ANNUAL REPORT

LUCAS BOLS

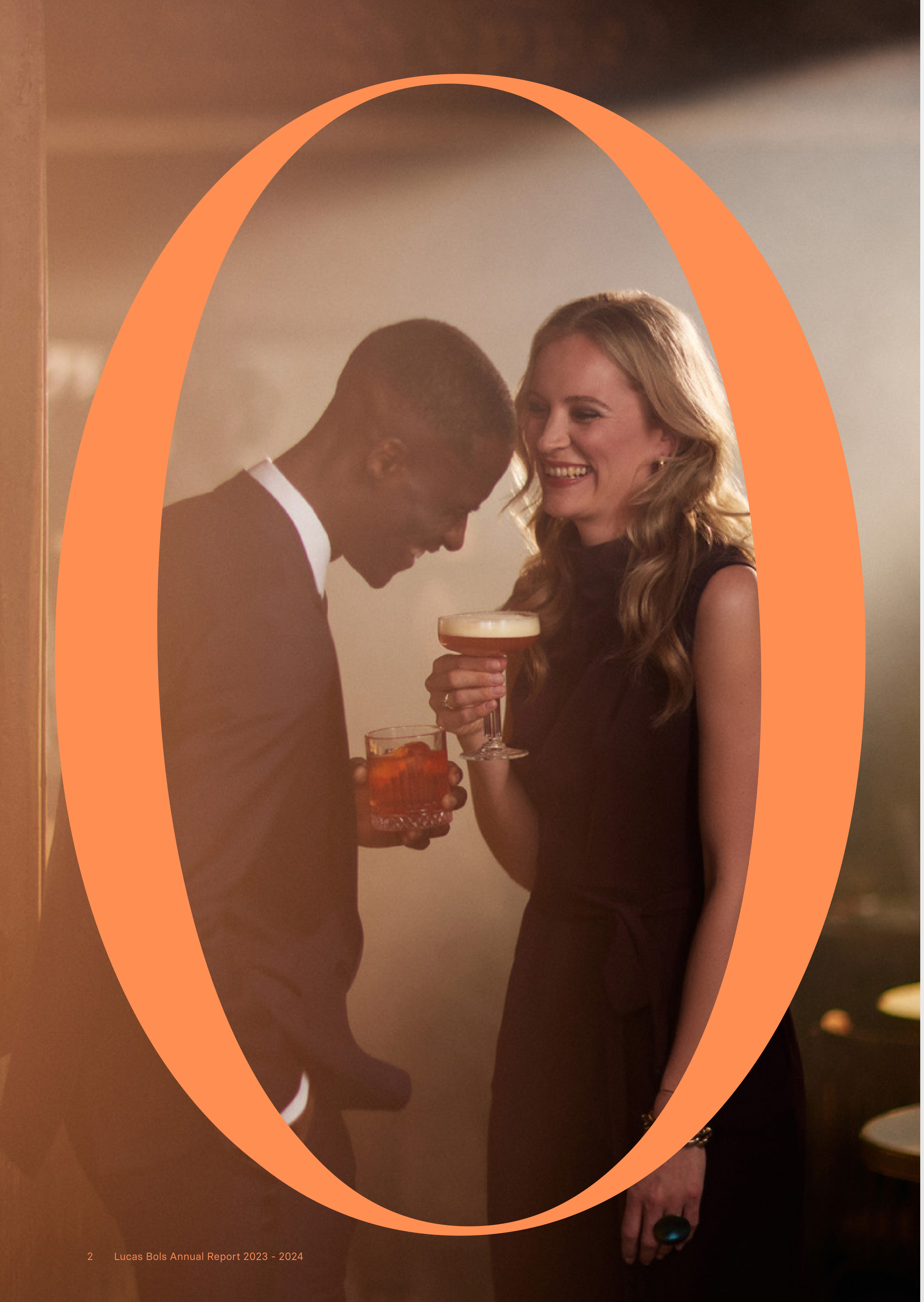
AMSTERDAM DISTILLERY
EST. 1575

2023 — 2024

INDEX ANNUAL REPORT

Statement – This copy of the annual report of Lucas Bols N.V. for the year ended 31 March 2024 is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF single reporting package is available at: www.lucasbols.com.

The paragraphs marked with a * are part of the report of the Management Board as defined in Title 9, Dutch Civil Code 2.



The Lucas Bols Company is a leading global cocktail and spirits player with a strong position in the worldwide cocktail market. Our mission is to create great cocktail experiences around the globe.

At the Lucas Bols Company it is all about creating great cocktail experiences around the globe. As Masters of Taste we combine over four centuries of craftsmanship and heritage with our creative spirit of Amsterdam to discover new flavours and cocktails. This allows us to build leading cocktail and spirits brands. Our key assets are our three premium Global Cocktail Brands (Bols, the World's First Cocktail Brand, Passoã and Galliano) and our portfolio of Regional Liqueurs & Spirits brands.

The Lucas Bols Company is active in over 110 countries worldwide. The Bols brand includes the number one liqueur range globally (not including the US). We are also the world's largest player in the genever segment, and our portfolio of brands includes the number-one passion fruit liqueur Passoã and the ultra-premium Tequila Partida brand.

Our flexible and asset-light business model enables us to focus fully on innovation and strategic marketing to build the Lucas Bols brands. At the Lucas Bols distillery we create new flavours and adapt old recipes in line with today's cocktail trends. We enthusiastically operate the Lucas Bols experiences such as the House of Bols Cocktail & Genever Experience, the Bols Cocktail Academy, the Bols Around the World competition and the Wynand Fockink tasting tavern, which play a leading role in developing the cocktail market.

Lucas Bols. Masters of Taste

Our heritage **and craftsmanship dates back almost four-and-a-half centuries, to 1575 in Amsterdam. Since then, we have been mastering the art of mixing and blending, creating beautiful flavours for our genevers and liqueurs. We invite you to open your senses and experience the past, present and future of the Lucas Bols Company.**

1575
The Bols family establishes distillery 't Lootsje in Amsterdam and starts distilling liqueurs.

1700
Grandson Lucas Bols turns the distillery into an international company and creates over 300 liqueur and genever recipes.

20th century
Acquisition of regional brands, such as Dutch genevers, Pisang Ambon and Coebergh.

2006
Return of the Lucas Bols head office to Amsterdam and addition of new bartender brands such as Galliano.

2008
International relaunch of Bols Genever, based on the original recipe from 1820.

2016
The Lucas Bols Company adds Passoã, the world's number 1 passion fruit liqueur to its Global Cocktail Brands portfolio.

2021
Launch of innovative Bols Ready-to-Enjoy Cocktail Tubes and multi-serve bottles in 5 cocktail flavours.

2023
The Lucas Bols Company strengthens its no- and lower-alcohol cocktails positioning by acquiring Fluère, a leading non-alcoholic spirits brand.

1664
The Bols family start producing genever which plays an important role in the emergence of the cocktail culture in the US in the 19th century.

1816
The widow of the last male Bols heir sells the Company, on condition that the Lucas Bols name forever be used on all its products.

2004
Launch of the iconic Bols Liqueurs bottle, made by & for bartenders to improve efficiency and ease of use and its distinctiveness.

2007
Opening of the House of Bols Cocktail & Genever Experience and the Bols Cocktail Academy in Amsterdam.

2015
Celebration of 440 years of Lucas Bols history and listing on the Euronext Amsterdam stock exchange.

2020
Launch of non-alcoholic Damrak Virgin 0.0. and global relaunch of Bols Liqueurs, crafted with natural botanicals.

2022
Acquisition of ultra-premium Tequila Partida brand, world's highest rated tequila brand portfolio.

2024
Public offer by Nolet results in new ownership, preserving Lucas Bols' valuable heritage and accelerating the growth strategy.

Financial Highlights

Revenue
(in € mln)

96.6

2022/23: 100.6

Gross margin
(in % of revenue)

50.9

2022/23: 51.7

Normalised operating profit*
(in € mln)

15.1

2022/23: 15.1

Normalised free operating cash flow*
(in € mln)

9.2

2022/23: 6.8

Normalised net profit*
(in € mln)

9.1

2022/23: 10.1

Revenue per 8.4L case
(in €)

50.36

2022/23: 43.84

* These items are non-GAAP measures, normalised numbers are excluding one-off items. For further information about these measures, and the reasons why we believe they are important for an understanding of the performance of our company, please refer to our commentary on non-GAAP measures as of pages 174-175.

Company Highlights

Masters of Taste since 1575

449 years of craftsmanship

More than 30 brands

Sold in over 110 countries worldwide

Brand Highlights

World's No.1 liqueurs range

Not including the US

World's No.1 genever

World's highest rated tequila brand portfolio

World's No.1 passion fruit liqueur

Interview with the Management Board

The past year was another quite eventful one. How do you look back on 23/24?
"Where to start!" CEO Huub van Doorne exclaimed. "The public offer by Nolet was an important development of course. And from a business perspective the year kicked off quite well with further recovery in the US after the industry-wide glass supply issues we faced in 22/23, encouraging growth in Japan and the design and roll-out of our no- and lower-alcohol cocktail strategy, leveraging the Fluère acquisition we completed in January 2023."

"However, we suffered from ongoing high inflation and, in the second quarter market circumstances changed adversely with a sharp slowdown in industry sales," he added. "This situation continued throughout the rest of the year and even intensified in certain key markets."

Can you elaborate on those changing market circumstances?
"In hindsight it is safe to say that the past four years, heavily impacted by the pandemic and serious geopolitical and macroeconomic challenges, have been a rollercoaster ride," CFO Frank Cocx clarified. "Sales, mainly in the on-trade, dropped dramatically and rather instantly when COVID-19 took hold, but saw notable uplifts when people started to make more cocktails at home and when the 'Roaring Twenties' effect drove our business as soon as travelling and on-trade visits were possible again."

"This stop-and-go pattern was followed by another round of ups and downs when the war in Ukraine broke out," he continued. "On the one hand, poor availability and record-high prices of raw materials slowed down trade, while on the other hand sales were boosted by distributors, wholesalers and retailers stocking up to prevent shortages. Now that the severe supply chain disruptions have eased, the biggest challenges we and other industry participants face are on the demand side."

> "In the US we were able to keep sales at solid levels."

"Our customers have been destocking heavily due to a combination of significantly higher interest rates and the weakness in consumer demand. Consumers are much more wary when it comes to how and where they spend money, and how much. This translates into a slowdown in retail, including some downtrading in certain categories, and a reduced number of on-trade visits, with less money spent per visit," Frank Cocx concluded.

Is this something you are seeing worldwide or do the circumstances differ from market to market?
"One of the advantages of our business model is that we operate in more than 100 markets globally and with various brands, so there are and always will be differences in circumstances. Having said that, most of our key markets were affected by one or more of the adverse developments," Huub van Doorne said. "The slowdown in retail hit us relatively hard in Western Europe and the Pacific, most notably in the UK, France

and Australia. Our more on-trade driven markets in Southern-Europe and Southeast Asia were taking on a high comparison base because 22/23 was the year these markets really reopened after the COVID-19 measures were lifted."

"In the US, our largest and one of the most important markets, we were able to keep sales at solid levels, against a disrupted comparative, despite reduced consumer spend and significant destocking at wholesaler and trade level," Frank Cocx added. "The way we have organised ourselves, however, allows us to also create success when conditions are very tough. For example, Japan continued its upward trend and we were able to drive growth in the Middle East, Travel Retail and on our no- and lower-alcohol cocktail strategy by focusing on our brands, cocktails and the strong in-market relationships we have built in the past decades."

You mentioned the public offer by Nolet. Can you elaborate on the change in shareholder structure?
"Nolet has been a very constructive shareholder since our IPO in February 2015, understanding and supporting the strategic steps forward we have taken in recent years," Huub van Doorne said. "Their public offer was formally launched in December 2023 and declared unconditional in February 2024, with us and our Supervisory Board of the opinion that the offer is in the best interests of all stakeholders of the Lucas Bols Company. Although Lucas Bols will remain an autonomous company with an unchanged vision, strategy and set-up, we are proud to bring our company under one flag with another Dutch company that is an industry champion with a rich heritage."

"We also believe that Enix, another shareholder that has always believed in the Lucas Bols Company, staying on board as a shareholder in the post-offer set-up is beneficial to our future," Frank Cocx elaborated. "We now have a stable shareholder base consisting of two parties that know us and fully support our long-term strategy. This was also evidenced by the private placement we launched in March 2024 supported by Nolet and Enix to further strengthen our balance sheet."

> "24/25 will be an exciting year for Tequila Partida as we are expanding to other markets."

What were the major developments for the Lucas Bols brands?
"In order to anticipate the market changes and challenges in the best possible way we continuously look at how our brands are positioned and do not shy away from updating our view and bringing it to market," Huub van Doorne stressed. "Leveraging our eyes and ears in important cocktail markets we always pose the question where the best growth opportunities are, and how to reap the benefits. But one thing never changes: the positioning of our brands is focused on developments in the unabatedly attractive cocktail market – today, and in the future."

"Overall, we worked hard to further build and activate our Global Cocktail Brands, Bols Cocktails, Passoã and Galliano, with an increasingly important role for our signature cocktails," he continued. "As evidenced by the feedback received from cocktail enthusiasts, we have stepped up our game regarding social media campaigns and on and off-trade activations, and have even made an exciting step into the world of festivals, events and celebrations. All of this improved the visibility and awareness of our brands."

"It is also good to highlight our super-premium Tequila Partida brand, which saw depletions grow strongly in the US and once again won a few important awards, a testimony to the brand's outstanding quality," Frank Cocx added. "24/25 will be an exciting year for the brand as we are currently expanding the footprint to other markets, including the Netherlands and Belgium. The strength of our US platform was also evidenced by the strong growth achieved with Pallini."

"Although the category is still in decline and clearly suffered from downtrading to private labels in the year under review, it is worth mentioning that our portfolio of jenever and vieux brands did relatively well," he noted. "Considerable efforts were undertaken successfully to further improve profitability, and we were able to grow our market share at the same time."

You proudly commented on your no- and lower-alcohol cocktail strategy a few times. What is it all about?
"Let's start with some facts," Huub van Doorne enthusiastically started off. "The no- and lower-alcohol category is still relatively small but growing at one of the highest rates in the industry. This is expected to continue for the foreseeable future. As a cocktail authority we believe we need to be at the forefront of all the developments here. But as is often the case with trends, education and the right positioning is key for it to become more than just a trend."

"Although we are convinced the category has a great journey ahead when it comes to at-home consumption too, it is our strategy to build premium no- and lower-alcohol drinks in the on-trade and on the back of cocktails," Frank Cocx emphasised. "Ultimately, our job is for no- and lower-alcohol cocktails to be offered on on-trade menus and perceived as equal to their full-strength equivalents – a journey we are very happy to take the lead on."
"And we're not only talking strategies here," Huub van Doorne further explained. "In its first year after the acquisition, the Fluère brand was launched in the US in the third quarter of the year and is now already available in 20 states. In Europe we expanded the distribution of Fluère in markets including the Benelux, France and Switzerland, confirming the importance of a compelling non-alcoholic offering. In most existing Fluère markets we have also transitioned the brand to our respective distributors, allowing for efficiencies and cross-portfolio opportunities."

I can imagine no- and lower-alcohol cocktails are also an important element of your ESG strategy.
"Absolutely," Huub van Doorne stated. "The Lucas Bols Company is all about creating inclusive cocktail experiences around the world. Promoting and expanding our offering of no- and lower-alcohol cocktails is a key element of the 'Pleasure' pillar of our ESG strategy. In the US we have a strong no- and lower-alcohol portfolio, with Damrak 0.0 and Pallini Limonzero complementing the Fluère range."

"But there is more to it than having the portfolio," Frank Cocx continued. "As a frontrunner we want to fully engage bartenders – and that is where the Bols Cocktail Academy comes in, amongst other initiatives. We have introduced inspiring no- and lower-alcohol alternatives to some of the world's most popular cocktails and have made responsible hosting an even more important theme in the various courses we give at the academy."

Were there changes in the route to market this year?
"In Japan and Italy we consolidated the full portfolio of brands we operate in these markets into one distribution partner," Huub van Doorne said. "This strengthens the partnership and enhances the positioning of our brands, like the Passoã brand in Japan."

> "The Lucas Bols Company is all about creating inclusive cocktail experiences around the world."

"Potentially the most significant change relates to China, a key emerging cocktail market for us," Frank Cocx explained. "We no longer work with a distributor/importer but instead we work directly with a well-regarded wholesaler. We have also set up a dedicated Lucas Bols team at that wholesaler, a business with whom we have worked for many years and that has excellent knowledge of the local cocktail market and our portfolio. This new set-up brings us much closer to the market. Lastly, we implemented a new production agreement and route-to-market in Argentina with a very sizable and renowned local player. We look forward to the first production and sales as of April as we return to the country with one of the world's highest levels of Bols brand awareness."

What achievements are you most proud of?
"In the first half of the year we successfully completed the major project of transferring the sourcing and production for Bols Liqueurs in the US market to our new partner Phillips Distilling in Minnesota," Frank Cocx said. "It was a smooth transition without any disruption to our business or production capacity. An excellent job was done by all Lucas Bols colleagues involved and the team at Phillips Distilling, which has proved to be a great partner."

"We also take a lot of pride in how everyone in the company helped to progress our ESG agenda – a topic we cannot stress enough," he firmly added. "Last year we already announced our integrated, three-pillar ESG strategy and this year was all about making significant progress in implementing the strategy. It is fantastic to see what a relatively small company can do in a year when the drive is there. The initiatives we have brought into being on development & wellbeing, volunteering, paving the path for CO_2 reduction, sustainable sourcing, our no- and lower-alcohol cocktail strategy and responsible hosting at our Bols Cocktail Academy are very encouraging."

Speaking of the Bols Cocktail Academy: quite a transformation there too!
"Yes, in February 2024 we celebrated the re-opening of the fully revamped Bols Cocktail Academy in Amsterdam," Huub van Doorne noted. "The reconstruction took about four months, with a dedicated team of Lucas Bols colleagues overseeing it, but the results show why! The Academy once again has a 'wow' factor with warm and colourful touches of the premium cocktail culture we advocate."

"The physical set-up is optimised both for training and other events such as cocktail workshops," Frank Cocx further elaborated. "We did not only look at the venue and physical elements, but also updated all our training courses to the latest needs, trends and developments. But that is not all, we are about to open a Bols Cocktail Academy in our new office in New York too! These investments are bang on with our strategy to always update our focus on the bartender community – our most important ambassadors."

What will the coming year bring?
"Market conditions are still difficult and we do not expect to see a meaningful improvement in the near future," Huub van Doorne explained. "That said, we have the right people in place and the global cocktail market remains an attractive market which we believe has good long-term growth potential. Potential which we are well-positioned to benefit from in the medium and long term with our signature-cocktail strategy and standout brands."

"The journey continues as we approach our 450th anniversary in 2025, and we look forward to celebrating it in our new shareholders setting," he enthusiastically concluded.

Key figures

IN € MILLION UNLESS OTHERWISE STATED FOR THE YEAR ENDED 31 MARCH	2024	2023
Results		
Revenue	96.6	100.6
Gross profit	49.2	52.0
Gross margin	50.9%	51.7%
Normalised operating profit[1]	15.1	15.1
Normalised operating profit margin[1]	15.6%	15.0%
Normalised EBIT[1/2]	16.2	16.3
Normalised net profit / (loss)[1]	9.1	10.1
Net profit / (loss)	7.0	(16.2)
Cash flow		
Free operating cash flow[1, 2]	9.2	6.8
Cash conversion ratio[2]	55.5%	40.9%
Balance sheet		
Working capital[2]	30.7	27.3
Total equity	230.4	206.6
Net debt[2]	45.8	59.6
Results		
# of shares issued at 31 March	16,083,868	14.972,756
Weighted average # of shares	15,030,595	14,972,756
Normalised earnings per share[1]	0.61	0.68
Net earnings per share	0.47	(1.08)
Total dividend per share	–	0.34
Employees		
Number of FTEs	72	70

1 Excluding one-offs. For further information about the one-offs, please refer to our commentary on non-GAAP measures as of pages 174-175.

2 These items are non-GAAP measures. For further information about these measures, and the reasons why we believe they are important for an understanding of the performance of our company, please refer to our commentary on non-GAAP measures as of pages 174-175.

Shareholder information

Share listing

The shares of Lucas Bols N.V. have been listed on the Euronext Amsterdam stock exchange since 4 February 2015. Lucas Bols shares are traded under the symbol BOLS, ISIN code NL0010998878.

The Lucas Bols share

	23/24	22/23
Number of outstanding ordinary shares at 31 March	16,083,868	14,972,756
Share price low	€ 9.80	€ 9.52
Share price high	€ 18.10	€ 11.50
Closing share price on 31 March	€ 15.00	€ 11.30
Proposed total dividend per share	–	€ 0.34
Market capitalisation at 31 March	€ 241,258,020	€ 169,192,143

Share capital

All of the issued shares of the Lucas Bols Company are ordinary shares with a nominal value of € 0.10 each. At 31 March 2024 the share capital consisted of 16,083,868 ordinary shares which have been fully paid-up. In March 2024 Lucas Bols raised € 20.0 million through a private placement of 1,111,112 new shares. The proceeds (€ 20.0 million, net of transaction costs and taxes) are intended to be used to strengthen its balance sheet by further reducing its leverage.

Major shareholders

Pursuant to the Dutch Financial markets Supervision Act (Wet op het financieel toezicht) shareholders are obliged to give notice of interests exceeding or falling below certain thresholds, starting with 3%, to the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten (AFM)). AFM was notified of the following statements of interests of 3% and over in the Lucas Bols Company up to 31 March 2024:

SHAREHOLDER	SHAREHOLDING
Enix NV	21.62%
HollandsGlorie B.V.	75.82%

Dividend policy

Lucas Bols' dividend policy and practices take account of both the interests of the shareholders and the expected further development of the Company.

The dividend pay out ratio will depend on the Company's recent financial performance and financial position, organic and acquisitive growth opportunities and macro- circumstances. Under the policy, the intention is to pay a ratio of 40% to 50% of full-year net profit and to pay any such dividend in two semi-annual instalments.

The Lucas Bols Company intends to distribute an interim dividend in the third quarter of each financial year equal to 40% of net profit over the first half year of that respective financial year and to declare a final dividend in the second quarter of the following financial year after adoption of the annual accounts by the Annual General Meeting of Shareholders.

There can be no assurances that a dividend will be proposed or declared in any given year.

In light of the successful public offer by Nolet no dividend is or will be paid out over the year under review, and the dividend policy will be reviewed in 24/25.

Financial calendar

27 June 2024 Annual General Meeting of Shareholders
14 November 2024 Publication half-year results 24/25

Prevention of insider trading

In consequence of its listing on Euronext Amsterdam the Lucas Bols Company is obliged to have regulation in place to prevent the use of insider knowledge by its managers, employees or other 'insiders'.

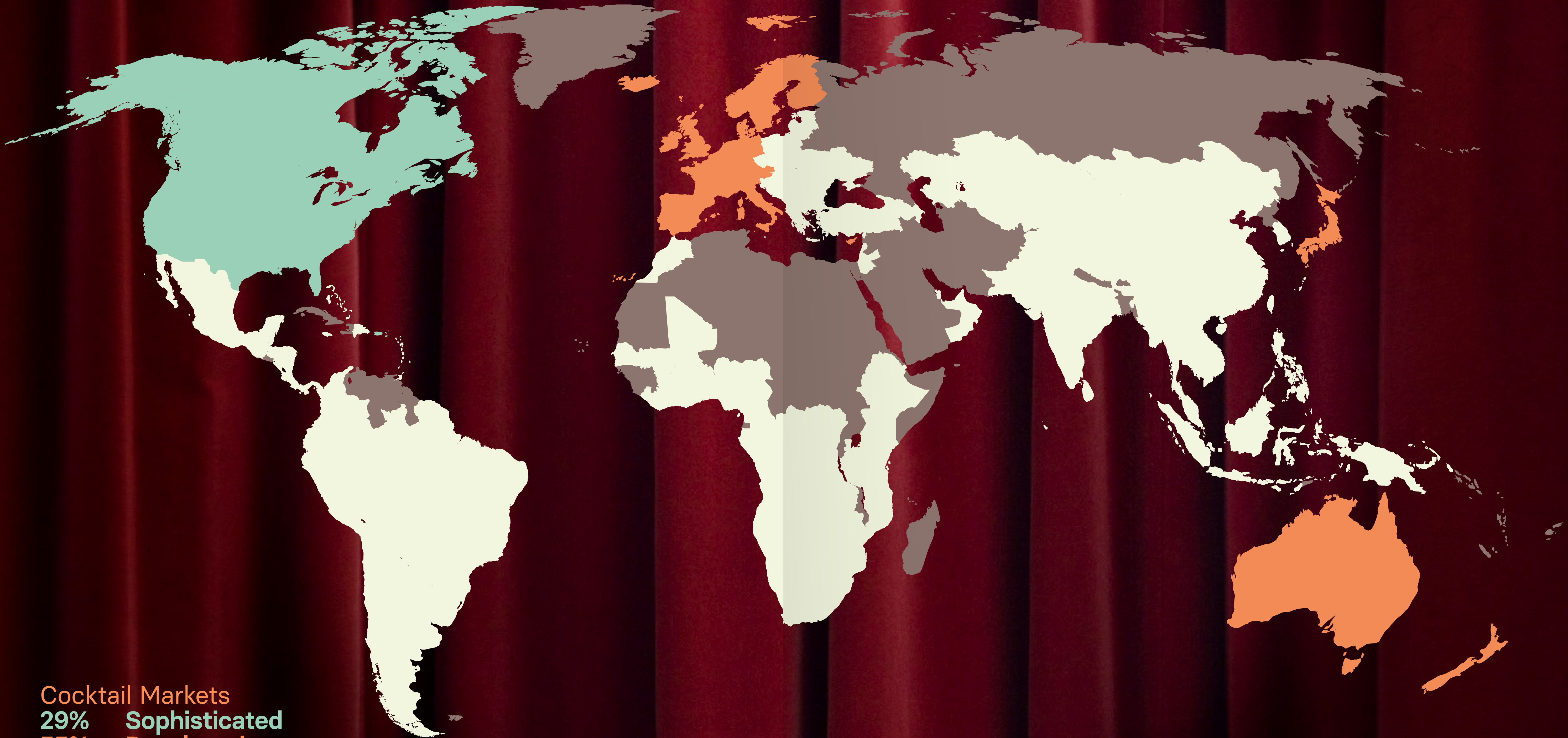
The compliance officer sees to it that the legislation relating to insider knowledge is adhered to and other compliance risks are observed. The Lucas Bols Company had an Employee Share Participation Plan (see page 131) in 23/24 , which was terminated upon the offer of Nolet on the shares of the Company. Frank Cocx (CFO) is the Company's compliance officer.

Investor relations

The Lucas Bols Company feels it is of great importance to maintain an active dialogue with its shareholders and other stakeholders. The aim is to give existing and potential shareholders, analysts and the financial press a broader insight into the Company and the sector we operate in. We do this by providing relevant financial and other information in a timely manner and to the best of our ability. To this end, the Lucas Bols Company ensures that relevant information is provided equally and simultaneously to all interested parties.

Analyst presentations regarding the half-year and full-year results publications can be followed by webcast to provide broad and easy access. From time to time the Lucas Bols Company engages in bilateral one-on-one contacts with shareholders and analysts. Until the public offer by Nolet was effective, these contacts also had the form of investor conferences and company visits. The purpose of these contacts is to explain the strategy and performance of Lucas Bols and thus ensure that correct and adequate information is disseminated about the Company.

Global presence
The world is our stage



Our Global Cocktail Brands portfolio consists of three premium brands, each holding a leading position in the spirits industry: Bols Cocktails, Passoã and Galliano.

Bols. The world's first cocktail brand.

Based in Amsterdam since 1575, Bols' high-quality products blend almost four-and-a-half centuries of craftsmanship and experience. Bols has been an important part of the global cocktail culture since the first wave in 1862 and still actively engages with the international bartender community to create new drinks and experiences for their customers. Bols also inspires consumers to make and drink cocktails at home with its wide variety of products, flavours and innovative cocktail concepts.

Bols Liqueurs

Bols Liqueurs comprises approximately forty unique premium liqueurs, widely used by bartenders to create cocktails. Bols Liqueurs are also consumed in mixed drinks, spritzes and cocktails at home, and are crafted with natural botanicals such as herbs, spices and fruits. The key markets for the Bols Liqueurs range include the US, Japan, China, Germany, the Netherlands, the UK and Scandinavia.

Bols Genever

The Bols family first produced genever in 1664. Genever played an important part in the rise of the cocktail culture in 19th-century America. It is the rich content of our unique malt spirit that makes it perfect for mixing and making cocktails. Nowadays Bols Genever is back in cocktail bars in over thirty countries around the world with the US, the UK and the Netherlands being the most important markets.

Bols Vodka

Tapping into our Lucas Bols craftsmanship and distillation expertise, Bols Vodka was developed to create the best mixable vodka. Its natural wheat distillate base and charcoal filters result in an extraordinarily high level of purity, making Bols Vodka perfect for mixing and preparing cocktails. The key markets for Bols Vodka are Scandinavia, the US, Canada and the Netherlands.

Bols Cocktails Ready-to-Enjoy

Bring home the magic of cocktails. Simply chill and pour to enjoy and garnish to impress. These expertly-mixed cocktails are a blend of Bols spirits and liqueurs. Available in multi-serve bottles (375ml) and innovative single-serve Tubes (200ml) this range is catering to the premium segment within the RTD category. Bols Cocktails Ready-to-Enjoy is available in retail stores, online and on airlines, providing a great solution for at home ease, gifting, festivals and hotels.

Passoã. The Passion Drink.

Created in 1985 and now the world's number one passion fruit liqueur, Passoã is perfect for making easy mixes and more sophisticated cocktails such as the original Pornstar Martini. The natural and refreshing flavours of Passoã's unique passion fruits shine through in any mix and cocktail and are right on-trend. Passoã is known for its attractive red colour and iconic black bottle with a recognisable sunset logo and fresh passion fruit visuals. The key markets for Passoã are the UK, the Netherlands, France, Belux, Italy, Germany, the US and Puerto Rico, and new markets such as South Korea are entered every year.

Passoã Pornstar Martini

Originally created with Passoã, the Pornstar Martini is the number one cocktail in the UK, the fastest growing cocktail in many cocktail markets around the world and one of the most searched cocktails online. Often the best-selling cocktail at the bar, this fancy flavourful new classic is a shaken cocktail traditionally served with a 'chaser' of champagne. Passoã has become a premium brand for both the professional bartender and consumers with this unique, signature cocktail.

Passoã & Tonic

Passoã & Tonic is a refreshing lower-alcohol cocktail with great colour that is easy to make anytime, anywhere: a fresh fruity light alternative to Gin & Tonic. For a low-sugar alternative, tonic can be replaced with soda water. Passoã & Tonic is also available in a can for on-the-go consumption.
Another easy and fresh example is the Passoã Rosé Sangria, a modern exotic spin on the most sharable cocktail.

Passoã Orange Juice

Our Passoã & Orange Juice easy-mix remains a beloved classic drink that dances across generations. This refreshing drink has a vibrant touch and whispers secrets of sunset moments together with friends and family. Swap a part of the orange juice for soda water for a lower-sugar version. A convenient Passoa & Orange Juice RTD can is available in supermarkets, liquor stores and at festivals.

Galliano. Spirito Italiano.

Galliano traces its roots back to 1896 Tuscany, Italy. It is the true Italian spirit with the iconic shaped bottle, inspired by the columns of the ancient temples of Rome. Galliano offers the finest Italian flavours and lifestyle, to be celebrated with friends and family. The range consists of Galliano L'Autentico, Vanilla, Espresso, L'Aperitivo, Amaretto and Sambuca (white & black), all of which have received the highest quality rating in the Difford's Guide. Galliano is mostly consumed in refreshing apéritifs and after-dinner cocktails. Key markets are the US, Canada, Australia, New Zealand, Scandinavia and Germany.

Galliano Espresso Martini

A well-known classic cocktail, growing rapidly in popularity. It is currently the no. 5 in Difford's Guide's 'the world's top 100 cocktails'. If you are looking for the most full-bodied Espresso Martini, use Galliano Espresso. It is the only espresso liqueur in the market, with a palate similar to a real espresso rather than coffee. Galliano Espresso is a perfect blend of dark-roasted Arabica and Robusta beans to give this cocktail the length and intensity it deserves.

Galliano Hot Shot

Another way to turn your dinner or winter event into a party is to serve the rich and incredibly tasty signature Galliano Hot Shot. This surprisingly delicious and great-looking treat (often served after dinner) will surely impress your guests. It is a simple drink to make, consisting of Galliano Vanilla, hot coffee and cream. Started in Scandinavia, but now gaining traction around the world.

Galliano Vanilla Mule

'Aperitivo hour' is there to enjoy refreshing cocktails with friends. Galliano lets you enjoy this Italian tradition of pre-dinner drinks with its new signature serve: the Galliano Vanilla Mule. A refreshing summer drink, tapping into the trend of light and refreshing cocktails. By replacing vodka with Galliano Vanilla it provides a lower-alcohol twist to the original Moscow Mule recipe. The Galliano Vanilla Mule is served in a big 'spritz' glass to showcase the beautiful golden color of the drink.

Our Regional Liqueurs & Spirits portfolio consists of more than 20 brands, including Pisang Ambon, Tequila Partida, Nuvo, Henkes, Fluère, Bols Dutch Genevers, Bokma, Coebergh and Hartevelt. These brands are important cash generators, and some have the potential to develop to a new Global Cocktail Brand. The brands are categorized into International Liqueurs & Spirits and Domestic Liqueurs & Spirits.

International Liqueurs & Spirits brands.

The international portfolio includes well-known brands such as Pisang Ambon, Tequila Partida, Nuvo, Henkes, Vaccari, Damrak and the non-alcoholic spirits brand Fluère. Most brands are 'local heroes' currently and have a strong position in specific markets. Investments are made to drive regional brand development, with the objective for certain brands to become a Global Cocktail Brand.

Pisang Ambon
Banana Liqueur

Founded in 1948 based on an original Indonesian recipe, Pisang Ambon is thé banana liqueur. It has an emerald-green colour and comes in a legendary square bottle. The brand is a tribute to its Indonesian roots (Ambon island near Bali) and 'pisang' (Indonesian for banana). Recently Pisang Ambon was re-vamped with a 100% natural and even smoother banana flavour and a new eye-catching, premium packaging. The brand celebrated its 75th anniversary with a rejuvenated brand positioning including a brand movie, calling out to 'unconventional' 25+ year olds. Pisang Ambon's key markets are the Benelux, France and Scandinavia.

Pisang Ambon. For the One & Only's

Nuvo
Sparkling Liqueur

Nuvo Sparkling Liqueur defines luxury and is the ultimate accessory when celebrating life. It is crafted with ultra-premium French vodka, a touch of sparkling wine and infused with a proprietary blend of fruit nectars. Nuvo's ultra-premium bottle stands out on any table, is the perfect gift and can be enjoyed over ice or in a mix with tequila, vodka or champagne. Nuvo is a tribute to the modern woman who chooses to stand out, turning heads with every sip. It is not just a drink; it's a celebration of femininity that defies conventions. The brand is currently sold in the US and selected markets in Latin America.

Nuvo. L'esprit de Paris

Vaccari
Sambuca

Just over 120 years after giving birth to the famous Galliano brand, Arturo Vaccari is finally honoured by a brand that carries his esteemed persona: Vaccari. Vaccari is a signature sambuca that reflects the subtle craftsmanship and passion of the man himself. Crafted with three distinct flavours of anise, including the special Chinese star anise, Vaccari is a supremely soft-spoken and accessible sambuca.
Vaccari Nero, uniquely made with elderberries represents the second member of the family.

Vaccari, dalla famiglia per il mondo

Henkes Gin

The Henkes brand has a fascinating and proud history dating back to 1824. It was first exported as early as in the mid-19th century and gained global recognition and notable awards since. Henkes Gin is a juniper-berry gin with sweet and citrus notes and is best served with tonic. Henkes is successfully positioned as a value-for-money brand: high-quality spirits at an affordable price. This makes the brand very accessible in its current markets (mainly Africa and the Netherlands) with several opportunities to grow the brand in new markets.
When it's time for tradition, it's time for Henkes

Damrak Gin

Made in our distillery near Damrak square (in the heart of Amsterdam), Damrak Gin combines seventeen botanicals (including juniper berry, Valencia orange peel and coriander) and is distilled five times to provide an exquisite smooth taste. Damrak was the world's first gin brand to launch a 0.0 gin as a non-alcohol alternative: Damrak Virgin 0.0, containing 100% of the recognisable Damrak Gin botanicals flavour and used in a wide variety of cocktails. Exceptionally smooth with a twist of orange, Damrak Gin and Virgin 0.0 are widely appreciated and easily mixed to create a sophisticated drink – with or without alcohol.
Damrak. The Best DAM Gin

Tequila Partida.

Tequila Partida (founded in 2005) is inspired by its namesake, Enrique Partida, a third-generation agave farmer and considered a master in his community. The liquid is made from only blue agave grown in the Tequila Valley (near a dormant volcano) applying unique harvesting, cooking and distillation techniques. Tequila Partida is the world's highest rated tequila brand portfolio, and tequila remains the ultimate ingredient to the US no. 1 cocktail the Margarita. In addition the brand is right-on-trend when it comes to ultra-premium tequilas being enjoyed neat more often.

Tequila Partida La Familia

Considered by experts as simply 'the best line of tequilas money can buy' it is widely used to create great tasting cocktails such as the Margarita. Part of the La Familia product range is aged in ex-bourbon, American white oak casks to enhance the fresh natural agave flavour and colour.

Tequila Partida Roble Fino

The Roble Fino product range is considered 'the single malt of tequila'. These unique tequilas are first aged in ex-bourbon casks and they additionally spend time in the finest ex-single malt, sherry-seasoned casks. This releases unique flavours which is why Roble Fino is best savoured neat in a tequila sipping glass.

Fluère.

Fluère is a leading non-alcoholic spirits brand made with the same complex distilling techniques used for spirits and high-end perfume houses. Fluère's range comprises five products, each in a stunning bottle design: Original, Spiced Cane, Raspberry, Smoked Agave and the Bitter apéritif. Available in over 20 countries, including Europe and the US. The no- and lower-alcohol market is a rapidly growing category: health consciousness and mindful drinking continue to be on the rise. Using Fluère as an accelerator, it is our vision to create one integrated cocktail menu in the bar scene that offers a wide range of options to consumers when it comes to alcohol intake. Consumers should be able to choose a cocktail at its original strength, but also a lower- or even no-alcohol variant, depending on their desire and the occasion.

No-alcohol cocktails

Fluère is the perfect answer to no-alcohol cocktail demand because of its mature taste and unique 'after bite'. The Fluère range enables the crafting of exciting no-alcohol alternatives to well-known cocktails such as the Naked & Famous, Gin & Tonic, Paloma, Mule, Espresso Martini and many more. Fluère's signature no-alcohol cocktail is the Naked & Famous crafted with both Fluère Smoked Agave and Fluère Bitter. The original Naked & Famous is rapidly growing in popularity and is currently nr. 2 of the Difford's Guide 'the world's top 100 cocktails'.

Lower-alcohol cocktails

Fluère also addresses the increasing demand for lower-alcohol variants of well-known cocktails such as the Margarita, Dry Martini, Old Fashioned, Espresso Martini and Negroni. By using the Fluère range these cocktails can be crafted with equal alcoholic units as beer without compromising the flavour and experience. Specifically interesting to try is Fluère's variant of the Margarita. By replacing the base spirit tequila with Fluère Agave, this all-time favourite can now be prepared at only 6.1% ABV strength, resulting in a smoother variant with subtle smokiness.

Domestic Liqueurs & Spirits.

Our domestic brands have a strong sense of heritage and are important cash generators. They include premium Dutch Genever brands and the exclusive Bols KLM Delft Blue miniature houses. Other Domestic brands such as Coebergh, Zwarte Kip and Wynand Fockink (with its range of artisanal genevers and liqueurs) demonstrate our entrepreneurial spirit and leading market position.

