DAVIDE CAMPARI-MILANO N.V.
HALF YEAR REPORT
AT 30 JUNE 2023

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About this report

Note on presentation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with the International Accounting Standards ('IAS') 34-'Interim Financial Reporting', as endorsed by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements at 31 December 2022. Specific additional information is provided in the notes of this report in the event of material changes with respect to what was disclosed in Group's annual consolidated financial statements at 31 December 2022.

Forward-looking statements

Campari Group's half-year report contains forward-looking statements that reflect management's current view of the Group's future development. All statements other than statements of historical fact set forth in this half-year report regarding Campari Group business strategy, such as future operations and businesses, management's plans and objectives, are forward-looking statements. In some cases, words such as 'may', 'will', 'expect', 'could', 'should', 'intend', 'estimate', 'anticipate', 'believe', 'outlook', 'continue', 'remain', 'on track', 'design', 'target', 'objective', 'goal', 'plan' and similar expressions are used to identify forward-looking statements that contain risks and uncertainties that are beyond the control of the Group and call for significant judgement. Should the underlying assumptions turn out to be incorrect or if the risks or opportunities described materialise, the actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. The outlook is based on estimates that Campari Group has made on the basis of all the information available at the time of completion of this half-year report. The effects arising from the intensification of the inflationary pressure mainly on input costs and the still persistent complicated and uncertain macro-economic environment, may lead to results materially different from management's expectations.

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

Information on the figures presented

All references in this half year report are expressed in 'Euro' or '€'.

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

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

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

This half-year report is not prepared in the European Single Electronic Format ('ESEF'), which is required for the annual financial reports only. The obligation applies from 1 January 2021 for all natural and legal person with securities listed on a European stock exchange and it is required for annual IFRS consolidated financial statements.

Key financial highlights

	for the six months ended 30 June			
	2023 € million	2022 € million	change % total	 % organic
Net sales[1]	**1,457.8**	**1,256.9**	**16.0%**	**14.2%**
EBITDA	395.0	330.9		
EBITDA-adjusted	**411.1**	**353.0**	**16.4%**	**15.1%**
EBIT	343.7	288.9		
EBIT-adjusted	**359.7**	**310.9**	**15.7%**	**15.1%**
Group net profit	216.9	199.1		
Group net profit-adjusted	**233.9**	**220.2**		
Basic earnings per share (€)	0.19	0.18		
Diluted earnings per share (€)	0.19	0.17		
Basic earnings per share (€)-adjusted[2]	0.21	0.20		
Diluted earnings per share (€)-adjusted[2]	0.21	0.19		
Average number of employees	**4,611**	**4,048**		
Free cash flow	(154.4)	40.2		
Free cash flow-adjusted	**(91.7)**	**98.4**		

	at 30 June 2023 € million	at 31 December 2022 post-reclassifications[4] € million
Net financial debt	**1,823.2**	**1,555.3**
	number	number
Own shares in shareholders' equity[3]	31,072,518	39,952,423

(1) Sales net of excise duties.
(2) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this half year report.
(3) Ordinary shares.
(4) For information on reclassifications of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022' of Campari Group condensed consolidated financial statements at 30 June 2023.

Corporate bodies

Board of Directors(1)

Luca Garavoglia(2)	Chairman
Robert Kunze-Concewitz(3)	Chief Executive Officer
Paolo Marchesini(3)	Chief Financial and Operating Officer
Fabio Di Fede(3)	General Counsel and Business Development Officer
Eugenio Barcellona(2)	Director and member of the Control and Risks Committee and the Remuneration and Appointment Committee
Alessandra Garavoglia(2)	Director
Emmanuel Babeau(2)	Director and member of the Remuneration and Appointment Committee
Margareth Henriquez(2)	Director
Jean-Marie Laborde(2)	Director and member of the Control and Risks Committee
Christophe Navarre(2)	Director and member of the Remuneration and Appointment Committee
Lisa Vascellari Dal Fiol(2)	Director and member of the Control and Risks Committee

External auditor

Ernst&Young Accountants LLP

(1) The annual general meeting held on 12 April 2022 appointed the new Board of Directors of Davide Campari-Milano N.V. (the 'Company' or 'Davide Campari' or 'Campari') for the three-year period 2022-2024 expiring at the end of the annual general meeting to be held in 2025, comprising Luca Garavoglia, Robert Kunze-Concewitz, Paolo Marchesini, Fabio Di Fede, Eugenio Barcellona, Emmanuel Babeau, Alessandra Garavoglia, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol. The new Board of Directors, in the meeting held after the annual general meeting, confirmed for the same three-year period: (i) Luca Garavoglia as Chairman of the Board of Directors and (ii) Robert Kunze-Concewitz, Chief Executive Officer, Paolo Marchesini, Chief Financial Officer and Operating Officer and Fabio Di Fede, General Counsel and Business Development Officer, as Executive Managing Directors. Eugenio Barcellona, Emmanuel Babeau, Alessandra Garavoglia, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol qualify as Non-Executive Directors. Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol are qualified as independent directors pursuant to the Dutch Corporate Governance Code. Eugenio Barcellona, Jean-Marie Laborde and Lisa Vascellari Dal Fiol were also appointed as members of the Control and Risks Committee. Eugenio Barcellona, Emmanuel Babeau and Christophe Navarre were also appointed as members of the Remuneration and Appointment Committee.

(2) Non-executive director.

(3) Executive director.

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Management board report for the half year ended 30 June 2023

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Campari Group and the global environment

As of early 2023, the world has finally emerged from the hurdles related to the Covid-19 pandemic and its associated impact on the global economy, and near-term expectations in the global consumer and retail sectors have improved. While the global economy and the associated business and consumer confidence were stronger than expected in the first six months of the year, the environment remains unstable and fragile. This is influenced by the ongoing geopolitical uncertainty, mainly due to the persistence of the Russia-Ukraine conflict. Lower energy prices helped reduce headline inflation and mitigated the impact on household budgets, while the early reopening of the Chinese economy has helped revive global activity. However, core inflation is still proving to be persistent and the impact of higher interest rates stemming from various monetary policy interventions around the world is increasingly being felt across the global economy. In 2023, global GDP growth is expected to slow below trend levels, albeit to a lesser extent than the original estimates made at the end of last year.

With respect to the spirits industry, the sector has accelerated sharply during the pandemic and trends are now gradually normalising as there may be potential shifts in consumer behaviour in light of growing economic concerns affecting disposable income. As regards the dynamics of the channel, the spirits sector continues to benefit from an overall strong consumption trend: the normalisation is particularly evident in the off-premise channel which reached a very high base in the past 3 years, while the on-premise channel is still vibrant across key economies with a strong desire for consumer socialisation and also supported by the recovery of international tourism around the world. The persistent current cost inflation continues to challenge the industry profitability and companies are generally introducing price increases to protect operating margins.

Regarding Campari Group, the positive business momentum has continued since the beginning of the year, mainly driven by aperitifs, tequila and bourbon thanks to solid brand momentum in a resilient consumer environment, particularly in on-premise. The Group has benefitted from the strong price increases implemented last year and continued to seize price increase opportunities in 2023 which will help mitigate the inflation pressure on margins. Furthermore, the Group continued to capitalise on its own brands to ensure continued value generation and brand portfolio strengthening and to engage in its route-to-market strategy with the completion of important business development initiatives. With regard to the impact of the ongoing conflict between Russia and Ukraine, Campari Group is continuing to maintain its purely commercial activities in both countries by providing the best possible support to the Camparistas working on site, to always ensure maximum safety and protection.

Main brand-building initiatives

The brand portfolio represents a strategic asset for Campari Group. Intangible assets are a key component of the market value of spirit products, reflecting the brand strength built over many years. The Group categorises its brands into three main priority clusters (global, regional and local) based on the geographic scale, business priority and growth potential of the brands. The main marketing initiatives focused on global and regional priority brands, undertaken in the first half of 2023, are outlined below.

Global priorities

Aperol

Starting from the beginning of the year, both the platform **Aperol together with Venice** and the sponsorship as the official aperitif for the carnival were activated in Venice (Italy) to increase cultural relevance in the Veneto region (the brand's birthplace) and to strengthen the bond with the brand's roots. In line with the deseasonalisation strategy of the aperitif business, during the winter season, the **Aperol alps tour** took place in main resorts in France, engaging consumers through dedicated premium events in mountain bars.

Furthermore, there were multiple activations in the music sector, including the **Coachella Arts&Music Festival** (California, United States), the **Aperol Rock in Mille** event in Rome (Italy), the **Primavera Sound Festival** in Spain and the **Aperol Spritz Aperidisco** at the Battersea power station in London (United Kingdom).

Campari

Campari's longstanding dedication to the world of cinema was also developed during the period with a number of initiatives: Campari was the official partner of the world-renowned **Festival de Cannes**, at this year's 76th edition, and was the official sponsor at the **Screen Actors Guild Awards** held in Los Angeles, United States. Moreover, the brand signed the first engagement for the sponsorship of the **Berlinale film festival** in Germany.

In May 2023, for the worldwide launch of the **redesigned bottle**, the brand celebrated the timeless bond with Milan, through a unique and unforgettable event, where the Milanese skyline was lit up with an unprecedented display of a thousand drones flying, bringing to life the most iconic symbols of Milan city.

For the first year, Campari was also the official partner of the modern and contemporary art fair **Art Basel** held in Basel (Switzerland).

SKYY

In United States (Las Vegas), the brand was activated at the **EDC Festival** with the ambition of a total take over: four infamous pool parties were fully SKYY owned with bottle menu features and cocktails from over 250 bars on-site.

Grand Marnier

In February 2023, **National Margarita Day** was celebrated in Canada with a series of events to showcase the diverse and exciting ways to make a Grand Margarita, while the global campaign **Grand Encounter** was launched in the United States, followed by France, to communicate the unique blend of cognac and orange as well as the power of the unexpected combinations in culture. A **bartender program advocacy** was launched in France during June, focused on educating, inspiring and recruiting the bartender community to accelerate the brand consideration and engaging a broader trade audience.

Jamaican rums

During the first six months of 2023, Appleton Estate further reinforced its premium evolution through the unveiling of the new **Appleton Estate boutique** in Montego Bay (Sangster International Airport of Jamaica) where customers can enjoy an unforgettable premium brand experience. In April, the first global full-scale **luxury campaign for the new Appleton Estate 17-Year-Old Legend LTO** was launched, while the Jamaican rums portfolio obtained multiple awards in the first half of the year, validating the portfolio's strong liquid credentials in the **Drinks International 2023 Brand Report** in the United States and at the **2023 Rum and Cachaca Masters** competition in the United Kingdom. The portfolio was also rewarded by the **Beverage Testing Institute** and at the 2023 **International Wine and Spirits Competition**.

Wild Turkey portfolio

The new **Trust Your Spirit campaign** was launched in May, spotlighting bold stories: the campaign was amplified across digital, TV, social, audio and out-of-home platforms driving awareness and conversion across target audiences. **Master's Keep Voyage** was launched in June: a 10-year-old bourbon aged in Jamaican rum casks.

Regional priorities

Among the regional priority brands, some interesting initiatives were launched during the period. With respect to **Crodino**, a new communication campaign was activated in the core Italian market to start generating awareness within the younger target population, leveraging the new 17.5cl long drinking proposition. In international markets (Switzerland, Belgium and France) activation campaigns for the brand were launched across multiple media platforms. With regard to **The GlenGrant**, the new The GlenGrant 21-Year-Old Single Malt Scotch Whisky was unveiled, leading the prestige range for the brand. The **Trois Rivières** pure cane rum brand has been awarded at one of the world's most internationally lauded-competitions, **2023 Rum and Cachaca Masters**. The **Cynar** brand sponsored the San Nolo festival, an unconventional music festival for emerging artists, during March in Milan (Italy). The **Averna Spazio Open** was activated in Sicily (Italy) in the brand's hometown, to reinforce credibility in its birthplace, leveraging on a special long-term project aiming to generate value for territory and people. With respect to **Cinzano**, from April 2023 a communication campaign, namely the Cultura de Vermut platform, was activated to raise brand awareness in the key vermouth capitals in Spain. **Espolòn** leveraged the *Cinco de Mayo* festivity in the United States by delivering consumer experiential events, out-of-home creatives, a social media and digital campaign, a national consumer sweepstake and a premium streetwear collaboration, while **Montelobos** partnered with Flaviar Wolf Conservation Centre for a tasting event in Miami Beach focused on brand education and drink strategy.

Rest of portfolio

In April, Campari Group launched Mayenda, a new ultra-premium sipping tequila blanco crafted under a pioneering process in small batches.

The dedicated **RARE division** has the ambition to become a leading purveyor of luxury offerings in key global markets. In terms of initiatives, an event was held in New York City to celebrate the global launch of **The GlenGrant 21-Year-Old Single Malt Scotch Whisky**. Influencers, trade and key media attended an immersive experience with a sensorial journey of discovery, culminated with a step into 'The Glasshouse', designed by the renowned floral artist Lewis Miller, where the new proposition was revealed through a guided tasting from Master Distiller Dennis Malcolm. In addition, several trade tastings were hosted to celebrate this new permanent expression for The GlenGrant. With respect to the **Grand Marnier Cuvée du Centenaire**, a chef engagement program was launched in the Swiss market aimed at expanding the footprint in the world of fine dining, as well as inspiring chefs and ultimately leading to the creation of unique food pairing opportunities sustaining the presence and performance of the brand in the channel. The program presented a collaboration with the renowned culinary school ALMA, to support credibility in the field, and a unique experience in Cognac for the chefs, who will be able to explore the heritage, the production process and take part into a workshop at La Ribaudiere with a local Michelin Stared Chef. With respect to the **Lallier** brand, a Chef Advocate Program was launched in Switzerland to sustain the development of the brand as the prime boutique champagne in the market, as well as fostering product credibility and strong product narrative to set the basis for long-term commercial success. A collaboration between the cognac premium brand **Bisquit&Dubouché** and the BMX athlete Nigel Sylvester was launched in June to toast his first-of-its kind transatlantic GO Ride on World Bicycle Day.

Significant events of the period

Acquisitions and commercial agreements

Development initiatives in the Asia-Pacific region
In 2023 the following initiatives, consistent with the Group's growth ambitions in the Asia-Pacific region, were implemented.
On 1 March 2023, Campari Group acquired the remaining outstanding shares in the distribution joint-venture CT Spirits Japan Ltd. ('CTSJ'), in which it previously had a non-controlling stake. As a result, CTSJ has become a wholly owned subsidiary, triggering its full consolidation in Campari Group's accounts since that date.
On 3 April 2023, Campari Group became the majority shareholder of Thirsty Camel Ltd., in which it previously had a non-controlling stake. Thirsty Camel markets and distributes some of the world's leading brands and began distributing the full Campari portfolio in New Zealand on 1 January 2023, thus supporting the Group's expansion and presence in the area. The company was included in the consolidation area starting from April 2023 and its impact on consolidated group accounts was not material.
The above transactions, completed via the anticipated exercise of contractual call options on the entities' share capital and which have no material impact on consolidated accounts, had the objective to further strengthen Campari Group's commercial capabilities and enhance its focus on its brands in the Asian strategic region.

Corporate actions

Sustainability: new Environmental targets
Following a very positive progression in 2022 regarding the Group's environmental commitments, more challenging medium and long-term environmental targets have been set as per approval by the Board of Directors. In particular:

- Emissions: the Group reaffirmed its commitment to achieve zero net emissions by 2050, pledging to:
  - reduce greenhouse gas ('GHG') emissions (kgCO2e/L) from direct operations (Scope 1&2) by 55% by 2025, by 70% by 2030, and by 30% from the total value chain (Scope 1, 2&3) by 2030[1], using 2019 as the baseline;
  - source 90% renewable electricity in the Group's production sites by 2025[2].

A new carbon emission reduction roadmap has been defined, aimed at reducing the environmental impact from direct and indirect operations. Regarding Scope 1&2 emissions, the Group will increase the share of renewable electricity by installing new photovoltaic systems and by extending the 'Guarantee of Origin' of purchased electricity to more production sites. With regard to indirect emissions, specific actions in the areas of purchase of goods, services and logistics are under implementation by introducing new sustainability criteria in packaging design and related development, also partnering with suppliers to identify more sustainable solutions and practices.

- Water use: the Group commits to reduce the water intensity (L/L) by 60% by 2025 and by 62% by 2030[3], by implementing a 'Water Reduction Program' and specific initiatives to increase water recycling and reuse in its production sites.

Meanwhile, Campari Group confirms its commitments in the areas of people, responsible practice and community involvement, continuing to promote and support global and local projects related to all sustainability dimensions.

Annual General Meeting of Davide Campari-Milano N.V.
The Annual General Meeting of shareholders held on 13 April 2023 ('AGM') approved the annual accounts for the financial year 2022 (including, inter alia, the financial statements for the year ended 31 December 2022, the non-financial disclosure, the corporate governance and the remuneration report) and the distribution of a cash dividend of €0.06 per share outstanding, gross of withholding taxes, unchanged versus last year. The total dividend paid, calculated on the shares outstanding and excluding own shares in the portfolio (36,889,189) at the coupon detachment date (i.e. 24 April 2023) was €67.5 million.
The cash dividend was paid on 26 April 2023 in accordance with the Italian Stock Exchange calendar, with a record date of 25 April 2023.
The AGM granted discharge to the executive and non-executive directors in office in 2022 in relation of the performance of their respective duties pursuant to the applicable regulation.

[1] Previous target: Reduce greenhouse gas ('GHG') emissions (kg of CO2e/L) from direct operations (Scope 1&2) by 20% by 2025, by 30% in 2030 and by 25% from the total Supply Chain by 2030, using2019 as the baseline.
[2] Previous target: 100% renewable electricity for European production sites by 2025.
[3] Previous targets: Reduce water usage (L/L) by 40% by 2025 and by 42.5% within 2030, using 2019 as the baseline.

Moreover, the AGM approved a new stock option plan for an aggregate maximum number of options based on the ratio between €6,000,000 and the options' exercise price for the category of beneficiaries other than the members of the Board of Directors, in accordance with the Stock Option Regulation adopted by the Company.

The AGM also authorized the Board of Directors to purchase the Company's own shares, mainly aimed at the replenishment of the portfolio of own shares to serve the current and future equity-based incentive plans for the Group's management according to the limits and procedures provided by the applicable laws and regulations. The authorization is granted until 13 October 2024. The repurchase can take place for a minimum price, excluding expenses, of the nominal value of the shares concerned and a maximum price of an amount equal to 10% above the opening price on the day of acquisition of the shares.

In addition, the AGM confirmed the appointment of Ernst&Young Accountants LLP as independent external auditor entrusted with the audit of the annual accounts for the financial years 2023-2027, pursuant to applicable Dutch law.

Group significant events

Financial debt management
On 5 May 2023 Davide Campari-Milano N.V. entered into a term facility of €400 million and a revolving facility[4] of the same amount, hence an agreement for a total amount equal up to €800 million (the 'Loan') with a pool of banks. The term facility has termination date on 30 June 2029 while the revolving facility termination date is on 30 June 2028 with an extension option at 30 June 2029 at the banks' discretion. The scope of the agreement is general corporate purposes of Campari Group, including, but not limited to, the repayment of the €250 million term loan and a revolving facility of the same amount, made available to Davide Campari-Milano N.V. in 2019 and with termination date in July 2024, and the cancellation of a revolving loan of €150 million granted in 2020. The Loan is sustainability-linked and provide for a variable component of the interest rate applicable depending on the achievement of certain ESG targets identified by Campari Group and particularly focused on the reduction of emissions, the responsible use of water and gender equality.
On 11 May 2023 Davide Campari-Milano N.V. successfully completed the placement of an unrated 7-year bond issue, targeted at institutional investors. The placement is for €300 million in principal amount of notes maturing on 18 May 2030, paying a fixed annual coupon of 4.71%, issued at an issue price of 100%. The proceeds of the issue will be used by the Company for general corporate purposes. Through this transaction, the Company intends to optimise its debt structure by extending the average maturity of its liabilities while benefitting from favourable market conditions.

Share buyback program
Davide Campari-Milano N.V. had a share buyback program activated under Article 5 of Regulation (EU) no.596/2014 (the 'Program') which ended on 31 May 2023. The Program was intended to meet the obligations arising from the long-term equity-based incentive plans currently in force or to be adopted and whose beneficiaries are (or will be) employees or other members of the administrative or management bodies of either the Company or other Campari Group companies. It was coordinated and executed by Morgan Stanley Europe SE, and implemented in accordance with the resolution approved by the Company's Annual General Meeting held on 12 April 2022. The Program was managed with a maximum value allocation of €110 million and a reported number of 9,081,375 Campari shares acquired in the period from 12 May 2022 to 31 May 2023.

Between 1 January and 30 June 2023, the Company granted 10,730,867 own shares, out of which 10,717,631 shares were sold for a total cash inflow of €46.4 million, corresponding to the average exercise price multiplied by the number of own shares sold to beneficiaries upon the exercise of their stock option rights, while additionally 13,236 shares were transferred in the context of share matching plans. In the same period and through the share buyback programs, the Company purchased 1,850,962 shares at an average price of €11.3, for a total amount of €21.0 million[5]. At 30 June 2023, the Company held 31,072,518 own shares, equivalent to 2.7% of the share capital.

Subsequent events
Subsequent events relating to corporate actions, significant events, acquisitions and commercial agreements and other significant events impacting results are reported in the 'Subsequent events' dedicated note in the Campari Group half year condensed consolidated financial statements at 30 June 2023, to which reference is made.

[4] Term facility was included in financial position line item 'loans due to banks' under non-current liabilities.
[5] The amount includes €0.9 million liabilities paid in connection with the share buyback program.

Group Financial Review

Sales performance

Net sales relate to spirit products in Campari Group's markets. The nature, amount, timing and uncertainty of sales, as well as the corresponding cash flows, are affected by economic and business factors which differ across markets, also as a function of their different sizes and maturity profiles. These elements are primarily attributable to demographics, consumption habits and also influenced by historical, social and climatic factors, local consumer taste preferences, propensity to consume, the market commercial structure in terms of the weight of the distribution channels (off-premise vs. on-premise) as well as retailer concentration. As an effect of the above factors, the sales composition by brand differs from market to market. Consequently, the brand-building and sales infrastructure investments are allocated to respond to each market priority.
For the Group, the four operating segments managed in terms of resource allocation, and in particular, investment in brand-building and distribution capabilities, are the following: Americas ('Americas'), Southern Europe, Middle East and Africa ('SEMEA'), Northern, Central and Eastern Europe ('NCEE'), and Asia-Pacific ('APAC').
In order to highlight the main business performance drivers in a diversified context and to assess the contribution of the different brands to the overall sales performance of the Group, further breakdowns by brand category (global, regional and local brands) and for major brands are provided to better explain their contribution to the region. The categorisation of brands into three main clusters (global priorities, regional priorities and local priorities) is based on their scale, growth potential and business priority.

1. Key highlights

In the six months ended 30 June 2023, the Group's net sales amounted to €1,457.8 million, with an overall increase of +16.0% compared with the same period of 2022. Organic and perimeter were positive at +14.2% and +1.8%, respectively, with nil exchange rate component.

	for the six months ended 30 June								
	2023	2022	total change	six months change %, of which				organic change % by quarter	
	€ million	€ million	€ million	total	organic	perimeter	exchange rate[1]	first	second
total	**1,457.8**	1,256.9	**200.9**	16.0%	**14.2%**	1.8%	-	19.6%	**10.1%**

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

The six months ended 30 June 2023 reported continued strong organic sales growth of +14.2% (+10.1% in the second quarter) driven by solid brand momentum which continued in the second quarter, in particular aperitifs, tequila and premium bourbon, boosted also by the price increases implemented last year. The performance in the second quarter reflected the expected reversal of the temporary phasing effects from the first quarter, very poor weather conditions across core Southern and Central Europe, as well as temporary delistings from selected European retailers due to commercial negotiations in connection with price increases, which were subsequently passed through successfully.

To mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS (Argentina) includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.
As regards the ongoing business in Russia-Ukraine, it continues to have a marginal impact on the Group's consolidated results, accounting overall for approximately 2% of Campari Group's net sales in the first half of 2023 (approximately 3% in the full year 2022).

An in-depth analysis by geographical region and core market of sales registered in the six months ended 30 June 2023 compared with the same period of 2022 is provided below. Unless otherwise stated, the comments relate to the organic change in each market.

2. Organic sales performance of operating segments

The sales performance of the four operating segments in the six months ended June 2023 compared with the same period of 2022 is provided in the table below.

	for the six months ended 30 June									
	2023		2022		total change	six months change %, of which				second quarter
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]	organic change %
Americas	632.1	43.4%	556.3	44.3%	75.8	13.6%	10.6%	1.6%	1.5%	3.4%
Southern Europe, Middle East and Africa	441.3	30.3%	370.8	29.5%	70.5	19.0%	16.6%	2.7%	-0.2%	11.8%
North, Central and Eastern Europe	279.1	19.1%	243.9	19.4%	35.2	14.4%	14.5%	1.0%	-1.1%	13.6%
Asia-Pacific	105.4	7.2%	85.9	6.8%	19.4	22.6%	26.2%	1.9%	-5.5%	39.0%
Total	**1,457.8**	**100.0%**	**1,256.9**	**100.0%**	**200.9**	**16.0%**	**14.2%**	**1.8%**	**-**	**10.1%**

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

- **Americas**

The region, broken down into its core markets below, recorded an overall organic increase of +10.6%. The region is predominantly off-premise skewed, particularly North America.

		for the six months ended 30 June									
	% of Group total	2023		2022		total change	six months change %, of which				second quarter
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]	organic change %
US	27.2%	397.1	62.8%	343.3	61.7%	53.8	15.7%	11.7%	2.7%	1.3%	3.3%
Jamaica	5.0%	72.4	11.5%	61.6	11.1%	10.8	17.5%	15.3%	-	2.2%	12.8%
Other countries of the region[1]	11.2%	162.6	25.7%	151.4	27.2%	11.2	7.4%	6.1%	-0.3%	1.5%	0.2%
Americas	**43.4%**	**632.1**	**100.0%**	**556.3**	**100.0%**	**75.8**	**13.6%**	**10.6%**	**1.6%**	**1.5%**	**3.4%**

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

The **United States**, accounting for 27.2% of the Group's net sales, was positive overall with the second quarter growing by +3.3% (vs. depletion in the second quarter up +16.3%), embedding expected shipment phasing reversal from the first quarter and persistent destocking in Grand Marnier. The positive performance in the six months ended 30 June 2023 was mainly driven by strong growth of Aperol, Espolòn, Appleton Estate as well as Russell's Reserve, with the premiumisation of the bourbon portfolio continuing.

Jamaica showed continued positive growth (+12.8% in the second quarter) thanks to Magnum Tonic Wine, Appleton Estate and Wray&Nephew Overproof.

Overall positive performance was recorded for the rest of the region, with **Brazil** and **Mexico** growing and thus offsetting weakness in other markets.

- **Southern Europe, Middle East and Africa**

The region, which is broken down by core markets in the table below, reported an organic increase of +16.6%. It is predominantly skewed to the on-premise channel.

		for the six months ended 30 June									
	% of Group total	2023		2022		total change	six months change %, of which				second quarter
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic change %
Italy	19.0%	276.5	62.6%	243.0	65.5%	33.4	13.8%	13.4%	0.3%	-	8.1%
France	5.9%	85.6	19.4%	63.2	17.1%	22.4	35.4%	21.0%	14.4%	-	31.1%
Other countries of the region	5.4%	79.2	18.0%	64.6	17.4%	14.7	22.7%	24.0%	0.1%	-1.4%	7.2%
Southern Europe, Middle East and Africa	**30.3%**	**441.3**	**100.0%**	**370.8**	**100.0%**	**70.5**	**19.0%**	**16.6%**	**2.7%**	**-0.2%**	**11.8%**

Underlying trends remained solid in core **Italy** in the six months ended June 2023, with a very positive second quarter (+8.1%), driven by pricing including the most recent round, despite expected shipment phasing reversal from the first quarter and very poor weather conditions. The growth in the first half was led by Aperol, Campari, Campari Soda and Crodino. The Italian specialties also grew as well as Espolòn, albeit off a small base.

