	**3.6**	**58.4**
Additions	33.8	2.1	-	35.9
Amortisation	(16.4)	(2.1)	-	(18.5)
Impairment	(1.4)	(0.4)	-	(1.8)
Exchange rate differences and other changes	0.3	(0.1)	-	0.2
at 31 December 2024	**65.3**	**5.3**	**3.6**	**74.2**
Carrying amount at the end of the period	201.6	20.8	3.6	226.0
Accumulated amortisation at the end of the period	(136.2)	(15.5)	-	(151.8)

	software	other	other with indefinite life	total
	€ million	€ million	€ million	€ million
Carrying amount at the beginning of the period	149.6	18.0	3.6	171.2
Accumulated amortisation at the beginning of the period	(105.0)	(11.3)	-	(116.3)
at 31 December 2022	**44.6**	**6.7**	**3.6**	**54.8**
Perimeter effect from business combination	0.2	-		0.2
Additions	21.4	0.8	-	22.2
Amortisation	(16.0)	(2.0)	-	(18.0)
Impairment	(0.6)	0.0	-	(0.6)
Reclassifications	-	0.4	-	0.4
Exchange rate differences and other changes	(0.4)	(0.1)	-	(0.5)
at 31 December 2023	**49.1**	**5.8**	**3.6**	**58.4**
Carrying amount at the end of the period	170.1	19.2	3.6	192.9
Accumulated amortisation at the end of the period	(121.1)	(13.4)	-	(134.5)

Intangible assets with a finite life are amortised on a straight-line basis depending on their remaining useful life.

Additions in the period totalling €35.9 million related to projects to continuously upgrade the new information technology environment. During the period, no triggering events leading to an eventual impairment were identified.

Impairment test

In line with previous years, the approval of the annual assessment of the recoverability of the Group's intangible assets with indefinite life was conducted before the fiscal year-end. Consequently, the book value of the intangible assets (i.e. the amount at which an asset is recognised in the balance sheet) was determined as of 30 September 2024, i.e. the latest available actual figures at the time of the analysis. The results of such tests remained valid as of 31 December 2024, given that no events or impairment indicators have arisen that could result in a material reduction of the assets' value or recoverable amounts in the fourth quarter of 2024.
Consistent with previous years, the Group considered the business plan, including the 2025 budget and 2026-2027 strategic plans (drafted by the Group's companies in 2024 and approved by the Board of Directors of Davide Campari-Milano N.V.), as the base of the annual impairment test. Moreover, cash flow projections are extrapolated beyond the plan period covered to be adapted for a ten-year period, with growth rates gradually normalising towards the level of the perpetuity growth rate. The use of a ten-year period is justified by the long lifecycle of the brands with respect to the reference markets, and it also takes into account the long ageing process of certain brands.

Assumptions of future cash flows were made based on the conservative approach in terms of both expected growth rates and operating margin trends. In addition, projections were based on reasonableness, prudence and consistency regarding the allocation of future selling, general and administrative expenses, trends in capital investment, conditions of financial equilibrium and the main macroeconomic variables. Cash flow projections relate to current operating conditions and therefore do not include cash flows connected with extraordinary events that are not currently foreseeable.
Regarding climate-related matters, the business plan considered the necessary investments to pursue the Group's global sustainability strategy, including the path to decarbonisation based on challenging and ambitious medium- and long-term environmental targets committed. Such investments were taken into account also in long horizon (i.e. in the terminal value).

Regarding currencies, it should be noted that the projections were determined based on the exchange rates to €, assumed unchanged to the ones used for drafting the 2025 budget. Although applicable IFRS principles require that exchange rates are assumed flat to the current fiscal year over the time horizon, the fluctuations of 2025 budgeted currencies are estimated not to have a meaningful impact on future cash flows.
Goodwill values were tested at the aggregate level based on the values allocated to the three cash-generating units ('CGUs'), i.e. EMEA CGU, Americas CGU, and APAC CGU, in line with the Group's new segment reporting effective from 1 January 2024, as described in the paragraph 'Significant events of the year' of the Management Board Report. This structure reflects the lowest level at which goodwill is monitored by the Group and is considered appropriate, given the synergies and efficiencies obtained at regional level based on its current organisational structure.
The allocation of goodwill for each CGU is based on the previous allocation values (with the aggregation of the values of SEMEA and NCEE into EMEA), adjusted to consider the exchange rate effects and other variations such as perimeter change. The carrying amounts of the CGUs were determined by combining the goodwill, the trademark values allocated based on the profitability achieved by the brand in each CGU, as well as the fixed assets and working capital, which were mainly allocated based on the relevant sales achieved in each CGU. The recoverable amounts of the CGUs were determined based on the 'value in use' methodology.

The asset value is measured by discounting the estimated future cash flows generated by the continued use of such asset. Expected cash flows, which were based on the Group's cash flow estimates, were discounted using a post-tax discount rate, reflecting both the time value of money and a further adjustment to include the market risk and the specific risks for the business of the relevant CGU. In the impairment test performed, it has been verified that the use of a post-tax approach provides consistent results with the ones which would have been obtained by adopting a pre-tax approach.
The main assumptions used in calculating the value in use of the CGUs are the long-term growth rate and discount rate. Terminal value was determined using the perpetuity growth method of discounting. Specifically, a conservative perpetual growth rate was used that corresponds to the estimated inflation rates of the consumer price for the period 2025-2029 for the Group's key markets (source: IMF, October 2024 release), assumed to be 2.1% for the EMEA CGU, 2.8% for the Americas CGU and 2.5% for the APAC CGU or 2.5% for the Group overall. The value in use of the CGUs was calculated by discounting the estimated value of future cash flows, including the terminal value, which it is assumed will derive from the continuing use of the assets, at a discount rate (net of taxes and adjusted for risk) that reflects the average weighted cost of capital. Specifically, the discount rate used was the Weighted Average Cost of Capital ('WACC'), which depends on the risk associated with the estimated cash flows. The WACC was determined based on observable indicators and market parameters, the current value of money and the specific risks connected with the business of the relevant CGU.

The calculation of WACC has resulted in line with a set of spirits industry comparable peers. The discount rates used in the 2024 impairment test for the three CGUs, are as follows: 7.3% for the EMEA CGU, 9.1% for the Americas CGU and 6.7% for the APAC CGU, or 8.1% for the Group overall (unchanged compared with the 2023 impairment test).
To take into account the current market volatility and uncertainty over future economic prospects, the sensitivity analyses were carried out to assess the recoverability of goodwill value. Based on the methodology described above, the impairment test for goodwill as of 31 December 2024 confirmed the full recoverability, including sensitivity, of all the CGUs with sufficient headroom to exclude goodwill impairment losses that may arise from meaningful business downside risks.

	at 31 December 2024	at 1 January 2024	reconfiguration effect	at 31 December 2023
CGU	€ million	€ million	€ million	€ million
Americas	1,464.1	1,167.1	-	1,167.1
Southern Europe, Middle East and Africa	-	-	(401.0)	401.0
Northern, Central and Eastern Europe	-	-	(247.4)	247.4
EMEA	885.9	648.4	648.4	-
Asia-Pacific	70.1	35.3	-	35.3
Total	**2,420.1**	**1,850.8**	**-**	**1,850.8**

Changes in goodwill values at 31 December 2024 compared with 31 December 2023 are mainly due to a positive perimeter effect equal to €507.4 million in connection with the Courvoisier acquisition, proportionally allocated to the three CGUs based on the brand's profitability, as well as favourable exchange rate effects of €61.9 million, which were re-allocated to the individual CGU.

In addition, a separate impairment test was conducted to measure the capability of each trademark to sustain its value using the value in use criteria. As the Group does not manage selling, general and administrative costs at brand level, the brand's profitability is measured taking into consideration the allocated costs incurred on a global scale and across geographies.

For the trademark valuation, the Group uses the Multi-period Excess Earnings Method ('MEEM') valuation, a widely accepted valuation methodology in practice for determining the trademarks' fair value. The 'value in use' methodology is considered valid assuming that the identification of a representative sample of comparable transactions is not easily available across the different types of assets.
MEEM is an earnings-based valuation method. The theoretical premise of the MEEM is that the value of a brand is equal to the current value of the residual cash flows attributable to the asset analysed. According to this method, the relevant earnings attributable to the intangible assets are calculated using the income that the company would record after having deducted the earnings attributable to all the other assets (contributory asset charge), i.e. deducting from the company's results the remuneration for using other assets that contribute to the generation of such results. Estimates of income flows generated by individual brands, net of contributory asset charge, and of the terminal value, discounted to present value using an appropriate discount rate, were used to calculate the recoverable value of brands.
Consistent with the impairment test on goodwill, a 10-year cash projection was developed for the trademark impairment test. In the case of The GlenGrant single malt Scotch whisky, a 15-year time horizon was adopted, in line with previous years. The use of a fifteen-year time horizon is justified by the long-term effect of the brand ageing strategy, a commonly implemented market practice for premium spirits players.

The discount rates used for the individual brands tested varied from 8.0% to 9.1% and took into account a specific risk premium for the brand in question. To determine the terminal value of each brand, a perpetual growth rate between 2.1% to 2.5%, in line with the inflation estimates for the 2025-2029 period, was used.

The impairment test as of 2024 has indicated impairment losses, for an aggregated amount of €50.8 million, for the trademarks of Cabo Wabo, Bulldog and Wilderness Trail Distillery. With very limited headroom and potential impairment risk identified already in the previous test, the continued consumption normalisation in the brands' key markets as well as category challenges have further reduced the trademarks' recoverability. Such loss was mainly attributable to the Americas CGU in line with the geographic distribution of brand profitability. Excluding the aforementioned brands, the sensitivity analyses indicated impairment risks for the trademarks of The GlenGrant, Picon, Forty Creek and Courvoisier. It should be noted that the Courvoisier acquisition was closed only recently (the second quarter of 2024) for which the purchase price allocation is still provisional. The brand's strategic assessment is currently being finalised with a roll-out plan from 2025 onwards focusing on the structural reset of the brand health and profitability. Considering a theoretical increase of WACC by +100 bps and decrease of the growth rate ('g') by -100 bps, the combined theoretical impairment risk for the above-mentioned brands, excluding the impairment loss already registered for the year, would be €107.4 million. The Group will closely monitor the future development of these brands and carefully assess the recoverability of their trademark values.

	at 31 December	
	2024	2023
	€ million	€ million
Grand Marnier	300.7	300.7
Courvoisier	189.2	-
Wild Turkey	175.8	165.2
Picon	123.6	123.6
Jamaican Rum Portfolio	96.2	91.1
The GlenGrant and Old Smuggler	88.8	88.8
Averna and Braulio	65.5	65.5
Forty Creek	59.5	60.7
Frangelico	54.0	54.0
Cabo Wabo	46.0	64.3
Wilderness Trail	40.9	58.0
Bulldog	27.6	35.5
Riccadonna	11.3	11.3
Del Professore	6.4	6.4
X-Rated Fusion Liqueur(1)	2.3	4.4
Other	27.0	26.4
Total	**1,314.8**	**1,155.8**

(1) Asset with finite life. The brand value amortised over a timeframe of 10 years until 2025.

Changes in brand values at 31 December 2024 compared with 31 December 2023 are mainly driven by the perimeter effect related to the Courvoisier acquisition for €189.2 million, as well as positive exchange rate effects amounting to €21.0 million, and the aforementioned impairment loss attributable to the Cabo Wabo, Wilderness and Bulldog brands.

v. Other non-current assets

Disclosure

	at 31 December		
	2024	*of which perimeter effect*	2023
	€ million	*€ million*	€ million
Equity investment in other companies	90.9	*0.1*	16.3
Other non-current assets	14.1	*3.2*	9.1
Total other non-current assets	**105.0**	**3.3**	**25.4**

During the year, equity investment in other companies increased by €73.5 million, primarily due to the acquisition of a 15.4% minority stake in Capevin Holdings Proprietary Ltd. (€87.8 million composed of the consideration paid for €86.8 million or £73.1 million as well as related ancillary fees of €1.0 million or £0.8 million). The target South African holding company indirectly owns 100% of CVH Spirits Limited, a Scottish company operating in the production and commercialisation of renowned Single Malt Whiskies Bunnahabhain, Deanston, Tobermory and Ledaig, and Blended Whiskies Scottish Leader and Black Bottle. The Group also holds distribution rights for brands from the CVH Spirits Limited portfolio in France and South Korea.

The decrease components of 2024 were attributable to the disposal of minor agency brands connected with third-party investments as well as a €24.7 million loss from valuation of operating investments, which was recognised in the share of profit (loss) in joint-ventures and other investments in profit or loss statements.

vi. Other current assets

Disclosure

	31 December		
	2024	of which perimeter effect	2023
	€ million	€ million	€ million
Other receivables from tax authorities	49.8	0.7	52.6
Prepaid expenses	29.6	8.5	13.2
Advances and other receivables from suppliers	10.4	-	10.3
Receivables from personnel	3.1	-	4.1
Advances to suppliers for fixed assets	-	-	16.3
Receivables from Parent Company for tax consolidation	-	-	0.1
Other	11.3	4.1	8.8
Other current assets	**104.2**	**9.3**	**105.3**

Other receivables from tax authorities, totalling €49.8 million, primarily comprise €43.3 million for VAT and €4.5 million for excise duties. The decrease was driven by the reimbursement received in 2024 by the Group for the outstanding VAT position in Mexico which was linked to the significant capex investment in 2023 (shown as overdue by 1 year in 2023 in the other current asset table). The change in prepaid expenses mainly related to the future supply of liquid for the Cognac production in France. The change in the line "other" is mainly related to the perimeter effect following the acquisition of 150 NM, LLC.

at 31 December 2024	other receivables[(1)]	provision for bad debt
	€ million	€ million
Not overdue	**75.1**	**(0.5)**
Overdue since	**0.3**	**(0.2)**
less than 30 days	-	-
30-90 days	-	-
1 year	0.3	(0.2)
5 years	-	-
more than 5 years	-	-
Total receivables broken down by maturity	75.4	(0.7)
Amount impaired	(0.7)	-
Total	**74.7**	**-**

[(1)] The item does not include prepaid expenses.

at 31 December 2023	other receivables[(1)]	provision for bad debt
	€ million	€ million
Not overdue	**30.0**	**-**
Overdue since	**62.4**	**(0.3)**
Less than 30 days	0.1	-
30-90 days	5.3	-
1 year	51.2	-
5 years	3.7	-
more than 5 years	2.1	(0.3)
Total receivables broken down by maturity	**92.4**	**(0.3)**
Amount impaired	(0.3)	
Total	**92.1**	

[(1)] The item does not include prepaid expenses.

The tables below provide information on the credit risk exposure of the Group's other current receivables using a provisional matrix which reflected the low risk level connected with the specific counterpart of these receivables.

	other current receivable days past due						
	current	less than 30 days	30-90 days	1 year	5 years	more than 5 years	total
at 31 December 2024	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Credit loss rate	0.5%	-	-	0.2%	-	-	0.7%
Estimated total gross carrying amount at default	104.6	0.1	-	0.2	-	-	104.9
Provision for expected credit losses	(0.5)	-	-	(0.2)	-	-	(0.7)

	other current receivable days past due						
	current	less than 30 days	30-90 days	1 year	5 years	more than 5 years	total
at 31 December 2023	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Credit loss rate	-	-	-	-	-	0.3%	0.3%
Estimated total gross carrying amount at default	43.4	0.1	6.7	48.6	4.4	2.1	105.3
Provision for expected credit losses	-	-	-	-	-	(0.3)	(0.3)

vii. Other non-current liabilities

Accounting policy

For detailed information on the accounting policy on post-employment plans and share-based payments, please refer to note 7 v.-'Share-based payments', 8 iv.-'Defined benefit and contribution plans', respectively.

Disclosure

	at 31 December		
	2024	of which perimeter effect	2023
	€ million	€ million	€ million
Other employee benefits (including retention incentive)	18.4	0.5	35.5
Other share benefits long-term (cash settled plans)	1.8	-	2.2
Profit sharing	3.3	-	4.2
Other non-current liabilities	29.6	-	34.6
Other non-current liabilities	**53.1**	**0.5**	**76.5**

(1) Including non-recurring last mile long-term incentive schemes.

The change compared to the previous year is mainly related to non-recurring last mile long-term incentive schemes with retention purposes totalling €30.0 million which was approved in the 2024 Annual General Meeting and paid to senior management during the second half of 2024.

viii. Other current liabilities

Disclosure

	2024	*of which perimeter effect*	2023
	€ million	€ million	€ million
Payables to staff	105.3	3.5	98.5
Payables to agents	3.2	-	3.2
Deferred income	6.2	-	5.1
Amounts due to controlling shareholder for Group VAT	2.5	-	3.3
Value added tax	34.6	0.2	27.9
Tax on alcohol production	47.0	-	32.9
Withholding and miscellaneous taxes	12.4	0.6	9.9
Other	26.1	7.3	18.7
Other current liabilities	**237.3**	**11.6**	**199.6**

Other is mainly related to Lagfin and the change compared with 31 December 2023 are mainly driven by the perimeter effect following the acquisition of 150 North Michigan (Chicago).

at 31 December 2024	other payables to third parties
	€ million
On demand	18.0
Due within 1 year	219.3
Total	**237.3**
at 31 December 2023	other payables to third parties
	€ million
On demand	20.0
Due within 1 year	179.6
Total	**199.6**

5. Operating working capital

This section discloses the information on the Group's operating working capital composition broken down into the various items that are managed to generate the Group performance.

i. Trade receivables

Accounting policy

For details on the accounting policy, please refer to note 6 i.-'Financial instruments'.

Disclosure

	at 31 December		
	2024	*of which perimeter effect*	2023
	€ million	*€ million*	€ million
Trade receivables from external costumers	425.7	*0.4*	374.9
Trade receivables from joint-ventures	-	*3.0*	-
Receivables in respect of contributions to promotional costs	0.7	-	0.3
Trade receivables	**426.4**	***3.4***	**375.3**

The table below shows the trade receivables broken down by maturity. In light of the analysis performed on estimated expected future losses (using the expected credit loss method). Trade receivables which are deemed not recoverable were balanced by an appropriate provision.

at 31 December 2024	trade receivables[1] € million	provision for expected future losses and bad debt € million
Not overdue	**333.9**	**(7.0)**
Overdue	**107.0**	**(12.9)**
Less than 30 days	60.1	(0.6)
30-90 days	29.4	(3.3)
Within 1 year	7.2	(2.7)
Within 5 years	8.7	(5.6)
Due after 5 years	1.5	(0.8)
Total receivables broken down by maturity	**440.8**	**(19.9)**
Amount impaired	(19.9)	
Total	**420.9**	

[1] This item does not include prepaid expenses.

at 31 December 2023	trade receivables[1] € million	provision for expected future losses and bad debt € million
Not overdue	**280.3**	**(7.6)**
Overdue	**112.0**	**(9.4)**
Less than 30 days	66.3	(0.7)
30-90 days	20.7	(2.8)
Within 1 year	10.9	(0.6)
Within 5 years	14.0	(5.2)
Due after 5 years	0.1	(0.1)
Total receivables broken down by maturity	**392.3**	**(17.0)**
Amount impaired	(17.0)	
Total	**375.3**	

[1] This item does not include prepaid expenses.

The overdue category decreased by €5.0 million on 2023 and is continuously monitored by the Group's credit management functions.
At 31 December 2024, the provision for expected future losses and bad debt amounted to €19.9 million, increased from the value reported in 2023 (€17.0 million). The net increase recorded in 2024 was mainly driven by the dynamic of gross trade receivables (increased by € 51.6 million), partly mitigated by a decrease in the probability of default of several countries (namely Argentina and Russia).
The following table provides the probability of default, obtained from external data providers, used for the calculation of the expected future losses for each subsidiary, used at 31 December 2024 and at 31 December 2023, according to the country in which the subsidiary is based.

	applied for the assessment at 31 December	
	2024	2023
Argentina	9.03%	20.94%
Australia	0.04%	0.06%
Austria	0.07%	0.06%
Belgium	0.06%	0.08%
Brazil	0.35%	0.25%
Canada	0.08%	0.13%
China	0.22%	0.25%
France	0.08%	0.07%
Germany	0.03%	0.06%
Greece	0.11%	0.19%
India	0.10%	0.22%
Italy	0.10%	0.19%
Jamaica	0.84%	0.84%
Martinique	0.08%	0.07%
Mexico	0.24%	0.22%
New Zealand	0.11%	0.07%
Peru	0.20%	0.17%
Russia	5.59%	9.12%
Singapore	0.07%	0.09%
South Africa	0.33%	0.84%
South Korea	0.20%	0.22%
Spain	0.06%	0.13%
Switzerland	0.03%	0.05%
UK	0.07%	0.11%
Ukraine	100.00%	100.00%
United States	0.17%	0.31%

The tables below set out the information related to the credit risk exposure on the Group's trade receivables using a provision matrix:

	trade receivables days past due						
	current	less than 30 days	30-90 days	within 1 year	within 5 years	after 5 years	Total
at 31 December 2024	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Credit loss rate	1.5%	0.4%	0.4%	0.6%	1.3%	0.1%	**4.5%**
Estimated total gross carrying amount at default	339.3	60.1	29.4	7.2	8.7	1.5	**446.2**
provision for expected future losses and bad debt	(6.7)	(1.8)	(2.0)	(2.9)	(5.9)	(0.6)	**(19.9)**

	trade receivables days past due						
	current	less than 30 days	30-90 days	within 1 year	within 5 years	after 5 years	Total
at 31 December 2023	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Credit loss rate	1.8%	0.6%	0.2%	0.3%	1.2%	0.2%	**4.3%**
Estimated total gross carrying amount at default	279.3	66.3	20.7	10.9	14.0	0.1	**391.3**
Provision for expected credit losses	(7.1)	(2.2)	(0.9)	(1.2)	(4.9)	(0.8)	**(17.0)**

The amount of the provision and the level of utilisation over the years, confirms that overall, the Group is exposed to a cluster of customers and markets that are not significantly affected by credit risk.

ii. Trade payables

Accounting policy

For details on the accounting policy, please refer to note 6 i.-'Financial instruments'.

Disclosure

	at 31 December		
	2024	of which perimeter effect	2023
	€ million	€ million	€ million
Trade payables to external suppliers	676.5	30.1	525.5
Trade payables	**676.5**	**30.1**	**525.5**

Trade payables showed an increase compared to 31 December 2023, mainly driven by a temporary phasing in connection with timing of payables including non-recurring capital expenditure towards the end of the year which will become due at the beginning of 2025. During 2024, the Group continued to join the reverse factoring program in cooperation with an external banking provider and selected key suppliers. The program involved strategic partners based in Italy and, starting from 2023, also in the United States, to allow participating suppliers to receive early payments on their invoices. Based on the program's characteristics and the nature of the transaction, the trade payables in scope continued to be classified as a trade payable on the grounds which led to an improvement in terms of commercial payment without giving any guarantee or change in terms or conditions of the original agreements. The program led to an increase in payables by approximately €17.1 million at 31 December 2024 (compared to €27.8 million at 31 December 2023), resulting in a consistent average extension of payment terms to 30 days across both years, as disclosed.

at 31 December 2024	trade payables € million
On demand	105.8
Due within 1 year	569.7
Due in 1 to 2 years	1.0
Total	**676.5**

at 31 December 2023	trade payables € million
On demand	55.6
Due within 1 year	469.9
Total	**525.5**

iii. Inventories and biological assets

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs of finished products include raw materials, supplies and consumables, direct labor and expenses and an appropriate proportion of production and other overheads. Cost is calculated at the weighted average cost incurred in acquiring inventories. Maturing inventory includes the depreciation cost of the barrels used in the ageing process on a straight-line basis over the ageing horizon. Maturing inventory, as well as biological assets that, due to their nature, are retained for more than one year, are classified as current assets, as they are expected to be realized in the normal operating cycle.
For detailed information on the accounting policy for inventory biological assets, please also refer to note 8 iii-'Fair value information on assets and liabilities'.

Disclosure

	at 31 December		
	2024 € million	*of which perimeter effect[(1)]* *€ million*	2023 € million
Finished products and goods for resale	276.3	*38.6*	347.8
Maturing inventory	1,157.2	*394.3*	603.3
Work in progress	143.6	*(0.2)*	177.8
Raw materials, supplies and consumables	104.8	*8.5*	108.4
Inventories	**1,681.9**	***441.2***	**1,237.4**
Current biological assets	**21.3**	***0.1***	**15.1**
Total	**1,703.2**	***441.3***	**1,252.5**

(1) The perimeter effect included a €23.5 million finish product stock transfer agreement related to the Courvoisier acquisition.

Stocks totalled €1,703.2 million at 31 December 2024, up by €450.7 million on 31 December 2023 out of which €441.3 million derive from the perimeter effect from the Courvoisier acquisition.

Current biological assets at 31 December 2024 totalled €21.3 million, corresponding to the fair value of the sugar cane, grapes and agave harvests that had not yet ripened. All these biological products are classified as current inventory in consideration of their annual vegetative growing process, except agave, which is also classified as inventory during the 6-year growing period even though the agave plants are not yet ripe for the harvest useful for distillation, as they can theoretically be sold as a growing plant. For more information related to the fair value estimation, refer to note 8 iii-'Fair value information on assets and liabilities'. No guarantees were given to third parties in relation to these inventories. As of 31 December 2024, some eaux-de-vie inventories in France were subject to agricultural guarantees for €8.0 million. Agricultural produce in Martinique benefited from €0.1 million of public grants during 2024 (€0.3 million in 2023).

Inventories are reported net of the relevant impairment provisions amounting to €73.1 million (€22.3 million in 2023).

	€ million
at 31 December 2023	**(22.3)**
Perimeter effect for acquisition	(38.6)
(Accruals)/Release	(15.1)
Utilization	3.1
Exchange rate differences and other changes	(0.3)
at 31 December 2024	**(73.1)**

	€ million
at 31 December 2022	**(16.3)**
Perimeter effect for acquisition	(0.9)
(Accruals)/Release	(7.7)
Utilization	1.4
Exchange rate differences and other changes	1.3
at 31 December 2023	**(22.3)**

6. Net financial debt

This section details accounting policies for financial assets and related impairment, financial liabilities, derecognition of financial assets and liabilities, financial derivatives and hedging transactions, financial guarantees and lease components. Judgements and estimates are stated with regard to incremental interest rates for lease transactions.
This section provides details of the Group's net financial debt composition broken down into the various items.

i. Financial instruments

Accounting policy
Financial instruments held by the Group are categorized as follows.

Financial assets, including trade and other receivables
Financial assets include investments, short-term securities and financial receivables, which, in turn, include the positive fair value of financial derivatives, trade and other receivables and cash and cash equivalents. Trade receivables arise from contracts with customers and are recognised when performance obligations are satisfied, and the consideration due is unconditional as only the passage of time is required before the payment is received.
Cash and cash equivalents include cash, bank deposits and highly liquid securities that are readily convertible into cash and are subject to an insignificant risk of a change in value. Deposits and securities included in this category mature in less than three months based on the conditions existing on the date of the acquisition of the asset. Current securities include short-term securities or marketable securities that represent a temporary investment of cash and do not meet the requirements for classification as cash and cash equivalents.