Bols & Bokma
Dutch Genever & Vieux

Genever is the centuries-old local Dutch spirit, and one of the largest spirit categories in the Netherlands. The Lucas Bols Company is the market leader in genever by operating a range of iconic brands such as Bols, Bokma, Hartevelt, Hoppe, Floryn and Legner.
The premium Bols and Bokma genevers have distinctive packaging and a rich heritage. Each has a wide range of products varying from the traditional unaged young and old genevers to specialty and aged genevers such as Corenwyn oak cask blends and Bourbon & Limousin French oak cask blends. Our craftsmanship includes up to 10 years of aging.
Vierkant achter Bokma

Coebergh
Wild Berries

Founded in 1877, Coebergh is a traditional flavoured jenever brand with black berries. The Coebergh portfolio consists of Coebergh Classic (a fruity liqueur with red fruits and black berries as a base), a Coebergh Red Fruit liqueur (which has additional cranberries and is lower in ABV) and the soft and fresh taste Coebergh 0.0 (launched in 2021, containing no-alcohol). Coebergh is traditionally enjoyed with orange juice, but also tastes great on the rocks, with sparkling wine and/or soda water.
De traditionele wilde bessenlikeur

Zwarte Kip
Advocaat

Zwarte Kip is the most well-known egg liqueur in the Netherlands, standing out with its thick, creamy liquid, boasting a 14% ABV. This egg liqueur, often referred to as 'advocaatje' is crafted using a traditional recipe that includes fresh free-range eggs and brandy. Traditionally consumed in on-trade settings, where it is served as a dessert straight from the bottle and topped with whipped cream. Zwarte Kip continues to thrive in the liquor stores and supermarkets across the Netherlands. Rumour has it that Zwarte Kip 'advocaatjes' are right back on trend!
Zwarte Kip: Nederlands' bekendste advocaat

Mission & strategy

Our Mission at the Lucas Bols Company is to create great cocktail experiences around the globe. We combine almost four-and-a-half centuries of craftsmanship with the creative spirit of Amsterdam to discover new flavours and cocktails. Every day. Allowing us to build leading cocktail and spirits brands for today's bartenders and consumers. This is how we create long-term value at the Lucas Bols Company. Lucas Bols. Masters of Taste.

Our four strategic pillars

Our strategic objective as Masters of Taste is to grow and develop the cocktail markets and our cocktail brands. To accomplish this we focus on the following strategic pillars, which are anchored in our ESG strategy as addressed on pages 70-81:

Lead the development of the cocktail market

As market leader it is important for the Lucas Bols Company to drive cocktail innovation and trends in order to grow the cocktail market around the globe. We have an active innovation programme, continuously updating and launching new flavours and packaging as well as introducing new-to-market concepts, which allow for great new cocktail experiences. We closely engage with the global bartending community, creating new trends in the cocktail market together. We work with retailers and engage directly with influencers and consumers to support and inspire cocktail consumption at home. Initiatives – increasingly online – such as the Bols Cocktail Academy and the Bols Around the World global competition capture the interest of the bartending community and consumers alike – we take pride in training new Masters of Taste!

Worldwide growth of our cocktail brands

To grow the equity of our Global Cocktail Brands (Bols Cocktails, Passoã and Galliano) we focus on growing the global and local cocktail markets. We aim to increase our market share in current cocktail markets by increasing distribution penetration, investing in brand awareness and opening up (digital) direct-to-consumer sales. Besides building our existing cocktail markets we enter into (and expand in) Emerging Cocktail Markets with our brands.

Develop our Regional Liqueurs & Spirits

Within our portfolio of Regional Liqueurs & Spirits brands we drive regional brand growth for our local heroes. We develop clear roles and strategies for the various brands, also within our domestic genever & vieux portfolio. This helps to increase competitiveness and protect the contribution of these brands. We also optimise profitability and cash generation throughout the chain by constantly challenging pricing and costs. The ultimate objective for this portfolio is to develop certain existing brands into new Global Cocktail Brands by investing in the brand strategy and awareness.

Leverage operational excellence

Our asset-light business model with a mix of in-house and outsourced activities provides optimal flexibility and creates a strong, scalable platform for brand development. We successfully further leverage this platform by adding selected brands through distribution agreements (e.g. regarding our distribution platform in the US), through strategic partnerships with brand owners and by acquiring new brands such as Tequila Partida and Fluère. At the foundation of our asset-light business model are the long-term partnerships with distributors, production and supply chain partners.

Value creation model
Creating great cocktail experiences around the globe

Input

Brand / Intellectual capital
Brand identity / heritage / recipes and craftsmanship / R&D

Human capital
Employees / skills / entrepreneurship

Relationship capital
Partnerships in production, logistics and local marketing & distribution / bartender community

Natural capital
Best raw materials

Financial capital
Equity / debt

Output

Brand value
Brand awareness / relevance / loyalty / innovation

Employee engagement
Employee motivation / satisfaction / brand ambassadors

The #1 cocktail brand
Preferred, best distributed, cocktail brand / optimal route to market / brand ambassador network

Superior quality products
Great drinks and cocktails

Financial performance
Profitable growth / dividend

Creating value

Value Creation at the Lucas Bols Company is attained through three unique and strong assets: craftsmanship, brand building and long-term partnerships.

We build value through our brands using our rich heritage and strong brand identity. We use our extensive experience of extracting and devising flavours to create great recipes. In our distillery (and in close cooperation with our blending and bottling partners) we use the finest raw materials to make the high-quality products for which the Lucas Bols Company is renowned. Our global distribution partnerships are essential in making sure our drinks are available around the world. Together with our employees and brand ambassadors we work hard every day to fulfil our mission – to create great cocktail experiences around the globe.

Craftsmanship

At the Lucas Bols Company we are Masters of Taste. Extracting and creating flavours and spirits is what our company is all about. Building on our heritage dating back to 1575, the Lucas Bols Company has mastered the art of distilling, mixing and blending natural ingredients into a wide range of exciting flavours and cocktails.

Best in class quality
Our motto, *semper idem* (always the same high quality), is upheld by the Lucas Bols Master Distiller and her team. They combine the art of selecting the right ingredients with their expertise and curiosity to create hundreds of recipes suited to modern-day consumers and bartenders. The art of mixing and blending has been passed down through generations of master distillers and continues to be an internally trained craft. At the Lucas Bols distillery in the center of Amsterdam, our team of distillers produces the essential flavour distillates for the various Bols Genevers, Bols Liqueurs, Damrak Gin and other brands.

Innovation
Innovation has been key to the success of the Lucas Bols Company over the past four centuries. This is a continuous process, meaning that the Company's pipeline is always filled with new flavours, spirits, cocktails and products to be launched at the appropriate time and in relevant markets. This creative spirit is embodied throughout the Lucas Bols Company and is guided by our experienced Research & Development team. The agile team acts quickly with relevant innovations, tapping into the needs of bartenders and consumers. Our latest innovations include a wide range of no- and lower-alcohol cocktails that enables us to inspire bartenders and be on the front foot of this rapidly-growing category. We also re-launched a part of our Bols Ready-to-Enjoy Cocktails portfolio, for example now starring an upgraded semi-transparent 375ml bottle and a perfected Pornstar Martini liquid with a rich foam layer. We redesigned the iconic Tequila Partida bottle for the brand to also expand into European and Asian markets.

Brand building

Our strong and well-known Global Cocktail Brands are number-one brands for bartenders and consumers alike. Our unique brand marketing is key to achieving this, through a mix of inspiration, education and experiences and new consumer campaigns.

Experiences & Consumer campaigns
The House of Bols Cocktail & Genever Experience in Amsterdam plays a key role in marketing the Bols Cocktails brand and helps create Bols Cocktails fans and brand ambassadors all over the world. The House of Bols Cocktail & Genever Experience provides a journey into the history of the Lucas Bols Company and its brands and initiates visitors into the world of cocktails and the Dutch spirit of genever. This year we again welcomed cocktail, liqueur and genever enthusiasts from all over the world at the House of Bols Cocktail & Genever Experience and Wynand Fockink tasting room. Following global trends and other indicators that social media usage among the target group of our Global Cocktail Brands continues to increase we greatly intensify our social media efforts. Key objectives are to increase our social presence, enrich our digital assets to connect deeper with our followers, to adopt a test-and-learn approach to continually improve our global investments and to synchronise global and local digital efforts to reach our target group at multiple touch points. By doing so, combined with much more responsive and humanised community management, we have reached more people than ever before in our key markets, improved brand awareness and increased the followers base for all our Global Cocktail Brands.

Education & inspiration
Pivotal to our strategic pillar to lead the development of the cocktail market is our unique Bols Cocktail Academy in the city center of Amsterdam. In 2023 we redesigned and rebuilt the academy for it to meet all top-notch requirements of today's bartending community. The Bols Cocktail Academy now features 21 cocktail stations (rather than 12) so we can host up to 42 students to physically teach and inspire them how to make the perfect serve, maintaining our position as leading cocktail brand. We also introduced highly-innovative sliding doors that are completely sound proof, making it possible for our trainers to host two groups at the same time and meet the increasing demand for introductory consumer cocktail training sessions. At least equally important is that our Master Bartender and his team fully updated all training sessions and materials. What does not change is that the Bols Cocktail Academy allows us to stay in constant touch with the bartending scene and bartenders globally by educating, engaging and committing this important group. We continue to share information on new products and innovative drink recipes, amongst which via live and online seminars. These programmes reinforce Bols Cocktails as the world's first cocktail brand. Another exciting highlight was our annual Bols Cocktails Battle, a global cocktail competition challenging bartenders from all over the world to create the new Bols Cocktails Disco cocktail. Disco-style drinks are back in the limelight and one of the biggest cocktail trends for the coming year. We have the perfect expertise, network and portfolio to host this competition. The Bols Cocktail Battle culminated in a three-day cocktail celebration 'Bols Cocktail Fever' in Amsterdam with the Bols Cocktail Academy at the heart of it.

Long-term partnerships

The Lucas Bols Company operates an asset-light business model. Under this operating model, the only activities performed in-house are those which are unique to our company or those which must be undertaken in-house. Consequently, a crucial role is assigned to long-term partnerships. Distillation, innovation and product development, strategic marketing, brand development and distribution in the US are considered core in-house activities. There are three areas where partnerships are particularly essential to achieve our business objectives: the blending and bottling of our products, logistics and the in-market distribution and marketing of our brands globally.

Blending and bottling
The creation of new products and recipes as well as the selection and extraction of ingredients are the responsibility of the Lucas Bols distillery under the leadership of our Master Distiller. The final blending and bottling of our products is outsourced to strategic partners in various countries around the globe, including the US, Argentina, South Africa, Canada, and France. The vast majority of our products is blended and bottled in the Netherlands at Refresco (formerly known as Avandis). The blending and bottling process takes place under the auspices of, and is subject to, quality control by the Lucas Bols Master Distiller and our product development and quality teams.

Logistics
The Lucas Bols Company works with long-term partnerships to ensure efficient and reliable logistical services globally. Most notably the Company has an active relationship with our key logistics provider in the Netherlands for warehousing and transportation.

Distribution
The Lucas Bols Company has a distribution model tailored to the specific needs of its brands in each market where the Company is present. In the Netherlands, Belgium and Luxembourg the distribution of our brands is handled by our 50-50 joint venture with Edrington (Maxxium), while the Lucas Bols brands in the key US market are distributed through our wholly-owned subsidiary Lucas Bols USA, Inc. In other markets we have strong, longstanding relationships with distribution partners to ensure the route-to-market for our products, including local sales and marketing. Such distributors are carefully selected and evaluated on a market-by-market and brand-by-brand basis.

Stakeholder dialogue

The Lucas Bols Company has a global reach, which means that we impact people around the world. As part of our asset-light business model we also have numerous strategic partnerships in various areas, each of which we consider to be important stakeholders. Engaging with our stakeholders is therefore essential to build and maintain trust, develop an understanding of our business challenges, establish goal alignment and develop solutions jointly. An open and constructive dialogue with these stakeholders is crucial to optimising our ability to create value. Such dialogue helps us recognise important trends and developments in society and our markets at an early stage, in order for us to take this information into account when making decisions. Embracing open dialogue makes it possible to identify opportunities and risks early on and it ensures that the Lucas Bols Company remains responsive to the wants and needs of its various stakeholders.
The stakeholder matrix on the following page lists our most important stakeholders and comments on why they are relevant to us. It also describes what their expectations are, the intended outcome of dialogue and how we engage with them.

The Company frequently interacts with all key stakeholders, both periodically and ad hoc. The Management Board is often involved in these interactions. The relevance and type of dialogue differs per stakeholder. Sometimes direct one-on-one contact is most appropriate (for example with employees and business partners), while indirect communications might be more effective where other stakeholders are involved (for example consumers). On other occasions a combination is preferred: we interact with many bartenders and bar owners around the world both through our distribution partners and our own Bols Cocktail Academy.

Stakeholder matrix

	Relevance to the Lucas Bols Company	Relevance to stakeholders / Important expectations	Intended outcome of dialogue	Means of communication
Employees	Bring the Lucas Bols brands to life, really make the difference and add to the Company's value creation	Inspiring, inclusive and safe working environment, where sufficient attention is paid to employee well-being	Motivated and dedicated people that are true ambassadors for our brands and the Company's strategy, including its ESG ambitions	One-on-ones, team sessions, Management Drives, ways-of-working cycle, Code of Conduct, development & well-being investments
Consumers	Buy and enjoy our products responsibly. Define and accelerate trends that are relevant to us	High-quality products and cocktail inspiration to enjoy at special moments	Loyal consumers who are part of our community, both through on-trade and in-home cocktail consumption	Campaigns and brand activation programmes online and offline, messaging on the Package, consumer research
Bartenders and bar owners	Work with our products to create and serve drinks and cocktails. Promote our products. Co-creation of new products and initiation and detection of trends	High-quality products That deliver bartender and customer satisfaction and are a source of education and inspiration	Loyal customers and brand ambassadors and sources of inspiration to develop new drinks and products	Social media, marketing tools and the Bols Cocktail Academy (physically and virtually), for example through the Bols Cocktails Battle and our distributors
Retailers and wholesalers	Promote our products and make them available to consumers and outlets	Provide their customers with unique and high-quality products at a fair price	Product positioning in line with brand strategies, a clear commercial strategy	Marketing, business contacts mainly through distributors, online (including social media)
Blending and bottling partners/ suppliers	Blend and bottle our products according to Lucas Bols recipe to make them available throughout the world in a sustainable way. Reliable and consistent quality. Timely delivery of finished products	Loyal partners that operate in a long-term setting based on fair business principles. Products and services that their employees and stakeholders are proud to work with	Value-based, long-term reliable and transparent partnerships contributing to delivering high-quality products on time, supporting us to achieve our targets related to using sustainable key ingredients and lowering our environmental footprint related to CO_2 emissions and packaging	Monthly and/or quarterly reviews, periodic reporting and information supply, business contracts, quality standards, Projects, Code of Conduct
Logistics partners	Ship and deliver our products in a sustainable way according to Lucas Bols demand & supply planning, i.e. the correct volumes in the right state of quality, at the right time and at the right place	Loyal partners that operate in a long-term setting based on fair business principles. Products and services that help the partners in logistics grow their business strategically	Value-based, long-term reliable and transparent partnerships contributing to delivering high-quality products on time and at the right place, supporting us to achieve our CO_2 reduction targets	Monthly and/or quarterly reviews, periodic reporting and information supply, business contracts, quality standards, projects, Code of Conduct
Distribution partners	Make our brands available and promote them according to Lucas Bols centrally-defined strategies. Tailor-made local in-market sales and marketing approach	Loyal partners that operate in a long-term setting, providing customers with unique and high-quality products that complement their portfolio at a fair price	Value-based, long-term reliable and transparent partnership contributing to the development of our brands in global markets	Monthly and/or quarterly reviews, periodic reporting and information supply, business contracts, quality standards, projects, brand, sales and marketing plans, Code of Conduct
Shareholders	Provide the trust and capital we need to maximise returns and to develop our company and brands in the long term	Receive a long-term return on investment, in a transparent setting	Maintain confidence and long-term commitment	Corporate website, press releases, financial reporting, investor presentations and gatherings, AGMs, roadshows, cocktail markets days
Banks	Provide the trust and funding we need to develop our company and brands in the long term	Creditworthy company with a balanced and consistent risk/ reward profile	Long-term relationship and fair terms, consistent with our risk profile	Corporate website, periodic meetings and reporting, press releases, financial reporting
Government bodies	Responsible for setting the laws and regulations relating to excise duties, responsible consumption of alcohol (including drinking age regulation), import restrictions, etc.	Trade and income from excise duties; partner in programmes regarding responsible consumption of alcohol	Fair and balanced laws and regulations, effective programmes regarding responsible consumption of alcohol	Contact is primarily driven by our local distributors
NGOs	Responsible for giving input into laws and regulations relating to responsible consumption of alcohol (including drinking age regulation, alcohol tax/ excise) and other sustainability topics, etc.	Partner in programmes regarding responsible consumption of alcohol and other sustainability topics	Fair and balanced laws and regulations, effective programmes regarding responsible consumption of alcohol and other sustainability topics	Overall contact is coordinated centrally with most of detailed contact driven by our local distributors

Composition of the Management Board

Chief Executive Officer (CEO)
Mr. H.L.M.P. (Huub) van Doorne

(current term expires in 2026)

Huub van Doorne (1958) initiated a buy-out of Lucas Bols in 2005, as a result of which the Lucas Bols Company became independent and returned to Amsterdam in April 2006. Ever since, Huub has played a pivotal role in maintaining and growing the Lucas Bols Company's leadership role in the international cocktail markets and he works together closely with our team in the US to grow and expand our business.

Until November 2023 Huub was vice-chairman of Spirits NL, the Dutch spirits industry organisation. Huub holds Board positions within the Lucas Bols joint ventures: he is chairman of the Supervisory Board of Maxxium Nederland B.V., chairman of the Supervisory Board of Maxxium BeLux N.V. and member of the Board of BolsKyndal India Pvt. Ltd. Furthermore, Huub is member of the Supervisory Board of Het Aambeeld N.V.

Chief Financial Officer (CFO)
Mr. F.J. (Frank) Cocx

(current term expires in 2024)

Frank Cocx (1981) joined the Lucas Bols Company on 1 April 2020 and teamed up with Huub to navigate the Lucas Bols Company through the COVID-19 pandemic and supply challenges whilst implementing the Fit for Growth operating model and undertaking strategic acquisitions. He is also actively involved in the development and implementation of the Company's ESG strategy and took a lead role in the process around the public offer by Nolet.

Frank is member of the Supervisory Board of Maxxium Nederland B.V., member of the Supervisory Board of Maxxium BeLux N.V. and member of the Board of BolsKyndal India Pvt. Ltd. In addition, Frank is a member of the Supervisory Board of Elho B.V. and a member of the Supervisory Board of Stichting Kinderfeest.

Report of the Management Board

In 23/24 the Lucas Bols Company's brand portfolio, business model and teams proved their resilience. Despite adverse global circumstances our depletions value (sales by distributors) were up 3% and revenue per case sold went up a further 15% year-on-year. Our Lucas Bols USA distribution platform worked hard to keep sales at solid levels and important markets such as Japan, China and Travel Retail delivered double-digit revenue growth.

The challenging macroeconomic and market circumstances did, however, significantly impact performance in the year under review. Revenue in many markets suffered from softened consumer demand, some downtrading, widespread destocking by our customers and a consequent slowdown in industry sales, mainly in retail. Although notable sales price increases more than offset the full-year effect of unprecedented input cost inflation, gross margin came in 80bps lower than the year before because of inventory write-offs. Notwithstanding that decline gross profit per case improved a further 13% thanks to our strong brand positioning and premiumisation strategy.

> "Our brand portfolio, business model and teams proved their resilience."

Supported by the proven success of that strategy, amongst others, the challenges our industry and many others have been facing did not stop us from investing in our brands. Our focused efforts to further build our leading position in the international cocktail markets continue to be aimed at both the immediate and medium term.

Raw material prices remain high and volatile, but global supply chains are in much calmer waters than the year before when, for example, industry-wide glass shortages in the US lead to substantial missed sales. Container rates have now stabilised at lower levels and product available is significantly less of an issue compared to 22/23. This, together with further supply chain process optimalisations, resulted in a significant cost saving in regard to logistics.

The lower gross profit, which was sales and gross margin driven, and increase in overhead costs were, at constant A&P expenses, fully offset by the logistics costs savings and reduced commission payments. As a consequence 23/24 normalised operating profit was in line with a year earlier.

Cash generation improved compared to a year earlier when significant working capital investments were made. Although our inventory levels remain elevated, mainly as a consequence of destocking by customers and much more wary consumer spending, normalised free operating cash flow came in 36% better than in 22/23. The March 2024 € 20 million equity raise further reduced our net debt position. This also paves the way for reduced interest expenses going forward.

The Lucas Bols Company teams, together with our valued partners worldwide, were able to achieve important strategic milestones in 23/24. We implemented meaningful changes in our route to market in Japan and Italy and for travel retail, and have prepared for other changes, including China and Argentina, to take effect in 24/25. Moreover, the no- and lower-alcohol cocktail strategy we developed, leveraging the January 2023 acquisition of Fluère, puts us at the forefront of the promising developments in this category. We also have a prominent position for no- and lower-alcohol cocktails in the new Bols Cocktail Academy we opened in November 2023. This, together with increased attention to responsible hosting in all training courses, demonstrates we are well underway to achieve the targets we set in the 'Pleasure' pillar of our integrated ESG strategy. Overall, important progress was made when it comes to embedding that ESG strategy and the required governance. In the US, the major transition to a new production partner for Bols Liqueurs in that market went very smoothly, and the partnership with the Muff Liquor Company we recently announced provides for further growth of our distribution platform. Last, following the public offer by Nolet that was declared unconditional in February 2024, we are now under new ownership. We look forward to continuing the journey of the Lucas Bols Company with them, as they have demonstrated to be very supportive to us achieving our goals whilst preserving valuable heritage, with the next stop being our 450th anniversary in 2025.

"Important progress was made when it comes to embedding our integrated ESG strategy."

Business review

Supply chain

General

Global supply chain disruptions that started during the COVID-19 pandemic and intensified when the war in Ukraine broke out continued in the 23/24 financial year, impacting profit margins, working capital and cash generation. Although the situation improved for certain raw materials in the second half of the year, it was mainly the significant input cost inflation that did not ease. Positive developments were observed regarding the availability of raw materials and container rates, although logistic costs were to a certain extent adversely impacted by the situation in the Red Sea in the last quarter of the year.

Input costs

Our US business was able to recover most of the sales and accounts lost in 22/23 when the industry-wide glass shortages held back growth in this important market. Barring a few minor exceptions (not in the US), the Company was able to secure sufficient glass through its strong relationships with suppliers and by leveraging the contingency plans in place.

With pricing for glass remaining high in the first half of the year and input cost inflation on sugar being substantial throughout 23/24, the Company's margins and profit continued to suffer from the inflationary environment. In the second half of 23/24 the price of glass decreased somewhat in response to energy price drops, and the price of grain and alcohol developed favourably, stabilising towards the end of 23/24.

Logistics costs

In 22/23 unprecedented logistics costs were incurred. On the one hand, global container rates were at record-high levels, with rates on our most important shipping line, from the Netherlands to the US, more than three times as high as before the pandemic. On the other hand, one-off costs were incurred to limit the impact of the glass shortages in the US. Logistics costs improved materially in 23/24 as the Company leveraged favourable container rate developments and implemented cost-efficiency initiatives. The situation worsened for our east-bound shipping in the fourth quarter due to the turmoil in the Middle East, impacting costs as well as availability, reliability and the timing of shipments to Asia and the Pacific. We expect this situation to continue into the first months of the 24/25 financial year.

Production

In 23/24 the Company successfully implemented a major change in the US as the sourcing, production and warehousing of Bols Liqueurs as well as the warehousing of imported products was relocated from Brown Forman to our new long-term partner Phillips Distilling. The transition was complex, including the testing of over 100 recipes, setting up and testing molds and bottling lines, transitioning from sourcing partners and routes, changing warehousing and pick-up locations and various IT, system and compliance integrations. The partnership with Phillips Distilling offers many opportunities, amongst which the ability to run smaller batch sizes and efficiently expand production when needed.

In the second half of 22/23 the Company sold its 50% stake in Avandis to Refresco. The transition of ownership had only a limited impact on day-to-day operations and did not lead to any disruptions. As 23/24 progressed, the benefits of new ownership were reaped slowly but surely, including increased flexibility in production planning and leveraging Refresco's purchasing power.

Route to market

In 23/24 we implemented a new global approach to Travel Retail, enabling us to improve product availability and brand awareness at airports all around the world. Sales and new product introductions already benefited from this in the launch year. Another important change was initiated in China towards the end of 23/24. To improve our direct access to the market and ability to respond to local developments more swiftly we are now working together directly with a well-positioned Chinese wholesaler, rather than positioning a distributor in between. Moreover, business growth in Japan was promising in the year under review. To keep the momentum and accelerate our growth we will work together with only one distributor in Japan on the Bols Cocktails and Passoã brands from 1 April 2024. Furthermore, new distributors were appointed in Argentina, Indonesia, Slovenia, Hungary and Turkey.

Commercial initiatives

We successfully continued to focus on signature cocktails for our Global Cocktail Brands. This, together with targeted social media campaigns and on-trade and off-trade visibility, is a trialled and tested way to drive growth. In-home consumption continues to gain traction, and consequently our brand toolkits are targeted at both on- and off-trade, making it easy to use them through different markets and to tailor them to their needs.

For Bols Cocktails the signature cocktail varies from market to market. It ranges from the ever-popular Margarita cocktail to the trendy Bols Blue Hawaii cocktail with Bols Blue. For the on-trade, Bols Cocktails focuses on activating and retaining bartender engagement. To this end the bespoke Bols Cocktail Academy in Amsterdam was fully re-designed, with the official reopening celebrated in February 2024. In addition to its original strategic purpose, it is now a social media-worthy venue that meets all of today's requirements. The space is optimised for training, making it possible to train up to 21 professional bartenders simultaneously. Up to 40 participants can be trained for other purposes, such as serving individual consumers or corporate guests. The new Bols Cocktail Academy has a bar in the centre and can be divided into two rooms. The Academy has the facilities to run online training sessions and masterclasses, allowing us to cater to the growing demand for cocktail training by bartenders and consumers alike. It is also important to note that during the construction work our team of bartenders updated all training sessions and materials to reflect the current bartender scene and to be prepared for upcoming trends.

To further strengthen our relationship with the bartending community we successfully hosted the Bols Cocktail Battle in the first half of 23/24. Bartenders from around the world battled their way through the local/regional finals, with the winners being invited to our global event in Amsterdam.

To drive consumer engagement for our Bols Cocktails Ready-to-Enjoy range we redesigned and repositioned the multi-serve bottle, now revealing the liquid in a smaller, see-through bottle. Moreover, the cocktail liquid inside was further premiumised, now featuring an even richer foam layer when shaken. The range was brought to consumers through targeted social media campaigns, in-store visibility, on-site presence at festivals and through luxury gift sets in the festive season.

Both Passoã and Galliano have clear signature cocktails: the Pornstar Martini and the Espresso Martini, respectively. In addition, both brands have effective activations for secondary signature cocktails. For example, we invented the Galliano Vanilla Mule and successfully launched it in Australia and New Zealand. And we are gaining more traction for Passoã by starring Passoã Tonic in an increasing number of markets. Both Passoã and Galliano also have raised their brand visibility by the use of a clear digital marketing strategy. In cooperation with Diffords' Guide, one of the world's largest and most visited drinks-related website, both brands held a competition to reinvent the signature Pornstar Martini and Espresso

Martini cocktails using Passoã and Galliano Espresso. The Galliano brand leveraged the signature Galliano Hot Shot cocktail particularly in the Nordic region, but also in an increasing number of other markets, most notably by hosting a Galliano Hot Shot day.

For our Regional Liqueurs & Spirits we continue to build on the differentiated brand strategies we created in 21/22. A good example is the revamped strategy for Pisang Ambon we introduced in 23/24 which was centred around the signature Tiki Ambon cocktail. The launch in the on-trade in the Netherlands, Belux and France was supported by completely new brand toolkits and gained immediate traction.

After the 22/23 transitional year for Tequila Partida we ramped up brand initiatives in the US, for example through catchy social media activities and being present at state-of-the-art tequila festivals. What continues to work well for our ultra-premium tequila brand is liquid-to-lips tasting sessions with tequila experts and mixologists. In the year under review Tequila Partida again won many awards, including a Gold and Silver Medal at the Spirits Business Tequila & Mezcal Masters 2024 and Best-in-Show (Añejo) and Double Gold at the 2024 Wine & Spirits Wholesalers of America 2024 Competition – a clear testament to the quality standards of the world's highest-rated tequila brand portfolio.

"We successfully continued our focus on signature cocktails for our Global Cocktail Brands."

In addition to expanding distribution, the focus for Fluère was on building an on-trade-driven no- and lower-alcohol cocktail strategy. Our Master Bartender and brand team developed a clear vision on cocktail menus and introduced inspiring no- and lower-alcohol alternatives to some of the world's most popular cocktails. This lies right at the heart of our ESG strategy. Needless to say, brand initiatives intensify around the Sober October and Dry January periods.

Separately, the 104th Bols KLM Delft Blue miniature house was introduced in close partnership with KLM. We also launched a signature cocktail on board KLM flights: the Very High Fashioned is a lower-alcohol, genever-based twist on the popular Very Old Fashioned cocktail.

On a general note, the Company worked hard to create brand visibility and awareness amongst consumers for many of its brands, for example at a range of festivals, sporting and other events and dedicated parties and celebrations. We also proudly presented our brands at relevant trade events, including large on-trade fairs for distributors and the bartending community.

Brands
Global Cocktail Brands

Bols Cocktails

Bols Cocktails, the world's first cocktail brand, is all about cocktails and is positioned accordingly across our markets. The cocktail range includes Bols Liqueurs, Bols Vodka, Bols Genever and Bols Ready-to-Enjoy Cocktails. Adjusted for volumes subject to the now terminated royalty contract in Argentina, the Bols Cocktails portfolio showed low single-digit depletions decline in challenging market circumstances.

The recovery of the Sophisticated Cocktail Markets from last year's glass shortages drove most of the growth, as Bols Liqueurs made a strong comeback with double-digit growth. The majority of the accounts lost were regained in the past year, in particular in the on-trade. Bols Vodka was launched in the US last year, continuing to perform well by doubling its volume in the year under review. The Ready-to-Enjoy portfolio is gaining momentum but is not yet meeting expectations in the highly-competitive ready-to-drink segment. This overall category is under pressure, but we continue to invest in our focus on retailers, distributor programming and shop-floor tastings. The introduction of a value-add 4-pack to gain more visibility was successfully launched in various US states.

The Developed Cocktail Markets also saw a recovery in certain markets, most notably in Japan were COVID-19 restrictions were no longer in place in 23/24. In Western and Southern Europe we experienced the same challenges our competitors did: a wet and cold summer, high comparatives, reduced guest visits and spend in the on-trade, and downtrading and smaller basket sizes in retail. Moreover, our distributors destocked significantly in response to much higher interest rates. Bols Liqueurs continues to gain market share and beat the category downturn in key markets such as Scandinavia and Germany. Compared to pre-pandemic levels, Bols Liqueurs achieved revenue growth in Germany, not in the least due to a premiumised positioning of the brand. The improvements are also attributable to a strict focus on our drinks strategy and full 360-degree marketing activities.

Growth in our Emerging Cocktail Markets was stagnant last year. The main reason for this was the difficult economic situation in Asia, especially China. We expect growth to resume in the next year with more effective market insights and forecasts as well as a more direct market approach. Important other markets, both in Asia and Eastern Europe, have undergone favourable changes in the route to market and have seen the launch of new brands, such as Passoã in South Korea.

For Bols Cocktails one of the key focus areas in 23/24 was to intensify attention to our strong bartending connection. Firstly, we reinvented the renowned Bols Around the World competition by organising a more locally-oriented Bols Cocktails Battle. Over 15 markets joined the first edition of this event, with more than 300 bartenders from all over the world competing. 30 bartenders were treated to a winner's 'Bols Cocktail Fever' package: a three-day stay in the Netherlands with masterclasses focusing on career development and bartender well-being, and various engaging team-building activities. Secondly, we opened the redesigned and rebuilt Bols Cocktail Academy in Amsterdam, featuring 21 brand new cocktail stations. As the leading cocktail authority we train upcoming and experienced bartenders from all over the world with our variety of training programmes updated to the latest needs, trends and developments.

We are still seeing a strong effect from the new packaging design for Bols Liqueurs with the natural botanicals proposition being communicated vividly. We continue our clear signature-drinks strategy for each market, selecting cocktails that are most likely to appeal to local consumers and focusing our communication primarily on these drinks.

We are building on last year's introduction of the Bols Ready-to-Enjoy Cocktails range in the US, the Netherlands and Belux, increasing our focus on consumers and sales to the off-trade. This is fully in line with our long-term cocktail strategy. The theme of the campaign was 'Create magic with Bols Cocktails'. It mainly ran outdoors and on social media platforms. The campaign got positive feedback from consumers, and trade partners particularly appreciated the geo-targeted approach. We relaunched the multi-serve bottle range, now presented in a smaller (375ml), transparent bottle. The recipe for the Pornstar Martini was also optimised: it is now even more tasteful and features a richer layer of foam.

Passoã

Passoã was not able to continue the growth momentum of the past year in all of its markets. Western and Southern European markets in particular suffered from challenging economic conditions and high comparatives, in line with industry developments. Nevertheless, the brand showed strong growth in the Netherlands and Japan. The strategic shift towards a more premium, cocktail-oriented brand paid off in the more mature Dutch market. Passoã's popularity also resembles other consumer trends such as the popularity of passion fruit and lower-alcohol cocktails, including easy mixed drinks with Passoã and premium tonic.

Despite experiencing a slowdown of growth in big European markets such as the UK and France, investments to increase brand awareness and attract new consumers remained in place. Brand activities at summer events and bars and a strong retail presence in the festive season through folders and in-store displays demonstrated the ongoing popularity of Passoã in these core markets.

The brand strategy is consistently centred on the Pornstar Martini cocktail, which gained popularity outside the UK in 23/24. It ranks as a top cocktail in the Netherlands and was presented as 'the cocktail of the summer' in the Belgian and US trade press. In the US we built up Passoã on the back of the Pornstar Martini by hosting the Pornstar Martini Week and the brand was also showcased in the first Passoã Pornstar Martini Competition in cooperation with the Difford's Guide.

Social media campaigns were launched in the Netherlands, Scandinavia and Australia, and our continuous presence on Instagram increased with an even higher frequency of relevant posts and stories. This resulted in record numbers for both reach and followers. Influencer programmes that promote Passoã cocktails in the UK, Australia, the US, South Korea and the Netherlands also helped to increase reach and consideration.

Galliano
During and after the pandemic the Galliano brand achieved significant growth in all of its key markets (the Pacific, Scandinavia and the US). Tempered by macroeconomic circumstances, this growth did not manage to continue in 23/24.

The US still did well, however. The medium-term focus is on growing the brand by activating the Espresso Martini cocktail, which is rapidly increasing in popularity. By setting up effective campaigns, organising an impactful cocktail competition in collaboration with Difford's Guide, presenting Galliano at the Bar Convent Brooklyn spirits bar show, and arranging PR and social media campaigns, our Galliano Espresso flavour was able to achieve double-digit growth.

In Scandinavia we witnessed a decline in retail sales. In addition to the overall market trend this was driven by the price increases we implemented, often in advance of our competitors. In the on-trade, however, Galliano continued to grow in popularity, fuelled by the brand's own Galliano Hot Shot Day in November 2023. A simultaneous launch of our own Galliano Hot Shot Song on Spotify boosted the impact of this initiative. This milestone event was actively celebrated in more than 100 bars across Scandinavia and gained traction in Canada and Switzerland too. By targeting these markets for the first time the reach of the Galliano Hot Shot signature serving ritual expanded significantly. In order to better reach our target consumers we collaborated with 'Out of Office', a popular networking community for young professionals in the Nordics. They host monthly after-work parties, workshops and other events in different locations across cities such as Stockholm. The Galliano Hot Shot is one of the main drinks served at these events. Galliano is also increasing consumer and bartender reach by partnering with influencer Danil Nevsky. In the Pacific, Galliano was impacted by an overall market slowdown. The consumption of Galliano Sambuca in particular, which reached record-level sales during the pandemic when in-home consumption jumped, could not match the strong performance achieved in prior years. The introduction of the Galliano Vanilla Mule -a refreshing, easy-mix summer drink with Galliano Vanilla topped with ginger beer (or ginger ale) and fresh lime juice - was successful, however. Listings were gained in a significant number of on-trade outlets, working together with several influencers at events in Melbourne, Sydney and other locations. This new drink as well as overall Galliano brand awareness also benefited from effective retail sampling – tapping right into the trend of light and refreshing drinks.

From a global perspective, the use of social media is anchored in all key markets. The main objective is to further increase awareness and consideration for the brand, and most communication centres around the three leading cocktails: the Galliano Espresso Martini, the Galliano Hot Shot and the Galliano Vanilla Mule.

Regional Liqueurs & Spirits

The Regional Liqueurs & Spirits portfolio combines the International Liqueurs & Spirits and the Domestic Liqueurs & Spirits (including our traditional Dutch genever & vieux brands) sub-portfolios. It also comprises the business-to-business concentrate offering, our Experiences (e.g. the House of Bols Cocktail & Genever Experience and Wynand Fockink) and the exclusive Bols KLM Delft Blue miniature houses.

Overall the Regional Liqueurs & Spirits portfolio performed well in quite a challenging year. Success was achieved with Tequila Partida, the Pallini business in the US increased significantly, our on-trade-driven no- and lower-alcohol cocktail strategy for Fluère was introduced effectively, our Genever & Vieux brands performed better than the overall segment, we more than doubled our concentrate business, and another year of growth was realised for the Bols KLM Delft Blue miniature houses. Difficulties were encountered by the Nuvo and Pisang Ambon brands, and the growth realised by Vaccari in recent years did not continue in 23/24. More generally, growth slowed down or there was even a loss of volume in several markets, impacted by inflation and political instability in certain geographies.

Tequila Partida
The acquisition of the Tequila Partida brand came into effect in January 2022. After a challenging transitional 22/23, depletions showed double-digit growth in 23/24. This strong improvement can be attributed to the growth in distribution in the US, which increased through the acquisition of new accounts and expansion into new distribution states. In addition, the brand is very active on social media and at well-known tequila festivals and events. We also successfully started using premium portfolio managers to drive distribution and rotation in key tequila states. The ongoing investments in superior brand and liquid quality also continue to pay off, with a Gold and Silver Medal awarded at the Spirits Business Tequila & Mezcal Masters 2024, and Best-in-Show (Añejo) and Double Gold won at the 2024 Wine & Spirits Wholesalers of America 2024 Competition. The tequilas with the highest profitability show an even better performance. This often concerns aged tequila such as reposado, añejo and our ultra-premium Roble Fino range.

Pisang Ambon
Historically, Pisang Ambon has a strong retail presence in markets such as France, the Netherlands and Belgium. In 23/24 the retail channel suffered from both a reversal of the spike in sales witnessed during the pandemic and the overall economic slowdown that led to downtrading. Consequently, the brand's overall performance declined in the year under review.

> "We continue to build on the differentiated brand strategies for our Regional Liqueurs & Spirits portfolio."

Promotional activities increased and the communication plan for Pisang Ambon was ramped up even before these developments were observed. Intensified brand investments focused on recruiting a new and younger target group have led to a record amount of new cocktail listings in our Belux test market. The brand has a growing customer base in the on-trade channel on the back of the Tiki Ambon signature cocktail, also fuelling future in-home cocktail consumption growth.