Strong growth was registered in **France** (+31.1% in the second quarter), driven by core Aperol, Campari, as well as Riccadonna sparkling wine and Lallier.

Positive overall performance was achieved across the other markets of the region including **Spain** and **Greece** thanks to continued momentum in a resilient consumer environment, mainly led by Aperol and Campari. **Global Travel Retail ('GTR')** was up +49.8% (+11.6% in the second quarter) with good momentum in Aperol, Campari, SKYY and Frangelico.

- **Northern, Central and Eastern Europe**
  The region, predominantly off-premise skewed, reported positive overall organic growth (+14.5%) across its core countries.

	% of Group total	for the six months ended 30 June 2023 € million	%	2022 € million	%	total change € million	six months change %, of which total	organic	perimeter	exchange rate	second quarter organic change %
Germany	7.6%	110.3	39.5%	94.7	38.8%	15.6	16.5%	16.4%	0.1%	-	19.3%
United Kingdom	3.1%	45.1	16.2%	38.8	15.9%	6.3	16.1%	20.9%	-	-4.7%	20.5%
Other countries of the region	8.5%	123.6	44.3%	110.3	45.2%	13.3	12.0%	10.6%	2.1%	-0.7%	6.0%
North, Central and Eastern Europe	**19.1%**	**279.1**	**100.0%**	**243.9**	**100.0%**	**35.2**	**14.4%**	**14.5%**	**1.0%**	**-1.1%**	**13.6%**

The underlying momentum remained solid in **Germany** in the six months ended June 2023 with an acceleration in the second quarter (+19.3%), largely driven by the aperitif portfolio, including Aperol, Aperol Spritz RTE, Campari, which were all registering double digit growth, and innovation (Sarti Rosa). The non-alcoholic Crodino continued to grow off a small base.

The **United Kingdom** registered a continued outperformance in a tough market, mainly driven by continued positive trends in Aperol, Magnum Tonic Wine, Campari and Wray&Nephew Overproof, all of which registered double digit growth.

Good underlying trends remained in the other markets of the region, despite the poor weather earlier in the second quarter of the year.

- **Asia-Pacific**
  The region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded organic growth of +26.2%.

	% of Group total	for the six months ended 30 June 2023 € million	%	2022 € million	%	total change € million	six months change %, of which total	organic	perimeter	exchange rate	second quarter organic change %
Australia	3.8%	55.3	52.5%	53.9	62.8%	1.4	2.5%	7.5%	0.3%	-5.3%	10.1%
Other countries of the region	3.4%	50.1	47.5%	32.0	37.2%	18.1	56.6%	57.7%	4.6%	-5.8%	88.1%
Asia-Pacific	**7.2%**	**105.4**	**100.0%**	**85.9**	**100.0%**	**19.4**	**22.6%**	**26.2%**	**1.9%**	**-5.5%**	**39.0%**

In the six months ended 30 June 2023, **Australia** showed a positive performance (+7.5%) after an acceleration in the second quarter (+10.1%), largely led by Wild Turkey RTD, thanks to a recovery in shipments as well as strong momentum in Wild Turkey bourbon and Aperol.

With regard to **the other countries of the region** (+57.7%), **South Korea** registered double digit growth in the six months ended 30 June 2023, driven by high-end Wild Turkey offerings and The GlenGrant, while second-quarter performance was slightly negative due to a very tough comparison base (second quarter 2022 was +139.0%).

China showed strong double-digit growth against an easy comparison base, thanks to SKYY, The GlenGrant, Wild Turkey bourbon and X-Rated. Strong growth was reported in **India**, driven by Campari and Aperol. **Japan** also registered strong growth thanks to brown spirits as well as Campari.

- **Brand contribution to segments**

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

percentage of Group sales		six months change % compared with six months 2022, of which				second quarter organic change % compared with second quarter 2022	segment/main markets for brands
		total	organic	perimeter	exchange rate		
global priority brands	**59.2%**	**14.7%**	**15.0%**	**-**	**-0.3%**	**10.0%**	**-**
Aperol	26.2%	32.1%	32.4%	-	-0.4%	26.6%	- *Italy, SEMEA* *Germany, NCEE* *US, AMERICAS* *France, SEMEA* *United Kingdom, NCEE*
Campari	11.2%	13.1%	13.2%	-	-0.1%	5.0%	- *Italy, SEMEA* *US, AMERICAS* *Brazil, AMERICAS* *Germany, NCEE* *Jamaica, AMERICAS*
Wild Turkey portfolio[1][2]	7.6%	12.3%	12.5%	-	-0.2%	0.6%	- *US, AMERICAS* *Australia, APAC* *South Korea, APAC* *Japan, APAC* *Canada, AMERICAS*
SKYY[1]	4.8%	4.7%	7.3%	-	-2.6%	-3.4%	- *US, AMERICAS* *Argentina, AMERICAS* *China, APAC* *Germany, NCEE* *South Africa, SEMEA*
Grand Marnier	4.2%	-29.6%	-30.1%	-	0.6%	-29.6%	- *US, AMERICAS* *Canada, AMERICAS* *France, SEMEA* *GTR, SEMEA* *Mexico, AMERICAS*
Jamaican rums portfolio[3]	5.2%	14.7%	13.9%	-	0.7%	12.3%	- *Jamaica, AMERICAS* *US, AMERICAS* *United Kingdom, NCEE* *Canada, AMERICAS* *Mexico, AMERICAS*
regional priority brands	**23.7%**	**17.5%**	**16.7%**	**1.1%**	**-0.3%**	**8.8%**	**-**
Espolòn	7.3%	44.7%	43.4%	-	1.3%	30.2%	
Sparkling Wine&vermouth	4.1%	-0.2%	1.1%	-	-1.2%	-4.2%	
Italian specialties[4]	2.7%	1.5%	-1.1%	2.6%	0.1%	-18.2%	
Crodino	2.4%	7.6%	7.4%	-	0.1%	0.1%	
Magnum Tonic	1.7%	45.4%	46.9%	-	-1.6%	64.0%	
Aperol Spritz ready-to-enjoy	1.4%	10.7%	10.6%	-	0.1%	6.2%	
The GlenGrant	1.0%	26.8%	30.9%	-	-4.1%	27.6%	
other[5]	3.2%	6.4%	2.4%	5.2%	-1.2%	-4.0%	
local priority brands	**8.7%**	**19.5%**	**8.0%**	**10.7%**	**0.7%**	**11.8%**	**-**
Campari Soda	3.3%	10.7%	10.6%	-	-	14.3%	
Wild Turkey ready-to-drink[6]	1.6%	-1.2%	3.9%	-	-5.1%	9.6%	
Skyy ready-to-drink	1.3%	53.2%	36.5%	-	16.7%	40.9%	
X-Rated	0.4%	-0.5%	2.6%	-	-3.1%	-3.5%	
other[7]	2.1%	45.4%	-7.8%	53.0%	0.2%	-3.4%	
rest of the portfolio	**8.4%**	**17.7%**	**7.5%**	**7.8%**	**2.3%**	**13.7%**	**-**
total	**100.0%**	**16.0%**	**14.2%**	**1.8%**	**-**	**10.1%**	**-**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
(4) Includes Braulio, Cynar, Averna, Frangelico and Del Professore.
(5) Includes Bisquit&Dubouché, Bulldog, Forty Creek, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos, Lallier and Wilderness Trail.
(6) Includes American Honey ready-to-drink.
(7) Includes Cabo Wabo, Ouzo 12 and Picon.

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

Global priority brands registered solid growth of +15.0% overall. **Aperol** continued its strong momentum boosted also by positive pricing, driven by the core United States market (+122.5%), Italy (+18.0%), Germany (+22.2%) and France (+27.5%). In the United Kingdom, Spain, Canada, Australia as well as other European markets Aperol registered double-digits growth while GTR grew triple digit. The performance of the second quarter was positive (+26.6%), driven by all core markets, including seeding markets in the Asia Pacific area, despite some temporary delistings in selected European markets in connection with price increases, and poor weather conditions. **Campari** reported solid growth in the core market Italy, the United States, Brazil, Germany as well as in the United Kingdom, Greece, France and Asian markets. The brand performance was positive in the second quarter (+5.0%), despite the negative phasing reversal impacting the core United States as well as temporary delistings in selected European markets, in connection with price increases, and poor weather conditions. **Wild Turkey portfolio** performance was positive in the six months ended 30 June 2023, driven by the core United States, Australia,

Japan and South Korea, with the outperformance of high-margin Russell's Reserve (+76.0%). Positive overall performance for **SKYY** was achieved thanks to growth in international markets such as China, Australia, South Korea, Japan as well as GTR. The United States also grew overall after an expected reversal effect in the second quarter. Negative shipment performance impacted **Grand Marnier** due to the destocking in the core United States market due to balancing out of inventory levels, which continued in the second quarter. In the six months ended 30 June 2023, the **Jamaican Rums** were up +13.9%: Appleton Estate was positive overall (+18.2%), driven by continued favourable category trends in the premium end of the rum segment. Wray&Nephew Overproof grew by +12.4% thanks to the core markets of Jamaica and the United Kingdom.
Regional priority brands registered double-digit growth of +16.7%, with **Espolòn** showing continued momentum in the core United States (+30.8% in the second quarter) as the brand continued to attract consumers and gain share. **Sparkling Wine&vermouth** performance was slightly positive (+1.1%), thanks to good momentum for Riccadonna in France. **Italian specialties** reported slightly negative performance (-1.1%) in the six months ended 30 June 2023, largely due to the weakness of Frangelico as well as Averna in the core Italian market. Positive performance was registered for **Crodino** (+7.4%) despite temporary weakness in the core Italian market and central European markets in the second quarter due to poor weather and for **Aperol Spritz ready-to-enjoy** (+10.6%) despite temporary weakness in the core Italian market. **The GlenGrant** (+30.9%) showed strong performance overall, in particular in South Korea, Australia, Japan and China, driven by high-end expressions. Strong momentum was recorded in the core United Kingdom and Jamaican markets for **Magnum Tonic Wine** (+46.9%). Other brands reported positive growth across the portfolio, in particular **Montelobos**, **Ancho Reyes**, **Lallier** and **Trois Rivières**.
In the six months ended 30 June 2023, the **local priority brands** grew by +8.0%, thanks to **Campari Soda** (+10.6%), whose strong performance was driven by pricing in the core Italian market. **Wild Turkey ready-to-drink** (+3.9%) showed positive performance driven by the recovery in the core market of Australia in the second quarter. **X-Rated** continued an overall growth (+2.6%) thanks to recovery in core Chinese market. Strong growth (+36.5%) was recorded also for **SKYY ready-to-drink** mainly driven by the core market Mexico.

The **rest of the portfolio** reported a positive growth of +7.5%.

3. Perimeter variation

The perimeter variation of +1.8% in the six months ended June 2023, compared with the sales in the same period of the previous year, is analysed in the table below.

perimeter variation		
breakdown of the perimeter effect	€ million	% on first six months ended 30 June 2022
asset deals and business acquisitions	19.1	1.5%
total acquisitions	**19.1**	**1.5%**
new agency brands	4.3	0.3%
discontinued agency brands	(0.7)	-0.1%
total agency brands	**3.6**	**0.3%**
total perimeter effect	**22.7**	**1.8%**

- **Asset deals and business acquisitions**

In the six months ended 30 June 2023, the sales contribution from asset deals and business acquisitions was +1.5% at the overall Group level and comprised the Picon and Del Professore brands, starting from May and August 2022 respectively, as well as the sales related to Wilderness Trail Distillery, starting from 1 January 2023.

- **Agency brands distribution**

The perimeter variation due to the agency brands in the six months ended 30 June 2023 was +0.3% and was mainly related to the sales generated by Howler Head bourbon from September 2022, following the acquisition of an initial minority investment in the brand owner Monkey Spirits, LLC and related distribution rights partially offset by discontinued agency brands in Argentina.

4. Exchange rate effects

The exchange rate effect for the six months ended 30 June 2023 was overall nil, mainly due to the appreciation against the Euro of the Group's key currencies such as the US Dollar, the Jamaican Dollar, the Brazilian Real and the Mexican Peso, offset by Great Britain Pound and Australian Dollar depreciation against the Euro.
Focusing on the movements of exchange rates within the individual quarters of the first half of 2023, the first quarter was positive mainly due to the strengthening of the US Dollar, whilst the second quarter showed a reversed trend due to depreciation of the US Dollar as well as the other key Group currencies such as the Australian and Canadian Dollar, as well as the Argentine Peso.

The exchange rate effect includes the impact of applying the IAS 29 Hyperinflation principle in Argentina. Moreover, as a prudent measure to strip out the effects of the local high inflation rate, the exchange rate effect also includes the pricing component.
The table below shows, for the Group's most important currencies, the average exchange rates for the six months ended 30 June 2023 and the same period of 2022 respectively, and the spot rates at 30 June 2023, with the percentage change against the Euro compared with 31 December 2022.

	average exchange rates			spot exchange rates		
	for the six months ended 30 June 2023	for the six months ended 30 June 2022	revaluation/(devaluation) vs. first half 2022	at 30 June 2023	at 31 December 2022	revaluation/(devaluation) vs. 31 December 2022
	1 Euro	: 1 Euro	%	1 Euro	: 1 Euro	%
US Dollar	1.081	1.094	1.2%	1.087	1.067	-1.8%
Canadian Dollar	1.457	1.391	-4.6%	1.442	1.444	0.2%
Jamaican Dollar	165.780	168.938	1.9%	167.551	161.803	-3.4%
Mexican Peso	19.655	22.175	12.8%	18.561	20.856	12.4%
Brazilian Real	5.484	5.558	1.4%	5.279	5.639	6.8%
Argentine Peso(1)	278.502	129.898	-53.4%	278.502	188.503	-32.3%
Russian Ruble(2)	83.762	85.496	2.1%	97.118	79.226	-18.4%
Great Britain Pound	0.877	0.842	-3.9%	0.858	0.887	3.3%
Swiss Franc	0.986	1.032	4.7%	0.979	0.985	0.6%
Australian Dollar	1.599	1.521	-4.9%	1.640	1.569	-4.3%
Yuan Renminbi	7.490	7.083	-5.4%	7.898	7.358	-6.8%

(1) The average exchange rate of the Argentine Peso was equal to the spot exchange rate at the reporting date.
(2) On 2 March 2022, the European Central Bank ('ECB') decided to suspend the publication of the Euro reference rate for the Russian Rouble until further notice. The Group has therefore decided to refer to alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

Statement of profit or loss

Key highlights
Profit or loss for the six months ended 30 June 2023 confirmed a strong organic performance for all profitability indicators. Specifically, in organic terms, net sales, gross profit, contribution margin and the result from recurring operations (EBIT-adjusted) showed an organic growth of +14.2%, +13.3%, +14.2% and +15.1%, respectively. In particular, the result from recurring operations (EBIT-adjusted) grew stronger than net sales, thus driving margin accretion. The strong net sales and EBIT organic growth in the six months ended 30 June 2023 were driven by a very positive business momentum boosted by pricing in particular for aperitifs, despite very poor weather conditions across core Southern and Central Europe, as well as temporary delistings from selected European retailers due to commercial negotiations in connection with price increases. Regarding the gross margin dilution, the half-year results were still impacted by the inflation on input costs, as well as the unfavourable impact of the outperformance of tequila, which almost entirely mitigated the positive effect deriving from pricing and operating leverage on fixed supply chain costs.

The perimeter component for the six months ended 30 June 2023 reflected the tail-end effects of additions of Picon brand and the acquisition of Wilderness Trail Distillery, with the latter generating a lower contribution than originally disclosed, due to prioritization of liquid allocation from bulk sales to future growth of high-margin own brands. This contribution was partially offset by the discontinuation of agency brands in Argentina.
The exchange rate effect on EBIT-adjusted was negative during the period, mainly driven by the depreciation of the US Dollar in the second quarter.
The table below shows the statement of profit or loss(1) for the six months ended 30 June 2023 and a breakdown of the total change by organic change, perimeter change and exchange rate effects.

	for the six months ended 30 June											
	2023		2022		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[2]	**1,457.8**	**100.0**	**1,256.9**	**100.0**	**200.9**	**16.0%**	**178.1**	**14.2%**	**22.7**	**1.8%**	**-**	**-**
Cost of sales	(585.5)	(40.2)	(490.5)	(39.0)	(95.1)	19.4%	(76.3)	15.6%	(12.8)	2.6%	(6.0)	1.2%
Gross profit	**872.3**	**59.8**	**766.5**	**61.0**	**105.8**	**13.8%**	**101.8**	**13.3%**	**9.9**	**1.3%**	**(5.9)**	**-0.8%**
Advertising and promotional expenses	(225.5)	(15.5)	(202.8)	(16.1)	(22.7)	11.2%	(21.8)	10.7%	(0.9)	0.4%	(0.1)	0.1%
Contribution margin	**646.7**	**44.4**	**563.7**	**44.8**	**83.0**	**14.7%**	**80.0**	**14.2%**	**9.1**	**1.6%**	**(6.0)**	**-1.1%**
Selling, general and administrative expenses	(287.0)	(19.7)	(252.7)	(20.1)	(34.3)	13.6%	(33.1)	13.1%	(1.3)	0.5%	-	-
Result from recurring activities (EBIT-adjusted)	**359.7**	**24.7**	**310.9**	**24.7**	**48.8**	**15.7%**	**46.9**	**15.1%**	**7.8**	**2.5%**	**(6.0)**	**-1.9%**
Other operating income (expenses)[3]	(16.0)	(1.1)	(22.1)	(1.8)	6.0	-27.3%						
Operating result (EBIT)	**343.7**	**23.6**	**288.9**	**23.0**	**54.8**	**19.0%**						
Financial income (expenses)	(32.4)	(2.2)	(4.7)	(0.4)	(27.7)	-						
Hyperinflation effect	1.2	0.1	(0.4)	-	1.6	-						
Profit (loss) related to associates and joint-ventures	(1.4)	(0.1)	(1.6)	(0.1)	0.2	-11.2%						
Profit before taxation	**311.1**	**21.3**	**282.3**	**22.5**	**28.8**	**10.2%**						
Profit before taxation-adjusted	**326.2**	**22.4**	**304.3**	**24.2**	**21.8**	**7.2%**						
Taxation	(93.4)	(6.4)	(82.7)	(6.6)	(10.7)	12.9%						
Net profit for the period	**217.6**	**14.9**	**199.5**	**15.9**	**18.1**	**9.1%**						
Net profit for the period-adjusted	**234.6**	**16.1**	**220.6**	**17.5**	**14.0**	**6.4%**						
Non-controlling interests	0.7	0.1	0.4	-	0.3	81.7%						
Group net profit	**216.9**	**14.9**	**199.1**	**15.8**	**17.8**	**8.9%**						
Group net profit-adjusted	**233.9**	**16.0**	**220.2**	**17.5**	**13.7**	**6.2%**						
Total depreciation and amortisation	(51.3)	(3.5)	(42.1)	(3.3)	(9.3)	22.0%	(6.4)	15.2%	(2.6)	6.1%	(0.3)	0.7%
EBITDA-adjusted	**411.1**	**28.2**	**353.0**	**28.1**	**58.1**	**16.4%**	**53.3**	**15.1%**	**10.4**	**3.0%**	**(5.7)**	**-1.6%**
EBITDA	**395.0**	**27.1**	**330.9**	**26.3**	**64.1**	**19.4%**						

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this half year report.
(2) Sales after deduction of excise duties.
(3) Other operating income and expenses are included in selling, general and administrative expenses in the Consolidated statement of profit or loss for the six months ended 30 June 2023.

The change in profitability in the six months ended 30 June 2023 shown as variation of percentage margin on net sales (basis points) and in percentage terms, is as follows.

	first half 2023 compared to first half 2022		
margin accretion (dilution) in basis point[2] and organic	total	organic bps	% organic
Net sales	-	**-**	**14.2%**
Cost of goods sold	(110)	(50)	15.6%
Gross profit	**(110)**	**(50)**	**13.3%**
Advertising and promotional costs	70	50	10.7%
Contribution margin	**(50)**	**-**	**14.2%**
Selling, general and administrative expenses	40	20	13.1%
Result from recurring activities (EBIT-adjusted)[1]	**(10)**	**20**	**15.1%**

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this half year report.
(2) There may be rounding effects given that the corresponding basis points have been rounded to the nearest ten.

Statement of profit or loss in detail

The key profit or loss items for the six months ended 30 June 2023 are analysed below, while a detailed analysis of the 'sales performance' is included in the previous paragraph, to which reference is made.

Gross profit for the period was €872.3 million, up +13.8% compared with the same period of 2022. The organic component of +13.3% was combined with a negative exchange rate variation at -0.8% and a perimeter effect at +1.3%. As a percentage of net sales, the profitability stood at 59.8%, lower than 61.0% reported in the same period of 2022, hence generating a dilutive effect of 110 basis points on a reported basis. This variance was driven by the dilutive organic effect of 50 basis points and the combined result of exchange rate and perimeter components, which accounted for a total dilutive effect of 60 basis points. Focusing on the organic variation, in absolute value terms, the price increases implemented by the Group were sufficient to fully offset the input costs inflation, impacting in particular the aperitifs in their peak season in the second quarter, as expected. However, in terms of percentage on sales, the cost of sales grew faster than sales thus generating a margin dilution.

Advertising and promotional expenses amounted to €225.5 million, up +11.2% overall compared with the same period of 2022. As a percentage of sales, advertising and promotional expenses stood at 15.5%, lower than the 16.1% shown in the same period of 2022, thus generating on a reported basis an accretive effect of 70 basis points on profitability. Organic, exchange rate and perimeter variations were positive at +10.7%, +0.1% and +0.4%, respectively. In organic terms, investments reflected some phasing effects in connection with the late start of the summer brand activations, as it was impacted by very poor weather, generating an accretive effect of 50 basis points.

Contribution margin was €646.7 million in the six months ended 30 June 2023, with an overall increase of +14.7% on the same period of 2022. As a percentage of sales, contribution margin stood at 44.4%. The organic growth component was +14.2%, in line with that of net sales with no effect on profitability. The perimeter effect was positive at +1.6%, with a dilutive effect of 10 basis points, while the exchange rate effect of -1.1% had a dilutive effect on margins of 40 basis points.

Selling, general and administrative expenses amounted to €287.0 million in the period, up by +13.6% on the same period of 2022. As a percentage of sales, they were at 19.7% lower than the 20.1% recorded in the six months ending 30 June 2022. At organic level, selling, general and administrative expenses increased by +13.1%, lower than the net sales growth and benefitting from operating leverage, therefore generating an accretion effect on margins of 20 basis points. The investments reflected the continuous strengthening in the business infrastructure.

The result from recurring operations (EBIT-adjusted) for the period was €359.7 million, with an overall increase of +15.7% on the six months ended 30 June 2023. The return on sales-adjusted (‘ROS’) stood at 24.7%, unchanged compared with the same period of 2022 on a reported basis. The organic growth component was +15.1%, higher than organic sales trend, thus generating a profit enhancement of 20 basis points on net sales. The impact of the exchange rate variation was negative at -1.9% (-40 basis point on profitability), while the perimeter effect was slightly positive at +2.5% thanks to the consolidation of Picon and Wilderness Trail Distillery (accretion of 10 basis point on profitability) with the latter generating lower than originally guided contribution, due to prioritization of liquid allocation from bulk sales to future growth of high-margin own brands.

Other operating income (expenses) comprised a net expense of €16.0 million, which mainly included the costs and revenues associated with restructuring, extraordinary cost connected to IT finance transformation topics associated to supply chain as well as last-mile long-term incentive schemes with retention purposes to be potentially recognised to senior management[6], partially offset by indemnities received for contract resolution.

Operating result (EBIT) in the six months ended 30 June 2023 was €343.7 million, reflecting an increase of +19.0% compared with the same period of 2022. ROS amounted to 23.6% (23.0% in the same period of 2022).

Depreciation and amortisation totalled €51.3 million, up by +22.0% on the six months ended 30 June 2022, of which +15.2% was at organic level, +0.7% related to exchange rate variations and +6.1% related to perimeter effect.

EBITDA-adjusted stood at €411.1 million, an increase of +16.4%, of which +15.1% was at organic level, -1.6% was driven by exchange rate variations and perimeter effect was positive at +3.0%.

EBITDA was €395.0 million in the six months ended 30 June 2023, an increase of +19.4% compared with the same period of 2022.

Net financial expenses totalled €32.4 million compared with €4.7 million in the same period of 2022, including the negative foreign exchange rate effect of €10.5 million (compared to a positive effect of €5.3 million in the same period of 2022). The main driver of the reported change was due to cross-currency transactions involving certain emerging markets currencies (including Argentine Peso) for which hedging would not be cost efficient hence not activated by the Group. Excluding these components, the average cost of net debt was 2.6% (2.2% in the same period of 2022), reporting net financial expenses at €21.9 million in the six months ended 30 June 2023 and showing an increase of €11.9 million on the same period of 2022. The growth was mainly due to the higher average net debt in the six months ended 30 June 2023 (€1,664.9 million at 30 June 2023 and €890.2 million in the same period of 2022), combined with the overall rise in interest rates, which particularly affected the new term loans subscribed from the end of 2022 and the new bond issued in 2023. A detailed analysis of the net financial expenses is provided in the table below.

[6] Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purposes to be potentially awarded to the Chief Executive Officer has been approved by the Parent Company’s corporate bodies and therefore implemented as set out in the Remuneration Report in the ‘Governance‘ section of the Campari Group annual report for the year ended 31 December 2022.

	for the six months ended 30 June	
	2023 € million	2022 € million
Total interest expenses bond, loans and leases	(27.4)	(13.9)
Bank and other term deposit interest income	8.5	6.2
Other net expenses	(3.0)	(2.4)
Total financial expenses before exchange gain (losses)	**(21.9)**	**(10.0)**
Exchange gain (losses)	(10.5)	5.3
Total financial income (expenses)	**(32.4)**	**(4.7)**

Hyperinflation effects was positive at €1.2 million.

Profit (loss) related to associates and joint-ventures represented a net loss of €1.4 million, resulting from the allocation of the results from joint-ventures and also including the not material net gain of €0.9 million resulting from the reassessment of the previously held Group interests in the Japanese joint-venture CT Spirits Japan Ltd. and in the investment in the New Zealand Thirsty Camel Ltd., which became wholly owned subsidiaries after the Group acquired full control from 1 March 2023 and 4 April 2023 respectively.

Profit before taxation (Group and non-controlling interests) was €311.1 million, an increase of +10.2% compared with the same period of 2022. Profit before taxation as a percentage of sales was 21.3% (22.5% in the same period of 2022).

Taxation totalled €93.4 million on a reported basis (€82.7 million in the same period of 2022). The reported tax rate in the six months ended 30 June 2022 was 30.0%, compared to a reported tax rate of 29.3% in the first half of 2022. The normalised tax rate, i.e. the tax rate adjusted by excluding the impact of other operating expenses, financial adjustments and remeasurement of previously held joint-venture investment (€17.0 million in the first half of 2023 compared to €21.1 million in the same period of 2022), was 28.1% in first half of 2023, higher than the 27.5% recognised in the same period of 2022. The increase was driven by the unfavourable country mix, given the strong business outperformance in markets with higher taxation. Excluding the impact of the non-cash component due to the deferred taxes relating to the amortisation of goodwill and brands eligible for tax purposes (€10.9 million in the first half of 2023, up compared to the €8.1 million of the 2022 period due to effects deriving from the new business combinations), the cash tax rate for the six-month period ended 30 June 2023 was 24.7%, substantially unchanged compared to the 24.9% reported in the same period of 2022.