Financial assets are classified and measured based on a business model developed by the Group. The business model has been defined at a level that reflects the way in which groups of financial assets are managed to achieve a particular business objective. The model's measurement process requires an assessment based on both quantitative and qualitative factors relating to, for example, the way in which the performance of the financial assets in question is communicated to management with strategic responsibilities and the way in which the risks connected with these financial assets are managed.

The Group measures a financial asset at amortised cost if it meets both of the following conditions:
- it is held under a business model whose objective is to hold assets aiming to collect contractual cash flows; and,
- its contractual terms and conditions are such that the cash flows generated by the asset are attributable exclusively to payments of the principal and the related interest.

Financial assets measured at amortised cost are measured at fair value at the time of initial recognition; subsequent measurements reflect the repayments made, the effects of applying the effective interest method and any write-downs. Any gain or loss made on derecognition is recognised in profit or loss, together with foreign exchange gains and losses.

Financial assets also include investments in companies that are not held for trading. These assets are strategic investments, and the Group has decided to recognise changes in the related fair values through profit or loss ('FVTPL').

Financial assets represented by debt securities are classified and valued in the statement of financial position based on the business model adopted to manage these financial assets and the financial flows associated with each financial asset. They are measured at fair value through other comprehensive income (‘FVOCI’) if all the conditions required by IFRS 9 are respected.

Impairment of a financial asset
Financial assets are tested for recoverability by applying an impairment model based on the expected credit loss (‘ECL’).
The Group applies the simplified method for trade receivables, which considers the probabilities of default over the financial instrument’s life (lifetime expected credit losses). In making impairment assessments, the Group considers its historical credit loss experience, adjusted for forward-looking factors specific to the nature of the Group’s receivables and economic environment. If any such evidence exists, an impairment loss is recognised under selling, general and administrative expenses. More specifically, non-performing receivables are analysed based on the debtor’s creditworthiness and ability to pay the sums due, as well as the degree of effective coverage provided by any collateral and personal guarantees in existence.
With regard to trade receivables, two approaches are applied to estimate impairment, based on the specific characteristics of the individual countries in which the Group operates and its constant growth at a global level: one is a matrix-based model and the other applies the probability of default (‘PD’) obtained from external sources specialising in the country in which each subsidiary is located. The provision matrix, including the overall actual result of the year, is reported in the relevant disclosure notes.
A financial asset is impaired when internal or external information indicates that it is unlikely that the Group will receive the full contractual amount.
Lastly, with regard to other financial assets measured at amortised cost, and, more specifically, cash and cash equivalents, the impact in terms of expected loss is not considered material and for this reason no adjustment is made to the book values.

Financial liabilities, including trade and other payables
Financial liabilities include financial payables, bonds and loans due to banks, which, in turn, include the negative fair value of financial derivatives, trade payables and other payables including contingent consideration and variable payments deriving from business combination or asset deals.
Financial liabilities are classified and measured at amortised cost, except for financial liabilities that are initially measured at fair value, for example derivative instruments, financial liabilities relating to earn-out linked to business combinations and financial liabilities for put options over non-controlling interests.
Trade and other payables are initially recognised at fair value including transaction costs and subsequently carried at amortised costs.

Derecognition of financial assets and liabilities
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group’s consolidated statement of financial position) when:
- the rights to receive cash flows from the asset have expired or,
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

For detailed information on the accounting policy for put and call options over joint-ventures agreements, please refer to note 3 xii-‘Share of profit (loss) of joint-ventures’.

Financial derivatives and hedging transactions
Financial derivatives embedded in contracts in which the primary element is a financial asset that falls within the scope of IFRS 9 are not treated separately. The hybrid instrument is instead examined as a whole for classification in the statement of financial position and subsequent measurement.

Financial derivatives are used exclusively for hedging purposes to reduce exchange and interest rate risk. They are only accounted for by applying the methods established for hedge accounting (fair value hedge or cash flow hedge) if, at the start of the hedging period, the hedging relationship has been designated. It is assumed that the hedge is highly effective: this effectiveness must be reliably measured during the accounting periods for which it is designated. All financial derivatives are measured at fair value.

Where financial instruments meet the requirements to be reported using hedge accounting procedures, the accounting treatment related to fair value hedge or cash flow hedge is applied.
If hedge accounting cannot be applied, any gains or losses resulting from measuring the financial derivative at its present value are posted to the statement of profit or loss.
The Group is exposed to certain risks related to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk.
Derivatives are designated as hedging instruments in the form of i) foreign exchange forward and option contracts, elected as cash flow hedges to hedge highly probable forecast sales and purchases in different currencies compared to € and, ii) interest-rate swap contracts to mitigate the risk associated with variable interest rate changes on loan and bond agreements not issued at a fixed interest rate.
The Group also uses derivatives not designated as hedging instruments to reflect the change in fair value of foreign exchange rates of forward and option contracts that are not elected in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.
For Lagfin Group, net exposure to foreign exchange effects is limited to highly probable intra-group transactions among Group companies relating to certain sales and purchases regulated in currencies other than the functional currencies of the companies. Although these transactions represent only a portion of the overall business, the Group determines the net exposure to the primary currencies (US$, GBP, AUD) based on its predicted intercompany sales and purchases up to 18 months. Moreover, the Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group's reference is the budget exposure split by currencies and, as effectively as possible, any under/over exposure which may arise through plain vanilla currency derivatives. The derivative covers the period of exposure from the point the cash flows of the transactions forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. Derivative contracts aiming to mitigate currency exchange risks are dynamically and qualitatively managed based on business needs and specific contexts and circumstances.

These are not framed within fixed or quantitative policies regarding the percentage of coverage to be achieved. To avoid excessive coverage, the budget for future transactions is typically hedged at a level between 50% and 90% throughout the whole year. In the hedge relationships the main sources of ineffectiveness are:
- interest rate differentials between currencies and
- discrepancies between invoices issued and hedging contract (i.e. changes in the timing of the hedge transaction).

Regarding derivative contracts intended to hedge interest rate exposures, they are namely connected with financing and there is no established quantitative policy concerning the optimal level of exposure to fixed or variable rates: the Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The preferred exposure to fixed or variable rates is dynamically managed centrally within the Group, considering current and future market conditions, the Group's level of indebtedness, business performance, and in the context of the Group's expansion initiatives. The Group determined the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dated and maturities and the notional or par amount.

Financial guarantees
The Group recognises financial guarantees as a financial liability if the likelihood of these guarantees being called is assessed not to be remote, and the Group is expected to be liable for any legal obligation in respect of these financial guarantee agreements. Financial guarantee contract liabilities are measured initially at their fair values with subsequent remeasurement impacting profit or loss. They are represented as a long- or short-term financial liability, depending on the time of the expected execution of the guarantees.

If the likelihood of these guarantees being called is assessed to be remote, they are treated as commitments with disclosure requirements only. It occurs when they are represented as other forms of security in favour of third parties, such as customs guarantees for excise duties and guarantees to grant credit lines.

Disclosure

at 31 December 2024 € million	carrying amount	measurement at amortised cost	measurement at fair value through profit and loss	measurement at fair value with changes recognised in the statement of comprehensive income
Cash and cash equivalents	871.4	871.4	-	-
Other current financial asset	288.3	7.5	280.8	-
Other non-current financial assets	6.4	6.4	-	-
Lease payables	(77.5)	(77.5)	-	-
Loans due to banks(1)	(2,219.0)	(2,219.0)	-	-
Bonds	(1,980.1)	(1,980.1)	-	-
Accrued interest on bonds	(21.3)	(21.3)	-	-
Other current financial liabilities	(6.3)	(6.3)	-	-
Derivative embedded in the Parent company's Bond	(4.0)	-	(4.0)	-
Liabilities for put option and earn-out payments(2)	(168.4)	(3.5)	(49.9)	(115.0)
Non-current and current assets for hedging derivatives(3)	3.8	-	0.4	3.4
Non-current and current liabilities for hedging derivatives	(7.8)	-	(1.5)	(6.3)
Other non-current assets	104.9	15.1	89.8	-
Trade receivables	426.4	426.4	-	-
Trade payables	(676.6)	(676.6)	-	-
Total	**(3,459.8)**	**(3,657.5)**	**315.6**	**(117.9)**

(1) Excluding derivatives on loans due to bank.
(2) Liabilities linked to some business combinations may be elected to have the fair value variation accounted for against the Group equity.
(3) Derivatives on loans due to banks and new pre-hedging contract subscribed.

at 31 December 2023 € million	carrying amount	measurement at amortised cost	measurement at fair value through profit and loss	measurement at fair value with changes recognised in the statement of comprehensive income
Cash and cash equivalents	826.3	826.3	-	-
Other current financial asset(1)	369.1	22.3	346.8	-
Other non-current financial assets(1)	7.0	7.0	-	-
Lease payables	(76.0)	(76.0)	-	-
Loans due to banks(2)	(1,882.8)	(1,882.8)	-	-
Bonds	(1,631.9)	(1,631.9)	-	-
Accrued interest on bonds	(21.2)	(21.2)	-	-
Other current financial liabilities	(8.1)	(8.1)	-	-
Derivative embedded in the Parent company's Bond	(25.3)		(25.3)	-
Liabilities for put option and earn-out payments(3)	(235.1)	(3.3)	-	(231.8)
Non-current and current assets for hedging derivatives(4)	5.5	-	1.0	4.5
Non-current and current liabilities for hedging derivatives	(0.3)	-	(0.2)	(0.1)
Other non-current assets	25.4	9.1	16.3	-
Trade receivables	375.3	375.3	-	-
Trade payables	(525.5)	(525.5)	-	-
Total	**(2,797.6)**	**(2,908.8)**	**338.6**	**(227.4)**

(1) Excluding derivative on loans due to bank and new pre-hedging contract subscribed.
(2) Excluding derivative on loan due to bank.
(3) Liabilities linked to some business combination may be elected to have the fair value variation accounted for against the Group equity.
(4) Derivative on loans due to bank and new pre-hedging contract subscribed.

The tables below show a breakdown of the foreign exchange contracts on highly probable sales and purchases and interest-rate swap on loan. It also includes the effect of hedging derivatives, not in hedge accounting with fair values variations recognised through the statement of profit or loss. Call and/or put agreements over joint-ventures elected as derivative instruments with negligible fair value variation were disclosed below.

foreign exchange forward contracts and options (highly probable forecast sales and purchases)	31 December			
	2024		2023	
€ million	notional amount hedge items	average forward rate	notional amount hedge items	average forward rate
US$	187.2	1.08	90.5	1.07
New Zealand Dollar	-	-	12.0	1.78
Australian Dollar	38.8	1.67	17.8	1.63
Swiss Franc	2.0	0.93	1.5	0.95
Singapore Dollar	5.5	1.43	-	-
Sterling Pound	5.5	0.84	1.9	0.87
Total	**239.0**		**123.7**	

nature of hedged items and related derivatives forward	31 December					
	2024			2023		
€ million	notional amount hedge items	carrying amounts hedging instruments	change in fair value gain (losses)	notional amount hedge items	carrying amounts hedging instruments	change in fair value gain (losses)
foreign exchange forward contracts and options (highly probable forecast sales and purchases) fair value and cash flow hedge	239.0	(6.2)	(5.2)	123.7	2.3	(1.4)

nature hedged items and related derivatives interest rate swaps	31 December					
	2024			2023		
€ million	notional amount hedge items	carrying amounts hedging instruments(1)	change in fair value gain (losses)	notional amount hedge items	carrying amounts hedging instruments	change in fair value gain (losses)
interest rate swap contracts on loans financial statements impact	963.7	2.1	0.8	700.0	2.9	6.1

(1) The carrying value is included in the line 'Loans due to banks' in the financial instruments' recap table reported above.

In connection with the establishment of the joint-venture in Spiritus Co Ltd. and acquired interests in third party investments in Monkey Spirits, LLC and Thirsty Camel Ltd., commitments to increment the ownership in these companies exist in the form of put and/or call option elected as derivative financial instruments measured at fair value with impact in the Group statement of profit or loss. The fair value of these options, which are dependent on the performance of the companies, were determined to be fair value market terms based on similar recent transactions, with fair value changes negligible at the end of 2023. Furthermore, on 1 March 2023, the Group acquired the remaining outstanding shares of 60% in CTSJ and concomitantly the derivative, that was negligible in 2022, was replaced by a financial liability of €0.5 million for future earn-out payments disclosed as 'liability for put options and earn-out'.

For what concern Campari's commitment to acquire 100% of the outstanding share capital of Beam Holding France S.A.S., holding 100% of the share capital of Courvoisier S.A.S., owner of the Courvoisier brand, for US$1.32 billion (€1.22 billion at the exchange rate of 14 December 2023, the date on which Beam Suntory, Inc was granted a put option for the complete ownership of the brand), a derivative is resulting from granting a put option for the purchase of the business. Since the agreement was defined close to year-end (14 December 2023) and within an arm-length negotiation under prevailing market conditions not limited only to the target's business performance, the fair value variation assessment as of 31 December 2023 of the derivative can be deemed negligible even when considering potential fluctuations in the target's performance during the remaining days of 2023.
At the time of the expiry of the options and in case of satisfaction of the conditions stated in the relevant agreement between parties, the derivatives will be replaced by an increased equity interest in the companies.

ii. Cash and cash equivalents

Disclosure

	at 31 December		
	2024	*of which perimeter effect*	2023
	€ million	*€ million*	€ million
Bank current accounts and cash	783.3	*(557.6)*	444.7
Term deposit	88.1	-	381.6
Cash and cash equivalents	**871.4**	***(557.6)***	**826.3**

Cash and cash equivalent grew from €826.3 million to €871.4 million, supported by significant credit lines for a total of €825.9 million, of which €400.0 million are committed and expiring in 2029 (undrawn at 31 December 2024). The balance of the uncommitted credit lines for an amount of €425.9 million was drawn down for €152.4 million at 31 December 2024. The main transactions that impacted the cash position in 2024 were the issuance of new ordinary shares (for a gross amount of €650.0 million) and 5-year convertible bonds (for €550.0 million), leading to a total gross amount cashed in of €1,200.0 million, primarily used to support the acquisition of the Courvoisier business, as well as to capitalise on market conditions optimizing the funding structure.
For additional details, reference is made to cash flow information and the net financial debt (note 6 viii- 'Reconciliation with net financial debt and cash flow statement').

iii. Other current financial assets

Disclosure

	at 31 December	
	2024	2023
	€ million	€ million
Current assets for hedging derivatives reported using hedge accounting	1.0	1.6
Current assets for hedging derivatives not reported using hedge accounting	0.4	1.0
Bonds	89.5	175.2
Equity	65.6	128.5
Other financial investments	124.3	46.8
Marketable securities maturing more than 3 months	7.1	13.9
Financial receivables from Terra Moretti (i.e., business disposal)	-	0.1
Other financial assets	0.4	4.7
Other current financial assets	**288.3**	**371.8**

iv. Other non-current financial assets

Disclosure

	at 31 December	
	2024	2023
	€ million	€ million
Non-current assets for hedging derivatives	2.4	2.9
Non-current restricted bank accounts	5.4	4.7
Financial receivables from Terra Moretti (i.e., business disposal)(1)	-	1.3
Other non-current financial assets	2.4	1.0
Non-current financial assets	**10.2**	**9.8**

(1) The non-current financial receivable associated with the past sale of Sella&Mosca S.p.A. and Teruzzi&Puthod S.r.l..

Non-current assets for hedging derivatives of €2.4 million referred to interest rate hedging derivatives associated with a €400.0 million floating-rate term loan.

v. Non-current financial debt

Disclosure

	at 31 December		
	2024	*of which perimeter effect*	2023
	€ million	*€ million*	€ million
Bond issued in 2020	548.0	-	547.2
Bond issued in 2023	698.5	-	784.7
Bond issued in 2024	733.6	-	-
Non-current bonds	**1,980.1**	**-**	**1,331.9**
Loans due to banks	**1,542.6**	**-**	**1,416.1**
Lease payables	57.9	0.1	60.0
Liabilities for put option and earn-out payments	164.8	48.7	209.0
Non-current liabilities for hedging derivatives	0.3	-	-
Other non-current financial liabilities	**219.0**	**48.8**	**269.0**
Total non-current financial debt	**3,745.7**	**48.8**	**3,017.0**

The main financial liabilities and the main changes that occurred in the composition of financial liabilities during the year are as follows.

- <u>Bonds</u>

At 31 December 2024, the Bonds item included the following issues, which are fully €-denominated.

	at 31 December 2024			
	Issuer	original nominal value € million	maturity	coupon rate fixed
Bond issued in 2020	Davide Campari-Milano N.V.	550.0	6/10/2027	1.250%
Bond issued in 2023	Davide Campari-Milano N.V.	300.0	18/5/2030	4.710%
Bond issued in 2023	Lagfin	536.4	8/6/2028	3.500%
Bond issued in 2024	Davide Campari-Milano N.V.	550.0	17/1/2029	2.375%
Bond issued in 2024	Davide Campari-Milano N.V.	220.0	25/6/2031	4.256%

The main changes that occurred during 2024 were related to the placement of an unrated 7-year bond on 18 June 2024, targeted at institutional investors for €220.0 million (net proceeds excluding transaction costs amounting to €217.5 million) in a principal aggregate amount of notes maturing on 25 June 2031, paying a fixed annual coupon of 4.256% and issued at an issue price of 100% of the principal amount (for more detailed information refer to ‘Group significant events and corporate actions’ in the Management Board Report) and the issuance of senior unsecured bonds that are convertible into new and/or existing ordinary shares of Davide Campari-Milano N.V. due in 2029, resulting in gross proceeds of approximately €550.0 million primarily serving the Courvoisier acquisition. Pursuant to the resolution approved during the Davide Campari-Milano N.V. Board of Directors meeting on 14 December 2023, the offering of these convertible bonds excluded pre-emptive rights associated with the transaction. The bonds have been issued in registered form, at their principal amount of €100,000 each at par, and bear a coupon of 2.375% per annum, payable semi-annually in arrears on 17 July and 17 January of each year, with the first coupon to be paid on 17 July 2024. The maturity is 5 years (unless previously redeemed, converted or repurchased and cancelled) and the bonds will be redeemed at their principal amount at maturity (on or around 17 January 2029) subject to Campari Group’s option to deliver bond shares and, as the case may be, an additional amount in cash (‘Share Settlement Option’).

The book building process concluded on 10 January 2024 with an initial conversion price set at €12.3623, representing a premium of 32.5% above reference share price and each convertible bond will be convertible into 8,089 underlying bond shares for a total issue of approximately 44.5 million bond shares which represent approximately: 3.8% and 3.6% of the Issuer’s issued ordinary share capital as of 31 December 2023 and 31 December 2024, respectively. The convertible bonds were traded on Euronext Access Milan, a multilateral trading facility organised and managed by Borsa Italiana S.p.A. by 26 March 2024.

The carrying amount of the host liability is composed as follows.

	€ million
Proceeds for issue of convertible bond	550.0
Transaction costs	(5.8)
Net proceeds	**544.2**
Conversion options classified as equity net of transaction costs of €0.4 million	(37.2)
Amortising cost for the year 2024	7.5
Carrying amount of host liability at 31 December 2024	**514.6**

The conversion option of €37.6 million was classified as an equity component since it meets the ‘fixed-for-fixed’ requirement under the relevant accounting principle. Specifically, the conversion will result in a fixed number of notes equivalent to the outstanding principal amount being exchanged for a fixed number of ordinary shares. The aforementioned equity component was estimated as the difference between the fair value of the convertible bond as a whole and the fair value of the liability component only. The transaction costs associated with the equity component, amounting to €0.4 million, were accounted for as a deduction from equity by affecting retained earnings reserve.

The exchangeable bond issued by Lagfin in 2023 and with maturity date in 2028 has two components: the bond loan and a conversion option. This derivative was separated at inception from the bond issue and has been measured at fair value both at the date of initial recognition of the hybrid instrument and at each subsequent balance sheet date. Changes in fair value are recognized in the income statement.
The Company therefore accounts for the embedded derivative in accordance with the rules for non-hedging derivatives charging changes in the fair value of the derivative to the income statement as adjustments to the value of financial assets and liabilities and as a contra entry in the balance sheet to a fund (derivative financial instruments payable).

The Company has partially repurchased the Exchangeable bond 2028 during 2024. Please refer to the note ‘Group significant events and corporate actions‘
The following amounts are recorded under ‘Derivative financial instruments payable’ with reference to the Exchangeable bond 2028:
- €23.7 million as of 31 December 2023;
- €4.0 million as of 31 December 2024

<u>Liabilities and loans due to banks</u>

This item includes €-denominated loans entered with leading banks as follows. Below are the mains loans:

Company	maturity	original value € million	residual nominal value: non-current current € million	residual nominal value: current € million	residual nominal value: Amount available € million	Parameter	Spread	nominal rate at 31 December 2024
Lagfin	2025	539,1	-	379,8	159.3	Euribor 1/3/6 months, Euro Short Term Rate, FedRate, SONIA, SOFR, Cost of funding bank	from 0,35% to1,22%	from 3,37% to 5,35%
Lagfin	2026	651,0	224,6	-	426,4	Euribor 3/6 months	from 1.15% to 1.55%	4.51%
Lagfin	2027	87,0	61	-	26	Euribor 3/6 months	from 0.5% to 1.55%	from 4,41% to 5,46%
Lagfin	2030	5,8	5,8	-	-	SONIA	1,15%	6.33%
Davide Campari-Milano N.V.	2025	50,0	-	50	-	floating interest rate linked to Euribor plus spread		3,74%
Davide Campari-Milano N.V.	2026	100,0	101,8	-	-	Fixed rate		1.33%
Davide Campari-Milano N.V.	2026	50,0	4,1	16,7	29,2	floating interest rate linked to Euribor plus spread		3,72%
Davide Campari-Milano N.V.	2027	404,3	321,5	28,9	-	floating interest rate linked to Sofr plus spread		6,17%
Davide Campari-Milano N.V.	2028	125,0	124,6	-	0,4	floating interest rate linked to Euribor plus spread		3,98%
Davide Campari-Milano N.V.	2029	400,0	363,8	35	1,2	floating interest rate linked to Euribor plus spread		4,13%

The increase compared to last year was related to the subscription of a loan with a nominal amount of €125.0 million in November 2024 by Davide Campari-Milano N.V. with a duration of 4 years and a floating interest rate of 3.983%.
The sustainability-linked facilities that contain a variable component of the interest rate applicable depending on the achievement of certain ESG targets identified by Campari Group and particularly focused on the reduction of emissions, as well as the responsible use of water and gender equality, led to overall reduced interest expense of €0.2 million in 2024.

As of December 31, 2024, the Company had outstanding financial liabilities subject to covenants, which, if breached, could result in the requirement to repay such liabilities within twelve months of the reporting date. These financial liabilities include:
- Lagfin Exchangeable Bond 2028 for which the company is required to assess the covenant twice a year (30/06 and 31/12). The covenant requires that the Net Financial Indebtedness of the Issuer and its Subsidiaries must not exceed €1.65 billion. No covenant breach was recorded in 2024, and no covenant breaches are foreseeable in the future;
- Financial liabilities for a total value of €323.25 million as of December 31, 2024 are classified as non current financial liabilities subject to the entity complying with covenants. These liabilities require the company to maintain a Loan-to-Value (LTV) ratio that is calculated using various definitions and asset bases, including valuations based on Davide Campari-Milano N.V. share prices and other assets and are monitored, through periodic certificates, with most facilities requiring biannual certification, and others requiring quarterly or annual submission. Also, for these facilities, the most conservative LTV threshold in place is within the limits imposed by the covenants and no breach was recorded in 2024, and no covenant breaches are foreseeable in the future.

- <u>Liabilities for put options and earn-out</u>

€ million at 31 December 2023	**209.0**	*variation impacting profit or loss*	*variation impacting Group net equity or investment value*
perimeter effect	48.7	-	*48.7*
amortisation costs effect	-	-	-
Remeasurement	(46.4)	*1.0*	*(47.3)*
reclassification to current liability	(55.2)	-	-
exchange rate differences and other changes	8.8	-	*8.8*
at 31 December 2024	**164.8**		
of which measured at fair value	*164.8*		
of which measured at amortised cost	*-*		

€ million	total	variation impacting profit or loss	variation impacting Group net equity or investment value
at 31 December 2022	**236.6**		
Payments	(3.4)	-	*(3.4)*
perimeter effect	0.5	-	*0.5*
remeasurement	8.4	*(0.1)*	*8.5*
reclassification to current liability	(24.0)	-	-
exchange rate differences and other changes	(8.8)	-	*(8.8)*
at 31 December 2023	**209.0**		
of which measured at fair value	*209.0*		
of which measured at amortised cost	-		

At 31 December 2024, the long-term portion mainly included:
- the estimated payable for put options linked to Wilderness Trail Distillery, LLC totalling €114.9 million, whose value decreased by €34.1 million, depending on the remeasurement and exchange rate effects;
- the estimated payable for earn-out linked to Courvoisier totalling €50.0 million, out of which €48.7 million as perimeter and €1.2 million depending on the remeasurement;
- the estimated payable for the earn-out related to CT Spirits Japan Ltd. in the amount of €0.1 million.

The estimated payable for Licorera Ancho Reyes y CIA S.A.P.I. de C.V., and (ii) Casa Montelobos S.A.P.I. de C.V. totalling €55.2 million after related remeasurement and exchange rates effects was reclassified to current financial debt and paid in 2024 upon exercise of the contractual call option agreed at the business combination.

vi. Current financial debt

Disclosure

	at 31 December		
	2024 € million	*of which perimeter effect* *€ million*	2023 € million
Bond issued in 2017	-	-	150.0
Bond issued in 2019	-	-	150.0
Bonds	**-**	**-**	**300.0**
Loans due to banks	**676.5**	***11.5***	**446.7**
Accrued interest on bonds	22.2	-	21.2
Lease payables	18.8	*0.1*	16.0
Liabilities for put option and earn-out payments	3.6	-	26.1
Current liabilities for hedging derivatives reported using hedge accounting	6.0	-	0.1
Current liabilities for hedge derivatives, not reported using hedge accounting procedures	1.5	-	0.2
Derivative financial instruments	6.0	-	25.3
Other financial liabilities	8.2	-	6.9
Current financial debt	**742.8**	***11.6***	**862.5**

The main financial liabilities and the main changes that occurred in the composition of financial liabilities during the year are as follows.

- <u>Bonds</u>

The bonds issued in 2017 and in 2019 for an overall amount of €300.0 million were repaid in line with their expiry date in April 2024.

- <u>Liabilities and loans due to banks</u>

At 31 December 2024, loans due to banks reported a net increase of €228.0 million due to the increased current portion of medium- / long-term loans and usage of some short-term loans managed dynamically to strengthen the Group's financial structure further and achieve greater flexibility to respond promptly to the volatile macroeconomic context.