Nuvo
In June 2023 the Company fully acquired the Nuvo brand. The year-on-year growth achieved in 22/23 could not be continued in 23/24. We decided to discontinue the Rosé Spritzer RTD in the US considering the highly competitive ready-to-drink segment. 23/24 revenue faced tough comparatives whilst the market was also dealing with an overall slowdown in demand. In Latin America, Nuvo's other key market, we optimised our route to market and distributors reduced their stock levels in response to increased interest rates. Both of these factors adversely impacted our business. A rejuvenation plan is in place for 24/25 to reposition the brand, optimise packaging and improve distribution in both in the US and Latin America. In the US the brand's performance is centred on the retail sector, primarily focusing on independent liquor stores and multicultural locations. The Nuvo rejuvenation plan constitutes a positive transformation aimed at attracting more consumers. Initiatives include developing new marketing and commercial campaigns centred on celebratory occasions and embracing the positive hyper-femininity movement.

Fluère
The Fluère brand was acquired in January 2023. This leading non-alcoholic spirits brand is now distributed in more than 20 markets, including a full integration in the US. The leading European countries selling Fluère are the Netherlands, Belux, France, Switzerland and the United Kingdom. We focus on availability at key wholesalers as well as on and off-trade listings. Market research shows that the no- and lower-alcohol category continues to grow rapidly. Health consciousness and mindful drinking are on the rise and social occasions are becoming increasingly diverse, further driving consumer demand for no- and lower-alcohol drinks and cocktails. To be a leader in this category we devised an on-trade-driven no- and lower-alcohol cocktail strategy. Our Master Bartender and brand team developed a clear vision on cocktail menus and introduced inspiring no- and lower-alcohol alternatives to some of the world's most popular cocktails. Brand initiatives, including do-it-yourself cocktail packs, intensified around the Sober October and Dry January periods.

Vaccari
After several years of continuous growth, 23/24 posed certain challenges to the Vaccari brand in its key markets. The decline in Europe is observed in both the on and off-trade, driven by our customers reducing stock levels, the overall decrease in on-trade visits and spend, and downtrading in retail. Mexico, Vaccari's largest market, also showed a decline in sales. Because

consumer awareness and demand does not seem to be affected in Mexico, the majority of the decline is due to stock reductions at wholesale level. In 23/24 we spent considerable efforts expanding the Vaccari business in Africa and the Middle East, resulting in approximately double the level of business. Input and logistics costs started to decrease in the second half of 23/24, allowing the brand to maintain an optimal level of brand investment. Social media campaigns combined with an efficient promotion plan helped Vaccari maintain a good level of revenue despite the global challenges.

Pallini
The Pallini distribution partnership has proven to be a true testament to the strength of our distribution platform in the US. Pallini's high single digit growth in 23/24 outperformed expectations, with both the on and off-trade channels showing an increase in depletions and distribution. The Pallini Spritz signature cocktail is clearly fuelling the growth, and a further increase in the share of menu listings is targeted for the years ahead.

Henkes
The Henkes brand is facing a minor slowdown after revenue increased consistently in the past few years, mainly in its key markets in West Africa. We changed our distribution set-up in South Africa, which boosted sales directly. We invested in new communication campaigns, the launch of a recycled cardboard gift pack and updated consumer propositions.

Damrak
Damrak Gin is predominantly an on-trade-driven brand, despite the overall downturn in the on-trade, the brand was able to grow revenue year-on-year. Damrak Virgin 0.0, the world's first non-alcoholic gin, saw positive momentum following intensified communications and activations surrounding Sober October and Dry January. Overall, however, Damrak Virgin 0.0 also faces a rapid increase in competition in the growing non-alcoholic spirits category. We continue to increase overall Damrak brand awareness, for example by claiming the unique 'power of two' combination: Damrak Gin & Damrak Virgin 0.0.

Genever & Vieux brands
The Genever & Vieux category in the Netherlands is one of the most challenging. The category has been in a high single-digit decline for decades and faces a continuous increase in price and promotional competitiveness as well as pressure from private labels. Profitability in this category also suffered from the significant input cost inflation experienced in the past few years, often hitting Genever & Vieux even harder than average given the nature of the products. In spite of this, our leading portfolio of Genever & Vieux brands managed to increase its market share. By continuing our strategy to effectively differentiate the various sub-categories (young, old, aged/specialties and vieux) and our brands within those sub-categories we were able to minimise the volume decline and remain the market leader in this category. Most of our key propositions in the Genever & Vieux category performed well. For example, Hartevelt posted year-on-year growth whilst Hoppe Vieux kept its leading position in the vieux category.

We continue to believe there are opportunities for higher-equity brands such as ours in the medium term. Our brands can act as category captains, strengthening our position in a very competitive landscape. Such opportunities are supported by extensive consumer research and could result in a further gain of market share in the medium term whilst we explore opportunities for future growth.

Other

The Bols KLM Delft Blue miniature houses continued on their growth trajectory, with sales now ahead of pre-pandemic levels. New business opportunities were seized by expanding our concentrate sales to markets in Africa, the Middle East and Asia. Although not at last year's record levels, our House of Bols Cocktail & Genever Experience and Wynand Fockink had another good year.

IN € MILLION UNLESS OTHERWISE STATED FOR THE YEAR ENDED 31 MARCH	2024	2023	% CHANGE ORGANIC	2024	2023	% CHANGE REPORTED
KEY FIGURES	EXCLUDING ONE-OFF ITEMS[1]			REPORTED		
Revenue	96.6	100.6	(3)%	96.6	100.6	(4)%
Gross margin	50.9%	51.7%	(60)bps	50.9%	51.7%	(80)bps
Operating profit/(loss)	15.1	15.1	3%	12.5	(9.1)	(236)%
Operating profit/(loss) margin	15.6%	15.0%	80bps	12.9%	(9.1)%	2,200bps
EBIT[2]	16.2	16.3	1%	13.6	(11.8)	(215)%
Net profit/(loss)	9.1	10.1	(6)%	7.0	(16.2)	(143)%
Earnings per share (in €)[3]	0.61	0.68	(7)%	0.47	(1.08)	(143)%
Free operating cash flow[4]	9.2	6.8	n/a	2.4	6.8	(65)%
Net debt	45.8	59.6	(23)%	45.8	59.6	(23)%

[1] Excluding one-offs. For further information about the one-offs, please refer to our commentary on non-GAAP measures as of pages 174-175.
[2] EBIT is net profit before net finance costs and income tax expense. Thus, EBIT is defined as operating profit plus share of profit of joint ventures.
[3] Based on weighted average number of shares.
[4] Free operating cash flow is net cash from operating activities minus cash used for the acquisition of property, plant and equipment and intangible assets.

Financial review

Revenue
Lucas Bols' revenue for the 23/24 financial year ended 31 March 2024 amounted to € 96.6 million, down 4% compared to € 100.6 million in 22/23. The impact of macroeconomic circumstances, mainly reduced consumer demand and destocking by customers in response to a steep increase in the cost of capital, could not be fully compensated by depletions growth, sales price increases and further premiumisation. Foreign currency effects negatively impacted revenue by € 1.2 million, mainly the Australian Dollar, Japanese Yen and the Swedish Crown, only partly offset by favourable developments of the US Dollar.

Our premiumisation strategy continues to pay off: revenue per case went up a further 15% compared to last year. This is an improvement of 54% versus 20/21, the year before we implemented our Fit-for-Growth strategy which was, amongst others, aimed at premiumisation.

Gross profit
Gross profit for the full year 23/24 decreased by € 2.8 million, to € 49.2 million.

Gross profit as a percentage of revenue was down 80bps. The positive impact of last year's sales price rises and additional increases implemented in 23/24 was more than offset by inventory write-offs (-110bps, partly relating to the transfer of production in the US) and the full-year impact of the severe input cost inflation.

Despite the significant pressure on margins, the gross profit per case (in €) improved strongly, up 13% from last year as a result of our premiumisation strategy.

Operating profit
Normalised operating profit came in at € 15.1 million: in line with a year-earlier. The lower gross profit and increase in overhead costs (amongst which salary increases and some inflationary impact) was fully offset by much lower logistics costs and reduced commission payments following the acquisition of Nuvo in June 2023. The sharp drop in logistics costs came in response to some normalisation of global container rates, lower shipment volumes and efficiency measures. Moreover, non-recurring costs were incurred last year when Bols Liqueurs for the US market had to be temporarily produced in the Netherlands following a US-wide glass shortage.

A&P expenses were in line with last year as we continued to invest in our brands in a focused way, despite the challenging environment.

EBIT
Normalised EBIT for the 23/24 financial year was € 16.2 million (22/23: € 16.3 million). The share of profit of joint ventures was down € 0.2 million compared to last year.

Net finance costs
Net finance costs for 23/24 came in at € 4.6 million (22/23: € 2.7 million). The substantial increase was mainly driven by a significant increase in EURIBOR (from an average of 1.0% in 22/23 to 3.7% in the year under review).

(IN € MILLION UNLESS OTHERWISE STATED, FOR THE YEAR ENDED 31 MARCH)	GLOBAL COCKTAIL BRANDS 2024	GLOBAL COCKTAIL BRANDS 2023	REGIONAL LIQUEURS & SPIRITS 2024	REGIONAL LIQUEURS & SPIRITS 2023
Revenue	66.3	69.9	30.3	30.7
Gross profit	36.7	39.2	12.5	12.8
Gross margin	55.3%	56.0%	41.3%	41.7%
EBIT	23.5	20.7	9.6	8.0
EBIT margin	35.4%	29.7%	31.8%	26.0%

Income tax expenses
Normalised income tax expenses amounted to € 2.6 million versus € 3.5 million a year earlier, mainly reflecting the lower profit before tax. The effective tax rate (normalised) was approximately 22.6%, compared to 26.0% a year earlier. The drop in the effective tax rate is mainly due to last year's adjustment for prior years and a lower amount of non-deductible expenses.

Net profit
Normalised net profit came in at € 9.1 million for the 23/24 financial year (22/23: € 10.1 million). Normalised earnings per share amounted to € 0.57 (22/23: € 0.68).

In March 2024 the Company issued new shares through a private placement. Based on the weighted average number of shares issued and outstanding over the year, normalised earnings per share came in at € 0.61.

Free operating cash flow
Normalised free operating cash flow came in at € 9.2 million, up from € 6.8 million the year before. Free operating cash flow benefited from lower working capital investments and income tax payments compared to the 22/23 financial year. These upsides were only partly offset by higher capital expenditures, mainly in relation to the revamp of the Bols Cocktail Academy. Inventory levels are elevated still, reflecting both lower than expected shipments as a result of the destocking at by customers and input cost inflation.

Balance sheet and financial position
Equity increased by € 23.8 million compared to 31 March 2023, mainly as a result of the € 20 million equity issue in March 2024 with Nolet and Enix N.V. The new shares were placed at a price of € 18.00 per share, equal to the consideration under the public offer. The net proceeds from the equity issue are being used to further strengthen the balance sheet.

As at 31 March 2024 the net debt position stood at € 45.8 million, a considerable decrease compared to € 59.6 million as at 31 March 2023. The leverage ratio came in at 2.69x (31 March 2023: 3.36x). Lucas Bols fully complied with the bank covenants in place.

One-off items
In 23/24 the following profit or loss one-off items were recognised with a net negative impact on profit before tax of € 2.6 million:

- € 2.1 million in advisory costs relating to the public offer by the Nolet (included in distribution and administrative expenses) and the equity issue;
- € 0.4 million in transportation costs required to transfer our US inventory from Kentucky to Minnesota following the shift of production (included in distribution and administrative expenses); and
- € 0.1 million in costs relating to various other projects (included in distribution and administrative expenses).

Including these one-off items, reported 23/24 net profit came in at € 7.3 million (22/23: net loss of € 16.2 million).

Moreover, the following cash-flow and/or balance sheet one-off items with an aggregate net negative impact of € 6.9 million on free operating cash flow were recognised:

- € 2.6 million of one-off costs as referred to above;
- € 5.3 million relating to the acquisition of the Nuvo brand; and
- € 1.1 million in trade and other payables relating to advisory costs payable regarding the public offer by Nolet.

In 22/23, an impairment of € 24.1 million on the Dutch Brands cash generating unit (CGU), the one-off book loss of € 3.9 million on the sale of Avandis, one-off project costs of € 0.1 million and a gain of € 2.4 million relating to a reduction in expected earn-out payments on the Tequila Partida acquisition were recognised as one-off items. All 22/23 one-offs are non-cash items.

Dividend
In light of the public offer by Nolet and the recent private placement, the Management Board and the Supervisory Board decided not to pay a dividend for the 23/24 financial year (total dividend in 22/23: € 0.34 per share).

Outlook

Although we do not expect market conditions to improve meaningfully in the short term, we remain confident in the attractiveness and long-term growth of the global cocktail market. Our strategy and strong portfolio of brands are very well-positioned for the medium and longer term, and we will continue to invest in our distinctive cocktail brands.

We are confident that further gross margin recovery can be achieved in the year ahead, and that inventory optimisation can take place now that most of the destocking by our customers has occurred.

We look forward to continuing the successful journey of the Lucas Bols Company in the new shareholder setting.

ESG.

For almost four and a half centuries the Lucas Bols Company has been developing its craft of extracting flavour from natural ingredients to create high-quality drinks – from its humble beginnings in 1575 in the little distillery called 't Lootsje to its leading position in the world of cocktails today. The craft and management have been handed down through generations of family members and employees for the purpose of continuing the legacy of the Company and the brand.

In this day and age our purpose must extend beyond our own company, customers and employees: we need to contribute to society and the planet we inhabit. In 22/23 we therefore further developed, specified and documented the ESG strategy that shapes our Company's purpose and contribution to the world around us. This was done bottom-up – by a diverse internal team – and through extensive external stakeholder engagement. In 23/24 we took an important next step by starting to implement our ESG strategy. The thorough company-wide implementation programme we set up is there to ensure that the Company will reach its strategic ESG targets.

All in all we believe that the Lucas Bols Company has the responsibility and capability to continue *to craft sustainable cocktail history*: today, tomorrow and for the next four and a half centuries to come.

The Management Board promotes a culture in which the Company's ESG efforts are not primarily driven by compliance and reporting requirements. Instead, ESG objectives must be part of everyone's day-to-day work, motivation and inspiration. This is why these objectives have always been embedded in our ways of working. In 23/24 we accelerated facilitating our teams and business partners to achieve ESG objectives by thoroughly documenting and specifying the respective KPIs and related targets. We aim to complete this well ahead of the introduction of compliance and reporting requirements, most of which are expected to become applicable to the Lucas Bols Company as of the 25/26 financial year. This inherently means that our KPIs and strategic programmes are still being fine-tuned, both to safeguard compliance and to include new insights as they emerge going forward.

The Lucas Bols ESG strategy: crafting sustainable cocktail history

Our mission at the Lucas Bols Company is to create great cocktail experiences around the globe.
We combine almost four and a half centuries of craftsmanship with the creative spirit of Amsterdam to discover new flavours and cocktails. This enables us to build leading cocktail and spirits brands for today's bartenders and consumers. Heading towards the Company's 450th anniversary we want to continue to *craft sustainable cocktail history* by:

- empowering the Lucas Bols Community;
- respecting our planet and craftsmanship; and
- inspiring responsible cocktail enjoyment.

Within these three strategic ESG pillars we have formulated a set of 13 KPIs and corresponding targets that we aim to achieve in the coming years. They feed into our Company strategy and will weave through all relevant aspects of our business and activities. Projects have been set up and initiated to make our strategy come to life and embed the ESG KPIs and targets into our day-to-day business practices.

One of the challenges in making progress towards achieving, measuring and reporting on the ESG targets is our dependency on third-party partners. In certain areas – for example with regard to the objectives we have set on our environmental footprint, CO_2 emissions and sustainable sourcing – this dependency is very high. This presents a significant risk that we aim to address by intensifying our relationship with key partners and aligning objectives, amongst others.

From ESG strategy design to implementation

In 22/23 the Lucas Bols Company focused on ESG strategy design. However, we realise that while ESG success starts with strategy design, the objectives can only be achieved if implementation and execution are addressed professionally, and with sufficient and appropriate involvement and motivation from senior management.

To that end, we officially started the Lucas Bols Company ESG Implementation Programme in 23/24. Our ESG Implementation Programme Director supervises the implementation, reporting directly to the ESG SteerCo consisting of the CEO and CFO. The Implementation Programme consists of four subprogrammes: one for each of the three strategic ESG pillars and an overarching subprogramme specifically aimed at ESG governance, both at the strategic and operational level. Within these subprogrammes a separate project was set up for each individual KPI to ensure appropriate steps are taken towards achieving our ESG objectives in a timely manner. The progress made on these projects in the year under review is discussed in more detail later in this chapter.

Empower the Lucas Bols Community
We provide an inclusive & diverse working environment to our people and stimulate personal development

Material themes: *diversity, inclusivity & employee well-being*

Stimulate well being & development
- Continue training, development and well being programmes for all Lucas Bols Company staff at 1% of total overhead expenses
- Contribute up to 16 hours of volunteer work during working days in 2025 per Lucas Bols Company FTE (on average)

Promote diversity & inclusiveness
- 40-60% gender balance by 2025
- Inclusivity training programme in practice by 2025
- 5% of our annual bartending courses are awarded through a scholarship to less advantaged & minority students by 2025

Respect the planet & craftsmanship
We limit the impact of our craft on the environment and on the people involved

Material themes: *emissions, packaging, sourcing*

Reduce our footprint & emissions
- 20% CO_2 reduction by 2035, net zero by 2050
- Maximum recyclable glass bottles and maximum usage of recycled packaging materials by 2030*

Use of sustainable key ingredients
- Ensure that 100% of our key sourcing partners respect our principles: product quality standards, Code of Conduct, fair working principles and good land stewardship by 2035

* This is under validation to be realistically quantified

Inspire responsible cocktail enjoyment
We promote responsible hosting and a mindful lifestyle

Material theme: *responsible consumption*

Support a mindful lifestyle
- A no- or lower-alcohol cocktail alternative in 25 core markets by 2025
- 25% no- or lower-alcohol cocktail recipes on all our cocktail brand websites by 2025
- 100% label transparency on all products by 2030 (main ingredients, ABV%, alcohol per standard serve)

Educate responsible hosting
- All participants to the Bols Cocktail Academy are trained on responsible hosting from 2024 onwards
- Educate 50,000 consumers annually on responsible hosting in the House of Bols Cocktail & Genever Experience per 2025

Our commitments and progress

1. Empower the Lucas Bols Community

Our commitments

We provide an inclusive and diverse working environment to our people and stimulate personal development.

We believe that our teams and people are the core assets of the Company and that it is our responsibility to provide them with the means to develop, grow and feel good. We encourage our people to create training programmes that satisfy their individual needs and goals. We make an annual budget of 1% of total overhead expenses available to facilitate such training, development and well being programmes.

The Lucas Bols Company also focuses on the local communities in which we operate – not least Amsterdam, the place where our story began. We take pride in being a part of the Amsterdam community. Accordingly, we support an expanding portfolio of local initiatives that address specific issues within the community, such as loneliness among the elderly. Our staff can volunteer to lend a hand with local initiatives like these (and are incentivised to do so) for up to 16 hours a year during working hours.

The individuality of every person in the Lucas Bols Community is embraced, valued and nurtured. Although we target to maintain a 40-60% gender balance, being a diverse company goes much further than achieving this gender balance. It also concerns working with an international and culturally-diverse staff. This view enhances our recruitment strategy and intensifies our commitment to creating an even more inclusive culture.

To ensure that all employees can function in a safe, open and respectful environment we will provide inclusivity training sessions to all staff members no later than 2025. Leveraging external expertise on the matter, this training will be created based on insights into how our staff experience the inclusive culture at the Lucas Bols Company today. The training sessions will address behavioural aspects, language/tone-of-voice and facilities for current and future employees. They will also focus on how we can be better aware of our own biases.

Volunteering activities at the children's home in Mexico.

Another means of empowering the Lucas Bols Community is aimed at bartenders, an important group of stakeholders with whom we interact around the globe directly and/or through our distribution partners. We will set up a scholarship programme to award bartending training to disadvantaged and minority students across our markets in order to improve equal opportunities in all walks of life by 2025.

Our progress
Although certain KPIs were already more or less integrated in our day-to-day business, we further specified and documented KPIs in 23/24 to empower the Lucas Bols community.

Stimulate well being & development
Training, development and well being programmes are at the heart of our performance cycle, the so-called ways of working cycle (WoW cycle). Our 23/24 focus was on continuing existing initiatives, including personalised and group training and development initiatives, social events and sports activities, whilst setting up a formal training, development and well being programme that includes policies and detailed guidance. Policy design commenced in 23/24 and we aim for these policies to be incorporated in the 24/25 WoW cycle to enable the Company to offer adequate, suitable and targeted training, development and well being opportunities tailored to the needs of individual members of staff.

The quantified target is to spend 1% of overhead expenses on such initiatives. In 23/24 the Company spent approximately 0.2% of overhead expenses on training, development and well being programmes. This is below the target level, amongst others because 23/24 focus was on policy design and, consequently, actual implementation only started throughout the year.

The Company has a strong history of contributing to (local) volunteering initiatives on an ad hoc basis. Our ESG strategy, however, clearly requires us to contribute in a more structured and continuous manner by setting a specific KPI target for the amount of time volunteering during working hours, i.e. an average of 16 hours per employee per annum. Significant progress was made in 23/24. KPIs, targets, definitions and guidance were set, and a more detailed volunteering programme for Amsterdam-based staff was rolled out. The programme partners with a local, Amsterdam-based volunteering platform and our project team successfully engaged staff in one or more of the volunteering opportunities. Although the programme was only implemented in the second half of 23/24, various volunteering efforts were undertaken after an inspiring kick-off. For example, six employees supported Stichting het Koffiehuis, whilst the Lucas Bols Company contributed almost 100 hours to the NLdoet initiative on 15 March 2024. In Mexico our local team spent valuable hours supporting the foster home Sueños y Esperanzas ("Dreams & Hopes").

In 23/24 this already resulted in an average of more than 3 hours of volunteering per Lucas Bols Company FTE. This is below the target of 16 hours, mainly because we only started to implement and incentivise volunteering initiatives towards the end of 23/24. A focus area for 24/25 is to accelerate and drive initiatives at our foreign offices. Moreover, through constant monitoring and internal stakeholder analyses the overall programme will continue to be tailored to the needs and desires of participating staff members.

Promote diversity & inclusiveness
The Lucas Bols Company has always promoted a diverse and inclusive working environment. However, formal policies and programmes to support this were yet to be designed. In 23/24 progress was made on setting up a robust set of policies to maintain a 40-60% gender balance – an effort that will continue in 24/25.

A specific target was also set in regard to implementing an inclusivity training programme for all employees, tailored to the Company's needs. To that end, research will be conducted in the first half of 24/25 to determine the current perception of employees and identify specific improvement areas when it comes to diversity and inclusiveness. We plan to align our inclusivity training programme with the outcome of this research and start the roll-out in 24/25.

In 23/24 we opened our re-vamped Bols Cocktail Academy: ideal circumstances to further develop a meaningful scholarship programme. The project team concluded that identifying less advantaged and minority students can be quite challenging, both in the Netherlands and in other markets. It was therefore decided to launch a phased introduction of the scholarship programme, kicking it off in 24/25 for students in the Netherlands and subsequently extending it to the US and other targeted geographies.

2. Respect the planet and craftsmanship

Our commitments
We limit the impact of our craft on the environment and on the people involved.

The fundamentals of our craftsmanship have not changed in the past four and a half centuries. Our distilling, macerating and percolation techniques have only been adjusted to modern technology. By further optimising our processes, production and logistics footprint while working together closely with our key supply chain partners we aim to reduce our CO_2 emissions by 20% by 2035 as we head towards a net zero footprint for all scopes combined by 2050.

Working with recyclable packaging has always been an important focus area for us. We have intensified the dialogue with our key glass suppliers to reach the maximum recyclability for our glass bottles by 2030. Glass is a very durable packaging material because it is 100% recyclable and inert, and does not contain or emit any microplastics and minimises waste as the quality of the product is guaranteed for many years. However, glass is energy-intensive to produce, as is the full recycling process. A key focus area therefore is to reduce the glass weight per bottle, thus contributing to the further reduction of our CO_2 emissions.

We believe we can also limit our impact by increasing the amount of recycled materials we use in our packaging. We will develop rigorous eco-design guidelines to achieve a step-up in recyclability and to guide the design (and redesign) of our packaging. This applies, at a minimum, to primary packaging, outer-case packaging, gift packs and point-of-sale materials. Overall it is the Lucas Bols Company's ambition to contribute to the circular economy and design for a sustainable world.

Extracting flavour from natural ingredients has been at the core of who we are and what we do since 1575. It is therefore crucial for us to ensure that all key ingredient sourcing partners respect our principles on product quality as well as those on good land stewardship to safeguard the ecological future of the earth's soil. We also demand that our key sourcing partners provide fair working conditions and respect our Code of Conduct to help ensure that all people and communities involved in our craft are treated fairly and equally. To the maximum extent possible we will incorporate our principles in contracts with key sourcing partners, monitor local practices during our visits and conversations and work together with these partners to make progress in those areas that may not be fully aligned with these principles yet.

We recognise that we are strongly dependent on our key supply chain and sourcing partners to deliver on these goals. Nevertheless we believe that our objectives are aligned and that we should and can work together to have a broad, meaningful impact. Our key supply and sourcing partners and key ingredients have been specifically identified and pertain to those sourcing partners and ingredients that contribute the most to our value chain.

Our progress

The KPIs, objectives and supporting projects in this pillar are closely connected to one another. For example, any decision on the selection of packaging materials (and whether or not to recycle or reuse) directly impacts the overall CO_2 footprint of the Lucas Bols Company.

Reduce our footprint & emissions

An important objective of our ESG strategy when it comes to respecting the planet and craftsmanship is to reduce our CO_2 footprint. To enable the Lucas Bols Company to do so in a structured, meaningful and measurable manner, the first step is to understand the scope of the value chain and where emissions reside within it. In 23/24 we therefore continued the detailed value chain mapping efforts that were started in 22/23. We were able to pilot the first CO_2 calculations for significant parts of the value chain in the third quarter of 23/24 – well ahead of schedule. The key objective for 24/25 is to further strengthen our understanding of CO_2 emissions, after which a detailed CO_2 reduction plan can be drafted to enable the Company to implement actions to reduce its CO_2 footprint. Although there is currently no need to revise objectives, the high level of dependency on upstream and downstream value chain partners when it comes to reducing the CO_2 footprint is re-iterated.

Third-party dependency is also a challenging topic when it comes to maximising the use of recyclable glass bottles and recycled packaging materials. In our 23/24 efforts to gain a deeper understanding of the packaging materials used (including their origin and composition) we concluded that the information gathered is often (too) generic by nature and not sufficiently specific about how such materials are used by the Lucas Bols Company. In addition, there appears to be a lack of clear consensus on the possibilities, benefits and downsides of the use of different recycled and recyclable materials. This relates both to how the packaging itself impacts the environment and to what the resultant CO_2 footprint is. The Company will continue to gather insights from existing research & development and partner up with industry participants to take the required next steps to achieve the objectives set in this regard.

The project team, including our research & development experts, also started to address dilemmas ensuing from ambiguity with respect to eco-design guidelines. Based on the good progress to date we anticipate finalising an action plan in 24/25. This plan will focus on assisting the Company in reaching its targets of maximum recyclable glass bottles and maximum use of recycled packaging materials by 2030.

Use of sustainable key ingredients

Sustainable high-quality ingredients (often natural) are fundamental to our craftsmanship. To further promote these and to ensure we can continue to do so in the future, valuable time was spent in 23/24 on further understanding and defining who our key sourcing partners are. An important next step was taken by preparing a first draft of our Lucas Bols Company Key Sourcing Partner Principles. We plan to align these principles with internal and external stakeholders before we finalise them towards the end of 24/25.

As mentioned, the Lucas Bols Company is highly dependent on third parties to progress on CO_2 reduction and the use of sustainable key ingredients ambitions: improvements on the recyclability and use of recycled content in its packaging materials and the sustainable sourcing throughout the entire supply chain cannot be achieved without working together with these third parties closely. To avoid an overkill of two-way information requests and flows we will be approaching such third parties in a focused manner, and on all relevant aspects at once. The overall ambition thereof is to set specific targets for each key supplier and work together towards agreed improvements. The project related to this aspect can (and will) only be fully operational after specific action plans, policies and guidelines resulting from the projects related to CO_2 reduction, packaging materials and use of sustainable key ingredients are finalised.

3. Inspire responsible cocktail enjoyment

Our commitments

We promote responsible hosting and a mindful lifestyle.

Cocktail enjoyment goes hand-in-hand with our mission to create great cocktail experiences around the globe. This means mindful and responsible consumption, accommodated by responsible hosts.

A mindful lifestyle is crucial to enjoying life. We have set three specific targets to further support a mindful lifestyle. First, it is our ambition to offer a no- or lower-cocktail alternative in 25 core markets by 2025. In addition, at least 25% of the cocktail recipes on our cocktail brand websites will be for no- or lower-alcohol cocktails by that same year. These two objectives are an inspirational manner of promoting no- and lower-alcohol cocktails both to bartenders and consumers. Last, we set up a programme to achieve 100% label transparency on our products by 2030. This transparency pertains at the very least to key ingredients, ABV% and alcohol per standard serve.

Responsible hosting is a skill that we teach bartenders and consumers at the Bols Cocktail Academy and through the House of Bols Cocktail & Genever Experience. We help bartenders to prepare their bar offering and hosting strategy, urge them to always include no- and lower- alcohol alternatives and insist they help guests make responsible choices to ensure the most enjoyable experience. Our diverse and growing portfolio of no- and lower-alcohol products and transparent labelling, the House of Bols Cocktail & Genever Experience and the Bols Cocktail Academy enable us to reach, inspire and help our communities host responsibly to ensure the most enjoyable cocktail experience.

Our progress

Two specific recent developments helped us to kick-start our ambition to inspire responsible cocktail enjoyment. On the one hand, effective in January 2023 we acquired leading non-alcoholic spirits brand Fluère and were able to successfully roll out our on-trade-focused no- and lower-alcohol cocktail strategy, successfully using the launch momentum of that brand. On the other hand, we opened the completely re-vamped Bols Cocktail Academy and updated the training programmes to incorporate the way we inspire responsible cocktail enjoyment more specifically.

Support a mindful lifestyle

To support a mindful lifestyle the Company has made the conscious decision to include no-and lower-alcohol cocktail alternatives in all brand guidance for the Global Cocktail Brands, leveraging the investments made in the Fluère and Damrak Virgin 0.0 brands. An important exercise was undertaken to define what we actually mean by 'lower-alcohol alternative'. We have defined a lower-alcoholic cocktail as a cocktail containing no more than one unit of alcohol. In our working definition cocktails containing more than one unit of alcohol are considered to be full strength. The definition of one unit of alcohol is aligned with the European Standard, which is based on the guidelines of the World Health Organization where one unit of alcohol contains 10 grams of ethanol.

We are also leveraging our existing distributor network to obtain relevant listings of our no-alcohol brands. Overall we were able to achieve our 2025 target ahead of schedule because at least 25% of the recipes promoted on all our cocktail brand websites were no- or lower-alcohol cocktail recipes before the end of 23/24 already. Another target is to have at least one no- or lower-alcohol cocktail alternative in 25 core markets by 2025. Significant progress was made in 23/24 because at the end of that financial year we already offered such an alternative in 21 core markets.

During 23/24 the respective project team prepared a detailed action plan to further improve label transparency regarding the main ingredients, ABV% and alcohol per standard serve by 2030. We plan to introduce redesigned labels across the different geographies from 24/25 onwards, albeit in a phased manner.

Educate responsible hosting
To drive bartender awareness regarding the importance of responsible hosting, the updated Bols Cocktail Academy training materials (introduced in the second half of 23/24) have increased our focus on this topic. Going forward the course content will be part of our continuous evaluation cycle to ensure that new insights and guidance are incorporated into our training materials. In addition, we introduced the Bols Cocktails Battle in 23/24. This global cocktail competition culminated in a three-day Bols Cocktails Fever celebration in Amsterdam, with the Bols Cocktail Academy at the heart of it. The competition and celebrations focused not only on our brands and cocktails but also on how bartenders can educate on responsible hosting and aspire to a mindful career and lifestyle for themselves.

It is also our ambition to educate consumers on responsible hosting. We are progressing on this topic by including at least one no- or lower-cocktail alternative in our do-it-yourself cocktail workshop at the House of Bols Cocktail & Genever Experience. Next steps will be made in 2025 when important parts of our House of Bols Cocktail & Genever Experience will be redesigned. The overall aim is to educate all visitors on the importance of responsible hosting and to showcase how this is done, actively involving our staff at the House of Bols Cocktail & Genever Experience.

ESG governance
The fourth subprogramme of our ESG Implementation Programme deals with ESG governance. The key objective of this subprogramme is to implement appropriate strategic and operational governance and to ensure timely and reliable internal reporting and compliant external reporting. This subprogramme has a high level of complexity. On the one hand because we are highly dependent on third parties; on the other because it has a clear, two-way relationship with (and dependency on) all projects in the other three subprogrammes (and even within the subprogramme itself).

In 23/24 significant progress was made, including on the following matters:

- Strategic governance: as stipulated in the European Sustainability Reporting Standards (ESRS), an impacts, risks and opportunities (IRO) assessment was undertaken. Both existing and new mitigating measures and policies were identified. Going forward this ESG-oriented assessment is embedded in our overall risk management and control cycle, as documented on pages 82-100;
- Operational governance: we designed and documented a framework that maps the full cycle of data collection, up to and including reporting on the data in a meaningful way. Our understanding of where data resides and how to organise actual data collection for different disclosure requirements stemming from ESRS is an ongoing process that we will conduct in a phased manner. In the year under review we also made important first steps in regard to gathering data related to CO_2 emissions, packaging and HR-related metrics such as diversity measures. Moreover, a technology strategy was designed to understand the required technology end state and the transition that needs to be undertaken towards that end state. We modelled existing technology to the needs of future internal and external reporting;
- Internal reporting: we developed a KPI Manual for the KPIs we outlined on page 73. The purpose of this manual is to safeguard clarity on the definition of KPIs, the measurement method and the data collection processes including relevant procedures and controls. Such controls are aimed at the accuracy, completeness, timeliness and verifiability of related data. Moreover, a first draft of internal reporting was set up based on the outcome of initial data collection initiatives; and
- External reporting: in addition to the progress achieved on strategic and operational governance, a further in-depth understanding of ESRS requirements was gained. Moreover the scope was expanded to include an evaluation of the EU taxonomy as this becomes mandatory under the ESRS requirements.

Contribution of the Lucas Bols Company to the UN Social Development Goals (SDGs)

3 GOOD HEALTH AND WELL-BEING

Educate on responsible hosting through targeted programmes in our Bols Cocktail Academy and the House of Bols Cocktail & Genever Experience for our Lucas Bols Company employees, distributors, the bartending community and consumers.
Support a mindful lifestyle by providing no- and lower-alcohol cocktail alternatives and transparent labelling.
Stimulate well-being & development within the Lucas Bols Community with training, development and well-being programmes for employees and volunteering in local communities.

5 GENDER EQUALITY

Remain a gender-balanced company **with a 40-60% male/female gender balance** and continue to offer equal opportunities to people regardless of gender profile – an important aspect in our Code of Conduct.

8 DECENT WORK AND ECONOMIC GROWTH

Work with **sustainable sourcing partners**: key sourcing partners are required to respect our principles with regard to product quality standards, our Code of Conduct, fair working conditions and good land stewardship, and work with us to improve in areas that may not be fully up to our standards yet.

10 REDUCED INEQUALITIES

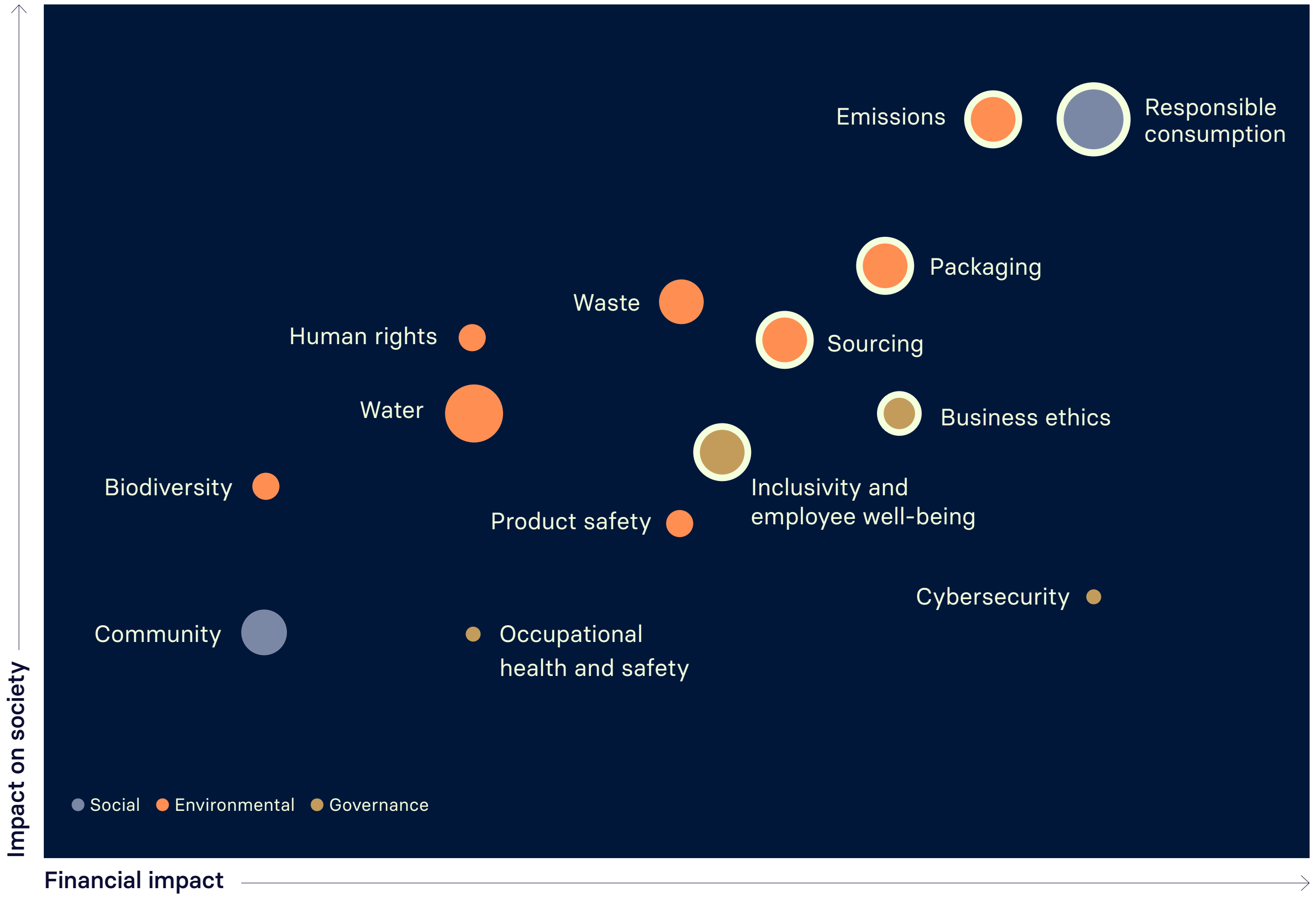
Promote **diversity and inclusion** through equal opportunity policies, communication and evaluation of our staff values, pursuit of gender balance objectives and inclusivity training, as well as focusing on bias awareness.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reduction of footprint and emissions by maximising the use of recyclable glass bottles and using recycled materials as much as possible, for example by following eco-design guidelines for our packaging. Working together with our suppliers of glass and other packaging materials will be crucial to ensure we achieve future targets.

13 CLIMATE ACTION

Reduction of CO_2 through rigorous production, logistics and packaging optimisation programmes. To reach this goal we are to a large extent dependent on the efforts of our key partners and we will therefore continue to invest in our partnerships.