Result relating to non-controlling interests for the period was marginal and corresponded to a gain of €0.7 million (€0.4 million in the comparative period of 2022).

The **Group's net profit** was €216.9 million in the six months ended 30 June 2023, an increase of +8.9% compared to the same period of 2022, reporting a sales margin of 14.9% (15.8% in the corresponding six months of 2022). Excluding the adjustments to the operating and financial result and the related tax effects and tax adjustments, the Group's net profit increased by 6.2% to €233.9 million (€220.2 million in the comparative period of 2022 reported on a consistent basis).

Basic and diluted earnings per share[7] were both €0.19 (respectively €0.18 and €0.17 in the six-month period of 2022). Once adjusted for the aforementioned adjusting components, they amounted both to €0.21. Adjusted basic earnings per share and adjusted diluted earnings per share were up by 6.6% and 6.5% respectively, compared to the six months ended 30 June 2022 measured on a consistent basis.

The profit before taxation and the net profit, reported and adjusted to take into account other operating income and expenses and adjustments to financial income and expenses, together with the related tax effects and other tax adjustments, are shown below.

[7] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' in this management board report.

	for the six months ended 30 June			
	2023		2022	
	€ million		€ million	
adjustments to operating income (expenses), of which:		**(16.0)**		**(22.1)**
Ukraine and Russia conflict costs	*-*		*(10.6)*	
restructuring costs, M&A projects fees and indemnities from contract resolutions	*(6.6)*		*-*	
last-mile long-term incentive schemes with retention purposes	*(5.0)*		*(5.0)*	
other adjustments to operating income (expenses)	*(4.4)*		*(6.6)*	
adjustment related to remeasurement in joint-ventures and associates		**0.9**		**-**
total adjustments		**(15.1)**		**(22.1)**
tax adjustments, of which:		**(1.9)**		**1.0**
tax adjustments	*(6.6)*		*(4.2)*	
tax effect on operating and financial adjustments	*4.7*		*5.2*	
total net adjustment		**(17.0)**		**(21.1)**

	for the six months ended 30 June							
	2023			2022			changes	
€ million	reported	adjustments	adjusted	reported	adjustments	adjusted	reported	adjusted
profit before taxation	**311.1**	(15.1)	**326.2**	**282.3**	(22.1)	**304.3**	10.2%	7.2%
total taxation	**(93.4)**	**(1.9)**	**(91.6)**	**(82.7)**	**1.0**	**(83.8)**	12.9%	9.3%
Group and non-controlling interest net profit for the period	**217.6**	(17.0)	**234.6**	**199.5**	(21.1)	**220.6**	9.1%	6.4%
tax rate (reported and adjusted)	**-30.0%**		**-28.1%**	**-29.3%**		**-27.5%**		
deferred taxes on goodwill and brands		(10.9)	(10.9)		(8.1)	(8.1)		
cash tax rate			**-24.7%**			**-24.9%**		

Profitability by business area

A breakdown of the four geographical regions in which the Group operates is provided below and shows the percentage of sales and the operating result from recurring activities for each segment for the two periods under comparison.

Please refer to the 'Sales performance' paragraph of this management board report for a more detailed analysis of sales by business area for the period.

	for the six months ended							
	2023				2022			
	net sales	% of total	result from recurring activities	% of total	net sales	% of total	result from recurring activities	% of total
	€ million	%	€ million	%	€ million	%	€ million	%
Americas	632.1	43.4%	151.4	42.1%	556.3	44.3%	134.1	43.1%
Southern Europe, Middle East and Africa	441.3	30.3%	100.9	28.0%	370.8	29.5%	74.8	24.0%
Northern, Central and Eastern Europe	279.1	19.1%	101.9	28.3%	243.9	19.4%	93.9	30.2%
Asia-Pacific	105.4	7.2%	5.6	1.5%	85.9	6.8%	8.1	2.6%
Total	**1,457.8**	**100.0%**	**359.7**	**100.0%**	**1,256.9**	**100.0%**	**310.9**	**100.0%**

- **Americas**

The Americas region made the largest contribution to the Group in terms of both sales and results from recurring activities, at 43.4% and 42.1% respectively.
The direct markets of the United States, Jamaica, Canada, Brazil, Mexico, Argentina and Peru together accounted for nearly all the region's sales. The results for the six months ended 30 June 2023 are shown below.

	for the six months ended								
	2023		2022		total change		organic change		organic accretion/dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**632.1**	**100.0**	**556.3**	**100.0**	**75.8**	**13.6%**	**58.8**	**10.6%**	**-**
Gross margin	**352.3**	**55.7**	**319.2**	**57.4**	**33.2**	**10.4%**	**28.7**	**9.0%**	**(80)**
Advertising and promotional costs	(101.9)	(16.1)	(92.6)	(16.6)	(9.3)	10.0%	(7.7)	8.3%	30
Selling, general and administrative expenses	(99.1)	(15.7)	(92.5)	(16.6)	(6.6)	7.2%	(3.5)	3.8%	100
Result from recurring activities	**151.4**	**23.9**	**134.1**	**24.1**	**17.2**	**12.8%**	**17.5**	**13.0%**	**50**

The result from recurring activities increased by +12.8% overall, generating a margin on sales of 23.9% compared with the 24.1% reported in the same period of the previous year. The organic change was +13.0%, generating an accretive effect of 50 basis points on profitability. The main drivers at an organic level were as follows:

- **gross margin** increased in value by +9.0%, below net sales growth (+10.6%), thus generating a dilution effect on profitability of 80 basis points. In particular, continued input cost inflation and the less favourable sales mix (i.e. outperformance of Espolòn, still impacted by high agave purchase price) were only partially mitigated by the positive price increases;

- **advertising and promotional expenses** recorded an increase of +8.3%, lower than net sales growth and therefore generating an accretive effect on profitability (30 basis points). The performance in the period reflected the initiatives behind selected global priority brands;
- **selling, general and administrative expenses** increased by +3.8% at organic level, lower than organic sales growth, thus resulting in a profit accretion of 100 basis points, thanks to the sustained top-line increase.

- **Southern Europe, Middle East and Africa**

The Southern Europe, Middle East and Africa region is the Group's second-largest region in terms of net sales, at 30.3%, and the third-largest in terms of profitability, at 28.0%. Besides Italy, the other key markets include France, Spain, South Africa and Nigeria, in addition to the Global Travel Retail channel. The results for the six months ended 30 June 2023 are shown below.

	for the six months ended								
	2023		2022		total change		organic change		organic accretion/dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**441.3**	**100.0**	**370.8**	**100.0**	**70.5**	**19.0%**	**61.4**	**16.6%**	**-**
Gross margin	**278.8**	**63.2**	**235.2**	**63.4**	**43.6**	**18.5%**	**39.8**	**16.9%**	**20**
Advertising and promotional costs	(60.1)	(13.6)	(55.3)	(14.9)	(4.8)	8.7%	(4.3)	7.8%	110
Selling, general and administrative expenses	(117.8)	(26.7)	(105.1)	(28.4)	(12.7)	12.0%	(13.1)	12.4%	100
Result from recurring activities	**100.9**	**22.9**	**74.8**	**20.2**	**26.1**	**34.9%**	**22.4**	**29.9%**	**230**

The result from recurring activities increased to €100.9 million overall, generating a sales margin of 22.9% compared to the 20.2% reported in the same period of the previous year. The main organic drivers were as follows:
- **gross margin** showed an increase of +16.9%, leading to an accretion of 20 basis points, sustained by strong pricing, including the increases introduced last fall, as well as favourable sales mix, which more than offset the input cost inflation;
- **advertising and promotional expenses** were up by +7.8% in comparison with the six months ended 30 June 2022, lower than net sales growth and hence having an accretive effect on profitability (110 basis points). The trend reflected the phasing effects in connection with the late start of the summer brand activations for aperitifs, as it was impacted by very poor weather;
- **selling, general and administrative expenses** increased by +12.4% compared to the same period of 2022, with an accretive effect on profitability of 100 basis points, benefitting from a higher absorption of structure fixed costs as a result of a very strong sales growth (+16.6%).

- **Northern, Central and Eastern Europe**

The Northern, Central and Eastern Europe region is the Group's third-largest region in terms of net sales, and the second-largest in terms of profitability, at 19.1% and 28.3% respectively.
The region includes the direct markets of Germany, Austria, Switzerland, Benelux and the United Kingdom, which represent nearly all the sales in the region, and the markets served by third-party distributors. The results for the six months ended 30 June 2023 are shown below.

	for the six months ended								
	2023		2022		total change		organic change		organic accretion/dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**279.1**	**100.0**	**243.9**	**100.0**	**35.2**	**14.4%**	**35.4**	**14.5%**	**-**
Gross margin	**191.2**	**68.5**	**172.3**	**70.6**	**18.8**	**10.9%**	**19.9**	**11.6%**	**(180)**
Advertising and promotional costs	(46.4)	(16.6)	(42.5)	(17.4)	(3.8)	9.0%	(4.3)	10.2%	70
Selling, general and administrative expenses	(42.9)	(15.4)	(35.9)	(14.7)	(7.0)	19.6%	(7.4)	20.5%	(80)
Result from recurring activities	**101.9**	**36.5**	**93.9**	**38.5**	**8.0**	**8.5%**	**8.3**	**8.8%**	**(190)**

The result from recurring activities increased to €101.9 million overall, generating a sales margin of 36.5%, compared with 38.5% reported in the same period of 2022. Organic growth was +8.8% with a dilutive effect of 190 basis points. The main drivers were as follows:
- **gross margin** showed a growth of +11.6% leading to an overall organic dilutive effect of 180 basis points, impacted by cost of sales inflation, only partially offset by the pricing effects kicking in towards the end of the second quarter;
- **advertising and promotional expenses** increased by +10.2%, lower than sales growth of +14.5%, generating an accretive effect on profitability of 70 basis points. The trend highlighted reflected the above-mentioned delayed summer activations in connection with the poor weather conditions in selected markets;
- **selling, general and administrative expenses** showed an increase of +20.5%, with a dilutive effect of 80 basis points on profitability, which reflects the strengthening of commercial capabilities in the area.

- **Asia-Pacific**

The Asia-Pacific region includes the Group's own distribution platforms in Australia, China, India and South Korea, as well as the latest markets Japan and New Zealand following the recent business combination completed by the Group. The rest of the region is served by third-party distributors and joint-ventures. The region's contribution to the Group's net sales and result from recurring activities in the six months ended 30 June 2023 was 7.2% and 1.5% respectively. The results for the six months ended 30 June 2023 are shown below.

	for the six months ended									
	2023		2022		total change		organic change		organic accretion/dilution of profitability
	€ million	%	€ million	%	€ million	%	€ million	%	basis points
Net sales	**105.4**	**100.0**	**85.9**	**100.0**	**19.4**	**22.6%**	**22.5**	**26.2%**	**-**
Gross margin	**50.0**	**47.4**	**39.7**	**46.3**	**10.2**	**25.7%**	**13.4**	**33.6%**	**270**
Advertising and promotional costs	(17.2)	(16.3)	(12.4)	(14.4)	(4.8)	39.2%	(5.4)	43.8%	(200)
Selling, general and administrative expenses	(27.2)	(25.8)	(19.3)	(22.4)	(7.9)	41.2%	(9.2)	47.5%	(380)
Result from recurring activities	**5.6**	**5.3**	**8.1**	**9.5**	**(2.6)**	**-31.6%**	**(1.2)**	**-14.7%**	**(310)**

The result from recurring activities decreased to €5.6 million overall, generating a margin on sales of 5.3% compared with the 9.5% reported in the same period of 2022. The organic change was negative at -14.7%, with a corresponding dilution in profitability of 310 basis points, essentially due to the reinvestment of the full margin in advertising, promotional and commercial capabilities aimed at strengthening the Group's presence in the area:
- **gross margin** grew by +33.6%, higher than net sales growth, and showed an accretive effect on profitability of 270 basis points, thanks to the positive price and volume mix, driven by continued premiumisation which more than offset the negative effects related to inflationary pressure at the level of input costs;
- **advertising and promotional expenses** grew by +43.8% higher than the organic sales growth (+26.2%), generating a dilutive effect on profitability by 200 basis points due to very sustained investments behind premium brands in the area;
- **selling, general and administrative expenses** increased by +47.5%, higher than net sales, thus generating a dilutive effect on profitability of 380 basis points, reflecting continued investments in the region, especially in route-to-market capabilities.

Operating working capital

The breakdown of the total change in operating working capital compared with the figure at 31 December 2022 is as follows.

	at 30 June 2023	at 31 December 2022 post-reclassifications(1)	total change	*organic*	*perimeter*	*exchange rates and hyperinflation*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
Trade receivables	433.7	308.2	125.5	*128.4*	*8.3*	*(11.2)*
Total inventories, of which:	1,248.4	1,011.7	236.7	230.8	9.2	(3.2)
- maturing inventory	*571.3*	516.0	*55.4*	*57.5*	*-*	*(2.2)*
- biological assets	*10.7*	*7.1*	*3.6*	*2.6*	*-*	*1.0*
- other inventory	*666.4*	*488.6*	*177.8*	*170.7*	*9.2*	*(2.0)*
Trade payables	(549.5)	(541.6)	(7.9)	*12.9*	*(27.2)*	*6.5*
Operating working capital	**1,132.6**	**778.3**	**354.3**	***372.1***	***(9.8)***	***(8.0)***
Sales in the previous 12 months rolling	2,898.5	2,697.6				
Working capital as % of net sales rolling	39.1	28.8				

(1) For information on reclassifications of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022' of Campari Group condensed consolidated financial statements at 30 June 2023.

At 30 June 2023, operating working capital totalled €1,132.6 million, recording an increase of €354.3 million compared to 31 December 2022 which, in terms of percentage over net sales, resulted in an increase from 28.8% at the end of 2022, to 39.1% at the end of June 2023 on a reported basis. The value increase was the combined effect of the following drivers: an organic increase of €372.1 million, mainly driven by the step-up in inventories, a negative impact from business acquisitions for €9.8 million, and exchange rate variations leading to a decrease of €8.0 million. If adjusted for the pro-forma effects of the recent acquisition (i.e. including the pro-forma full year net sales of the acquired business), the operating working capital on net sales ratio would be 38.9% of net sales.

Focusing on organic performance, trade receivables were up by €128.4 million, despite improved collection conditions, mainly driven by the strong net sales performance reflecting price increases in most geographical areas. Inventory was up by €230.8 million of which the increase in maturing inventory of €57.5 million across whiskey, rum, tequila and cognac in order to support both the sustained consumer demand and the planned premiumisation strategy. Excluding the ageing liquid, the step up of other inventory of €170.7 million was driven by the planned inventory build-up in order to re-establish a normalized stock level ahead of the summer peak season as well as temporary safety stock build in connection with the ongoing plant capacity expansion projects.

It should be noted that, due to its nature, the aging liquid is comparable to invested capital as its growth profile is planned over a long-term horizon. Trade payables recorded a slight organic decrease of €12.9 million compared to 31 December 2022.

The decrease attributable to the exchange rate component of €8.0 million was mainly related to trade receivables for €11.2 million combined with €3.2 million attributable to inventory (namely on maturing inventory located in the Americas, particularly in the United States and Jamaica), impacted by the devaluation of US and Jamaican Dollar and only partially offset by the positive exchange rate effect in trade payables of €6.5 million.

Lastly, the effect of the first-time consolidation of the companies acquired during the six months of 2023 resulted in a reduction in operating working capital of €9.8 million, being mainly linked to net exposures for trade payables (refer to the paragraph 'Acquisitions and Commercial agreements' in the events section of this management board report).

Reclassified statement of cash flows

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

	for the six months ended 30 June			
	2023 € million	*of which recurring* *€ million*	2022 € million	*of which recurring* *€ million*
Operating result (EBIT)	**343.7**		**288.9**	
Result from recurring activities (EBIT-adjusted)		**359.7**		**310.9**
Depreciation and amortization	**51.3**	51.3	42.1	42.1
EBITDA	**395.0**		**330.9**	
EBITDA-adjusted		***411.1***		***353.0***
Effects from hyperinflation accounting standard adoption	5.2	*5.2*	3.5	*3.5*
Accruals and other changes from operating activities	44.5	*39.5*	(27.8)	*(32.8)*
Tangible fixed assets impairment	0.3	-	0.3	-
Income taxes paid	(120.4)	*(115.4)*	(89.8)	*(74.6)*
Cash flow from operating activities before changes in working capital	**324.6**	***340.4***	**217.2**	***249.2***
Changes in net operating working capital	(372.1)	*(372.1)*	(108.9)	*(108.9)*
Cash flow from operating activities	**(47.5)**	***(31.7)***	**108.2**	***140.2***
Net interests paid	(18.5)	*(18.5)*	(4.9)	*(4.9)*
Capital expenditure	(88.4)	*(41.5)*	(63.1)	*(37.0)*
Free cash flow	**(154.4)**	***(91.7)***	**40.2**	***98.4***
Sale and purchase of brands and rights	-		(123.6)	
(Acquisition) disposal of business	(13.0)		-	
Dividend paid out by the Company	(67.5)		(67.6)	
Other items including net purchase of own shares	6.3		(68.8)	
Cash flow invested in other activities	**(74.2)**		**(260.0)**	
Total change in net financial debt due to operating activities	**(228.6)**		**(219.8)**	
Opening restatements(1)	(2.7)		-	
Put option and earn out liability changes(2)	(17.4)		(4.3)	
Increase in investments for lease right of use(3)	(4.2)		(2.9)	
Net cash flow of the period=change in net financial debt	**(252.9)**		**(227.0)**	
Effect of exchange rate changes	**(17.9)**		**52.9**	
Net financial debt at the beginning of the period	**(1,552.5)**		**(830.9)**	
Net financial debt at the end of the period	**(1,823.2)**		**(1,005.1)**	

(1) For information on reclassifications of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022' of Campari Group condensed consolidated financial statements at 30 June 2023. The reclassification is related to the post-closing adjustment payment connected with Wilderness Trail Distillery, LLC. Net financial debt at the beginning of the period post-reclassifications was €1,555.3 million.
(2) This item, which is a non-cash item, was included purely to reconcile the change in financial debt relating to activities in the period with the overall change in net financial debt.
(3) For information on the value shown, please see note 6 ii-'Property, plant and equipment, right of use assets and biological assets' of Campari Group condensed consolidated financial statements at 30 June 2023.

Key highlights

At 30 June 2023, net cash flow showed a cash flow absorption of €252.9 million, also reflected as an equivalent increase in the net financial debt compared to 31 December 2022, to which a negative exchange rate effect of €17.9 million was added. The cash generation in terms of free cash flow on a reported basis was negative at €154.4 million in the first six months of 2023 compared to a positive free cash flow of €40.2 million reported in the same period of 2022. The main driver of the change was due to the cash absorption related to the operating working capital driven by the rise of inventories supporting the positive business momentum and the Group's premiumisation strategy. The recurring free cash flow was negative during the period and amounted to €91.7 million, compared with a positive recurring cash flow of €98.4 million in the first half of 2022. In terms of percentages on EBITDA-adjusted, recurring free cash flows totalled -22.3%, compared to 27.9% in the same period of 2022.

Analysis of the consolidated statement of cash flows
The following drivers contributed to the generation of the above-mentioned free cash flows in the first six months of 2023:

- operating result (EBIT) amounted to €343.7 million, compared to €288.9 million in the same period of 2022, and included a negative effect of €16.0 million related to operating adjustments. Excluding operating adjustments, the result from recurring activities (EBIT-adjusted) amounted to €359.7 million (€310.9 million in the first half of 2022);
- EBITDA amounted to €395.0 million with an increase of €64.1 million compared to the previous year. Excluding the before-mentioned non-recurring components, EBITDA-adjusted amounted to €411.1 million (€353.0 million in the first half of 2022);
- non-cash liabilities arising from the application of the hyperinflation accounting standard in Argentina amounted to €5.2 million in the first half of 2023;
- accruals for provisions net of utilisations and other miscellaneous operating changes, largely related to indirect taxation and excise duties, showed a positive effect of €44.5 million;
- write-off losses related to intangible assets stood at €0.3 million and were considered as non-cash adjusting components and consequently not included in the recurring free cash flows;
- the cash financial impact deriving from the tax payments effected in the first six months of 2023 was €120.4 million. The amount paid included the third instalment of €5.1 million of the substitution tax permitting the access to the tax benefit, which allows a higher amortisation of goodwill and brands for tax purposes, which the Group applied in previous years. Excluding the non-recurring components, taxes paid amounted to €115.4 million, an increase of €40.8 million compared to the same period of last year. This change was a consequence of the adverse phasing of tax payments from 2022 into 2023, as well as an increase in advance tax payments for 2023 as a result of higher pre-tax profit due to positive business performance and higher tax rate due to geographical mix;
- working capital recorded a strong cash absorption of €372.1 million (refer to the paragraph ‘Operating working capital’ for details);
- interest paid, net of interest received, stood at €18.5 million in the first half of 2023;
- net investment in capital expenditure amounted to €88.4 million, of which the recurring component was €41.5 million. Extraordinary capital expenditure amounted to €46.9 million, expected to accelerate in the second half of the year, confirming the Group’s commitment to continue to invest in the expansion of its production capacity and efficiency to support long-term growth and the enhancement of its IT infrastructure.

Cash flow invested in other activities was negative at €74.2 million, compared to a negative absorption of €260.0 million in the first half of 2023, resulting mainly in:

- dividends paid of €67.5 million;
- the purchase of the remaining 40% interest in CT Spirits Japan Ltd. as well as the purchase of an additional 50% interest in Thirsty Camel Ltd for a total cash consideration of €2.5 million, the related net financial positions included in the first incorporation of the subsidiaries in the Group amounting to €5.4 million and a €5.0 million capital contribution in the Dioniso joint-venture (contribution equally supported by Moët Hennessy).

New **lease** changes, **put options and earn-outs liabilities changes** as well as the price adjustment related to the Wilderness Trail LLC reported as **opening restatement** of the net financial debt at 31 December 2022, are shown purely to reconcile net cash flows for the six-month period with total net financial debt.

Net financial debt

At of 30 June 2023, consolidated net financial debt amounted to €1,823.2 million, up by €268.0 million compared with €1,555.3 million reported at 31 December 2022. During the period, the Group benefitting from favourable market conditions, implemented some liability management operations, extending the maturity of the debt, thus ensuring flexibility in supporting the Group in its commitment in the multi-year capital expenditure program and in any short-term investment opportunity.

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

	at 30 June 2023	at 31 December 2022 post-reclassifications[1]	total change	*organic*	*perimeter[2]*	*exchange rates*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
cash and cash equivalents	623.7	435.4	188.3	*192.9*	*1.3*	*(5.9)*
bonds	(300.0)	-	(300.0)	*(300.0)*	*-*	*-*
loans due to banks	(74.9)	(107.0)	32.1	*48.1*	*(10.0)*	*(6.0)*
lease payables	(14.3)	(14.4)	0.1	*(0.1)*	*(0.1)*	*0.3*
other financial assets and liabilities	11.8	4.6	7.2	*8.1*	*(0.7)*	*(0.2)*
short-term net financial debt	**246.3**	**318.6**	**(72.3)**	***(51.0)***	***(9.4)***	***(11.9)***
bonds	(845.3)	(846.3)	1.0	*1.0*	*-*	*-*
loans due to banks [1]	(929.5)	(770.9)	(158.6)	*(150.6)*	*(1.2)*	*(6.8)*
lease payables	(61.7)	(65.1)	3.4	*3.6*	*(0.6)*	*0.4*
other financial assets and liabilities	20.7	48.2	(27.5)	*(27.5)*	*-*	*-*
medium-/long-term net financial debt	**(1,815.8)**	**(1,634.2)**	**(181.6)**	***(173.4)***	***(1.8)***	***(6.4)***
net financial debt before put option and earn-out	**(1,569.5)**	**(1,315.6)**	**(253.9)**	***(224.4)***	***(11.2)***	***(18.3)***
liabilities for put option and earn-out payments	(253.7)	(239.7)	(14.0)	*(17.3)*	*2.8*	*0.4*
net financial debt	**(1,823.2)**	**(1,555.3)**	**(268.0)**	***(241.7)***	***(8.4)***	***(17.9)***

[1] For information on reclassifications of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022' of Campari Group condensed consolidated financial statements at 30 June 2023. The reclassification is related to the post-closing adjustment payment connected with Wilderness Trail Distillery, LLC.
[2] The perimeter variation included the impact of the first incorporation of the subsidiaries CT Spirits Japan Ltd. and Thirsty Camel Ltd. into Campari Group accounts in addition to the impact of the acquisition of the remaining interests in Lallier.

At 30 June 2023, net financial debt remains skewed into medium to long-term maturities in line with Campari Group's long-term growth strategy.

The short-term net financial position was confirmed to be positive at €246.3 million with a reported overall reduction of €72.3 million compared to 31 December 2022 and mainly comprised of cash and cash equivalents (€623.7 million) net of bonds (€300.0 million) and loans due to banks (€74.9 million). Bonds referred to private placements issued in 2017 and 2019 for €150.0 million each with a maturity date in April 2024.
Cash and cash equivalent grew from €435.4 million to €623.7 million benefitting from liability management initiatives occurred during the six months ended 30 June 2023 and are supported by significant credit lines for a total of €749.8 million, of which €400.0 million committed and expiring in 2028 (undrawn at 30 June 2023). The balance of the credit lines, uncommitted for an amount of €349.8 million, was drawn down for only €23.4 million at 30 June 2023.
The main drivers that affected the overall organic decrease in the short-term net financial debt of €51.0 million were attributable to the negative free cash flow largely due to strong cash absorption of working capital, the payment of dividends and income taxes of €67.5 million and €120.4 million respectively, in addition to the settlement of operating liabilities connected with capital expenditure. The variation also factored in the inflow proceeds from the sale of shares in connection with the exercise of share-based incentive schemes, namely stock option plans, net of the outflow to purchase own shares on the market supporting the share buyback programs completed in May 2023, amounted to €25.4 million[8].

The medium to long-term financial debt was largely composed of bonds and loans due to banks totalling €1,815.8 million, an increase of €181.6 million compared with 31 December 2022. The overall reported organic increase of €173.4 million was the combined effect of financial debt management activities focused on extending the average maturity, namely via a term facility of €400.0 million and a revolving facility of the same amount, in addition to the issue of unrated bond of €300.0 million (for detailed information please refer to the 'Significant events of the period' paragraph in the management board report), partially offset by the early repayment of the €250.0 million term loan with original termination date in July 2024. The medium to long-term exposure also factored in the reclassification to short-term financial position of the aforementioned bonds for €300.0 million with maturities within the upcoming twelve months.

Furthermore, the Group's net financial debt included liabilities of €253.7 million related to future commitments to acquire outstanding minority interests in controlled companies.
During the six months ended 30 June 2023, the reported variation in net financial debt was impacted by negative exchange rates effects of €17.9 million overall, mainly driven by the US Dollar.

At 30 June 2023, the Campari Group's net debt/EBITDA-adjusted ratio[9] was 2.5 times, compared with 2.4 times at 31 December 2022 and 1.7 times at 30 June 2022 on a like-for-like basis. The pro-forma ratio adjusted to consider the twelve-month estimated effect of the recent acquisition and disposals on EBITDA-adjusted, and

[8] The amount included €0.9 million liability paid in connection with the share buyback programs. At 30 June 2023, the equivalent of 2.7% of the share capital, corresponding to 31,072,518 own shares, was held by the Company, mainly aimed to meet the obligations arising from the long-term share-based incentive plans.
[9] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this management board report.

therefore calculated for comparison purposes, confirmed to be 2.5 times (2.2 times as at 31 December 2022 on a consistent basis).