- <u>Liabilities for put options and earn-out payments</u>

€ million		variation impacting profit or loss	variation impacting Group net equity or investment value
at 31 December 2023	**26.1**		
Payments	(77.8)	-	-
Remeasurement	0.8	-	*0.8*
reclassification from non-current liability	55.2	-	-
exchange rate differences and other changes	(0.8)	*(0.4)*	*(0.4)*
at 31 December 2024	**3.6**		
of which measured at fair value	*0.1*		
of which measured at amortised cost	*3.5*		

€ million at 31 December 2022	3.4	variation impacting profit or loss	variation impacting Group net equity or investment value
Remeasurement	(1.2)	*(1.2)*	-
reclassification from non-current liability	24.0	-	-
exchange rate differences and other changes	(0.1)	*0.1*	*(0.2)*
at 31 December 2023	**26.1**		
of which measured at fair value	*22.8*		
of which measured at amortised cost	*3.3*		

At 31 December 2024, the short-term portion of the item included a liability of €3.6 million mainly for the purchase of the residual non-controlling shares in J. Wray&Nephew Ltd., secured by restricted cash and cash equivalents.
The decrease reported during 2024 was primarily related to the payment for the acquisition of the minority stakes in Trans Beverages Ltd., Licorera Ancho Reyes y CIA S.A.P.I. de C.V., and Casa Montelobos S.A.P.I. de C.V. and the earn-out related to Lallier totalling €77.8 million.

vii. Lease components in the statement of financial position

Accounting policy
The Group has various agreements in place for the use of offices, vehicles, machinery, shops and other minor assets belonging to third parties. Each agreement is subject to a detailed analysis to define whether or not a right-of-use/financial liability has to be recognised. Variable lease payments that are not linked to an index or rate continue to be charged to the statement of profit or loss as costs for the period.
Lease agreements are generally entered into for a term of 3-10 years but may contain options to extend them. The terms of a lease are negotiated individually and may contain a wide range of different terms and conditions. Such agreements do not include covenants, but the leased assets may be used to guarantee the liability arising from contractual commitments.
The value assigned to the rights of use corresponds to the amount of the lease liabilities recognised, plus initial direct costs incurred, lease payments settled on the start date of the agreement or previously and restoration costs, net of any lease incentives received. Restoration costs, which may be recognised in rare cases, normally relate to offices, for which there could be a contractual requirement to restore them to their original state at the end of the lease agreement. The Group estimates the restoration obligation based on the agreement with the lessor or by using expert valuations of third parties. The value of the liability, discounted to present value, as determined above, increases the right of use of the underlying asset, and a dedicated provision is created to offset.
The discount rate used to measure the financial liability is the incremental borrowing rate ('IBR') when the implicit interest rate in the lease agreement cannot be easily determined (explicit interest rates in lease agreements are rare).

The incremental borrowing rates used to evaluate leasing contracts are determined by the Group and are revised on a recurring basis; they are applied to all agreements with similar characteristics, which are treated as a single portfolio of agreements. The rates are determined using the average effective debt rate of the subsidiary, appropriately adjusted and the most important elements considered in adjusting the rate are the credit-risk spread of each country observable on the market and the different durations of the lease agreements.
The term of the lease is calculated considering the non-cancellable period of the lease together with a) the periods covered by an option to extend the agreement, if it is reasonably certain that it will be exercised, or b) any period covered by an option to terminate the lease contract, if it is reasonably certain that it will not be exercised.

The Group assesses whether it is reasonably certain that any exercising of such options to extend or to terminate the agreements will take place, considering all the relevant factors that create a financial incentive for such decisions.

Disclosure

Changes in the lease payables in 2024 and 2023 are provided in the tables below.

lease payables	at 31 December 2023	addition	payments	interest expenses	reclassification	perimeter effect	exchange rate differences and other changes	at 31 December 2024
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Within 12 months	(16.0)	-	22.0	-	(24.7)	(0.1)	(0.1)	(18.8)
Over 12 months	(60.0)	(19.7)	-	(3.7)	24.7	(0.1)	0.1	(58.7)
Total lease payables	**(76.0)**	**(19.7)**	**22.0**	**(3.7)**	**-**	**(0.2)**	**-**	**(77.5)**

lease payables	at 31 December 2022	addition	payments	interest expenses	reclassification	exchange rate differences and other changes	at 31 December 2023
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Within 12 months	(14.4)	-	19.3	-	(21.3)	0.5	(16.0)
Over 12 months	(65.1)	(14.1)	-	(3.3)	21.3	1.8	(60.0)
Total lease payables	**(79.5)**	**(14.1)**	**19.3**	**(3.3)**	**-**	**2.2**	**(76.0)**

The IBRs applied in 2024 and 2023 were as follows.

applied IBRs for the year ended 31 December 2024 Currency	within 5 years	from 5 to 10 years	over 10 years
EUR	4.0%	4.1%	3.8%
US$	5.6%	5.6%	5.4%
GBP	8.8%	5.8%	5.8%
applied IBRs for the year ended 31 December 2023 Currency	within 5 years	from 5 to 10 years	over 10 years
EUR	4.8%	4.9%	4.6%
US$	5.9%	5.9%	5.7%
GBP	6.0%	5.8%	5.7%

The increase in IBR is connected with the macro-economic scenario.

The amounts recognised in the cash flow statement were as follows.

	for the years ended	
€ million	2024	2023
Total cash outflow for leases	(18.3)	(16.0)
Total cash outflow for interests	(3.7)	(3.3)
Total cash outflow for lease	**(21.9)**	**(19.3)**

The tables below show the breakdown of financial liabilities for leases by asset class.

€ million	within 12 months	over 12 months	total
Buildings	(9.2)	(44.9)	(54.1)
Vehicles	(7.3)	(10.8)	(18.1)
Machinery	(1.3)	(1.7)	(3.1)
Other	(1.0)	(1.0)	(2.0)
Land	-	(0.2)	(0.2)
Total financial liabilities for leases as of 31 December 2024	**(18.8)**	**(58.7)**	**(77.5)**
Total financial assets for leases as of 31 December 2024	**-**	**-**	**-**
Total financial assets and liabilities (net value) as of 31 December 2024	**(18.8)**	**(58.7)**	**(77.5)**

€ million	within 12 months	over 12 months	total
Buildings	(10.1)	(48.6)	(58.7)
Vehicles	(3.5)	(7.1)	(10.6)
Machinery	(1.0)	(3.2)	(4.2)
Other	(0.7)	(1.6)	(2.3)
Land	-	(0.2)	(0.2)
Total financial liabilities for leases as of 31 December 2023	**(15.4)**	**(60.6)**	**(76.0)**
Total financial assets for leases as of 31 December 2023	**-**	**-**	**-**
Total financial assets and liabilities (net value) as of 31 December 2023	**(15.4)**	**(60.6)**	**(76.0)**

viii. Reconciliation with net financial debt and cash flow statement

Disclosure

	at 31 December	
	2024	2023
	€ million	€ million
Cash and cash equivalents	871.4	826.3
Cash (A)	**871.4**	**826.3**
Other current financial assets	288.3	371.8
Current financial receivables (B)	**288.3**	**371.8**
Loans due to banks current	(676.5)	(466.7)
Current portion of lease payables	(18.8)	(16.0)
Current portion of bonds	-	(300.0)
Derivative embedded in the Parent company's Bond	(4.0)	(25.3)
Other current financial payables	(35.9)	(29.6)
Current portion of payables for put option and earn-out	(3.6)	(26.1)
Current financial payables (C)	**(738.4)**	**(863.7)**
Net current financial debt (A+B+C)	**421.3**	**334.4**
Loans due to banks non-current[1]	(1,542.6)	(1,416.1)
Non-current portion of lease payables	(58.7)	(60.0)
Non-current portion of bonds	(1,980.1)	(1,331.9)
Non-current portion of payables for put option and earn-out	(164.8)	(209.0)
Other	-	-
Non-current financial debt (D)	**(3,746.2)**	**(3,017.0)**
Net debt (A+B+C+D)[2]	**(3,324.9)**	**(2,682.6)**
Reconciliation with the Group's net financial debt as shown in the Management report:		
Other non-current financial assets	10.2	9.8
Group net financial debt	**(3,314.7)**	**(2,672.7)**

(1) Including related derivatives.
(2) In accordance with ESMA guidelines.

A reconciliation of the net financial debt with the statement of financial position is provided below.

	at 31 December 2024	at 31 December 2023
	€ million	€ million
Cash and cash equivalents	871.3	826.3
Bonds current	-	(300.0)
Loans due to banks current	(676.5)	(466.7)
Other current financial assets	288.3	371.8
Other current financial liabilities	(61.9)	(97.0)
short-term net financial debt including liabilities for put option and earn-out payments	**421.3**	**334.4**
Bonds non-current	(1,980.1)	(1,331.9)
Loans due to banks non-current	(1,542.6)	(1,416.1)
Other non-current financial assets	10.2	9.8
Other non-current financial liabilities	(223.5)	(269.0)
medium-/long-term net financial debt including liabilities for put option and earn-out payments	**(3,735.9)**	**(3,007.2)**
net financial debt	**(3,314.7)**	**(2,672.7)**

Reconciliation of the changes in financial liabilities used in financing activities with the cash flow statement

cash Flow generated (absorbed) from financial liabilities	bonds		payables for interest	borrowings		lease payables		other financial assets (liabilities)	
€ million	current	non-current	current	current	non-current[1]	current	non-current	current	non-current
at 31 December 2023	(300.0)	(1,331.9)	(14.5)	(466.7)	(1,416.1)	(16.0)	(60.0)	20.2	10.9
Notional liabilities addition	-	-	-	-	-	-	(19.7)	-	-
Interest accrued	-	-	(146.5)	-	-	-	(3.7)	(6.7)	(0.2)
New financing[2]	**-**	**(770.0)**	**-**	**(340.4)**	**(349.3)**	**-**	**-**	**-**	**(9.5)**
Repayment[2]	**300.0**	**105.8**	**146.5**	**371.4**	**20.1**	**-**	**22.0**	**0.2**	**-**
- of which long-term debt[3]	-	-	-	*46.6*	-	-	-	-	-
- of which other borrowings	-	-	-	*324.7*	-	-	-	-	-
Perimeter effects	-	-	-	(11.5)	-	(0.1)	(0.1)	-	-
Exchange rate effects	-	-	-	4.2	(29.5)	-	(1.4)	0.4	-
Reclassification	-	-	-	(231.5)	231.5	(2.8)	2.8	1.0	(1.0)
Other movements	-	(16.0)	(6.8)	(2.0)	0.7	0.1	1.3	4.6	12.2
at 31 December 2024	**-**	**(1,980.1)**	**(21.3)**	**(676.5)**	**(1,542.6)**	**(18.8)**	**(58.8)**	**19.7**	**12.4**

(1) Included related derivatives.
(2) Cash flow generated (absorbed) from financial liabilities.
(3) The repayment of non-current borrowings related to the long-term debt item is €46.6 million.

ix. Explanatory notes to the cash flow statement

This section aims to provide additional explanatory information on items indicated in the consolidated statements of cash flows:

- Issue of new shares net of fees: the total proceeds of €643.3 million represented in the consolidated statements of cash flows is composed of €650.0 million in proceeds from the issuance of new ordinary shares less related ancillary fees in the amount of €6.7 million.
- Acquisition of companies or business divisions net of cash and cash equivalents acquired for an amount of €1,109.8 million is related to:
  a) €1,092.8 million related to the price paid at closing of €1,081.4 million (equivalent to US$1,170.0 million at the hedged currency exchange rate) to which, according to the agreement, the standard post-closing price adjustment mechanisms finalised in the second half of the year added an additional amount of €11.4 million (please refer also to note 4 i- 'Acquisition and sale of business and purchase of non-controlling interests');
  b) €6.5 million related to cash and cash equivalents acquired;
  c) the overall amount of €23.5 million associated with the finished goods falling under the stock transfer agreement which, while separate from the business combination transaction, remains correlated to the Courvoisier business.
- Put options and earn-out payments included in the cash flow generated from (used in) financing activities related to the outlay for acquiring the remaining 49% stakes in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V. as well as in Trans Beverages Company Ltd. (€55.2 million and €21.9 million respectively).
- Investment in joint-ventures and other investments for an amount of €98.8 million is related to the acquisition of the 15.4% minority stake in Capevin Holdings Proprietary Limited for €87.8 million (GBP74.0 million inclusive of acquisition-related fees) and the capital contribution amounting to €11.0 million in the Dioniso joint-venture (contribution equally supported by Moët Hennessy.
- Investment in Real Estate for €122.5 million were carried out by the Group and were mainly related to the acquisition of a building in 150 North Michigan, Chicago (€62.6 million) and to the improvement and completion projects of several real estate investments in the USA, UK and in the Principality of Monaco.

7. Risk management and capital structure

This section details accounting policies for shareholders' equity, share-based payments, basic and diluted earnings per share. Judgements and estimates are stated with regard to compensation plans. This section also details the Group's capital structure and the financial risks it is exposed to. For information on the composition of and changes in shareholders' equity during the periods under review, refer to the statement of changes in shareholders' equity.

i. Capital management

Disclosure

With regard to capital management, Campari has implemented a dividend distribution policy which reflects priority to use available financial sources mainly to fund external growth via acquisitions. Concomitantly, Campari carries out share buyback programs on a rolling basis intended to meet the obligations arising from share-based payments plans currently in force or to be adopted. The financial requirements deriving from the aforementioned capital management operations are managed dynamically, maintaining an appropriate level of flexibility with regard to acquisition opportunities and funding options, also taking into account the optimal and sustainable level of financial solidity which is monitored on an ongoing basis through the index net debt on EBITDA-adjusted. For the purposes of the ratio calculation, net debt (refer to note 6 viii-'Reconciliation with net financial debt and cash flow statement') is the value of the Group's net financial debt at 31 December 2024, whereas the EBITDA-adjusted relates to the Operating result excluding depreciation and amortisation excluding the separately highlighted components that may be considered non-representative of the current operating results (refer to note 3 vi-'Selling, general and administrative expenses' and 5 viii-'Depreciation and amortisation') calculated based on the reported value at the closing date of the reference period.

At 31 December 2024 this multiple was 4.5 times, compared with 3.7 times at 31 December 2023. The increase in the ratio was primarily attributable to a temporary rise in financial leverage resulting from the Courvoisier acquisition, as opposed to the increase in EBITDA-adjusted, which contributed only for eight months.

Moreover, Lagfin's management constantly monitors debt levels and the financial position of the Company.

ii. Nature and extent of the risks arising from financial instruments

The Group's main financial instruments include current accounts, short-term deposits, short and long-term loans due to bank, lease payables and bonds. The purpose of these is to finance the Group's operating activities. In addition, the Group has trade receivables and payables resulting from its operations.

The main financial risks to which the Group is exposed are market (currency and interest rate risk), credit and liquidity risk. These risks are described below, together with an explanation of how they are managed.
To cover these risks, the Group uses derivatives, primarily interest rate swaps, cross-currency swaps and forward contracts, to hedge interest rate and exchange rate risks.

a) Credit risk

In specific markets in which the Group operates, sales are concentrated in a limited number of key customers. Therefore, a possible change in the priorities or deterioration of the financial conditions of these customers could have significant adverse effects on the Group's business and outlook. Furthermore, if these key customers view the contractual terms and conditions as no longer acceptable, they may ask for them to be renegotiated, resulting in less favorable terms and conditions for the Group. Examples of mitigation measures: monitoring of customers at market level, strategy and innovation development at corporate and market-level, multi-country investment strategy.

With regard to trade transactions, the Group works with medium-sized and large customers (large-scale retailers, domestic and international distributors) on which credit checks are performed in advance. Each company carries out an assessment and control procedure for its customer portfolio, constantly monitoring amounts received. In the event of excessive or repeated delays, supplies are suspended. Historically, losses on receivables represent a very low percentage of revenues and outstanding annual receivables, and significant hedging and/or insurance is put in place where there is uncertainty about cash collection.
Financial transactions are carried out with leading domestic and international institutions, monitored ratings to minimise counterparty insolvency risk.

The maximum risk associated with commercial and financial transactions at the reporting date is equivalent to the net carrying amount of these assets, also taking the risk of expected credit loss estimated by the Group using the business model identified.

b) Liquidity risk

The Group's ability to generate substantial cash flow through its operations minimises liquidity risk. This risk is defined as the difficulty in raising funds to cover the Group's financial obligations payment.
The table below summarises financial liabilities at 31 December 2024 by maturity, based on contractual repayment obligations, including non-discounted interest.

at 31 December 2024	on demand	within 1 year	due in 1 to 2 years	due in 3 to 5 years	due after 5 years	total
	€ million	€ million	€ million	€ million	€ million	€ million
Bonds	-	58.9	58.8	1,639.4	552.9	2,309.9
Loans due to banks	-	722.4	529.3	1,111.3	56.4	2,419.4
Leases	-	21.7	17.8	30.0	3.5	72.9
Payables for put option and earn-out	-	3.5	0.1	49.9	114.9	168.4
Other financial liabilities	-	2.9	-	-	-	2.9
Trade payables	105.7	569.7	1.0	0.1	-	676.5
Other non-financial liabilities	17.8	224.3	11.2	16.0	12.0	281.4
Total liabilities	**123.5**	**1,603.4**	**618.2**	**2,846.7**	**739.7**	**5,931.4**

at 31 December 2023	on demand	within 1 year	due in 1 to 2 years	due in 3 to 5 years	due after 5 years	total
	€ million	€ million	€ million	€ million	€ million	€ million
Bonds	-	328.5	21.0	1,091.1	328.3	1,768.9
Loans due to banks	-	512.7	604.6	652.5	272.7	2,042.5
Leases	-	18.8	17.1	37.6	8.3	81.8
Payables for put option and earn-out	-	26.0	60.1	-	148.9	235.0
Other financial liabilities	-	4.7	-	-	-	4.7
Trade payables	55.6	465.5	-	-	-	521.1
Other non-financial liabilities	20.0	173.5	6.8	7.1	11.4	218.8
Total liabilities	**75.6**	**1,529.7**	**709.5**	**1,788.3**	**769.6**	**4,872.8**

The Group's financial payables, except non-current payables with a fixed maturity, consist of short-term bank debt. Thanks to its liquidity and satisfactory generation of cash flow from operations, the Group has sufficient resources to meet its financial commitments at maturity.
In addition, there are unused credit lines both committed and uncommitted, that could cover any liquidity requirements (refer to note 6. 'ii Cash and cash equivalents').

c) Interest rate risk

A breakdown of the effective interest rate, taking all the cost components of the amortised costs into account, divided by type of financial liability is as follows.

	nominal interest rate	effective interest rate[(1)]	maturity	at 31 December 2024	2023
			€ million	€ million	€ million
Loans due to banks	fixed rate 1.183% + variable rate	4.724%	2028	2,219.0	1,882.8
Campari bond issues					
- issued in 2017	fixed rate 2.165%		2024	-	150.0
- issued in 2019	fixed rate 1.655%		2024	-	150.0
- issued in 2020	fixed rate 1.250%	1.417%	2027	547.2	547.2
- issued in 2023	fixed rate 4.710%	4.710%	2030	298.6	298.6
- issued in 2024	fixed rate 2.375%	3.756%	2029	514.6	-
- issued in 2024	fixed rate 4.256%	4.269%	2031	219.0	-
Lagfin bond issue in 2023	fixed rate 3.5%	5.94%	2028	406.7	486.1
Leases	incremental borrowing rate	incremental borrowing rate	2024-2029	77.5	76.0

[(1)]Calculated on any difference included in the amortised cost accounting.

The Group is exposed to the risk of fluctuating interest rates in respect of its financial assets, loans due to banks and lease agreements. Derivative contracts intended to hedge interest rate exposures connected with financing are not subject to established quantitative policy concerning the optimal level of exposure to fixed or variable rates: the Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The preferred exposure to fixed or variable rates is dynamically managed centrally within the Group, considering current and future market conditions, the Group's level of indebtedness, business performance and in the context of the Group's expansion initiatives.
The Campari's 2020, 2023 and 2024 bond issues pay interest at a fixed rate. Overall, at 31 December 2024, the nominal exposure of the Group's total financial debt was 49.6% at variable-rate, while the effective exposure, including the related hedging derivatives for the term loan subscribed in 2023, stood at 40.7% at variable-rate.
The Lagfin's 2023 bond issues pay interest at an effective interest rate of 5.94%.

Sensitivity analysis

The table below shows the effects of a possible change in interest rates on the Group's statement of profit or loss, if all other variables remain constant. A negative value in the table indicates a potential net reduction in profit or loss, while a positive value indicates a potential net increase in this item. The assumptions used with regard to a potential change in rates are based on an analysis of the trend on the reporting date.
With regard to the fixed-rate financial liabilities hedged by interest-rate swaps, the change in the hedging instrument offsets the difference in the underlying liability, with practically no effect in the statement of profit or loss.

		profit or loss	
at 31 December 2024	increase/decrease in interest rates in basis point	increase in interest rates € million	decrease in interest rates € million
€	+/- 5 basis points	(1.4)	1.4
US$	+30/-10 basis points	(1.6)	0.5
Other currencies		0.1	(0.4)
Total effect		**(2.9)**	**1.5**
at 31 December 2023		-	-
€	+/- 5 basis points	(1.1)	1.1
US$	+30/-10 basis points	(1.6)	0.5
Other currencies		0.1	(0.7)
Total effect		**(2.6)**	**0.9**

d) Exchange rate risk

The Group develops its business activities globally, and sales in non-€ markets are progressively increasing. However, the establishment of Group companies in countries including the United States, Brazil, Australia, Argentina and Switzerland allows exchange rate risk to be partly hedged, since both costs and income are denominated in the same currency.
For the Group, net exposure to foreign exchange effects is limited to transactions concluded among Group companies relating to certain sales and purchases regulated in currencies other than the functional currencies of the companies. Although these transactions represent only a portion of the overall business, the Group policy regularly determines the net exposure to the primary currencies to mitigate the residual foreign exchange risk by using forward and option derivatives agreements.

Derivative contracts aiming to mitigate currency exchange risks are dynamically and qualitatively managed based on business needs and specific contexts and circumstances. These are not framed within fixed or quantitative policies regarding the percentage of coverage to be achieved. To avoid excessive coverage, the budget for future transactions is typically hedged at a level between 50% and 90% throughout the whole year.

Sensitivity analysis

An analysis was performed on the effects of a possible change in the exchange rates against the € on the statement of profit or loss, keeping all the other variables constant. This analysis does not include the Consolidated Financial statements' effect on translating the financial statements of subsidiaries denominated in a foreign currency following a possible change in exchange rates. The assumptions adopted regarding a potential change in rates are based on an analysis of forecasts provided by financial information agencies on the reporting date. The types of transactions included in this analysis are sales and purchases in any currency other than the Group's functional currency. The effects on shareholders' equity are determined by changes in the fair value of forward contracts on future transactions, which are used as cash flow hedges.

		net equity	
at 31 December 2024	increase/decrease **in currency rates in %**	increase in exchange rates **€ million**	decrease in exchange rates **€ million**
US$	+8%/-1%	2.0	(18.8)
Other currencies		0.8	(2.2)
Total effect		**2.8**	**(21.0)**
at 31 December 2023		-	-
US$	+2%/-6%	2.8	(1.0)
Other currencies		0.2	(0.3)
Total effect		**3.0**	**(1.4)**

e) Market and price risk

Market risk consists of the possibility that changes in exchange rates, interest rates or the prices of raw materials or commodities (alcohol, aromatic herbs, sugar, cereals and agave) could negatively affect the value of assets, liabilities or expected cash flows.

The price of raw materials depends on a wide variety of factors, which are difficult to forecast and are largely beyond the Group's control. Historically, the Group has had no problem obtaining high-quality quantities of raw materials. However, we cannot exclude that the Group could face challenges in getting supplies of raw materials. The Group is in the process of implementing measures aimed at limiting the risk of raw material price fluctuations, including co-investments agricultural production agreements with local producers, the benefits of which can be seen over the medium-term as they are related to natural growing processes.
The Group has a substantial inventory of aged product categories, such as Bourbon whiskey, Scotch whisky, Canadian whisky, rum, cognac and tequila, which mature over lengthy periods.

While the maturing inventory is stored at numerous locations around the world, the loss as a result of contamination, fire or other natural disaster or destruction resulting from negligence or the acts of third parties or otherwise of all or a portion of the inventory of any one of those aged product categories may not be replaceable and, consequently, may lead to a substantial decrease in the supply of those products.
Additionally, the judgemental nature of determining how much of the Group's aged products to lay down in any given year for future consumption involves an inherent risk of forecasting error. Finally, price is another critical element, as the recoverability of the cost incurred in the maturing process is subject to the Group's ability to select an adequate range of premium products capable of satisfying the needs of demanding customers while the loss of sales and market shares or lead to future excess inventory and decreased profit margin. The Group regularly reviews its marketing and production strategy to mitigate those risks enabling long-term forecasting analytical tools.

iii. Debt management

The Group's debt management objectives are based on its ability to ensure that it retains an optimal level of financial soundness, while maintaining an appropriate level of liquidity that enables it to secure an economic return and, at the same time, access external sources of funding. The Group monitors changes to its net debt/EBITDA-adjusted ratio on an ongoing basis as commented in the above note 7 i-' Capital management'.

iv. Shareholders' equity

For information on the composition and changes in shareholders' equity for the periods under review, see the statement of changes in shareholders' equity.

Share capital
At 31 December 2024, the share capital was €3,717,000 and is divided into 46,465 shares fully paid with par value of €80.00 par share.

Dividends paid and proposed
Lagfin hasn't paid dividends during the year.

Shareholders' equity attributable to non-controlling interest
The non-controlling interest, equal to €1,917.5 million (€1,393.4 million at 31 December 2023) is related to the Davide Campari-Milano N.V. consolidated with full consolidated method.

non-controlling interests	Davide Campari-Milano N.V.	DR Holding S.A.	Bellonnie et Bourdillon S.A.S.	Thirsty Camel Ltd.	Courvoisier Group	Other	**Total**
% of non-controlling interest	47.03%	49.00%	3.47%	-(1)	-(2)		
	€ million	€ million	€ million	€ million	€ million	€ million	**€ million**
at 31 December 2023	**1,291.4**	**100.0**	**1.1**	**0.5**	**-**	**0.4**	**1,393.4**
Net result	117.9	3.2	(0.3)	(0.8)	-	(7.9)	**112.1**
Dividend distribution	(37.0)	-	-	-	-	(0.8)	**(37.8)**
Change in ownership interests	19.9	-	-	-	-	-	**19.9**
Treasury shares transactions	1.8	-	-	-	-	-	**1.8**
DCM N.V. shares purchase	(12.1)	-	-	-	-	-	**(12.1)**
Translation difference	-	-	-	0.1	-	10.2	**10.3**
Issue of new shares net of fees	399.6	-		-	-	-	**399.6**
Perimeter effect for acquisition	-	-		-	0.6	-	**0.6**
Other movements	31.1	-	-	(0.3)	-	2.9	**33.7**
Reclassification to group net equity	-	-		0.5	-	(4.5)	**(4.0)**
at 31 December 2024	**1,812.6**	**103.2**	**0.8**	**-**	**0.6**	**0.3**	**1,917.5**

(1) 40% in 2023.
(2) This refers to SCEA Domaine Guilloteau, SICA des Baronnies de Jarnac, SICA Quinze des Borderies et Champagnes, Association Coopérative des Bouilleurs de Cru, as part of the Courvoisier acquisition. Minority interest are 15.0% in SCEA Domaine Guilloteau, 83.6% in SICA des Baronnies de Jarnac, 94.6% in SICA Quinze des Borderies et Champagnes and 98% in Association Coopérative des Bouilleurs de Cru

The non-controlling interests at 31 December 2024 amounted to €1,917.5 million.
The main change in 2024 is related to the issues of new shares by Davide Campari-Milano N.V. for a total amount of €650 million that were fully subscribed by non-controlling interests.