The size of the bubble reflects stakeholder relevance: the larger the bubble, the greater the relevance.
Material themes are denoted by a white circle.

Materiality and stakeholder perspectives

When we designed our ESG strategy in 22/23 we gained insights into the key ESG themes for the Lucas Bols Company by actively engaging with our employees, strategic partners and a diverse group of other external stakeholders. It is our strong belief that there should be a dynamic approach and we therefore continued these interactions in 23/24 as a pivotal element of our ESG Implementation Programme. After all, stakeholder and partner engagement is essential to crafting a sustainable cocktail history as our impact is only maximised by working together.

Interactive, iterative processes are undertaken to continuously gather insights from the stakeholders mentioned on page 54. During the strategy design phase most interviews were held in a one-on-one setting, although we also engaged in live panel discussions to obtain relevant insights from bartenders, consumers and other stakeholders. Input was obtained from suppliers and logistics partners through interviews and questionnaires.

Internal stakeholder engagement (i.e. employee engagement) is achieved using a bottom-up approach. Interactive workshops continue to be hosted with staff across the departments, geographical locations and levels of seniority.

During the implementation phase of our ESG strategy key players such as the Management Board and the ESG Implementation Programme Director frequently interact with internal and external stakeholders, both in one-on-one and group sessions. Such interactions (both formal and informal) together with training sessions (for example at Nyenrode Business University) enable the Company to continuously work with updated insights and reflect on our ESG strategy. If and when needed, we can adjust our strategic focus in a timely manner.

By carefully bringing together the insights obtained we identified the relevant ESG themes and plotted them in a materiality matrix (see the diagram on page 80). This matrix applies the double-materiality concept as it considers both impacts and risks and opportunities, whilst assessing the stakeholder relevance dimension. In 23/24 the double materiality assessment was further strengthened by performing a detailed IRO analysis following the publication of ESRS 2 by the European Financial Reporting Advisory Group (EFRAG). It should be noted that ESRS 2 will not apply to the Lucas Bols Company until 25/26 and that the double-materiality concept is still relatively new. Consequently, our double-materiality and IRO analyses will be refined as more market practice and further guidance become available.

The Company also gained a further understanding of the impacts, risks and opportunities through an extensive evaluation process. The severity (i.e. the scale, scope and irremediable character) and the likelihood of negative and positive impacts were considered when gauging whether themes are material in terms of the concept of impact materiality.

External perspectives (e.g. guidance from the Task Force on Climate-Related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD), benchmark analyses, international policy and regulatory developments on ESG and media controversies) were considered and an internal evaluation of risks and opportunities was undertaken to gauge whether themes are material in terms of the concept of financial materiality. The impacts as well as the risks and opportunities were evaluated using the principles included in ESRS 2.

The material themes that were carefully selected for the Lucas Bols Company did not change compared to 22/23:

1. Business ethics;
2. Inclusion & Employee well-being;
3. Emissions;
4. Packaging;
5. Sourcing; and
6. Responsible consumption.

These themes were then translated into the three pillars of our ESG strategy:
- Empower the Lucas Bols Community;
- Respect the planet and craftsmanship; and
- Inspire responsible cocktail enjoyment.

Potentially-emerging themes will be closely monitored over time. Against this background the Management Board considers ‘water’, for example, to be an emerging theme that will be closely monitored if or when it becomes material to the Lucas Bols Company.

We recognise that obtaining stakeholder perspectives and validating material themes is a constant process as stakeholder views evolve over time and themes can become more pressing due to internal or external developments. ESG is therefore deeply embedded in our stakeholder analysis and is validated as part of our annual strategic cycle and at other moments.

Risk management and control

There are inherent risks related to Lucas Bols' business activities and organisation. Because sound risk management, including in relation to ESG matters, is an integral element of good business practice and effective operations, the Management Board promotes a transparent, company-wide approach to risk management and internal controls. This approach focuses on finding the right balance between maximising business opportunities and managing the risks involved. The Management Board considers this to be one of its most important tasks.

Risk management approach and appetite

Our risk management framework is designed to identify and analyse the risks the Lucas Bols Company faces, including fraud risks, to set appropriate risk limits and controls, and to monitor any developments in the Company's risk environment.

In general the Lucas Bols Company has a low risk appetite, particularly with regard to operational, financial and compliance risks. We carefully and continuously assess the areas in which we allow for some risk. This is limited to a number of strategic areas, and only where there is an appropriate balance between risk and reward.

The implemented risk management framework is the foundation for identifying and mitigating corporate business risks and has been developed to provide reasonable assurance that the risks we face are properly evaluated and addressed. It assures that management is provided with the information it needs to make informed and timely decisions. While the framework is designed to manage risks it cannot prevent human error, fraud or infringements of laws and regulations with absolute certainty. Lucas Bols' risk management practices are not static: the way we manage risks is constantly monitored and adapted to reflect changes in internal and external circumstances if and when necessary.

Risk supervision
Supervising risks and monitoring the risk management function is the responsibility of the Supervisory Board and the Management Board. Risk management is a topic that is frequently discussed in Supervisory Board meetings.

Risk management
The Lucas Bols Company enforces minimum control standards and has three lines of defence in place to manage risks. The Company's people (mainly management who are frequently briefed on their risk-related roles and responsibilities) play a crucial role in the first line of defence comprising day-to-day risk management and the operating effectiveness of controls. Central monitoring by key people in the organisation is the second line of defence.

All critical business processes are covered, including but not limited to finance (including tax, treasury and legal), brands, commerce, supply chain, IT, HR and, increasingly, ESG-related matters. The Risk Management Committee forms the third line of defence. The committee is headed by the CFO who is complemented by the Director of Accounting, Reporting & Control and the Corporate Legal Counsel. The independent external auditor gains an understanding of internal controls relevant to the audit but does not express an opinion on the effectiveness of the Company's internal control environment.

Risk ownership
Our strong belief that risk ownership is part of everyday operations – across all departments and processes – is embedded in the risk management framework. Key in identifying, monitoring and addressing risks are the management information reports the Management Board receives on a weekly, monthly, quarterly, yearly and ad hoc basis. These reports are compiled by the respective directors and managers and provide an in-depth analysis of the performance of brands, markets and critical business processes as well as the relevant risks and opportunities. In addition, deep dives are performed to address specific topics. Controls are widely embedded in the Company's information systems.

We promote certain ways of working to ensure management information is relevant, accurate and complete. To do so, the input for reports is drawn from various sources (including our distributors, actual shipment information and publicly available market performance data) and is complemented by macro-economic data and information on relevant developments. The periodic evaluation of distributor performance is also considered a key source of input.

Lucas Bols' Brand Market Unit (BMU) set-up is essential to management reporting. Actual performance is reported on separately for each brand in each market (most often a specific country), resulting in a matrix of BMUs. Monthly monitoring is performed diligently and in a detailed manner, with brand and commercial management, finance and the Management Board involved. The reporting cycle includes responding to foreign currency effects arising from our worldwide business activities.

Our forecasting cycles – mid-term plans, annual budgeting and intermediate, continuous forecasting (latest estimates and the monthly opportunities & risk assessment) – also start at BMU level. The annual budget is the result of a diligent process. Our distributors provide forecasts based on their views on their respective market and brands. These are then critically reviewed and challenged by Lucas Bols' management and eventually agreed upon, including the amount and nature of marketing and promotional expenditure required to achieve the forecast performance levels.

Corporate culture and Code of Conduct
The Lucas Bols Company has a culture of clearly-defined responsibilities, open and honest communication and limited hierarchy, which supports the effectiveness of the group's risk management. Both our own communication and business practices and those of our partners across the globe are characterised by integrity and a focus on advocating responsible consumption. We keep track of all marketing and promotional activities of our brands, including those of our distribution and other partners. This includes social media activities undertaken by the Company.

To promote and maintain these high standards the Management Board designed and implemented a Code of Conduct. This code describes how all Lucas Bols employees should behave and do business in various circumstances and situations, and how inappropriate behaviour can be reported (including to the Company's external confidential counsellor) and/or addressed otherwise. The code is published on the corporate website and is updated and communicated to all employees on a regular basis. No breaches of the Code of Conduct were reported in the 23/24 financial year.

The Lucas Bols Company also has a Speak-up Policy in place to ensure that any violation of existing policies and procedures can be reported freely and without adverse consequences for the person making such an allegation. The Speak-up Policy can be found on the corporate website. No incidents were reported in 23/24.

Brand protection, product development and quality control
One of the most important assets we have is our portfolio of brands. To protect the value of the brand portfolio the Lucas Bols Company registers its brands and trademarks across the globe. Potential infringements are constantly monitored and appropriate action (legal or otherwise) is taken if and when necessary. The central marketing communication plans regarding our brands are carefully prepared and reviewed to protect brand value and the Company's strong reputation, and distribution partners are educated and required to operate within the guidelines of these plans.

The value of our portfolio of brands is also protected and grown through product development and quality control. Bringing excellent and innovative products to market at a consistent, high level of quality is at the core of what we do. Our innovation, R&D and quality teams (with an important role for the Master Distiller) develop and innovate our products, create our recipes and carefully decide what ingredients and suppliers to use. Recipes and production methods are only handed over to our bottling partners once they have been finalised and thoroughly tested. The bottling partners then blend and bottle our products as stipulated.

We place high standards on the quality assurance procedures of our partners and ensure these are subject to constant screening. Product samples from bottling locations around the world are routinely tested to ensure consistent compliance with our recipes and high quality standards. In the 23/24 financial year specific quality checks were performed at Phillips Distilling, our new production partner in the US. Before starting the production of any of our products we jointly tested the raw materials used, recipes applied, bottling lines dedicated to our products and warehousing and logistics procedures in place. We concluded that our high quality standards were applied successfully throughout the purchasing, production and warehousing processes at Phillips Distilling.

23/24 focus areas and other developments in risk management and control systems
In the year under review we performed a detailed ESG-related risk assessment and continued the evaluation of our asset-light business and operating model to ensure its effectiveness both now and going forward, also under the rapidly-changing internal and external circumstances.

ESG-related risk analysis and risks
In 22/23 the company accelerated its efforts in the field of environmental, social and governance (ESG) and was focused on designing an integrated ESG strategy and reporting on it in the 22/23 annual report. Although our strategy design evolves over time and we continuously assess its effectiveness using internal and external sources, our focus for 23/24 shifted from ESG strategy design to implementation. An important element of the implementation is a thorough analysis of ESG-related risks, including the identification of mitigating actions and controls to address these risks.

In the year under review a dedicated team under the direct supervision of the Management Board successfully performed a detailed risk analysis as part of the overall ESG Implementation Programme (refer to pages 71-79 for further information), both at the strategic and operational level. This risk assessment was approached as being part of the overall ESG governance framework. In addition to strategic and operational governance, our governance framework focuses on relevant matters such as reliable and compliant internal and external reporting.

At the strategic level we started with a detailed impacts, risks and opportunity (IRO) assessment, as is mandatory under the European Sustainability Reporting Standards (ESRS). The procedures performed included a short, medium and long-term risk assessment of the material ESG themes documented on pages 89-91.
In addition to this separate, in-depth initial assessment we have included ESG risk assessments in our overall continuous and periodic risk management framework as described on pages 87-99.

Our overall risk assessment as summarised in the diagram on page 88 also benefited from the more specific ESG-related risk analyses we undertook in 23/24. A number of principal risks in that diagram were expanded, for example risks relating to:

- Changes in consumer preferences: We have broadened the scope of this risk to also address the important development that consumers increasingly prefer companies and brands that 'do the right thing' when it comes to ESG. This is an important consideration for the evolution and execution of our ESG strategy as well as our brand and marketing plans;
- Quality and Supply chain continuity: This risk used to focus on quality only. We strongly believe, however, that there is a risk that both the quality and continuity of our supply chain could be impacted by ESG-related

factors. For example, with increasing droughts as a consequence of climate change, the harvest of key ingredients such as grain, sugar and various fruits could be at risk;
- Human capital: Increasingly relevant to attracting, motivating, developing and retaining human capital are a company's vision, strategy and initiatives on ESG. We now recognise this and continuously evaluate whether our efforts in this regard are effective; and
- Non-compliance: This risk now also explicitly includes the need to comply with (anticipated) laws and regulations in relation to ESG reporting and other forms of ESG compliance, for example regarding packaging.

Further details on the impact of such ESG-related risks on our existing risk assessment is elaborated on later in this section. It should be noted that the separate ESG risk in the diagram was already included in 22/23 and mainly concerns transitional risks related to setting up ESG governance and implementing the ESG strategy into our day-to-day business and management.

At the operational level we designed an operational governance framework in the year under review. The key objective of this framework is to effectively manage and monitor ESG-related risks, to facilitate efficient, reliable and auditable data collection and to ensure compliance. It focuses on matters such as the cycle of data collection, storage, control and integration, KPI calculation and data analysis, and reporting. Other underlying factors we identified in this cycle include data management, technology, risk and control, people and change management, and assurance readiness. These factors are currently being addressed, a process that has not yet been completed given the complexity of this project. Overall we are on track to enable reliable internal and compliant external reporting from 25/26 onwards.

Asset-light business and operating model
The asset-light business and operating model was raised as a focus area for 23/24 to assess the ongoing fit of the current model and other considerations in response to significant changes in external factors (including macroeconomic and geopolitical circumstances, technology, societal factors, stakeholders) and internal factors (including the Company's operating model and operations). Important steps were taken to determine the various dimensions of the asset-light business and operating model for which the evaluation is to be carried out.

The overall conclusion for the Lucas Bols Company was that the model should be interpreted broadly, including but not limited to the following dimensions:
- Route-to-market set-up;
- Supply chain set-up (including production);
- Organisational and people set-up (very lean/limited number of people employed, mainly the back office, with a thin line between in-house and outsourced responsibilities, knowledge and expertise and a high dependence on third-party service providers); and
- Working capital, capex and long-term investments.

Based on more in-depth initial assessments a number of improvements were already made in the year under review. We have, for example, strengthened our supply chain team in the US and are now considering changing our route-to-market in specific markets in the medium term to decrease our dependency and have more direct interaction with the respective markets. We are also re-evaluating our ways of working with certain back-office third-party service providers, for example in regard to IT.

In light of the successful public offer by Nolet the Supervisory Board and Management Board agreed to continue their deep dive on this topic into 24/25.

Focus in 24/25
Our focus area for the 24/25 financial year is a continued evaluation of the asset-light business and operating model, including our distribution platform in the US.

The Company's asset-light business and operating model is unique and at the core of our corporate strategy. As indicated above, a thorough evaluation of the ongoing effectiveness of the model started in 23/24 and will continue in 24/25, also in light of the successful public offer by Nolet.

Key risk factors

A bottom-up and top-down approach is integrated in the Company's overall management reporting. This allows business and other risks as well as mitigating actions to be reported on formally, both on an ad-hoc and quarterly basis. The reporting is then consolidated into the Quarterly Risk Report which serves as a basis for the quarterly Risk Management Committee meeting.

This part of the risk management and control section of the annual report summarises the key risk topics and overall developments discussed in the Risk Management Committee and other meetings. Insofar as such developments and/or other factors significantly impact the way we assess the principal risks plotted in the diagram on page 88, an analysis is included for the respective principal risk in this part too. All principal risks identified are discussed in more detail in the key risk overview table on pages 94-99.

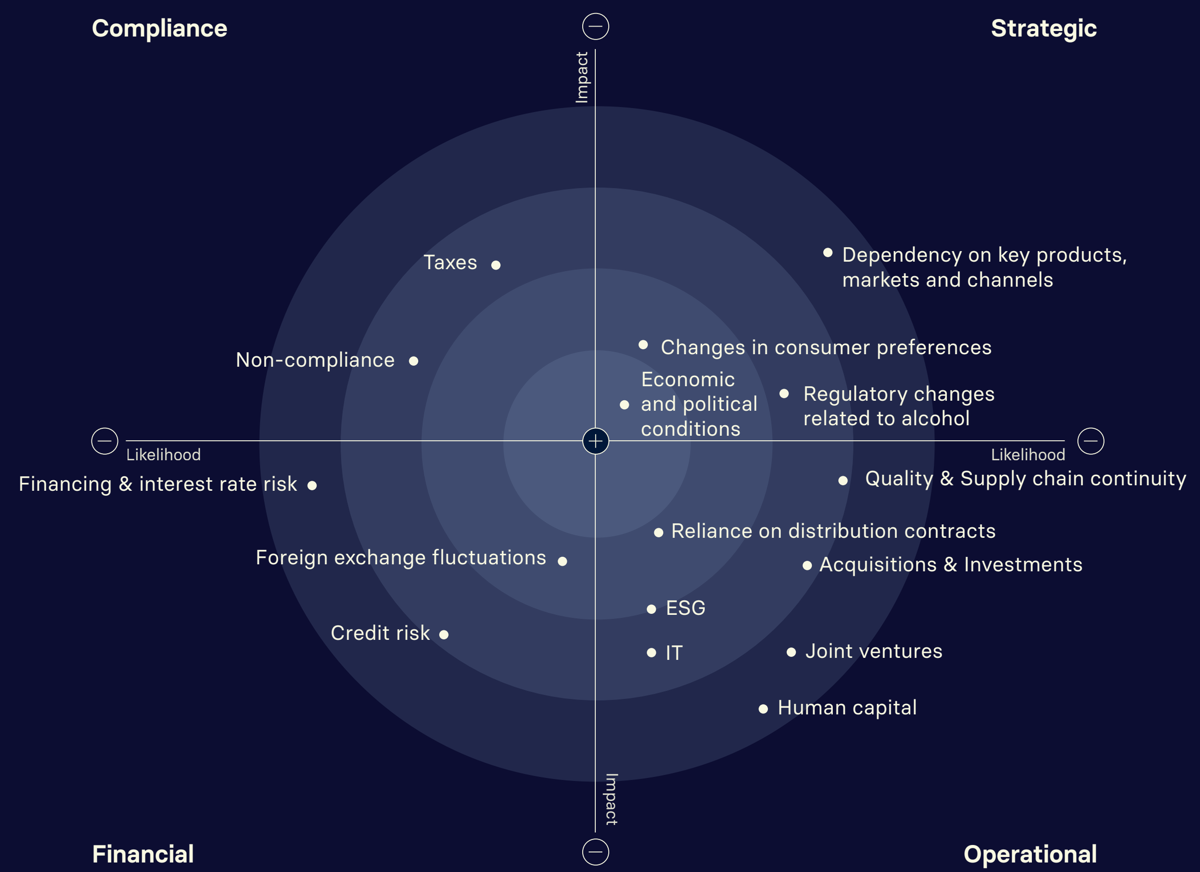
23/24 key risk topics and developments
Geopolitical and macroeconomic circumstances
The unprecedented geopolitical and macroeconomic turmoil of the past four years has adversely impacted people, societies and companies worldwide. This turmoil started with the outbreak of COVID-19 in early 2020 and intensified when the war in Ukraine broke out in February 2022. More recently, the fragile situation in the Middle East has added to uncertainty and concerns.

The immediate effect of the pandemic was a substantial drop in revenue as on-trade venues were required to shut down operations, with sales also impacted by an abrupt halt to travel and tourism. Although the rise in in-home consumption partly offset this, the financial impact on the Company was material as more than half of our business was on-trade driven at the time. Many markets experienced a sales peak as soon as the COVID-19 measures in regard to the on-trade and travel were (temporarily) lifted. This positively impacted our revenue in 2022, mainly in the US and Western and Southern European markets, leading to high comparable figures for the 22/23 and/or 23/24 financial year. Some of the trends that accelerated during the pandemic are persisting, which is why we have incorporated concepts such as our Ready-to-Enjoy cocktails and other forms of in-home cocktail consumption into our permanent business offering. All in all we brought on-trade sales back to pre-pandemic levels in our key markets by the end of 23/24, with the exception of Japan where strong progress is being made but further recovery is expected in 24/25.

A second impact experienced throughout the world relates to global shipping. Containers were very hard to get, shipping was unreliable and container rates went up dramatically. Although availability and reliability started to improve in 21/22, container rate inflation accelerated in 22/23, eventually leading to container rates on our key shipping lines being three times higher than pre-pandemic. In the year under review we benefited from a rapid decline in (and subsequent stabilisation of) container rates, returning to pre-pandemic levels. Another risk that started to materialise in the last quarter of 23/24 and is expected to continue to adversely impact 24/25 profit is the current situation in the Red Sea. Eastward bound shipping costs increased instantly and lead times have become much longer now that detours are being taken in response to the unrest in the Red Sea.

Thirdly, prices of raw materials that had already increased to high levels during the pandemic continued to grow exponentially in 22/23, often driven by shortages. The combined impact of price increases on alcohol (which is made from grain), glass (heavily dependent on the volatile energy prices), sugar, aluminium and paper, amongst other ingredients and components, drove our total costs of goods up by a double-digit percentage. Because some raw materials were hedged for certain periods and we started the year with inventory at a relatively low cost of goods, global input cost inflation impacted the second half of the year much more than the first. Several rounds of price increases were agreed with our customers to compensate for some, but not all, of the gross margin lost. As pricing for glass remained very high in the first half of 23/24 and input cost inflation on sugar was also substantial this past year, the Company's margins and profit continued to suffer from the inflationary environment. In the second half of 23/24 the price of glass decreased somewhat in response to drops in energy prices, and the price of grains and alcohol developed favourably, stabilising towards the end of the financial year.

A fourth challenge the industry had to deal with was the availability of raw materials. In 22/23 global and industry-wide shortages (mainly glass) resulted in temporary out-of-stock situations (predominantly with regard to Bols Liqueurs in the US and Passoã in Europe) and consequently in lost sales and in some instances a loss of listings. In response to the combination of input cost inflation and longer, more uncertain production and logistic lead times the Company geared up working capital investments which is reflected in the current



This diagram illustrates the principal risks grouped by category – the closer to the nucleus the higher the likelihood and the impact.

level of working capital. The availability of raw materials improved notably in 23/24, which helped us restore our business in the US.

The fifth factor was the adverse impact that geopolitical and macroeconomic circumstances (most notably energy prices and high levels of overall inflation) started to have on consumer behaviour in 22/23, the impact of which intensified in 23/24. Purchasing power and consumer confidence dropped, which inevitably also led to lower demand for some of our brands. In retail we have been experiencing the adverse impact of downtrading and smaller basket sizes, most notably in Western Europe, Scandinavia and the Pacific. Our key focus here is to not lose market share. In the on-trade our business as well as that of our competitors is suffering from a drop in guest visits and spend, hurting our business in Southern Europe and the US, among other regions. In general, we continuously run various downside scenarios to model and anticipate any such potential effects and identify mitigating actions that could be undertaken to minimise the impact on the Company's performance and financial position. Management is of the view that the Company's performance, positioning, financial health and suite of identified mitigating actions are sufficient to navigate these downside scenarios.

Lastly, after interest rates including EURIBOR floated around the 0% mark for a decade, they faced an abrupt increase to around the 4% mark in the past year and a half. This increase not only resulted in higher financing costs but also led to customers reducing their inventory levels materially. This de-stocking often followed a period of stocking (when the availability of raw materials and finished goods was an issue), impacting our year-on-year revenue development from two sides.

Other supply chain developments

In 23/24 the Company successfully executed a major change in the US with the sourcing, production and warehousing of Bols Liqueurs as well as the warehousing of imported products transitioning from Brown Forman to our new long-term partner Phillips Distilling. The transition was complex, including testing over 100 recipes, setting up and testing moulds and bottling lines, transitioning sourcing partners and routes, changing warehousing and pick-up locations and implementing various IT, system and compliance integrations. Given the complexity of the overall transition, senior management (including the CFO) was actively involved throughout the process and regular on-site visits were undertaken, supported by a dedicated Phillips Distilling transition project manager. The partnership with Phillips Distilling offers many opportunities, including the ability to run smaller batch sizes and efficiently expand production when needed.

In the second half of 22/23 the Company sold its 50% share in Avandis to Refresco. The transition of ownership had a limited impact on day-to-day operations only and did not cause any disruption. As 23/24 progressed, slowly but surely the benefits of new ownership were reaped, including flexibility in production planning and leveraging Refresco's purchasing power.

Further supported by our ESG risk assessment we will continue to leverage the contingency sourcing and production plans we invested in in 21/22 and expanded on in 22/23. These already proved beneficial in the past and are key to addressing potential risks associated with supply chain continuity and quality consistency in view of climate change. Natural disasters caused by climate change such as flooding, drought, cyclones and bushfires could lead to prolonged periods of business interruption as terroirs, production facilities or means of transport could be impacted. The contingency sourcing and production plans provide a means to address these risks and we will continue to align them to the changing circumstances.

ESG

The Lucas Bols Company's focus on ESG is becoming more apparent every day. Last year we developed and reported on a more integrated and comprehensive ESG strategy and prepared an action plan to expand the risk management and governance framework. This year we made significant progress with the actual implementation of our ESG strategy. An important element of this, undertaken as part of the design of an overall governance set-up, was a detailed review of ESG-related risks. This ESG risk assessment fitted well into the overall IRO assessment performed in accordance with ESRS 2 and underpins the double materiality matrix described on page 80.

In line with our 22/23 annual report, a distinction can be made between ESG transitional risks and risks associated with the impact of ESG-related matters on business continuity and performance.

ESG transitional risks

Our ESG strategy is currently in the implementation phase. In view of our asset-light business model, the implementation is complex and inevitably leads to transitional risks. We expect these risks mainly in the embedding of our ESG strategy in day-to-day management and business processes and in setting up adequate governance (including compliance), data availability and reporting.

Embedding the ESG strategy in day-to-day management and business processes

For the Company to realise its ESG ambitions, management recognises that the Company is strongly dependent on its employees to drive change and achieve objectives, as well as third parties. Third-party dependency is most relevant when it comes to CO_2 reduction, enhancing packaging and enforcing our Key Sourcing Partner Principles. These topics directly relate to our material ESG themes of emissions, sourcing, packaging and business ethics. The way we have set up our ESG Implementation Programme has proven a successful driver of the ESG agenda thus far. Most employees are actively involved in one or more projects, and progress is reported within the Company frequently, for example through inspiring workshops, challenges and information sessions. We also organise regular updates on both internal and external stakeholder views to safeguard ongoing alignment and involve our teams as well as third-party experts in these discussions. We have nevertheless identified a risk further in the transitional phase of coming across third parties that are not as advanced or aligned in their respective ESG journey, or that are not willing to participate to the extent needed for other reasons. We continue to align our objectives with internal and external stakeholders to identify and address any such obstacles as early and effectively as possible.

Governance

From the start we recognised the need to address the Corporate Sustainability Reporting Directive (CSRD) requirements in a timely manner. Therefore, we explicitly addressed CSRD and other (reporting) requirements when we started a company-wide project to develop a more integrated and comprehensive ESG strategy in 22/23. Sustainability reporting is mandatory for the Lucas Bols Company from the 25/26 financial year onwards.

Our focus on these requirements is underpinned by a fourth, separate subprogramme we set up in our overall ESG Implementation Programme: ESG governance. The key objective of this subprogramme is to implement appropriate strategic and operational governance and to ensure timely and reliable internal and compliant external reporting. Moreover, a separate ESG Governance Manager was hired to head this subprogramme.

A pivotal element of operational governance is data availability. To report on progress towards the realisation of our ESG targets and enable future CSRD-compliant reporting on material themes it is crucial that relevant data is collected in a timely and reliable manner. The Lucas Bols Company recognises that its high dependency on third parties for the collection of data on key ESG topics (emissions, for example) is a significant risk, and we are aware that third parties may be hesitant to share information or may be willing to do so but are unable to in a timely manner and/or unable to ensure the reliability of such information. To address this risk we are actively working with key third parties to align objectives and set preliminary expectations with them. To date, our ability to leverage often long-term partnerships appears beneficial. We consider these to be important first steps in working towards reliable data collection processes that are essential to reliable, auditable and meaningful reporting in the near future.

Risks associated with the impact of ESG-related matters on business continuity and performance
The initial outcome of our ESG-related risk assessment resulted in the identification of several relevant risks. In most instances, however, these risks are not new or additional risks, but instead provide new or additional dimensions to the existing principal risks plotted in the risk diagram on page 88. In our view this is a testament to the level of integration of our ESG strategy into our overall strategy.

New or additional dimensions were most notably identified for the following risks:
- Changes in consumer preferences (material themes: emissions and responsible consumption);
- Quality and supply chain continuity (material themes: emissions, packaging and sourcing);
- Human capital (material themes: diversity and employee well-being); and
- Non-compliance (material themes: all).

The impact of the ESG-related risk assessment as well as other developments and factors on principal risks is discussed below.

Impact on principal risks
Dependency on key products, markets and channels
Fuelled by the pandemic and other subsequent developments the Company implemented strategic initiatives to reduce its reliance on (and exposure to) key products, markets and channels. These initiatives included an active shift towards direct consumer engagement and sales, leveraging the growing trend of in-home cocktail consumption.

To further grow and diversify the Company already added Pallini Limoncello (distribution partnership in the US) and Tequila Partida (acquisition) to its portfolio, both of which were successfully launched and have been growing since. In 23/24 management further reduced the Company's exposure to (and dependency on) key products, markets and channels by increasing its footprint in the no- and lower-alcohol segment. Demand for no- and lower-alcohol and low-calorie drinks continues to grow, a development at the core of our ESG strategy. The Lucas Bols Company responded actively to this trend by expanding its brand portfolio with the non-alcoholic spirits brand Fluère (effective January 2023) and by being a leader when it comes to aspiring and enabling no-alcohol, lower-alcohol and full-strength cocktail options in both the on-trade and retail. The Company also increased its focus on Damrak Virgin 0.0 which, together with Fluère (and Pallini Limonzero in the US), is pivotal to our ESG ambition to offer a no- and lower-alcohol cocktail alternative in 25 markets by 2025.

Changes in consumer preferences
The aforementioned expansion and leader role in the no- and lower-alcohol segment also addresses a growing shift in consumer preferences for such drinks. We are also seeing an accelerating trend of consumers preferring brands and products that pay explicit attention to other ESG-related matters such as packaging, emissions and sourcing. We address this throughout our integrated ESG strategy and have, for example, made strong progress on reducing the amount of glass used in our bottles.

Another development discussed above is downtrading, driven by a drop in purchasing power and consumer confidence in various markets. We offer value-for-money alternatives in certain spirits segments and continuously monitor price competitiveness but have increased both the likelihood and impact of this risk slightly.

Quality and supply chain continuity
In previous annual reports this risk focused solely on the topic of quality. As a result of the ESG-related risk assessment undertaken this year, we added the supply chain continuity dimension to this risk to reflect that ESG-related factors, mainly climate change, may have a material impact. For example, with increasing droughts as a consequence of climate change the harvest of key ingredients such as grain, sugar and various fruits could be at risk. More generally, climate change-induced natural disasters such as flooding, drought, cyclones and bushfires could lead to prolonged periods of business interruption as terroirs, production facilities or means of transport could be impacted.

Reliance on distribution contracts
In the year under review we identified an increased likelihood of this risk. There is a tendency for third-party distributors that also distribute their own brands to stop distributing other brands. In a number of key markets this resulted in the termination of a long-term partnership and hence the need to transition to a new distribution set up. We have since been able to find an appropriate alternative route to market, but we expect this tendency to continue.

To reduce this dependency we already took action in 21/22 by setting up Maxxium BeLux, a 50/50 joint venture between the Lucas Bols Company and Edrington responsible for distributing both partners' brand portfolios in Belgium and Luxembourg. Through Maxxium the Netherlands, Maxxium BeLux and our wholly owned distribution platform in the US (Lucas Bols USA, Inc.) the Company controls the distribution of almost 40% of its global sales.

To further decrease reliance on third-party distributor contracts and to better leverage the full potential of the distribution market we are also in the process of changing our set up in China. In 24/25 we will work directly with a well-known, strategically selected wholesaler with significant presence and experience in China's largest cities. A local brand ambassador team will be set up to further drive in-market growth and provide market feedback to the Lucas Bols Company.

Acquisitions and investments
We have reduced the likelihood of this risk now that the acquisition and integration of Fluère has been successfully completed. The June 2023 acquisition of Nuvo does not affect this risk because the brand, operations and reporting were already integrated when the partnership started five years ago.

Human capital
Human capital is of great importance to the Lucas Bols Company. In keeping with our asset-light business model only a relatively small number of people are employed, which is why each of them plays a key role in making the operating model work effectively. The Management Board is actively involved in attracting, recruiting, motivating, retaining and developing the Company's people and takes a thorough tone-at-the-top stand on human capital.

Various 'soft tools' are deployed to achieve the Company's human capital objectives, many of which are embedded in our ESG strategy. For example, a detailed project was rolled out to stimulate well-being and development. Group and individual training and development programmes were invested in in 23/24, and well-being initiatives such as weekly bootcamp sessions and frequent team runs are in place. Summer and Christmas functions, brand events and team gatherings focused on the individual, teamwork and social aspects also contribute to our people goals. We are in the process of further personalising training, development and well-being opportunities.

Management also recognises the increasing importance for people to feel part of a company that contributes to environmental improvements, society and local communities. Having an inspiring ESG strategy in place is already proven to be effective, as is our ESG Implementation Programme that actively involves almost all people throughout the global organisation. The growing number of volunteering opportunities promoted by the Lucas Bols Company is very well received by the teams.

In addition, we have an increasingly clear focus on diversity and inclusiveness and the importance thereof for attracting and retaining talent. Our ESG strategy, including the evident steps and ambitions in regard to diversity and inclusiveness as discussed on page 75, functions as a need-to-have.

Existing initiatives complemented by the ESG plans described above ensure the Company effectively works to minimise the impact and likelihood of human capital risk, thus maintaining the Company's strong track record in attracting, recruiting, motivating, retaining and developing knowledgeable, experienced and driven employees.

Financing and Interest rate risk
The Company's facility agreements with the consortium of banks include a so-called change of control clause which was triggered when the public offer by Nolet was declared unconditional and settled in February 2024. Consequently, the terms and conditions of the facility agreements were to be renegotiated. Leveraging the Company's longstanding, strong and constructive relationship with the consortium of banks as well as the strong leverage improvement from 19/20 to 23/24 (driven by a wide variety of cost, cash and working capital measures and an equity raise in December 2021) the lenders approved the change of control without any changes to the terms and conditions.

The reduced levels of debt, improved leverage ratio and extension of the senior facility agreement reduce our exposure to interest rate risks. That being said, general interest rates such as EURIBOR have increased significantly over the past year and a half. A minor downward trend was noted in the last quarter of 23/24 which is expected to positively impact financing costs in the near future. Moroever the Company will use the proceeds from the € 20.0 million equity issue in March 2024 to further strengthen its balance sheet by further reducing leverage.

Excluding the € 20.0 million equity issue the Company's net debt position did not change materially in 23/24. Although profits were generated and normalised free operating cash flow improved significantly year-on-year, significant cash outflows resulted from the Nuvo acquisition, the final 22/23 dividend payment, higher interest payments due to EURIBOR increases and an ongoing high level of working capital, mainly reflecting inventory buffers. Considering the € 20.0 million equity raise in March 2024, however, net debt reduced further during the year, from € 59.6 million to € 45.8 million.

Non-compliance
This risk now also explicitly includes the need to comply with existing or anticipated laws and regulations with respect to ESG reporting and other forms of ESG compliance, for example regarding packaging.

Impact and likelihood of risks in 23/24
The likelihood and impact of the principal risks we identify, adjusted for the 23/24 impacts discussed above, are illustrated in the risk diagram on page 88. For the sensitivity analyses performed with regard to certain risks, please refer to note 26 to the consolidated financial statements.

Key risk overview
The key risks as perceived by the Management Board are outlined in the following table, along with an overview of how these risks are primarily mitigated. The order in which the risks are presented is in no way a reflection of their importance, likelihood or materiality. The actual occurrence of any of the following risks could have a material adverse effect on the Company's business, prospects, financial state or results of operations. The overview also lists the risk appetite of the Lucas Bols Company for each of the main risk categories.

Although the Management Board deems these risks to be the most material, they cannot be considered the only potential risks facing the Lucas Bols Company. All risks are contingencies which may or may not occur and impact the Lucas Bols Company. Additional risks and uncertainties which are not presently known to management, or which are currently deemed immaterial, may also have a material adverse impact on the Lucas Bols Company.

Strategic
Risk appetite – moderate

Strategic risks for the Lucas Bols Company are primarily related to the risk that investments in markets (mainly through advertising & promotion and working capital) will ultimately not result in adequate returns. The Lucas Bols Company has a moderate appetite for strategic risk: we allow some risk in this area, but there must be an appropriate balance between anticipated risk and reward.

Risk	Mitigation
Regulatory changes related to alcohol Alcohol is under increased scrutiny in a number of markets around the world with some countries having a more negative regulatory approach towards it. The Company is subject to extensive regulations regarding advertising, promotions and access to its products. These regulations or any changes therein could limit our business activities, increase costs and decrease demand for our products.	The Lucas Bols Company supports a responsible approach to alcohol and considers this a core element of its strategy to grow a sustainable, long-term business. We advocate responsible consumption, encourage socially responsible hosting as part of our sustainability strategy and have introduced various no- or lower-alcohol products. Moreover, by acquiring Fluère we added premium no- and lower-alcohol alternatives to our portfolio and are now at the front foot of actively promoting no- and lower-alcohol options in the on-trade and retail alike. In our home country of the Netherlands the Lucas Bols Company is actively involved in various relevant industry bodies including STIVA, the foundation that actively promotes and controls responsible marketing and consumption of alcoholic products.
Economic and political conditions Lucas Bols' global business is inherently subject to commercial, political and financial risks. The Company also operates in emerging markets, where such risks (including economic and regulatory risks) are even more present. Geopolitical issues and trade and import restrictions may also have negative consequences for our business. Lucas Bols' results are dependent on general economic conditions and are therefore exposed to the risk of economic decline, both globally and in the markets in which we operate.	The Lucas Bols Company aims to diversify its activities in terms of product categories and geographies. The Lucas Bols Company sells over 30 brands in more than 110 countries. In addition, Lucas Bols' financial performance is sound with strong operating margins and cash generation and a healthy balance sheet, each of which can act as a cushion in the event of economic downturn.
Dependency on key products, markets and channels A few key products and markets provide a significant portion of the Company's revenue and net contribution. Lucas Bols' performance is highly reliant on the on-trade channel. Specific and/or local factors and developments can directly affect the performance of these key products, markets and channels, and potentially have a material adverse impact on the Company's business, results of operations, financial state and prospects.	The Lucas Bols Company diversifies its business across product offerings, markets and channels. We are specifically increasing our presence in the off-trade channel, for example by focusing more on retail and direct-to-consumer channels such as online sales, and in the no- and lower-alcohol segment.
Changes in consumer preferences Demand for the Company's spirits products can be significantly adversely impacted by changes in customer and consumer preferences. These preferences can also be impacted by consumers becoming more aware of the ecological footprint of Lucas Bols' products or health risks associated with alcohol.	Lucas Bols' close ties both with its distributors and the bartending community mean that the Company is proactively alerted to changes in consumer preferences at an early stage. The innovative and entrepreneurial spirit of the Company enables it to respond swiftly to any such changes with new flavours and product offerings. Moreover, the Company advocates a mindful lifestyle and educates on responsible hosting as part of its integrated ESG strategy, supported for example by a KPI on offering no- and lower-alcohol alternatives throughout its core markets and by providing no- and lower-alcohol cocktail recipes on all cocktail brand websites.

Operational
Risk appetite – low

Our appetite for operational risks is low: we allow little to no risk as the continuity and quality of our operations and products is paramount and cannot be jeopardised in any way.