Capital expenditure

During the first half of 2023, net investments totalled €88.4 million, of which €41.5 million were recurring and €46.9 million were non-recurring.

The recurring investments were related to initiatives aimed at continuously enhancing the supply chain, via efficiency improvements and sustainability related initiatives, as well as business infrastructure. Specifically, they related to the following projects:
- maintenance expenditure on the Group's operations and production facilities, offices and IT infrastructure which, although not material on an individual basis, amounted overall to €13.1 million;
- the purchase of barrels for maturing bourbon and rum totalling €20.3 million, net of related disposals;
- investments to develop biological assets, totalling €8.1 million.

Non-recurring investments, totalling €46.9 million, related to the capacity expansion initiatives to satisfy future sustained consumer demand as well as Environmental, Social and Governance ('ESG') initiatives. Investments amounting to €45.2 million for the six months period ended 30 June 2023 were mainly concentrated in Italy to expand the manufacturing footprint for aperitifs, in Mexico to expand supply chain facilities for tequila production, as well as in the United States to expand bourbon production capacity. Such investments are expected to accelerate in the remaining of the year according to announced capex plan. Furthermore, the Group continued its path in digital transformation projects and invested €1.7 million during the period.

With regard to the type of investment, net purchases comprised tangible assets of €74.7 million, biological assets namely related to agave plantations of €8.0 million and intangible assets of €5.8 million.

Lastly, investments for the rights of use of third-party assets were related to tangible assets attributable to offices, plant and machinery and vehicles, which increased by €4.2 million during the period.

Reclassified statement of financial position

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

	at 30 June 2023	at 31 December 2022 post-relcassifications(1)	total change	*organic*	*perimeter(2)*	*exchange rates and hyperinflation*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
fixed assets	4,018.7	3,981.0	37.7	*42.4*	*11.9*	*(16.6)*
other non-current assets and (liabilities)	(353.3)	(360.7)	7.4	*1.0*	*2.5*	*3.9*
operating working capital	1,132.6	778.3	354.3	*372.1*	*(9.8)*	*(8.0)*
other current assets and (liabilities)	(129.6)	(165.7)	36.1	*24.2*	*2.9*	*9.0*
total invested capital	**4,668.4**	**4,232.8**	**435.6**	***439.7***	***7.5***	***(11.7)***
Group shareholders' equity	2,843.8	2,676.2	167.6	*197.4*	*(1.2)*	*(28.7)*
non-controlling interests	1.4	1.4	-	*0.7*	*0.3*	*(1.0)*
net financial debt	1,823.2	1,555.3	268.0	*241.7*	*8.4*	*17.9*
total financing sources	**4,668.4**	**4,232.8**	**435.6**	***439.7***	***7.5***	***(11.7)***

(1) For information on reclassifications of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022' of Campari Group condensed consolidated financial statements at 30 June 2023.
(2) The perimeter variation included the impact of the incorporation of the subsidiaries CT Spirits Japan Ltd. and Thirsty Camel Ltd. in Campari Group accounts, as well as the price adjustment after the closing related to the acquisition of Wilderness Trail LLC., completed on 7 December 2022.

Invested capital at 30 June 2023 was €4,668.4 million, an increase of €435.6 million compared with the figures at 31 December 2022.

Focusing on the organic change, the most significant variations attributable to the invested capital referred to:
- the increase of €372.1 million in operating working capital, driven by the rise of inventories supporting the positive business momentum (refer to paragraph 'Operating working capital' for more information);
- the increase of €42.4 million in fixed assets, attributable mainly to investments envisaged for enhancing supply chain capacity and efficiency as well as the purchase of barrels for ageing;
- the decrease of €24.2 million in other current assets net of liabilities, mainly related to the increase in indirect tax payables, namely referring to VAT and excise taxes.

Moreover, invested capital at 30 June 2023 was impacted by non-monetary foreign currency translation effects, resulting in a decrease of €11.7 million.

Regarding financing sources, the main changes related to an increase of €167.6 million in the Group's shareholders' equity, mostly due to the combined effect of the Group results for the period of €216.9 million, dividend payment of €67.5 million and decrease of non-monetary foreign currency effect of €17.9 million mainly due to the US Dollar and the Jamaican Dollar. With respect to net financial debt variations totalling €268.0 million, namely reflecting the Group's financial debt management aiming to optimise its debt structure by extending the average maturity of its liabilities while benefitting from favourable market conditions: for more detailed information refer to the paragraph 'Net financial debt' in this management board report.

As a result of the changes mentioned above, the Group's financial structure showed a net debt to shareholders' funds ratio of 64.1% at the end of the period, slightly increased from 58.1% recorded at 31 December 2022 restated.

Half year 2023 conclusion and outlook

The six months ended 30 June 2023 confirmed the positive business momentum for the Group mainly driven by aperitifs, tequila and bourbon thanks to solid brand momentum in a context of resilient consumption and despite unfavourable weather conditions.

Looking at the remainder of the year, the positive business momentum across key brand-market combinations is expected to continue, reflecting business seasonality and expected normalization in volume growth, thanks to strong brand equity and continued strength in the on-premise. Regarding margins, the trends are expected to reflect the sales mix evolution, different comparison bases for pricing effects as well as initial easing effects on input costs inflation, alongside phasing of advertising and promotion and continued sustained investments to strengthen the Group's commercial capabilities through route-to-market. On a full year basis, the Group confirms its guidance of a flat organic EBIT margin in 2023[10] in the current volatile macro-environment. Regarding exchange rate variations, the negative trends are expected to accelerate, reflecting the weakening US Dollar as well as other key Group currencies. The perimeter effect is expected to be approximately €10-15 million on EBIT-adjusted on a full year basis, reflecting the prioritization of bulk liquid allocation of Wilderness Trail Distillery to the future development of own brands.

Looking at the medium-term horizon beyond 2023, Campari Group remains confident to continue delivering strong organic net sales growth and margin expansion leveraging mix improvement as well as input cost inflation normalization.

[10] Guidance provided upon full-year 2022 results.

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

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

FINANCIAL MEASURES USED TO MEASURE GROUP PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

Profit or loss before taxation-adjusted: the result before taxation for the period, before other operating income (expenses), adjustments to financial income (expenses), before put option, earn-out income (expenses) and the profit (loss) related to re-assessments of previously held joint-venture investments before their consolidation and including the non-controlling interests result before taxation.

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

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

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

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

Basic and diluted earnings per share-adjusted (basic/diluted EPS-adjusted): basic/diluted earnings per share (EPS) before other operating income (expenses), adjustments to financial income (expenses), to put option earn out income (expenses) and the profit (loss) related to re-assessments of previously held joint-venture investments before their consolidation before the related taxation effect and before other positive (negative) tax adjustments for the period.

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

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

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

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

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

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

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

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

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

- other current assets and liabilities.

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

Net financial debt: calculated as the algebraic sum of:
- cash and cash equivalents;
- lease receivables;
- bonds;
- loans due to banks;
- lease payables;
- liabilities for put option and earn-out payments;
- other current and non-current financial assets and liabilities.

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

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

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

Reclassified statement of cash flows
This item shows the cash flow generation, excluding cash flows relating to changes in short-term and long-term debt and in investments in marketable securities. The total cash flows generated (or used) in the period thus correspond to the change in net financial debt.

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

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

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

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

Debt/EBITDA-adjusted ratio
The net debt/EBITDA-adjusted ratio is used by management to assess the Group's level of financial leverage, which affects its capacity to refinance its debt by the set maturity dates and to obtain further financing to invest in business development. The Group's debt management objective is based on the achievement of an optimal and sustainable level of financial solidity while maintaining an appropriate level of flexibility with regard to funding options. The Group monitors changes in this measure on an ongoing basis. Net debt is the Group's net financial debt reported at the closing date of the reference period; the Group's EBITDA-adjusted for the past 12 months is calculated based on the reported value at the closing date of the reference period, into which the portion of EBITDA-adjusted recorded in the previous year is incorporated for the remaining months.
Upon the occurrence of significant business acquisition (or disposal) transactions, a pro-forma index adjusted is calculated to take into account the annual effect on EBITDA of the business transaction (including for acquisition,

excluding for a disposal) of the last twelve months, to ensure consistency in comparative terms with the previous year reported.

- **Appendix of alternative performance indicators**

For the half-year ended 30 June 2023.

for the six months ended 30 June 2023	EBITDA		EBIT		profit before taxation		Group net profit		basic earnings per share	diluted earnings per share
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales	€	€
alternative performance measure reported	**395.0**	**27.1%**	**343.7**	**23.6%**	**311.1**	**21.3%**	**216.9**	**14.9%**	**0.19**	**0.19**
devaluation of tangible assets, goodwill, brands and business disposed	(0.3)	-	(0.3)	-	(0.3)	-	(0.3)	--	-	-
restructuring and reorganisation costs	(7.8)	-0.5%	(7.8)	-0.5%	(7.8)	-0.5%	(7.8)	-0.5%	(0.01)	(0.01)
last mile long-term incentive schemes with retention purposes	(5.0)	-0.3%	(5.0)	-0.3%	(5.0)	-0.3%	(5.0)	-0.3%	-	-
fees from acquisition/disposals of business or companies	(0.7)	-	(0.7)	-	(0.7)	-	(0.7)	-	-	-
Indemnities for contract resolution	1.9	0.1%	1.9	0.1%	1.9	0.1%	1.9	0.1%	-	-
other adjustments of operating income (expenses)	(4.1)	-0.3%	(4.1)	-0.3%	(4.1)	-0.3%	(4.1)	-0.3%	-	-
Financial cost	-	-	-	-	-	-	-	-	-	-
profit (loss) related to re-assessments of previously held associates and joint-ventures	-	-	-	-	0.9	0.1%	0.9	0.1%	-	-
tax adjustments	-	-	-	-	-	-	(1.9)	-0.1%	-	-
total adjustments	**(16.0)**	**-1.1%**	**(16.0)**	**-1.1%**	**(15.1)**	**-1.0%**	**(17.0)**	**-1.2%**	**(0.02)**	**(0.01)**
alternative performance measure-adjusted	**411.1**	**28.2%**	**359.7**	**24.7%**	**326.2**	**22.4%**	**233.9**	**16.0%**	**0.21**	**0.21**

for the six months ended 30 June 2023		basic	diluted
Group net profit adjusted	€ million	233.9	233.9
outstanding shares	n.	1,124,142,852	1,140,476,081
earnings per share-adjusted	**€**	**0.21**	**0.21**

for the six months ended 30 June 2023	free cash flow
	€ million
alternative performance measure reported	**(154.4)**
goodwill, brand and sold business impairment	0.3
other changes from operating activities	(16.0)
non-recurring taxes paid	(5.1)
changes in other non-financial assets and liabilities	5.0
net cash flow from non-recurring investments	(46.9)
total adjustments	**(62.8)**
alternative performance measure-adjusted (recurring free cash flow)	**(91.7)**

	for the six months ended 30 June 2023
	€ million
EBITDA-adjusted at 30 June 2023 (+)	411.1
EBITDA-adjusted at 31 December 2022 (+)	660.3
EBITDA-adjusted at 30 June 2022 (-)	353.0
rolling twelve months EBITDA-adjusted	**718.4**
net financial debt at 30 June 2023	**1,823.2**
net debt/EBITDA-adjusted ratio	**ratio 2.5**
rolling twelve months EBITDA adjusted for business acquisition	**724.2**
net debt/EBITDA-adjusted for business acquisition ratio	**ratio 2.5**

For the comparative figures ended 30 June 2022 and 31 December 2022.

for the six months ended 30 June 2022	EBITDA		EBIT		profit before taxation		Group net profit		basic earnings per share	diluted earnings per share
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales	€	€
alternative performance measure reported	**330.9**	**26.3%**	**288.9**	**23.0%**	**282.3**	**22.5%**	**199.1**	**15.8%**	**0.18**	**0.17**
Ukraine and Russia conflict	(10.6)	-0.8%	(10.6)	-0.8%	(10.6)	-0.8%	(10.6)	-0.8%	(0.01)	(0.01)
devaluation of tangible assets, goodwill, brands and business disposed	(0.3)	-	(0.3)	-	(0.3)	-	(0.3)	-	-	-
restructuring and reorganisation costs	(2.8)	-0.2%	(2.8)	-0.2%	(2.8)	-0.2%	(2.8)	-0.2%	-	-
last mile long-term incentive schemes with retention purposes	(5.0)	-0.4%	(5.0)	-0.4%	(5.0)	-0.4%	(5.0)	-0.4%	-	-
other adjustments of operating income (expenses)	(3.4)	-0.3%	(3.4)	-0.3%	(3.4)	-0.3%	(3.4)	-0.3%	-	-
tax adjustments							1.0	0.1%	-	-
total adjustments	**(22.1)**	**-1.8%**	**(22.1)**	**-1.8%**	**(22.1)**	**-1.8%**	**(21.0)**	**-1.7%**	**(0.02)**	**(0.02)**
alternative performance measure-adjusted	**353.0**	**28.1%**	**310.9**	**24.7%**	**304.3**	**24.2%**	**220.2**	**17.5%**	**0.20**	**0.19**

for the six months ended 30 June 2022		basic	diluted
Group net profit adjusted	€ million	220.2	220.2
outstanding shares	n.	1,128,600,730	1,143,272,794
earnings per share-adjusted	**€**	**0.20**	**0.19**

for the six months ended 30 June 2022	free cash flow
	€ million
alternative performance measure reported	**40.2**
goodwill, brand and sold business impairment	0.3
other changes from operating activities	(22.1)
non-recurring taxes paid	(15.3)
changes in other non-financial assets and liabilities	5.0
net cash flow from non-recurring investments	(26.2)
total adjustments	**(58.2)**
alternative performance measure-adjusted (recurring free cash flow)	**98.4**

	for the six months ended 30 June 2022
	€ million
EBITDA-adjusted at 30 June 2022 (+)	353.0
EBITDA-adjusted at 31 December 2021 (+)	514.9
EBITDA-adjusted at 30 June 2021 (-)	261.7
rolling twelve months EBITDA-adjusted	**606.2**
net financial debt at 30 June 2022	**1,005.1**
net debt/EBITDA-adjusted ratio	**ratio 1.7**

	for the year ended 31 December 2022
	€ million
EBITDA adjusted at 31 December 2022	660.3
net financial debt at 31 December 2022 before reclassifications	**1,552.5**
net debt/EBITDA-adjusted ratio	**ratio 2.4**
EBITDA adjusted for business acquisition	**695.4**
net debt/EBITDA-adjusted for business acquisition ratio	**ratio 2.2**

Stock performance in the capital market

Stock performance in the capital market

The Campari stock price performance has been very strong during the first half of 2023 despite the macro challenges. Such performance reflected the Group's continued positive business momentum as well as the market expectation on the Group's margin recovery thanks to pricing as well as easing inflation.
During the first half of 2023, the Campari stock price grew by +33.8% in absolute terms, outperforming the FTSE MIB by +14.7% and outperformed the STOXX Europe 600 Food&Beverage index by +31.0% in the period from 1 January to 30 June 2023.

Performance of the Campari stock and the main benchmark indices from 1 January 2023 to 30 June 2023(*)

(*) The STOXX Europe 600 Food &Beverage Price Index is a capitalisation-weighted index that includes European companies operating in the food and beverage industry.

Davide Campari-Milano N.V. stock

Shares[11]

At 30 June 2023, the total share capital of Davide Campari-Milano N.V. (including Special Voting Shares) was equal to €1,827,318,342.
The total share capital consisted of 1,161,600,000 ordinary shares with a nominal value of €0.01 each, for a total of €11,616,000, and 665,718,342 Special Voting Shares A with a nominal value of €0.01 each, for a total of €6,657,183. Further update is available at Campari Group's website: Investors | Campari Group.

Dividend

On 13 April 2023, the Shareholders' meeting approved the distribution of a dividend of €0.060 per ordinary share for 2022 (in line with the previous year).
The dividend was paid on 26 April 2023 (with an ex-coupon date for coupon no. 3 of 24 April 2023), in line with the Italian Stock Exchange calendar, and a record date of 25 April 2023, for a total amount of €67.4 million.

Investor relations

In compliance with both applicable Italian and Dutch laws, Davide Campari-Milano N.V. (as a Dutch company listed on the Italian Stock Exchange) transmits any regulated information through the transmission system 1Info SDIR, managed by Computershare S.p.A., as well as files such information through 'Loket AFM' to the AFM (Authority for the Financial Markets), which makes it available on its website's relevant register at www.afm.nl.

Other information

Transactions with related parties

As for related parties transactions, the Company is subject to the regulation applicable on this matter as well as the procedure for transactions with related parties approved by the Board of Directors of the Company on 27 October 2020, as subsequently amended and supplemented. It should be noted that transactions with related parties, including intra-group transactions, are not classified as material related parties transactions, as they are part of the normal business of Group companies. These transactions are carried out under market conditions, taking into account the characteristics of the goods and services provided.

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[11] Refer to 'Governance' section in the 2022 Annual Report for additional information regarding the composition of the share capital and details on major Shareholders.

Campari Group-Half year condensed consolidated financial statements at 30 June 2023

Index-Campari Group consolidated financial statements

Consolidated primary statements

Consolidated statement of profit or loss[1]

	notes	for the six months ended 30 June 2023 € million	2022 € million
Gross sales		**1,737.9**	**1,527.6**
Excise duties[2]		(280.1)	(270.7)
Net sales	5 i.	**1,457.8**	**1,256.9**
Cost of sales	5 iii.	(585.5)	(490.5)
Gross profit		**872.3**	**766.5**
Advertising and promotional costs	5 iv.	(225.5)	(202.8)
Contribution margin		**646.7**	**563.7**
Selling, general and administrative expenses	5 vi.	(287.0)	(252.7)
Other operating expenses	5 vi.	(18.3)	(23.2)
Other operating income	5 vi.	2.2	1.1
Operating result		**343.7**	**288.9**
Financial expenses	5 x.	(39.7)	(16.6)
Financial income	5 x.	8.5	11.6
Share of profit (loss) of associates and joint-ventures	5 xii.	(1.4)	(1.6)
Profit before taxation		**311.1**	**282.3**
Taxation	5 xiii.	(93.4)	(82.7)
Profit for the period		**217.6**	**199.5**
Profit attributable to:			
Shareholders of the parent Company		216.9	199.1
Non-controlling interests		0.7	0.4
Basic earnings per share (€)		**0.19**	**0.18**
Diluted earnings per share (€)		**0.19**	**0.17**

[1] For information on the definition of alternative performance measures reported in the management board report, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures'.
[2] Excise duties where Campari Group acts as an agent.

Consolidated statement of other comprehensive income

	notes	for the six months ended 30 June 2023 € million	2022 € million
Profit for the period (A)		**217.6**	**199.5**
B1) Items that may be subsequently reclassified to the statement of profit or loss			
Gains (losses) on cash flow hedge	9 iv.	(11.2)	15.3
Related Income tax effect	5 xiii.	3.2	(3.7)
Cash flow hedge		**(8.0)**	**11.7**
Exchange differences on translation of foreign operations	9 iv.	**11.9**	**197.9**
Total: items that may be subsequently reclassified to the statement of profit or loss (B1)		**3.9**	**209.5**
Total: items that may not be subsequently reclassified to the statement of profit or loss (B2)		**-**	**-**
Other comprehensive income (expenses) (B=B1+B2)		**3.9**	**209.5**
Total comprehensive income (A+B)		**221.5**	**409.1**
Attributable to:			
Shareholders of the parent Company		223.9	408.4
Non-controlling interests		(2.4)	0.6

Consolidated statement of financial position

	notes	at 30 June 2023 € million	at 31 December 2022 post-reclassifications[1] € million
ASSETS			
Non-current assets			
Property, plant and equipment	6 ii.	832.4	781.3
Right of use assets	6 ii.	64.9	68.4
Biological assets	6 ii.	22.8	17.5
Goodwill	6 iii.	1,873.7	1,878.5
Brands	6 iii.	1,175.9	1,183.1
Intangible assets with a finite life	6 iii.	49.1	52.1
Interests in associates and joint ventures	5 xii.	39.7	36.0
Deferred tax assets	5 xiii.	77.9	72.6
Other non-current assets	6 iv.	25.1	24.1
Other non-current financial assets	8 iv.	20.7	48.2
Total non-current assets		**4,182.1**	**4,161.9**
Current assets			
Inventories	7 iii.	1,237.8	1,004.6
Biological assets	7 iii.	10.7	7.1
Trade receivables	7 i.	433.7	308.2
Other current financial assets	8 iii.	21.5	18.7
Cash and cash equivalents	8 ii.	623.7	435.4
Income tax receivables	5 xiii.	23.7	19.1
Other current assets	6 v.	105.8	60.3
Total current assets		**2,456.8**	**1,853.4**
Total assets		**6,638.9**	**6,015.3**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Issued capital and reserves attributable to shareholders of the parent Company	9 ii.	2,843.8	2,676.2
Non-controlling interests	9 ii.	1.4	1.4
Total shareholders' equity		**2,845.2**	**2,677.6**
Non-current liabilities			
Bonds	8 v.	845.3	846.3
Loans due to banks	8 v.	929.5	770.9
Other non-current financial liabilities	8 v.	310.2	301.4
Post-employment benefit obligations		23.5	24.1
Provisions for risks and charges	10 i.	34.0	39.0
Deferred tax liabilities	5 xiii.	403.2	399.4
Other non-current liabilities	6 vi.	35.4	30.9
Total non-current liabilities		**2,581.1**	**2,412.1**
Current liabilities			
Bonds	8 vi.	300.0	-
Loans due to banks	8 vi.	74.9	107.0
Other current financial liabilities	8 vi.	29.2	32.0
Trade payables	7 ii.	549.5	541.6
Income tax payables	5 xiii.	40.7	72.5
Other current liabilities	6 vii.	218.4	172.5
Total current liabilities		**1,212.7**	**925.6**
Total liabilities		**3,793.7**	**3,337.7**
Total liabilities and shareholders' equity		**6,638.9**	**6,015.3**

(1) For information on reclassification of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022'.

Consolidated statements of cash flows

		for the six months ending 30 June	
		2023	2022
	notes	€ million	€ million
Operating profit		**343.7**	**288.9**
Depreciation and amortisation	5 viii.	51.3	42.1
Gain or loss on sale of fixed assets		(1.2)	-
Impairment loss (or reversal) of tangible fixed assets, goodwill, brand and sold business	5 vi.	0.3	0.3
Change in provisions		0.3	-
Change in payables to employees		3.8	(33.5)
Change in net operating working capital		(372.1)	(108.9)
Income taxes refund (paid)		(120.4)	(89.8)
Other operating items including changes in other indirect taxes		21.2	(5.3)
Cash flow generated from (used in) operating activities		**(73.1)**	**93.7**
Purchase of tangible and intangible fixed assets	6 ii.- iii.	(94.7)	(191.2)
Disposal of tangible and intangible assets	6 ii.- iii.	6.4	4.4
Investment in associates and joint-ventures	5	(5.0)	-
Acquisition of companies or business divisions(1)	6 i	(5.2)	-
Cash and cash equivalents at acquired companies(1)		7.2	-
Interests received		9.2	6.0
Decrease (increase) in short-term deposits and investments	8 iii.	0.3	(1.2)
Cash flow generated from (used in) investing activities		**(82.0)**	**(181.9)**
Proceeds from issue of bonds, notes and debentures	8 viii.	300.0	-
Repayments of bonds, notes and debentures	8 viii.	-	(50.0)
Proceeds from non-current borrowings	8 viii.	450.0	-
Repayment of non-current borrowings	8 viii.	(278.9)	(8.2)
Net change in short-term financial payables and loans due to bank	8 viii.	(55.0)	(13.3)
Payment of lease payables	8 vii.	(7.6)	(7.5)
Interest on paid leases	8 vii.	(1.5)	(1.4)
Interests paid on other financial items	8 viii.	(26.1)	(9.4)
Inflows (outflows) of other financial items	8 viii.	13.9	(6.7)
Purchase of own shares	9 ii.	(21.0)	(72.3)
Sale of own shares	9 ii.	46.4	2.8
Put options and earn-out payments	8 v.	(3.4)	(0.6)
Dividend paid to equity holders of the Parent	9 ii.	(67.5)	(67.6)
Cash flow generated from (used in) financing activities		**349.4**	**(234.3)**
Net change in cash and cash equivalents: increase (decrease)		**194.3**	**(322.5)**
Effect of exchange rate changes on cash and cash equivalents		**(5.9)**	**64.4**
Cash and cash equivalents at the beginning of period	8 ii	**435.4**	**791.3**
Cash and cash equivalents at end of period	8 ii	**623.7**	**533.1**

(1) The cash acquired of €7.2 million, which relates almost exclusively to the acquisition of CT Spirits Ltd. and Thirsty Camel Ltd., had to be considered net of financial liabilities acquired of €12.6 million; net debt from the acquisition totalling € 5.4 million is therefore recorded; see note 6 i-'Acquisition and sale of businesses and purchase of non-controlling interests' for more information.

Consolidated statement of changes in shareholders' equity

	notes	issued capital € million	retained earnings and other reserves € million	cash flow hedge reserve € million	currency translation differences € million	remeasurement of defined benefit plans € million	equity attributable to owners of the parent € million	non-controlling interests € million	total € million
at 31 December 2022 post-reclassifications[1]		**18.3**	**2,675.3**	**27.3**	**(48.1)**	**3.5**	**2,676.2**	**1.4**	**2,677.6**
Dividends to shareholders of the parent Company	9 ii.	-	(67.5)	-	-	-	(67.5)	-	(67.5)
Dividends to non-controlling interests		-	-	-	-	-	-	(1.5)	(1.5)
Increase (decrease) through treasury share transactions	9 ii.	-	25.4	-	-	-	25.4	-	25.4
Increase (decrease) through share-based payment transactions	9 ii.	-	11.4	-	-	-	11.4	-	11.4
Other movements including reclassifications	9 ii.	-	(25.2)	-	-	-	(25.2)	3.0	(22.1)
Increase (decrease) through other changes	9 ii.	-	(0.6)	-	-	-	(0.6)	0.9	0.3
Profit (loss)		-	216.9	-	-	-	216.9	0.7	217.6
Other comprehensive income (expense)	9 iv.	-	-	(8.0)	15.0	-	7.0	(3.1)	3.9
Total comprehensive income		**-**	**216.9**	**(8.0)**	**15.0**	**-**	**223.9**	**(2.4)**	**221.5**
at 30 June 2023		**18.3**	**2,835.9**	**19.3**	**(33.1)**	**3.5**	**2,843.8**	**1.4**	**2,845.2**

[1]For information on reclassification of comparative figures, refer to note 3 iv-'Reclassification of comparative figures at 31 December 2022'.

	issued capital € million	retained earnings and other reserves € million	cash flow hedge reserve € million	currency translation differences € million	remeasurement of defined benefit plans € million	equity attributable to owners of the parent € million	non-controlling interests € million	total € million
at 31 December 2021	**18.3**	**2,527.5**	**(7.9)**	**(165.6)**	**(0.5)**	**2,371.8**	**3.0**	**2,374.8**
Dividends to shareholders of the parent Company	-	(67.6)	-	-	-	(67.6)	-	(67.6)
Increase (decrease) through treasury share transactions	-	(69.6)	-	-	-	(69.6)	-	(69.6)
Increase (decrease) through share-based payment transactions	-	6.8	-	-	-	6.8	-	6.8
Other movements including reclassifications	-	(0.4)	-	-	-	(0.4)	0.4	-
Increase (decrease) through other changes	-	(0.2)	-	-	-	(0.2)	0.2	(0.1)
Profit (loss)	-	199.1	-	-	-	199.1	0.4	199.5
Other comprehensive income (expense)	-	-	11.7	197.6	-	209.3	0.2	209.5
Total comprehensive income	**-**	**199.1**	**11.7**	**197.6**	**-**	**408.4**	**0.6**	**409.1**
at 30 June 2022	**18.3**	**2,595.5**	**3.8**	**32.0**	**(0.5)**	**2,649.1**	**4.2**	**2,653.3**

Notes to the condensed consolidated financial statements

1. General Information

Davide Campari-Milano N.V., the Group's parent company, is listed on the Italian Stock Exchange, with its legal domicile in Amsterdam, the Netherlands, and its corporate address at Via Franco Sacchetti 20, 20099 Sesto San Giovanni, Milan, Italy. For the purposes of carrying out its business operations in Italy, the Company has established a secondary seat with a permanent representative office, within the meaning of article 2508 of the Italian Civil Code. The Company is entered in both the Netherlands Chamber of Commerce under the number 78502934 and Milan Monza Brianza Lodi Chamber of Commerce with the number 06672120158.
At 30 June 2023, 54.2% of the share capital and 68.6% of the total voting rights of the Company were held by Lagfin S.C.A., Société en Commandite par Actions, headquartered in Luxembourg, in its turn controlled by Artemisia Management S.A., Société Anonyme, which is the ultimate controlling company of the Group.
Founded in 1860, Campari is the sixth-largest player in the premium spirits industry, with an extensive and varied product portfolio. Its internationally-recognised brands include Aperol, Campari, SKYY, Grand Marnier, Wild Turkey and Appleton Estate. The Group has a global distribution reach, trading in over 190 nations with leading positions in Europe and the Americas. It has 23 production sites, its own distribution network in 25 countries and employs around 4,500 people.