The main financial statement figures of Davide Campari-Milano N.V. and DR Holding S.A., Société Anonyme are presented below, as these represent the most significant non-controlling interests. The remaining entities have been assessed as immaterial and are not disclosed separately.

for the year ended 31 December 2024	Davide Campari-Milano N.V.	DR Holding S.A.
Net sales	3,069.7	-
Profit (loss) for the period	201.6	6.6
Current assets	2,938.2	177.3
Non-current assets	5,545.1	36.7
Current liabilities	1,241.9	3.1
Non-current liabilities	3,386.1	-
Net assets	3,855.3	210.9
Of which represented as non-controlling interest in Lagfin Group statement of changes in shareholders' equity	**1,812.6**	**103.2**

Reconciliation of the Parent Company and Group net profit and shareholders' equity

	at 31 December			
	2024		2023	
	shareholders' equity	result of the period	shareholders' equity	result of the period
	€ million	€ million	€ million	€ million
Figures from the annual financial statements of Lagfin	**2,039.4**	**300.8**	**1,628.4**	**142.6**
- Difference between carrying value and pro-rata value of shareholders' equity of equity investments	(385.4)	-	(394.2)	-
- Pro-rata results of subsidiaries	-	96.5	-	173.5
- Elimination of intra-group operations	(12.7)	(325.1)	19.6	(161.9)
- Allocation of consolidation difference and reversal of merger difference	171.2	-	171.2	-
Figures from the consolidated financial statements (figures attributable to the Group)	**1,812.5**	**72.2**	**1,425.1**	**154.2**
Shareholders' equity and net profit attributable to non-controlling interests	1,917.5	88.9	1,393.4	149.6
Group's equity and net profit	**3,730.0**	**161.1**	**2,818.6**	**303.7**

v. Share-based payments

Accounting policy

Compensation plans in the form of stock options

Campari has multiple incentive plans in place, including benefits in the form of stock option plans, governed in accordance with the shareholders' resolution, pursuant to applicable law and implemented by means of a specific regulation ('Stock Option Regulations'). The purpose of the plan is to offer beneficiaries who occupy key positions at Campari the opportunity to own shares in Davide Campari-Milano N.V., thereby aligning their interests with those of other shareholders and fostering loyalty, in the context of the strategic goals to be achieved. The recipients are employees, directors and/or individuals who regularly work for one or more Group companies, who have been identified by the Board of Directors of Davide Campari-Milano N.V., and who, on the approval date of the plan and until the date that the options are exercised, have worked as employees and/or directors and/or in any other capacity at one or more Group companies without interruption. The Board of Directors of Davide Campari-Milano N.V. has the right to draft regulations, select beneficiaries and determine the share quantities and values for the execution of the stock option plans.

The fair value of stock options is represented by the value of the option calculated by applying the Black-Scholes model and the grant date starts once the options are assigned. Volatility is estimated with the help of data supplied by a market information provider together with a leading bank and corresponds to the estimate of volatility recorded in the period covered by the plan. The stock options are recorded at fair value with an offsetting entry in the stock option reserve. The dilutive effect of options not yet exercised is included in the calculation of diluted earnings per share.

Disclosure

The AGM of 11 April 2024 approved a new Remuneration Policy in the form of other share-based instruments as described below. Therefore, the last stock option plan was approved in 2023 while in 2024, no options were granted. The following table shows the changes in stock option plans during the periods concerned.

	at 31 December 2024		at 31 December 2023	
	no. of shares	average allocation/exercise price	no. of shares	average allocation/exercise price
Options outstanding at the beginning of the period	26,500.938	7.72	38,970.219	6.70
Options granted during the period	-	-	450.033	11.61
(Options cancelled during the period)	(1,887.054)	8.82	(727.195)	8.94
(Options exercised during the period)[1]	(958.942)	5.89	(12,158.728)	4.47
(Options expired during the period)	-	-	(33.391)	-
Options outstanding at the end of the period	23,654.942	7.72	26,500.938	7.72
of which exercisable at the end of the period	5,560.902	6.38	6,173.487	6.16

[1] The average market price on the exercise date was €8.68.

The exercise prices for the options granted in each year range were as follows.

	exercise price
Allocations: 2018	6.25
Allocations: 2019	8.85
Allocations: 2020	6.41
Allocations: 2021	9.91
Allocations: 2022	10.29
Allocations: 2023	11.61

The stock option plan does not include vesting conditions linked to business results or market conditions. The following assumptions were used for the fair value measurement of options issued in 2023. Considering the transition to the new Long-Term Incentive Plan described below starting in 2024, no stock options have been granted.

Black-Scholes model parameters	2023
Expected dividends (€)	0.065
Expected volatility (%)	21.18%
Historic volatility (%)	28.58%
Market interest rate	2.930%
Expected option life (years)	7.00
Exercise price (€)	11.61

The average fair value of options granted in 2023 was €3.06 (€3.51 in 2022). The average remaining life of outstanding options at 31 December 2024 was 2.7 years (3.4 years at 31 December 2023).

Accounting policy

Share-based payments in the form of Campari's 'Employees Share Ownership Plan', 'Extra-Mile Bonus Plan ('EMB') and Mid-Term Incentive plan ('MTI')

The Campari Shareholders' meeting of 8 April 2021 approved the resolution for the implementation of the Employee Share Ownership Plan ('ESOP'). ESOP is a share matching plan offering employees the opportunity to invest in Davide Campari-Milano N.V. shares. The ESOP is intended for all Group employees, with the exception of members of the Board of Directors. These employees will be offered the opportunity to allocate certain amounts to the plan, which will be used to purchase shares of Davide Campari-Milano N.V. (the 'Purchased Shares') by the plan administrator and, after a three-year vesting period, complementary free shares will be awarded. The free shares granted represent an equity settled arrangement.
The accounting treatment for the ESOP follows the accounting treatment applied for benefits granted in the form of stock option plans. The fair value of the ESOP plan is represented by the value of the option calculated by applying the Black-Scholes model. In the event that the granting of the benefit in the form of a share-based scheme is not permitted or it is not effective on the basis of specific national legislation, the same benefits are granted in the form of a phantom stock option plan. These plans confer the same rights as the ESOP plan but are cash-settled and the initial fair value measurement is calculated by applying the Black-Scholes model.

The cost resulting from this valuation is spread over the vesting period, with an impact on the profit or loss using a long- term liability offsetting account (in place of an equity reserve). As a subsequent measurement, at each balance sheet date and at least once a year and on the settlement date, the value of the phantom plan must be fully remeasured on the basis of the current market value of the Davide Campari-Milano N.V. shares. Any cumulative changes in fair value are recognised in the profit or loss in the remeasurement period to align the liability with the 'pro-rata' value of the expected bonus payment pay-out.
As part of this, the Extra-Mile Bonus Plan ('EMB') program was awarded in 2021, representing a preparatory assignment to the launch of the ESOP program with which it shares the main features. The fair value of the EMB plan is represented by the awarded number of rights assigned, calculated based on the annual base gross salary of eligible employees at 31 December 2020, divided by twelve.

On 13 April 2022, the Campari Annual General Meeting approved a Mid-Term Incentive plan ('MTI') based on Campari shares and aimed at rewarding Camparistas for their active participation in the Group performance and fostering their retention. Eligible Camparistas will be granted a right to receive a number of Campari shares for free, subject to their uninterrupted employment over a three-year vesting period from the grant date. The number of award rights to be granted to each beneficiary will be calculated based on the beneficiary's annual base gross salary as of 31 December preceding the grant date. The MTI plan approved in April 2022 foresees 3 grants for the following three years, therefore the second grant was assigned in May 2023.

Disclosure

The table below shows the changes in share-based rights during 2024, compared with 2023.

	31 December	
n. of rights	2024	2023
outstanding rights at the beginning of the year	3,678.420	3,606.911
assigned during the period	462.685	447.921
cancelled during the period	(261.583)	(349.497)
exercised during the period	(964.426)	(26.915)
outstanding rights at the end of the year	2,915.095	3,678.420

With respect to EMB program granted in 2021 with a 3-year vesting period, the related shares were transferred and thus exercised to the eligible employees in July 2024 and no outstanding shares remained related to this dedicated plan.

The following assumptions were used for the weighted average fair value measurement of the ESOP plan for complementary free shares assignment for the year ended 2024 and 31 December 2023. The weighted average fair value for complementary free shares assigned in 2024 was €9.09 (€11.07 in 2023).

Black-Scholes - model parameters	2024	2023
Expected dividends (€)	0.065	0.065
Expected volatility (%)	199.74 %	202.58 %
Historic volatility (%)	24.00 %	24.00 %
Market interest rate	2.75 %	3.34 %
Expected option life (years)	3	3

If a share-based scheme is not permitted or is not effective based on specific national legislation, a phantom stock option plan is awarded, resulting in a liability. The latter, recorded under the item personnel long-term liabilities, was €0.4 million at 31 December 2024 (€0.3 million at 31 December 2023).

Accounting policy
Share-based payments in the form of 'Long-Term Incentive Plan ('LTI')
The Campari General Meeting of 11 April 2024 approved a Remuneration Policy that entitles key management personnel and senior employees to receive Long-Term Incentive Plans. The plans entitle eligible Camparistas to receive a number of Campari shares for free, subject to their uninterrupted employment over a contractually defined vesting period from the grant date (Restricted Stock Units or 'RSU') and a number of Campari shares for free, subject to the achievement of Campari Group's performance conditions (Performance Stock Units or 'PSU') to be achieved over the vesting period. The performance conditions are both market conditions represented by the relative Total Shareholders' Return ('TSR') and non-market conditions represented by renewable energy targets.

The fair value of these plans has been measured based on the following: for RSU the number of award rights to be granted to each beneficiary is calculated based on the beneficiary's annual base gross salary as of 31 December preceding the grant date; for PSU the fair value has been measured using a stochastic or Black-Scholes method, where service and non-market conditions attached to the agreements were not taken into account in measuring fair value.

Disclosure
The approved Remuneration Policy pursuant to Dutch and European legislation included the following LTI plans: i) Long-Term Incentive Plan for eligible employees of the Campari Group ii) Long-Term Incentive Plan for the Campari Company's Lead Team and iii) CFOO Last Mile Incentive plan. All plans rules are available on the Campari's website. The 2024 grant date of the three plans was 14 April 2024.
The purpose of the first plan is to reward selected employees of the Campari Group for their active participation in Campari performance and to foster retention. The eligible employees have been awarded a right to receive for free a number of Campari shares, subject to their continued employment during a vesting period of 3 years. The number of assigned rights granted to each beneficiary was calculated based on the beneficiary's annual base gross salary as of 31 December 2023 with a fair value of €9.13.

With respect to the second plan mentioned above, the Long-Term Lead Team Incentive Plan, its purpose is to create a link between the Campari's performance and the Campari's Lead Team members. The latter will be awarded a right to receive for free a number of Campari shares, subject to their continued position or employment relationship during a vesting period, and the achievement of a relative TSR target and a Sustainability target. Two-thirds of the assigned rights were granted in the form of RSU and the remaining one-third will be assigned in the form of PSU. The methodology valuation used for the RSU is the same applied for the first plan described above, with a fair value of €9.13. PSU fair value was measured using a stochastic and Black-Scholes method with a weighted average of €6.77.

With respect to the third plan, the Last-Mile Incentive plan for the Campari's Chief Financial and Operating Officer ('CFOO'), its purpose is to reward the CFOO, who has provided Davide Campari-Milano N.V. with extraordinary value during a long-standing managerial period, and to ensure his retention over the long-term.

The CFOO will be awarded a right to receive for free a number of Campari shares, subject to his continued directorship relationship during a vesting period of 8 years and the achievement of certain performance targets: (i) the uninterrupted directorship relationship with the Company until the vesting date under the terms and conditions set forth in the plan rules; and (ii) the achievement of at least one of the envisaged key performance indicators stated in the plan agreement. PSU fair value was measured using a Black-Scholes method with a weighted average of €8.64.

The table below shows the changes in share-based rights in the form of 'Long-Term Incentive Plan' during 2024 compared with 2023.

n. of rights	2024
outstanding rights at the beginning of the year	-
assigned during the period	6,149.844
cancelled during the period	(66.313)
exercised during the period	(10.557)
outstanding rights at the end of the year	6,072.974

The following assumptions were used for the fair value measurement of PSU assigned during the year 2024 in connection with LTI plans for Lead Team and Last-Mile Incentive for CFOO. The weighted average fair value of share-based rights assigned in 2024 was €8.47.

Black-Scholes and stochastic method - model parameters	2024
Expected dividends yield (%)	0.71 %
Expected volatility (%)	22.46 %
Historic volatility (%)	24 %
Market interest rate	3.30 %
Expected option life (years)	7.55

vi. Other comprehensive income

The changes during the year and the related tax effect on other comprehensive income items for the year ended 31 December 2024 and 2023 were as follows.

	for the year ended	
	2024	2023
	€ million	€ million
Cash flow hedge:		
Profit (loss) for the period	(0.8)	(3.9)
Profit (losses) classified to other comprehensive income	(2.9)	(19.7)
Related Income tax effect	1.0	5.7
Total cash flow hedge	**(2.7)**	**(17.9)**
Foreign currency translation:	-	-
Hyperinflation effects	12.8	15.4
Exchange differences on translation of foreign operations	50.3	(59.2)
Total foreign currency translation	**63.1**	**(43.8)**
Remeasurements of defined benefit plans:	-	-
Gains/(losses) on remeasurement of defined benefit plans	(1.3)	0.4
Related Income tax effect	0.3	(0.2)
Total remeasurements of defined benefit plans	**(1.0)**	**0.2**

In 2024, the impact of the non-monetary foreign currency effect was mainly driven by the US$ and the Jamaican Dollar partially offset by Mexican Pesos and Brazilian Real.

vii. Transactions with non-controlling interests

In addition to the business combination completed during the year and involving non-controlling interests, in September 2024 and November 2024 respectively, the Campari Group finalised the negotiation to acquire the remaining 49% minority interests in Licorera Ancho Reyes y cia, S.A.P.I. de C.V. and Casa Montelobos, S.A.P.I. de C.V., as well as in Trans Beverages Company Ltd., subsequently renamed Campari Korea Ltd.. The final considerations were confirmed to be aligned with the estimated debts recognised previously and represented as 'Liabilities for put option and earn-out payments' in the consolidated accounts.
Furthermore, in December 2024, the remaining 40% minority interest in Thirsty Camel Ltd. (effectively renamed as Campari New Zealand Ltd. starting from 1 January 2025) was acquired. The consideration paid was broadly in line with the related non-controlling interests previously recognised at Group level.

As all companies were already under Campari Group's control and included within its consolidation perimeter, the above-mentioned transactions had no material impact on the Group economic results.

8. Other disclosures

This section details accounting policies for provisions for risks, future charges and contingent assets and liabilities, fair value information on assets and liabilities, defined benefit and contribution plans. Judgements and estimates are stated with regard to contingent assets and liabilities and provisions.

Moreover, this section discloses additional information which management considers being relevant for stakeholders.

i. Provisions for risks, charges and contingent assets and liabilities

Accounting policy

Provisions arising from legal or constructive obligations resulting from past events are reliably estimated and reviewed periodically to reflect changes in circumstances, timescales and discount rates.

Revisions to estimates of provisions are booked to the same statement of profit or loss item that contains the accrual or, if the liability relates to tangible assets (i.e. dismantling and restoration), these revisions are reported as an offsetting entry to the related asset. Where the financial impact of the timing is significant, and the payment dates of the obligations can be reliably estimated, the provision is discounted to present value. The related amount over time is allocated to the statement of profit or loss. When the Group expects that all or part of the provisions will be repaid by third parties, a receivable is recorded under assets only if it is virtually certain, and the accrual and related repayment are posted to the statement of profit or loss.

Dedicated restructuring provisions are only reported if there is a restructuring obligation deriving from a formal detailed restructuring program, which has led to a reasonable expectation by interested parties that the restructuring will be carried out with an outflow of resources whose amount can be reliably estimated, either because the process has already started or because the main features of the restructuring program have already been communicated.

For detailed information on the accounting policy related to tax provisions, please refer to note 3 xiii-'Taxation'.
The Group may be involved in legal proceedings in respect of which it is not possible to make a reliable estimate of any expected settlement. Such cases are reported as contingent liabilities with a specific disclosure made available for information purposes.

The Group discloses purely contingent assets and provides information when there are material amounts that are highly likely to be realized. The Group records the relevant asset only when the original uncertainty relating to it no longer applies and it is virtually certain that the asset will be realized.

Disclosure

Provision for risks and charges

	tax provision	restructuring provisions	agent severance fund	other	total
	€ million	€ million	€ million	€ million	€ million
at 31 December 2023	**5.5**	**6.8**	**0.8**	**29.1**	**42.2**
Perimeter effect for acquisition	3.8	-	-	-	3.8
Accruals	-	102.6	0.2	14.1	116.8
Utilizations	-	(30.4)	(0.1)	(11.8)	(42.3)
Releases	(1.4)	(2.8)	-	(1.7)	(5.9)
Reclassification	-	-	-	5.5	5.5
Exchange rate differences and other changes	0.1	-	-	(2.1)	(2.0)
at 31 December 2024	**8.0**	**76.2**	**0.9**	**33.1**	**118.2**
of which:	-	-	-	-	-
- due within 12 months	7.0	70.1	-	11.1	88.3
- due after 12 months	0.9	6.1	0.9	22.0	29.9

	tax provision	restructuring provisions	agent severance fund	other	total
	€ million	€ million	€ million	€ million	€ million
at 31 December 2022	**5.5**	**7.8**	**1.0**	**65.2**	**79.6**
Change resulting from provisional allocation of acquisition value	3.5	-	-	-	3.5
at 31 December 2022 post-reclassifications	**9.0**	**7.8**	**1.0**	**65.2**	**83.0**
Accruals	-	1.7	0.2	13.8	15.7
Utilisations		(0.6)	(0.3)	(5.4)	(6.3)
Releases	-	(2.1)	(0.1)	(1.4)	(3.5)
Reclassification	(0.3)		-	(43.6)	(43.9)
Exchange rate differences and other changes	(3.2)	-	-	0.5	(2.8)
at 31 December 2023	**5.5**	**6.8**	**0.8**	**29.1**	**42.2**
of which:					
- due within 12 months		3.9		10.5	14.3
- due after 12 months	5.5	3.0	0.8	18.6	27.9

On 29 October 2024 Davide Campari Milano N.V. launched a restructuring program, reflecting a balance of €76.2 million as of 31 December 2024. This initiative is among several strategic measures aimed at enhancing performance, alongside efforts to drive growth, improve profitability, streamline processes and contain costs.

At Campari Group level, the program is projected to achieve an improvement of 200 basis point of Selling, general and administrative expenses over the three-year period from 2025 to 2027, encompassing both personnel and non-personnel expenses.

Included in the 2024 consolidated financial statements, the program underwent a comprehensive evaluation and estimation process to ensure compliance with applicable accounting standards and accurate forecasting of expected costs which covered the full scope of the plan with partial payment made by 31 December 2024. Other provisions involved recognition by the Company and subsidiaries of liabilities for various lawsuits, including a Brazilian legal dispute totalling €9.7 million over a distribution agreement, provision for onerous contract in China (€4.7 million) and a number of customer legal claims in France and Mexico totalling €5.3 million. Moreover, the other provisions for risks and charges were utilized for a total amount of €11.8 million to offset the cost deriving from onerous contract in China accrued last year and for €3.5 million for settlement of legal cases in Brazil.
Significant effect of the passage of time over provision was deemed to be not material.

Contingent liability
The information reported below concerns contingent liabilities arising from outstanding disputes, for which the provision recognition criteria have not been met on the date of this report.

After having finally resolved the outstanding dispute related to ICMS (tax on the consumption of goods and services), the following dispute is still outstanding with the Brazilian tax authorities; however, the Group believes it is unlikely to lose the case, based on the information available at the date of this report. On the date of this report, a dispute amounting to BRL6.6 million (€1.0 million at the exchange rate on 31 December 2024) including the related penalties (excluding interests) corresponding to production tax (IPI) remains ongoing. The tax authorities contested the correct classification of products sold by Campari do Brasil Ltda..

Based on the assessments conducted by external legal consultants, the Group believes that the outcome of the dispute will be in favor of the Company. It is therefore deemed unnecessary at present to create a specific provision.

Contingent assets
In 2021, the Brazilian Supreme Court issued a final ruling on the fiscal dispute concerning the exclusion of certain PIS/COFINS taxes from the ICMS calculation base, affirming the Group's right to offset amounts paid since 2002. The related impacts were duly reflected in the Group's financial statements. In 2024, the Brazilian Federal Revenue introduced new regulations governing the calculating of credits arising from the aforementioned exclusion of PIS and COFINS from the ICMS tax base resulting in additional credits totalling BRL 14.4 million (€2.3 million as of 31 December 2024). As of 31 December 2024, in the absence of a definitive ruling from the relevant Brazilian authorities in favor of the Group, the position has been classified as contingent until it is deemed virtually certain.

ii. Commitments and risks

Accounting policy
Guarantees are disclosed at fair value determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.
For the accounting policy on financial guarantees, please refer to note 6-'Net financial debt'.

Disclosure
The main commitments and risks of the Group on the reporting date are divided into the following categories:

- Contractual commitments to purchase goods or services totalled €566.0 million (€551.4 million at 31 December 2023). These mainly included commitments for the purchase of packaging and pallets, amounting to €195.7 million (€260.0 million at 31 December 2023); the purchase of raw materials, semi-finished goods totalling €260.1 million (€156.6 million at 31 December 2023); initiatives to enhance and outsource selected Group information technology services totalling €21.6 million (€41.6 million in 2023); the purchase of advertising and promotional services and sponsorships totalling €20.3 million (€20.4 million at 31 December 2023); as well as for advisory services for €34.3 million (€36.0 million at 31 December 2023).
- Existing contractual commitments for purchasing of property, plant and equipment, and intangible assets totalling €18.3 million (€159.1 million at 31 December 2023). The decrease compared to 2023 mainly relates to tangible assets.
- Financial guarantees. The Group has provided financial guarantees in the context of the 50%-50% joint-venture in Dioniso Group with Moët Hennessy to create a premium pan-European Wines and Spirits e-commerce player which holds the leading e-commerce platforms for wines and premium spirits in Italy (Tannico e Wineplatform S.p.A.) and in France (Ventealapropriete.com) and is thus providing 50% of the financial support to Dioniso Group to cover the committed liability for a personnel compensation scheme. At 31 December 2024 the estimated potential cash out totalled €0.4 million (€9.0 million at 31 December 2023). The change was mainly due to the payment of the remaining liabilities connected to the put and/or call options from the business combination in the second half of the year, for which the Group provided financial support.
- Other guarantees. The Group has provided other forms of security in favor of third parties, totalling €677.0 million at 31 December 2024 (€627.4 million at 31 December 2023). These mainly include securities to Group companies for credit lines totalling €602.4 million (€566.3 million at 31 December 2023) and customs guarantees for excise duties totalling €61.6 million (€58.5 million at 31 December 2023).
- Contractual commitments for using of third-party assets not recognised using lease accounting. The table below breaks down the amounts owed by the Group in future periods by maturity, relating to the main contractual commitments for the use of third-party assets. At 31 December 2024 they mainly related to warehouses for storing goods and maturing stock as well as information technology, vehicles and buildings. The increase compared to 2023 mainly refers to the subscription of new contracts to secure additional warehouse space for storing stocks and maturing inventories, as well as new contracts related to information technology and buildings.
- The total uncalled capital commitments on investments in private equity holdings amounts to €15.3 million (2023: €23.5 million).
- The Company signed guarantees for a total consideration of €3.5 million as of 31 December 2024. issued by an Italian bank in favor of the Financial Administration (Agenzia delle Entrate) against surplus VAT credits offset under the group VAT scheme. The deadlines are July 2025 for €2.5 million, June 2026 for €0.2 million and May 2027 for €0.8 million.

	31 December	
	2024 € million	2023 € million
Within 1 year	17.4	21.2
1-5 years	44.3	12.7
After 5 years	24.9	21.6
Total	**86.6**	**55.5**

iii. Fair value information on assets and liabilities

Accounting policy
Fair value on financial assets and liabilities
For fair value information on financial assets and liabilities, please refer to note 6 i.-'Financial instruments'.
Fair value on biological assets
The Group's biological assets include grapes for champagne production, sugar cane plantations for rum production and agave for tequila/mezcal production, which are used as raw materials for the production of those

spirits. Grape vines remain classified as fixed biological assets valued at cost, net of accumulated depreciation and accumulated impairment losses. Immature vines are stated at accumulated cost. Capitalisation of costs ceases when the vines reach maturity. Depreciation commences when the grape vines are considered mature, which is when they produce their first commercially viable crop. Grapes growing on the plant are immediately classified as biological inventory since agricultural output covers a one-year period and the harvest is expected to occur in the second half of the year. Taking into account the biological and vegetative cycle, all the costs incurred in anticipation of the future harvest (service, products and other ancillary costs) are considered as inventory in current biological assets at the reporting date at a value that is in line with the fair value of the growing grapes based on available information on commodities markets.
Sugar cane plantations remain classified as fixed biological assets valued at cost, net of accumulated depreciation and accumulated impairment losses up to the harvest, which occurs from February to June. At the harvest time, the agricultural output that covers a one-year period is classified as an inventory item at a value estimated based on the costs of infrastructure, land preparation and sugar cane cultivation, with reference to an active market for comparable plantation and similar output in terms of age and qualitative characteristics, if available.
Agave plantations remain classified as fixed biological assets valued at cost, net of accumulated depreciation and accumulated impairment losses. The vegetative cycle for the ripening of the agave fruit is approximately six years. During this period the agave plants have not yet matured to be used for distillation purposes but can theoretically be sold as medium-aged plants. Agave cannot be distinguished from planting and can only be harvested once. The value of the growing product is represented as biological inventory and the reported fair value is estimated on the basis of the costs of infrastructure, soil preparation and agave cultivation, in the absence of an active reference market for comparable plantations and similar productions in terms of age and qualitative characteristics.
The following biological assets are not measured at fair value and consequently are not represented in this disclosure section:
- grapevines and agave plantations which remain classified as fixed biological assets valued at cost, net of accumulated depreciation and accumulated impairment losses,
- sugar cane plantations remain classified as fixed biological assets valued at cost, net of accumulated depreciation and accumulated impairment losses, up to the annual harvest.