Risk	Mitigation
Quality & Supply chain continuity Inconsistent quality or contamination of the Company's products or similar products in the same categories as Lucas Bols' products can harm the integrity of, or customer support for, the Lucas Bols brands and adversely affect the sales of those brands. Availability, quality and continuity of resources can be affected by climate change-induced natural disasters, including but not limited to flooding, drought, cyclones and bushfires. This could lead to prolonged periods of business interruption. Continuity could also be impacted by work interruptions (e.g. workers demanding better working conditions).	The recipes in which the ingredients and procedures are defined are fully controlled and protected by the Lucas Bols Company. The Company only partners with certified bottlers and suppliers, and the same generally applies to our joint-venture partners. The Company samples and tests all its products thoroughly, and sound quality control policies, procedures and processes (both preventative and detective) are in place and subject to constant monitoring. This includes audits at co-packers. To ensure supply chain continuity the Company has several contingency plans and contracts in place, both for the production and sourcing of raw materials. These plans and contracts are aligned with ever-changing business circumstances. The Company also works together closely with its key sourcing partners and others to ensure its key principles are adhered to. These principles are currently being formalised as part of the wider ESG Implementation Programme.

Risk	Mitigation
Joint ventures The financial performance of joint ventures (over which the Lucas Bols Company does not have full control) can affect the financial performance of the Lucas Bols Company, either directly or indirectly.	The Company is used to managing and monitoring joint ventures and other partnerships. These collaborations are closely monitored and governed, for example through direct board involvement (focusing on achieving long-term objectives) and involvement in day-to-day operations if needed.
Reliance on distribution agreements The Lucas Bols Company is reliant on the performance of its distribution partners. Lucas Bols' operations can be adversely affected by the poor performance of its distributors or by its own inability to enter into or maintain distribution agreements on favourable terms or at all.	The Company applies very strict criteria for selecting distribution partners and management frequently evaluates the overall set-up of the route to market. Each individual distributor and agreement is subject to frequent evaluation (at least annually) by the commercial and finance teams. If improvement areas are identified action is taken within the contractual terms agreed.
Environmental, Social & Governance The Company's ESG strategy is currently in the implementation phase. In view of the asset-light business model, any such complex implementation inevitably leads to transitional risks. These risks are mainly expected whilst embedding the ESG strategy in day-to-day management and business processes and whilst setting up adequate governance, including compliance, data availability and reporting. At both times the transitional risk for the Company is highly dependent on third parties and employee engagement. The risk associated with high third-party dependency in regard to the availability of relevant data and cooperation towards achieving the objectives identified is that the Company cannot measure (and/or report on) ESG performance in a timely and/or reliable manner. This could eventually result in the Company being unable to meet ever-increasing stakeholder expectations and/or successfully execute its ESG strategy.	To mitigate this risk, management actively involves (and partners up with) key third parties and employees in the design and implementation phases of the Lucas Bols Company ESG strategy. This includes setting preliminary expectations, for example by aligning goals and actively addressing expected data requirements, and incorporating these in contracts and other agreements. With the ESG strategy now being embedded in day-to-day business practice the Company is able to closely monitor progress on data collection in order to identify and address potential risks as soon as they arise. The Lucas Bols Company also continues to closely monitor regulatory and societal developments. Regulatory frameworks are reviewed and discussed to identify and respond to emerging regulations. Moreover, most material themes are incorporated in the Company's ESG strategy and (emerging) regulations are embedded in the internal governance framework. Furthermore, stakeholder interviews and benchmark analyses are performed constantly to effectively capture views within society in a timely manner.

Risk	Mitigation
Acquisitions & Investments Acquisitions or investments in joint ventures and associates that the Company engages in might not deliver the expected returns. This could include ESG-related investments.	Potential acquisitions and investments are aligned with our strategy. Decisions to acquire or invest are based on thorough processes, and expert external support is obtained where necessary. The brands that we invest in are integrated in our management information and reporting systems. Lucas Bols' management and employees are also involved in acquisitions and investments, for example by virtue of Board positions or monthly business review meetings. Potential acquisitions and investments are also challenged to see whether or not they support the Company's ESG strategy.
Human capital The Lucas Bols Company operates an asset-light business model and consequently employs a relatively small number of people. The Company's success depends on attracting and recruiting highly-skilled individuals and retaining key personnel. This risk, but also opportunity, is considered to become more prominent now that employees are expressing an increasing preference to work for a company that pays attention to employee well-being and development as well as diversity and inclusiveness while contributing to environmental improvements, society at large and local communities.	The Lucas Bols Company has a strong track record in attracting, recruiting, motivating and retaining knowledgeable, experienced and driven employees. The Company's reputation and market position, strategic partnerships and thriving entrepreneurial and international corporate culture are key success factors in this regard. The Company's inspiring ESG strategy as well as the ESG Implementation Programme that actively involves almost everyone throughout the global organisation are additional mitigating factors, as are the growing number of volunteering opportunities promoted.
IT IT security threats, the level of sophistication in digital crime and other cybersecurity risks continue to increase globally, posing a risk to the protection, confidentiality, availability and integrity of data and information. Such risks can affect any Company process, including the order-to-cash cycle.	We invest in hardware, software and people to mitigate the risk of cyberattacks. This enables us to continuously update our defence mechanisms to be effective in a rapidly changing environment. Furthermore, the internal controls we operate are focused on IT and data, including general IT controls and IT application controls (for example regarding outgoing payments).

Financial
Risk appetite – low

We take a prudent stance on financial risk, hedging part of our exposure in order to reduce and limit our risk.

Risk	Mitigation
Foreign exchange rate fluctuations Foreign exchange rate fluctuations can have a material impact on the Company's business, its financial position and the results of operations.	Each year the Company seeks to mitigate the short-term impact of fluctuations in foreign exchange rates on its cash flow and earnings by entering into hedging agreements. It is our practice to enter into hedging agreements for approximately 60% to 80% of our total foreign exchange rate exposure at the start of each financial year. Foreign exchange rate risks are generally hedged through the application of standard forward contracts.
Financing & Interest rate risk There is a risk that the Company will encounter difficulties meeting the commitments associated with its financing facilities. This can result in liquidity risks and/or not being able to settle financial liabilities by paying in cash or by settling by means of other financial assets. Moreover, changes in interest rates affect the Company's results and cash flow.	The Company's approach to managing liquidity through its treasury process is aimed at ensuring, to the maximum extent possible, that it will meet its financing facility obligations and have sufficient liquidity to settle its financial liabilities when they are due, without incurring unacceptable losses or damaging the Company's reputation. Management invests a great deal of its time managing relationships with banks and other capital-market parties and stakeholders.
Credit risk Credit risk pertains to liquid assets, derivative instruments and bank balances. The Lucas Bols Company works with distributors globally, negotiating payment terms as part of the overall agreement. This exposes the Company to customer credit risks, including those relating to outstanding receivables and agreed transactions.	The Company operates a credit policy and monitors its exposure to credit risk on an ongoing basis. Furthermore, the Lucas Bols Company has a treasury policy in place and only engages with banks with high-credit ratings. Credit checks are performed when negotiations with distributors take place.

Compliance
Risk appetite – low

The Lucas Bols Company operates in a market that is strongly regulated worldwide. Compliance with laws and regulations is a fundamental condition for the production, distribution and marketing of our high-quality products. Accordingly, we allow only minimal risk in this area.

Risk	Mitigation
Non-compliance Lucas Bols' production and distribution as well as its business and the industry in general are subject to significant government regulations. Moreover, as a publicly-listed company the Lucas Bols Company is subject to additional laws and regulations. Failure to comply with relevant regulations (or any changes therein) can result in business disruptions, for example on the supply side, increased costs and potentially legal action. The risk of non-compliance explicitly includes laws and regulations related to ESG matters, including but not limited to emissions-reporting obligations, CSRD requirements and packaging-related legislation. The Company considers misconduct related to any aspect of the value chain that could impact the Company's reputation in such a way that it could impact profitability or investment opportunities to be a relevant consideration.	Lucas Bols closely monitors legal developments in every market in which it is active. Legal compliance is embedded in its risk and control systems. The Company also makes use of external legal counsel. Furthermore, the Lucas Bols Company is an agile organisation that can relatively easily adapt products, packaging, reporting and so on to remain compliant with all regulations. Management monitors legal compliance at head-office level and requires all employees to contribute by adhering to the Code of Conduct, which includes prevention of fraudulent transactions, reporting and corruption. The Key Sourcing Partner Principles are incorporated in the ESG Implementation Programme to address and mitigate potential misconduct in the value chain.
Taxes Increases in taxes, particularly excise tax rates, can have an adverse effect on demand for – and the financial contribution of – the Company's products.	Significant excise tax increases in a market tend to have a negative impact for a period of 12 months, after which the business often stabilises and recovers. The consequences of tax changes and resulting changes in buying behaviour are constantly monitored in close cooperation with our distributors. Our market positioning is adjusted if and when necessary.

In control statement

The Management Board is responsible for the design and operation of the internal risk management and control systems. Management has assessed whether the risk management and control systems provide reasonable assurance that the financial reporting does not contain any material misstatements. In accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code and with reference to the risk management and control section and the financial review on pages 67-69, the Management Board is of the opinion that, to the best of its knowledge:

- the report provides sufficient insights into any deficiencies in the effectiveness of the internal risk and control systems; no deficiencies in the effectiveness of the internal risk and control systems have been identified, as reported on pages 82-99;
- the internal risk management and control systems of the Company, as reported on pages 82-99, provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- there is a reasonable expectation that the Lucas Bols Company will be able to continue its operations and meet its liabilities for at least twelve months; therefore, it is appropriate to adopt the going-concern basis in preparing the financial reporting, as reported on page 68 under balance sheet and financial position and as referred to in notes 21 and 22 of the financial statements; and
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of Lucas Bols' operations in the coming twelve months, as reported on pages 82-99.

Management Board Statement

The Management Board of Lucas Bols N.V. declares that, to the best of its knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and result of the Lucas Bols Company and its subsidiaries, and that the report of the Management Board provides a true and fair view of the situation as at 31 March 2024 and of the state of affairs for the 23/24 financial year of the Lucas Bols Company and its subsidiaries, as well as a description of the principal risks and uncertainties the Lucas Bols Company faces.

Amsterdam, 15 May 2024

Management Board
Huub van Doorne and Frank Cocx

Corporate governance

The Lucas Bols Company acknowledges the importance of good governance and its vital role in ensuring integrity and maintaining open and transparent communications with stakeholders and other parties interested in the Lucas Bols Company. Our corporate governance is based on principles of integrity, transparency and clear and timely communication. The Management Board and the Supervisory Board are jointly responsible for the corporate governance structure at the Lucas Bols Company, thereby adhering to the Dutch Corporate Governance Code (hereinafter 'the Code') as available on the website of the Dutch Monitoring Commission (www.mccg.nl).

Corporate governance declaration
The Lucas Bols Company fully endorses the core principles of the Code and is committed to following the best practices of the Code to the furthest extent possible. However, considering our interests and the interests of our stakeholders, we deviate from a limited number of best practice provisions, which will be specified and explained later in this chapter under the paragraph 'Appointment and dismissal Management Board and Supervisory Board' (best practice provision 4.3.3) and the 'Diversity' paragraph (best practice provisions 2.1.5 and 2.1.6).

Finally, the Lucas Bols Company does not comply with best practice provision 2.1.7.iii of the Code because provision 2.1.8.vii of the Code applies to two members of the Supervisory Board, i.e. Mr. Visée and Mr. Teschmacher who are a representative and a board member of Nolet Holding B.V., respectively. Nolet Holding B.V. is an affiliate of HollandsGlorie B.V., which holds more than 10% of the shares in the Lucas Bols Company. This deviation of the Code follows the merger agreement entered into between the Lucas Bols Company and HollandsGlorie B.V. and represents the significant shareholding that HollandsGlorie B.V. holds in the capital of the Lucas Bols Company.

General
The Lucas Bols Company is a public limited company (NV) incorporated and based in the Netherlands and is therefore subject to Dutch legislation as well as its own Articles of Association, internal policies and procedures. The Lucas Bols Company is not subject to the Dutch large company regime. Reference is made to note 27 of the consolidated financial statements for an overview of the Company's subsidiaries. Responsibility for the management of the Lucas Bols Company lies with the Management Board, under supervision of the Supervisory Board.

Sustainable long-term value creation, culture and sustainability
Lucas Bols' strategy and culture are aimed at sustainable long-term value creation. To the Lucas Bols Company, sustainable long-term value creation is all about crafting sustainable cocktail history through building brands and leveraging our strategic platform in a sustainable manner. To create value, Lucas Bols constantly and consciously invests in its brands, through investments in A&P, product development, quality and long-term partnerships.

Strategic endeavours are undertaken considering the rapidly changing environment the Company operates in. This environment is impacted by macroeconomic and societal developments, including new technologies and changing business models. To ensure the creation of sustainable long-term value in accordance with our value creation model outlined on pages 48-49. Input is actively gathered from interactions with stakeholders and a continuous evaluation of risks, opportunities, and impacts on the environment and people, amongst other sources.

In the year under review, the Company continued its efforts towards achieving the targets set for each of the three strategic ESG pillars. These pillars focus on empowering employees, limiting the Company's impact on the planet and further investing in responsible consumption of the Lucas Bols Company products. The overall strategy reflects the Company's values and ambition to contribute to sustainable long-term value creation. In developing a more specific and detailed ESG vision the Company engaged with a diverse set of internal and external stakeholders. The perspectives gained contributed significantly to determining the actual or potential impact of the Company on the environment and society, taking into account the double-materiality concept.

Given the size of the company the Company did not draw up a formal policy for effective dialogue with stakeholders as included in Best Practice Provision 1.1.5. It is however mandated to become part of internal reporting on the evaluation, implementation and progress of the ESG strategy. The Company has formally identified relevant stakeholders, as also included on page 54. Stakeholder interactions are at the core of the continuous evaluation of the ESG strategy as further elaborated on in the chapter on ESG and the monitoring of the implementation thereof as elaborated on the chapter on the ESG strategy (page 70 through page 81).

A further elaboration on creating sustainable long-term value and the Company's achievements in the year under review can be found in the value creation model included in the Strategy chapter, the interview with the Management Board, the relevant chapter on ESG and the reports of the Management Board and the Supervisory Board.

Risk management and control framework
The Lucas Bols Company promotes a transparent, company-wide approach to risk management and control, enabling it to operate effectively. This approach is aimed at finding the right balance between maximising business opportunities and managing the risks involved.

The Management Board adopts a bottom-up approach which involves risk ownership further down the organisation. The risk management and control framework is outlined in more detail in the 'Risk management and control' paragraph starting on page 82 of this Annual Report.

Shares – voting rights
The authorised share capital of the Lucas Bols Company comprises a single class of registered shares. All issued shares are fully paid up and each share confers the right to cast a single vote at the General Meeting. At the end of the 23/24 financial year, the Lucas Bols Company held no shares in its own capital.

General meeting
Important matters that require the approval of the General Meeting include:
- adoption of the annual accounts;
- declaration of dividends;
- remuneration policy;
- discharge from liability of the members of the Management Board in respect of their management activities for the Lucas Bols Company;
- discharge from liability of the members of the Supervisory Board in respect of their supervision of the management of the Lucas Bols Company;
- appointment of the external auditor;
- appointment, suspension or dismissal of members of the Management Board and Supervisory Board;
- remuneration of the Supervisory Board;
- any Management Board resolution regarding a significant change in the identity or nature of the Lucas Bols Company or its enterprise;
- issuance of shares, whereby the Management Board is authorised, subject to prior approval by the Supervisory Board, to issue shares up to a maximum of 10% of the issued share capital as at the date of issue and an additional 10% as at that date in connection with or on occasion of mergers, acquisitions and strategic alliances and to restrict or exclude the pre-emptive rights in relation to any issuance referred to above. This authorisation is granted until 7 January 2025;
- acquisition and redemption of shares, whereby the Management Board is authorised, subject to the approval by the Supervisory Board, to acquire up to a maximum of 10% of the shares in the capital of the Company at a price not higher than 10% above the average closing price of the shares on Euronext Amsterdam over the five days preceding the date on which the purchase is made. This authorisation is granted until 7 January 2025; and
- adoption of amendments to the Articles of Association.

Further details can be found in the Articles of Association, which are published on the corporate website www.lucasbols.com.

This year the Annual General Meeting is scheduled to take place on 27 June 2024. Each shareholder may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to their shareholding, either in person or by proxy. Shareholders may exercise these rights provided they are holders of shares on the record date, which is twenty-eight days before the date of the General Meeting, and they or their proxy have notified the Lucas Bols Company of their intention to attend the General Meeting. Draft minutes of the meeting will be released within three months of the meeting and will be available for comments for three months thereafter. The final version of the minutes will be published on the corporate website.

In accordance with provision 4.2.3 of the Code, the Lucas Bols Company announces analyst meetings, presentations to (institutional) investors and press conferences in advance on the corporate website. The presentations are made available on the corporate website after the meetings. The analyst presentations are webcast.

Management board
Responsibilities
The Management Board is collectively responsible for the management of the Lucas Bols Company. This includes the day-to-day management and general affairs of the Company as well as formulating the sustainable long-term value creation strategy, execution and policies, as well as setting and achieving the corporate objectives. The Management Board is also responsible for identifying and managing the risks associated with Lucas Bols' activities, and for the financial performance and corporate social responsibility issues relevant to the business.

The Management Board consists of two members, each having duties related to their specific responsibilities and area of expertise. The members of the Management Board are individually authorised to represent the Lucas Bols Company.

Appointment and dismissal
The General Meeting appoints the members of the Management Board, with the Supervisory Board permitted to make non-binding nominations for such appointments. In the event the Supervisory Board makes a nomination, the resolution of the General Meeting to appoint the nominee must be adopted by an absolute majority of the votes cast. In the event the nomination was not made by the Supervisory Board, the resolution of the General Meeting to appoint a member of the Management Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital. This is stricter than prescribed in best practice provision 4.3.3 of the Code. The Lucas Bols Company believes it is important that a diligent process be safeguarded, which is why we deviate from the Code in this respect.

The Supervisory Board may suspend a member of the Management Board at any time. The General Meeting may suspend or dismiss a member of the Management Board at any time. The General Meeting may only adopt a resolution to dismiss a member of the Management Board by an absolute majority of the votes cast and at the proposal of the Supervisory Board. If no such proposal is made, the resolution to suspend or dismiss a member of the Management Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital. This is stricter than prescribed in best practice provision 4.3.3 of the Code. The Lucas Bols Company believes it is important that a diligent process be safeguarded, which is why we deviate from the Code in this respect.

Remuneration
The remuneration policy is aimed at attracting, motivating and retaining highly-qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is consistent with the sustainable long-term value creation strategy of the Lucas Bols Company. The performance criteria on which the variable remuneration is based are aligned with the Company's objectives to create sustainable long-term value. Pursuant to the remuneration policy, the remuneration package of the Management Board members consists of fixed and variable components.

The remuneration policy of the Company has been adopted for the financial years 22/23-25/26. The policy contains the Company's remuneration principles for the Management Board and the Supervisory Board. For the Management Board, the remuneration consists of four components:
- fixed base remuneration;
- pension and other benefits;
- short-term variable remuneration; and
- long-term variable remuneration (the LTIP).

For further details on the implementation of the remuneration policy, we refer to the remuneration report, which can be found on pages 114-119 of this Annual Report.

In compliance with the Code, the management agreements of the Management Board members contain a provision relating to severance arrangements to compensate for the loss of income resulting from a non-voluntary termination of the service agreement, up to a maximum of the annual fixed base remuneration of the respective Management Board member. In line with applicable legislation and good governance, the management agreements of the members of the Management Board include a clawback clause which allows for a test of reasonableness.

Supervisory board
Responsibilities
The Supervisory Board supervises the Management Board and the general course of business of the Lucas Bols Company.

The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board must be guided by the interests of the Lucas Bols Company and take into account the relevant interests of all of the Company's stakeholders (including its shareholders) as well as the corporate social responsibility issues that are relevant to the business of the Lucas Bols Company.

The Supervisory Board is responsible for the quality of its own performance. Per 31 March 2024, the Supervisory Board consists of six members, Mr. René Hooft Graafland (chair), Mr. Ralph Wisbrun (vice-chair), Mrs. Alexandra Oldroyd, Mrs. Marie-Pauline Lauret, Mr. Heino Teschmacher and Mr. Pascal Visée.

Four of the six members of the Supervisory Board are independent, which is the majority of the Supervisory Board. The Supervisory Board has decided not to appoint any committees in the interest of efficiency. However, audit-related discussions are chaired by Mrs. Marie-Pauline Lauret and discussions on remuneration are chaired by Mr. Ralph Wisbrun.
Specific duties that are part of the audit committee's legal responsibility such as the monitoring of the financial reporting process and the effectiveness of the internal control systems are the responsibility of the Supervisory Board as a whole.
The Supervisory Board has adopted a profile for its size and composition, taking into account the nature of the Lucas Bols business and activities and defining the desired background and expertise of members.

Members of the Supervisory Board are appointed for a term of four years and may be reappointed for another four-year period and subsequently for a maximum of two terms of two years.

Appointment and dismissal
The members of the Supervisory Board are appointed by the General Meeting. The Supervisory Board is permitted to make a non-binding nomination for the appointment of a member of the Supervisory Board. The resolution of the General Meeting to appoint the nominee upon a nomination by the Supervisory Board must be adopted by an absolute majority of the votes cast. If the Supervisory Board has not made a nomination, a resolution of the General Meeting for the appointment of a member of the Supervisory Board must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital. This is stricter than prescribed in best practice provision 4.3.3 of the Code. The Lucas Bols Company believes it is important that a diligent process can be safeguarded, that is why we deviate from the Code in this respect.

The General Meeting may suspend or dismiss a member of the Supervisory Board at any time. In the event the Supervisory Board proposes the dismissal of one of its members, the resolution of the General Meeting to dismiss such a member must be adopted by an absolute majority of votes cast. In the absence of a proposal from the Supervisory Board to dismiss one of its members the General Meeting resolution to make such a dismissal must be passed by a two-thirds majority of the votes cast, representing over 50% of the issued share capital. This is again stricter than prescribed in best practice provision 4.3.3 of the Code. The Lucas Bols Company believes it is important that a diligent process be safeguarded, which is why we deviate from the Code in this respect. The Lucas Bols Company ensures structured reporting lines to its Supervisory Board. The Supervisory Board meets regularly throughout the year, with a minimum of four meetings a year taking place. The chair of the Supervisory Board ensures the proper functioning of the Supervisory Board and acts as the main contact for the Management Board.

The Supervisory Board has adopted its own regulations with regard to objectives, composition, duties, responsibilities and working methods, as well as a profile and a retirement and resignation schedule. The regulations and other documents are available on the corporate website.

As part of the merger agreement with Nolet, it was agreed with Nolet that for the duration of 3 years after settlement of the public offer by Nolet, which took place on 13 February 2024, the Supervisory Board will comprise of at least 5 persons. Furthermore, one member of the Supervisory Board is tasked with monitoring the compliance of the non-financial covenants agreed with Nolet in the merger agreement. Mr. René Hooft Graafland has been appointed as the initial non-financial covenant member. In the event Mr. Hooft Graafland resigns as a member of the Supervisory Board, he shall appoint the new non-financial covenant member. If Mr. Hooft Graafland is not in a position to make such appointment, his successor will be appointed by the Supervisory Board.

Diversity
We strongly believe in a diverse workforce and constantly seek to create a positive corporate culture in which all employees have equal rights and opportunities, regardless of their sex, age, sexual orientation or background.
As part of the ESG strategy and in compliance with European Sustainability Reporting Standards (ESRS) S1, article 2:166 of the Dutch Civil Code and best practice provision 2.1.5 of the Code, the Company is in the process of designing a diversity policy as further discussed in the ESG chapter of this annual report.
As part of the diversity policy, the Company aspires a 40-60% gender balance for the Company overall, and separate targets will be set for both the Boards.

In the year under review, the workforce of Lucas Bols from a gender perspective is in line with the company-wide targets: 42 of our employees are male and 36 are female (in 22/23: 43 male and 35 female). On 31 March 2024, the composition of the individual Management Board and the Supervisory Board does not meet the company-wide targets. This will be considered when recruiting and selecting new board members, whereby the overriding principle shall be for both boards that they are to be composed of members who can make a valuable contribution in terms of experience and knowledge of the industry the Lucas Bols Company operates in.

Conflict of interest
Any potential or actual conflict of interest between the Lucas Bols Company and a member of the Management Board or Supervisory Board should be reported to the chair of the Supervisory Board and the other respective board members.

Any board member holding shares in the Lucas Bols Company must do so for the purpose of a long-term investment. Board members must at all times comply with the provisions set out in the insider trading rules of the Lucas Bols Company. Following the settlement of the public offer by Nolet none of the members of the Management Board and Supervisory Board hold shares in the Company. There were no conflicts of interest between the Lucas Bols Company and any board member during the financial year.

Auditor
At the Annual General Meeting held on 7 July 2022 PricewaterhouseCoopers Accountants N.V. (PwC) was appointed as the Company's external auditor for a period of four years, starting with the audit of the 22/23 financial year (i.e. the period ending 31 March 2023) and ending with the audit of the financial statements for the period ending 31 March 2026.

The Management Board ensures that the external auditor can properly perform its audit task. The Management Board reports to the Supervisory Board on PwC's functioning as external auditor and its fee. The Supervisory Board evaluates PwC's functioning taking into consideration the input of the Management Board. For the year under review PwC confirmed its independence from the Lucas Bols Company in accordance with the professional standards applicable to PwC. The external auditor meets with Mrs. Marie-Pauline Lauret (who chairs meetings on audit-related matters) at least once a year without the Management Board being present.

Amendment of the Articles of Association
The General Meeting may resolve to amend the Articles of Association at the proposal of the Management Board and subject to the prior approval of the Supervisory Board. If a proposal to amend the Articles of Association is to be made at a General Meeting, the notice of such meeting must state the proposal, a copy of which shall be deposited and kept available at the Company's office for inspection by, and must be made available free of charge to, the shareholders until the conclusion of the meeting. An amendment of the Articles of Association shall be laid down in a notarial deed.

At the Extraordinary General Meeting held 24 January 2024, the General Meeting approved a conditional conversion of the legal form of the Company to a private limited liability company under Dutch law *(besloten vennootschap met beperkte aansprakelijkheid)* and amendment of the articles of association, both under the conditions precedent that Nolet has declared its offer unconditional and the delisting of the Company's shares having occurred.

Statement in light of article 10 of the EU Takeover Directive
In accordance with Article 10 of the EU Takeover Directive, companies with securities that trading on a regulated market are obliged to disclose certain information in their Annual Report. Accordingly, the Lucas Bols Company is required to disclose the following information and make the following statements:

a. An overview of Lucas Bols' capital structure is included on page 103 of this Annual Report. Shares in the capital of the Lucas Bols Company are freely transferable, there are no special control or voting rights attached to its shares, nor are voting rights limited in any manner. The Lucas Bols Company is not aware of any agreements that might result in a limitation of the transferability of the voting rights on shares in its capital. Substantial shareholdings of shares in the capital of Lucas Bols are included on page 20 of this Annual Report.
b. The Employee Share Participation Plan (ESPP) was discontinued directly after the announcement of the, at that time, intended offer of the Nolet Group on the shares of the Company on 9 October 2023.
c. The credit facilities in place at the start of the 23/24 financial year incorporate what is known as a change of control provision. If a party were to acquire more than 50% of Lucas Bols' issued share capital or voting rights, the Lucas Bols Company would be subject to a repayment commitment. After change of control took place on 13 February 2024 as a consequence of the public offer by Nolet being declared unconditional the Lucas Bols Company successfully continued its credit facilities as further described on page 93 of this Annual Report.
d. The provisions regarding the appointment and dismissal of Management Board and Supervisory Board members are set out on pages 104-105 of this Annual Report.

Closing statement
The information required to be included in the Management Board report pursuant to article 2a of the Decree for the contents of board reports (Besluit inhoud bestuursverslag) is included in this corporate governance chapter as well as in the Risk Management and Control chapter of this Annual Report.

Composition of the Supervisory Board

Chair
Mr. D.R. (René) Hooft Graafland
1955, Dutch nationality

Current (second) term commenced on
7 July 2023 and expires in 2027.
First term commenced on 10 July 2019.

Other positions:
Supervisory Board member of Royal Ahold Delhaize N.V.
Chairman of the Board of Royal Theater Carré Fund
Chairman of the Board of Stichting Grachtenfestival

Member
Mr. P.H.J.M. (Pascal) Visée
1961, Dutch nationality

Current (first) term commenced on 13 February 2024
and expires in 2028.

Other positions:
Member of the Board of Ketel One Worldwide
Member Supervisory Board of Rabobank Groep
Member Supervisory Board of Royal FloraHolland
Member Supervisory Council of Stichting Het Limburgs Landschap
Member of the Monitoring Commissie Code Pensioenfondsen
Member of the Board Stichting Schiedam viert 750

Member
Mrs. M.P. (Marie-Pauline) Lauret
1979, Dutch nationality

Current (first) term commenced
on 7 July 2022 and expires in 2026.

Other positions:
Chief Risk Assurance Officer
of Philip Morris International

Member
Mrs. A.L. (Alexandra) Oldroyd
1967, British nationality

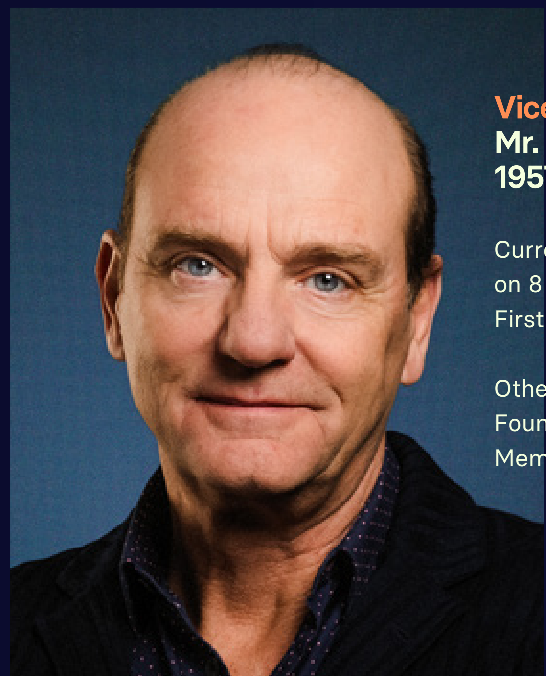
Current (second) term commenced
on 9 July 2020 and expires in 2024.
First term commenced on 1 September 2016.

Other positions:
Managing Director of Fluxion Advisors

Member
Mr. C.H. (Heino) Teschmacher
1956, Dutch nationality

Current (first) term commenced
on 13 February 2024 and expires in 2028.

Other positions:
Member of the Board of Ketel One Worldwide
Chairman of the Board of Directors STAK
Mobile Telecommunications Investor



Vice-Chair
Mr. R. (Ralph) Wisbrun
1957, Dutch nationality

Current (second) term commenced
on 8 July 2021 and expires in 2025.
First term commenced on 7 September 2017.

Other positions:
Founder of Wisbrun Eastwood
Member of the Strategic Board of ACE

Report of the Supervisory Board

The recent all-cash public offer made by Nolet for the outstanding shares of the Company represents a significant milestone in the Company's rich history. Nolet formally expressed their interest in acquiring these shares on 8 June 2023, through a letter addressed to both the Supervisory Board and the Management Board. In the following months constructive discussions ensued between the Boards and Nolet, culminating in a merger agreement outlining the terms of the conditional public offer. Endorsed by both the Management Board and the Supervisory Board, the offer was recommended due to its substantial premium on the share price and the inclusion of strong non-financial covenants, which aim to secure long-term value creation for the Lucas Bols Company. The offer was officially launched on 13 December 2023, with Nolet declaring the offer unconditional on 7 February 2024, having secured 71.7% of all outstanding shares. Further acceptances during the post-acceptance period brought Nolet's ownership to 75.8% of all shares. The Supervisory Board welcomes the development of Nolet taking a controlling interest in Lucas Bols and looks forward to working together in pursuit of sustainable long-term success.

The Company's performance in the 23/24 financial year was impacted by ongoing inflationary pressures and industry-wide declines in sales, along with destocking in certain markets. Despite these challenges the Company managed to achieve a normalised operating profit similar to the level achieved in 22/23, with free operating cash flow also improving. Operational highlights of the year included the transition of production of Bols Liqueurs for the US market to Phillips Distilling and the successful integration of the non-alcoholic cocktail brand Fluère, acquired in January 2023. Consequently, Lucas Bols introduced a diverse range of no- and lower-alcohol cocktails, catering to growing consumer demand in this category. What's more, the reopening of the fully-renovated Bols Cocktail Academy bolstered the Company's standing in the bartending community. Finally, the team's dedicated efforts to implement the Company's ESG strategy underscored its commitment to actively contribute to a more sustainable world, an area in which significant progress was made in the past financial year.

Composition of the Supervisory Board

On 31 March 2024 the Supervisory Board of the Lucas Bols Company consisted of six members: Mr. René Hooft Graafland (chair), Mr. Ralph Wisbrun (vice-chair), Mrs. Alex Oldroyd, Mrs. Marie-Pauline Lauret, Mr. Heino Teschmacher and Mr. Pascal Visée. The reappointment of Mr. René Hooft Graafland was approved by the shareholders at the Annual General Meeting of 7 July 2023.

On 24 January 2024 Mr. Heino Teschmacher and Mr. Pascal Visée were appointed as members of the Supervisory Board, subject to settlement of Nolet's public offer taking place. With settlement having taken place on 13 February 2024, Messrs. Teschmacher and Visée joined the Supervisory Board on that date.

The current (second) term of Mrs. Alex Oldroyd expires after the Annual General Meeting scheduled to take place on 27 June 2024 and she will stand for re-election for a subsequent two-year period, in line with the Dutch Corporate Governance Code. With the Company still listed on Euronext and Nolet intending to pursue a delisting of the Company as soon as possible, Mrs. Oldroyd will be reappointed for a third term because of her in-depth knowledge of public listings and the Company itself. This knowledge is very valuable to the Company and not easily transferable.

The composition of the Supervisory Board is in line with the Supervisory Board profile as drawn up by the Supervisory Board and published on the Lucas Bols Company's corporate website. Currently the gender ratio of the Supervisory Board stands at 66.66%-33.33%. The members of the Supervisory Board will continue to be selected based not solely on their expertise and independence, but also on their background and the diversity aspects outlined in the Supervisory Board profile. For more information on diversity at the Lucas Bols Company please refer to the Corporate Governance chapter in this Annual Report.

The Supervisory Board confirms that all members, with the exception of Messrs. Teschmacher and Visée, are independent as defined in best practice provisions 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code. Mr. Teschmacher is considered not to be independent as he is a member of the board of directors of HollandsGlorie B.V. (an affiliate of Nolet Holding B.V.) that holds more than 10% shares in the capital of the Lucas Bols Company. Mr. Visée is considered not to be independent as he is a representative of Nolet Holding B.V. No member of the Supervisory Board holds more than five directorships at Dutch large companies, in accordance with section 2:142a of the Dutch Civil Code.

As the Supervisory Board consisted of only four members prior to settlement of the public offer, it had decided not to appoint separate committees among its members. The Supervisory Board as a whole carries out the duties of an audit committee as well as other committees. Meetings on matters regarding remuneration are chaired by Mr. Ralph Wisbrun and meetings on financial reporting and the external audit are chaired by Mrs. Marie-Pauline Lauret, who has extensive financial and accounting experience. Given the intention of Nolet to pursue a delisting of the Company as soon as possible, the Supervisory Board has decided to continue this practice after settlement and to not appoint separate committees.

Evaluation

The Supervisory Board reviewed and discussed its own functioning during the 23/24 financial year. The assessment included the functioning of the Supervisory Board and effectiveness of the Supervisory Board meetings, the lessons learned from the past year's experiences, the adequacy of the information supplied to the Supervisory Board and areas for improvement. This assessment was conducted through questionnaires completed by the individual Supervisory Board and Management Board members and a subsequent evaluation and discussion. The outcome of the evaluation revealed that the oversight and advice of the Supervisory Board and the supply of information are perceived to be of high quality. Interaction within the Supervisory Board and between the Supervisory Board and the Management Board is open, transparent and constructive and meetings are deemed to be effective. In the year to come the members of the Supervisory Board would like to spend more time focusing on industry dynamics, brand strategy, route to market and the organisational set-up of the Company in relation to its strategic ambitions.

In addition the composition, functioning and succession planning of the Management Board and the performance of its individual members were assessed using input from each individual Supervisory Board member. This input was discussed in a meeting of the Supervisory Board without the Management Board being present, and subsequently with both Management Board members individually.

Meetings and attendance in 23/24
The Supervisory Board held five ordinary meetings during the year under review, as well as several additional update meetings in relation to the public offer by Nolet. All members were present at every meeting. The Management Board attended every meeting with the exception of part of the meeting in which the Supervisory Board discussed the performance and remuneration of the individual Management Board members.

All ordinary meetings were held in person and most of the additional meetings were held online. In between the meetings Mr. René Hooft Graafland, as chair of the Supervisory Board, maintained contact with both Management Board members on a regular basis, while Mrs. Marie-Pauline Lauret was in regular contact with the CFO to discuss topics including financial reporting, risk management, ESG and audit-related matters.

Major topics discussed at the meetings included the ongoing impact of macroeconomic and geopolitical circumstances, industry trends, the inflationary environment and the impact it has on the Company's performance, financial position and strategy. Ongoing discussions were also held on the Company's capital structure and operating model. Furthermore, the development of the Lucas Bols ESG strategy was on the agenda of various Supervisory Board meetings. A thorough deep dive session was organised on the US business, addressing both the spirits market at large and the Company's set-up and strategy in that market. The Supervisory Board provided management with its views on the envisaged strategy, KPIs and related targets as well as on the implementation of and reporting on the strategy.

Recurring topics of discussion during the Supervisory Board meetings included the financial performance and brand, market and distribution developments in the various areas where the Company operates, as well as compliance, investor relations and risk management, including actions taken to mitigate risks and further strengthen the Company's internal control framework.

In general, the Supervisory Board focused on the strategy and sustainable long-term value creation with the Management Board, with discussions including the objectives, execution and progress achieved. During these discussions the Supervisory Board challenged the Management Board on its strategic agenda and milestone planning.

After receipt of the first letter from Nolet in June 2023, one of the main themes discussed during the ordinary and extraordinary meetings of the Board was the intention of Nolet to issue a public offer for the Company's shares and the subsequent conversations and negotiations held. Notwithstanding the extensive discussions on this topic during the Supervisory Board meetings, the Supervisory Board also appointed two of its members, Mr. René Hooft Graafland and Mrs. Marie-Pauline Lauret, to the steering committee to monitor the day-to-day process in relation to the public offer.

In the 23/24 financial year the external auditor (PricewaterhouseCoopers Accountants N.V.) attended two Supervisory Board meetings. At the May 2023 Supervisory Board meeting, PricewaterhouseCoopers presented the independent auditor's report and long-form auditor's report along with the findings of the audit of the 22/23 financial statements. Furthermore, the auditors attended the November 2023 Supervisory Board meeting to present their 23/24 audit plan and auditor's review opinion on the interim condensed consolidated financial information for the six-month period ended 30 September 2023 (which were also included in the Offer Memorandum published by Nolet).

Report of the Annual General Meeting of Shareholders
At the Annual General Meeting of Shareholders on 7 July 2023 the Management Board gave an account of the general state of affairs at the Lucas Bols Company and of the Company's financial performance in the 22/23 financial year. The meeting adopted the 22/23 financial statements. The members of the Management Board were discharged from liability for their management and the members of the Supervisory Board were similarly discharged for their supervision thereof.

The meeting reappointed Mr. René Hooft Graafland to the Supervisory Board for a term of four years from the date of his reappointment.

Report of the Extraordinary General Meeting of shareholders
At the Extraordinary General Meeting of Shareholders on 24 January 2024 the Management Board and the Supervisory Board expanded on the recommended public offer by Nolet for all issued and outstanding shares in the capital of the Company. Furthermore, the meeting approved the proposed post-closing restructuring measures, the conditional appointment of Messrs Teschmacher and Visée to the Supervisory Board and the conditional conversion and amendment of the articles of association of the Company.

Internal audit function
Based on the Management Board's evaluation of the Lucas Bols Company's internal control system and the discussions of the Supervisory Board with the Management Board, it is the opinion of the Supervisory Board that internal control elements are effectively integrated into the Company's operations, also taking into account the size of the Company and its relatively simple and centralised structure. Furthermore, the Lucas Bols Company performs periodical audits at its distributors, focusing mainly on A&P spend and how this is accounted for, and outsourced production sites.