The publication of this half year report at 30 June 2023, which was subject to a limited review by the independent auditor, was authorised by the Board of Directors on 26 July 2023. The financial statements are presented in Euro, the reference currency for the Company and for many of its subsidiaries. Unless otherwise indicated, the figures reported in these notes are expressed in millions of €.

2. Significant events of the year

Significant events during the period relating to corporate actions, significant events, acquisitions and commercial agreements and other significant events impacting the results are reported in the dedicated section in the management board report of this half year report, to which reference is made.

3. Accounting information and significant general accounting policies

These half year condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with the International Accounting Standard ('IAS') 34-'Interim Financial Reporting' as endorsed by the European Union. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

The form and content of these half year condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those applied for the annual financial statements for the year ended 31 December 2022 to which reference is made.

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

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

The half year condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022, to which reference is made.
The Group condensed half year financial statements focused on changes since the last annual financial statements. An explanation of events and transactions, which have been significant to an understanding of the changes in the financial position and performance since the last annual reporting date, have been provided.

Therefore, the information disclosed in the half year condensed consolidated financial statements related to those events and transactions, provide an update with respect to the relevant information presented in the 31 December 2022 annual financial report.

i. Use of estimates

Preparation of the half year condensed consolidated financial statements at 30 June 2023 and the related notes in accordance with IFRS requires the management to make estimates and assumptions that have an impact on the Group's assets and liabilities and items in the profit or loss during the first half of the year. These estimates and assumptions, which are based on the best valuations available at the time of their preparation and are reviewed regularly, may differ from the actual circumstances and may be revised accordingly at the time the circumstances change or when new information becomes available. Future outcomes can consequently differ from estimates.
Details of critical estimates and judgements that could have a significant impact on the financial statements are consistent with those applied for the annual financial statements for the year ended 31 December 2022 to which reference is made.:

- Macroeconomic and geopolitical uncertainty and climate related matters

During the interim period of the first half of 2023 Campari Group has continued to monitor and analyse the evolution of the macroeconomic and geopolitical uncertainties, which started to impact the global environment in 2022.
The critical review that was conducted included the ongoing Russia-Ukraine conflict which started in February 2022 and a detailed analysis has been performed to identify, and consequently manage, the principal risks and uncertainties to which the Group is exposed. The impact of the conflict continues to have no material impact on the Group's results and business performance at a consolidated level as reported in the half year condensed consolidated financial statements, since Russia and Ukraine together accounted overall for approximately 2% of the Group's net sales in the first half of 2023 and approximately 3% in the full year 2022.

In addition, Campari Group, like all members of the spirts industry, faces the challenges of the present high inflation combined with elevated interest rate levels, volatility in commodity prices and rising energy prices, which have continued to impact the current global environment. Although there were some tailwinds for the world economy from the further easing of global supply chain pressures owing to improvements in supply and weakening of demand, downside risks in global growth impacting the industrial sectors continue to persist, also in terms of changes in consumer behaviour. The Group constantly monitors the evolution of the macroeconomic scenario with the aim of mitigating the implications on its operations and performance also by leveraging the favourable sales mix and the price increases that it has started to implement throughout last year.

Climate change is a major disruptive force with the potential to drive substantial changes to the Group's operations in the short to medium and long term. Many of the potential impacts of climate change can be characterised as risks: either physical risks to our environment or risks related to the transition to a low-carbon economy to pursue the goals of the Paris Agreement. Climate risk can affect companies, financial institutions, households, countries, and the financial system in general. However, opportunities may arise for those companies that enable the transition to a low-carbon economy. Following a very positive progression in 2022 regarding the Group's environmental commitments, more challenging medium and long-term environmental targets have been set as follows: 1) achieving zero net emissions for the Group's operations by 2050, combined with the reduction of greenhouse gas ('GHG') emissions from direct operations by 55% by 2025, by 70% by 2030, and by 30% from the total value chain by 2030; 2) sourcing 90% renewable electricity in the Group's productions sites by 2025 and 3) reducing water intensity by 60% by 2025 and by 62% by 2030. The impact of the climate change assessment and the aforementioned targets set by the Group have been considered in evaluating estimates and judgements in the preparation of the Group's half year condensed consolidated financial statements. The details of the climate risk assessment were deemed proportionate to the nature of the business and the current assessment was sufficient to identify the physical climate risks as well as the transition risks that are material to the Group's operations or financial condition. The analysis of climate change carried out in the first half of 2023 did not result in any issue not attributable to and not addressable in the ordinary course of business and did not highlight any significant economic material issue that had an impact on these consolidated financial statements.
The assessment and considerations made were consistent with those carried out and disclosed in the consolidated financial statements at 31 December 2022, namely related to going concern including net financial debt, impairment of non-financial assets, operating working capital including revenue recognition and receivables expected credit loss assessment, provision and onerous contracts, deferred tax assets and tax reliefs and property, plant and equipment recovery.

Specific additional supplementary information is provided below with respect to the aforementioned identified priorities and their impact on the Group disclosure.

Going concern including net financial debt

In terms of its operating and financial profiles, the Group continues to be sound and has not been exposed to any going-concern issues during the first half of 2023 thanks to the agility and resilience of its organisation.
The positive business momentum has continued for Campari Group since the beginning of the year, mainly driven by aperitifs, tequila and bourbon thanks to solid brand momentum in a resilient consumer environment, particularly in the on-premise channel. The Group is also benefitting from the strong price increases implemented last year and it is continuing to take advantage of price increase opportunities in 2023, which will help mitigate the inflation pressure on margins. With regard to the Group's net debt position and namely with respect to financial assets, these are not subject to particular risks, since the investments considered by the Group are always the subject of a careful and scrupulous preliminary analysis and are always aligned with the financial needs of the moment. With respect to financial liabilities, the Group's indebtedness ratios measured internally (given the lack of covenants on existing debt) were under control and consistently at a level considered entirely manageable by the Group. During the first half of 2023, the Group's financial structure was confirmed to have been strengthened by the availability of significant committed and uncommitted credit lines. No renegotiation of interest rates has been performed. The Group terminated in advance some pre-hedging derivatives as part of the ordinary course of its financial business management to mitigate fixed interest rate exposure. The debt profile is appropriately balanced between variable and fixed rate, thus minimising the Group's exposure to market risk. In the first half of 2023 with respect to lease and rental agreements, there have not been nor new significant negotiations, including sub-leases, nor significant contract amendments generating financial receivables or liabilities. In terms of fair value measurement hierarchies of financial items, there were no changes to be reflected other than those disclosed in the related notes.
A separate analysis has been performed with reference to financial liabilities arising from put option and earn-out agreements valued at fair value and where the basis of the estimate is linked to brand performance. The analysis was conducted in conjunction with the considerations described in relation to the impairment test on goodwill, brands and intangible assets with a finite life, in order to ensure homogeneity and consistency in the valuation, and from the analyses no particular circumstances emerged requiring significant revisions of these liabilities.

Impairment of non-financial assets: goodwill, brands and intangible assets with a finite life and property, plant and equipment

In the current context of macro challenges including cost inflation, geopolitical tensions and tightening of global monetary policies, the Group performed an assessment to identify any triggering event implying the risk of impairment on its goodwill and trademark values. This assessment confirmed that no events external or internal in the Group were triggering substantial change on the recoverability of these intangible assets.
During the first half of 2023 the positive business momentum has continued across key brands and regions, thanks to solid brand momentum in a resilient consumer environment, particularly in the on-premise channel. In the current circumstances, there is no evidence of significant deterioration of consumer demand affecting business plans. Consequently, there was no evidence of substantial changes of circumstances that could indicate that the carrying amount of goodwill and brands with an indefinite life may no longer be recoverable. Moreover, there has not been any interruption of the operation of the Group's plants or supply from suppliers or problems with logistic and freight transport activities that the Group was not able to mitigate in the ordinary course of business.
During the first half of 2023 there were no issues related to operations in terms of production facilities since all the Group's plants and distilleries remained fully operational. Furthermore, there was no direct impact caused by the Russia-Ukraine conflict as the Group does not have any production facilities in either country.

Operating working capital, revenue recognition and provision and onerous contracts

The macroeconomic trend in the first six months of 2023 did not trigger any significant change in clients' contracts or any change in the revenue recognition criteria previously identified. During the first half of 2023 significant judgements were used to review the expected credit losses based on the Group business model to manage financial instruments namely with reference to the markets directly impacted by the Russia-Ukraine conflict or in hyperinflationary environments. To facilitate the liquidity management, the Group continued the reverse factoring program, confirmed with a limited number of trusted suppliers involved, consistent with the previous years.
With respect to biological assets, during the first half of 2023 there were no changes to the fair value measurement hierarchies to be reflected in the Group's accounts. In terms of the assessment of provisions for risks and charges, as well as pension obligations, there were no events or situations generating the need to include additional provisions outside the ordinary course of business or requiring any significant estimate of onerous contracts to be reflected in the Group's accounts. Moreover, no supply chain constraints were detected that should have been reflected in the above assessment.

Taxation

During the period, all significant assumptions and estimates considered in the preparation of the half year condensed consolidated financial statements at 30 June 2023 were reviewed. In particular tax rates were investigated to check for any changes that occurred during the period in the various tax jurisdictions and any amendments substantially enacted were considered in assessing both current and deferred taxes. The review conducted has not identified any new triggering events, that could influence the recoverability of deferred tax assets and the recognition of any additional liabilities for uncertain tax positions or tax risks related to the macroeconomic environment connected with the Russia-Ukraine conflict.

ii. Basis of consolidation

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

- on 1 March 2023, Campari Group acquired the remaining outstanding shares in CT Spirits Japan Ltd. (‘CTSJ’), in which it previously had a joint-venture interest. As a result, CTSJ has become a wholly owned subsidiary.
- on 27 March 2023, the acquisition of the remaining 20% minority interests for both Scev des Gloriettes and Champagne Lallier S.A.S. was completed.
- on 3 April 2023, Campari Group became the majority shareholder of Thirsty Camel Ltd., in which it previously owned a non-controlling stake, by acquiring the 50% of the outstanding shares and thus arriving at a 60% interest stake.

The table below list the companies included in the basis of consolidation at 30 June 2023.

name of company, activity	registered office	share capital at 30 June 2023		% owned by Davide Campari-Milano N.V.		indirect ownership through
		currency	amount	direct	Indirect	
Davide Campari-Milano N.V., holding, trading and manufacturing company	legal domicile: Amsterdam (Netherlands) corporate address: Via Franco Sacchetti 20, 20099 Sesto San Giovanni, Milan, Italy.	€	11,616,000			
Fully consolidated companies						
Italy						
Campari International S.r.l., trading company	Via Franco Sacchetti 20, 20099 Sesto San Giovanni; Milan, Italy	€	700,000	100.00		
Camparino S.r.l., trading company	Piazza Duomo 21, 20121 Milan, Italy	€	48,880	100.00		
Terrazza Aperol S.r.l., trading company	Sestiere San Marco 2776, Venice, Italy	€	20,000	100.00		
Europe and Africa						
Campari Austria GmbH, trading company	Naglergasse 1/Top 13,1010 Wien, Austria	€	500,000	100.00		
Campari Benelux S.A., trading company	Rue aux Laines 70, 1000 Bruxelles, Belgium	€	1,000,000	61.01	38.99	Glen Grant Ltd. 38.99%
Campari Deutschland GmbH, trading company	Adelgundenstr. 7 Munich, 80538 Germany	€	5,200,000	100.00		
Campari España S.L.U., holding and trading company	Calle de la Marina 16-18, planta 29, Barcelona, Spain	€	4,279,331	100.00		
Campari RUS LLC, trading company	115088, Moscow, 2nd Yuzhnoportovy proezd, 14/22, Russia	RUB	210,000,000	100.00		
Campari Schweiz A.G., trading company	Lindenstrasse 8, 63471 Baar, Switzerland	CHF	500,000	100.00		
Campari Ukraine LLC, trading company	8, Illinska Street, 5 Floor, block 8 and 9, Kiev, 4070 Ukraine	UAH	87,396,209	99.00	1.00	Campari RUS LLC 1%
Glen Grant Ltd., manufacturing and trading company	Glen Grant Distillery, Elgin Road, Rothes, Morayshire, AB38 7BN, United Kingdom	GBP	24,949,000	100.00		
Campari Hellas Single Member Societe Anonyme., manufacturing and trading company	6 and E Street, A' Industrial Area, 38500 Volos, Greece	€	6,811,220	100.00		
Société des Produits Marnier Lapostolle S.A.S., holding and manufacturing company	14, rue Montalivet 75008 Paris, France	€	27,157,500	100.00		
Campari France S.A.S., manufacturing and trading company	14 rue Montalivet 75008 Paris, France	€	112,759,856		100.00	Société des Produits Marnier Lapostolle S.A.S. 100%
Bellonnie et Bourdillon Successeurs S.A.S., manufacturing and trading company	Zone de Génipa, 97224, Ducos, Martinique	€	5,100,000		96.53	Campari France S.A.S.96.53%
Distilleries Agricole de Sainte Luce S.A.S., agricultural production company	Zone de Génipa, 97224, Ducos, Martinique	€	2,000,000		96.53	Bellonnie et Bourdillon Successeurs S.A.S. 100%
SCEA Trois Rivières, agricultural service company	Zone de Génipa, 97224, Ducos, Martinique	€	5,920		96.53	Bellonnie et Bourdillon Successeurs S.A.S. 25% Distilleries Agricoles de Sainte Luce S.A.S 75%
Champagne Lallier S.A.S., manufacturing company	4 Place de la Libération, 51160, AY, France	€	3,575,420		100.00	Campari France S.A.S. 100%
Scev des Gloriettes, property company	4 Place de la Libération, 51160, AY, France	€	34,301		100.00	Campari France S.A.S. 100%
Sci Athena, property company	4 Place de la Libération, 51160, AY, France	€	1,000		100.00	Champagne Lallier S.A.S. 100%

name of company, activity	registered office	share capital at 30 June 2023		% owned by Davide Campari-Milano N.V.		indirect ownership through
		currency	amount	direct	Indirect	
Eric Luc, manufacturing and property company	5 rue Ritterbandt, 51160, AY, France	€	700,000		95.00	Campari France S.A.S. 95%
Campari South Africa Pty Ltd., trading company	2nd Floor ICR House Alphen Park, Constantia main road, Constantia, Western Cape 7806, South Africa	ZAR	310,247,750		100.00	Campari España S.L.U.
Americas						
Campari America, LLC, manufacturing and trading company	1114 Avenue of the Americas, 19th Floor New York, 10036 United States	US$	566,321,274	100.00		
Wilderness Trail Distillery, LLC, holding company	4095 Lebanon Road Danville, Kentucky 40422 United States	US$	-		70.00	Campari America LLC 70%
Wilderness Trace Distillery, LLC, manufacturing and trading company	4095 Lebanon Road Danville, Kentucky 40422 United States	US$	-		70.00	Wilderness Trail Distillery, LLC 100%
Campari Argentina S.A., manufacturing and trading company	Tucuman, Piso 4 1107 Buenos Aires, Ciudad de Buenos Aires Argentina	ARS	1,179,465,930(1)	98.81	1.19	Campari do Brasil Ltda. 1.19%
Campari do Brasil Ltda., manufacturing and trading company	Alameda Rio Negro 585, Edificio Demini, Conjunto 62, Alphaville-Barueri-SP, Brasil	BRL	156,870,056	99.9999	0.0001	Campari Schweiz A.G. 0.0001%
Campari Mexico S.A. de C.V., trading company	Avenida Americas 1500 Piso G-A Colonia Country Club, Guadalajara, Jalisco, 44610 Mexico	MXN	5,525,434,642		100.00	Campari España S.L.U. 99.9998% Campari America, LLC 0.0002%
Campari Mexico Destiladora S.A. de C.V., manufacturing company	Camino Real a Atotonilco No. 1081, La Trinidad, San Ignacio Cerro Gordo, Jalisco, Z.C. 47195, Mexico	MXN	10,100,000		100.00	Campari Mexico, S.A. de C.V. 99.99% Campari America, LLC 0.1%
Licorera Ancho Reyes y cia, S.A.P.I. de C.V., manufacturing and trading company	Paseo de los Tamarindos No. 90 Edificio Arcos Bosques Torre II-Piso 5C Col. Bosques de las Lomas, 05120, Mexico	MXN	177,888,738		51.00	Campari España S.L.U. 51%
Casa Montelobos, S.A.P.I. de C.V., manufacturing and trading company	Paseo de los Tamarindos No. 90 Edificio Arcos Bosques Torre II-Piso 5C Col. Bosques de las Lomas, 05120, Mexico	MXN	144,810,964		51.00	Campari España S.L.U. 51%
Campari Peru SAC, trading company	Av. Jorge Basadre No.607, oficina 702, distrito de San Isidro, Lima, Peru	PEN	34,733,588		100.00	Campari Espãna S.L.U. 99.92%, Campari do Brasil Ltda. 0.08%
Forty Creek Distillery Ltd., manufacturing and trading company	297 South Service Road West, Grimsby, ON L3M 1Y6 Canada	CAD	105,500,100	100.00		
J. Wray and Nephew Ltd., manufacturing and trading company	23 Dominica Drive, Kingston 5, Jamaica	JMD	750,000		100.00	Campari Espãna S.L.U.
Asia						
Campari (Beijing) Trading Co. Ltd., trading company	Building 1, Level 5, Room 66, 16 Chaowai Avenue, Chaoyang District, Beijing, China	CNY	104,200,430	100.00		
Campari Australia Pty Ltd., manufacturing and trading company	Level 21, 141 Walker Street North Sydney, 2060, Australia	AUD	56,500,000	100.00		
Campari India Private Ltd., trading company	Upper Ground and First Floor Shop No. SG-1 and SF-1, DT Greater Kailash-II, New Delhi 110048, India	INR	172,260	99.9	0.01	Campari Australia Pty Ltd. 0.01%
Campari New Zealand Ltd., trading company	C/o KPMG 18, Viaduct Harbour Av., Maritime Square, Auckland, New Zealand	NZD	10,000		100.00	Campari Australia Pty Ltd.
Thirsty Camel Limited, trading Company	c/- Farry Law, Level 11, 152 Quay Street Auckland CBD, 1010, New Zealand	NZD	5,180,000		60.01	Campari Australia Pty Ltd. 60.01%
Campari Singapore Pte Ltd., trading company	152 Beach Road, #24-06, 1Gateway East, 189721, Singapore	SGD	19,100,000	100.00		
Trans Beverages Company Ltd., trading company	5th Floor, 14 Samsung-ro 133-gil Gangnam-gu, Seoul, South Korea, Songpa-gu, Seoul, Korea	KRW	2,000,000,000		51.00	Glen Grant Ltd.
CT Spirits Japan Ltd., trading company	2-26-5 Jingumae Shibuya-ku, Tokyo 150-0001, Japan	JPY	2,300,000,000	100.00		

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

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

- <u>Currency conversion</u>

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

	average exchange rates			spot exchange rates		
	for the six months ended 30 June 2023 1 Euro	for the six months ended 30 June 2022 : 1 Euro	revaluation/ (devaluation) vs. first half 2022 %	at 30 June 2023 1 Euro	at 31 December 2022 : 1 Euro	revaluation/ (devaluation) vs. 31 December 2022 %
US Dollar	1.081	1.094	1.2%	1.087	1.067	-1.8%
Canadian Dollar	1.457	1.391	-4.6%	1.442	1.444	0.2%
Jamaican Dollar	165.780	168.938	1.9%	167.551	161.803	-3.4%
Mexican peso	19.655	22.175	12.8%	18.561	20.856	12.4%
Brazilian Real	5.484	5.558	1.4%	5.279	5.639	6.8%
Argentine Peso(1)	278.502	129.898	-53.4%	278.502	188.503	-32.3%
Russian Ruble(2)	83.762	85.496	2.1%	97.118	79.226	-18.4%
Great Britain Pounds	0.877	0.842	-3.9%	0.858	0.887	3.3%
Swiss Franc	0.986	1.032	4.7%	0.979	0.985	0.6%
Australian Dollar	1.599	1.521	-4.9%	1.640	1.569	-4.3%
Yuan Renminbi	7.490	7.083	-5.4%	7.898	7.358	-6.8%

(1) The average exchange rate of the Argentine Peso was assumed to be equal to the spot exchange rate at the reporting date as required by the hyperinflation accounting standard.

- Hyperinflation

The indices used to remeasure the values at 30 June 2023, in accordance with hyperinflationary economies IFRS rules, are shown in the table below.
Specifically, the national Consumer Price Index ('nationwide CPI') of Argentina was used.

	for the six months ended 30 June	
	2023	2022
Consumer Price Index	average rate 1,742.677	average rate 790.804
	2023 conversion factor	2022 conversion factor
January	1.449	1.307
February	1.359	1.248
March	1.262	1.170
April	1.164	1.103
May	1.080	1.050
June	1.000	1.000

iv. Reclassification of comparative figures at 31 December 2022

Reclassifications for purchase price allocation

On 7 December 2022 Campari Group completed the acquisition of Wilderness Trail LLC.
As allowed by the applicable standard, the acquisition values initially allocated can be modified during the measurement period in which the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. The provisional allocation was published on 31 December 2022. The required amendments to the opening balances are detailed in the following table. The updated allocation did not have a significant impact on the statement of profit or loss and cash flow statement for 2022.

Reclassified statement of financial position in management board report

Statement of financial position	at 31 December 2022			
€ million	stated figures	change resulting from provisional allocation of acquisition value	change in exchange rate	post-reclassifications figures
fixed assets	3,980.0	1.0	-	3,981.0
other non-current assets and (liabilities)	(357.3)	(3.4)	-	(360.7)
operating working capital	771.0	7.2	(0.1)	778.3
other current assets and (liabilities)	(164.8)	(0.9)	-	(165.7)
total invested capital	**4,228.9**	**3.9**	**(0.1)**	**4,232.8**
Group shareholders' equity	2,675.0	1.2	-	2,676.2
non-controlling interests	1.4	-	-	1.4
net financial debt	1,552.5	2.9	(0.1)	1,555.3
total financing sources	**4,228.9**	**3.9**	**(0.1)**	**4,232.8**

Reclassified operating working capital in management board report

Operating working capital	at 31 December 2022			
€ million	stated figures	change resulting from provisional allocation of acquisition value	change in exchange rate	post-reclassifications figures
Trade receivables	308.5	(0.3)	-	308.2
Total inventories, of which:	1,004.2	7.5	(0.1)	1,011.7
- maturing inventory	*501.7*	*14.5*	*(0.2)*	*516.0*
- biological assets	*7.1*	-	-	*7.1*
- other inventory	*495.5*	*(6.9)*	*0.1*	*488.6*
Trade payables	(541.7)	0.1	-	(541.6)
Operating working capital	**771.0**	**7.3**	**(0.1)**	**778.3**
Sales in the previous 12 months rolling	2,697.6	-	-	2,697.6
Working capital as % of sales in the previous 12 months	28.6	-	-	28.8

Reclassified net financial debt in management board report

Net financial debt	31 December 2022			
€million	stated figures	change resulting from provisional allocation of acquisition value	change in exchange rate	post-reclassifications figures
cash and cash equivalents	435.4	-	-	435.4
bonds	-	-	-	-
loans due to banks	(107.0)	-	-	(107.0)
lease payables	(14.4)	-	-	(14.4)
other financial assets and liabilities	7.4	(2.9)	0.1	4.6
short-term net financial debt	**321.4**	**(2.9)**	**0.1**	**318.6**
bonds	(846.3)	-	-	(846.3)
loans due to banks	(770.9)	-	-	(770.9)
lease payables	(65.1)	-	-	(65.1)
other financial assets and liabilities	48.2	-	-	48.2
medium-/long-term net financial debt	**(1,634.2)**	**-**	**-**	**(1,634.2)**
net financial debt before put option and earn-out	**(1,312.8)**	**(2.9)**	**0.1**	**(1,315.6)**
liabilities for put option and earn-out payments	(239.7)	-	-	(239.7)
net financial debt	**(1,552.5)**	**(2.9)**	**0.1**	**(1,555.3)**

Reclassified consolidated statement of financial position in Consolidated financial statements

	at 31 December 2022			
	stated figures	change resulting from provisional allocation of acquisition value	change in exchange rate	post-reclassifications figures
	€ million	€ million	€ million	€ million
ASSETS				
Non-current assets				
Property, plant and equipment	748.1	33.6	(0.4)	781.3
Right of use assets	68.4	-	-	68.4
Biological assets	17.5	-	-	17.5
Goodwill	1,911.8	(33.7)	0.4	1,878.5
Brands	1,182.0	1.1	-	1,183.1
Intangible assets with a finite life	52.1	-	-	52.1
Investments in associates and joint ventures	36.0	-	-	36.0
Deferred tax assets	72.5	0.1	-	72.6
Other non-current assets	24.1	-	-	24.1
Other non-current financial assets	48.2	-	-	48.2
Total non-current assets	**4,160.8**	**1.1**	**-**	**4,161.9**
Current assets				
Inventories	997.2	7.5	(0.1)	1,004.6
Biological assets	7.1	-	-	7.1
Trade receivables	308.5	(0.3)	-	308.2
Other current financial assets	18.9	(0.1)	-	18.7
Cash and cash equivalents	435.4	-	-	435.4
Income tax receivables	19.1	-	-	19.1
Other current assets	60.2	0.1	-	60.3
Total current assets	**1,846.2**	**7.2**	**(0.1)**	**1,853.4**
Total assets	**6,007.1**	**8.3**	**(0.1)**	**6,015.3**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Shareholders' equity				
Issued capital and reserves attributable to shareholders of the parent Company	2,675.0	1.2	-	2,676.2
Non-controlling interests	1.4	-	-	1.4
Total shareholders' equity	**2,676.4**	**1.2**	**-**	**2,677.6**
Non-current liabilities		-		
Bonds	846.3	-		846.3
Loans due to banks	770.9	-		770.9
Other non-current financial liabilities	301.4	-		301.4
'Post-employment benefit obligations	24.1	-		24.1
Provisions for risks and charges	35.6	3.5	(0.1)	39.0
Deferred tax liabilities	399.4	-		399.4
Other non-current liabilities	30.9	-		30.9
Total non-current liabilities	**2,408.6**	**3.5**	**(0.1)**	**2,412.1**
Current liabilities		-		
Loans due to banks	107.0	-		107.0
Other current financial liabilities	29.3	2.7	-	32.0
Trade payables	541.7	(0.1)	-	541.6
Income tax payables	72.5	-		72.5
Other current liabilities	171.5	1.1	-	172.5
Total current liabilities	**922.0**	**3.6**	**-**	**925.6**
Total liabilities	**3,330.7**	**7.1**	**(0.1)**	**3,337.7**
Total liabilities and shareholders' equity	**6,007.1**	**8.3**	**(0.1)**	**6,015.3**

Reclassified consolidated statement of changes in shareholders' equity in Consolidated financial statements

	issued capital	retained earnings and other reserves	cash flow hedge reserve	currency translation differences	remeasurement of defined benefit plans	equity attributable to owners of the parent	non-controlling interests	total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
at 31 December 2021	18.3	2,527.5	(7.9)	(165.6)	(0.5)	2,371.8	3.0	2,374.8
Dividends to shareholders of the parent Company	-	(67.6)	-	-	-	(67.6)	-	(67.6)
Increase (decrease) through treasury share transactions	-	(121.1)	-	-	-	(121.1)	-	(121.1)
Increase (decrease) through share-based payment transactions	-	19.6	-	-	-	19.6	-	19.6
Other movements including reclassifications	-	*(16.8)*	-	-	-	*(16.8)*	*1.8*	*(15.0)*
Changes for reclassifications for purchase price allocation		*1.2*				*1.2*	-	*1.2*
Other movements including reclassifications - post-reclassifications		***(15.6)***				***(15.6)***	***1.8***	***(13.8)***
Increase (decrease) through other changes	-	(0.4)	-	-	-	(0.4)	-	(0.4)
Profit (loss)	-	333.0	-	-	-	333.0	(1.5)	331.5
Other comprehensive income (expense)	-	-	35.2	117.5	4.0	156.6	(1.9)	154.7
Total comprehensive income	-	333.0	35.2	117.5	4.0	489.6	(3.4)	486.2
at 31 December 2022 stated	18.3	2,674.1	27.3	(48.1)	3.5	2,675.0	1.4	2,676.4
at 31 December 2022 post-reclassifications	**18.3**	**2,675.3**	**27.3**	**(48.1)**	**3.5**	**2,676.2**	**1.4**	**2,677.6**

4. Accounting standards

The accounting standards adopted by the Group are the same as those that were applied for the annual financial statements for the year ended 31 December 2022 to which reference is made, except for the accounting standards specified below. Summary of the new accounting standards adopted by the Group from 1 January 2023'. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective

Summary of the new accounting standards endorsed and adopted by the Group from 1 January 2023

These amendments applied for the first time in 2023 but did not have a significant impact to be reported on Campari Group half year condensed consolidated financial statements.