Fair value measurement of current biological assets in inventory (agricultural produce: agave, grapes and sugar) is determined based on the sale price net of estimated sales costs, if available, or having as the main reference the total production costs in case the agricultural product is so peculiar that there is the absence of any active reference market for comparable plantation and similar output in terms of age and qualitative characteristics.

Disclosure

A summary of the financial and non-financial assets and liabilities measured at fair value is shown below. As complementary information, the fair value of the financial items measured at amortised costs based on the applicable business model is also included.

	at 31 December	
	2024	2023
	€ million	€ million
A) Items reported at fair value	**215.6**	**128.1**
of which assets	***394.3***	***385.5***
Other current financial asset	*279.4*	*348.6*
Current assets for hedging derivatives	*1.0*	*1.6*
Current assets for hedge derivatives, not in hedge accounting	*0.4*	*1.0*
Non-current assets for hedging derivatives	*2.4*	*2.9*
Other non-current assets (non-financial item)	*89.8*	*16.3*
Biological asset inventory (non-financial item)	*21.3*	*15.1*
of which liability	***178.7***	***257.4***
Current liabilities for hedging derivatives	*6.0*	*0.1*
Current liabilities derivatives on securities	*2.3*	-
Parent Company's derivatives	*4.0*	*25.3*
Current liabilities for hedge derivatives, not in hedge accounting	*1.5*	*0.2*
Liabilities for put option and earn-out payments	*164.9*	*231.8*
B) Financial liabilities reported at amortised cost method but for which fair value information is provided	***4,197.6***	***3,319.3***
of which liability	***4,197.6***	***3,319.3***
Loans due to banks	*2,219.0*	*1,712.6*
Bonds issued in 2017	-	*149.0*
Bonds issued in 2019	-	*148.5*
Bonds issued in 2020	*517.0*	*504.4*
Bonds issued in 2023	*719.3*	*804.8*
Bonds issued in 2024	*742.3*	-

There were no changes in the Group's valuation processes, techniques and types of inputs used in the fair value measurements during the period regarding the fair value of a) financial and b) non-financial instruments. The valuation date for all items is 31 December 2024.

a) Financial instruments

Fair value of financial instruments:

- for financial assets and liabilities that are liquid or nearing maturity, it is assumed that the carrying amount equates to fair value; this assumption also applies to term deposits, securities that can be readily converted to cash, and variable-rate financial instruments;
- for the measurement of hedging instruments at fair value, the Group used valuation models based on market parameters;
- the fair value of non-current financial payables was obtained by discounting all future cash flows to present value under the conditions in effect at the end of the year.

Derivatives, valued using techniques based on market data, are mainly interest rate swaps and forward sales/purchases of foreign currencies to hedge both the fair value of the underlying instruments and cash flows. The most commonly applied measurement methods include forward pricing and swap models, which use present value calculations. The models incorporate various inputs, including the non-performance risk rating of the counterparty, market volatility, spot and forward exchange rates and current and forward interest rates.
An analysis of financial instruments measured at fair value based on three different valuation levels is provided in the table below.

- level 1: valuation for the financial assets in question was calculated using a methodology based on the NAV, which was obtained from specialised external sources;
- level 2: valuation used for financial instruments measured at fair value was based on parameters such as exchange rates and interest rates, which are quoted on active markets or are observable on official yield curves;
- level 3: valuation used for financial liabilities deriving from or connected to business combinations, where a portion of the consideration was determined as a condition subordinated to the company's performance acquired, based on contractually agreed indicators.

at 31 December 2024	level 1	level 2	level 3
	€ million	€ million	€ million
Assets reported at fair value			
Other current assets	150.7	9.8	118.8
Current assets for hedging derivatives	-	1.0	-
Current assets for hedge derivatives, not in hedge accounting	-	0.4	-
Non-current assets for hedging derivatives	-	2.4	-
Other non-current assets	-	-	89.8
Biological asset inventory	-	-	21.3
Liabilities reported at fair value			
Current liabilities for hedging derivatives	-	6.0	-
Parent Company's derivatives	-	4.0	-
Non-current liabilities for hedging derivatives	-	0.3	-
Current liabilities for hedge derivatives, not in hedge accounting	-	1.5	-
Liabilities for put option and earn-out payments	-	-	164.9
Fair value of financial liabilities measured at amortized cost			
Loans due to banks	-	1,215.7	-
Bonds issued in 2020	-	517.0	-
Bonds issued in 2023	404.7	319.6	-
Bonds issued in 2024	-	742.3	-

at 31 December 2023	level 1	level 2	level 3
	€ million	€ million	€ million
Assets reported at fair value			
Other current assets	244.2	8.5	96.3
Current assets for hedging derivatives	-	1.6	-
Current assets for hedge derivatives, not in hedge accounting	-	1.0	-
Non-current assets for hedging derivatives	-	2.9	-
Other non-current assets	-	-	16.3
Biological asset inventory	-	-	15.1
Liabilities reported at fair value			
Current liabilities for hedging derivatives	-	0.1	-
Parent Company's derivatives	-	25.3	-
Current liabilities for hedge derivatives, not in hedge accounting	-	0.2	-
Liabilities for put option and earn-out payments	-	-	231.8
Fair value of financial liabilities measured at amortized cost			
Loans due to banks	-	1,072.3	-
Bonds issued in 2017	-	149.0	-
Bonds issued in 2019	-	148.5	-
Bonds issued in 2020	-	504.4	-
Bonds issued in 2023	502.2	318.7	-

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values at 31 December 2024 for financial instruments measured at fair value in the statement of financial position, and the significant unobservable inputs used.

type	**valuation technique**	**Significant unobservable inputs**	**inter-relationship between significant unobservable inputs and fair value measurement**
Forward and option exchange contracts	The fair value is determined using quoted forward exchange rates at the reporting date based on high credit quality yield curves in the respective currencies. The models incorporate various inputs, including the counterparty's credit rating, market volatility, spot and forward exchange rates and current and forward interest rates.	Not applicable.	Not applicable.
Interest rate swaps	The fair value of interest rate swaps agreements is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources reflecting the applicable benchmark interbank rate used by market participants when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.
Contingent consideration and put or put/call agreements connected with business combination	The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Wilderness Trail Distillery option - expected contractually target business performances measured over a period of 9 years from the acquisition date; - risk-adjusted discount rate: 3.9%.	The estimated fair value would increase (decrease) if: - the expected contractually target business performances, was higher (lower); or the risk-adjusted discount rate was lower (higher) with related impact in financial liabilities affecting the expected cash out value and Campari Group net equity.

Variable payments in form of earn-out agreements	The valuation model considers the present value of expected payments.	CT Spirits Japan variable earn-out - expected contractually target business performances measured over a period of 3 years from the acquisition date - risk-adjusted discount rate 3.5%. Courvoisier earn-out - company performance contractually envisaged with targets based on sales performances (in USD) in 2028 - risk adjusted discount rate 5.8%.	The estimated fair value would increase (decrease) if: - the expected contractually target business performances, was higher (lower) with related impact in financial liabilities affecting the expected cash out value and the statement of profit or loss.
Derivatives resulting from put/call agreement connected with equity investment and joint-venture	The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Spiritus Co Ltd. - expected contractually target business performances measured over a period of 3 years from the acquisition date; - risk-adjusted discount rate 3.5%.	The estimated fair value would increase (decrease) if: – the expected contractually target business performances, was higher (lower); or – the risk-adjusted discount rate was lower (higher) with related impact in financial liabilities affecting the expected cash out value and Campari Group net equity.
Embedded derivatives	The option value of the Exchangeable Bond is calculated with a Bloomberg Convertible valuation model. Base inputs of the model are credit spread and volatility. Volatility is derived from Bloomberg option valuation model and credit spread from Campari's bond one.	Not applicable.	Not applicable.
Non-listed equity investments	The fair value of non-listed equity investments was determined based on the investee entity's financial statements, using a net asset approach that reflects the fair value of assets and liabilities at the reporting date.	Not applicable.	Not applicable.
Funds measured at fair value	The valuation of funds classified as Level 2 was based on the Net Asset Value (NAV) provided by the fund manager, which reflects the fair value of the underlying investments in bonds and listed equities. The NAV is considered to be derived from observable market inputs but is not directly quoted in an active market.	Not applicable.	Not applicable.
Private equity investments	The valuation of private equity investments was based on the most recent Net Asset Value (NAV) reported by the fund manager, which is considered to be a reasonable estimate of fair value.	Not applicable.	Not applicable.

There were no transfers between fair value measurement levels during the period.
The following table shows a reconciliation from the opening balance to the closing balance of the periods for level 3 fair values.

€ million	Other current assets	Other non-current assets	Liabilities for put option and earn-out payments
level 3 fair values at 31 December 2023	**96.3**	**16.3**	**231.8**
- change in fair value included in profit or loss	(1.2)	(1.1)	(0.3)
- disposal	(29.5)	(23.7)	(125.1)
- additions	47.1	95.9	50.7
- exchange rate effect and other movements	6.1	2.3	7.8
level 3 fair values at 31 December 2024	**118.8**	**89.8**	**164.9**

€ million	Other current assets	Other non-current assets	Liabilities for put option and earn-out payments
level 3 fair values at 31 December 2022	**76.5**	**18.8**	**236.3**
- change in fair value included in profit or loss	0.7	(1.7)	(1.4)
- change in fair value included in Group net equity	-	-	8.5
- disposal	(60.9)	-	(3.4)
- additions	76.7	0.1	0.5
- exchange rate effect and other movements	3.3	(0.9)	(8.8)
level 3 fair values at 31 December 2023	**96.3**	**16.3**	**231.8**

For the level 3 fair value items, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have been the following effects. The baseline is the contingent consideration recorded as put option liability in the consolidated financial statements at 31 December.

at 31 December 2024 € million	profit or loss (+) increase/(-) decrease	group net equity (+) increase/(-) decrease
liabilities for contingent considerations, put option and earn-out		
risk adjusted discount rate +/-1% (+/-100 basis points)	1.8/-1.9	6.9/-7.5
expected contractually target business performances +/-10% (+/-1000 basis points)	-5.0/+5.0	-11.5/+11.5

at 31 December 2023 € million	profit or loss (+) increase/(-) decrease	group net equity (+) increase/(-) decrease
liabilities for contingent considerations, put option and earn-out		
risk adjusted discount rate +/-1% (+/-100 basis points)	0.1/-0.1	10.5/-11.3
expected contractually target business performances +/-10% (+/-1000 basis points)	-0.1/0.1	-17.8/+17.8

In light of the negligible amount of other non-current assets classified as level 3 fair value items (namely related to equity interests in third party investments) and derivatives over equity investments and joint-ventures, no sensitivity was detected as any reasonably possible changes at the balance sheet date of one of the significant unobservable inputs, keeping the other variables constant, would not have generated material effects either on the statement of profit or loss or on the group net equity.

Financial derivatives

A summary of financial derivatives implemented by the Group at 31 December 2024, broken down by hedging strategy, is shown below.

- Derivatives used for fair value hedging

At 31 December 2024, certain Group subsidiaries have contracts for hedging payables and receivables in foreign currency in place that meet the requirements to be defined as fair value hedging instruments. These contracts were negotiated to match maturities with incoming and outgoing cash flows resulting from sales and purchases in individual currencies. At the reporting date the valuation of these contracts gave rise to the reporting of assets of €0.9 million and liabilities of €4.2 million (€1.1 million of assets and €0.1 million of liabilities in 2023).
Gains and losses on the hedged and hedging instruments used in all the Group's fair value hedges, corresponding to the contracts mentioned above, are summarised below.

	for the year ended 31 December	
	2024 € million	2023 € million
Gains on hedging instruments	1.3	0.9
Losses on hedging instruments	(0.3)	(0.1)
Total gains (losses) on hedging instruments	**1.0**	**0.8**
Gains on hedged items	3.7	0.2
Losses on hedged items	(1.3)	(2.0)
Total gains (losses) on hedged items	**2.5**	**(1.8)**

- Derivatives used for cash flow hedging

The Group uses the following contracts to hedge its cash flows:
i) interest-rate swaps hedging the risk of interest rate fluctuations on future transactions relating to the stipulation of financial loans;
ii) hedging of future sales and purchases in currencies other than the € and interest rates on future transactions.
The fair value variation of the hedging instruments during the year generated a negative impact in other comprehensive income of €2.9 million and €0.8 million in profit or loss related to the reversal of cash flow reserve associated with the pre-hedge derivative (compared with negative impact of €19.7 million and €3.9 million

respectively in 2023).
At the reporting date, the valuation of these contracts gave rise to the reporting of assets of €2.5 million and €2.1 million of liabilities (€2.9 million of assets and negligible liabilities in 2023).

The table below shows when the aforementioned hedged cash flows are expected to be received (paid), at 31 December 2024. These cash flows concern both interest and currency derivatives and have not been discounted. Since the Group does not distinguish the outflow for positive and negative fair values of derivative contracts, the below cash outflows are presented net.

for the year ended 31 December 2024	within one year	1-5 years	total
	€ million	€ million	€ million
Cash outflows (A)	(1.8)	(3.4)	(5.2)
Cash inflows (B)	0.5	10.2	10.7
Net cash flows (A+B)	**(1.3)**	**6.8**	**5.5**

for the year ended 31 December 2023	within one year	1-5 years	total
	€ million	€ million	€ million
Cash inflows	0.5	11.7	12.3
Net cash flows	**0.5**	**11.7**	**12.2**

The overall changes in the cash flow hedge reserve and the associated deferred taxes are shown below.

	gross amount	tax effect	net amount
	€ million	€ million	€ million
at 31 December 2023	12.3	(2.9)	9.3
profit or loss impact	(0.8)	0.2	(0.6)
net equity impact	(2.9)	0.8	(2.1)
at 31 December 2024	**8.6**	**(2.0)**	**6.6**

	gross amount	tax effect	net amount
	€ million	€ million	€ million
at 31 December 2022	35.9	(8.6)	27.3
profit or loss impact	(6.1)	1.5	(4.7)
net equity impact	(17.5)	4.2	(13.3)
at 31 December 2023	12.3	(2.9)	9.3

- Hedging derivatives not reported using hedge accounting

These instruments are mainly related to hedges of future purchases in currencies other than the €. At 31 December 2024, financial assets of €0.4 million and financial liabilities of €1.5 million were recognised (at 31 December 2023 financial assets of €1.0 million and financial liabilities of €0.2 million, respectively).

b) Non-financial instruments

Fair value of non-financial instruments:

The table below details the hierarchy of non-financial instruments measured at fair value, based on the valuation methods used:

- level 1: the valuation methods use prices quoted on an active market for the assets and liabilities subject to valuation;
- level 2: the valuation methods take into account inputs other than the quoted market prices in level 1, but only those that are observable on the market, either directly or indirectly;
- level 3: the methods used take into account inputs that are not based on observable market data.

31 December 2024	level 1	level 2	level 3
	€ million	€ million	€ million
Assets valued at fair value			
Third-party investment		-	89.8
Biological assets in inventory		-	21.3

31 December 2023	level 1 € million	level 2 € million	level 3 € million
Assets valued at fair value			
Third-party investment	-	-	16.3
Biological assets in inventory	-	-	15.1

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values at 31 December 2024 for non-financial instruments measured at fair value in the statement of financial position, and the significant unobservable inputs used.

type	valuation technique	significant unobservable inputs	inter-relationship between significant unobservable inputs and fair value measurement
biological assets (inventory)	The fair value of agricultural products grown on the plant is determined by considering the market value of similar commodities and the biological/vegetative cycle which is based on all costs incurred in anticipation of the future harvest (service, products and other ancillary costs).	- actual cost of cultivation and preparation of the land and the plant per hectare - estimated yields per hectare - estimated market price for similar commodities.	The estimated fair value would increase (decrease) if: - the estimated cost of cultivation and preparation of the land and plantation was higher (lower); or - the estimated yield per hectare was higher (lower).
third-party investments	The valuation model considers investments in companies that are strategic investments for the Group for which the election has been to recognise changes in the related fair values through profit or loss. The fair value is defined based on the performance result of the companies based on the last Financial Statements available.	- business performance.	The estimated fair value would increase (decrease) if the business performances, was higher (lower).

All the biological products (agave, sugar cane and grapes) are classified as current inventory in consideration of their annual vegetative growing process, apart from agave which is classified as inventory even during the 6-year growing period in consideration of the vegetative characteristics of the product. The amount disclosed in the consolidated accounts at 31 December 2023 for sugar cane and grapes, was used in the production process during the year 2023 and the value reported in the Group statement of financial position at 31 December 2024 represented the new value of agricultural products that are growing on the plants.

The following table shows a reconciliation from the opening and the closing balance for level 3 fair values as of 31 December 2024 and 2023 for biological assets in inventory and third-party investments, respectively.

In 2024, the change in fair value indicated referred to the harvests of agave and sugar cane carried out during the year.

€ million	biological assets in inventory[1]
at 31 December 2023	15.1
harvest and reclassification to raw materials	(0.6)
accretion	9.3
change in fair value included in profit or loss (cost of goods sold)	0.1
exchange rate differences	(2.6)
at 31 December 2024	**21.3**

(1) Please refer to note 5 iii-'Inventories and biological assets'.

€ million	biological assets in inventory
at 31 December 2022	**7.1**
harvest and reclassification to raw materials	(1.2)
accretion	7.2
change in fair value included in profit or loss (cost of goods sold)	1.0
exchange rate differences	0.9
at 31 December 2023	**15.1**

In light of the negligible amount of biological assets in inventory classified as level 3 fair value items, no material sensitivity effect was detected as any reasonably possible changes at the balance sheet date of one of the significant unobservable inputs, keeping the other variables constant, would not have generated material effects either on the statement of profit or loss or on the inventory item.

€ million	third-party investments
at 31 December 2023	16.3
investments	96.9
revaluation / devaluation	(24.7)
perimeter effect	0.1
exchange rate differences	1.3
at 31 December 2024	**89.8**

€ million	third-party investments
at 31 December 2022	**18.8**
investments	-
revaluation / devaluation	(1.7)
perimeter effect	-
exchange rate differences and other movements	(0.8)
at 31 December 2023	**16.3**

Due to the fact that the major value related to third-party investments classified as level 3 fair value items is related to the recently acquired minority stake in Capevin Holdings Proprietary Ltd., the value recorded in the financial statements is aligned with its fair value. No material sensitivity effect was detected, as any reasonably possible changes at the balance sheet date of one of the significant unobservable inputs, keeping the other variables constant, would not have generated material effects either on the statement of profit or loss or on the statement of financial position.

iv. Defined benefit and contribution plans

Accounting policy
Post-employment benefits
Group companies provide post-employment benefits to staff, both directly and by contributing to external funds. The procedures for providing these benefits vary depending on the legal, fiscal and economic conditions in each country in which the Group operates.
Defined benefit plans
The Group's obligations and the annual cost reported in the statement of profit or loss are determined by independent actuaries using the projected unit credit method.
The costs associated with an increase in the present value of the obligation, as the time for payment of the benefits draws nearer, are included under financial expenses, while the service costs are posted under the reporting line of cost of sales and selling, general and administrative expenses.
Defined contribution plans
Based on legal or contractual obligations, or on a voluntary basis, the Group fulfils post-employment employees obligations by paying contributions to a separate entity (publicly or privately administered pension funds), without making any actuarial calculation. At the end of the financial year, any liabilities for contributions to be paid are included in 'Other current liabilities', while the cost for the period is recognised under the reporting line of cost of sales and selling, general and administrative expenses

Disclosure
Regarding the Group's Italian subsidiaries, the defined benefit plans consist of the employee indemnity liability ('TFR'), to which its employees are entitled by law. Following the reform of the supplementary pension scheme in 2007, for companies employing at least 50 people, TFR contributions accrued up to 31 December 2006 are considered to be 'defined benefit plans', while contributions accruing from 1 January 2007, which have been allocated to a fund held at the INPS (Italian social security agency) or to supplementary pension funds, are considered to be 'defined contribution plans'. The portion of the TFR considered as a defined benefit plan consists of an unfunded plan that does not, therefore, hold any dedicated assets. The other unfunded defined benefit plans relate to Campari France Distribution SAS, Courvoisier SAS and Jubert SAS. Campari Deutschland GmbH and Campari Schweiz A.G. have some funded defined benefit plans in place for employees and/or former employees. These plans have dedicated assets.
The liability for medical insurance in place at 31 December 2024 relates to J. Wray and Nephew Ltd. and offers access to health care provided that employees stay with the company until pensionable age and have completed a minimum period of service. The cost of these benefits is spread over the employee's service period using a calculation methodology similar to that used for defined benefit plans.
The table below summarises the changes in the present value of defined benefit obligations, and the fair values of the assets relating to the plan in 2024 and 2023.

€ million	liabilities	assets
Liabilities (assets) at 31 December 2023	**31.3**	**(4.9)**
Amounts included in profit or loss:		
current service costs[1]	0.9	-
- net interest	1.0	(0.1)
Total	**1.9**	**(0.1)**
Amounts included in the statement of other comprehensive income:		
- gain (losses) resulting from changes in actuarial assumptions	1.0	-
- changes to plan assets (excluding components already considered in net interest payable)	-	-
Total	**1.0**	**-**
Other changes:		
- benefits paid	-	0.7
business combination[2]	3.4	-
- contribution to the plan by other members	0.2	(0.6)
- contributions to the plan by employees	0.2	(0.2)
- benefits transferred	(1.7)	-
- other changes	0.1	-
Total	**2.1**	**(0.1)**
Liabilities (assets) at 31 December 2024[3]	**36.3**	**(5.0)**

(1) Of which €0.7 million related to defined benefit plans and €0.2 million related to other liabilities.

(2) Of which €3.1 million of business combination and €0.3 million of movement of the year.

(3) Of which €25.9 million included under Defined benefit plans (note 8 iv); of which €5.4 million included under Other non-current liabilities (note 6 v-'Non-current financial debt').

€ million	liabilities	assets
Liabilities (assets) at 31 December 2022	**31.9**	**(4.4)**
Amounts included in profit or loss:		
- current service costs	2.6	-
- past service costs	(0.9)	-
- net interest	0.9	(0.1)
Total	**2.5**	**(0.1)**
Amounts included in the statement of other comprehensive income:		
- gain (losses) resulting from changes in actuarial assumptions	(0.5)	0.1
- exchange rate differences	-	(0.1)
Total	**(0.5)**	**(0.1)**
Other changes:		
- benefits paid	(1.2)	0.5
- contribution to the plan by other members	0.2	(0.6)
- contributions to the plan by employees	(0.3)	(0.2)
- benefits transferred	(1.4)	-
Total	**(2.6)**	**(0.3)**
Liabilities (assets) at 31 December 2023[1]	**31.3**	**(4.9)**

(1) Of which €22.6 million included under Defined benefit plans (note 8 iv); of which €3.9 million included under Other non-current liabilities (note 6 v-'Non-current financial debt').

The table below shows the total changes in obligations for defined benefit plans financed using assets that serve the plan (funded obligations) and the liabilities relating to long-term unfunded benefits. It also includes benefits categorized as 'other liabilities' linked to medical cover provided by J. Wray and Nephew Ltd. to its current and/or former employees, and the long-term benefits of the Group's Italian companies ('TFR').

Current value of obligations	unfunded obligations		funded obligations		
€ million	pension plans	other liabilities	gross value of pension plans	fair value of assets	net values
Liabilities (assets)at 31 December 2023	**21.8**	**3.9**	**5.7**	**(4.9)**	**0.8**
Amounts included in profit or loss:					
- current service costs	0.3	0.2	0.3	-	0.3
- past service costs	-	-	-	-	-
- net interest	0.8	-	0.1	(0.1)	-
Total	**1.2**	**0.2**	**0.5**	**(0.1)**	**0.3**
Amounts included in the statement of other comprehensive income:					
- gain/(losses) resulting from changes in actuarial assumptions	0.3	-	0.7	-	0.7
- changes to plan assets (excluding components already considered in net interest payable)	-	-	-	-	-
- exchange rate differences	-	0.1	-	-	-
Total	**0.3**	**-**	**0.6**	**-**	**0.7**
Other changes:					
- benefits paid	(0.3)	1.0	(0.7)	0.7	-
- business combination	3.4	-	-	-	-
- contribution to the plan by other members	-	-	0.2	(0.6)	(0.4)
- contributions to the plan by employees	(0.2)	0.2	0.2	(0.2)	-
- benefits transferred	(1.7)	-	-	-	-
- other changes	0.1	-	-	-	-
Total	**1.2**	**1.2**	**(0.3)**	**(0.1)**	**(0.5)**
Liabilities (assets) at 31 December 2024(1)	**24.5**	**5.4**	**6.4**	**(5.0)**	**1.4**

(1) Of which €25.9 million included under Defined benefit plans (note 8 iv); of which €5.4 million included under Other non-current liabilities (note 6 v-'Non-current financial debt').

Current value of obligations	unfunded obligations		funded obligations		
€ million	pension plans	other liabilities	gross value of pension plans	fair value of assets	net values
Liabilities (assets) at 31 December 2022	**23.6**	**3.5**	**4.8**	**(4.4)**	**0.4**
Amounts included in profit or loss:					
- current service costs	1.9	0.4	0.2	-	0.2
- past service costs	(0.9)	-	-	-	-
- net interest	0.7	-	0.1	(0.1)	-
Total	**1.8**	**0.4**	**0.3**	**(0.1)**	**0.2**
Amounts included in the statement of other comprehensive income:					
- gain/(losses) resulting from changes in actuarial assumptions	(1.4)	0.4	0.4	0.1	0.5
- exchange rate differences		(0.2)	0.2	(0.1)	0.1
Total	**(1.4)**	**0.2**	**0.6**	**(0.1)**	**0.6**
Other changes:					
- benefits paid	(0.4)	(0.3)	(0.5)	0.5	-
- contribution to the plan by other members	-	-	0.2	(0.6)	(0.3)
- contributions to the plan by employees	(0.4)	-	0.2	(0.2)	-
- benefits transferred	(1.4)	-	-	-	-
Total	**(2.2)**	**(0.3)**	**(0.1)**	**(0.3)**	**(0.4)**
Liabilities (assets) at 31 December 2023(1)	**21.8**	**3.9**	**5.7**	**(4.9)**	**0.8**

(1) Of which €22.6 million included under Defined benefit plans (note 8 iv); of which €3.9 million included under Other non-current liabilities (note 6 v-'Non-current financial debt').