In accordance with best practice provision 1.3.6 of the Dutch Corporate Governance Code and based on these observations it is the opinion of the Supervisory Board that there is currently no reason to recommend the installation of a dedicated internal audit function. The Supervisory Board reviews this decision annually.

23/24 financial statements and dividend
The Supervisory Board has reviewed and discussed the 23/24 Annual Report. The 23/24 financial statements as prepared by the Management Board have been audited by PricewaterhouseCoopers, whose auditor's report is included in this Annual Report, and were extensively discussed by the Supervisory Board and the external auditor in the presence of the Management Board in May 2024. The Supervisory Board believes the 23/24 financial statements of the Lucas Bols Company meet all requirements for correctness and transparency. All members of the Supervisory Board and the Management Board have signed the 23/24 financial statements pursuant to the statutory obligations under article 2:101 (2) of the Dutch Civil Code.

The Management Board will present the financial statements for 23/24 and its report at the Annual General Meeting of shareholders on 27 June 2024. The Supervisory Board recommends that the Annual General Meeting adopt the 23/24 financial statements and discharge the Management Board and the Supervisory Board from liability for their management and supervision, respectively, in the year under review. In light of the public offer by Nolet, no dividend will be proposed.

The members of the Supervisory Board have great respect for the Management Board members and other Lucas Bols employees, all of whom remained focused on the business at hand as the public offer by Nolet progressed. We would also like to thank our business partners for their ongoing commitment to the Company and, particularly, all our shareholders for the trust they placed in the Company for the more than nine years its shares have been listed on Euronext Amsterdam.

Amsterdam, 15 May 2024

On behalf of the Supervisory Board

René Hooft Graafland
Chair

The remuneration report stems from the remuneration policy of the Lucas Bols Company which is drawn up in accordance with the Dutch Corporate Governance Code and the revised Shareholder Rights Directive of the European Parliament, the European Council (2017/828/EU) and article 2:135a and 2:135b of the Dutch Civil Code. The current remuneration policy was adopted at the Annual General Meeting of Shareholders of 7 July 2022. Pursuant to the requirements in the Dutch Civil Code, the implementation of the remuneration policy for the 22/23 financial year was discussed and put to an advisory vote at the Annual General Meeting of Shareholders on 7 July 2023. The advice on the implementation of the remuneration policy was supported by 97.03% of the votes cast by the shareholders.

Remuneration policy

The remuneration policy is aimed at attracting, motivating and retaining highly-qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package. This package focuses on sustainable results and is aligned with the Company's long-term strategy. The qualitative KPIs for variable remuneration are linked to the long-term strategy aimed at leading the development of the cocktail market, worldwide growth of our cocktail brands, developing our Regional Liqueurs & Spirits and leveraging the Company's operational excellence with a sustainable approach. Within the scope of the remuneration policy as adopted by the General Meeting of the Lucas Bols Company, the remuneration and other terms of employment of the Management Board are determined by the Supervisory Board.

The annual remuneration of the members of the Management Board consists of the following components:

- fixed base remuneration;
- allowance for pension and other benefits;
- short-term variable remuneration (paid in cash); and
- long-term variable remuneration (paid in cash).

The remuneration policy does not provide for incentives by way of remuneration that is awarded in shares of the capital of the Lucas Bols Company. Awards under the long-term incentive plan were made in phantom shares. Furthermore the members of the Management Board were allowed to participate in the Company's Employee Share Participation Plan (ESPP), the specifics of which are described on page 131 of the Annual Report. The ESPP was discontinued directly after the announcement of the, at that time, intended public offer of the Nolet Group on the shares of the Company on 9 October 2023.

Scenario analyses are considered in setting the remuneration policy.

Benchmark group
The remuneration of the Management Board members is set around the median of remuneration levels paid within relevant markets and a peer group of comparable companies. The total reference group consists of 16 companies. The group consists of Dutch listed companies similar to the Company in size (market cap, FTE, revenue) but does not include companies in the financial, real estate and pharmaceutical industries. Furthermore, Dutch companies operating in the branded consumer goods sector or retail industry that fall outside the scope guideline were added to the reference group. Several direct competitors from within the industry were also added.

Positioning within the Company
In setting the remuneration levels for the Management Board, the Supervisory Board considers factors including the level of remuneration within the Company for positions below the Management Board. The Supervisory Board also takes the pay ratio into account, which provides a reflection of the total average compensation of all employees of the Company globally relative to the total average remuneration package of the Management Board members. The internal pay ratio is a factor in the determination of changes in the remuneration level of the Management Board, whereby any such changes should be in line with the average salary adjustment throughout the Company.

Fixed base remuneration
The members of the Management Board receive an annual fixed base remuneration. Any adjustment is to be proposed and approved by the Supervisory Board and should be in line with the principles of the remuneration policy.

Pension and other benefits
The members of the Management Board are entitled to an allowance in the form of a gross amount or a percentage of their base salary for the purpose of contributing to a Company pension scheme or arranging their pension in any other way. The members of the Management Board are furthermore entitled to customary other benefits, such as a fixed expense allowance (including for the use of a private car) and the reimbursement of costs.

Short-term variable remuneration
The members of the Management Board are entitled to a short-term variable remuneration, payable in cash. The maximum short-term annual variable remuneration amounts to 50% of the fixed base remuneration and is paid out if predefined criteria are realised (the threshold performance level).

The quantitative and qualitative KPIs are set by the Supervisory Board annually at the start of the relevant financial year in accordance with the remuneration policy.

Long-term variable remuneration
Management Board members are eligible for awards under the long-term variable remuneration plan (LTIP). The objective of the LTIP is to drive and reward sound business decisions for the long-term health of the Lucas Bols Company, stimulate retention and improve market competitiveness. The LTIP supports the effective execution of the Company's strategy and aligns the interests of Management Board members with those of the Lucas Bols Company stakeholders. Awards under the LTIP are made in phantom shares. Any LTIP remuneration is paid in cash if predefined targets above a certain threshold level are realised, while the maximum amount is payable only in case of outperformance. The target pay-out amounts to 25% of the annual fixed base remuneration, with a cap of 50% of that annual fixed base remuneration in the event of outperformance.

Reasonableness test and clawback clause
For any variable remuneration component awarded to a member of the Management Board in a previous financial year which would, in the opinion of the Supervisory Board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria were or should have been met, the Supervisory Board has the power to adjust the value downwards or upwards (reasonableness test). In addition, under Dutch law the Supervisory Board has the authority to recover from a member of the Management Board any variable remuneration awarded on the basis of incorrect financial or other data (clawback clause).

Severance pay
In line with the Dutch Civil Code the management agreements between the Lucas Bols Company and members of the Management Board contain severance provisions. The maximum amount of any compensation is equal to the fixed base remuneration of the Management Board member, provided the cause for termination is not deemed to be an urgent reason within the meaning of article 7:787 of the Dutch Civil Code.

Management agreements and appointment term
Members of the Management Board are appointed for a period of four years and may be reappointed for four-year terms. Both members of the Management Board have a management agreement with the Company. The management agreements are entered into for an indefinite period of time, with a notice period of three months for Mr. Cocx and six months for Mr. Van Doorne and the Company. The agreements with the Management Board do not contain a change of control clause. Furthermore, the Company does not grant any personal loans or advances to, or guarantees on behalf of, the members of the Management Board.

In the financial year ending 31 March 2024 Mr. Van Doorne served the Lucas Bols Company via a management agreement with a management company controlled by Mr. Van Doorne. Mr. Cocx served the Company via a management agreement with him as a natural person.

Deviation from remuneration policy
At the discretion of the Supervisory Board the various components of the remuneration policy may be deviated from in the event of extraordinary circumstances, in which case any such deviation is deemed necessary to serve the Company's long-term interests, sustainability or vitality. The Supervisory Board will inform the General Meeting of Shareholders of any decision to deviate from the remuneration policy by substantiating the extraordinary circumstances that have led to any such decision.

Remuneration of the Management Board in 23/24

The remuneration costs for the Management Board members in 23/24 were as follows:

REMUNERATION OF THE MANAGEMENT BOARD IN 2022/23

(IN € THOUSANDS UNLESS OTHERWISE STATED, FOR THE YEAR ENDED 31 MARCH)	HUUB L.M.P. VAN DOORNE		FRANK J. COCX		TOTAL MANAGEMENT BOARD	
	2024	2023	2024	2023	2024	2023
Salary	514	492	335	313	849	805
Variable remuneration – short-term	81	77	72	69	153	146
Variable remuneration – long-term[1]	53	29	35	19	88	48
Pension	–	–	34	31	34	31
Other[2]	104	109	23	28	127	137
Total	**752**	**707**	**499**	**460**	**1,251**	**1,167**
Proportion of variable remuneration	17.8%	15.0%	21.4%	19.1%		

[1] The long-term variable remuneration has not been paid out as the phantom shares have not yet vested. The long-term variable remuneration for the year is determined in accordance with IFRS 2. Final pay-out is dependent on performance on predefined targets. This means the total remuneration awarded or due to Mr. Van Doorne and Mr. Cocx in 23/24 amounts to € 699 thousand and € 464 thousand, respectively.

[2] Other benefits for 2023 for both Mr. Van Doorne and Mr. Cocx include a 2% one-off payment of their 21/22 fixed base remuneration. For 2024 a fixed one-off payment of € 1,500 was included. Additionally, other benefits for Mr. Cocx include insurances and the use of a car. For Mr. Van Doorne the other benefits include an expense allowance to cover all costs incurred by his management company (including the costs of insurance, tax, car, pension scheme contributions).

Fixed base remuneration
To compensate for inflation the fixed base remuneration of Mr. Van Doorne and Mr. Cocx for the 23/24 financial year was increased to € 520,000 and € 340,000, respectively. In 2024 the Management Board and all other employees received a one-off payment of € 1,500, which is included in Other.

Short-term variable remuneration
The performance targets and objectives for the short-term variable remuneration were set by the Supervisory Board for each member of the Management Board at the start of the 23/24 financial year.

These performance targets and objectives constitute a balanced mix of financial, qualitative and personal performance criteria. During the 23/24 financial year the financial targets were aimed at revenue and operating profit (both of which have an equal weighting). The financial targets made up 50% of the total performance criteria. Achieving these targets contributes to the Lucas Bols strategy of building brand equity and accelerating the growth of the Global Cocktail Brands whilst leveraging operational excellence in a sustainable manner.

The table below provides an overview of the threshold, on target and maximum pay-out for these financial performance targets, the weighting and the actual performance rating, which is the same for both members of the Management Board.

REMUNERATION OF THE MANAGEMENT BOARD IN 2022/23

(IN € MILLION UNLESS OTHERWISE STATED, FOR THE YEAR ENDED 31 MARCH)	PERFORMANCE PERIOD		THRESHOLD 50%	ON TARGET 75%	MAXIMUM PAY-OUT 100%	WEIGHTING	RESULT
Net revenue	23/24	€ 96.6				25%	Below Threshold
Operating profit (normalised)	23/24	€ 15.1				25%	Below Threshold

The qualitative and personal performance measures accounted for 50% of the total criteria for each of the members of the Management Board. For the CEO these included performance targets specifically related to the Global Cocktail Brands, further expansion of the US market, performance targets in relation to the Company's emerging cocktail markets in Asia and Eastern Europe, the effective business implementation of acquisitions and relevant targets concerning the Lucas Bols Company strategy as a whole. The achievements assessed by the Supervisory Board varied from 'not achieved' to 'maximum performance level', resulting in a pay-out of 62.5% of the maximum possible for this part of the variable remuneration.

For the CFO the qualitative and personal performance measures included the effective business implementation of acquisitions, performance targets specifically related to the Regional Liqueurs & Spirits portfolio, the achievement of predetermined milestones on strategic and ESG topics, transitioning to a new blending and bottling facility in the US and strategic direction on various other relevant topics. The achievements assessed by the Supervisory Board varied from 'achieved' to 'maximum performance level', resulting in a pay-out of 85% of the maximum possible for this part of the variable remuneration.

As a result, total variable remuneration over 23/24 amounted to 31.25% of the maximum achievable bonus for Mr. Van Doorne, and 42.5% for Mr. Cocx.

Long-term variable remuneration

In accordance with the remuneration policy, the members of the Management Board are eligible to participate in the second LTIP that runs from 1 April 2023 to 31 March 2026. The Management Board members will be awarded a certain amount of phantom shares subject to the achievement of certain performance targets and their continued employment over this three-year period. The performance criteria for this e second LTIP award relate to (i) three-year average Global Cocktail Brands revenue growth, (ii) three-year average EPS growth, (iii) three-year cumulative free operating cash flow, all to be assessed organically, and (iv) certain qualitative strategic objectives related to the implementation and communication of the Company's ESG strategy and the achievement of specific, quantified targets of that ESG strategy. The performance criteria are equally weighed.

Pay ratio

The Corporate Governance Code requires the Lucas Bols Company to report on the pay ratio within the Company. The pay ratio used by the Lucas Bols Company reflects the average total compensation of all Lucas Bols employees globally, excluding the CEO and CFO (€ 134,289 in 23/24) (€ 127,162 in 22/23) relative to the total average remuneration package (fixed and variable) of both the CEO and CFO (as included in this report). This resulted in a pay ratio for the CEO of 5.6 (5.6 for 22/23) and for the CFO of 3.7 (3.5 for 22/23).

Shareholding

Following the public offer by Nolet being declared unconditional on 7 February 2024 both members of the Management Board no longer hold any shares in the capital of the Company directly or indirectly.

Impact of the public offer by Nolet

No changes are anticipated in the Management Board's remuneration related to the fixed base remuneration, the allowance for pension and benefits and the short-term and long-term variable remuneration as a direct consequence of the settlement of the public offer by Nolet, which took place on 13 February 2024.

REMUNERATION IN LAST FIVE FINANCIAL YEARS

COMPENSATION (IN € '000)	2020	% CHANGE	2021	% CHANGE	2022	% CHANGE	2023	% CHANGE	2024	% CHANGE
Total remuneration CEO	574,000	(13)%	577,000	1%	801,000	39%	713,000	(11)%	752,000	5%
Total remuneration CFO	380,000	(13)%	339,000	(11)%	477,000	41%	451,000	(5)%	499,000	11%

COMPANY PERFORMANCE IN LAST FIVE FINANCIAL YEARS

LUCAS BOLS PERFORMANCE (ALL IN € MILLION)[1]	2020	2021	2022	2023	2024
EBIT	17.7	0.2	22.6	(11.8)	13.6
Normalised net profit	11.3	3.3	14.7	10.1	9.1
Free operating cash flow	15.8	11.4	15.6	6.8	2.4

PAY RATIO	2020	2021	2022	2023	2024
Pay ratio CEO	4.3	4.5	6.4	5.6	5.6
Pay ratio CFO	2.8	2.6	3.8	3.5	3.7
Average total remuneration of Lucas Bols employees[2]	134,134	129,351	125,325	127,162	134,289

[1] These items are non-GAAP measures; normalised figures are excluding one-off items. For further information about these measures, and the reasons why we believe they are important for understanding the performance of our company, please refer to our commentary on non-GAAP measures as of pages 174-175.

[2] The average total remuneration of employees is based on the IFRS personnel costs as included in the annual accounts to allow for external comparison. Historical numbers and pay ratios have therefore been adjusted slightly.

Remuneration of the Supervisory Board

The Annual General Meeting determines the remuneration of the members of the Supervisory Board. On 7 September 2017 the General Meeting approved a proposal by the Supervisory Board to apply annual fixed fee levels for the individual Supervisory Board members in line with the Supervisory Board remuneration levels payable at comparable companies. The remuneration of the Supervisory Board is not dependent on Lucas Bols' results.

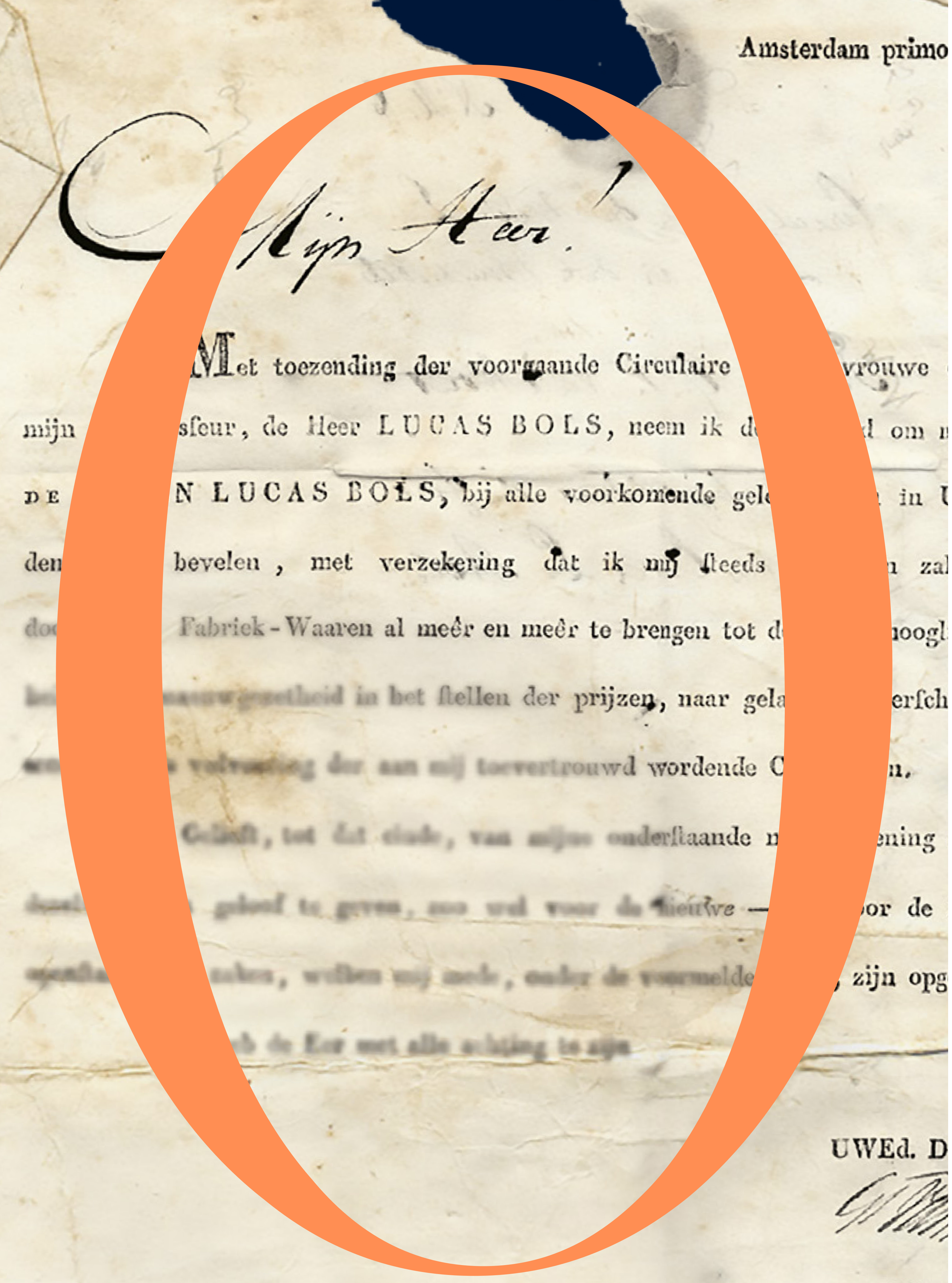
The annual fee for the Supervisory Board members is set as follows:

REMUNERATION OF THE SUPERVISORY BOARD MEMBERS	
Chair of the Supervisory Board	45,000
Vice-chair of the Supervisory Board	40,000
Other members of the Supervisory Board	35,000

Mr. Heino Teschmacher and Mr. Pascal Visée were appointed conditionally as member of the Supervisory Board, subject to settlement of the public offer taking place. As settlement has taken place on 13 February 2024, Mr. Teschmacher and Mr. Visée have joined the Supervisory Board per that date as 'other member of the supervisory board'. As such they will receive € 35,000 remuneration each fiscal year.

REMUNERATION SUPERVISORY BOARD IN LAST FIVE FINANCIAL YEARS

(IN €)	2020	2021	2022	2023	2024
Mrs. M.M. Wyatt	35,000	35,000	35,000	8,750	0
Mrs. A.L. Oldroyd	35,000	35,000	35,000	35,000	35,000
Mr. R. Wisbrun	40,000	40,000	40,000	40,000	40,000
Mr. D.R. Hooft Graafland	26,250	42,500	45,000	45,000	45,000
Mrs. M.P. Lauret				26,250	35,000
Mr. C.H. Teschmacher					4,375
Mr. P.H.J.M. Visée					4,375



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Consolidated financial statements 2023/24

Consolidated statement of profit or loss

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Revenue	5	96,624	100,614
Cost of sales	5	(47,459)	(48,613)
Gross profit		**49,165**	**52,001**
Distribution and administrative expenses	6	(36,693)	(61,149)
Operating profit/(loss)		**12,472**	**(9,148)**
Share of result of joint ventures	18	1,090	(2,665)
Finance income		119	56
Finance costs		(4,708)	(361)
Net finance costs	9	**(4,589)**	**(305)**
Profit/(loss) before tax		**8,973**	**(12,118)**
Income tax expense	12	(1,934)	(4,120)
Net profit/(loss)		**7,039**	**(16,238)**
Result attributable to the owners of the Company		**7,039**	**(16,238)**
Weighted average number of shares	10	15,030,595	14,972,756
Earnings per share			
Basic earnings per share (EUR)	10	0.47	(1.08)
Diluted earnings per share (EUR)	10	0.47	(1.08)

Consolidated statement of comprehensive income

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Net profit/(loss)		**7,039**	**(16,238)**
Other comprehensive income – Items that will never be reclassified to profit or loss			
		–	–
Items that are or may be reclassified to profit or loss			
Foreign operations – foreign currency translation differences[1]		(1,021)	(197)
Net change in hedging reserve	26	(399)	856
Related tax	12	103	(221)
		(1,317)	**438**
Other comprehensive (expense)/income for the year, net of tax		**(1,317)**	**438**
Total comprehensive income/(expense) for the year, net of tax		**5,722**	**(15,800)**
Total comprehensive income/(expense) attributable to the owners of the Company		**5,722**	**(15,800)**

[1] Refer to note 3 of the company financial statements.

Consolidated statement of changes in equity

AMOUNTS IN EUR '000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANS-LATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE YEAR	TOTAL EQUITY
Balance as at 1 April 2023		1,497	157,787	–	(486)	348	7,630	56,044	(16,238)	206,582
Transfer result prior period		–	–	–	–	–	–	(16,238)	16,238	–
Total comprehensive income										
Profit for the year		–	–	–	–	–	–	–	7,039	7,039
Other comprehensive expense		–	–	–	(1,021)	(296)	–	–	–	(1,317)
Total comprehensive income		**–**	**–**	**–**	**(1,021)**	**(296)**	**–**	**–**	**7,039**	**5,722**
Issue of share capital	20	111	19,889	–	–	–	–	–	–	20,000
Dividend paid		–	–	–	–	–	–	(1,946)	–	(1,946)
Purchase own shares (ESPP)		–	–	(168)	–	–	–	–	–	(168)
Own shares delivered (ESPP)		–	–	168	–	–	–	–	–	168
Transfer from legal reserves		–	–	–	–	–	–	–	–	–
Balance as at 31 March 2024		**1,608**	**177,676**	**–**	**(1,507)**	**52**	**7,630**	**37,859**	**7,039**	**230,357**

AMOUNTS IN EUR '000	NOTE	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANS-LATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE YEAR	TOTAL EQUITY
Balance as at 1 April 2022		1,497	157,787	–	(289)	(287)	7,630	47,417	11,771	225,526
Transfer result prior period		–	–	–	–	–	–	11,771	(11,771)	–
Total comprehensive expense										
Loss for the year		–	–	–	–	–	–	–	(16,238)	(16,238)
Other comprehensive income		–	–	–	(197)	635	–	–	–	438
Total comprehensive expense		**–**	**–**	**–**	**(197)**	**635**	**–**	**–**	**(16,238)**	**(15,800)**
Dividend paid		–	–	–	–	–	–	(3,144)	–	(3,144)
Purchase own shares (ESPP)		–	–	(4)	–	–	–	–	–	(4)
Own shares delivered (ESPP)		–	–	4	–	–	–	–	–	4
Transfer from legal reserves		–	–	–	–	–	–	–	–	–
Balance as at 31 March 2023		**1,497**	**157,787**	**–**	**(486)**	**348**	**7,630**	**56,044**	**(16,238)**	**206,582**

Consolidated statement of financial position

AMOUNTS IN EUR '000 AS AT 31 MARCH	NOTE	2024	2023
Assets			
Property, plant and equipment	16	9,592	8,018
Intangible assets	17	289,778	284,569
Investments in equity-accounted investees	18	1,801	1,652
Other investments	19	381	408
Non-current assets		**301,552**	**294,647**
Inventories	13	24,625	24,910
Trade and other receivables	14	18,133	16,092
Corporate income tax receivable		298	–
Other investments including derivatives	26	90	517
Cash and cash equivalents	15	31,597	17,569
Current assets		**74,743**	**59,088**
Total assets		**376,295**	**353,735**
Equity			
Share capital		1,608	1,497
Share premium		177,676	157,787
Treasury shares		–	–
Currency translation reserve		(1,507)	(486)
Hedging reserve		52	348
Other legal reserves		7,630	7,630
Retained earnings		37,859	56,044
Result for the year		7,039	(16,238)
Total equity	20	**230,357**	**206,582**
Liabilities			
Loans and borrowings	22	66,778	67,028
Other non-current financial liabilities	23	5,483	4,762
Employee benefits	11	347	129
Deferred tax liabilities	12	49,560	50,337
Total non-current liabilities		**122,168**	**122,256**
Loans and borrowings	22	10,545	10,044
Trade and other payables	24	12,019	13,707
Corporate income tax payable		–	194
Other current financial liabilities including derivatives	25	1,206	952
Total current liabilities		**23,770**	**24,897**
Total liabilities		**145,938**	**147,153**
Total equity and liabilities		**376,295**	**353,735**

The right-of-use assets are included in *Property, plant and equipment* and the related lease liability is included in *Other (non-)current financial liabilities.*

Consolidated statement of cash flows

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Cash flows from operating activities			
Net profit/(loss)		**7,039**	**(16,238)**
Adjustments for:			
• Depreciation, amortisation and impairment	6	1,585	25,733
• Net finance costs	9	4,589	305
• Share of result of joint ventures	18	(1,090)	2,665
• Income tax expense	12	1,934	4,120
• Stock elimination		(155)	106
• Provision for share-based payments	11	218	129
• Provision for employee benefits	11	–	–
		14,120	**16,820**
Change in:			
• Inventories		285	(7,197)
• Trade and other receivables		(2,041)	3,380
• Trade and other payables		(1,688)	(3,380)
Net changes in working capital		**(3,444)**	**(7,197)**
Dividends from joint ventures	18	1,150	1,150
Interest received		263	123
Income tax paid		(3,047)	(3,815)
Net cash from operating activities		**9,042**	**7,081**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		–	(852)
Acquisition of/additions to associates and joint ventures	18	–	–
Proceeds from sale of joint ventures	18	–	5,101
Acquisition of property, plant and equipment	16	(1,325)	(300)
Proceeds from sale of property, plant and equipment	16	12	–
Acquisition of intangible assets	17	(5,336)	–
Loans issued and other investments		(139)	(176)
Net cash from (used in) investing activities		**(6,788)**	**3,773**
Cash flows from financing activities			
Proceeds from issue of share capital, net of related cost	20	20,000	–
Proceeds from loans and borrowings	22	5,000	–
Repayment of loans and borrowings	22	(10,000)	(9,000)
Settlement of other financial liabilities	25	–	(1,637)
Cash dividend paid to shareholders	20	(1,946)	(3,144)
Payments made in lease contracts	23	(930)	(969)
Interest paid		(4,745)	(2,917)
Net cash from (used in) financing activities		**7,379**	**(17,667)**
Net increase/(decrease) in cash and cash equivalents		**9,633**	**(6,813)**
Net cash and cash equivalents at 1 April		17,525	24,838
Effect of exchange rate fluctuations		(906)	(500)
Net cash and cash equivalents as at 31 March	15	**26,252**	**17,525**
Cash and cash equivalents (asset)		31,597	17,569
Less: bank overdrafts included in current loans and borrowings		(5,345)	(44)
Net cash and cash equivalents as at 31 March		**26,252**	**17,525**

Notes to the consolidated financial statements

1. Reporting entity

Lucas Bols N.V. (the 'Company') is a limited company (Naamloze Vennootschap (N.V.)) domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, 1071 CZ in Amsterdam. The consolidated financial statements of the Company comprise the Company, its subsidiaries (together referred to as 'the Group') and the Group's interest in jointly-controlled entities. A list of subsidiaries is included in note 27.

Lucas Bols N.V. is primarily involved in managing the product development, bottling, distribution, sales and marketing of the brands Bols, Passoã, Galliano, Vaccari, Damrak, Pisang Ambon, Tequila Partida, Henkes, Nuvo, Bokma, Hartevelt, Coebergh, Fluère and a large portfolio of Dutch jenever, vieux and liqueur brands.

Lucas Bols N.V. was incorporated on 27 February 2006 in the Netherlands.

On 11 April 2006 the Company acquired, through its subsidiary Lucas Bols Amsterdam B.V., 100%of the global Bols brand as well as the shares of Galliano B.V., Pisang Ambon B.V., and Bokma Distillateurs B.V. Through its subsidiary Lucas Bols Amsterdam B.V., the Company acquired 100% of the shares of Lucas Bols USA, Inc. on 21 May 2008 and 100% of the shares of Pijlsteeg B.V. on 3 September 2013, respectively. On 2 December 2020 Lucas Bols Amsterdam B.V. acquired 100% of the shares of Passoã S.A.S. from Rémy Cointreau Group. On 31 December 2021 the Company acquired 100% of the membership interests of Tequila Partida LLC. 100% of the shares of Fluère Drinks B.V. was acquired on 29 December 2022.

As from 4 February 2015 the shares of the Company have been listed on Euronext Amsterdam.

2. Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Consequently, the consolidated financial statements have been prepared on the going concern assumption.

The consolidated financial statements were authorised for issue by all members of the Management Board and the Supervisory Board on 15 May 2024 and will be submitted for adoption to the Annual General Meeting of Shareholders on 27 June 2024.

(b) Basis of measurement
The consolidated financial statements have been prepared on each reporting date on a historical cost basis, except for the following material items in the consolidated statement of financial position:

- Derivative financial instruments are measured at fair value;
- Interests in joint ventures are accounted for using the equity method; and
- The defined benefit obligation is recognised at the present value of the defined benefit obligation less the fair value of the plan assets and is as explained in note 3(d).

(c) Functional and presentation currency
These consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euros has been rounded to the nearest thousand (€ 000) unless stated otherwise.

(d) Impact of global geopolitical and macroeconomic developments
Although less so than in previous financial years, 2023/24 continued to be impacted by adverse global geo-political and macro-economic circumstances, amongst others as a consequence of the COVID-19 pandemic, the war in Ukraine and the turmoil in the Middle East. Global disruptions impacted pricing, availability and reliability of raw material supplies and logistics, whilst consumers faced increasing inflation resulting in declining consumer confidence and spending.

Various measures were taken to offset such effects, but they could not fully mitigate the impact on sales, profit margins and working capital levels.

(e) Use of estimates and judgements
In preparing these consolidated financial statements, management is required to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The application of accounting policies required judgements that impact the amounts recognised. Additionally, amounts recognised are based on factors that are by default associated with uncertainty. Therefore actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(I) Estimates and judgements
The below matters contain the most significant estimates and judgments.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following note:
- Note 18 – classification of joint arrangements.

(II) Assumptions and estimation uncertainty
Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment are included in the following notes:
- Note 11: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
- Note 17: impairment test: key assumptions underlying recoverable amounts of intangible assets.

(III) Measurement of fair value
A number of the Group's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included note 26 – financial instruments.

(f) Changes in accounting policies
The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

No new standards and amendments to existing standards, effective in 2023/24, had a significant impact on the Group's consolidated financial statements.

3. General accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also note 2(f)).

(a) Basis of consolidation
(I) Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment or when a trigger is identified. Any gain on a bargain purchase is recognised immediately in profit or loss. Transaction costs are recognised in profit or loss when incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

(II) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it has power over the investee, is exposed or has the rights to variable returns from its involvement with that entity and has the ability to affect those returns through its power over the entity.

Control is generally obtained by ownership of more than 50% of the voting rights.

To validate this presumption, and in case the Group has less than 50% of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including but not limited to:
- The contractual arrangement(s) with the other holders of voting rights of that entity;
- Any rights arising from other contractual arrangements; and
- The Group's potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If the Group loses control over a subsidiary it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value if control is lost.

(III) Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in joint ventures, amongst others.

A joint venture is an arrangement under which the Group has joint control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. Such interests are initially recognised at cost (including transaction costs). Subsequent to initial recognition the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in equity-accounted investees. At each reporting date, the Group determines whether there is objective evidence that the investment in the equity-accounted investee is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investee and its carrying value, and then recognises the loss as 'Share of result of joint ventures' in the consolidated statement of profit or loss.

(IV) Transactions eliminated on consolidation
On consolidation, intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Revenue
Revenue predominantly comprises the sale of goods. In addition, a non-significant amount of revenue relates to royalty income and services rendered.

Revenue from contracts with customers is recognised when control of the goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(c) Foreign currency
(I) Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate on the transaction date.

Receivables, payables and other monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rates on balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency that are measured at cost are translated into the functional currency at the exchange rate at transaction date. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash-flow hedges to the extent the hedge is effective.

(II) Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at the exchange rates on the transaction date.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned norlikely to occur in the foreseeable future, foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in OCI and accumulated in the translation reserve.

If a foreign operation is disposed of in its entirety or in part such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. If the Group disposes of only part of a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Employee benefits
(I) Short-term employee benefits
Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under any short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(II) Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(III) Defined benefit plans
The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised immediately in OCI.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

If the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(IV) Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(e) Share-based arrangements
(I) Employee Share Purchase Plan
In 2015 the Group set up an Employee Share Purchase Plan (ESPP). Under the ESPP, employees are entitled to buy shares of the Company with their own funds twice a year (i.e. following publication of the half-year and full-year results) for a yearly maximum of 33.33% of their gross base salary. Eligible employees are entitled to buy at a discount of 13.5% of the share price at that time. A three-year lock-up period is applicable, during which the employees cannot sell the shares bought under the ESPP. No other vesting or performance conditions are applicable. The ESPP was discontinued directly after the announcement of the, at that time, intended public offer by the Nolet Group on the shares of the Company on 9 October 2023.

The ESPP qualifies as share-based arrangement (equity settled) under IFRS 2. No share-based payment costs are recognised in profit and loss as the fair value of the share-based payment is zero.

(II) Long-term incentive plan
Effective 1 April 2022, the Group established a share-based payment plan. This long-term incentive plan ('LTIP') grants key management and senior employees phantom shares which entitle them to a cash payment after three years of service. Whether there is any cash payment, and if so, the amount of such cash payment, depends on the extent to which three-year performance targets are met and the development of the Group's share price between grant date and the vesting date.

The fair value of the phantom shares at grant date is based on the Group's average closing share price over the period of 10 trading days after the publication of the annual results of the Group in the year of the award. The fair value of the liability is remeasured at each reporting date and at settlement date based on the Group's average closing share price over the period of 10 trading days after the publication of the annual results of the Group and the likelihood of achieving various performance targets and recognised as an expense over the three-year vesting period and accounted for in accordance with IFRS 2.

(f) Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received and all relevant conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended

to compensate, are expensed. Pending a final decision from the government an uncertainty exists and actual grants may differ from amounts recognised.

(g) Income tax

The income tax expense comprises current and deferred tax. It is recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or in OCI.

(I) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are only offset if certain criteria are met.

(II) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. In accordance with the Initial Recognition Exemption (IRE) of IAS12 a part of the deferred tax asset is not recognised. For subsequent transactions where the Initial Recognition Exemption has been applied, deferred taxes will be recognised when temporary differences arise;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted, or substantively enacted, at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the way in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. These uncertain tax provisions are presented either as current tax receivable/payable or as part of deferred tax in the balance sheet as appropriate.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(I) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(II) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(III) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment.

The estimated useful life is as follows:

- Fixtures and leasehold improvements 10 years
- Furniture 10 years
- Equipment 5 years
- Computers 3 years

The depreciation methods, residual value and useful life are reviewed annually and adjusted if appropriate.

(j) Intangible assets

(I) Brands

Brands acquired are capitalised either individually or as part of a brand portfolio if the brand or the brand portfolio meets the definition of an intangible asset and the recognition criteria are satisfied. Brands and brand portfolios can have either an indefinite life or a finite life. The brands and brand portfolios have an indefinite useful life when the period during which it is expected that the brands contribute to net cash inflows is indefinite. These brands are not amortised but tested for impairment annually and whenever there is an indication that the brand may be impaired. The brand and brand portfolio with an indefinite life are measured at cost less accumulated impairment losses when applicable. The brands and brand portfolios with a finite life are measured at cost and amortised on a straight-line basis over their estimated useful lives from the date they are available for use.

(II) Goodwill

Goodwill arising on the acquisition of subsidiaries represents the difference between the fair value of the net assets acquired and the transaction price of the acquisition and is measured at cost less accumulated impairment losses. Goodwill is allocated to an individual cash-generating unit (CGU) for the purpose of impairment testing and is tested annually for impairment. Negative goodwill is recognised directly in profit or loss. An impairment loss in respect of goodwill cannot be reversed.

(III) Other intangible assets

Other intangible assets with a finite life are measured at cost and amortised on a straight-line basis over their estimated useful lives from the date they are available for use.

(k) Financial instruments

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (b) Revenue from contracts with customers.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and a loan to a joint venture included under other investments (non-current assets).

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss at initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.
This category includes derivative instruments.

Derecognition
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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures in regard to which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss
A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.
The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.
For more information, refer to note 22.

Derecognition
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.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group continues to apply the existing hedge accounting requirements under IAS 39.

Derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, or if it expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

(l) Impairment

(I) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and other non-financial assets with an indefinite life are tested annually for impairment or when a triggering event is identified.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets an impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Equity-accounted investees

At each reporting date, the Group determines whether there is objective evidence that the investment in the equity-accounted investee is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investee and its carrying value. An impairment loss is recognised in profit or loss and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(II) Non-derivative financial assets

Non-derivative financial instruments comprise trade and other receivables and cash and cash equivalents. The Group has no significant concentrations of credit risk. The concentration of credit risk with respect to receivables is limited, as the Group's customer base and vendor base are large and unrelated. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rate is calculated based on delinquency status and actual historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. As a result, management believes there is no further credit risk provision required in excess of the normal individual and collective impairment, based on amongst others an aging analysis performed as of 31 March 2024.

(m) Leases

(I) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Buildings 2 to 20 years
- Motor vehicles and other equipment 3 to 5 years

Right-of-use assets are subject to impairment.

(II) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(III) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. New standards and interpretations not yet adopted

Several new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these consolidated financial statements. These new standards, amendments and interpretations are not expected to have a material impact on our consolidated financial statements.

5. Operating segments

The Group develops, produces, sells and markets products which can be divided in two reportable segments: Global Cocktail Brands and Regional Liqueurs & Spirits.

This segmentation is also the structure in which the brands are managed within the Group, as they require different marketing and sales strategies, amongst others. Separate financial information is available internally within the Group and used by the main operational decision-makers for matters such as resource allocation.

Brand information
The Group identifies the reportable segments Global Cocktail Brands and Regional Liqueurs & Spirits.