Amendments to IAS 1-'Presentation of Financial Statements' and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021). The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

Amendments to IAS 8-'Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021). The amendments introduce a new definition of 'accounting estimates', clarifying the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 12-'Income Taxes' Deferred Taxes related to Assets and Liabilities arising from a single Transaction (issued on 7 May 2021). The amendment requires an entity to recognise deferred tax on initial recognition of particular transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities. The proposed amendments would apply to transactions such as leases and decommissioning obligations for which an entity recognises both an asset and a liability.

Amendments to IAS 12 'Income Taxes': International Tax Reform-Pillar Two Model Rules (issued 23 May 2023 and not yet adopted by the European Union).
The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from 31 December 2023. The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax

was enacted or substantially enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group half year condensed consolidated financial statements. The relief and the new disclosures will also be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2023.

5. Results for the period

This section details the results and performance for the six months ended 30 June 2023. Disclosures are provided for segmented information, operating costs, other operating items, finance income and expenses, the Group’s share of profit or loss of associates and joint-ventures and taxation. For taxation, associates and joint-ventures the balance sheet disclosures are also provided in this section.

i. Net sales

Net sales, which almost entirely relate to the sale of spirits, totalled €1,457.8 million at total Group level, compared with €1,256.9 million from the same period of 2022. The overall performance in the first six months ended 30 June 2023 was very positive with strong organic sales growth, thanks to a solid business momentum over brands and geographies boosted also by price increases that started to be implemented last year (for a full disclosure over net sales performances, refer to the ‘Sales performance’ in the management board report).
In order to highlight the main business performance drivers in a geographically diversified context and assess the contribution of the newly acquired brands to the overall sales performance of the Group, further breakdowns by brand category and for major brands are provided below to explain better their contribution to the region and the main related market. The categorisation of brands into three main clusters is based on the brands' geographic scale, business priorities, and growth potential.

	for the six months ended 30 June	
Net sales focus by region	2023 € million	2022 € million
Americas	632.1	556.3
Southern Europe, Middle East and Africa	441.3	370.8
North, Central and Eastern Europe	279.1	243.9
Asia-Pacific	105.4	85.9
Total	**1,457.8**	**1,256.9**

	for the six months ended 30 June	
	2023	2022
global priority brands	**863.4**	**753.0**
Aperol	381.2	288.6
Campari	163.4	144.5
Wild Turkey portfolio[1][2]	111.1	98.9
SKYY[1]	70.4	67.2
Grand Marnier	62.0	88.0
Jamaican rums portfolio[3]	75.4	65.8
regional priority brands	**345.4**	**294.0**
Espolòn	106.5	73.6
Sparkling Wine&vermouth	59.4	59.5
Italian specialties[4]	38.7	38.1
Crodino	34.5	32.1
Magnum Tonic	25.1	17.3
Aperol Spritz RTE (ready-to-enjoy)	20.0	18.1
The GlenGrant	14.4	11.3
other[5]	46.9	44.0
local priority brands[6]	**126.7**	**106.1**
Campari Soda	47.7	43.1
Wild Turkey ready-to-drink[7]	23.0	23.2
Skyy RTD (ready-to-drink)[8]	19.0	12.4
X-Rated	5.8	5.9
other[8]	31.3	21.5
rest of the portfolio	**122.2**	**103.9**
Total	**1,457.8**	**1,256.9**

[1-2-3-4-5-6-7-8] For notes from 1 to 8 please refer to the following disclosure table.

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

	for the six months ended 30 June 2023	
	percentage of Group sales	main region/markets for brands
global priority brands	**59.2%**	
Aperol	26.2%	- *Italy, SEMEA* *Germany, NCEE* *US, AMERICAS* *France, SEMEA* *United Kingdom, NCEE*
Campari	11.2%	- *Italy, SEMEA* *US, AMERICAS* *Brazil, AMERICAS* *Germany, NCEE* *Jamaica, AMERICAS*
Wild Turkey portfolio(1)(2)	7.6%	- *US, AMERICAS* *Australia, APAC* *South Korea, APAC* *Japan, APAC* *Canada, AMERICAS*
SKYY(1)	4.8%	- *US, AMERICAS* *Argentina, AMERICAS* *China, APAC* *Germany, NCEE* *South Africa, SEMEA*
Grand Marnier	4.2%	- *US, AMERICAS* *Canada, AMERICAS* *France, SEMEA* *GTR, SEMEA* *Mexico, AMERICAS*
Jamaican rums portfolio(3)	5.2%	- *Jamaica, AMERICAS* *US, AMERICAS* *United Kingdom, NCEE* *Canada, AMERICAS* *Mexico, AMERICAS*
regional priority brands	**23.7%**	-
Espolòn	7.3%	-
Sparkling Wine&vermouth	4.1%	-
Italian specialties(4)	2.7%	-
Crodino	2.4%	-
Magnum Tonic	1.7%	-
Aperol Spritz ready-to-enjoy	1.4%	-
The GlenGrant	1.0%	-
other(5)	3.2%	-
local priority brands(6)	**8.7%**	-
Campari Soda	3.3%	-
Wild Turkey ready-to-drink(6)	1.6%	-
Skyy ready-to-drink	1.3%	-
X-Rated	0.4%	-
other(7)	2.1%	-
rest of the portfolio	**8.4%**	-
total	**100.0%**	-

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray and Nephew Overproof and Kingston 62.
(4) Includes Braulio, Cynar, Averna, Frangelico and Del Professore.
(5) Includes Bisquit and Dubouché, Bulldog, Forty Creek, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos, Wilderness and Lallier.
(6) Includes American Honey ready-to-drink.
(7) Includes Cabo Wabo, Ouzo and Picon.

ii. Operating segment

for the six months ended 30 June 2023	Americas	Southern Europe, Middle East and Africa	Northern, Central and Eastern Europe	Asia-Pacific	total allocated	non-allocated items and adjustments	total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third-parties	632.1	441.3	279.1	105.4	1,457.8	-	1,457.8
Net sales between segments	44.6	284.1	10.3	-	338.9	(338.9)	-
Total net sales	**676.7**	**725.4**	**289.3**	**105.4**	**1,796.7**	**(338.9)**	**1,457.8**
Segment result	**151.4**	**100.9**	**101.9**	**5.6**	**359.7**	**(16.0)(1)**	**343.7**
Operating result	-	-	-	-	-	-	343.7
Financial income (expenses)	-	-	-	-	-	(31.2)	(31.2)
Share of profit (loss) of associates and joint-ventures	-	-	-	-	-	(1.4)	(1.4)
Taxation	-	-	-	-	-	(93.4)	(93.4)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**217.6**
Non-controlling interests	-	-	-	-	-	0.7	0.7
Group profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**216.9**

for the six months ending 30 June 2022	Americas	Southern Europe, Middle East and Africa	Northern, Central and Eastern Europe	Asia-Pacific	total allocated	non-allocated items and adjustments	total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Net sales to third parties	556.3	370.8	243.9	85.9	1,256.9	-	1,256.9
Net sales between segments	31.3	266.5	13.9	-	311.7	(492.8)	-
Total net sales	**587.6**	**637.3**	**257.8**	**85.9**	**1,568.7**	**(492.8)**	**1,256.9**
Segment result	**134.1**	**74.8**	**93.9**	**8.1**	**310.9**	**(22.0)[(1)]**	**288.9**
Operating result						-	288.9
Financial income (expenses)						(5.1)	(5.1)
Share of profit (loss) of associates and joint-ventures						(1.6)	(1.6)
Taxation						(82.7)	(82.7)
Profit for the period						**-**	**199.5**
Non-controlling interests						0.4	0.4
Group profit for the period							**199.1**

(1) Other operating income and expenses non allocated, for details please refers to 5 vi- 'Comprehensive selling, general and administrative expenses including other operating income and expenses'.

The following table presents assets and liabilities information for Group's operating segments as at 30 June 2023 and 31 December 2022, respectively:

	Americas	Southern Europe, Middle East and Africa	Northern, Central and Eastern Europe	Asia-Pacific	total allocated	adjustments and eliminations	total
at 30 June 2023	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Total assets	**3,489.9**	**2,873.3**	**488.7**	**208.8**	**7,060.7**	**(421.7)**	**6,638.9**
Total liabilities	**1,254.0**	**2,500.8**	**274.5**	**118.8**	**4,148.1**	**(354.4)**	**3,793.7**
at 31 December 2022							
goodwill	1,237.8	401.0	247.4	25.6	1,911.8	-	1,911.8
reclassifications	(33.3)	-	-	-	(33.3)	-	(33.3)
goodwill post reclassifications	1,204.5	401.0	247.4	25.6	1,878.5	-	1,878.5
other asset	2,071.6	1,833.3	374.9	196.7	4,476.5	(381.3)	4,095.3
reclassifications	42.0	-	-	-	42.0		42.0
other asset post reclassification	2,113.6	1,833.3	374.9	196.7	4,518.5	(381.3)	4,137.2
total assets post reclassifications	**3,317.7**	**2,234.3**	**622.3**	**222.3**	**6,396.6**	**(381.3)**	**6,015.3**
total liabilities	1,331.2	2,012.6	182.2	117.6	3,643.5	(312.9)	3,330.7
reclassifications	7.1	-	-	-	7.1	-	7.1
total liabilities post reclassifications	**1,338.3**	**2,012.6**	**182.2**	**117.6**	**3,650.6**	**(312.9)**	**3,337.7**

iii. Cost of sales

	for the six months ended 30 June	
	2023	2022
	€ million	€ million
Materials and manufacturing costs	489.5	408.5
Distribution costs	96.1	82.0
Total cost of sales	**585.5**	**490.5**
Breakdown by nature		
Raw materials and finished goods acquired from third parties	352.2	297.3
Inventory write-downs	8.3	5.3
Personnel costs[(1)]	56.0	47.1
Depreciation/amortisation[(1)]	31.1	24.2
Utilities	17.1	11.3
External production and maintenance costs	20.7	16.6
Variable transport costs	71.8	63.9
Other costs	28.3	24.8
Total cost of sales	**585.5**	**490.5**

(1) For an analysis of personnel costs and depreciation and amortisation components by nature, please see also the breakdown of personnel costs in notes 5 vii-'Personnel costs' and 5 viii-'Depreciation and amortisation'.

As a percentage of net sales, the cost of sales increased from 39.0% for the six months ended 30 June 2022 to 40.2% in the same period of 2023, reflecting a less favourable sales mix (namely the outperformance of Espolòn still including the negative impact of the agave purchase price driven by robust demand in the tequila category) and the persistent inflation affecting many production inputs (particularly glass) and logistics costs in some geographies, not fully offset by the strong price increases implemented starting from last year and by the better absorption of supply chain fixed costs.

iv. Advertising and promotional costs

A breakdown of advertising and promotional costs is shown in the table below.

	for the six months ended 30 June	
	2023 € million	2022 € million
Merchandising and promotional costs	86.3	82.1
Advertising spaces	55.6	55.9
Media production	9.4	8.5
Sponsorships, testimonial, influencers and events	59.6	43.9
Research and innovation	11.2	8.8
Advertising contribution paid (received)	(2.7)	(3.0)
Depreciation/amortisation(1)	1.6	1.7
Personnel costs(1)	2.4	2.0
Other advertising and promotional costs	2.3	2.8
Total advertising and promotional costs	**225.5**	**202.8**

(1) For an analysis of personnel costs and depreciation and amortisation components by nature, please see also the breakdown of personnel costs in notes 5 vii-'Personnel costs' and 5 viii-'Depreciation and amortisation'.

Advertising and promotional expenses as a percentage of sales, stood at 15.5% in the six months ended 30 June 2023, lower than the 16.1% shown in the same period of 2022, mainly reflecting phasing effects connected with late start of the summer activation season, impacted by bad weather condition across core Southern and Central Europe.

v. Public grants

In the six months ended 30 June 2023 operating grants for an overall €0.2 million were recorded in the statement of profit or loss (nil during the same comparative period in 2022).

vi. Comprehensive selling, general and administrative expenses including other operating income and expenses

	for the six months ended 30 June	
	2023 € million	2022 € million
Personnel costs(1)	170.0	147.7
Travel, business trip, training and meetings	27.4	20.3
Board fees and indemnities	4.2	3.3
Real estate tax	3.0	2.3
Agents and other variable sales costs	2.1	6.0
Services and maintenance	49.5	45.0
Depreciation/amortisation(1)	18.6	16.2
Utilities, fuel and insurance	3.8	4.0
Charges for use of third-party assets	3.0	3.3
Other	5.4	4.6
Total selling, general and administrative expenses	**287.0**	**252.7**
Gain on sale of assets	(0.1)	(0.8)
Indemnity for the termination of distribution relationship	(1.9)	-
Other	(0.3)	(0.3)
Total other income	**(2.2)**	**(1.1)**
Ukraine and Russia conflict costs(2)	-	10.6
Restructuring costs(2)	7.7	2.8
Last mile long-term incentive schemes with retention purposes(2) (3)	5.0	5.0
Impairment loss on tangible and intangible assets	0.3	0.3
Finance Transformation	5.0	1.2
Acquisition fees/M&A fees	0.7	-
Loss on fiscal dispute	-	1.4
Other	(0.3)	1.9
Total other expenses	**18.3**	**23.2**
Total comprehensive selling, general and administrative expenses including other operating income and expenses	**303.1**	**274.8**

(1) For an analysis of personnel costs and depreciation and amortisation components by nature, please see also the breakdown of personnel costs in notes 5 vii-'Personnel costs' and 5 viii-'Depreciation and amortisation'.
(2) Personnel costs included in "Ukraine and Russia conflict cost", "Restructuring cost" and "Last mile long-term incentive schemes with retention purposes" in the six months ended 30 June 2023 € 12.7million (€7.8 million in the same period of 2022)
(3) Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purpose to be potentially awarded to the current CEO has been approved by the Parent Company's corporate bodies. For more information, refer to section 'Governance 'in the Campari Group annual report for the year ended 31 December 2022.

The increase of €28.3 million reported at 30 June 2023 in the comprehensive selling, general and administrative expenses including other operating income and expenses, compared to the figures reported at 30 June 2022 mainly related to personnel, travel and business trip costs, driven by a strengthening of commercial capabilities, incentives catch-up and service and maintenance costs. The six-month period in 2023 also reflected investments focused on the continuous strengthening of the Group's capabilities to improve the full development in the route-

to-market in Asia especially following the Group's direct entry into the Japanese and New Zealand markets through the completion of the two acquisitions of CT Spirit Japan Ltd. and Thirsty Camel Ltd. (for detailed information please refer to the 'Significant events of the period' paragraph in the management board report).
Other operating income and expenses included also the costs associated with restructuring and reorganisational projects, mergers and acquisitions projects as well as the long-term non-recurring last-mile incentive plans for retention purposes to be potentially awarded to senior management (€5.0 million) partially offset by indemnities received from contract resolution, for a total net amount of €16.0 million (€22.1 million reported in the half year 2022). These items were reported as adjustments in the performance indicators disclosed in the management board report (please refer to 'Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this half year report).

vii. Personnel costs

	for the six months ended 30 June	
	2023 € million	2022 € million
Salaries and wages	171.9	155.0
Social security contributions	38.1	31.5
Cost of defined contribution plans	6.6	5.5
Cost of defined benefit plans	0.3	0.3
Other costs relating to mid/long-term benefits	0.1	(2.4)
Cost of share-based payments	11.4	6.9
Other personnel costs[1]	12.7	7.8
Total personnel costs	**241.1**	**204.6**
of which:		
Included in cost of sales	*56.0*	*47.1*
Included in selling, general and administrative expenses[1]	*182.8*	*155.5*
Included in advertising and promotional expenses	*2.4*	*2.0*
Total personnel costs	**241.1**	**204.6**

[1] The amount included a last mile incentive scheme with retention purpose to be potentially awarded to the current CEO has been approved by the Parent Company's corporate bodies. For more information, refer to section 'Governance 'in the Campari Group annual report for the year ended 31 December 2022, pursuant to the Remuneration Policy,.

As a percentage of sales, personnel costs amounted to 16.5% in the six months ended 30 June 2023, broadly unchanged compared to 16.3% reported in the same period of 2022. The total personnel costs included also the expenses associated with indemnities and non-recurring last mile long term incentive schemes with retention purposes to be potentially recognised to senior management.

viii. Depreciation and amortisation

	for the six months ended 30 June	
	2023 € million	2022 € million
- Property, plant and equipment	28.4	21.7
- Right of use assets	1.1	0.9
- Intangible assets	1.7	1.6
Depreciation and amortisation included in cost of sales	**31.1**	**24.2**
- Property, plant and equipment	5.0	3.9
- Right of use assets	5.8	5.6
- Intangible assets	7.8	6.8
Depreciation and amortisation included in selling, general and administrative expenses	**18.6**	**16.2**
- Property, plant and equipment [1]	1.0	0.9
- Right of use assets	0.6	0.6
- Intangible assets	0.1	0.2
Depreciation and amortisation included in advertising and promotional expenses	**1.6**	**1.7**
- Property, plant and equipment [1]	34.4	26.4
- Right of use assets	7.5	7.0
- Intangible assets	9.5	8.7
Total depreciation and amortisation in the statement of profit or loss	**51.3**	**42.1**
Total depreciation and amortisation	**51.3**	**42.1**

[1] This item included depreciation of biological assets.

ix. Research and innovation costs

The Group's research and development activities are related solely to ordinary production and commercial activities, namely ordinary product quality control and packaging studies in various markets.
The research and innovation costs totalling €11.2 million in the six months ended 30 June 2023 (€8.8 million in the same period of 2022) are recognised in the statement of profit or loss for the year they are incurred.

x. Financial income and expenses

	for the six months ended 30 June	
	2023 € million	2022 € million
Interest expenses	(27.4)	(13.9)
Bank expenses	(1.9)	(1.5)
Exchange loss net	(10.5)	-
Other expenses	-	(1.2)
Total financial expenses	**(39.7)**	**(16.6)**
Bank and term deposit interests	8.5	6.2
Exchange gain net	-	5.3
Total financial income	**8.5**	**11.6**
Net financial income (expenses)	**(31.2)**	**(5.1)**

Net financial income (expenses), which included the effects of exchange rate differences and hyperinflation, reported a total net cost of €31.2 million, with an increase of €26.2 million compared to the same period in 2022. The breakdown by nature of net financial expenses for the period is as follows.

	for the six months ended 30 June	
	2023 € million	2022 € million
Interest expenses on bonds	(10.9)	(7.5)
Interest expenses on loans	(14.9)	(4.9)
Interest expenses on leases	(1.5)	(1.4)
Total interest expenses	**(27.4)**	**(13.9)**
Bank and term deposit interests	**8.5**	**6.2**
Bank expenses	(1.9)	(1.5)
Other net expenses	(1.2)	(0.8)
Total financial expenses	**(3.0)**	**(2.4)**
Total financial expenses before exchange gain (losses), one-offs, hyperinflation and put option	**(21.9)**	**(10.0)**
Exchange rate differences	(10.5)	5.3
Total financial expenses before one-offs, hyperinflation and put option	**(32.4)**	**(4.7)**
Hyperinflation effects	1.2	(0.4)
Net financial income (expenses)	**(31.2)**	**(5.1)**

Focusing on the main components of the six months ended 30 June 2023, interest expenses stood at €27.4 million compared to €13.9 million reported in the same period of 2022, with an increase mainly attributable to a higher level of average net debt reported at 30 June 2023 (€1,664.9 million) compared with the same period of 2022 (€890.2 million); the costs have been only partially offset by income deriving by hedging derivatives unwinding following the liability management initiative managed during the 2023 period (for detailed information please refer to the Significant events of the period paragraph in the management board report).
As concern exchange rate differences, the main driver leading from a net gain of €5.3 million reported in the first half of 2022 to a net loss of €10.5 million in the corresponding period of 2023 was due to cross-currency transactions involving certain emerging markets currencies (incl. Argentine Peso) for which hedging would not be cost efficient hence not activated by the Group.

xi. Leases components in the statement of profit or loss

The amounts recognised in the statement of profit or loss are shown in the table below.

	for the six months ended 30 June	
	2023 € million	2022 € million
Interest on lease payables	1.5	1.4
Depreciation and amortisation on right of use underlying assets	7.5	7.0
Variable lease payment not included in measurement of lease liability	8.1	4.4
Expense related to short-term leases	1.0	0.3
Expense related to low-value leases	3.1	0.4
Total lease components in the statement of profit or loss	**21.1**	**13.6**

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

The list of associates and joint-ventures is listed below.

name, activity	registered office	share capital at 31 December 2022[1] currency	amount	% owned by the company direct	indirect	direct shareholder
Dioniso S.r.l., holding and trading company	Via Franco Sacchetti, 20 Sesto San Giovanni; Milan, Italy	€	1,000,000	50.00		
Spiritus Co Ltd., trading company	4F., No, 70, Sec. 3, Nanjing E. Rd Zhongshan Dist, Taipei City 104503, Taiwan (R.O.C.)	TWD	33,600,000		40.00	Glen Grant Ltd.

[1] Data from last approved Financial Statements.

€ million	investment in associates and joint ventures
at 31 December 2022	**36.0**
Perimeter effect for acquisition	3.8
Share of profit (loss)	(1.4)
Increase in interests	5.0
Reclassifications	(3.8)
at 30 June 2023	**39.7**

During the six months ended 30 June 2023 the Group acquired the remaining 60% interests in CTSJ (for detailed information please refer to the Significant events of the period paragraph in the management board report) becoming a fully owned subsidiary. Relevant perimeter effects deriving from the acquisition have been reclassified as intercompany investments. A capital injection of € 5.0 million was also completed in the six months ended 30 June 2023. The following table includes the breakdown of interest in associates and joint-ventures at 30 June 2023.

name of entity	country of business	% of ownership interest	nature of relationship	measurement method	currency	carrying amount	
						at 30 June 2023 € million	at 31 December 2022 € million
Dioniso Group	Italy	50.0%	*Joint venture*	Equity method	EUR	39.2	35.6
Spiritus Co. Ltd	Taiwan	40.0%	*Joint venture*	Equity method	TWD	0.4	0.4
Total investments in associates and joint ventures						**39.7**	**36.0**

xiii. Taxation

Details of current and deferred taxes included in the Group's statement of profit or loss and statement of other comprehensive income are as follows.

	for the six months ended 30 June	
	2023 € million	2022 € million
- current taxes for the year	(86.2)	(95.5)
- current taxes relating to previous years	0.2	(0.7)
- deferred tax expenses	(7.4)	13.5
Taxes recorded in the statement of profit or loss	**(93.4)**	**(82.7)**
Taxes recorded in the statement of other comprehensive income	**3.2**	**(3.7)**

Taxation recorded in the statement of profit or loss for the six months ended 30 June 2023 totalled €93.4 million, an increase of €10.7 million compared to the same period of 2022. The reported tax rate in the first six months ended 30 June 2023 was 30.0%, compared to a reported tax rate of 29.3% in the same comparative period. The normalised tax rate, i.e., the tax-adjusted ratio of normalised income taxation to the profit before taxation, excluding other operating income and expenses[12], adjustments to financial[13] and to tax income and expenses[14] as well as the re-assessment of previously held joint-venture investments before their consolidation[15], was 28.1% in the six months ended 30 June 2023 (27.5% recognised consistently in the comparative period). The variance was mainly driven by the unfavourable country mix, given the strong business outperformance in markets with higher taxation.

Following the European publication of the Pillar two Directive on 22 December 2022, entered into force on 23 December 2022, and subsequent reports published at the Organisation for economic cooperation and development ("OECD") level also during the first months of 2023, the Group started a preliminary check to evaluate a potential tax impact of the global minimum top-up tax in specific jurisdictions where the Group operates through a controlled entity even if the EU Member States have not yet transposed into their national laws the provisions of the Directive (whose deadline is 31 December 2023). Based on preliminary analysis and simulations, the Group checked if the entities controlled directly or indirectly by Davide Campari-Milano N.V. meet the requirements provided for the application of the safe harbor (the so-called de minimis test and the routine profits test) and it is believed that there will not be significant impacts in terms of taxation.

Breakdown of deferred taxes by type

The balance of current and deferred tax assets and liabilities is shown below.

[12] Refer to note 5 vi-'Comprehensive selling, general and administrative expenses including other operating income and expenses'.
[13] In both the half year 2023 and 2022 the adjustments to financial income (expenses) were nil.
[14] The tax adjustments were a net cost of €1.9 million for the six months ended 30 June 2023 and a net gain of €1.0 million in the same period in 2022.
[15] The adjustment of previously held joint-venture investments before their consolidation for a total amount as net gain of €0.9 million included in the first half of 2023 was related to the incorporation of the CTSJ joint-venture and Thirsty Camel Ltd. Investment into Campari Group accounts.

	at 30 June 2023 € million	*of which perimeter* *€ million*	at 31 December 2022 post-reclassification € million
Deferred tax assets	77.9	*(0.2)*	72.6
Deferred tax liabilities	(403.2)	-	(399.4)
Net deferred tax	**(325.3)**	***(0.2)***	**(326.8)**

The breakdown of income tax receivables and payables is as follows.

	at 30 June 2023 € million	*of which perimeter* *€ million*	at 31 December 2022 € million
Income taxes	17.7	-	18.3
Receivables from controlling shareholders for tax consolidation(1)	6.0	-	0.7
Income tax receivables	**23.7**	**-**	**19.1**
Taxes payable	22.1	*(0.1)*	16.4
Due to controlling shareholder for tax consolidation(1)	18.6	-	56.2
Income tax payables	**40.7**	***(0.1)***	**72.5**

(1) Please refer to paragraph 10 iv-'Related parties' for more information.