The cost of work provided is classified under personnel costs, financial liabilities on obligations are classified under financial liabilities, and the effects of the recalculation of actuarial impacts are recognised in the other items of the statement of other comprehensive income. The table below provides a breakdown of the values of assets that service the pension plans.

	at 31 December	
	2024	2023
- equity investments	3.0	-
- insurance policies	2.1	4.9
Fair value of plan assets	**5.0**	**4.9**

Obligations related to the plans indicated above are calculated on the basis of the following assumptions.

31 December	2024	2023	2024	2023	2024	2023
	unfunded pension plans		funded pension plans		other plans	
Discount rate	3.00% - 3.40%	3.75% - 4.07%	1.05%-1.90%	1.83%-1.90%	8.50%-9.00%	13.00 %
Future salary increases	2.00% - 3.42%	2.00% - 4.00%	1.40%-2.40%	1.40%-2.40%	-	-
Future pension increases			1.05%-2.00%	1.20%-2.00%	-	-
Growth rate of healthcare costs	-	-	-	-	7.50%-8.00%	7.00 %
Expected return on assets			-	1.90 %	-	-
Staff turnover rate	0.00% - 37.00%	0.00% - 40.41%	-	-	-	-
Forecast inflation rate	2.00% - 2.50%	1.65% - 3.00%	1.00 %	1.20 %	6.00 %	5.50 %

The rates relating to the costs of future medical costs are not included in the assumptions used in determining the above-defined benefit obligations. Thus, any changes in these rates would not have any effect.

A quantitative sensitivity analysis of the significant assumptions used at 31 December 2024 is provided below. Specifically, it shows the effects on the final net obligation arising from a positive or negative percentage change in the key assumptions used.

	unfunded pension plans			funded pension plans			other plans		
	change in the assumptions	impact of positive change	impact of negative change	change in the assumptions	impact of positive change	impact of negative change	change in the assumptions	impact of positive change	impact of negative change
2024									
Discount rate	+\- 0.25%-0.5%	-4.80%/-0.78%	0.90%/5.20%	+/- 0.5%	-6.53%/-8.40%	7.38%/9.90%	+/- 1.0%	-4.35%/-7.75%	8.98%/4.35%
Future salary increases	+\- 0.5%	0.47%/1.30%	-0.44%/-1.20%	+/- 0.5%	1.70 %	-1.60%	-	-	-
Future pension increases	-	-	-	+/-0.50%	3.45 %	-3.28%	-	-	-
Staff turnover rate	+\- 0.5%	0.05%/0.50%	-0.05%/-0.50%	-	-	-	-	-	-
2023									
Discount rate	+\- 0.5%	-3.03%/-0.78%	0.80%/3.25%	+/- 0.25% +/- 0.5% +/-1.00%	-7.9%/-1.75%	1.77%/9.20%	+/- 1.0%	-6.70%/-4.80%/-3.30%	3.30%/4.80%/5.90%
Future salary increases	-	-	-	+/- 0.25% +/- 0.5% +/-1.00%	1.30%/3.43%	-1.20%/-3.25%	-	-	-
Future pension increases	-	-	-	-	-	-	-	-	-
Forecast inflation rate	-	-	-	-	-	-	-	-	-
Staff turnover rate	+\- 0.5%	-0.15%/-0.04%	0.05%/0.08%	-	-	-	-	-	-
Growth rate of healthcare costs	-	-	-	-	-	-	-	-	-

The sensitivity analysis shown above is based on a method involving the extrapolation of the impact on the net obligation for defined benefit plans of reasonable changes to the key assumptions made at the end of the financial year. The methodology and the assumptions made in preparing the sensitivity analysis remain unchanged from the previous year.
Given that pension liabilities have been adjusted based on the consumer price index, the pension plan is exposed to the various countries' inflation rates, to interest rate risks, and to changes in the future salary and pension increases. Given that the assets servicing the plans mainly relate to investments in bonds, the Group is also exposed to market risk in the related sectors. Overall, considering the contained exposure to funded pension plans leveraging on plan assets, the financial volatility of markets is not generating material disruption or criticality.

The following payments are the expected contributions made in future years to provide for the obligations of the defined benefit plans.

€ million	at 31 December 2024	unfunded pension plans	funded pension plans	other plans
Within 12 months	14.5	13.8	0.5	0.2
From 2 to 5 years	5.9	3.2	2.0	0.7
More than 5 years [1]	9.4	4.8	3.3	1.3
Total	**29.8**	**21.8**	**5.7**	**2.3**
Average plan duration (years)	**13**	**13**	**13**	**15**

[1] Italian and Swiss companies have expected future contributions calculated up to 10 years.

€ million	at 31 December 2023	unfunded pension plans	funded pension plans	other plans
Within 12 months	14.9	14.3	0.4	0.2
From 2 to 5 years	5.3	2.8	1.8	0.7
More than 5 years	8.4	4.0	3.1	1.3
Total	**28.6**	**21.1**	**5.4**	**2.2**
Average plan duration (years)	**12**	**9**	**12**	**14**

v. Related parties

Disclosure

Transaction with related parties form part of ordinary operations and are carried out under market conditions (i.e. conditions that would apply between two independent parties) or using criteria that allow for the recovery of costs incurred and a return on invested capital.
All transactions with related parties were carried out in the Group's interest.

The table below indicate the amount for the various categories of transactions with related parties.

At 31 December 2024	Other non-current assets € million	Other non-current liabilities € million
Shareholder loans	-	7.3
Receivables from related parties	2.1	-

At 31 December 2023	Other non-current assets € million	Other non-current liabilities € million
Shareholder loans	-	11.6
Receivables from related parties	-	-

vi. Remuneration to the Parent Company's Board of Directors

Disclosure

The Directors of Davide Campari Milano-Milano N.V. received an aggregate compensation for 2024 amounting to € 14.5 million. The Lagfin's General Partner net remuneration paid on 2024 amounted to €0.1 million.

vii. Employees

Disclosure

The tables below indicate the average number of employees at the Group, broken down by business segment, category and region.

Business segment	**2024**	**2023**
Production	2,137	2,023
Sales and distribution	2,055	1,885
General	937	869
Total	**5,129**	**4,777**
Category	**2024**	**2023**
Managers	839	783
Office staff	3,183	2,882
Manual workers	1,107	1,112
Total	**5,129**	**4,777**
Region	**2024**	**2023**
Italy	1,194	1,147
Abroad	3,935	3,630
Total	**5,128**	**4,777**

At 31 December 2024, the average number of employees was 5,128, of which 1,194 were based in Italy and 3,934 around the world, mostly in the Americas. No Group employees are based in the Netherlands.

9. Subsequent events

i. Group corporate actions

Campari Group new operating model

A new business model will be launched in 2025 revolving around the interaction between the existing regional business units and four newly created category divisions: House of Aperitifs, House of Whisk(e)y and Rum, House of Agave, and House of Cognac&Champagne. Consequently, related disclosures over Net Sales will be subject to a review.

Following the implementation of the new House of Brands business model starting from 1 January 2025, the classification of certain cost items between 'Selling, general and administrative expenses' and 'Cost of sales' will be reviewed. In particular, some expenses, primarily related to Supply Chain functions that have progressively evolved into administrative and coordination roles, that were historically classified as Cost of sales, will be presented under Selling, general and administrative expenses.

This change reflects the transition of these functions away from direct operational activities to supporting roles, in line with the Campari Group's strategic evolution to the new House of Brand business model. The new classification aims to provide a clearer and more accurate representation of the nature and purpose of these expenses within the financial statements. To ensure consistency and comparability, comparative data for the full year 2024 represented in the statement of profit or loss, along with the related disclosures for Selling, general and administrative expenses and Cost of sales, will be restated accordingly to reflect this revised presentation. It is noted that the changes in representation do not imply changes in the disclosures provided in the consolidated financial statements at 31 December 2024, which remain fully comprehensive and complete.

The table below showed the net sales and statement of profit or loss originally published in the consolidated financial statements at 31 December 2024 of Davide Campari-Milano N.V., alongside the corresponding figures following the above-mentioned reclassifications.

for the year ended 31 December 2024	published	House of Aperitifs	House of Whiskeys& Rum	House of Agave	House of Cognac& Champagne	local brands	reclassification	total - after reclassification
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
global priority brands	**2,050.2**							
Aperol	740.9	740.9	-	-	-	-	-	-
Campari	337.4	337.4	-	-	-	-	-	-
Espolòn	264.6	-	-	264.6	-	-	-	-
Wild Turkey portfolio	215.7	-	215.7	-	-	-	-	-
Jamaican rums portfolio	147.1	-	147.1	-	-	-	-	-
Grand Marnier	144.7	-	-	-	144.7	-	-	-
SKYY	127.3	-	-	-	-	127.3	-	-
Courvoisier	72.5	-	-	-	72.5	-	-	-
regional priority brands	**563.7**							
Sparkling Wines,	176.4	-	-	-	10.5	165.9	-	-
Other specialities	278.0	87.3	-	28.8	8.4	153.4	-	-
Other Whisk(e)y	45.2	-	25.9	-	-	19.3	-	-
Crodino	64.0	64.0	-	-	-	-	-	-
local priority brands	**188.2**							
Campari Soda	77.0	77.0	-	-	-	-	-	-
Wild Turkey ready-to-drink	48.7	-	48.7	-	-	-	-	-
SKYY ready-to-drink	36.8	-	-	-	-	36.8	-	-
Ouzo 12	25.7	-	-	-	-	25.7	-	-
rest of the portfolio	**267.6**	**20.1**	**-**	**1.0**	**2.1**	**244.5**	**-**	**-**
Net sales	**3,069.7**	**1,326.6**	**437.5**	**294.4**	**238.3**	**772.9**	**-**	**3,069.7**
Cost of sales	(1,303.0)	-	-	-	-	-	25.6	(1,277.4)
Gross profit	**1,766.7**	**-**	**-**	**-**	**-**	**-**	**25.6**	**1,792.3**
Advertising and promotional expenses	(513.3)	-	-	-	-	-	-	(513.3)
Contribution margin	**1,253.4**	**-**	**-**	**-**	**-**	**-**	**25.6**	**1,279.0**
Selling, general and administrative	(648.4)	-	-	-	-	-	(25.6)	(674.1)
Result from recurring activities	**604.9**	**-**	**-**	**-**	**-**	**-**	**-**	**604.9**

During the first quarter of 2024 the Company, through a fully owned US subsidiary, purchased a real estate property located at 150, North Michigan Avenue, Chicago, Illinois, US, for $60.0 million.

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Independent auditor's report

To the General Partner of
Lagfin S.C.A.
3, Rue Des Bains,
L-1212 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Lagfin S.C.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The General Partner is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the General Partner for the consolidated financial statements

The General Partner is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union relating to the preparation and presentation of the consolidated financial statements, and for such internal control as the General Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, the General Partner is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.

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- Conclude on the appropriateness of General Partner use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Amedeo Pedini

Amedeo Pedini

Luxembourg, 24 April 2025

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Lagfin S.C.A. Société en Commandite par Actions Separate financial statements at 31 December 2024

Company separate financial statements

Separate primary statements

Statement of profit or loss

	notes	2024	2023
		for the years ended 31 December	
		€ million	€ million
Rental income	6 i	1.3	1.2
Other income	6 i	0.2	11.9
Cost of services	6 ii	(9.3)	(13.6)
Staff expenses	6 iii	(4.0)	(2.5)
Other expenses	6 iv	(1.1)	(2.9)
Depreciation and amortization		(2.2)	(3.2)
Operating result		**(15.2)**	**(9.1)**
Share of profit of subsidiaries/investees	6 v	315.6	170.7
Financial income	6 vi	146.6	106.2
Financial expenses	6 vi	(150.5)	(143.3)
Profit before taxation		**296.5**	**124.5**
Tax expenses	6 vii	4.2	15.7
Deferred taxes	6 vii	0.1	29.6
Profit for the year		**300.8**	**169.8**

Statement of comprehensive income

	2024	2023
	for the years ended 31 December	
	€ million	€ million
Profit (loss) for the year	**300.8**	**169.8**
Share of other comprehensive income of affiliates	25.4	(30.2)
Related income tax effect	-	-
Items that may be subsequently reclassified to the statement of profit or loss	**25.4**	**(30.2)**
Total comprehensive income	**326.2**	**139.5**

Statement of financial position

		at 31 December	
	notes	2024	2023
		€ million	€ million
Non-current assets			
Tangible fixed assets	7 i	14.0	15.1
Investment properties	7 ii	29.3	30.0
Intangible assets with a finite life		0.8	2.3
Investments accounted for using the equity method	7 iii	2,621.8	2,220.7
Deferred tax assets	6 vii	13.4	12.7
Other non-current financial assets	7 iv	148.4	246.6
Total non-current assets		**2,827.7**	**2,527.2**
Current assets			
Trade receivable		0.1	0.1
Financial assets	7 v	153.7	231.0
Cash and cash equivalents	7 vi	178.4	73.6
Tax receivable	7 vii	15.3	37.9
Other current assets	7 viii	5.4	9.0
Total current assets		**352.7**	**351.5**
Assets held for sale		**-**	**-**
Total assets		**3,180.3**	**2,878.8**
Equity			
Capital	7 ix	3.7	3.7
Share premium and other reserves	7 ix	1,229.8	1,172.1
Legal reserve	7 ix	0.4	0.4
Reserve First Time Adoption	7 ix	171.7	171.7
Result brought forward	7 ix	307.6	168.0
Profit of the year	7 ix	326.2	139.5
Total equity		**2,039.4**	**1,655.5**
Non-current liabilities			
Bonds		399.7	486.1
Loans due to bank		291.4	304.8
Other non-current liabilities		28.2	31.3
Deferred tax liabilities	6 vii	3.2	2.5
Total non-current liabilities	7 x	**722.5**	**824.7**
Current liabilities			
Loans due to banks		385.1	335.5
Current financial liabilities		20.1	49.9
Trade payables		2.6	3.9
Tax liabilities		5.4	4.1
Other current liabilities		5.3	5.1
Total current liabilities	7 x	**418.4**	**398.6**
Total liabilities		**3,180.3**	**2,878.8**

Statement of cash flow

	Notes	at 31 December 2024	2023
		€ million	€ million
Operating profit (loss)		**(15.2)**	**(9.1)**
Depreciation and amortization		2.2	3.2
Change in provisions	6 iv	-	(10.0)
Change in net operating working capital		(0.8)	(14.8)
Income taxes		(1.2)	(82.0)
Fiscal Unit		26.2	66.3
Other changes		-	0.1
Cash flow generated from (used in) operating activities		**11.2**	**(46.3)**
Disposals (purchase) of tangible and intangible fixed assets	7 i	(0.2)	11.7
Disposal (purchase) of investment properties	7 ii	-	(74.8)
Loans granted to subsidiaries		(15.6)	(40.7)
Loan repaid by the subsidiaries	7 iv	60.4	80.9
Interest received		2.4	-
Interest received from financial instruments		3.7	-
Change in investments in subsidiaries, associates and joint-ventures	7 iii	(7.1)	(59.7)
Decrease (increase) in financial investments	7 v	128.2	82.8
Dividends received	7 iii	43.3	37.8
Cash flow generated from (used in) investing activities		**215.2**	**38.1**
Proceeds from issue of bonds, notes and debentures	7 x	-	(6.9)
Proceeds from issue of bonds and embedded derivative	7 x	-	536.4
Repayments of bonds, notes and debentures	7 x	(97.4)	(423.0)
Proceeds (repayment) from non-current borrowings	7 x	86.3	33.0
Repayment of non-current borrowings	7 x	-	(47.0)
Net change in short-term financial payables and bank loans	7 x	(52.8)	(80.1)
Interests paid on other financial items		(49.4)	(27.4)
Inflows (outflows) of other financial items		(8.3)	-
Cash flow generated from (used in) financing activities		**(121.6)**	**(14.9)**
Net change in cash and cash equivalents: increase (decrease)		**104.8**	**(23.1)**
Cash and cash equivalents at the beginning of period	7 vi	73.6	96.8
Cash and cash equivalents at end of period	7 vi	178.4	73.6

Statement of changes in equity

	Note	Capital	Reserve	Legal reserve	Reserve First Time Adoption	Result brought forward	Result for the financial year	Total
		€ million	€ million	€ million	€ million	€ million	€ million	€ million
at 31 December 2022		**3.7**	**1,148.4**	**0.4**	**171.7**	**0.0**	**168.0**	**1,492.2**
Allocation of previous year's result		-	-	-	-	168.0	(168.0)	0.0
Subsidiaries Valuation (Equity method)		-	23.7	-	-	-	-	23.7
Profit for the year		-	-	-	-	-	169.8	169.8
Result OCI		-	-	-	-	-	(30.2)	(30.2)
Total Profit for the period		-	-	-	-	-	139.5	139.5
at 31 December 2023		**3.7**	**1,172.1**	**0.4**	**171.7**	**168.0**	**139.5**	**1,655.5**
Allocation of previous year's result		-	-	-	-	139.5	(139.5)	0.0
Subsidiaries Valuation (Equity method)	7 ix	-	57.7	-	-	-	-	57.7
Profit for the year		-	-	-	-	-	300.8	300.8
Result OCI		-	-	-	-	-	25.4	25.4
Total Profit for the period		-	-	-	-	-	326.2	326.2
at 31 December 2024		**3.7**	**1,229.8**	**0.4**	**171.7**	**307.6**	**326.2**	**2,039.3**

Notes to the Separate financial statements

1. General information

Lagfin S.C.A., Société en Commandite par Actions (‘Lagfin’ or the ‘Company’) was incorporated under the law of Luxembourg on 22 June 1995. The registered office of the Company is established in 3, Rue des Bains, L-1212 Luxembourg (Grand Duchy of Luxembourg).
On 7 November 2016 the Company changed its legal form to become a Société en Commandite par Actions.

The primary object of the Company is the holding of either direct or indirect control of Davide Campari-Milano N.V. (also ‘Campari’).
The Company may also carry out transactions aimed at acquiring and maintaining relevant shareholdings in companies of any kind, both in Luxembourg or abroad, as well as financial commercial and real estate transactions. Its strategy is based on long-term investments in companies and financial and real estate assets with solid potential for value creation and divesting them as they are deemed to have reached their full potential value.

The Company established on 2 August 2018 a branch in Sesto San Giovanni (MI), Italy, named Lagfin S.C.A. -Succursale di Sesto San Giovanni (the ‘Italian Branch’), which eventually, after the transfer of its corporate seat to Milan, via Lorenzo Mascheroni 19, became Lagfin S.C.A., Société en Commandite par Actions-Italian Branch (the ‘Italian Branch’) and on 27 August 2018, a branch in Paradiso (Lugano), Switzerland, named Lagfin S.C.A., Société en Commandite par Actions-Succursale di Paradiso (the ‘Swiss Branch’, each of the branches a ‘Branch’ and the two branches collectively the ‘Branches’).

Lagfin’s financial year runs from 1 January to 31 December.
The separate financial statements of the Company for the year ended 31 December 2024 were approved for issue on 24 April 2025 by the Board of Directors of Lagfin’s General Partner Artemisia Management S.A., Société Anonyme.

The Company prepares its separate and consolidated financial statements, which are then made available at its corporate seat, in accordance with International Financial Reporting Standards (‘IFRS’), issued by the International Accounting Standards Board (‘IASB’), as adopted by the European Union.
For ease of reference, all the figures in the notes of this separate financial statement are expressed in € million.

2. Significant events of the year

Significant events during the period are reported in a dedicated section in the management board report of this annual report, to which reference is made. The main operations are detailed below.
During January 2024 the Company, through a fully owned US subsidiary, purchased a real estate property located at 150, North Michigan Avenue, Chicago, Illinois, US. In addition, during the second quarter of 2024 the Company has completed the acquisition of SCI Anden (subsequently renamed SCI Vesper) holding a real estate property in the Principality of Monaco.
Lagfin carried out, in several tranches during 2024, a partial repurchase of its outstanding €536.4 million exchangeable bonds due 2028 (ISIN: XS2630795404) (Bonds). Lagfin has repurchased €105.0 million amounting to 19.6% of the original aggregate principal amount of the Bonds.

In 2024, a tax audit report was issued to the Italian Branch, primarily addressing compliance with the Italian ‘exit tax’ related to the 2019 cross-border merger between Alicros S.p.A. and Lagfin S.C.A., Société en Commandite par Actions. To date, the Company has not yet received a notice of assessment or request for payment of taxes, penalties, or interest following the audit.
Supported by its legal advisors, Lagfin considers the findings in the tax audit report to be unfounded, both factually and legally, and believes it can effectively challenge these findings with robust arguments, in any instance or at any stage of any dispute that may arise. The Company is confident that the fairness of its behavior can be validly demonstrated.

3. Material accounting information and policies

These financial statements have been prepared in accordance with IFRS, as endorsed by the European Union, issued and effective as of 31 December 2024. The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note n. 4.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. Taking into account the undrawn credit line facilities, as described in Note n. 7 xi, they have formed a judgment that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of signing the Separate financial statements.

The financial statements were prepared in accordance with the historical cost method and taking any value adjustments into account where appropriate for certain categories of assets and liabilities, which were measured in accordance with the methods provided by IFRS.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied to the current financial year and to the comparative figures.

i. Tangible fixed assets

Tangible fixed assets are recorded at acquisition or production cost, including directly capitalizable expenses and are not revalued. Subsequently, tangible fixed assets are recorded at cost net of accumulated depreciation and any impairment losses. Any costs incurred after purchase are only capitalised if they increase the future financial benefits generated by using the asset. The replacement costs of identifiable components of complex assets are allocated to assets on the statement of financial position and depreciated over their useful life. The residual value recorded for the component being replaced is allocated to the statement of profit or loss; other costs are charged to profit or loss when the expense is incurred.

When tangible asset consists of several significant components with different useful lives, depreciation is applied to each component individually. The amount to be depreciated is represented by the carrying amount, less the estimated residual value, at the end of its useful life, if this value is significant and can reasonably be determined. Land, even if acquired in conjunction with a building, is not depreciated, and nor are available-for-sale tangible assets, which are reported at the lower of their carrying amount and fair value less cost to sell.

The depreciation rate ranges are as follows:
- buildings 2%-3%;
- general plant 25%;
- furniture and fixtures 12%-33.33%;
- electronic office machines and equipment 20%-33%;
- telephone systems, cellular telephones and motor vehicles 25%.

Depreciation ceases on the date on which the asset is classified as held for sale or on which the asset is derecognised for accounting purposes, whichever occurs first. A tangible asset is derecognised from the statement of financial position at the time of sale or when there are no future economic benefits associated with its use or disposal. Any profits or losses are included in the statement of profit or loss in the year of this derecognition.

ii. Investment properties

Properties and buildings held to generate rental income or for capital appreciation or both (investment property), are valued at cost less accumulated depreciation and impairment losses. The depreciation rate for buildings is that used for the relevant fixed asset category.
Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

iii. Intangible assets

Intangible assets include all assets without any physical form that are identifiable, controlled by the company and capable of producing future economic benefits, as well as goodwill when purchased for a consideration. Intangible assets acquired are recorded under assets, when it is likely that the use of the assets will generate future economic benefits, and when the cost can be reliably determined. If acquired separately, these assets are reported at acquisition cost including all allocable ancillary costs on the acquisition date.
Subsequently, intangible assets are recorded at cost net of accumulated amortisation and any impairment losses. Intangible assets with a finite life are amortised on a straight-line basis in relation to their remaining useful life, taking into account losses due to a reduction in the cumulative value.

The period of amortisation of intangible assets with a finite life is reviewed at least at the end of every financial year in order to ascertain any changes in their useful life, which, if identified, will be treated as changes in estimates.

Costs relating to licences and other intangible fixed assets are recorded on the assets side of the statement of financial position only if they are able to produce future economic benefits for the Company. These costs are amortised based on the period of use, if this can be determined, or according to the contract term. Software licences represent the cost of purchasing licences and, if incurred, external consultancy fees; there are normally no cost associated with internal personnel costs necessary for development. These costs are recorded in the year in which the internal or external costs are incurred for training personnel and other related costs.

The depreciation rate is 33.33% for licenses.

iv. Financial assets

Financial assets include investments, short-term securities and financial receivables, which in turn include the positive fair value of financial derivatives, trade and other receivables and cash and cash equivalents.
Specifically, cash and cash equivalents include cash, bank deposits and highly liquid securities that are readily convertible into cash and are subject to an insignificant risk of a change in value. Deposits and securities included in this category mature in less than three months based on the conditions existing on the date of the acquisition of the asset. Current securities include short-term securities or marketable securities that represent a temporary investment of cash and do not meet the requirements for classification as cash and cash equivalents. Financial assets represented by debt securities are classified and valued in the statement of financial position based on the business model that the Company has adopted to manage these financial assets and based on the financial flows associated with each financial asset.

The Company measures a financial asset at amortised cost if it meets both of the following conditions:
- it is held under a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- its contractual terms and conditions are such that the cash flows generated by the asset are attributable exclusively to payments of principal and the related interest.

Financial assets measured at amortised cost are measured at fair value at the time of initial recognition; subsequent measurements reflect the repayments made, the effects of applying the effective interest method and any write-downs. Any gain or loss made on derecognition is recognised in profit or loss, together with foreign exchange gains and losses.

Financial asset represented by debt securities is measured at fair value through profit and loss.

Investment in affiliates are accounted under the equity method. The investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the investee since the acquisition date. Goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the subsidiaries. Any change in OCI of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the subsidiary, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Dividends received by the investee are recovered in deduction of the value of the investment.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in subsidiaries. At each reporting date, the Company determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value, and then recognises the loss within 'Share of profit of subsidiaries" in the statement of profit or loss.

v. Impairment of a financial asset

Financial assets are tested for recoverability by applying an impairment model based on the expected credit loss ('ECL'). The Company applies the simplified method for trade receivables, which considers the probabilities of defaults over the financial instrument's life (lifetime expected credit losses). In making impairment assessments, the Company considers its historical credit loss experience, adjusted for forward-looking factors specific to the nature of the Company's receivables and economic environment. If any such evidence exists, an impairment loss is recognized under selling, general and administrative expenses.

More specifically, non-performing receivables are analytically analysed based on the debtor's creditworthiness and ability to pay the sums due, as well as the degree of effective coverage provided by any collateral and personal guarantees in existence. A financial asset is considered to be impaired when internal or external information indicates that it is unlikely that the Company will receive the full contractual amount.

Lastly, with regard to other financial assets measured at amortised cost, and, more specifically, cash and cash equivalents, the impact in terms of expected loss is not considered material and for this reason no adjustment is made to the book values.

vi. Financial liabilities

Financial liabilities include financial payables, which, in turn, include the negative fair value of financial derivatives, trade payables and other payables. Financial liabilities are classified and measured at amortised cost, except for derivative instruments that are measured at fair value through profit and loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.
When financial liabilities have embedded derivatives (i.e., embedded derivative of a convertible bond), the derivative component is separated and is carried at fair value through profit or loss. The Company therefore accounts for the embedded derivative in accordance with the rules for non-hedging derivatives charging changes in the fair value of the derivative to the income statement as adjustments to the value of financial assets and liabilities and as a contra entry in the balance sheet to a financial liability (derivative financial instruments payable). Please refer to note 7 xi for more information regarding the exchangeable bond issued by the Company.

vii. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Bank overdrafts repayable on demand are also included if the use of short-term overdrafts forms an integral part of cash management practices.