(I) Global Cocktail Brands
The Global Cocktail Brands reportable segment generally comprises of the brands that (i) have a strong link to cocktails and/or the cocktail culture, (ii) are sold on more than one continent and (iii) generate a relatively high gross margin. The Global Cocktail Brands reportable segment consists of Bols Cocktails (i.e. the Bols Liqueurs range, Bols Genever, Bols Vodka and Bols Cocktails Ready-to-Enjoy Cocktails), Passoã and Galliano.

(II) Regional Liqueurs & Spirits
The Regional Liqueurs & Spirits reportable segment generally comprises of the brands that (i) (currently) have a less obvious link to cocktails and/or the cocktail culture and/or (ii) are (predominantly) sold on one continent. The Regional Liqueurs & Spirits reportable segment consists of all brands other than those allocated to the Global Cocktail Brands reportable segment, mainly Vaccari, Tequila Partida, Damrak, Pisang Ambon, Henkes, Nuvo, Bokma, Hartevelt, Coebergh, Fluère and a large portfolio of Dutch jenever, vieux and liqueur brands.

Management reviews, analyses and discusses internal reports of each reportable segment. Key information regarding each reportable segment is set out in the table below.

Allocation to the reportable segments takes place on specific brand contribution level. Items managed on a Group basis (e.g. overheads, finance and tax items) are not allocated to the individual reportable segments. Only those assets and liabilities that are directly linked to a brand are allocated to the reportable segments accordingly. All other assets and liabilities are managed on a Group basis and therefore not allocated to the individual reportable segments.

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	GLOBAL COCKTAIL BRANDS		REGIONAL LIQUEURS & SPIRITS		UNALLOCATED		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	66,289	69,907	30,335	30,707	–	–	96,624	100,614
Cost of sales	(29,602)	(30,726)	(17,857)	(17,887)	–	–	(47,459)	(48,613)
Gross profit	**36,686**	**39,181**	**12,478**	**12,820**	**–**	**–**	**49,165**	**52,001**
A&P and distribution expenses	(13,372)	(15,953)	(3,888)	(4,663)	0	–	(17,260)	(20,616)
Personnel and other expenses	0	–	0	(24,081)	(19,433)	(16,452)	(19,433)	(40,533)
Total result from operating activities	**23,314**	**23,228**	**8,591**	**(15,924)**	**(19,433)**	**(16,452)**	**12,472**	**(9,148)**
Share of profits of joint ventures	162	(2,484)	928	(182)	–	–	1,090	(2,665)
EBIT	**23,476**	**20,744**	**9,518**	**(16,106)**	**(19,433)**	**(16,452)**	**13,562**	**(11,813)**

AMOUNTS IN EUR '000 AS AT 31 MARCH	GLOBAL COCKTAIL BRANDS		REGIONAL LIQUEURS & SPIRITS		UNALLOCATED		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Intangible assets	213,013	213,013	76,765	71,556	–	–	289,778	284,569
Inventories	15,487	17,044	9,138	7,866	–	–	24,625	24,910
Other assets	–	–	–	–	61,892	44,256	61,892	44,256
Total segment assets	**228,500**	**230,057**	**85,903**	**79,422**	**61,892**	**44,256**	**376,295**	**353,735**
Total segment liabilities	**–**	**–**	**–**	**–**	**(145,938)**	**(147,152)**	**(145,938)**	**(147,152)**

Market cluster information (Regions)
Markets are grouped into market clusters mainly based on the relative maturity of the cocktail culture in that specific market (rather than on geographical location). Three market clusters are now identified:

- Sophisticated Cocktail Markets (North America);
- Developed Cocktail Markets (Western Europe, Japan and Australia/New Zealand); and
- Emerging Cocktail Markets (Eastern Europe, Asia (excluding Japan), Africa, Middle East and Latin America).

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	REVENUE BY MARKET CLUSTER	
	2024	2023
Sophisticated Cocktail Markets[2]	27,867	27,540
Developed Cocktail Markets[3]	52,785	57,424
Emerging Cocktail Markets	15,972	15,650
Consolidated totals	**96,624**	**100,614**

[2] of which revenue attributed to the USA: EUR 24,522 thousand (2022/23: EUR 24,779 thousand).
[3] of which revenue attributed to the Netherlands EUR 12,452 thousand (2022/23: EUR 13,021).

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	GROSS PROFIT BY MARKET CLUSTER	
	2024	2023
Sophisticated Cocktail Markets	13,210	14,040
Developed Cocktail Markets	26,690	29,672
Emerging Cocktail Markets	9,265	8,289
Consolidated totals	**49,165**	**52,001**

6. Distribution and administrative expenses

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Advertising and promotional expenses		(9,466)	(9,605)
Distribution expenses		(7,794)	(11,011)
Personnel expenses	8	(12,038)	(11,158)
Other administrative expenses		(5,810)	(3,641)
Amortisation	17	(127)	(234)
Impairment	17	–	(24,081)
Depreciation	16	(1,458)	(1,419)
		(36,693)	**(61,149)**

7. Personnel expenses

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Wages and salaries	(9,040)	(8,395)
Fringe benefits (including social premiums)	(1,353)	(1,502)
Expenses related to share-based payment plan	(218)	(129)
Contributions to defined contribution plans	(414)	(362)
Temporary staff	(1,013)	(770)
	(12,038)	**(11,158)**

At 31 March 2024 the Group had 39.7 FTEs in the Netherlands (31 March 2023: 37.3 FTEs) and 31.8 FTEs abroad (31 March 2023: 32.9 FTE).

A government grant of EUR 278 thousand was applied and received for the year ended 31 March 2024 (31 March 2023: nil).

For the disclosure on key management personnel remuneration reference is made to note 29.

8. Share-based payments

The Company has a performance-based long-term incentive plan ('LTIP'). This LTIP grants key management and senior employees phantom shares which entitle them to a cash payment after three years of service. The amount of that cash payment (if any) depends on the extent to which three-year performance targets are met and the development of the Group's share price between grant date and vesting date.

The performance conditions for LTIP are average revenue growth, earnings per share growth, free operating cash flow and strategic objectives. The performance conditions are equally weighted.

At target performance, 100% of the awarded phantom shares vest. At threshold performance, between 60% and 75% of the awarded phantom shares vest and at maximum performance, between 150% and 200% of the awarded phantom shares vest.

The number of outstanding phantom shares and the movement over the year is as follows:

NUMBER OF PHANTOM SHARES AS AT 31 MARCH	2024	2023
Opening balance	49,087	–
Granted during the year	57,209	49,087
Forfeited during the year	(2,413)	–
Cancelled during the year	–	–
Vested previous year	–	–
Performance adjustment	–	–
	103,883	**49,087**

The LTIP 2023-2026 with grant date 1 April 2023 has an award share price of EUR 10.13. The vesting share price as per 31 March 2024 was set to EUR 18.00 for both the LTIP 2022-2025 as the LTIP 2023-2026.

The total share-based payment expense that is recognised during the year ended 31 March 2024 amounts to EUR 218 thousand (2022/23: EUR 129 thousand). Also refer to note 8. The total carrying amount at the end of the period amounts to EUR 347 thousand (2022/23: EUR 129 thousand). Also refer to note 11.

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Share rights granted in 2022/23	89	129
Share rights granted in 2023/24	129	–
	218	**129**

9. Net finance costs

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Total interest income arising from financial assets measured at amortised cost	119	56
Finance income	**119**	**56**
Interest expenses on loans and borrowings	(4,441)	(2,083)
Interest expense on lease liablities	(130)	(127)
Other finance gains/(losses)	(137)	1,849
Finance costs	**(4,708)**	**(361)**
Net finance costs recognised in profit or loss	**(4,589)**	**(305)**

10. Earnings per share

The total weighted average number of shares per 31 March 2024 amounts to 15,030,595. The total number of shares issued as at that date amounts to 16,083,868.

Basic and diluted earnings per share for the year ended 31 March 2024 amount to EUR 0.47 positive (2022/23: EUR 1.08 negative).

11. Employee benefits

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Net defined benefit liability		–	–
Cash-settled share-based payment liability	8	347	129
		347	**129**

In line with pension law that became effective July 2023 the Company now only carries one overall defined contribution pension scheme.

Movement in net defined benefit (asset) liability

AMOUNTS IN EUR '000	DEFINED BENEFIT OBLIGATION		FAIR VALUE OF PLAN ASSETS		NET DEFINED BENEFIT LIABILITY (ASSET)	
	2024	2023	2024	2023	2024	2023
Balance at 1 April	2,709	4,176	(2,709)	(4,176)	–	–
Included in profit or loss						
Current service cost	–	–	–	–	–	–
Curtailment	–	–	–	–	–	–
Past service cost and (gain)	–	–	–	–	–	–
Interest cost/(income)	69	69	(69)	(69)	–	–
	69	**69**	**(69)**	**(69)**	**–**	**–**
Included in OCI						
Effect of changes in economic assumptions	(1,575)	(1,575)	–	–	(1,575)	(1,575)
Effect of changes in demographic assumptions	42	42	–	–	42	42
Effect of experience adjustments	30	30	–	–	30	30
Costs of asset management	–	–	–	–	–	–
Premium correction	–	–	–	–	–	–
Return on plan assets (excluding interest)	–	–	1,503	1,503	1,503	1,503
	(1,503)	**(1,503)**	**1,503**	**1,503**	**–**	**–**
Other						
Contributions paid by employee	–	–	–	–	–	–
Contributions paid by the employer	–	–	–	–	–	–
Benefits paid	(33)	(33)	33	33	–	–
Administration costs	–	–	–	–	–	–
	(33)	**(33)**	**33**	**33**	**–**	**–**
Balance at 31 March	**1,242**	**2,709**	**(1,242)**	**(2,709)**	**–**	**–**

Plan assets
Plan assets comprise qualifying insurance policies.

Defined benefit obligation
Actuarial assumptions
At the reporting date (except for the future salary growth, which is the curtailment date) the principal actuarial assumptions (expressed as weighted averages) were as follows:

AS AT 31 MARCH	2024	2023
Discount rate	3.44%	3.44%
Future salary growth	2.30%	2.30%
Future pension growth	0.00%	0.00%
Price inflation	2.30%	2.30%

Assumptions regarding future mortality are based on published statistics and mortality tables. For financial year 2023/24 table *Prognosetafel* AG 2020 is used (2022/23: *Prognosetafel* AG 2020).

The duration of the defined benefit obligation is 24.4 years (2022/23: 24.4 years).

The Group expects no contributions to be paid to its defined benefit plan in the 2024/25 financial year (2023/24: nil). The defined benefit obligation does remain subject to indexation.

Sensitivity analysis
Reasonably possible changes to one of the relevant actuarial assumptions at the reporting date, while holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Defined benefit obligation as at 31 March 2024

AMOUNTS IN EUR '000	INCREASE	DECREASE
Discount rate (+/- 1%)	(636)	688
Future salary growth (+/- 1%)	–	–
Future price inflation (+/- 1%)	–	–
Future pension growth (+ 1%)	112	–

12. Income taxes

Income tax recognised in profit or loss

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Current tax expense	(2.608)	(2,734)
Deferred tax expense		
Tax loss and tax credit carry forward/(reduction of)	939	(586)
Origination and reversal of temporary differences	(265)	(318)
Adjustment for prior years (incl. tax credits carry forward)	–	(482)
	976	**(1,386)**
Income tax expense	**(1,934)**	**(4,120)**

Income tax expense excludes the Group's share of tax expense of the Group's equity-accounted investees of EUR 414 thousand (2022/23: EUR 436 thousand), which has been included in 'share of result of joint ventures'.

No one-off tax results were included in the 2023/24 tax expenses (2022/23: nil).

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

Reconciliation of effective tax rate

FOR THE YEAR ENDED 31 MARCH	2024		2023	
	%	EUR 1,000	%	EUR 1,000
Profit/(loss) before tax		8,973		(12,118)
Tax at the Company's domestic tax rate	25.8	(2,315)	25.8	3,126
Effect of tax rates in foreign jurisdictions	(1.9)	174	2.0	241
Non-deductible expenses	0.6	(50)	(53.3)	(6,460)
Effect of share of profits of equity-accounted investees	(3.3)	295	(5.0)	(610)
Changes in estimates related to prior years	0.8	(75)	(5.4)	(654)
Other (incl. tax credits carry forward)	(0.4)	37	2.0	237
	21.6	**(1,934)**	**(33.9)**	**(4,120)**

Included in the 2022/23 non-deductible expenses is the impairment of EUR 24,081 thousand, amongst others. No impairment loss was recognised in 2023/24.

Tax

Movement in deferred tax balances

RELATED TO 2023/24 AMOUNTS IN EUR '000	NET BALANCE AT 1 APRIL 2023	ADDITION THROUGH ACQUISITION	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN OCI/ EQUITY	RECLASSI-FICATION/ OTHER	NET BALANCE AT 31 MARCH 2024	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Intangible assets	(33,057)	–	(302)	–	–	**(33,359)**	–	(33,359)
Acquisition related deferred taxes	(18,155)	–	–	–	–	**(18,155)**	–	(18,155)
Derivative financial liability	(134)	–	–	110	–	**(24)**	–	(24)
Derivative financial asset	12	–	–	(7)	–	**5**	5	–
Leases	–	–	37			**37**	37	
Employee benefits	–	–	–	–	–	**–**	–	–
Tax loss carry forward	329	–	(27)	–	–	**302**	302	–
Tax credits carry forward	668	–	966	–	–	**1,634**	1,634	–
Tax assets (liabilities)	**(50,337)**	**–**	**674**	**103**	**–**	**(49,560)**	**1,978**	**(51,538)**

RELATED TO 2022/23 AMOUNTS IN EUR '000	NET BALANCE AT 1 APRIL 2022	ADDITION THROUGH ACQUISITION	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN OCI/EQUITY	RECLASSIFI-CATION/OTHER	NET BALANCE AT 31 MARCH 2023	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Intangible assets	(32,339)	(400)	(318)	–	–	**(33,057)**	–	(33,057)
Acquisition related deferred taxes	(18,155)	–	–	–	–	**(18,155)**	–	(18,155)
Derivative financial liability	(41)	–	–	(93)	–	**(134)**	–	(134)
Derivative financial asset	140	–	–	(128)	–	**12**	12	–
Employee benefits	–	–	–	–	–	**–**	–	–
Tax loss carry forward	992	329	(992)	–	–	**329**	329	–
Tax credits carry forward	744	–	(76)	–	–	**668**	668	–
Tax assets (liabilities)	**(48,659)**	**(71)**	**(1,386)**	**(221)**	**–**	**(50,337)**	**1,009**	**(51,346)**

On 31 March 2024 the total tax-loss carry-forward amount of EUR 1.6 million has been capitalised as deferred tax asset (31 March 2023: EUR 1.7 million). The tax-credits carry-forward, originating from the interest-deductibility cap, of EUR 6.3 million has been recognised and will not expire (31 March 2023: EUR 2.6 million). The deferred tax asset for capitalised tax losses solely relates to Fluère and is expected to be gradually realised in the coming years.

Uncertain tax positions

Because the Company operates in a number of countries, its income is subject to taxation in different jurisdictions and at different tax rates. The authorities in the Dutch tax jurisdiction have reviewed the Company's tax returns from 2016/17 through 2018/19 and have taken the view that the interest expense related to the Passoã call/put option is not deductible.

The Company's legal counsel advised that it is not probable, but only possible, that the Dutch tax authorities' position will result in an amended tax payment. Accordingly, no provision (or any other form of liability) is accounted for in these financial statements.

13. Inventories

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Finished goods	22,657	21,868
Raw materials	1,968	3,042
	24,625	**24,910**

During 2023/24 inventories of EUR 1,067 thousand were written down to net realisable value (2022/23: EUR 666 thousand). The write-down is included in 'Cost of sales'.

14. Trade and other receivables

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Trade receivables	14,502	14,491
Prepaid expenses and accrued income	2,416	790
Other receivables	1,215	811
	18,133	**16,092**

The entire balance of trade and other receivables is classified as current. The allowance for doubtful trade receivables per 31 March 2024 did not change significantly compared to 31 March 2023.

Trade and other receivables denominated in currencies other than the functional currency amounted to EUR 11,431 thousand at 31 March 2024 (31 March 2023: EUR 10,763 thousand).

Information about the Group's exposure to credit and currency risks as well as impairment losses, if any, for trade and other receivables is included in note 26.

15. Cash and cash equivalents

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Bank balances	31,582	17,553
Cash balances	15	16
Cash and cash equivalents in the statement of financial position	**31,597**	**17,569**
Bank overdrafts	(5,345)	(44)
Cash and cash equivalents in the statement of cash flows	**26,252**	**17,525**

All cash and cash equivalents are available on demand except for an amount of EUR 135 thousand held on a suspense account.

16. Property, plant and equipment

AMOUNTS IN EUR '000	RIGHT-OF-USE ASSETS	EQUIPMENT	FIXTURES AND FITTINGS	FURNITURE	TOTAL
Cost					
Balance at 1 April 2023	8,895	3,143	4,120	200	**16,358**
Additions	620	522	805	(2)	**1,945**
Additions through acquisitions	–	–	–	–	**–**
Lease modifications and remeasurements	1,095	–	–	–	**1,095**
Disposals	(691)	(25)	–	–	**(716)**
Reclassification	–	71	(71)	–	**–**
Effect of movement in exchange rates	8	4	1	–	**13**
Balance at 31 March 2024	**9,927**	**3,715**	**4,855**	**198**	**18,695**
Accumulated depreciation					
Balance at 1 April 2023	(3,639)	(1,928)	(2,622)	(151)	**(8,340)**
Depreciation for the year	(757)	(340)	(349)	(12)	**(1,458)**
Additions through acquisitions	–	–	–	–	**–**
Disposals	691	13	–	–	**704**
Reclassification	–	(38)	38	–	**–**
Effect of movement in exchange rates	(3)	(3)	(2)	(1)	**(9)**
Balance at 31 March 2024	**(3,708)**	**(2,296)**	**(2,935)**	**(164)**	**(9,103)**
Carrying amounts					
At 1 April 2023	**5,256**	**1,215**	**1,498**	**49**	**8,018**
At 31 March 2024	**6,219**	**1,419**	**1,920**	**34**	**9,592**

AMOUNTS IN EUR '000	RIGHT-OF-USE ASSETS	EQUIPMENT	FIXTURES AND FITTINGS	FURNITURE	TOTAL
Cost					
Balance at 1 April 2022	8,799	3,008	3,956	189	**15,952**
Additions	–	191	98	11	**300**
Additions through acquisitions	–	–	65	–	**65**
Lease modifications and remeasurements	84	–	–	–	**84**
Disposals	–	–	–	–	**–**
Reclassification	–	–	–	–	**–**
Effect of movement in exchange rates	12	(56)	1	–	**(43)**
Balance at 31 March 2023	**8,895**	**3,143**	**4,120**	**200**	**16,358**
Accumulated depreciation					
Balance at 1 April 2022	(2,857)	(1,762)	(2,231)	(127)	**(6,977)**
Depreciation for the year	(786)	(223)	(404)	(6)	**(1,419)**
Additions through acquisitions	–	–	(35)	–	**(35)**
Disposals	–	–	–	–	**–**
Reclassification	–	–	–	–	**–**
Effect of movement in exchange rates	4	57	48	(18)	**91**
Balance at 31 March 2023	**(3,639)**	**(1,928)**	**(2,622)**	**(151)**	**(8,340)**
Carrying amounts					
At 1 April 2022	**5,942**	**1,246**	**1,725**	**62**	**8,975**
At 31 March 2023	**5,256**	**1,215**	**1,498**	**49**	**8,018**

The carrying value of right-of-use assets consists of buildings and no amounts are included for office equipment (31 March 2023: EUR 17 thousand) and lease cars (31 March 2023: EUR 34 thousand). Short-term lease expenses and low-value lease expenses of EUR 112 thousand (31 March 2023: EUR 104 thousand) are included in 'Other administrative expenses'. Refer to note 23 and note 26 for further details on the lease liability.

Security

At 31 March 2024 properties with a carrying amount of EUR 3,373 thousand (31 March 2023: EUR 2,762 thousand) were subject to a registered debenture that serves as security for bank loans (see note 22).

17. Intangible assets

AMOUNTS IN EUR '000	BRANDS	GOODWILL	OTHER	TOTAL
Cost				
Balance at 1 April 2023	296,815	21,043	593	**318,451**
Additions	5,336	–	–	**5,336**
Additions through acquisitions	–	–	–	**–**
Disposals	(426)	–	–	**(426)**
Balance at 31 March 2024	**301,725**	**21,043**	**593**	**323,361**
Accumulated amortisation				
Balance at 1 April 2023	(312)	–	(578)	**(890)**
Reclassification	–	–	–	**–**
Amortisation	(114)	–	(13)	**(127)**
Disposals	426	–	–	**426**
Balance at 31 March 2024	**–**	**–**	**(591)**	**(591)**
Accumulated impairment				
Balance at 1 April 2023	(32,792)	(200)	–	**(32,992)**
Impairment	–	–	–	**–**
Balance at 31 March 2024	**(32,792)**	**(200)**	**–**	**(32,992)**
Carrying amounts				
At 1 April 2023	**263,711**	**20,843**	**15**	**284,569**
At 31 March 2024	**268,933**	**20,843**	**2**	**289,778**

AMOUNTS IN EUR '000	BRANDS	GOODWILL	OTHER	TOTAL
Cost				
Balance at 1 April 2022	295,195	20,643	593	**316,431**
Additions				
Additions through acquisitions	1,620	400	–	**2,020**
Balance at 31 March 2023	**296,815**	**21,043**	**593**	**318,451**
Accumulated amortisation				
Balance at 1 April 2022	(338)	–	(318)	**(656)**
Reclassification	62	–	(62)	**–**
Amortisation	(36)	–	(198)	**(234)**
Balance at 31 March 2023	**(312)**	**–**	**(578)**	**(890)**
Accumulated impairment				
Balance at 1 April 2022	(8,911)	–	–	**(8,911)**
Impairment	(23,881)	(200)	–	**(24,081)**
Balance at 31 March 2023	**(32,792)**	**(200)**	**–**	**(32,992)**
Carrying amounts				
At 1 April 2022	**285,946**	**20,643**	**275**	**306,864**
At 31 March 2023	**263,711**	**20,843**	**15**	**284,569**

Goodwill

Goodwill was recognised as a result of the acquisition of Pijlsteeg B.V. in September 2013, Passoã in December 2016, Tequila Partida in December 2021 and Fluère in January 2023. The difference between the purchase price and the fair value was recognised as goodwill, which is subject to an annual impairment test.

AMOUNTS IN EUR '000	2024	2023
Balance at 1 April	20,843	20,643
Additions through acquisition	–	400
Impairment	–	(200)
Balance at 31 March	20,843	20,843

Impairment testing for cash-generating units (CGUs) containing brand value and goodwill
The total brand value per the Group's CGUs is as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Bols	102,138	102,138
Passoã	70,300	70,300
Galliano	39,076	39,076
Dutch brands	17,041	17,041
Other brands	40,378	35,156
	268,933	263,711

In June 2023 the Company acquired the Nuvo brand from London Group, LLC for EUR 5,336 thousand (USD 5,700 thousand). This amount was fully allocated to brand value in the Company's Other Brands CGU.

All capitalised brands with an indefinite useful economic life are not amortised. Such brands are protected by trademarks, which are renewable indefinitely in all the major markets in which they are sold. The Company is not aware of any legal, regulatory or contractual provisions that limit the useful life of these brands. The nature of the premium drinks industry is that obsolescence is not a common issue, with indefinite brand lives being commonplace.

The recoverable amount of the CGUs was determined based on a value in use analysis and estimated using discounted cash flows as per the end of the financial year. When estimating the recoverable amount based on the value in use, the forecasted cash flows reflect management's best estimate of the economic conditions that will exist over the indefinite useful life of the asset.

Key assumptions applied to the impairment test are as follows:

- Cash-flow projections for the first four years are based on the net contribution margin as per next financial year's budget and the mid-term business plan for the three years thereafter, both recently endorsed by the Management Board and Supervisory Board. These projections are evaluated in the light of historical performance, amongst others, and take into account expected revenue growth based on actual experience, an analysis of volume growth and expected market-share developments as well as expected pricing and margin developments. The revenue and volume growth rates and margins used to estimate future performance are mainly based on past performance, our experience of growth rates and margins achievable in the Company's main markets and the expected brand value-enhancing propositions in the markets.
- Using a similar approach, the projections are extended to years five through eight. This extension is applied to all CGUs except for the Dutch Brands CGU.
- Cash flows after the eight-year period (Dutch Brands CGU: four-year period) are extrapolated using an average terminal value growth rate of 2.4 percent (Dutch Brands CGU: 1.0 percent negative). The growth rates are in line with long-term expected growth rates in the markets in which the Group operates, also considering demographic developments and expected inflation rates.
- The discount rate is based on external sources:

PERCENTAGE AS AT 31 MARCH	2024	2023
Discount rate	7.7	8.6
Pre-tax WACC	7.78-11.65	10.32-13.14
Terminal value growth rate	-1.00-2.40	-1.00-2.40

During the year ended 31 March 2024 no impairment loss was recognised. In 2022/23 an impairment loss of EUR 24,081 thousand was recorded in relation to the Dutch Brands CGU, included in the Regional Liqueurs & Spirits operating segment.

Management performed a sensitivity analysis on (i) a revenue decrease of 5%, (ii) a discount rate increase of 100bps, or (iii) a decrease of terminal growth rate by 200bps for each CGU. The recoverable amounts of the CGUs would still be in excess of the carrying amounts with sufficient and reasonable headroom, except for the Passoã CGU. If the terminal growth rate would decrease by 200bps a limited impairment of goodwill would arise for that CGU.

18. Equity-accounted investees

AMOUNTS IN EUR '000	2024	2023
Opening balance	1,652	10,373
Share in profit	1,090	(2,665)
Dividend received	(1,150)	(1,150)
Investments/(divestments) in joint ventures	–	(4,800)
Other adjustments	209	(106)
Balance as at 31 March	1,801	1,652

AMOUNTS IN EUR '000	2024	2023
Maxxium Nederland B.V. (50.0%)	1,155	1,006
Maxxium BeLux N.V. (50.0%)	346	346
BolsKyndal India Pvt. Ltd. (50.0%)	–	–
Other	300	300
Balance as at 31 March	1,801	1,652

Avandis
Effective 1 January 2023 the Company sold its 50 percent share in the net assets of Avandis to Refresco Group B.V. In 2022/23 a book loss in relation to the sale of Avandis to Refresco of EUR 3.9 million was recognised in 'share of result of joint ventures'.

Maxxium Nederland B.V.
Maxxium Nederland B.V. is structured as a separate entity and the Group has a 50 percent interest in the net assets of Maxxium Nederland B.V. The Group has classified its interest in Maxxium Nederland B.V. as a joint venture. The principal activity of Maxxium Nederland B.V. is the distribution of distilled products.

The following is a summary of the financial information of Maxxium Nederland B.V., based on its financial statements adjusted for fair value adjustments on acquisition and differences in the Group's accounting policies.

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Revenue	72,185	72,302
Profit from continuing operations	2,288	2,470
Other comprehensive income	–	–
Total comprehensive income	**2,288**	**2,470**

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Current assets	21,814	24,933
Non-current assets	2,629	2,807
Current liabilities	(20,321)	(23,458)
Non-current liabilities	(1,887)	(1,585)
Net assets (100%)	**2,235**	**2,697**

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Group interest in net assets of investee at beginning of year	1,006	1,027
Share of total comprehensive income	1,144	1,235
Dividends received during the year	(1,150)	(1,150)
Group interest in net assets of investee at year-end	**1,000**	**1,112**
Elimination of unrealised profit on intercompany sales	155	(106)
Carrying amount of interest in investee at year-end	**1,155**	**1,006**

Maxxium BeLux N.V.
Maxxium BeLux N.V. is structured as a separate entity and the Group has a 50 percent interest in the net assets of Maxxium BeLux N.V. The Group has classified its interest in Maxxium BeLux N.V. as a joint venture. The principal activity of Maxxium BeLux N.V. is the distribution of distilled products in Belgium and Luxembourg.

BolsKyndal India Pvt. Ltd.
BolsKyndal India Pvt. Ltd. is structured as a separate entity and the Group has a 50 percent interest in the net assets of BolsKyndal India Pvt. Ltd. The Group has classified its interest in BolsKyndal India Pvt. Ltd. as a joint venture. The principal activity of BolsKyndal India Pvt. Ltd. is the blending, bottling and distribution of distilled products.

19. Other investments

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Loans issued	114	176
Other related party loans	267	232
	381	**408**

Information about the Group's exposure to credit and market risks and fair value measurement is included in note 26.

20. Capital and reserves

At 31 March 2024 the authorised share capital comprised 21.0 million ordinary shares of EUR 0.10 each. A total of 16.08 million of these shares was issued and fully paid at the balance sheet date.

AMOUNTS IN EUR '000	2024	2023
In issue at 1 April	1,497	1,497
Issue of share capital	111	–
In issue at 31 March – fully paid	**1,608**	**1,497**
Authorised – par value in EUR	**0.10**	**0.10**

Ordinary shares
Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share in the General Meeting of Shareholders of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

NUMBER OF SHARES IN THOUSANDS	2024	2023
Balance at 1 April	14,973	14,973
Issue of share capital	1,111	–
Balance at 31 March	**16,084**	**14,973**

Treasury shares
In 2023/24 and 2022/23 the Group purchased own shares under the Employee Share Purchase Plan (see note 3(e)). All purchased own shares have been delivered to employees. The Employee Share Purchase Plan was discontinued directly after the announcement of the, at that time, intended public offer by the Nolet Group on the shares of the Company on 9 October 2023 and is now terminated following the acceptance of the offer by more than 70% of the shareholders.

Share premium

AMOUNTS IN EUR '000	2024	2023
Balance at 1 April	157,787	157,787
Issue of share capital	19,889	–
Balance at 31 March	**177,676**	**157,787**

Nature and purpose of legal reserves
Currency translation reserve
The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation (see note 3(c)).

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value, net of tax, of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss (see note 3(k)).

Other legal reserve
French legislation requires the Company to form a legal reserve, amounting to 10% of the Company's investment in Passoã S.A.S., for an amount of EUR 7.6 million (31 March 2023: EUR 7.6 million).

Dividends on common shares

The Management Board, with the approval of the Supervisory Board, has decided to refrain from the payment of dividend to the Company's shareholders in 2023/24 in light of the intended recommended public offer by the Nolet Group. In July 2023 the Company paid a final dividend of EUR 1,946 thousand to its shareholders 2022/23. The net profit shall be allocated to retained earnings, subject to the approval of Supervisory Board and the Annual General Meeting of Shareholders.

21. Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders, also taking into account economic conditions and the requirements of the financial covenants. The Group monitors capital using net debt, amongst others.

- Net debt is the net of (i) the sum of bank loans drawn (at face value) and (ii) net cash and cash equivalents.

The Group's net debt at 31 March was as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	NOTE	2024	2023
Bank loans drawn (at face value)		71,500	76,500
Loans from third parties (at face value)		580	580
Interest-bearing debt		**72,080**	**77,080**
Less: cash and cash equivalents	15	(31,597)	(17,569)
Plus: bank overdrafts	15	5,345	44
Net debt		**45,828**	**59,555**

22. Loans and borrowings

Non-current liabilities

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Secured bank loans	66,198	66,448
Loans from third parties	580	580
Cumulative preference shares	–	–
	66,778	**67,028**

At 31 March 2024 the facility arrangement in place consists of EUR 30 million term loan facilities (31 March 2023: EUR 30 million), EUR 30 million revolving credit facilities (31 March 2023: EUR 30 million) and EUR 32.5 million acquisition facilities (31 March 2023: EUR 42.5 million) which were used for the funding of Passoã transaction. These committed facilities were extended effective 31 March 2023, now maturing November 2025 instead of November 2023. There is no FX impact on the loans. The Group is obliged to meet the covenants required by the senior credit facilities.

Under the facility agreement, the Group is required to comply with an interest cover ratio covenant and a leverage ratio covenant, calculated as per the definitions included in that agreement. Per each of the half-year testing periods, the interest cover ratio shall be or shall exceed 3.00, whilst the leverage ratio shall not exceed 4.00. In case of a qualifying acquisition, the maximum leverage ratio permitted is increased to 4.50 for two consecutive testing periods after that acquisition (the 'acquisition spike').

Based on the definitions in the facility agreement and the (extended) amendments thereto, the interest cover per 31 March 2024 was 3.80x (31 March 2023: 6.85x), whilst the leverage ratio for the year ended on that date was 2.69x (31 March 2023: 3.36x).

Information about the Group's exposure to interest rate and liquidity risks is included in note 26.

Current liabilities

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Current portion of secured bank loans	5,200	10,000
Bank overdrafts	5,345	44
	10,545	**10,044**

Movement schedule

AMOUNTS IN EUR '000	TERM LOAN	REVOLVING CREDIT FACILITY	ACQUISITION FACILITY	LOANS FROM THIRD PARTIES	TOTAL SECURED BANK LOANS (FACE VALUE)	UNAMORTISED REFINANCE FEES	CARRYING AMOUNT	TOTAL REPAYMENT
As at 1 April 2023	30,000	4,000	42,500	580	77,080	(52)	77,028	–
Amortisation	–	–	–	–	–	113	113	–
Additions	–	–	–		–	(163)	(163)	–
Proceeds	–	5,000	–	–	5,000	–	5,000	
Repayments	–	–	(10,000)	–	(10,000)	–	(10,000)	(10,000)
As at 31 March 2024	**30,000**	**9,000**	**32,500**	**580**	**72,080**	**(102)**	**71,978**	**(10,000)**

Movement schedule

AMOUNTS IN EUR '000	TERM LOAN	REVOLVING CREDIT FACILITY	ACQUISITION FACILITY	LOANS FROM THIRD PARTIES	TOTAL SECURED BANK LOANS (FACE VALUE)	UNAMORTISED REFINANCE FEES	CARRYING AMOUNT	TOTAL REPAYMENT
As at 1 April 2022	30,000	8,000	47,500	–	85,500	(130)	85,370	–
Amortisation	–	–	–	–	–	78	78	–
Additions through acquisition	–	–	–	580	580	–	580	–
Proceeds	–	–	–	–	–	–	–	–
Repayments	–	(4,000)	(5,000)	–	(9,000)	–	(9,000)	(9,000)
As at 31 March 2023	**30,000**	**4,000**	**42,500**	**580**	**77,080**	**(52)**	**77,028**	**(9,000)**

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	CURRENCY	NOMINAL INTEREST RATE	YEAR OF MATURITY	UNUSED FACILITY[5]	FACE VALUE	CARRYING AMOUNT	FACE VALUE	CARRYING AMOUNT
		% P.A.		2024	2024	2024	2023	2023
Secured bank loan – Term loan	EUR	Euribor + Margin[4]	2025	–	30,000	29,957	30,000	29,980
Secured bank loan – Revolving Credit Facility	EUR	Euribor + Margin[4]	2025	21,000	9,000	8,987	4,000	3,997
Secured bank loan – Acquisition Facility	EUR	Euribor + Margin[4]	2025	–	32,500	32,454	42,500	42,471
Loans from third parties	EUR	5 %	2025	–	580	580	580	551
Total interest-bearing liabilities				**21,000**	**72,080**	**71,978**	**77,080**	**76,999**

4 The applicable margin is dependent of the leverage ratio is ranges from 1.725% through 2.60%.

5 In addition, the Group had a revolving credit facility of EUR 10.0 million in place, which is mainly used for guarantees. As at 31 March 2024 a total of EUR 0.1 million (31 March 2023: EUR 0.1 million) was used for guarantees, leaving an extra amount of EUR 9.9 million of the facility unused at 31 March 2024 (31 March 2023: EUR 9.9 million).

The repayment schedule of current outstanding loans is as follows:

AMOUNTS IN EUR '000	CURRENCY	YEAR OF MATURITY	FACE VALUE 31 MARCH 2024	LESS THAN 1 YEAR	1-2 YEARS	2-4 YEARS	5 YEARS
Secured bank loan – Term loan	EUR	2025	30,000	–	(30,000)	–	–
Secured bank loan – Revolving Credit Facility	EUR	2025	9,000	–	(9,000)	–	–
Secured bank loan – Acquisition Facility	EUR	2025	32,500	(5,000)	(27,500)	–	–
Loans from third parties	EUR	2025	580	(200)	-	(380)	–
Total interest-bearing liabilities			**72,080**	**(5,200)**	**(66,500)**	**(380)**	**–**

Floating rates were hedged for a substantial part by means of interest-rate swap agreements. The bank loans are secured for approximately EUR 92.5 million (31 March 2023: EUR 100.0 million) by a pledge on most non-current assets and material intellectual property of the Group, as well as trade receivables and stock.

23. Other non-current financial liabilities

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Lease liabilities	5,483	4,762
Contingent consideration	–	–
Other financial liabilities	–	–
Fair value of derivatives	–	–
	5,483	**4,762**

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates. The model used under hedge accounting is the cash-flow hedge model.

The movement in the lease liability is as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Opening balance	5,434	6,186
Additions	620	–
Lease modification	1,095	84
Accretion of interest	130	127
Payments	(930)	(969)
Exchange rate results	10	6
	6,359	**5,434**
Current portion of lease liabilities (note 23)	876	672
Non-current portion of lease liabilities	**5,483**	**4,762**

Included in 'Finance costs' is an amount of EUR 130 thousand (2022/23: EUR 127 thousand) related to interest expenses on lease liabilities; refer to note 10. A maturity analysis of lease liabilities is included in note 27.
The assets related to leases are included in note 16.

24. Trade and other payables

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Trade payables	5,678	7,966
Accrued expenses	6,009	5,614
Wage tax payable	332	127
	12,019	**13,707**

At 31 March 2024 trade payables denominated in currencies other than the functional currency amounted to EUR 1,461 thousand (31 March 2023: EUR 3,294 thousand).

25. Other current financial liabilities including derivatives

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Lease liabilities	876	672
Fixed cash consideration	–	250
Fair value of derivatives	20	48
Accrued interest payable	310	(18)
Other financial liabilities	–	–
	1,206	**952**

Per 31 March 2023 an amount of EUR 250 thousand relating to the fixed cash consideration for the acquisition of Fluère Drinks B.V. was deferred, but released in March 2024.

Derivative financial instruments of in total EUR 20 thousand (31 March 2023: EUR 48 thousand) consist of hedged foreign exchange contracts, valued at 31 March 2024. The duration of these foreign exchange contracts and interest contracts is less than one year.

See note 26 for disclosure on financial instruments. Information about the Group's exposure to currency and liquidity risks is also included in note 26.

26. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

AMOUNTS IN EUR '000 AS AT 31 MARCH 2024	NOTE	FAIR VALUE -HEDGING INSTRUMENTS	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets measured at fair value								
Interest rate swaps used for hedging		–	–	–	–	–	–	–
Forward exchange contracts used for hedging		90	–	–	**90**	–	90	–
		90	**–**	**–**	**90**	**–**	**90**	**–**
Financial assets not measured at fair value								
Loan issued		–	114	–	**114**	–	114	–
Other related party loans	19	–	267	–	**267**	–	267	–
Trade and other receivables	14	–	18,133	–	**18,133**	–	18,133	–
Corporate income tax receivable		–	298	–	**298**	–	298	–
Cash and cash equivalents	15	–	31,597	–	**31,597**	–	31,597	–
		–	**50,409**	**–**	**50,409**	**–**	**50,409**	**–**
Financial liabilities measured at fair value								
Fixed cash consideration		–	–	–	**–**	–	–	–
Employee benefits		–	–	(347)	**(347)**	(347)	–	–
Interest rate swaps used for hedging		–	–	–	**–**	–	–	–
Forward exchange contracts used for hedging		(20)	–	–	**(20)**	–	(20)	–
		(20)	**–**	**(347)**	**(367)**	**(347)**	**(20)**	**–**
Financial liabilities not measured at fair value								
Loans and borrowings	22	–	–	(71,978)	**(71,978)**	–	(71,978)	–
Lease liabilities (non-current)	23	–	–	(5,483)	**(5,483)**	–	(5,483)	–
Lease liabilities (current)	25	–	–	(876)	**(876)**	–	(876)	–
Other financial liabilities (current)	25	–	–	–	**–**	–	–	–
Trade and other payables	24	–	–	(12,019)	**(12,019)**	-	(12,019)	–
Accrued interest payable	25	–	–	(310)	**(310)**	–	(310)	–
Corporate income tax payable		–	–	–	**–**	–	–	–
Bank overdrafts	15	–	–	(5,345)	**(5,345)**	–	(5,345)	–
		–	**–**	**(96,011)**	**(96,011)**	**-**	**(96,011)**	**–**

AMOUNTS IN EUR '000 AS AT 31 MARCH 2023	NOTE	FAIR VALUE -HEDGING INSTRUMENTS	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets measured at fair value								
Interest rate swaps used for hedging		6	–	–	6	–	6	–
Forward exchange contracts used for hedging		511	–	–	**511**	–	511	–
		517	**–**	**–**	**517**	**–**	**517**	**–**
Financial assets not measured at fair value								
Loan issued		–	176	–	**176**	–	176	–
Other related party loans	19	–	232	–	**232**	–	232	–
Trade and other receivables	14	–	16,092	–	**16,092**	–	16,092	–
Cash and cash equivalents	15	–	17,569	–	**17,569**	–	17,569	–
		–	**34,069**	**–**	**34,069**	**–**	**34,069**	**–**
Financial liabilities measured at fair value								
Fixed cash consideration		–	–	(250)	**(250)**	–	–	(250)
Employee benefits		–	–	(129)	**(129)**	(129)	–	–
Interest rate swaps used for hedging		–	–	–	**–**	–	–	–
Forward exchange contracts used for hedging		(48)	–	–	**(48)**	–	(48)	–
		(48)	**–**	**(379)**	**(427)**	**(129)**	**(48)**	**(250)**
Financial liabilities not measured at fair value								
Loans and borrowings	22	–	–	(76,999)	**(76,999)**	–	(76,999)	–
Lease liabilities (non-current)	23	–	–	(4,762)	**(4,762)**	–	(4,762)	–
Lease liabilities (current)	25	–	–	(672)	**(672)**	–	(672)	–
Other financial liabilities (current)	25	–	–	–	**–**	–	–	–
Trade and other payables	24	–	–	(13,707)	**(13,707)**	–	(13,707)	–
Accrued interest payable	25	–	–	18	**18**	–	18	–
Corporate income tax payable		–	–	(193)	**(193)**	–	(193)	–
Bank overdrafts	15	–	–	(44)	**(44)**	–	(44)	–
		–	**–**	**(96,359)**	**(96,359)**	**–**	**(96,359)**	**–**

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	INTERRELATIONSHIP BETWEEN SIGNIFICANT UNOBSERVABLE INPUTS AND FAIR VALUE MEASUREMENT
Forward exchange contracts	Market comparison technique: the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	n/a	n/a

Financial instruments not measured at fair value:

TYPE	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS
Financial assets	Discounted cash flows	n/a
Financial liabilities	Discounted cash flows	n/a

Financial assets include trade and other receivables, loans provided and cash and cash equivalents. Financial liabilities include bank loans, lease liabilities, short-term financial liabilities and trade and other payables. The book values of the secured bank loans are the best approximation of their fair value. For all other financial instruments the fair value is consistent with the book value.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Risk management framework

There are inherent risks related to Lucas Bols' business activities and organisation. Sound risk management is an integral element of good business practice and effective operations, so the Management Board promotes a transparent, company-wide approach to risk management and internal controls. This approach focuses on finding the right balance between maximising business opportunities and managing risks involved. The Management Board considers this to be one of its most important tasks.

The risk management framework is the foundation for the identification and mitigation of corporate business risks and has been developed to provide reasonable assurance that the risks we face are properly evaluated and mitigated. It assures that management is provided with the information it needs to make informed and timely decisions. While the framework is designed to manage risks it cannot prevent human error, fraud or infringements of laws and regulations with absolute certainty. Lucas Bols' risk management is not static: the way we manage risks is constantly monitored and adapted to reflect changes in internal and external circumstances if and when necessary.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The concentration of credit risk with respect to receivables is limited, as the Group's customer base and vendor base are large and unrelated. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Almost all the customers have been doing business transactions with the Group for several years, and no significant impairment loss has been recognised against these customers.

The Group closely monitors the economic environment and is taking actions to limit its exposure to customers in countries experiencing specific economic volatility.

At year-end, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	CARRYING AMOUNT 2024	CARRYING AMOUNT 2023
Sophisticated Cocktail Markets	4,012	5,356
Developed Cocktail Markets	6,624	6,109
Emerging Cocktail Markets	3,866	3,026
	14,502	**14,491**

At year-end, the aging of trade receivables is as follows:

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
Not past due	14,155	13,114
1 – 30 days past due	313	977
31 – 90 days past due	–	229
90 days and more past due	34	171
	14,502	**14,491**

Management believes that the unimpaired amounts that are more than 30 days past due are still collectible in full based on historic payment behaviour and extensive analysis of customer credit risk, including the underlying customers' credit ratings, if available.

No impairment loss was recognised on trade receivables in 2023/24. In 2022/23 an insignificant impairment loss on trade receivables was recognised.

Cash and cash equivalents

The Group held cash and cash equivalents of EUR 26,252 thousand as at 31 March 2024 (31 March 2023: EUR 17,525 thousand). The cash and cash equivalents are held with bank and financial institution counterparties which are at least A-rated based on ratings assigned by rating agencies.

Derivatives
Derivatives are entered into with bank and financial institution counterparties which are rated AA- to AA+ based on ratings assigned by rating agencies. The carrying amount of financial assets of EUR 90 thousand represents the maximum credit risk exposure (2022/23: EUR 516 thousand).

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it generally has sufficient cash on demand to meet the expected operational expenses for the next few months, including the servicing of financial obligations.
This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The Group maintains an additional line of credit in the form of a EUR 10 million revolving credit facility. This facility is mainly used for guarantees. One guarantee has been issued:

- A guarantee for one of our lessors (EUR 0.1 million).

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

AMOUNTS IN EUR '000 31 MARCH 2024	CONTRACTUAL CASH FLOWS					
	CARRYING AMOUNT	TOTAL	LESS THAN 1 YEAR	1-2 YEARS	2-4 YEARS	MORE THAN 4 YEARS
Derivative financial liabilities						
Interest rate swap contracts	–	**–**	–	–	–	–
Forward exchange contracts	(20)	**(20)**	(20)	–	–	–
Non-derivative financial liabilities						
Secured bank loans	(71,978)	**(72,080)**	(5,200)	(66,500)	(380)	–
Interest related to secured bank loans	–	**(7,021)**	(4,285)	(2,735)	–	–
Lease liabilities	(6,359)	**(6,511)**	(895)	(1,790)	(1,790)	(2,035)
Bank overdrafts	(5,345)	**(5,345)**	(5,345)	–	–	–
Trade payables	(12,019)	**(12,019)**	(12,019)	–	–	–
Accrued interest payable	(310)	**(310)**	(310)	–	–	–
Corporate income tax payable	–	**–**	–	–	–	–
	(96,031)	**(103,306)**	**(28,075)**	**(71,026)**	**(2,170)**	**(2,035)**

AMOUNTS IN EUR '000 31 MARCH 2023	CONTRACTUAL CASH FLOWS					
	CARRYING AMOUNT	TOTAL	LESS THAN 1 YEAR	1-2 YEARS	2-4 YEARS	MORE THAN 4 YEARS
Derivative financial liabilities						
Interest rate swap contracts	–	**–**	–	–	–	–
Forward exchange contracts	(48)	**(48)**	(48)	–	–	–
Non-derivative financial liabilities						
Secured bank loans	(76,999)	**(77,080)**	(10,000)	(5,580)	(61,500)	–
Interest related to secured bank loans	–	**(11,000)**	(4,176)	(4,165)	(2,659)	–
Lease liabilities	(5,434)	**(5,646)**	(687)	(516)	(1,048)	(3,395)
Bank overdrafts	(44)	**(44)**	(44)	–	–	–
Trade payables	(13,707)	**(13,707)**	(13,707)	–	–	–
Accrued interest payable	18	**18**	18	–	–	–
Corporate income tax payable	(193)	**(193)**	(193)	–	–	–
	(96,407)	**(107,701)**	**(28,838)**	**(10,261)**	**(65,207)**	**(3,395)**

The Group has a secured bank loan that contains a loan covenant. A breach of this covenant may require the Group to repay the loan earlier than indicated in the above table. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or be significantly different amounts. See note 23 for disclosure on covenants.

Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by management. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Currency risk
The Group is exposed to currency risk, mainly on sales that are denominated in a currency other than the euro. The currencies in which these transactions are primarily denominated are JPY, USD, AUD and GBP.

At the start of the financial year the Group hedges 60 to 80% of its estimated foreign currency exposure in respect of forecast sales for that year. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Group's investment in its US subsidiary and its joint venture in India are not hedged.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to management is as follows:

Trade and other receivables

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
EUR	6,702	5,329
USD	5,896	6,862
JPY	1,069	635
AUD	1,124	962
GBP	311	55
Other currencies	3,031	2,249
	18,133	**16,092**

Trade and other payables

AMOUNTS IN EUR '000 AS AT 31 MARCH	2024	2023
EUR	10,557	10,414
USD	182	3,329
JPY	100	(10)
AUD	109	107
GBP	173	119
Other currencies	898	(252)
	12,019	**13,707**

In accordance with external market sources, not taking into account the hedge rates, the following significant exchange rates were applied during the year:

FOR THE YEAR ENDED 31 MARCH	AVERAGE RATE AGAINST EURO		YEAR END SPOT RATE AGAINST EURO	
	2024	2023	2024	2023
USD	1.0845	1.0413	1.0811	1.0875
JPY	156.84	140.90	163.45	144.83
AUD	1.6494	1.5221	1.6607	1.6268
GBP	0.8630	0.8644	0.8551	0.8792

Sensitivity analysis

A strengthening of the JPY, USD, AUD and GBP against the euro at 31 March 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. A weakening would have the same, but opposite effect. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Currencies other than JPY, USD, AUD and GBP are considered not material.

AMOUNTS IN EUR '000	PROFIT OR LOSS, NET OF TAX IMPACT
31 March 2024	
JPY (1% movement)	18
USD (1% movement)	150
AUD (1% movement)	2
GBP (1% movement)	7
31 March 2023	
JPY (1% movement)	18
USD (1% movement)	113
AUD (1% movement)	35
GBP (1% movement)	42

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 Group adopts a policy of ensuring that at least 80% of its interest rate risk exposure is at a fixed rate, if deemed beneficial. To achieve this the Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Cash flow sensitivity analysis for variable rate instruments

As a result of the Group's hedging policy for changes in interest rates, the impact of a change of 100 basis points in interest rates would be limited.

27. List of subsidiaries

A list of material subsidiaries of the Group is set out below.

AS AT 31 MARCH	PLACE AND COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2024	2023
Lucas Bols Amsterdam B.V.[6]	Amsterdam, The Netherlands	100%	100%
DELB B.V.[6]	Amsterdam, The Netherlands	100%	100%
Galliano B.V.[6]	Amsterdam, The Netherlands	100%	100%
Vaccari B.V.[6]	Amsterdam, The Netherlands	100%	100%
Pisang Ambon B.V.[6]	Amsterdam, The Netherlands	100%	100%
Bokma Distillateurs B.V.[6]	Amsterdam, The Netherlands	100%	100%
Beleggingsmaatschappij Honthorst II B.V.	Amsterdam, The Netherlands	100%	100%
Pijlsteeg B.V.[6]	Amsterdam, The Netherlands	100%	100%
Lucas Bols USA, Inc.	Wilmington, U.S.A.	100%	100%
Passoã S.A.S.	Paris, France	100%	100%
Tequila Partida LLC	Oakland, U.S.A.	100%	100%
Tequila Partida B.V.[6]	Amsterdam, The Netherlands	100%	100%
Fluère Drinks B.V.[6]	Kamperland, The Netherlands	100%	100%
Lucas Bols Holdco B.V.	Amsterdam, The Netherlands	100%	0%
Lucas Bols Sub B.V.	Amsterdam, The Netherlands	100%	0%

6 For these subsidiaries the Company has issued a guarantee as mentioned in Article 403, Part 9, Book 2 of the Netherlands Civil Code.

28. Commitments and contingencies

Commitments
Per 31 March 2024 there were no material commitments.

Contingencies
The credit facility of Lucas Bols incorporates what is known as a ‘change of control’ provision. If a party acquires more than 50% of the company’s issued share capital or voting rights, the company is subject to a repayment commitment. This provision was triggered when the public offer by the Nolet Group was declared unconditional and settled in February 2024. The lenders approved the change of control without any changes to the terms and conditions.

The Company forms part of a Dutch fiscal unit with its consolidated subsidiaries in respect of corporate income tax and value added tax. Consequently, the Company is jointly and severally liable for all debt arising from the fiscal unit. The Company is fully liable for all obligations in relation to bank loans of its subsidiaries.
The Company has issued a guarantee as mentioned in Article 403, Part 9, Book 2 of the Netherlands Civil Code for its subsidiary Lucas Bols Amsterdam B.V. and for the subsidiaries of Lucas Bols Amsterdam B.V., namely Bokma Distillateurs B.V., Galliano B.V., Vaccari B.V., Pisang Ambon B.V., DELB B.V., Pijlsteeg B.V., Tequila Partida B.V. and Fluère Drinks B.V. respectively.

29. Related parties

Transactions with key management personnel
The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24 ‘Related party disclosures’. For details on their remuneration, reference is made to the remuneration report in the annual report.

The Management Board and the Supervisory Board member’s compensation (including the pension obligations as referred to in Section 2:383(b) of the Netherlands Civil Code) that was charged to the Company and Group companies in 2023/24 is as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	MANAGEMENT BOARD		SUPERVISORY BOARD		TOTAL	
	2024	2023	2024	2023	2024	2023
Compensation of the Management Board and the Supervisory Board						
Salary	849	805	164	155	1,013	960
Variable remuneration short-term	153	146	–	–	153	146
Variable remuneration long-term	88	48	–	–	88	48
Pension	34	31	–	–	34	31
Other	127	137	–	–	127	136
Total	**1,251**	**1,167**	**164**	**155**	**1,415**	**1,321**

The variable remuneration long-term has not been paid out as the phantom shares have not yet vested. Final pay-out is dependent on performance on predefined targets. This means the total remuneration awarded or due to the Management Board in 2023/24 amounts to EUR 1,251 thousand respectively (2022/23: EUR 1,167 thousand).

The Management Board of the Company controls none of the voting shares of the Company.

Other related party transactions

AMOUNTS IN EUR '000 AS AT 31 MARCH	TRANSACTION VALUES FOR THE YEAR ENDED		BALANCE OUTSTANDING AS AT	
	2024	2023	2024	2023
Sale of goods and services				
Joint ventures	16,279	18,628	793	1,210
Purchase of goods, services and brands				
Joint ventures	(2,272)	(27,059)	69	89
Others				
Joint ventures dividends received	1,150	1,150	–	–
Joint ventures loan and related interest	–	12	–	–
Other related party loans	–	–	267	232

Balances are expected to be settled in cash within two months after the end of the reporting period except for the ‘Other related party loans’.

None of the balances is secured. An insignificant expense was recognised in the current year in respect of amounts owed by related parties. Refer to note 27.

30. Subsequent events

There were no material events after 31 March 2024.

Company financial statements 2023/24

Company balance sheet of Lucas Bols N.V.

Before profit/(loss) appropriation

AMOUNTS IN EUR '000 AS AT 31 MARCH	NOTE	2024	2023
Assets			
Investments in subsidiaries	3	176,508	152,733
Deferred tax assets	4	2,670	2,670
Total non-current assets		**179,178**	**155,403**
Receivables from group companies	5	51,179	51,179
Cash and cash equivalents		–	–
Total current assets		**51,179**	**51,179**
Total assets		**230,357**	**206,582**
Equity			
Share capital		1,608	1,497
Share premium		177,676	157,787
Treasury shares		–	–
Currency translation reserve		(1,507)	(486)
Hedging reserve		52	348
Other legal reserves		7,630	7,630
Retained earnings		37,859	56,044
Result for the year		7,039	(16,238)
Total equity	6	**230,357**	**206,582**
Liabilities			
Other non-current liabilities		–	–
Total non-current liabilities		–	–
Trade and other payables		–	–
Total current liabilities		**–**	**–**
Total liabilities		**–**	**–**
Total equity and liabilities		**230,357**	**206,582**

Company profit and loss account of Lucas Bols N.V.

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	NOTE	2024	2023
Revenue[7]		1,415	1,321
Cost of sales		–	–
Gross profit		**1,415**	**1,321**
Distribution and administrative expenses[7]		(1,415)	(1,321)
Operating profit		**–**	**–**
Finance income		–	–
Finance costs		–	–
Net finance costs		**–**	**–**
Profit before tax		**–**	**–**
Income tax expense		–	–
Other profit after income tax			–
Share of result of participating interests, after income tax	3	7,039	(16,238)
Net profit/(loss)		**7,039**	**(16,238)**

[7] The amounts represent the compensation of the Management Board and Supervisory Board members, recharged to Lucas Bols Amsterdam B.V.

Notes to the Company financial statements

1. Basis of preparation

The Company's financial statements are prepared in accordance with the provisions of Part 9, Book 2, of the Netherlands Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2, of the Netherlands Civil Code to prepare the Company financial statements, using the same accounting policies as those used for the consolidated financial statements. Valuation is based on recognition and measurement requirements of IFRS as adopted by the EU, as explained further in the notes to the consolidated financial statements.

For the principles of valuation of assets and liabilities and for the determination of the result, reference is made to the notes to the consolidated financial statements.

2. Significant accounting policies

Financial fixed assets
Investments in subsidiaries are accounted for in the Company financial statements according to the equity method. They are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Reference is made to the basis of consolidation accounting policy in the consolidated financial statements.

Profit of participating interests
The share in the result of participating interests consists of the share of the Company in the results of these participating interests. In so far as gains or losses on transactions involving the transfer of assets and liabilities between the Company and its participating interests or between participating interests themselves can be considered unrealised, they have not been recognised.

Amounts due from group companies
Amounts due from group companies are stated initially at fair value and subsequently at amortised cost. Amortised cost is determined using the effective interest rate. The company recognise a credit loss for financial assets (such as a loan) based on an expected credit loss (ECL) which will occur in the coming twelve months or – after a significant decrease in credit quality or when the simplified model can be used – based on the entire remaining loan term. For intercompany receivables the ECL would be applicable as well, however this could cause differences between equity in the consolidated and separate financial statements. For this reason, the company elected to eliminate these differences through the respective receivable account in the separate financial statements.

3. Investments in subsidiaries

AMOUNTS IN EUR '000	2024	2023
Balance at 1 April	152,733	171,677
Dividend paid to shareholders	(1,946)	(3,144)
Effective portion of changes in fair value of cash flow hedges, net of tax	(296)	635
Currency translation of foreign interests	(1,021)	(197)
Issue of share capital	20,000	–
Profit/(loss) of subsidiaries	7,039	(16,238)
Balance at 31 March	**176,508**	**152,733**

The Company only holds a direct interest in Lucas Bols Amsterdam B.V. A list of other (indirect) participating interests is disclosed in note 27 of the consolidated financial statements.

4. Deferred tax assets

Deferred tax assets in regard to carry-forward tax losses that have been recognised are expected to be utilised in the coming years.

5. Receivables from Group companies

The balance is a receivable from a Group company. The receivable is classified as current if it is expected to be recovered within twelve months. The amount is not due yet, nor is there any impairment risk.

6. Equity

For a specification of shareholders' equity, see note 20 of the consolidated financial statements. The retained earnings at 31 March 2024 amount to EUR 37.9 million (31 March 2023: EUR 56.0 million). French legislation requires the Company to form a legal reserve, amounting to of 10% of the Company's investment in Passoã S.A.S., for an amount of EUR 7.6 million (31 March 2023: EUR 7.6 million).

The Management Board, with the approval of the Supervisory Board, has decided to refrain from the payment of dividend to the Company's shareholders in 2023/24 in light of the intended recommended public offer by the Nolet Group. In July 2023 the Company paid a final dividend of EUR 1,946 thousand to its shareholders over 2022/23.
The net profit shall be allocated to retained earnings, subject to the approval of Supervisory Board and the Annual General Meeting of Shareholders.

7. Compensation of the Management Board and the Supervisory Board

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24 'Related party disclosures'. For details on their remuneration, reference is made to note 29 of the consolidated financial statements.

At 31 March 2024 Lucas Bols N.V. had zero persons employed (31 March 2023: zero).

8. Fees for audit and other services

In accordance with article 382.a of Part 9, Book 2, of the Netherlands Civil Code, the total audit cost can be specified as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	PRICEWATERHOUSECOOPERS ACCOUNTANTS N.V.		OTHER PWC FIRMS		TOTAL	
	2024	2023	2024	2023	2024	2023
Fees for audit of financial statements and other services						
Audit of financial statements	299	290	–	–	299	290
Other assurance services	64	3	–	–	63	3
Total	**363**	**293**	**–**	**–**	**362**	**293**

PricewaterhouseCoopers was appointed group auditor in the Annual General Meeting of Shareholders on 7 July 2022 effective 1 April 2022. Other assurance services provided by PricewaterhouseCoopers during the year under review relate to the public offer by the Nolet Group.

In 2023/24 PricewaterhouseCoopers' predecessor Ernst & Young Accountants LLP provided assurance services for the amount of EUR 25 thousand.

9. Contingent liabilities

The Company forms part of a Dutch fiscal unit with its consolidated subsidiaries in respect of corporate income tax and value added tax. Consequently, the Company is jointly and severally liable for all debt arising from the fiscal unit. The Company is fully liable for all obligations in relation to bank loans of its subsidiaries.
The Company has issued a guarantee as mentioned in Article 403, Part 9, Book 2 of the Netherlands Civil Code for its subsidiary Lucas Bols Amsterdam B.V. and for the subsidiaries of Lucas Bols Amsterdam B.V., namely Bokma Distillateurs B.V., Galliano B.V., Vaccari B.V., Pisang Ambon B.V., DELB B.V., Pijlsteeg B.V., Tequila Partida B.V. and Fluère Drinks B.V. respectively.

10. Subsequent events

There were no material events after 31 March 2024.

Amsterdam, 15 May 2024

Management Board:
Huub L.M.P. van Doorne (CEO)
Frank J. Cocx (CFO)

Supervisory Board:
D. René Hooft Graafland (Chairman)
Ralph Wisbrun
Alexandra L. Oldroyd
Marie-Pauline Lauret
Pascal H.J.M. Visée
C. Heino Teschmacher

Address:
Lucas Bols N.V.
Paulus Potterstraat 14
1071 CZ Amsterdam
The Netherlands

Trade register Amsterdam: 34242707

Other information

Statutory provision with respect to appropriation of result

Appropriation of profits according to the provisions of the articles of association
Pursuant to article 31 of the Articles of Association, the Management Board may, subject to the prior approval of the Supervisory Board, determine which part of the profits shall be reserved. The General Meeting may resolve to distribute any part of the profits remaining after reservation in accordance with the above. If the General Meeting does not resolve to distribute these profits in whole or in part, such profits (or any profits remaining after distribution) shall also be reserved.

The Management Board may, subject to the prior approval of the Supervisory Board, resolve to distribute interim dividend on Shares.

Any distributions on Shares shall be made in such a way that on each Share an equal amount or value will be distributed.

Non-GAAP measures

Certain discussions and analyses set out in this Annual Report include measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, is useful to investors and other stakeholders because it provides a basis for measuring our operating performance, and our ability to reduce net debt and invest in new business opportunities. Management also uses these measures, along with the most directly comparable GAAP financial measures, in evaluating operating performance.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures.

Earnings before interest and taxes (EBIT)
EBIT is net profit before net finance costs and the income tax expense. Thus, EBIT is defined as operating profit plus share of result of joint ventures. We believe this measure provides valuable additional information because it includes our share in profit of joint ventures, and we are of the view that our joint ventures are an integral part of Lucas Bols' operations. In addition, EBIT is a key measure used internally.

The reconciliation of EBIT to net profit is as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Net profit/(loss)	7,039	(16,238)
Add back:		
- Income tax expense	1,934	4,120
- Net finance costs	4,589	305
EBIT	**13,562**	**(11,813)**

Earnings before interest, taxes, depreciation and amortisation (EBITDA)
EBITDA is net profit before net finance costs, the income tax expense, depreciation, amortisation and impairment expenses. Thus, EBITDA is defined as EBIT (refer above) excluding depreciation, amortisation and impairment expenses. We believe this measure provides valuable additional information because it allows investors and other stakeholders to analyse the profitability between companies and industries by eliminating the effects of non-operating decisions like interest expenses, tax rates and non-cash items like depreciation, amortisation and impairment expenses, hence facilitating focus on operating performance. In addition, EBITDA is a key measure used internally.

The reconciliation of EBITDA to net profit is as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Net profit/(loss)	7,039	(16,238)
Add back:		
- Income tax expense	1,934	4,120
- Net finance costs	4,589	305
- Depreciation	1,458	1,419
- Amortisation	127	234
- Impairment	–	24,081
EBITDA	**15,147**	**13,921**

Free operating cash flow (FOCF)
FOCF is net cash from operating activities minus cash used for the acquisition of property, plant and equipment and intangible assets. FOCF reflects and additional way of viewing our liquidity that we believe is useful to investors and other stakeholders because it represents cash flows that could be used for distribution of dividends, repayment of debt or to fund our strategic initiatives, including acquisitions, if any.

The reconciliation of FOCF to net cash from operating activities is as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Net cash from operating activities	9,042	7,081
-/- Acquisition of property, plant and equipment	(1,325)	(300)
-/- Acquisition of intangible assets	(5,336)	–
Free operating cash flow	**2,381**	**6,781**

Cash conversion ratio
Cash conversion ratio is defined as (i) FOCF divided by (ii) operating profit excluding depreciation, amortisation and impairment expenses. We believe this measure is an important financial health indicator, providing valuable information on the actual liquidity of Lucas Bols, and more specifically on its ability to convert operating profits (excluding depreciation, amortisation and impairment expenses) into cash. It helps investors and other stakeholders to assess the quality of Lucas Bols' earnings.

- 2023/24: EUR 2,381 thousand / (-/- EUR 12,472 thousand + EUR 1,585 thousand) = 16.9%; and
- 2022/23: EUR 6,781 thousand / (-/- EUR 9,148 thousand + EUR 25,734 thousand) = 40.9%

Net debt
Net debt is the net of (i) the sum of bank loans drawn (at face value) and bank overdrafts and (ii) cash and cash equivalents. Net debt is a measure that provides valuable additional information on the Group's net debt position and leverage, and is a measure in common use elsewhere. Moreover, it is a key measure to banks, investors and analysts, amongst others.

Net debt is calculated as follows:

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Bank loans drawn (at face value)	72,080	77,080
Bank overdrafts	5,345	44
Less: cash and cash equivalents	(31,597)	(17,569)
Net debt	**45,828**	**59,555**

Working capital
In the consolidated statement of cash flows, reference is made to net changes in working capital. Working capital is defined as inventories plus trade and other receivables minus trade and other payables.

AMOUNTS IN EUR '000 FOR THE YEAR ENDED 31 MARCH	2024	2023
Inventories	24,625	24,910
Trade and other receivables	18,133	16,092
Trade and other payables	(12,019)	(13,707)
Working capital	**30,739**	**27,295**

Net changes in working capital in the consolidated statement of cash flows is the movement in working capital from the table aforementioned adjusted for trade and other payables and trade and other receivables that do not relate to operating activities.

Measures at constant currency

Certain measures, both GAAP and non-GAAP measures (including but not limited to revenue, gross profit and EBIT), are also stated, compared and/or analysed at constant currency. This means that the impact of fluctuations in foreign currency exchange rates is excluded. We calculate constant currency values by translating both the current and the prior period local currency amounts using the same exchange rate. Lucas Bols' management believes measures in constant currencies provide additional insights into the underlying operating performance of the Company. This approach is in common use elsewhere.

Refer to note 26 of the consolidated financial statement for further information on primary foreign currencies and significant exchange rates applied during the year.

One-off items/Normalisations

Several GAAP and non-GAAP measures are adjusted to exclude items defined as one-off due to their nature and/or frequency of occurrence. Adjusting a measure for such one-off items results in a normalised measure. We believe normalised measures provide valuable additional information on underlying performance, which allows investors and other stakeholders to better analyse performance between companies and industries by eliminating non-recurring effects (both gains and losses). Normalised measures are also used for internal decision making.

2023/24 one-offs are:

- Profit or loss items (aggregate impact on net profit EUR 2.1 million):
    - EUR 2.1 million in advisory costs relating to the public offer by the Nolet Group (included in distribution and administrative expenses);
    - EUR 0.4 million in transportation costs required to transfer our US inventory from Kentucky to Minnesota following the shift of production (included in distribution and administrative expenses);
    - EUR 0.1 million in costs relating to various other projects (included in distribution and administrative expenses); and
    - -/- EUR 0.6 million in income tax expenses relating to the aforementioned one-offs (included in income tax expenses).

- Cash-flow and/or balance sheet items (aggregate net impact on free operating cash flow: EUR 6.9 million):
    - EUR 2.6 million of one-off costs aforementioned (excluding the impact thereof on income tax expenses);
    - EUR 5.3 million relating to the acquisition of the Nuvo brand; and
    - -/- EUR 1.1 million in trade and other payables relating to advisory costs payable regarding the public offer by the Nolet Group.

2022/23 one-offs are:

- EUR 0.1 million in costs relating to projects such as the sale of Avandis and the acquisition of Fluère (included in distribution and administrative expenses);
- A non-cash book loss of EUR 3.9 million following the sale of Lucas Bols' 50% stake in Avandis (included in share of result of joint ventures);
- A non-cash impairment charge of EUR 24.1 million on the Dutch brands (included in distribution and administrative expenses); and
- A non-cash gain of EUR 2.4 million included in net finance costs pertaining to a reduction in expected earn-out payments on the Tequila Partida acquisition.

All 2022/23 one-offs are non-cash items.

Organic change percentages for measures

For certain measures, both GAAP and non-GAAP measures (including but not limited to revenue, gross profit and EBIT), an organic change percentage is provided and/or analyses. Organic change percentages compare measures at constant currencies (refer above) and exclusive of one-off items (refer above).

Five-year overview

AMOUNTS IN EUR MILLION FOR THE YEAR ENDED 31 MARCH	2024	2023	2022	2021	2020
Results					
Revenue	96.6	100.6	92.0	57.3	84.0
Gross profit	49.2	52.0	51.4	30.1	47.7
Gross margin	50.9%	51.7%	55.9%	52.5%	56.7%
Normalised operating profit	15.1	15.1	20.6	8.6	17.6
Normalised operating profit margin	15.6%	15.0%	22.4%	14.9%	20.9%
Normalised EBIT	16.2	16.3	22.8	8.1	18.6
Normalised net profit/(loss)	9.1	10.1	14.7	3.3	11.3
Net profit/(loss)	7.0	(16.2)	11.8	(8.6)	9.2
Cash flow					
Free operating cash flow[8]	9.2	6.8	15.6	11.4	15.8
Cash conversion ratio[8]	55.5%	40.9%	70.1%	108.5%	82.2%
Balance sheet					
Working capital	30.7	27.3	20.4	13.8	18.3
Total equity	230.4	206.6	225.5	184.8	193.7
Net debt	45.8	59.6	60.7	92.4	99.3
Results					
# of shares issued at 31 March	16,083,868	14,972,756	14,972,756	12,477,298	12,477,298
Weighted average # of shares	15,030,595	14,972,756	13,238,276	12,477,298	12,477,298
Normalised earnings per share	0.61	0.68	1.11	0.26	0.90
Net earnings per share	0.47	(1.08)	0.89	(0.69)	0.74
Total dividend per share	–	0.34	–	–	0.35
Employees					
Number of FTEs	72	70	66	62	71

[8] Free operating cash flow and cash conversion ratio for the year ended 31 March 2024 are normalised for costs and trade and other payables relating to the public offer by Nolet. Refer to the section 'One-off items/Normalisations'.

Independent auditor's report

To: the general meeting and the supervisory board of Lucas Bols N.V.

Report on the audit of the financial statements 2023/24

Our opinion
In our opinion:
- the consolidated financial statements of Lucas Bols N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 March 2024 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Lucas Bols N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 March 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited
We have audited the accompanying financial statements 2023/24 of Lucas Bols N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:
- the consolidated statement of financial position as at 31 March 2024;
- the following statements for 2023/24: the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:
- the company balance sheet as at 31 March 2024;
- the company profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of Lucas Bols N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach
We designed our audit procedures with respect to the key audit matter, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the individual key audit matter, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Lucas Bols N.V. is a Dutch public company, having its statutory seat in Amsterdam. The Company is focussed on building leading cocktail and spirit brands and creating cocktail experiences around the globe. The company sells a variety of cocktail brands such as Bols, Passoã and Galliano. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In paragraph 'Use of estimates and judgements' in note 2 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of the intangible assets, we considered this matter as key audit matter as set out in the section 'Key audit matters' of this report.

Lucas Bols N.V. assessed the possible effects of climate change on its financial position, refer to the Risk Management and Control chapter in the annual report. We discussed Lucas Bols N.V.'s assessment and governance thereof with the management board and evaluated the potential impact on the financial position including underlying assumptions and estimates e.g., underlying the valuation of the brands. The expected effects of climate change are not considered a key audit matter. Another area of focus, that was not considered as a key audit matter, was the recognition of the deferred tax asset.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a group company operating in the consumer industry. We therefore included experts and specialists in the areas of amongst others IT audit, valuation and tax in our team.

The outline of our audit approach was as follows:

Materiality	• Overall materiality: €960,000.
Audit scope	• We conducted audit work in 3 significant components and one joint venture. • We fulfilled our oversight obligations through frequent meetings with our component auditors, as well as meetings with group and local management. • Audit coverage: 97% of consolidated revenue, 99% of consolidated total assets and 96% of consolidated profit before tax.
Key audit matters	• Valuation of intangible assets.

Materiality
The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€960,000 (2022/2023: €1,000,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1.0% of total revenue.
Rationale for benchmark applied	Considering the focus on revenue growth and the volatility of profit before tax, we used total revenue as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that revenue is the most relevant metric for the financial performance of the Group.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €650,000 and €900,000.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €48,000 (2022/2023: €50,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit
Lucas Bols N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Lucas Bols N.V.

We tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

Our audit primarily focussed on the significant components of the Group: Lucas Bols Amsterdam, Lucas Bols USA and Passoã in France.

These 3 significant components were subject to audits of their complete financial information, as those components are individually financially significant to the Group. Additionally, we selected the Maxxium Nederland joint venture for audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements and disclosure requirements of the Company.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	97%
Total assets	99%
Profit before tax	96%

None of the remaining components represented more than 3% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit work for group entities Lucas Bols Amsterdam and Lucas Bols USA. For component Passoã and the audit of the Maxxium Nederland joint venture we used component auditors who are familiar with the local laws and regulations to perform the audit work.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included amongst others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls with each of the in-scope component audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of more complex items at the head office. These included the valuation of the intangible assets, the tax position and share-based payments.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks
We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Lucas Bols N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as amongst others the code of conduct, speak-up procedures, incident registration and investigation protocols. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board as well as legal affairs and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.
As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

IDENTIFIED FRAUD RISKS	OUR AUDIT WORK AND OBSERVATIONS
Risk of fraud through management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Estimates. • Significant transactions, if any, outside the normal course of business for the entity.	We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We have performed our audit procedures primarily substantive based. We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source information. We performed substantive audit procedures on significant transactions outside the normal course of business, if any. We also performed specific audit procedures related to important estimates of management, including the valuation of intangible assets. We refer to the key audit matter 'valuation of intangible assets'. We specifically paid attention to the inherent risk of bias of management in estimates. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

IDENTIFIED FRAUD RISKS	OUR AUDIT WORK AND OBSERVATIONS
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we addressed the risk of fraud in revenue recognition. This relates to the presumed incentive that exists to overstate revenue. As the majority of the company's revenue is recorded at the time of sale (with regular delivery terms and high volume of sales) there is limited risk of management manipulation. Rather, the risk of fraud in revenue recognition relates to the occurrence of inappropriate non-routine transactions.	Where relevant to our audit, we have evaluated the design of the internal control measures that are intended to mitigate the risk of fraud and error in revenue recognition and assessed the effectiveness of those measures. We performed our audit procedures primarily substantive based. We performed data analyses to identify potential notable revenue entries in the fiscal year and performed specific substantive audit procedures on these entries. We tested, on a sample basis, the delivered performance and transaction prices of the revenue transactions based on sales agreements, delivery documents, sales invoices and cash receipts. We did not identify any specific indications of fraud or suspicion of fraud in respect of revenue recognition.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern
The management board prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements.

Our procedures to evaluate the management board's going-concern assessment included, amongst others:
- considering whether the management board identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the management board's going-concern assessment included all relevant information of which we were aware as a result of our audit by inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment. Amongst others, we took into consideration the developments of the brands and market trends;
- evaluating the management board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry such as softened customer demand, destocking and all relevant information of which we were aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants; and
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

Based on our procedures performed, we concluded that the management board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Compared to prior year, the key audit matter related to the sale of joint venture Avandis is not included in the current year, given the non-recurring nature of the transaction.

KEY AUDIT MATTER	OUR AUDIT WORK AND OBSERVATIONS
Valuation of intangible assets *Note 17 Intangible assets* As at 31 March 2024 the Company's brand names and goodwill are valued at €289.8 million. Management tests its CGUs containing goodwill and brand names for impairment annually and if there is a triggering event, at an earlier reporting date. This is done by comparing the recoverable amounts of the individual CGUs, being the higher of the value in use or fair value less costs of disposal to the carrying amounts. As part of the annual goodwill and brand names impairment test, management concluded that there is sufficient headroom between the recoverable amount of the CGU's and the carrying values. No impairment has been recognized. We focused on this area, due to the size of the brands and goodwill balances and because management's assessment of the 'value in use' of the Group's CGU's included a variety of internal and external factors, which represent significant estimates. Those estimates required the use of valuation models, input data and assumptions by management, particularly with respect to the (development of) future results of the business and the discount rates applied to the forecasted cash flows. Any change in these assumptions, based on their sensitivity could have a significant effect on the financial statements. Given the complexity and the inherent subjectivity particularly related to the significant assumptions and the resulting significant estimation uncertainty, there is an inherent risk of overstatement of brands and goodwill. Therefore, we considered this area as a key audit matter for our audit.	We evaluated management's process and design effectiveness of controls over the impairment assessment and the appropriateness of management's identification of the Company's CGUs, indicators of impairment, discount rates, terminal growth rates and forecasts. We compared the current year actual results with the 2023/24 figures as included in the prior year forecast and concluded that the forecasts included assumptions (as disclosed in note 17) that, with hindsight, were realistic. With the support of our valuation expert, we benchmarked key assumptions in management's valuation model used to determine recoverable amounts against external data, including assumptions of future prices, revenue growth rates and discount rates. Furthermore, we checked the mathematical accuracy of management's valuation model and agreed relevant data to the latest plans and budgets. We assessed the adequacy of disclosures in note 17 of the consolidated financial statements. We found the Company's estimates and judgements used in the intangible assets impairment assessment to be supported by sufficient evidence.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The management board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment
We were appointed as auditors of Lucas Bols N.V. on 7 July 2022 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 7 July 2022. Our appointment has been for four year and now represents a total period of uninterrupted engagement of 2 years.

European Single Electronic Format (ESEF)
Lucas Bols N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by Lucas Bols N.V., complies in all material respects with the RTS on ESEF.

The management board is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the management board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:
- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF; and
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services
To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered
The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 8 to the Company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements
The management board is responsible for:
- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 15 May 2024

PricewaterhouseCoopers Accountants N.V.

B.A.A. Verhoeven RA

Appendix to our auditor's report on the financial statements 2023/24 of Lucas Bols N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements
We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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 auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board 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. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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