Income tax receivables and payables are all due within 12 months. The corporate income tax payable is shown net of advance payments and taxes deducted at source. The decrease in tax payable and receivables during the six months ended 30 June 2023 is mainly due to phasing with most of the 2022 balance for tax payment settled in the first six months of the 2023.

6. Operating assets and liabilities

This section discloses the information on the assets used to generate the Group's performance and the liabilities incurred, in addition to providing detailed disclosures on the recent acquisitions and disposals.

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

Business combinations

Increase of interest in CT Spirits Japan Ltd. and Thirsty Camel Ltd.

As mentioned in the dedicated section 'Significant events of the year' in the management board report the following initiatives were taken out in the first half of 2023, consistent with the Group's growth ambitions in the Asian-Pacific region:

- on 1 March 2023, Campari Group acquired the remaining outstanding shares of 60% in the distribution company CT Spirits Japan Ltd. ('CTSJ'), in which it previously held a 40% joint-venture (evaluated at equity method);
- on 3 April 2023, Campari Group became the majority shareholder of Thirsty Camel Ltd., based in New Zealand, in which it previously held a non-controlling stake of 10% (evaluated at fair value), by acquiring additional 50% of the outstanding shares.

As a result of these initiatives, the Group obtained the control over the relevant activities and, for this reason, starting from March and April 2023 respectively, both companies were fully consolidated in Campari Group accounts. The fair value of the gross assets acquired was not concentrated substantially in a single identifiable asset or group of similar assets and that the processes and inputs acquired together will contribute significantly to the Group's ability to create outputs. Consequently, the transaction equates to a business combination over which the Group has full control, as defined in the relevant accounting standards. These transactions have required the reassessment of the Group's previously held interests, which generated a combined gain in the statement of profit or loss of €0.9 million (a gain of €1.2 and a loss of €0.3 million for CTSJ and Thirsty Camel Ltd. respectively).

The non-controlling interests relating to the remaining 40% stake of Thirsty Camel for a total amount of €0.3 million were also included in the consolidated accounts and based on the nature of this interests it was deemed appropriate to value them at the price paid by the Group in proportion to the residual stake they own. The Group has the right to exercise a call option on the remaining share capital starting from 2026.

On the date these half-year condensed consolidated financial statements were approved, based on the process of recognising and restating the information necessary for allocating the purchase prices of the various transactions at the fair value of the respective net assets acquired, the Group continued to carry out the provisional purchase price allocation, which will be finalised in a period not exceeding 12 months from the closing date of each transactions, in compliance with applicable accounting standards. The relevant provisional fair values resulting from both acquisitions were overall not material for the Group and were namely related to stock inventory, trade receivables and trade payables. No brands or other intangible assets were identified for the purposes of the purchase price allocation, other than non-tax-deductible goodwill for a total of €10.9 million based on the relevant local regulations. The goodwill was deemed entirely attributable to the synergies that are expected to be generated by integrating the acquired business into the Group's commercial structure by leveraging the skills and strong commercial leadership of the two companies to promote and develop the Group's product portfolio, namely global leading brands, thus guaranteeing the establishment of Campari Group's critical mass in the Japanese and New Zealand markets.

figures at acquisition date			CTSJ values reported in Campari Group € million	Thirsty Camel values reported in Campari Group € million	total € million
Price paid for the step-up acquisition			2.1	0.4	2.5
Previous held investment remeasured			(4.0)	0.1	(3.9)
Liability for earn-out payments			0.5	-	0.5
Non-controlling interest			-	0.3	0.3
purchase price to be allocated			**(1.4)**	**0.8**	**(0.6)**
	fair value at the date of acquisition JPY million	fair value at the date of acquisition NZD million	fair value at the date of acquisition Japan € million	fair value at the date of acquisition New Zealand € million	fair value at the date of acquisition € million
Identifiable assets acquired and liabilities assumed	(1,608.7)	(0.1)	(11.3)	(0.2)	(11.5)
Of which:					
Inventories	*647.8*	*2.8*	*4.6*	*4.5*	*9.0*
Trade receivables	*575.7*	*2.6*	*4.0*	*4.2*	*8.3*
Trade payables	*(2,502.7)*	*(6.0)*	*(17.6)*	*(9.6)*	*(27.2)*
Financial debt	*(1,312.9)*	*(2.1)*	*(9.2)*	*(3.3)*	*(12.6)*
Cash and cash equivalents	*666.6*	*0.7*	*6.1*	*1.1*	*7.2*
Other	*116.7*	*1.8*	*0.8*	*2.9*	*3.7*
Goodwill generated by acquisition	1,411.0	0.6	9.9	1.0	10.9
	(197.7)	**0.5**	**(1.4)**	**0.8**	**(0.6)**

The Group's net results include the impact from the business acquired from their acquisition date (March and April 2023). Not material ancillary costs incurred for legal and financial consultancy attributable to the transaction amounting to €0.2 million were classified under other operating income and expenses.
If the businesses had been consolidated from the start of the year, the effect on net sales on full-year basis would have been around €39.0 million collectively, based on full-year 2022 figures according to local GAAP.

Business combinations completed in the previous year

Acquisition of an initial 70% stake in Wilderness Trail Distillery, LLC

As fully detailed in the dedicated section 'Acquisition and sale of businesses and purchase of non-controlling interests' in the Group consolidated financial statements at 31 December 2022, on 7 December 2022, Campari Group signed an agreement to purchase an initial 70% interest in Wilderness Trail Distillery, LLC and its subsidiary Wilderness Trace Distillery, LLC (jointly referred to as 'the company').
The total consideration amounting to €568.3 million (US$598.3 million converted in € at the exchange rate at the closing date) consisted of the following:
- the price paid to acquire 70% of the capital of the company totalling €397.0 million (US$417.9 million converted in € at the exchange rate at the closing date);
- the price adjustment paid in February 2023 of €2.7 million (US$2.9 million converted to € at the exchange rate at the closing date);
- the payables resulting in 30% of the outstanding shares subject to a call/put option mechanism with the previous shareholders of the company exercisable in 2031 at an enterprise value determined by applying a multiple of approximately 16 times to the higher of 2030 or average of 2028-2030 EBITDA, included among the Group's other financial liabilities and estimated at a total of €171.0 million (US$180.0 million converted to € at the exchange rate at closing date);
- the positive net financial position acquired of €2.4 million (US$2.5 million converted in € at the exchange rate at the closing date).

Provisional purchase price allocation

The fair values of the identifiable asset acquired and liabilities assumed updated during the first half of 2023 have been reported below. The updated fair values still determined on a provisional basis are the result of the recognition and reworking of further information about facts and circumstances existing at the closing date. The analysis was carried out with the assistance of independent experts.

No changes in the policy choices elected or in the rationales of the allocation were identified with respect to what was reported in the consolidated financial statements at 31 December 2022.

The Group is still in the process of carrying out the purchase price allocation, that will be finalised in a period not exceeding 12 months from the closing date of the transactions, in compliance with applicable accounting standards. It should therefore be emphasized that, on the date that these half-year condensed consolidated financial statements were approved, the allocation is provisional. Once further information about facts and events existing at the closing of the transaction is obtained, recognized and restated, the values calculated could be different from those presented in this report.

Where not expressed in €, the values were converted at the exchange rate on the closing date of the transaction.

values at acquisition date	book values at acquisition date	provisional fair value disclosed at 31 December 2022	adjustments and reclassifications	provisional fair value disclosed at 30 June 2023
	€ million	€ million	€ million	€ million
ASSETS				
Non-current assets				
Property, plant and equipment	30.3	26.7	33.6	60.4
Brand	-	59.7	1.1	60.8
Deferred tax assets	-	(0.1)	0.1	-
Total non-current assets	**30.3**	**86.4**	**34.8**	**121.2**
Current assets				
Inventories	24.0	27.5	7.5	35.1
Trade receivables	2.8	2.8	(0.3)	2.5
Cash and cash equivalents	2.4	2.4	-	2.4
Other current financial assets	-	0.1	(0.1)	-
Other current assets	1.1	0.9	0.1	1.1
Total current assets	**30.2**	**33.8**	**7.2**	**41.0**
Total asset	**60.5**	**120.2**	**42.0**	**162.2**
LIABILITES				
Non-current liabilities				
Provisions for risks and charges	-	-	3.5	3.5
Total non-current liabilities	**-**	**-**	**3.5**	**3.5**
Current liabilities				
Trade payables	1.8	1.9	(0.1)	1.8
Other current liabilities	1.8	0.8	1.1	1.8
Total current liabilities	**3.7**	**2.8**	**0.9**	**3.7**
Total liabilities	**3.7**	**2.8**	**4.4**	**7.2**
NET EQUITY ACQUIRED	**56.8**	**117.4**	**37.6**	**155.0**
TOTAL LIABILITY AND EQUITY	**60.5**	**120.2**	**42.0**	**162.2**
a) Total cost, of which:		567.9	2.7	570.6
Price paid in cash, excluding ancillary costs		397.0	-	397.0
Price adjustments after closing		-	2.7	2.7
Liabilities for put/call option agreements		171.0	-	171.0
b) Net financial position acquired, of which:		**(2.5)**	**0.1**	**(2.4)**
- Cash, cash equivalent and financial assets		(2.5)	0.1	(2.4)
Enterprise value (a+b)		**565.5**	**2.8**	**568.3**
Non-controlling interests		**170.1**	**1.2**	**171.3**
Purchase price to be allocated		**567.1**	**3.9**	**571.0**
Price paid in cash, excluding ancillary costs		397.0	-	397.0
Price adjustments at closing		-	2.7	2.7
Non-controlling interests		170.1	1.2	171.3
Total value allocation		**567.1**	**3.9**	**571.0**
Net assets acquired		117.4	37.6	155.0
Goodwill generated by acquisition		449.7	(33.7)	416.0

The allocation value does not reflect the post-acquisition development initiatives that the Group intends to undertake based on its strategic plans. No other intangible assets were identified that may qualify for separate recognition for the purposes of the purchase price allocation, other than brand. The goodwill was deemed to be fully reportable and attributable mainly to the skill and to the technical talent of WTD's work force and the synergies that are expected to be generated in Campari Group, by i) leveraging Campari Group's route-to-market and marketing capabilities to further develop and expand the Wilderness Trail brand in its domestic markets as well as internationally; ii) leveraging WTD's production capacity and ageing inventory in order to accommodate the development of the Group's existing bourbon portfolio (excluding the core Wild Turkey), further unlocking growth opportunities of the premium and highly profitable bourbon portfolio as well as potential insourcing of other bourbon brands currently distributed by Campari Group, and iii) by accelerating and significantly expanding the

innovation platform for Campari Group's bourbon portfolio thanks to Wilderness Trail Distillery's highly flexible output.
Goodwill is tax-deductible based on the relevant local regulations.

intangible assets generated by Wilderness Trail Distillery, LLC	goodwill € million	brands € million	total € million
provisional fair value at the date of acquisition	449.7	59.7	509.4
change resulting from provisional allocation of acquisition value	(33.7)	1.1	(32.6)
provisional fair value at the date of acquisition restated	**416.0**	**60.8**	**476.8**

intangible assets generated by Wilderness Trail Distillery, LLC	goodwill € million	brands € million	total € million
provisional fair at exchange rate of the acquisition date disclosed at 31 December 2022	449.7	59.7	509.4
exchange rate differences	(5.8)	(0.8)	(6.5)
provisional fair value disclosed at 31 December 2022	**443.9**	**59.0**	**502.9**
change resulting from allocation of acquisition value	(33.7)	1.1	(32.6)
exchange rate differences restated	0.4	-	0.4
provisional fair value restated at 31 December 2022	**410.6**	**60.0**	**470.7**

(1)at exchange rate of the acquisition date

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

	land and buildings € million	plant and machinery € million	other € million	total € million
Carrying amount at the beginning of the period	559.5	482.3	260.2	1,302.0
Accumulated depreciation at the beginning of the period	(157.4)	(277.5)	(119.0)	(553.9)
at 31 December 2022	**402.13**	**204.8**	**141.2**	**748.1**
Change resulting from provisional allocation of acquisition value	14.9	4.7	14.0	33.6
Exchange rate effect of reclassifications	(0.2)	(0.1)	(0.2)	(0.4)
at 31 December 2022 post-reclassifications	**416.8**	**209.4**	**155.0**	**781.3**
Perimeter effect for acquisitions	-	-	0.2	0.2
Additions	29.7	44.3	6.8	80.9
Disposals	-	(0.1)	(6.0)	(6.1)
Depreciation	(8.5)	(11.8)	(11.1)	(31.5)
Impairment	-	(0.2)	-	(0.2)
Reclassifications	6.9	(23.6)	16.7	-
Exchange rate differences and other changes	8.2	(0.1)	(0.3)	7.8
at 30 June 2023	**453.2**	**217.9**	**161.3**	**832.4**
Carrying amount at the end of the period	619.1	507.2	291.2	1,417.5
Accumulated depreciation at the end of the period	(165.9)	(289.4)	(130.1)	(585.4)

Capital expenditure for the period, totalling €80.9 million, was mainly related to the extraordinary capacity expansion initiatives, mainly in Mexico destinated to the Espolòn production, as well as improvements made to strengthen the Group's production capacity and efficiency. Finally, the purchase of barrels for maturing bourbon, rum and whisky amounted to €20.3 million. Disposals, amounting to €6.1 million, mainly related to the sale of barrels that were no longer suitable for use in the maturing process.
There are no restrictions or covenants on the aforementioned assets.

The changes in assets underlying the right of use are indicated in the tables below.

	land and buildings € million	plant and machinery € million	other € million	total € million
Carrying amount at the beginning of the period	86.1	7.2	20.0	113.3
Accumulated depreciation at the beginning of the period	(31.2)	(2.7)	(11.0)	(44.9)
at 31 December 2022	**55.0**	**4.5**	**9.0**	**68.4**
Perimeter effect for acquisitions	0.6	-	0.1	0.6
Additions	1.1	-	3.0	4.2
Depreciation	(4.5)	(0.5)	(2.4)	(7.5)
Exchange rate differences and other changes	(0.8)	(0.1)	-	(0.9)
at 30 June 2023	**51.3**	**3.9**	**9.7**	**64.9**
Carrying amount at the end of the period	87.0	7.1	23.1	117.2
Accumulated depreciation at the end of the period	(35.7)	(3.2)	(13.4)	(52.3)

Changes in the biological assets item are shown in the tables below.

	assets valued at cost € million
Carrying amount at the beginning of the period	29.5
Accumulated depreciation at the beginning of the period	(12.0)
at 31 December 2022	**17.5**
Additions	8.1
Disposal	(0.2)
Depreciation	(3.1)
Exchange rate differences and other changes	0.5
at 30 June 2023	**22.8**
Carrying amount at the end of the period	37.9
Accumulated depreciation at the end of the period	(15.1)

The addition of €8.1 million was related to agave plantations in Mexico. All biological assets at 30 June 2023 were recognised on a cost basis, net of depreciation and impairment. No guarantees were given to third parties in relation to these fixed assets.

At 30 June 2023, the Mexican agave plantations comprised 1247 hectares. There is no non-productive biological asset for agave plantations and the average growing cycle covers a period of 6 years. During the first half of the year, the Group harvested approximately 450 tons of agave in Mexico, which have been measured at fair value less costs to sell and transferred to inventories.
At 30 June 2023, the French grape plantations located in the Champagne region comprised 18.4 hectares, out of which overall 65% of these hectares were rented with medium and long-term agreements, and the remaining 35% was owned. There are no non-productive biological assets for grape plantations. Agricultural output covers a one-year period and the harvest occurred in the second half of the year. Taking into account the biological and vegetative cycle, all the costs incurred in anticipation of the future harvest (service, products and other ancillary costs) have been considered as inventory in current biological assets at 30 June 2023 in the Group's accounts: this value is in line with the fair value of the growing grapes based on available information on commodities markets.
In addition, in the Martinique area, sugar cane plantations comprise 553 hectares, of which, overall, 45% owned and 55% rented with long-term agreements. Among them, 501 hectares are cultivated, and the remaining 52 hectares are not cultivated. Agricultural output covers a one-year period and the harvest is expected from February to June. Given that process, the sugar cane has been considered as current biological asset classified within the inventory and measured based on the costs sustained during the production process at 30 June: this value was estimated based on the costs of infrastructure, land preparation and sugar cane cultivation, due to the absence of any active reference market for comparable plantation and similar output in terms of age and qualitative characteristics. Operating grants in support of industrial investments and of sugar cane plantations in Martinique recognised in the statement of profit or loss in the first half of 2023 are equal to €0.2 million (negligible in the first half of 2022).

No triggering events for impairment tests occurred during the six months ended 30 June 2023.

iii. Intangible assets

– <u>Goodwill and brands</u>

	goodwill € million	brands with an indefinite life € million	brands with a finite life[1] € million	total € million
Carrying amount at the beginning of the period	1,914.5	1,217.6	31.7	3,163.8
Cumulative impairment at the beginning of the period	(2.7)	(42.3)	(24.9)	(70.0)
at 31 December 2022	**1,911.8**	**1,175.3**	**6.7**	**3,093.8**
Change resulting from provisional allocation of acquisition value	(33.7)	1.1		(32.6)
Exchange rate effect	0.4	-	-	0.4
at 31 December 2022 post-reclassifications	**1,878.5**	**1,176.4**	**6.7**	**3,061.6**
Perimeter effect from business combination	10.9	-	-	10.9
Amortisation	-	-	(1.1)	(1.1)
Exchange rate differences[2]	(15.7)	(6.0)	(0.1)	(21.9)
at 30 June 2023	**1,873.7**	**1,170.3**	**5.5**	**3,049.6**
Carrying amount at the end of the period	1,876.4	1,212.6	31.6	3,120.7
Cumulative impairment at the end of the period	(2.7)	(42.3)	(26.0)	(71.1)

[1] Brands with a finite life included the value of the X-Rated brand.
[2] Including hyperinflation effects.

The change in the basis of consolidation comprised the incorporation of CTSJ and Thirsty Camel Ltd. since March and April 2023 respectively, which resulted in the recognition of €10.9 million of goodwill (for further details, see note 6 i-'Acquisition and sale of businesses and purchase of non-controlling interests').

The negative exchange rate differences on goodwill and brands denominated in local currencies, totalled €21.9 million, mainly related to US and Jamaican Dollars.

Intangible assets with an infinite life are represented by goodwill and brands, both associated with business acquisitions. The Group expects to obtain positive cash flow from these assets for an infinite period of time. In the current context of cost inflation, geopolitical tensions and tightening of global monetary policies that might lead to higher cost of capital, the Group performed an assessment to identify any triggering event implying the risk of impairment on its goodwill and trademarks values. This assessment confirmed that these external events did not trigger any substantial change on the recoverability of these intangible assets.

– Other Intangible assets

	software € million	other € million	other with indefinite life € million	total € million
Carrying amount at the beginning of the period	149.6	17.7	3.6	170.9
Accumulated amortisation at the beginning of the period	(105.0)	(13.8)	-	(118.8)
at 31 December 2022	**44.6**	**4.0**	**3.6**	**52.1**
Perimeter effect for acquisitions	0.2	-	-	0.2
Additions	5.7	0.1	-	5.8
Amortisation	(7.9)	(0.4)	-	(8.4)
Exchange rate differences and other changes	(0.5)	(0.1)	-	(0.6)
at 30 June 2023	**42.0**	**3.6**	**3.6**	**49.1**
Carrying amount at the end of the period	154.9	17.8	3.6	176.3
Accumulated amortisation at the end of the period	(113.0)	(14.2)	-	(127.2)

Additions in the period totalling €5.8 million related to projects to continuously upgrade the new information technology environment. During the period, no triggering events were identified leading to the performance of an impairment test on the Group's intangible assets subject to amortisation.

iv. Other non-current assets

	at 30 June 2023 € million	*of which perimeter effect € million*	at 31 December 2022 € million
Equity investment in other companies	17.1	-	18.8
Security deposits	5.2	*0.1*	2.4
Other non-current tax receivables from controlling shareholders	0.1	-	0.1
Receivables from defined benefit obligation	0.1	-	-
Other non-current receivables	2.6	-	2.7
Other non-current assets	**25.1**	***0.1***	**24.1**

v. Other current assets

	at 30 June 2023 € million	*of which perimeter effect € million*	at 31 December 2022 post-reclassifications € million
Other receivables from tax authorities	55.2	*0.7*	39.5
Prepaid expenses	29.0	*3.1*	8.9
Advances and other receivables from suppliers	9.6	-	3.2
Receivables from personnel	5.0	-	3.0
Advances to suppliers	0.1	-	0.2
Receivables from controlling shareholder for Group VAT	0.1	-	0.1
Other	6.7	-	5.4
Other current assets	**105.8**	***3.8***	**60.3**

Other receivables from tax authorities, totalling €55.2 million, primarily comprised VAT (€44.0 million) and excise taxes (€8.5 million). The increase in prepaid expenses is mainly attributable to phasing effects related to third-party services in connection with the outsourcing of IT and back-office activities.

vi. Other non-current liabilities

	at 30 June 2023 € million	*of which perimeter effect € million*	at 31 December 2022 € million
Other employee benefits (including retention incentives)[1]	28.4	-	23.6
Other share benefits long-term (cash settled plans)	1.7	*0.2*	1.1
Profit sharing	3.9	-	4.9
Other non-current liabilities	1.4	-	1.4
Other non-current liabilities	**35.4**	***0.2***	**30.9**

[1] Including non-recurring last mile long-term incentive schemes. For more information, please refer to section 'Governance' in the Campari Group annual report for the year ended 31 December 2022.

vii. Other current liabilities

	at 30 June 2023 € million	*of which perimeter effect* *€ million*	at 31 December 2022 post-reclassifications € million
Payables to staff	76.3	*0.4*	89.3
Payables to agents	3.3	-	3.6
Deferred income	5.2	-	5.9
Amounts due to controlling shareholder for Group VAT	13.0	-	0.6
Value added tax	37.1	*0.2*	22.0
Tax on alcohol production	57.3	-	36.9
Withholding and miscellaneous taxes	17.9	*0.1*	9.1
Other	8.4	*0.2*	5.2
Other current liabilities	**218.4**	***1.0***	**172.5**

The increase of €45.9 million compared to 31 December 2022 in other current liabilities is mainly attributable to the combined effect of the increase in VAT as well as excise tax payables, due to phasing and in line with the positive business momentum in the first half of the year.

7. Operating working capital

This section explains the Group's operating working capital composition broken down into the various items that are managed to generate the Group performances.

i. Trade receivables

A breakdown of trade receivables is shown in the table below.

	at 30 June 2023 € million	*of which perimeter effect* *€ million*	at 31 December 2022 post-reclassifications € million
Trade receivables from external costumers	433.2	*8.3*	305.9
Trade receivables from associates	0.2	-	2.1
Receivables in respect of contributions to promotional costs	0.3	-	0.2
Trade receivables	**433.7**	***8.3***	**308.2**

The increase of €117.2 million, excluding the perimeter effect of the period, reflected the positive sales performance and business momentum in the first six months of 2023.

The following tables show the impairment changes for expected future losses and bad debt as of 30 June 2023 and 2022.

€ million	provision for expected future losses and bad debt
at 31 December 2022	**18.1**
Change resulting from provisional allocation of acquisition value	0.3
31 December 2022 post-reclassifications	**18.4**
Perimeter effect from business combinations	0.4
Accruals	3.3
Utilizations	(0.1)
Releases	(4.8)
Exchange rate differences and other changes	(2.1)
at 30 June 2023	**15.1**

€ million	provision for expected future losses and bad debt
at 31 December 2021	**6.9**
Accruals	9.7
Utilizations	(0.3)
Releases	(0.2)
Exchange rate differences and other changes	2.3
at 30 June 2022	**18.4**

The movements recorded in the first half of 2023 also comprised the updated and specific valuation on trade receivables for Ukraine leading to an accrual of €0.9 million, considering the ongoing Russia-Ukraine conflict and the consequent volatile macroeconomic scenario. Russia recognised a release of €2.3 million in line with the local improved business situation.

The following table provides the probability of default, obtained from external data providers, used for the calculation of the expected future losses for each subsidiary, used at 30 June 2023 and 31 December 2022, according to the country in which the subsidiary is based.

	at 30 June 2023	at 31 December 2022
Argentina	16.18%	17.11%
Australia	0.07%	0.07%
Austria	0.06%	0.05%
Belgium	0.07%	0.06%
Brasil	0.45%	0.63%
Canada	0.15%	0.13%
China	0.22%	0.24%
France	0.07%	0.06%
Germany	0.04%	0.06%
India	0.26%	0.29%
Italy	0.27%	0.35%
Jamaica	0.85%	0.84%
Martinique	0.07%	0.06%
Mexico	0.28%	0.47%
New Zealand	0.06%	0.07%
Peru	0.31%	0.40%
Russia	14.09%	32.88%
Singapore	0.09%	0.07%
South Africa	0.79%	1.18%
South Korea	0.24%	0.25%
Spain	0.11%	0.13%
Switzerland	0.05%	0.03%
United Kingdom	0.09%	0.08%
Ukraine	100.00%	100.00%
United States	0.84%	0.13%

ii. Trade payables

	at 30 June 2023	*of which perimeter effect*	at 31 December 2022 post-reclassifications
	€ million	*€ million*	€ million
Trade payables to external suppliers	549.5	*27.2*	541.6
Trade payables	**549.5**	***27.2***	**541.6**

During the first half of 2023, the Group continued the reverse factoring programme launched in previous years in cooperation with an external banking provider and selected key suppliers. The programme involved strategic partners based in Italy and in the United States to allow participating suppliers to receive early payments on their invoices. Based on the programme's characteristics and the nature of the transaction, the trade payables in scope, continued to be classified as a trade payable on the grounds which led to an improvement in terms of commercial payment without giving any guarantee or changing other terms or conditions of the original agreements. The program increased payables by approximately €44.0 million at 30 June 2023 (€23.5 million at 31 December 2022).

iii. Inventories and current biological assets

The breakdown of this item is as follows.

	at 30 June 2023	*of which perimeter effect*	at 31 December 2022 post-reclassifications[(1)]
	€ million	*€ million*	€ million
Finished products and goods for resale	379.5	*9.0*	253.8
Maturing inventory	571.3	-	516.0
Work in progress	175.0	*0.1*	146.2
Raw materials, supplies and consumables	112.0	-	88.7
Inventories	**1,237.8**	***9.1***	**1,004.6**
Current biological assets	**10.7**	**-**	**7.1**
Total	**1,248.4**	***9.1***	**1,011.7**

(1) Figures included reclassifications related to the provisional purchase price allocation of acquisition values incl. the related exchange rate effects was €7.5 million, of which: maturing inventory for €14.3 million, work in progress for -€6.6 million, raw materials, supplies and consumables for €-0.4 million and finished products and goods for resale for €0.2 million. For information please refer to 3 iv-'Reclassification of comparative figures at 31 December 2022'.

Stocks totalled €1,248.4 million at 30 June 2023, up by €236.7 million on 31 December 2022. This change was mainly attributable to the planned inventory build-up ahead of the summer peak season in a macroeconomic context that could still suffer from logistical constraints. Furthermore, the rise of maturing inventories was in line with the Group's guidelines to support both the sustained consumer demand and the planned premiumisation strategy.