Cash and cash equivalents have been assigned low credit risk based on the external credit ratings of the respective banks and financial institutions.

viii. Share capital and share premium

Ordinary shares are classified as equity. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

ix. Taxation

Current income taxes are calculated on estimated taxable income, and the related payable is recorded under 'Tax payable'. Current tax payables and receivables are recognised in the amount to be paid to/received from tax authorities applying the tax rates and regulations in force or effectively approved on the reporting date. In preparing the above estimates, detailed assessment was also given to uncertainties regarding the tax treatment of transactions carried out by the Company that could give rise to disputes with the tax authorities. Current taxes relating to items posted directly to shareholders' equity are included in shareholders' equity. Other non-income taxes, such as property and capital taxes, are included in operating expenses. Deferred tax assets and liabilities are calculated on all temporary differences between the asset and liability values recorded in the financial statements and the corresponding values recognised for tax purposes using the liability method.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are determined on the basis of the tax rates projected to be applicable under the respective laws of the countries in which the Company operates, in those periods when the temporary differences are generated or derecognised. Current and deferred tax assets and liabilities are offset when these relate to income taxes levied by the same tax authority and a legal right of set-off exists, provided that realization of the asset and settlement of the liability take place simultaneously.

The balance of any set-off is posted to deferred tax assets if positive and deferred tax liabilities if negative. The Amendments to IAS 12 introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

x. Foreign currency translation

The financial statements are presented in Euro ('€'), which is the Company's functional currency.
Transactions in foreign currencies are measured in the Company's functional currency and are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities, denominated in foreign currencies, are retranslated at the exchange rate prevailing at the reporting date. Exchange differences arising from the settlement of monetary items or on the translation to the functional currency at the reporting date are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

xi. Provision for risk and charges and contingent assets

The provision for risks and charges are recognised when: there is a current legal or implicit obligation resulting from a past event; it is likely that the fulfilment of the obligation will require some form of payment; the amount of the obligation can be reliably estimated. Provisions are recorded at a value representing the best estimate of the amount the Company would reasonably have to pay to discharge the obligation or transfer it to third parties on the reporting date. Where the financial impact of the timing is significant, and the payment dates of the obligations can be reliably estimated, the accrual is discounted to present value. The change in the related provision over time is allocated to the statement of profit or loss under 'Financial income (expenses)'.

Provisions are periodically updated to reflect changes in estimates of cost, timescales and discount rates. Revisions to estimates of provisions are booked to the same statement of profit or loss item that contains the accrual. When the Company expects that third parties will repay all or part of the provisions, a receivable is recorded under assets only if it is virtually certain, and the accrual and related repayment are posted to the statement of profit or loss.

The Company discloses purely contingent assets and provides information where there are significant amounts that are highly likely to be realised. The Company records the relevant asset only when the original uncertainty relating to it no longer applies and it is virtually certain that the asset will be realised.

4. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements of the Company requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Preparation of the financial statements and the related notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the Company's assets and liabilities and items in the profit or loss during the year. These estimates and assumptions, which are based on the best valuations available at the time of their preparation and are reviewed regularly, may differ from the actual circumstances and may be revised accordingly at the time that circumstances change, or where new information becomes available. Future outcomes can consequently differ from estimates.
Details of critical estimates and judgements which could have a significant impact upon the financial statements are set out in the related notes as follows;
- investments in subsidiaries: management judgement in assessing the value of the investments in subsidiaries are not carried at a value higher than their recoverable amounts, refer to note '7 iii investments accounted for using the equity method';
- taxation: management judgement and estimate required to assess uncertain tax positions and the recoverability of deferred tax assets, refer to note '6 vii Taxation';
- financial risk management: management judgement and estimates are applied in assessing market risks, including sensitivity analyses on changes in interest rates and foreign exchange rates, which could materially affect the valuation of financial instruments, refer to note '8 Financial Risk Management'.

Financial assets are tested for recoverability by applying an impairment model based on the expected credit loss ('ECL'). A financial asset is impaired when internal or external information indicates that it is unlikely that the Group will receive the full contractual amount.
Lastly, with regard to other financial assets measured at amortised cost, and, more specifically, cash and cash equivalents, the impact in terms of expected loss is not considered material and for this reason no adjustment is made to the book values.

5. Changes in accounting standards

i. Summary of the new accounting standards endorsed and adopted by the Company from 1 January 2024

Amendment to IAS 1-'Presentation to Financial Statements' including the following:
- 'Classification of Liabilities as Current or Non-current' and 'Deferral of Effective Date' (issued on 23 January 2020 and 15 July 2020 respectively). The amendment specifies the requirements to classify liabilities as current or non-current by clarifying i) what is meant by a right to defer the settlement; ii) that if an entity has the right to roll over an obligation for at least twelve months after the end of the reporting period, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period; iii) that the classification is unaffected by the likelihood that an entity will exercise its deferral right and iv) that the settlement refers to a transfer to the counterparty that results in the extinguishment of the liability.
- 'Non-current Liabilities with Covenants' (issued on 31 October 2022). The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current; while additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

Refer to the note 'Current and non-current liabilities' for the disclosure required by the amendment to IAS 1.

Amendment to IFRS 16-'Leases: Lease Liability in a Sale and Leaseback' (issued on 22 September 2022). A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment specifies how a seller-lessee measures the lease liability, which arises in a sale and leaseback transaction, to ensure that it does not recognise any amount of the gain or loss related to the right-of-use retained.
The amendment had no impact, as the Company does not hold any lease liabilities arising from sale and leaseback transactions.

Amendments to IAS 7-'Statement of Cash Flows' and IFRS 7-'Financial Instruments: Disclosures: Supplier Finance Arrangements' (issued on 25 May 2023) which address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.
The amendments had no impact, as the Company does not engage in supplier finance arrangements.

ii. Accounting standards, amendments and interpretations that have been endorsed but are not yet applicable/have not been adopted in advance by the Company

The Company is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable.

Amendments to IAS 21-‘The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability’ (issued on 15 August 2023). The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The first application is for annual periods starting on or after 1 January 2025.

iii. Accounting standards, amendments and interpretations not yet endorsed

The Company is still assessing the impact of these amendments on its financial position or operating results, in so far as they are applicable.

Amendments to IFRS 9 and IFRS 7-‘Amendments to the Classification and Measurement of Financial Instruments’ (issued on 30 May 2024). The amendments are effective for annual periods starting on or after 1 January 2026 including:
- a clarification that a financial liability is derecognised on the ‘settlement date’ and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- additional guidance on how the contractual cash flows for financial assets with ESG and similar features should be assessed;
- clarifications on what constitute ‘non-recourse features’ and what are the characteristics of contractually linked instruments;
- the introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through the statements of other comprehensive income.

Amendments to IFRS 9 and IFRS 7-‘Contracts Referencing Nature-dependent Electricity’ (issued on 18 December 2024). The following amendments would enable the contracts relating to nature-based electricity to be better recognised in companies’ financial statements:
- clarification of the application of the own use exemption to these contracts;
- amendment of the hedge accounting requirements to allow contracts for electricity from nature-dependent renewable energy sources to be used as a hedging instrument if certain conditions are met;
- introduction of additional disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and future cash flow.
The amendments are effective for annual periods starting on or after 1 January 2026.

Annual Improvements to IFRS Accounting Standards-Volume 11 (issued on 18 July 2024). Includes amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. The amendments contained in the Annual Improvements relate to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments are effective for annual periods starting on or after 1 January 2026, with earlier application permitted.

IFRS 18-‘Presentation and Disclosure in Financial Statements’ (issued on 9 April 2024). IFRS 18 replaces IAS 1-‘Presentation of Financial Statements’, introducing new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures (‘MPMs’), which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes.
In addition, narrow-scope amendments have been made to IAS 7-‘Statement of Cash Flows’, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The amendments are effective for annual periods starting on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

6. Results for the period

This section explains the results and performance for the period ended 31 December 2024.

i. Rental and Other income

	for the years ended 31 December	
	2024 € million	2023 € million
Rental income	1.3	1.2
Total Rental income	**1.3**	**1.2**
Disposal of investment properties	-	11.4
Other income	0.2	0.5
Total other income	**0.2**	**11.9**

Rental income increased slightly from €1.2 million in 2023 to €1.3 million in 2024, reflecting a full year rent of a portion of the office space in Paradiso (CH) to Campari Schweiz A.G. and despite a reduction of the available rental space after the disposal of investment properties incurred in 2023.

ii. Cost of services

	for the years ended 31 December	
	2024 € million	2023 € million
Professional fees	6.7	10.3
IT service	0.5	0.2
Other external charges	2.1	3.1
Total raw materials and external services	**9.3**	**13.6**

The total expense for external services dropped significantly from €13.6 million in 2023 to €9.3 million in 2024. In particular Professional fees declined from €10.3 million in 2023 to €6.7 million in 2024, a €3.6 million (35%) reduction mostly due to internalization of external service providers (which had a counter effect in Staff expenses), and an overall reduction of projects requiring external expertise compared to the previous year.

iii. Staff expenses

	for the years ended 31 December	
	2024 € million	2023 € million
Salaries	3.2	2.0
Social insurance contributions	0.6	0.5
Other payroll expenses	0.2	-
Total staff expenses	**4.0**	**2.5**

Staff expenses increased primarily due to higher headcount in 2024, with the average number of employees rising by 1.5 full-time equivalents (FTE) to 14.5 in 2024, compared to 13 in 2023. The increase also reflects certain non-recurring personnel-related costs associated with changes in staffing that will not impact 2025.

iv. Other expenses

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Director's fees	0.1	0.1
Non-refundable VAT	0.4	1.7
Operating provisions	0.1	0.1
Provision for risks	-	0.1
Other taxes	0.5	0.9
Total other expenses	**1.1**	**2.9**

v. Share of profit of investee accounted according to equity method

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Share of profit of investee accounted according to equity method	100.0	170.7
Gain on deemed disposal	215.6	-
Total Share of profit of investee accounted according to equity method	**315.6**	**170.7**

The share of profit of the investee accounted for according to the equity method includes the revaluation of the participation in Davide Campari-Milano N.V. of €104.3 million due to Campari's results in 2024 and a net loss of €4.3 million related to other subsidiaries.
Lagfin did not participate to the capital increase of Davide Campari-Milano N.V. incurred in 2024 fully subscribed by non-controlling interests. As a result the investment held in Davide Campari was diluted of 3%.
The transaction resulted in the recognition of a gain of €215.6 million in income statement by the application of equity method under IAS 28, without fiscal impact according to Italian tax law (art. 110, DPR 917/86)

In the following table is reported the detail, for each subsidiary, of the share of profit (loss) accounted according to equity method:

	at 31 December	
	2024	2023
	€ million	€ million
Davide Campari-Milano N.V.	104,3	179,9
Portfolio3, LLC	(0,2)	(0,9)
Telco Real Estate S.r.l.	0,1	0,1
10 Chapel Street Ltd.	(0,7)	(0,2)
14 Chapel Street Ltd.	(0,6)	(0,2)
Bourbon Manhattan, LLC	(0,1)	(0,5)
Bourbon Sidecar, LLC	(0,4)	(0,5)
Highball S.à r.l.	(0,0)	(0,5)
Boulevardier Spritz, LLC	(0,0)	(0,4)
Haldson Ltd.	(0,5)	0,3
Negroni Ltd.	0,0	(3,7)
Grand 75, LLC	(0,5)	0,3
Brown Derby, LLC	(0,6)	(1,2)
Gran Margarita, LLC	0,3	(0,0)
Tehama St, LLC	0,0	(0,0)
LG Partners, LLC	0,2	(0,2)
Piga S.r.l.	0,0	(0,5)
D.R. Finance S.à r.l.	4,6	1,7
La Rosita, LLC	(0,1)	0,2
Bizzy Izzy, LLC	0,5	(2,8)
Very Old Fashioned, LLC	(0,2)	(0,0)
SCI Sazerac	(0,0)	(0,0)
SCI Feu Rouge	(0,0)	(0,0)
Sci Vieux Carré	(0,0)	(0,0)
Teton Tanya, LLC	(1,4)	(0,0)
Dirty Banana, LLC	(1,5)	(0,2)
150 NM LLC	(3.2)	-
SCI Vesper	-	-
Palingenia S.r.l.	0.1	-
Total Share of profit of investee accounted according to equity method	**100.0**	**170.7**

vi. Financial income and expenses

	for the years ended 31 December	
	2024	2023
	€ million	€ million
Income on derivative financial instruments	29.5	34.5
Other financial income (transferable securities)	75.2	55.9
Interest income	12.1	5.8
Foreign currency exchange	29.7	7.6
Income from financial fixed assets	-	2.4
Total financial income	**146.6**	**106.2**
Loss on derivative financial instruments	6.7	55.4
Other financial loss (transferable securities)	66.9	19.4
Bond Interest expenses	28.2	20.9
Interest expenses	35.6	29.2
Foreign currency exchange	13.0	18.4
Total financial costs	**150.5**	**143.3**
Net financial income (costs)	**(3.9)**	**(37.1)**

The 'Income from derivative financial instruments' is associated with the decrease in the fair value of the derivative connected to the Exchangeable Bond 2028 (€18.6 million) and the income related to other derivatives held for trading purposes (€10.9 million).
The 'Loss on derivative financial instruments' is associated with the loss related to other derivatives held for trading purposes (€6.7 million).

The 'Other financial income' pertains to financial investments in securities and other financial assets valued at Fair Value through profit and loss.
The 'Interest expenses' refers to the current and non-current bank loans expenses while Bond interest expenses are the effect of the amortized cost of the Exchangeable Bond 2028.

The 'Other financial loss' pertains to financial investments in securities and other financial assets. Foreign currency effect was positive in 2024 due to the revaluation of assets held mostly in US Dollars (financial assets and promissory notes to controlled US entities).

vii. Taxation

Taxes are calculated based on the applicable regulations at the rates in force in the countries in which the Company is resident or has branches: 24.94% for Luxembourg Corporate income tax (country of residence), 24% for Italian Corporate income tax (Italian Branch) and 17% for Swiss Corporate income tax (Swiss Branch). A breakdown of the current and deferred taxes included in the Company's statement of profit or loss and statement
of other comprehensive income is as follows.

	for the years ending 31 December	
profit or loss and other comprehensive income	2024	2023
	€ million	€ million
- current taxes for the year and previous years	4.2	15.7
- deferred tax expenses of the year	0.1	29.6
Taxes recorded in the statement of profit or loss	**4.3**	**45.3**

	at 31 December	
financial position	2024	2023
	€ million	€ million
Deferred tax assets	13.4	13.4
Deferred tax liabilities	(3.2)	(2.5)
Net deferred tax	**10.2**	**10.2**

Taxation in 2024 amounted to a positive effect of €4.3 million deriving mainly from the consolidation income connected to the group tax consolidation scheme in place among the Group's companies. Please refer to note. 12 for further insights.

Reconciliation of tax charges
The following table shows a reconciliation of the theoretical tax charge against the Company's actual tax charge. The theoretical rate used is the rate in force during the year in question. based on the legal provisions. considering the rate applicable in Luxembourg.

Tax base differences are included under 'other' differences.

	for the years ending 31 December	
	2024 € million	2023 € million
Profit before tax	**296.5**	**124.5**
Applicable tax rate	24.94%	24.94%
Theoretical taxes at a current tax rate	**73.9**	**31.1**
Share of profit of subsidiaries/investees	(75.7)	(40.8)
Italian Fiscal Unit	(12.0)	(17.7)
Swiss Branch statutory tax rate (17%)	2.3	(0.3)
Italian Branch statutory tax rate (24%)	3.4	0.4
Other differences	3.7	(17.9)
Actual tax recorded in the statement of profit or loss	**(4.3)**	**(45.3)**
Actual tax rate	**-1.47%**	**-36.39%**

Profit before taxation represents the basis on which tax is calculated, in accordance with current tax regulations, The reported tax rate in the 2024 period was -1.47%, compared to a reported tax rate of -36.39% in 2023.

Breakdown of deferred taxes by type
Details of deferred tax income/assets and expenses/liabilities posted to the statement of profit or loss and statement of financial position are broken down by type below.

	statement of financial position at 31 December		statement of profit or loss for the years ending 31 December	
	2024 € million	2023 € million	2024 € million	2023 € million
Fixed assets	-	-	-	-
Securities Fair Value	0.1	-	0.1	2.8
Loss carried forward	6.9	6.0	1.0	2.1
Investment properties	6.4	6.4	-	6.0
Other	-	0.3	(0.3)	0.3
Deferred tax assets	**13.4**	**12.7**	**0.8**	**11.2**
Fixed assets	-	-	-	-
Leasing IFRS 16	0.2	0.2	-	-
Participation in subsidiary/investees	-	-	-	18.3
Securities Fair Value	1.2	1.6	0.4	-
Other	1.8	0.7	(1.1)	-
Deferred tax liabilities	**3.2**	**2.5**	**(0.7)**	**18.4**
Total	**10.2**	**10.2**	**0.1**	**29.6**

As of 31 December 2024, the Company recognized deferred tax assets totaling €6.9 million in respect of all available tax losses carried forward. There are no tax losses for which deferred tax assets have not been recorded. The recognition is based on management's assessment that sufficient future taxable profits will be available to utilize these losses.
Temporary differences that entailed the reporting of deferred tax liabilities related mainly to fair value revaluation of securities and foreign exchange gain unrealized on financial securities that will be taxed when realized.

The breakdown of income tax payables and receivables is as follows.

	at 31 December	
	2024 € million	2023 € million
Taxes receivables	15.3	37.9
Taxes payable	(5.4)	(4.1)
Total net income tax receivables (payables)	**9.9**	**33.7**

Income tax receivables and payables are all due within 12 months. The corporate income tax payable is shown net of advance payments and taxes deducted at source.
Effective 1 January 2024, the Pillar Two legislation applies in Luxembourg, where Lagfin S.C.A. is tax resident. Following the enactment of Luxembourg's Minimum Tax Act, which transposes EU Directive 2022/2523 into national law, the Company became subject to Luxembourg's Pillar Two framework. This legislation introduces a minimum 15% effective tax rate, aligned with the OECD's Pillar Two Model Rules, applied on a jurisdictional basis across all countries where the Group operates.
Where the effective tax rate in a jurisdiction falls below this 15% threshold, a top-up tax will be imposed under one of the following mechanisms:

(i) The Income Inclusion Rule ('IIR'),
(ii) The Under Taxed Payments/Profits Rule ('UTPR'),
(iii) The Qualified Domestic Minimum Top-up Tax ('QDMTT').

Refer to the note 3.xiii in the Lagfin Group consolidated financial statements for more information.

7. Operating assets and liabilities

This section describes the assets and liabilities used to generate the Company performance.

i. Tangible fixed assets

	at 31 December	
	2024 € million	2023 € million
Offices	11.8	12.4
Other equipment	2.2	2.7
Total fixed assets	**14.0**	**15.1**

The movements for the financial year 2024 are the following.

	Offices € million	Other equipment € million	total € million
Costs			
at 31 December 2022	**16.7**	**3.4**	**20.1**
Additions	-	2.0	2.0
at 31 December 2023	**16.7**	**5.4**	**22.1**
Additions	-	0.2	0.2
Disposal	-	(0.1)	(0.1)
at 31 December 2024	**16.7**	**5.5**	**22.2**

	Offices € million	Other equipment € million	total € million
Amortisation and impairment			
at 31 December 2022	**(3.6)**	**(2.3)**	**(5.9)**
Additions	(0.8)	(0.4)	(1.2)
at 31 December 2023	**(4.3)**	**(2.7)**	**(7.0)**
Additions	(0.6)	(0.7)	(1.3)
Disposal	-	0.1	0.1
at 31 December 2024	**(4.9)**	**(3.3)**	**(8.2)**
Net book value 2024	**11.8**	**2.2**	**14.0**

Offices are related to Lagfin's offices in Milan and Paradiso.

ii. Investment property

	at 31 December	
	2024 € million	2023 € million
Total investment properties	**29.3**	**30.0**

The movements for the financial year 2023 and 2024 are the following.

	Investment properties € million
Cost	
at 31 December 2022	**129.8**
Additions	76.7
Advances transferred to subsidiaries	(172.1)
Disposals	(0.1)
at 31 December 2023	**34.3**
Additions	0.0
Disposals	(0.0)
at 31 December 2024	**34.3**

	Investment properties € million
Amortisation and impairment	
at 31 December 2022	**(2.5)**
Additions	(1.8)
Disposals	0.1
at 31 December 2023	**(4.2)**
Additions	(0.8)
Disposals	0.0
at 31 December 2024	**(5.0)**
Net book value 2024	**29.3**

Properties for investment totalling €29.3 million are real estate assets directly owned by the Company situated in France, Italy, the Principality of Monaco and the UK. The net value has been verified through valuations conducted by independent appraisers possessing recognized and pertinent professional qualifications, along with recent experience in valuing properties within the respective locations and categories of the investment properties being assessed.
The total value of the investment properties amounts to €29.3 million and is supported by valuations of independent valuers who hold recognized and relevant professional qualification and have recent experience in the location and category of the investment properties being valued.
Investment properties are accounted for according to the cost model and are depreciated using the rate for buildings that is used for the relevant fixed asset category. The total depreciation in 2024 amounted to € 0,8 million.
During 2024, the investment property rentals amounted to €1,3 million, manly related to buildings located in Italy (€0.8 million) and London (€0.2 million).
The fair value of the investment property as of December 31, 2024, is €62.6 million. The fair value is determined by independent external valuers using market-based valuation techniques, including the income approach and comparable sales method.
The most recent valuation was conducted by external valuers during the month of December 2024. Although the valuation date precedes the financial statement reporting date, management has assessed market conditions, including the evolution of interest rates, stability of the markets where the Company holds its properties, and general real estate trends, and has determined that the fair values remain accurate and applicable to the financial statements as of December 31, 2024.

iii. Investments accounted for using the equity method

The following table reflects the changes relating to investments in subsidiaries and associates.

€ million	at 31 December 2023	increases	decreases	at 31 December 2024
Portfolio3, LLC	15.8		8.0	7.8
Telco Real Estate S.r.l.	1.6	0.1		1.7
10 Chapel Street Ltd.	2.8		0.7	2.1
14 Chapel Street Ltd.	2.5		0.6	1.9
Bourbon Sidecar, LLC	5.1		0.4	4.7
Bourbon Manhattan, LLC	1.6		0.1	1.5
Boulevardier Spritz, LLC	4.2			4.2
Highball S.à r.l.	-			-
Halsdon Ltd.	5.4		0.5	4.9
Davide Campari-Milano N.V.	2,027.7	394.2		2.422.0
LG Partners, LLC	1.6	0.2		1.8
Piga S.r.l.	0.5			0.5
Grand 75, LLC	5.9		0.5	5.4
Brown Derby, LLC	12.0		0.6	11.4
Gran Margarita, LLC	3.5	0.3		3.8
Tehama Street, LLC	0.8			0.8
D.R. Finance S.à r.l.	103.7	4.7		108.4
La Rosita, LLC	4.2		0.1	4.1
Bizzy Izzy, LLC	10.3	0.5		10.8
Very Old Fashioned, LLC	0.2		0.1	0.1
Teton Tanya, LLC	5.1		1.4	3.7
Dirty Banana, LLC	5.1		1.5	3.6
Fuzzy Navel, LLC	0.0			0.0
Longshoreman, LLC	0.0			0.0
150 NM Chicago, LLC	0.0	16.3	3.4	12.9
SCI Sazerac	-			-
SCI Feu Rouge	-			-
SCI Vieux Carre	-			-
SCI Vesper	-	2.6		2.6
Opera Partecipations 2 S.C.A.	0.4			0.4
Il Portico S.p.A.	0.4			0.4
Palingenia S.r.l.	0.3			0.3
Investments in subsidiaries	**2.220.7**	**418.9**	**17.9**	**2.621.7**

The list of investments in direct and indirect subsidiaries, including additional information extract from their last financial statements available is as follows.

Name	Head office	Currency	Equity value € million	Profit (loss) of the year € million	Investment percentage	Carrying amount € million
Portfolio3, LLC	New York (USA)	USD	8.0	(0.2)	100%	7.8
Telco Real Estate S.r.l.	Milan (ITALY)	EUR	1.6	0.1	100%	1.7
10 Chapel Street Ltd.	London (UK)	GBP	2.8	(0.7)	100%	2.1
14 Chapel Street Ltd.	London (UK)	GBP	2.5	(0.6)	100%	1.9
Bourbon Sidecar, LLC	New York (USA)	USD	5.1	(0.4)	100%	4.7
Bourbon Manhattan, LLC	New York (USA)	USD	1.6	(0.1)	100%	1.5
Boulevardier Spritz, LLC	New York (USA)	USD	4.2	0.0	100%	4.2
Highball S.à r.l.	Luxembourg	GBP	(1.7)	(0.6)	100%	-
Halsdon Ltd.	London (UK)	GBP	5.4	(0.5)	100%	4.9
Davide Campari-Milano N.V.	The Netherlands	EUR	3,652.4	201.6	51.7%	2,422.0
LG Partners, LLC	California (USA)	USD	1.6	0.2	100%	1.8
Piga S.r.l.	Milan (ITALY)	EUR	1.0	0.0	50%	0.5
Grand 75, LLC	New York (USA)	USD	5.9	(0.5)	100%	5.4
Brown Derby, LLC	New York (USA)	USD	12.0	(0.6)	100%	11.4
Gran Margarita, LLC	New York (USA)	USD	3.5	0.3	100%	3.8
Tehama Street, LLC	New York (USA)	USD	0.8	0.0	100%	0.8
D.R. Finance S.à r.l.	Luxembourg	EUR	202.3	9.9	51%	108.4
La Rosita, LLC	New York (USA)	USD	4.2	(0.1)	100%	4.1
Bizzy Izzy, LLC	New York (USA)	USD	10.3	0.5	100%	10.8
Very Old Fashioned, LLC	New York (USA)	USD	0.2	(0.1)	100%	0.1
Teton Tanya, LLC	Miami	USD	5.1	(1.4)	100%	3.7
Dirty Banana, LLC	Miami	USD	5.1	(1.5)	100%	3.6
Fuzzy Navel, LLC	New York (USA)	USD	0.0	0.0	100%	-
Longshoreman, LLC	New York (USA)	USD	0.0	0.0	100%	-
150 NM Chicago, LLC	Chicago (USA)	USD	16.3	(3.4)	100%	12.9
SCI Sazerac	Principality of Monaco	EUR	(2.1)	(5.7)	99%	-
SCI Vieux Carre	Principality of Monaco	EUR	(2.5)	(5.0)	99%	-
SCI Vesper	Principality of Monaco	EUR	2.6	0.0	99%	2.6
SCI Feu Rouge	Parigi	EUR	(0.7)	(0.2)	99%	-
Opera Partecipations 2 S.C.A.	Luxembourg	EUR	(0.0)	(0.1)	1.3%	0.4
Il Portico S.p.A.	Bologna (ITALY)	EUR	0.4	(0.0)	9.88%	0.4
Palingenia S.r.l.	Venezia	EUR	0.4	(0.1)	83.20%	0.3

The Company holds as its main investment the participation in Davide Campari-Milano N.V., the change of which is mainly explained by the share of the net profit of Davide Campari-Milano N.V, dividends distributed (€41.1 million) and the capital increase of Davide Campari-Milano N.V. incurred in 2024 fully subscribed by non-controlling interests that, as described in the note '6.v Share of profit of investee accounted according to equity method', resulted in the recognition of a gain of €215.6 million in income statement. Other variations of the net equity of Davide Campari-Milano N.V. are recognised in 'Other comprehensive income'.

The goodwill paid for the investments in subsidiaries is related to and included in the Davide Campari-Milano N.V participation values. As of 31 December 2024 the goodwill amounts to €439.6 million.
In 2024 two events impacted the equity interest in Davide Campari-Milano N.V.:
- the Italian Branch acquired 4.788.007 shares in Davide Campari-Milano N.V. for an amount of €31.9 million;
- Davide Campari-Milano N.V. successful private placement of new shares for approximately €650.0 million.

As a result of the events described above, the percentage of equity interest in Davide Campari-Milano N.V. went from 54,4% as of January 1, 2024 to 51,7% as of December 31, 2024.
The amount of €31.9 million is included in the 'Change in investments in subsidiaries, associates and joint-ventures' in the statement of cash flow which also include the Capital return from Portfolio 3 LLC for €8.8 million, the amount paid for the acquisition of Vesper SCI of €3.8 million and the amount received for the sale of Negroni Ltd. for net consideration of €19.7 million. The net cash movement was €7.1 million.

The main financial statement figures of Davide Campari-Milano N.V. and D.R. Finance S.a.r.l. are presented below, as these represent the most significant investment in subsidiaries.

for the year ended 31 December 2024	Davide Campari-Milano N.V.	D.R. Finance S.a.r.l.
Net sales	3,069.7	-
Profit (loss) for the period	201.6	6.6
Current assets	2,938.2	177.3
Non-current assets	5,545.1	36.7
Current liabilities	1,241.9	3.1
Non-current liabilities	3,386.1	-
Net assets	3,855.3	210.9
Of which represented as non-controlling interest in Lagfin Group statement of changes in shareholders' equity	**1,812.6**	**103.2**

During 2024 the Company has made investments in other subsidiaries for a net amount of €23.4 million of which €16.3 through conversion of promissory notes and the remainder through cash consideration.

iv. Other non-current financial assets

A breakdown of other non-current financial assets is reflected in the table below.

	at 31 December	
	2024	2023
	€ million	€ million
Receivables affiliated undertakings	143.8	245.3
Equity investment in other companies	1.1	-
Other receivables	3.5	1.3
Total other non-current assets	**148.4**	**246.6**

Receivables affiliated undertakings mainly includes promissory notes and loans granted to affiliated undertakings. The decrease from 2023 is mainly due to the repayment by the USA entities of approximately €60.4 million of promissory notes and interests accrued and the reclassification of € 45.7 million of promissory notes with maturity date in 2025.

The receivables from the affiliated undertakings is valued according the Amortized Cost model (the nominal value coincides with the value determined according to the amortized cost since the applied interest rates are market- based and no ancillary charges to the credit lines were charged to the subsidiaries).

In the following table, the maturity date of each receivable granted to affiliated undertakings is reported:

	at 31 December	
	2024 € million	Maturity date
Promissory note Bourbon Sidecar, LLC	3,8	13/01/2026
Loan 10 Chapel Street Ltd.	1,0	08/06/2028
Loan 14 Chapel Street Ltd.	0,9	08/06/2028
Loan Highball S.à.r.l.	8,9	on demand
Promissory note Bizzy Izzy, LLC	3,9	20/04/2026
Promissory note La Rosita, LLC	1,9	29/03/2026
Promissory note Very Old fashioned, LLC	2,2	07/12/2026
Promissory note Teton Tanya, LLC	0,2	12/09/2026
Promissory note Dirty Banana, LLC	0,6	14/09/2026
Loan SCI Vesper	1.2	undetermined
Loan SCI Feu Rouge	4,0	undetermined
Loan SCI Sazerac	63,0	undetermined
Loan SCI Vieux Carré	52,2	undetermined
Total other non-current assets	**143.8**	

v. Financial assets

	at 31 December	
	2024 € million	2023 € million
Current financial assets	153.5	231.0
Total financial assets	**153.5**	**231.0**

Financial assets mainly include investments valued at fair value through profit and loss in Bonds and their accrued interests €16.0 million, Securities €60.3 million, Funds €32.5 million and receivables from affiliated entities €45.7 million. The reduction in financial assets is attributable to the investment strategy of the Company, which, during 2024, resulted in a decrease in financial investments and an increase in real estate investments and repurchase of the Exchangeable Bond 2028.

vi. Cash and cash equivalents

A breakdown of cash and cash equivalents is reflected in the table below.

	at 31 December	
	2024 € million	2023 € million
Cash equivalents	69.5	31.2
Cash at bank	108.9	42.4
Total Cash and cash equivalents	**178.4**	**73.6**

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Please refer to note n. 7 xi for further details on the amount of undrawn borrowing facilities that may be available in the future for the operating activities.

vii. Tax receivable

A breakdown of tax receivable is reflected in the table below.

	at 31 December	
	2024 € million	2023 € million
Tax credit consolidation	14.3	36.8
Income taxes (IRES-IRAP)	0.7	1.0
Other	0.3	0.1
Total Tax receivable	**15.3**	**37.9**

The tax credit consolidation is related to tax credits toward the Italian tax authority.

viii. Other current assets

A breakdown of other current assets is reflected in the table below.

	at 31 December	
	2024	2023
	€ million	€ million
Tax receivables from Group companies	2.5	3.2
Deferred charges	1.6	1.8
Other receivables	1.3	4.0
Other current assets	**5.4**	**9.0**

The item 'Tax receivables from Group companies' is associated with receivables of Group VAT.

ix. Equity

The subscribed capital amounts to €3,717,200.00 and is divided into 46,465 fully paid shares with a par value of €80.00 per share.
There are no rights, preferences and restrictions attaching to the shares including restrictions on the distribution of dividends and the repayment of capital.

	Number of shares	€ million
As of 31 December 2022		
Ordinary shares of €80.00	46,465	3,717,200
As 31 December 2023		
Ordinary shares of €80.00	46,465	3,717,200
As of 31 December 2024		
Ordinary shares of €80.00	46,465	3,717,200

For information on the composition and changes in shareholders' equity for the periods under review, see the statement of changes in shareholders' equity.
In 2024, Lagfin's total equity increased significantly by €383.8 million, rising from €1,655.5 million to €2,039.3 million mainly due to €326.2 million of Profit of the year (€300.8 million) and OCI (€25.4 million). The profit of the year is primarily due to the gain on deemed disposal as described in note '6.v Share of profit of investee accounted according to equity method'. The remaining €57.7 million of changes in equity are represented by other changes of net assets of subsidiaries accounted using the equity method.

x. Current and non-current liabilities

A breakdown of other non-current liabilities is shown in the table below.

	at 31 December	
	2024	2023
	€ million	€ million
Bonds	399.7	486.1
Non-current financial liabilities	291.4	304.8
Other non-current liabilities	28.2	31.3
Provision for risks and changes and contingent assets	-	-
Deferred taxes	3.2	2.5
Total non-current liabilities	**722.5**	**824.7**

	at 31 December	
	2024	2023
	€ million	€ million
Current financial liabilities	405.2	385.4
Trade payables	2.6	3.9
Tax liabilities	5.4	4.1
Provision for risks and changes and contingent assets	-	-
Other liabilities	5.3	5.1
Total current liabilities	**418.4**	**398.6**

As of 31 December 2024, a breakdown of the financial liabilities is reflected in the table below.

	at 31 December 2024		
	Short-term	Medium-term	Valuation model
Derivative fair value	6.0		Fair value through P&L
Shareholder loan	7.3		Amortized cost
Interest on bonds	0.9		Amortized cost
Tax consolidation	5.9		Amortized cost
Loans due to banks	385.1	291.4	Amortized cost
Total Financial debt	**405.2**	**291.4**	

In June 2023, the Italian Branch issued unsecured bonds due 2028 in the aggregate principal amount of €536.4 million, exchangeable for existing ordinary shares of Davide Campari-Milano N.V..
The Exchangeable Bond 2028 bears interest at a fixed rate of 3.50% per annum, payable semi-annually in arrears and is valued with the amortized cost method.
The Exchangeable Bond 2028 has two components: the bond loan and a conversion option. This derivative was separated at inception from the bond issue and has been measured at fair value both at the date of initial recognition of the hybrid instrument and at each subsequent balance sheet date. Changes in fair value are recognized in the income statement.
The Company therefore accounts for the embedded derivative in accordance with the rules for non-hedging derivatives charging changes in the fair value of the derivative to the income statement as adjustments to the value of financial assets and liabilities and as a contra entry in the balance sheet to a fund (derivative financial instruments payable).
The Company has partially repurchased the Exchangeable Bond 2028 during 2024. Please refer to the note '4. Significant accounting judgments, estimates and assumptions', for further information.

The following amounts are recorded under 'Derivative financial instruments payable' with reference to the bond:
- €23.7 million as of 31 December 2023;
- €4.0 million as of 31 December 2024

As of December 31, 2024, the Company had outstanding financial liabilities subject to covenants, which, if breached, could result in the requirement to repay such liabilities within twelve months of the reporting date. These financial liabilities include:
- Exchangeable Bond 2028 for which the company is required to assess the covenant twice a year (30/06 and 31/12). The covenant requires that the Net Financial Indebtedness of the Issuer and its Subsidiaries must not exceed €1.65 billion. No covenant breach was recorded in 2024, and no covenant breaches are foreseeable in the future;
- Financial liabilities for a total value of €263.25 million as of December 31, 2024 are classified as non current financial liabilities subject to the entity complying with covenants. These liabilities require the company to maintain a Loan-to-Value (LTV) ratio that is calculated using various definitions and asset bases, including valuations based on Davide Campari-Milano N.V. share prices and other assets and are monitored, through periodic certificates, with most facilities requiring biannual certification, and others requiring quarterly or annual submission. Also for these facilities, the most conservative LTV threshold in place is within the limits imposed by the covenants and no breach was recorded in 2024, and no covenant breaches are foreseeable in the future.

A breakdown of loans due to banks is shown in the table below.

This item includes loans entered with leading banks as follows:

maturity	original value	residual nominal value		Amount available	Parameter	Spread	nominal rate at 31 December 2024
		non-current	current				
	€ million	€ million	€ million				
2025	539.1	-	379.8	159.3	Euribor 1/3/6 m, Euro Short Term Rate, FedRate, SONIA, SOFR, Cost of funding bank	from 0,35% to 1,22%	from 3,37% to 5,35%
2026	651.0	224.6	-	426.4	Euribor 3/6 m	from 1,15% to 1,55%	from 3,99% to 4,80%
2027	87.0	61.0	-	26.0	Euribor 3/6 m	from 1,10% to 1,45%	from 3,94% to 4,19%
2030	5.8	5.8	-	-	SONIA	1.15%	6.39%
	1,282.9	**291.4**	**379.8**	**611.7**			

The difference between the current entry (€379.8 million) and the total short term debt (€385.1 million) refers to accrued interests.

The following reconciliation provides information on the changes in liabilities arising from financing activities, including both cash and non-cash movements. The reconciliation includes movements related to borrowings, lease liabilities, and other financing obligations, reflecting cash flows from financing activities, foreign exchange differences, fair value adjustments, and other non-cash changes.

	bonds		Interest payable	borrowings		other financial liabilities	
€ million	current	non-current	current	current	non-current	current	non-current
at 31 December 2023	-	486.1	3.2	332.5	304.8	23.7	-
Interest accrued	-	-	51.5	-	-	-	-
Interest repayment	**-**	**-**	**(49.4)**	**-**	**-**	**-**	**-**
Net financing change	**-**	**(97.4)**	**-**	**(52.8)**	**86.3**	**-**	**-**
Exchange rate effects	-	-	-	-	0.6	-	-
Change in fair value	-	-	-	-	-	(18.6)	-
Change in amortized cost	-	10.5	-	-	-	-	-
Other movements	-	0.5	-	100.3	(100.3)	(1.1)	-
at 31 December 2024	**-**	**399.7**	**5.3**	**379.8**	**291.4**	**4.0**	**-**

8. Financial Risk Management

The Company is exposed to interest rate risk, credit risk, liquidity risk, foreign currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are described below.

8.1 - Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of loans from related parties.

All trades payables are due within one year from the end of the reporting period. In the following table is reported the maturity profile of the financial liabilities based on contractual undiscounted payments:

at 31 December 2024	on demand	within 1 year	due in 1 to 2 years	due in 3 to 5 years	due after 5 years	total
	€ million	€ million	€ million	€ million	€ million	€ million
Bonds	-	15.4	15.4	422.8	-	453.6
Loans due to banks	-	408.2	290.8	2.5	6.0	707.5
Trade Payable	-	2.6	-	-	-	2.6
Tax Liabilities	-	5.4	-	-	-	5.4
Other current liabilities	-	21.2	-	-	-	21.2
Other non-current liabilities	-	-	11.2	15.9	12.0	39.1
Total liabilities	**-**	**452.8**	**317.4**	**441.2**	**18.0**	**1,229.4**

8.2 - Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to the risk of changes in market interest rates relates primarily to the Company’s long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company’s policy is to maintain borrowings at fixed rates of interest of not more than 50%, excluding borrowings that relate to discontinued operations. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Sensitivity analysis

The table below shows the effects of a possible change in interest rates on the Company’s statement of profit or loss, if all other variables remain constant. A negative value in the table indicates a potential net reduction in profit or loss, while a positive value indicates a potential net increase in this item. The assumptions used with regard to a potential change in rates are based on an analysis of the trend on the reporting date.

With regard to the fixed-rate financial liabilities hedged by interest-rate swaps, the change in the hedging instrument offsets the difference in the underlying liability, with practically no effect in the statement of profit or loss. The current and non-current borrowings, totaling €671.2 million, bear variable interest rates.

		profit or loss	
at 31 December 2024	increase/decrease in interest rates in basis point	increase in interest rates € million	decrease in interest rates € million
€	+/- 5 basis points	(0.3)	0.3
Other currencies		0.0	(0.0)
Total effect		**(0.3)**	**0.3**
at 31 December 2023		-	-
€	+/- 5 basis points	(0.3)	0.3
Other currencies		0.0	(0.0)
Total effect		**(0.3)**	**0.3**

8.3 - Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of financial instruments may fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the functional currency of the Company.
The Company is exposed to foreign exchange risk arising from various currency exposures relating to its operating activities. Management of the Company closely monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Sensitivity analysis
An analysis was performed on the effects of a possible change in the exchange rates against the € on the statement of profit or loss, keeping all the other variables constant. The assumptions adopted regarding a potential change in rates are based on an analysis of forecasts provided by financial information agencies on the reporting date. The types of transactions included in this analysis are sales and purchases in any currency other than the Company's functional currency.

		net equity	
at 31 December 2024	increase/decrease **in currency rates in %**	increase in exchange rates **€ million**	decrease in exchange rates **€ million**
US$	+8%/-1%	1.3	(9.7)
Other currencies		0.2	(1.8)
Total effect		**1.5**	**(11.5)**

8.4 - Capital risk

Capital includes only equity shares.
The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure that it will be able to continue as a going concern while maximizing the return to the Shareholder through the optimization of the debt and equity balance.
To maintain or adjust the capital structure the Company may adjust the dividend payment to the Shareholder, return capital to the Shareholder or issue new shares.

8.5 - Credit risk

Credit risk is the risk that a counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss.
Credit risk related to cash and cash equivalents is managed by holding cash balances with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.
Credit risk related to financial assets transactions, including listed marketable securities, bonds and funds are carried out with leading international institutions, monitored ratings to minimise counterparty insolvency risk.
The Company is exposed also to credit risk in relation to loans granted to its subsidiaries. Credit risk is assessed to be low as each subsidiary has been assessed individually, taking into account its financial position and expected future cash flows. At the reporting date, the fair value of the net assets of each subsidiary exceeds the value of the loans received and any outstanding liabilities towards third parties, including the loan granted by the Company. As a result, the Company does not expect any material credit losses on these exposures.
The carrying amount of financial assets, current and non-current, recorded in the financial statements represents the maximum credit exposure.

8.6 - Climate related risk

Up to now the Company has not been significantly impacted by climate change. Nevertheless, management will continue monitoring every year the potential risks resulting from the effects of climate change. So far Management has not identified nor considered any material impacts of climate change on assumptions used (e.g. impairment test etc.) and on the Company's financial reporting (e.g. provisions, fixed assets etc.).

9. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market. in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability. assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value measurements are listed as follows:
- for financial assets and liabilities that are liquid or nearing maturity, it is assumed that the carrying amount equates to fair value; this assumption also applies to term deposits, securities that can be readily converted to cash and variable rate financial instruments;
- the fair value of noncurrent financial payables was obtained by discounting all future cash flows to present value under the conditions in effect at the end of the year.

The models incorporate various inputs. including the credit rating of the counterparty, market volatility, spot and forward exchange rates and current and forward interest rates. The following table provides the fair value measurement hierarchy of the assets and liabilities reported at fair value and of the fair value measurement of the financial assets and liabilities reported at amortized cost.

at 31 December 2024	level 1	level 2	level 3
	€ million	€ million	€ million
Assets reported at fair value			
Listed equity investments	59.3	-	-
Non-listed equity investments	-	-	1.0
Quoted debt instruments	14.4	-	-
Funds measured at fair value	-	3.3	-
Private equity investments	-	-	29.7
Liabilities reported at fair value			
Derivative financial liabilities – Listed equity	2.0	-	-
Derivative financial liabilities Exchangeable Bond	-	4.0	-
Fair value of financial assets measured at amortized cost			
Receivable from affiliated entities	-	189.5	-
Fair value of financial liabilities measured at amortized cost			
Loans due to banks	-	676.5	-
Exchangeable Bond 2028	404.7	-	-

at 31 December 2023	level 1 € million	level 2 € million	level 3 € million
Assets reported at fair value			
Listed equity investments	58.8	-	-
Non-listed equity investments	-	-	1.0
Quoted debt instruments	127.2	-	-
Funds measured at fair value	-	8.5	-
Private equity investments	-	-	25.3
Other Financial assets not included in Cash and cash equivalents	10.2	-	-
Liabilities reported at fair value			
Derivative financial liabilities – Listed equity	1.6	-	-
Derivative financial liabilities Exchangeable Bond	-	23.7	-
Fair value of financial assets measured at amortized cost			
Receivable from affiliated entities	-	245.3	-
Fair value of financial liabilities measured at amortized cost			
Loans due to banks	-	637.1	-
Exchangeable Bond 2028	502.2	-	-

The loans due to banks and the receivable from affiliated entities are measured at amortized cost, which approximates their fair value due to the variable interest rates.

The table below presents the carrying amounts of the Company's assets and liabilities, classified according to their measurement categories: amortised cost and fair value through profit or loss (FVTPL).

at 31 December 2024 € million	carrying amount	measurement at amortised cost	measurement at fair value through profit and loss
Cash and cash equivalents	178.4	178.4	-
Financial asset	153.7	45.7	108.0
Other non-current financial assets	148.4	148.4	-
Loans due to banks	(676.5)	(676.5)	-
Bonds	(399.7)	(399.7)	-
Other current financial liabilities	(16.1)	(14.1)	(2.0)
Derivative embedded in in Exchangeable Bond	(4.0)	-	(4.0)
Other current assets	5.4	5.4	-
Other current liabilities	(28.2)	(28.2)	-
Trade receivables	0.1	0.1	-
Trade payables	(2.6)	(2.6)	-
Total	**(641.1)**	**(743.1)**	**102.0**

at 31 December 2023 € million	carrying amount	measurement at amortised cost	measurement at fair value through profit and loss
Cash and cash equivalents	73.6	73.6	-
Financial asset	231.0	10.2	220.8
Other non-current financial assets	246.6	246.6	-
Loans due to banks	(640.3)	(640.3)	-
Bonds	(486.1)	(486.1)	-
Other current financial liabilities	(26.2)	(24.6)	(1.6)
Derivative embedded in Exchangeable Bond	(23.7)	-	(23.7)
Other current assets	9.0	9.0	-
Other current liabilities	(5.1)	(5.1)	-
Trade receivables	0.1	0.1	-
Trade payables	(3.9)	(3.9)	-
Total	**(625.0)**	**(820.5)**	**195.5**

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values at 31 December 2024 for financial instruments measured at fair value in the statement of financial position, and the significant unobservable inputs used.

type	valuation technique	Significant unobservable inputs	inter-relationship between significant unobservable inputs and fair value measurement
Non-listed equity investments	The fair value of non-listed equity investments was determined based on the investee entity's financial statements, using a net asset approach that reflects the fair value of assets and liabilities at the reporting date.	Not applicable.	Not applicable.
Funds measured at fair value	The valuation of funds classified as Level 2 was based on the Net Asset Value (NAV) provided by the fund manager, which reflects the fair value of the underlying investments in bonds and listed equities. The NAV is considered to be derived from observable market inputs but is not directly quoted in an active market.	Not applicable.	Not applicable.
Private equity investments	The valuation of private equity investments was based on the most recent Net Asset Value (NAV) reported by the fund manager, which is considered to be a reasonable estimate of fair value.	Not applicable.	Not applicable.
Derivative financial liabilities Exchangeable Bond	The option value of the Exchangeable Bond is calculated with a Bloomberg Convertible valuation model. Base inputs of the model are credit spread and volatility. Volatility is derived from Bloomberg option valuation model and credit spread from Campari's bond one.	Not applicable.	Not applicable.

There were no transfers between fair value measurement levels during the period.
The following table shows a reconciliation from the opening balance to the closing balance of the periods for level 3 fair values.

€ million	Non-listed equity investments	Private equity investments
level 3 fair values at 31 December 2023	**1.0**	**25.3**
- change in fair value included in profit or loss	-	(1.7)
- disposal	-	(24.7)
- additions	-	25.2
- exchange rate effect and other movements	-	5.6
level 3 fair values at 31 December 2024	**1.0**	**29.8**

€ million	Non-listed equity investments	Private equity investments
level 3 fair values at 31 December 2022	**1.1**	**75.1**
- change in fair value included in profit or loss	-	0.7
- disposal	(0.1)	(60.9)
- additions	-	7.1
- exchange rate effect and other movements	-	3.3
level 3 fair values at 31 December 2023	**1.0**	**25.3**

10. Contingencies

The Company did not have any contingent liabilities as of 31 December 2024.

11. Commitments

The total uncalled capital commitments on investments in private equity holdings amounts to €15.3 million (2023: €23.5 million).

The Company signed guarantees for a total consideration of €3.5 million as of 31 December 2024. issued by an Italian bank in favor of the Financial Administration (Agenzia delle Entrate) against surplus VAT credits offset under the group VAT scheme. The deadlines are July 2025 for €2.5 million, June 2026 for €0.2 million and May 2027 for €0.8 million.

12. Related parties

The Company adopts procedures to ensure the substantive and procedural transparency and integrity of transactions with related parties. whether carried out directly or through subsidiaries. in addition to defining the concept of related parties.
The main intragroup activities. paid for at market prices. are carried out on the basis of contractual relationships. which in particular relate to:

- the management of investments;
- the settlement of financial flows through the centralised intragroup cash and financial management system;
- the sharing of general. administrative and legal services;
- information technology support;
- commercial agreements.

Intragroup transactions are carried out through the centralised cash management system, with interest charged at market rates.
As indicated in note 7 iv 'Other non-current financial assets' and 7 v ‘Financial assets’, Lagfin granted loans and promissory notes to its subsidiaries for a total amount of €189.5 million.

As indicated in note 7 xi, 'Current and non-current liabilities' includes €7.3 million as shareholder loan (€11.6 million as of December 31. 2023). In addition, transactions with related parties include the agreement with Davide Campari Milano N.V. relating to the option exercised jointly with the Campari Group's other Italian subsidiaries to adopt the national tax consolidation scheme governed by articles 117 et seq of the Consolidated Law on Corporate Income Tax (TUIR) for the period running from 2021 to 2023. The agreement has been automatically renewed for the period running from 2024 to 2026.
The Company has also joined, along with Davide Campari Milano N.V. the Group VAT scheme pursuant to article 73 para. 3 of Presidential Decree (DPR) 633/72.
The receivables and payables arising as a result of the tax consolidation procedure are non-interest bearing.
The Swiss branch has leased part of the property owned in Lugano to the subsidiary Campari Schweiz A.G.. In 2024 the lease income for Lagfin was equal to €0.2 million. No other transactions have taken place with controlling entities, nor with their directly and/or indirectly owned subsidiaries. other than with Group companies.

The General Partner net remuneration paid in 2024 amounted to €0.1 million

13. Subsequent events

Lagfin repurchase a further portion of the Exchangeable bonds due 2028
Lagfin has carried out on March 6, 2025 an additional repurchase of its outstanding €536.4m exchangeable bonds due 2028 (ISIN: XS2630795404) (‘Bonds’). As a result, Lagfin has totally repurchased €107.5million of its outstanding €536.4m exchangeable bonds due 2028 representing 20.04% of the aggregate principal amount of the Bonds currently outstanding. The repurchase of the Bonds has been executed via open market purchases, as well as via over-the counter trading, at an average price of about €92.96 per bond. Following the settlement of the repurchases, an aggregate principal amount of Bonds of €428.9 million will be outstanding and not held by Lagfin.

Luxembourg, 24 April 2025

Directors

Vania Baravini

Massimiliano Seliziato

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Société anonyme

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Independent auditor's report

To the General Partner of
Lagfin S.C.A.
3, Rue Des Bains,
L-1212 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lagfin S.C.A, which comprise the statement of financial position as at 31 December 2024, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The General Partner is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the General Partner for the financial statements

The General Partner is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards "IFRS" as adopted by the European Union and for such internal control as the General Partner determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibility of the "réviseur d'entreprises agréé" for the audit of the financial statements

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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.

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- Conclude on the appropriateness of General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the General Partner's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Amedeo Pedini

Amedeo Pedini

Luxembourg, 24 April 2025

Lagfin S.C.A.
Société en commandite par actions

Registered office: 3, Rue des Bains, L-1212 Luxembourg
R.C.S. Luxembourg: B 51599
Share capital: € 3,717,200.00