Current biological assets at 30 June 2023 totalled €10.7 million, corresponding to the fair value of the sugar cane, grapes and agave harvests that had not yet ripened. All these biological products are classified as current inventory in consideration of their annual vegetative growing process, except agave, which is also classified as inventory during the 6-year growing period even though the agave plants are not yet ripe for the harvest useful for distillation, as they can theoretically be sold as a growing plant. For more information related to the fair value estimation, refer to paragraph 10 iii-'Fair value information on assets and liabilities'. No guarantees were given to

third parties in relation to these inventories. Agricultural produce in Martinique benefitting from public grants was negligible on 30 June 2023 and 2022.
Inventories are reported net of the relevant impairment provisions.

	€ million
at 31 December 2022	**(15.1)**
Change resulting from provisional allocation of acquisition value	(1.2)
31 December 2022 post reclassification	**(16.3)**
Accruals/Release	(8.1)
Utilisation	(0.9)
Exchange rate differences and other changes	8.6
at 30 June 2023	**(16.7)**

	€ million
at 31 December 2021	**(13.6)**
Accruals/(release)	(7.4)
Utilisation	1.6
Exchange rate differences and other changes	(2.6)
at 30 June 2022	**(21.9)**

8. Net financial debt

This section provides details of the Group's net financial debt composition broken down into the various items.

i. Financial instruments

The value of individual categories of financial assets and liabilities held by the Group at 30 June 2023 and 31 December 2022 is shown below.

at 30 June 2023 € million	measurement at amortized cost	measurement at fair value through profit and loss	measurement at fair value with changes recognized in the statement of comprehensive income
Cash and cash equivalents	623.7	-	-
Other current financial asset	17.7	-	-
Other non-current financial assets	7.2	-	-
Lease payables	(76.0)	-	-
Loans due to banks (1)	(1,004.4)	-	-
Bonds	(1,145.3)	-	-
Accrued interest on bonds	(7.9)	-	-
Other current financial liabilities	(1.3)	-	-
Liabilities for put option and earn-out payments (2)	(3.3)	-	(250.4)
Current assets for hedge derivatives, not in hedge accounting	-	-	0.4
Current liabilities for hedge derivatives, not in hedge accounting	-	-	(0.1)
Current assets for hedging derivatives	-	-	3.4
Current liabilities for hedging derivatives	-	-	(0.5)
Non-current asset for hedging derivatives (3)	-	-	13.5
Other non-current assets	8.0	17.1	-
Trade receivables	433.7	-	-
Trade payables	(549.5)	-	-
Total	**(1,697.6)**	**17.1**	**(233.6)**

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

at 31 December 2022 post-reclassifications € million	measurement at amortized cost	measurement at fair value through profit and loss	measurement at fair value with changes recognized in the statement of comprehensive income
Cash and cash equivalents	435.4	-	-
Other current financial asset	0.8	16.2	-
Other non-current financial assets	5.7	1.0	-
Lease payables	(79.5)	-	-
Loans due to banks (1)	(877.9)	-	-
Bonds	(846.3)	-	-
Accrued interest on bonds	(5.7)	-	-
Other current financial liabilities	(8.5)	-	-
Other non-current financial liabilities	-	-	-
Liabilities for put option and earn-out payments (2)	(3.4)	-	(236.3)
Current assets for hedging derivatives	-	-	1.7
Non-current assets for hedging derivatives (3)		-	41.5
Other non-current assets	5.3	18.8	-
Trade receivables	308.2	-	-
Trade payables	(541.6)	-	-
Total	**(1,607.6)**	**36.0**	**(193.0)**

(1) Excluding derivative on loan due to bank.
(2) Liabilities linked to some business combination may be elected to have the fair value variation accounted for against the Group equity.
(3) Derivative on loan due to bank.

A summary of the financial assets and liabilities is shown below, irrespective of the above reported classification based on the applicable business model, with their carrying amount and corresponding fair value.

at 30 June 2023	carrying amount € million	fair value € million	*of which reported at amortized cost € million*	*of which reported at fair value € million*
Cash and cash equivalents	623.7	623.7	*623.7*	-
Other current financial asset	17.7	17.7	*17.7*	-
Current assets for hedging derivatives	3.4	3.4	-	*3.4*
Current assets for hedge derivatives, not in hedge accounting	0.4	0.4	-	*0.4*
Non-current assets for hedging derivatives	13.5	13.5	-	*13.5*
Other non-current financial assets	7.2	7.2	*7.2*	-
Financial assets	**665.9**	**665.9**	***648.6***	***17.3***
Loans due to banks[1]	1,004.4	1,046.3	*1,004.4*	-
Lease payables	76.0	76.0	*76.0*	-
Bonds issued in 2017	150.0	146.9	*150.0*	-
Bonds issued in 2019	149.9	146.2	*149.9*	-
Bonds issued in 2020	546.9	487.1	*546.9*	-
Bonds issued in 2023	298.6	305.4	*298.6*	-
Accrued interest on bonds	7.9	7.9	*7.9*	-
Other current and non-current financial liabilities	1.3	1.3	*1.3*	-
Current liabilities for hedging derivatives	0.5	0.5	-	*0.5*
Current liabilities for hedge derivatives, not in hedge accounting	0.1	0.1	-	*0.1*
Liabilities for put option and earn-out payments	253.7	253.7	*3.3*	*250.4*
Financial liabilities	**2,489.2**	**2,471.4**	***2,238.3***	***250.9***

at 31 December 2022 post-reclassifications	carrying amount € million	fair value € million	*of which reported at amortized cost € million*	*of which reported at fair value € million*
Cash and cash equivalents	435.4	435.4	*435.4*	-
Other current financial asset	17.0	17.0	*0.8*	*16.2*
Current assets for hedging derivatives	1.7	1.7		*1.7*
Non-current assets for hedging derivatives	41.5	41.5		*41.5*
Other non-current financial assets	6.7	6.7	*5.7*	*1.0*
Financial assets	**502.3**	**502.3**	***441.8***	***60.5***
Loans due to banks	877.9	929.4	*877.9*	-
Lease payables	79.5	79.5	*79.5*	-
Bonds issued in 2017	150.0	147.1	*150.0*	-
Bonds issued in 2019	149.8	146.5	*149.8*	-
Bonds issued in 2020	546.5	475.4	*546.5*	-
Accrued interest on bonds	5.7	5.7	*5.7*	-
Other current and non-current financial liabilities	8.5	8.5	*8.5*	-
Liabilities for put option and earn-out payments	239.7	239.7	*3.4*	*236.3*
Financial liabilities	**2,057.6**	**2,004.1**	***1,821.3***	***236.3***

ii. Cash and cash equivalents

The breakdown of the Group's cash and cash equivalents is as follows.

	at 30 June 2023 € million	*perimeter effect € million*	at 31 December 2022 € million
Bank current accounts and cash	335.3	*1.3*	332.7
Term deposit maturing within 3 months	288.4	-	102.7
Cash and cash equivalents	**623.7**	***1.3***	**435.4**

Cash and cash equivalent grew from €435.4 million to €623.7 million benefitting from liability management initiatives occurred during the six months ended 30 June 2023 and are supported by significant credit lines for a total of €749.8 million, of which €400.0 million committed and expiring in 2028 (undrawn at 30 June 2023). The balance of the credit lines, uncommitted for an amount of €349.8 million, was drawn down for only €23.4 million at 30 June 2023.
For additional details, reference is made to cash flow information and the net financial debt (note 8 viii-'Reconciliation with net financial debt and cash flow statement').

iii. Other current financial assets

	at 30 June 2023 € million	at 31 December 2022 post-reclassifications € million
Valuation at fair value of forward contracts	3.8	1.8
Other financial assets	17.7	17.0
of which:		
Marketable securities maturing more than 3 months	*14.0*	*14.2*
Financial receivables from Terra Moretti (i.e. business disposal)[1]	*1.0*	*2.0*
Other financial assets	*2.7*	*0.8*
Other current financial assets	**21.5**	**18.7**

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

iv. Other non-current financial assets

	at 30 June 2023 € million	at 31 December 2022 € million
Non-current assets for hedging derivatives	13.5	41.5
Term deposit	4.8	4.8
Financial receivables from Terra Moretti (i.e. business disposal)[1]	1.0	1.0
Other non-current financial assets	1.4	0.9
Non-current financial assets	**20.7**	**48.2**

[1] Receivable non-current portion associated with the past sale of Sella and Mosca S.p.A. and Teruzzi and Puthod S.r.l..

Non-current assets for hedging derivatives of €13.5 million referred to pre-hedge derivatives associated with bond and loans and the variation occurred during the six months ended 30 June 2023 was derived from the hedging derivatives unwinding following the liability management initiative managed during the 2023 period (for detailed information please refer to the Significant events of the period paragraph in the management board report).

v. Non-current financial debt

The breakdown of bonds and other non-current liabilities is as follows:

	at 30 June 2023 € million	*of which perimeter* € million	at 31 December 2022 € million
Bond issued in 2017	-	-	150.0
Bond issued in 2019	-	-	149.8
Bond issued in 2020	546.8		546.5
Bond issued in 2023	298.6		
Non-current bonds	**845.3**	**-**	**846.3**
Liabilities and loans due to banks	**929.5**	**1.2**	**770.9**
Lease payables	61.7	0.6	65.1
Liabilities for put option and earn-out payments	248.5	(2.8)	236.3
Other non-current financial liabilities	**310.2**	**(2.3)**	**301.4**
Total non-current financial debt	**2,085.1**	**(1.0)**	**1,918.7**

The main changes occurred in the non-current financial debt during the six months ended 30 June 2023 were related to the liability management initiative managed during the 2023 period. On 5 May 2023 Davide Campari-Milano N.V. entered into a term facility of €400 million (reported in line Liabilities and loans due to banks) and a revolving facility of the same amount, hence an agreement for a total amount equal up to €800 million with a pool of banks. The term facility has termination date on 30 June 2029 while the revolving facility termination date is on 30 June 2028 with an extension option at 30 June 2029 at the banks' discretion. The scope of the agreement is general corporate purposes of Campari Group. The facilities are sustainability-linked and provide for a variable component of the interest rate applicable depending on the achievement of certain ESG targets identified by Campari Group and particularly focused on the reduction of emissions, the responsible use of water and gender equality. On 11 May 2023 Davide Campari-Milano N.V. successfully completed the placement of an unrated 7-year bond issue, targeted at institutional investors. The placement is for €300 million in principal amount of notes maturing on 18 May 2030, paying a fixed annual coupon of 4.71%, issued at an issue price of 100%. The proceeds of the issue will be used by the Company for general corporate purposes.
Moreover during the period the private placements issued in 2017 and 2019 for €150.0 million each with maturity date in April 2024 were reclassified to current financial debt.

Liabilities for put options and earn-outs

€ million at 31 December 2022	total **236.3**	*variation impacting profit or loss*	*variation impacting Group net equity or investment value*
payments	(3.4)	-	-
remeasurement	22.1	-	*22.1*
reclassification from non-current liability	(1.9)	-	-
perimeter effect	0.5	-	*0.5*
exchange rate differences and other changes	(5.2)	-	*(5.2)*
at 30 June 2023	**248.5**		
of which measured at fair value	*248.5*		
of which measured at amortized cost	-		

The movement reported in liabilities for put option and earn-out payments in the first half of 2023 mainly referred to the update of estimates related to the Ancho Reyes and Montelobos (€16.7 million) and Trans Beverages Ltd. (€6.3 million) put option and earn-out payables.

vi. Current financial debt

The table below provides a breakdown of the Group's bond, loans due to banks and other current financial payables.

	at 30 June 2023	*of which perimeter*	at 31 December 2022 post-reclassifications
	€ million	*€ million*	€ million
Bond issued in 2017	150.0	-	-
Bond issued in 2019	150.0		
Accrued interest on bonds	7.9	-	5.7
Loans due to banks	74.9	*10.0*	107.0
Lease payables	14.3	*0.1*	14.4
Liabilities for put option and earn-out payments	5.2	-	3.4
Liabilities on hedging contracts	0.5	-	-
Current liabilities for hedge derivatives, not reported using hedge accounting procedures	0.1	-	-
Other financial liabilities	1.3	*0.7*	8.4
Current financial debt	**404.1**	***10.8***	**138.9**

During the six months ended 30 June 2023 the current financial debt increased by €300.0 million with reference to existing bonds issued in 2017 and 2019 for €150.0 million each with maturity date in April 2024 and consequently reclassified from long to short term items.

Liabilities for put options and earn-outs

€ million	total	*variation impacting profit or loss*	*variation impacting Group net equity or investment value*
at 31 December 2022	**3.4**		
reclassification to current liability	1.9	-	-
exchange rate differences and other changes	(0.1)	-	*(0.1)*
at 30 June 2023	**5.2**		
of which measured at fair value	*1.9*		
of which measured at amortized cost	*3.3*		

vii. Lease components in the statement of financial position

Changes in the lease payables are provided in the tables below.

lease payables	at 31 December 2022	addition	payments	interest expenses	reclassification	exchange rate differences and other changes	at 30 June 2023
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Within 12 months	(14.4)		8.8	-	(9.2)	0.5	(14.3)
Over 12 months	(65.1)	(4.2)		(1.5)	9.2	0.5	(61.7)
Total lease payables	**(79.5)**	**(4.2)**	**8.8**	**(1.5)**	**-**	**1.1**	**(76.0)**

viii. Reconciliation with net financial debt and cash flow statement

	at 30 June 2023	at 31 December 2022 post-reclassifications
	€ million	€ million
Cash and cash equivalents	623.7	435.4
Cash (A)	**623.7**	**435.4**
Securities	14.0	14.2
Other current financial assets	7.5	4.7
Current financial receivables (B)	**21.5**	**18.9**
Loans due to banks current	(74.9)	(107.0)
Current portion of lease payables	(14.3)	(14.4)
Current portion of bonds	(300.0)	-
Other current financial payables	(9.7)	(14.2)
Current portion of payables for put option and earn-out	(5.2)	(3.4)
Current financial payables (C)	**(404.1)**	**(138.9)**
Net current financial debt (A+B+C)	**241.1**	**315.3**
Loans due to banks non-current(1)	(929.5)	(770.9)
Non-current portion of lease payables	(61.7)	(65.1)
Non-current portion of bonds	(845.3)	(846.3)
Non-current portion of payables for put option and earn-out	(248.5)	(236.3)
Non-current financial debt (D)	**(2,085.1)**	**(1,918.7)**
Net debt (A+B+C+D)(2)	**(1,844.0)**	**(1,603.4)**
Reconciliation with the Group's net financial debt as shown in the Management report:		
Non-current financial assets for hedging derivatives	13.5	41.5
Term deposits	4.8	4.8
Non-current financial receivables	2.4	1.9
Group net financial debt	**(1,823.2)**	**(1,555.3)**

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

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

	notes	at 30 June 2023 € million	at 31 December 2022 post-reclassifications € million
Cash and cash equivalents	8 ii.	623.7	435.4
Bonds current	8 vi	(300.0)	-
Loans due to banks current	8 vi	(74.9)	(107.0)
Other current financial assets	8 iii.	21.5	18.7
Other current financial liabilities	8 vi	(29.2)	(32.0)
short-term net financial debt including liabilities for put option and earn-out payments		**241.1**	**315.2**
Bonds non-current	8 v.	(845.3)	(846.3)
Loans due to banks non-current	8 v.	(929.5)	(770.9)
Other non-current financial assets	8 iv.	20.7	48.2
Other non-current financial liabilities	8 v.	(310.2)	(301.4)
medium-/long-term net financial debt including liabilities for put option and earn-out payments		**(2,064.3)**	**(1,870.5)**
net financial debt		**(1,823.2)**	**(1,555.3)**

A reconciliation of the changes in financial liabilities used in financing activities indicated in the cash flow statement and the balances shown on the financial statements is provided below.

Cash Flow generated (absorbed) from financial liabilities	bonds		payables for interest	borrowings		lease payables		other financial assets (liabilities)	
€ million	current	non-current	current	current(2)	noncurrent	current	non-current	current	non-current
at 31 December 2022	-	(846.3)	(5.6)	(107.0)	(770.9)	(14.4)	(65.1)	7.4	48.1
Notional liabilities addition	-	-	-	-	-	-	(4.3)	-	-
Interest accrued	-	-	(26.1)	-	-	-	(1.4)	(8.7)	-
New financing(1)	**-**	**(300.0)**	**-**	**(86.7)**	**(450.0)**	**-**	**-**	**-**	**(13.9)**
Repayment(3)	**-**	**-**	**26.1**	**168.8**	**251.8**	**9.0**	**-**	**-**	**-**
- of which long-term debt	-	-	-	*27.1*	*251.8*	-	-	-	-
- of which other borrowings	-	-	-	*141.7*	-	-	-	-	-
Perimeter	-	-	-	(10.0)	(1.2)	-	(0.6)	(0.8)	-
Exchange rate effects	-	-	-	(6.9)	6.8	0.5	1.2	(1.4)	(0.8)
Reclassification	(300.0)	300.0	-	(34.7)	34.7	(9.2)	9.2	0.5	(0.5)
Other movements	-	1.0	(2.6)	1.6	(0.6)	-	-	22.7	(12.2)
at 30 June 2023	**(300.0)**	**(845.3)**	**(8.2)**	**(74.9)**	**(929.5)**	**(14.1)**	**(60.8)**	**19.6**	**20.7**

(1) Cash flow generated (absorbed) from financial liabilities.
(2) Net change in short-term financial payables and bank loans is equal to €55.0 million (repayments of €141.7 million net of proceeds of €86.7 million).
(3) The repayment of non-current borrowings related to the long-term debt item is €278.9 million (€251.8 million and the related short-term portion of €27.1 million).

9. Risk management and capital structure

This section details the Group's capital structure and the related financial risks. For information on the composition of changes in shareholders' equity during the periods under review, refer to the statement of changes in shareholders' equity.

i. Capital management

With regard to capital management, Campari Group has implemented a dividend distribution policy which reflects the Group priority to use its available financial sources mainly to fund external growth via acquisitions. Concomitantly, via the Parent Company Davide Campari-Milano N.V., the Group carries out share buyback programs on a rolling basis intended to meet the obligations arising from share-based payments plans currently in force or to be adopted. The financial requirements deriving from the aforementioned capital management operations are managed dynamically maintaining an appropriate level of flexibility with regard to acquisition opportunities and funding options, also taking into account the optimal and sustainable level of financial solidity which is monitored on an ongoing basis through the index net debt on EBITDA-adjusted. For the purposes of the ratio calculation, net debt (refer to note 8 viii-'Reconciliation with net financial debt and cash flow statement') is the value of the Group's net financial debt at 30 June 2023, whereas the EBITDA-adjusted relates to the Operating result excluding depreciation and amortization and other operating income (expenses) (refer to note 5 vi-'Comprehensive selling, general and administrative expenses including other operating income and expenses' and 5 viii-'Depreciation and amortisation') calculated based on the reported value at the closing date of the reference period, into which the portion of EBITDA-adjusted recorded in the previous year is incorporated for the remaining months. At 30 June 2023, this multiple was 2.5 times, compared with 2.4 times at 31 December 2022, based on consistent calculation criteria. A pro-forma index adjusted is calculated to take into account the annual effect on EBITDA of the business transaction (including for acquisition, excluding for a disposal) of the last twelve months, to ensure consistency in comparative terms with the previous year reported. At 30 June 2023, the index pro forma calculated is equal to 2.5 times (2.2 at 31 December 2022) driven by the improved EBITDA-adjusted.

ii. Shareholder's equity

The Group manages its capital structure and changes it based on the prevailing economic conditions and the specific risks of the underlying asset. To maintain or change its capital structure, the Group may adjust the dividends payments to shareholders and/or issue new shares. For information on the composition of and changes in shareholders' equity during the periods under review, see the statement of changes in shareholders' equity.

- Issued capital and capital structure

At 30 June 2023, the issued capital of Davide Campari-Milano N.V. is represented in the table below. Both ordinary and special voting shares have a nominal value of €0.01 each.

No movements occurred during first half 2023 in the composition of the issued capital.

	n. of shares			nominal value (€)		
	ordinary shares	special voting shares[1]	total	ordinary shares	special voting shares[1]	total
Issued capital at 30 June 2022	**1,161,600,000**	**665,718,342**	**1,827,318,342**	**11,616,000**	**6,657,183**	**18,273,183**

[1] Special voting shares A.

The features of the special voting shares (which can be A, B, C depending on the voting rights assigned) are described in the articles of association as well as in the terms and conditions for special voting shares ('SVS Terms'). The special voting shares are not tradable on a regulated market.

- Outstanding shares, own shares rights associated to the shares

During first half of 2023, the Company announced the launch of one share buyback program activated under Article 5 of Regulation (EU) no.596/2014 (the 'Program'), which was completed on 31 May 2023. The Program was intended to meet the obligations arising from the long-term equity-based incentive plans currently in force or to be adopted and whose beneficiaries are (or will be) employees or other members of the administrative or management bodies of either the Company or other Campari Group companies. It was coordinated and executed by Morgan Stanley Europe SE, and implemented in accordance with the resolution approved by the Company's Annual General Meeting held on 12 April 2022. The Program was managed with a maximum value allocation of €110 million and a reported number of 9,081,375 Campari shares acquired in the period from 12 May 2022 to 31 May 2023.

The table below shows the reconciliation between the number of outstanding shares.

	n. of shares			nominal value (€)		
	ordinary shares	special voting shares	total	ordinary shares	special voting shares	total
Outstanding shares at 31 December 2022	1,121,647,577	597,856,391	1,719,503,968	11,216,476	5,978,564	17,195,040
Ordinary shares repurchased under share repurchase program	(1,850,962)	-	(1,850,962)	(18,510)	-	(18,510)
Ordinary shares assigned under share-based programs	10,730,867	-	10,730,867	107,309	-	107,309
Special voting shares allocation	-	31,540,000	31,540,000	-	315,400	315,400
Outstanding shares at 30 June 2023	1,130,527,482	629,396,391	1,759,923,873	11,305,275	6,293,964	17,599,239
Total own shares held	31,072,518	36,321,951	67,394,469	310,725	363,220	673,945
Own shares as a % total respective shares	2.67%	5.46%	3.69%			

With reference to ordinary shares, between 1 January and 30 June 2023, the Company granted 10,730,867 own shares, out of which 10,717,631 shares were sold for a total cash inflow of €46.4 million, corresponding to the average exercise price multiplied by the number of own shares sold to stock option beneficiaries, while additionally 13,236 shares were transferred in the context of share matching plans.

With reference to special voting shares, between 1 January and 30 June 2023 the Company allocated the nominal value of n. 31,540,000 special voting shares. This resulted from the assignment of special voting shares to shareholders holding shares for an uninterrupted period of two years. During the period, no cancellation of the treasury special voting shares has been resolved by the shareholders' meeting of the Company.

The table below shows changes in the number and values of own shares held during the periods considered.

	no. of ordinary shares held		purchase price (€ million)	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance at 1 January	39,952,423	29,109,729	388.1	273.8
Purchases	1,850,962	12,722,262	21.0	128.1
Disposals	(10,730,867)	(1,879,568)	(90.0)	(13.9)
Final balance	31,072,518	39,952,423	319.1	388.1
% of share capital	2.67%	3.44%		

Sales of own shares during the year, which are shown in the above table at an amount equal to the original purchase cost of €90.0 million, were sold for a total cash inflow of €46.4 million corresponding to the average exercise price multiplied by the number of own shares sold to stock option beneficiaries. The Parent Company reported consequently a negative difference of €43.6 million which was recorded in shareholders' equity (embedded within the retained earnings) and partially offset by the use of the share-based payments reserve of €10.5 million.
In the same period and through the share buyback programs, the Company purchased 1,850,962 shares at an average price of €11.3, for a total amount of €21.0 million[16]. At 30 June 2023, the Company held 31,072,518 own shares, equivalent to 2.7% of the share capital.

- Dividends paid

The table below shows the dividends paid during the period and previous years.

	2023	2022	2021
	€	€	€
Dividend per share	0.060	0.060	0.055
	€ million	€ million	€ million
Total amount	67.5	67.6	61.6

On 13 April 2023, the Annual General Meeting approved the distribution of a dividend per share of €0.06 for 2022. The dividend payment date was 26 April 2023 for a total amount of €67.5 million.

- Other reserves and retained earnings attributable to Group shareholders

	equity reserves					retained earnings and other reserves					
€ million	cash flow hedge reserve	currency translation differences	hyperinflation effect reserve	remeasurement of defined benefit plans	**total equity reserves**	treasury shares-common shares	treasury shares-special voting shares	Share based payments reserve	other reserves	retained earnings	**total retained earnings and other reserves**
at 31 December 2022 before non-controlling interest post-reclassifications	**27.3**	**(99.9)**	**51.8**	**3.5**	**(17.4)**	**(0.4)**	**(0.7)**	**47.5**	**51.4**	**2,577.5**	**2,675.3**
Cost of share-based payments for the period (1)	-	-	-	-	**-**	-	-	11.4	-	-	**11.4**
Share-based payments assigned	-	-	-	-	**-**	-	-	(10.5)	-	10.5	**-**
Losses (profits) reclassified in the income statement	-	-	-	-	**-**	-	-	-	-	-	**-**
Tax effect recognised in the income statement	-	-	-	-	**-**	-	-	-	-	-	**-**
Profits (losses) allocated to shareholders' equity	(11.2)	-	-	-	**(11.2)**	-	-	-	-	-	**-**
Tax effect recognised in shareholder's equity	3.2	-	-	-	**3.2**	-	-	-	-	-	**-**
Translation difference	-	2.7	-	-	**2.7**	-	-	-	-	-	**-**
Effects from hyperinflation accounting standard adoption	-	-	12.3	-	**12.3**	-	-	-	-	-	**-**
Purchase of treasury shares	-	-	-	-	**-**	-	-	-	-	(20.9)	**(21.0)**
Sale of treasury shares	-	-	-	-	**-**	0.1	0.3	-	-	46.0	**46.4**
Share capital reduction	-	-	-	-	**-**	-	-	-	-	-	**-**
Other movements including reclassifications	-	-	-	-	**-**	-	-	-	-	(25.2)	**(25.2)**
Dividends	-	-	-	-	**-**	-	-	-	-	(67.5)	**(67.5)**
Dividends to non-controlling interests	-	-	-	-		-	-	-	-	-	**-**
Net result of the period	-	-	-	-	**-**	-	-	-	-	216.9	**216.9**
Other variations		-	-	-	**-**	-	-	-	-	(0.6)	**(0.6)**
at 30 June 2023 before non-controlling interest	**19.3**	**(97.2)**	**64.1**	**3.5**	**(10.4)**	**(0.3)**	**(0.4)**	**48.4**	**51.4**	**2,736.7**	**2,835.9**
Non-controlling interests											
Other movements including reclassifications	-	-	-	-	**-**	-	-	-	-	3.0	**3.0**
Dividends	-	-	-	-		-	-	-	-	(1.5)	**(1.5)**
Net result of the period	-	-	-	-	**-**	-	-	-	-	1.0	**1.0**
Translation difference	-	(3.1)	-	-	**(3.1)**	-	-	-	-	-	**-**
Other variations	-	-	-	-	**-**	-	-	-	-	(0.9)	**(0.9)**
at 30 June 2023 including non-controlling interests	**19.3**	**(100.3)**	**64.1**	**3.5**	**(13.5)**	**(0.3)**	**(0.4)**	**48.4**	**51.4**	**2,740.1**	**2,839.3**

(1) The item includes also the shares cancelled and expired. Please refer to 5 vii-'Personnel costs'.

16 The amount includes €0.9 million liabilities paid in connection with the share buyback program.

The Increase (decrease) through other movements in Group shareholders, included the reclassification of non-controlling interests values and put option and earn-out remeasurements to Group reserves, as follows.

for the six months ended 30 June 2023	net result of the period € million	exchange rate of the period € million	put and/or call option measurement € million	total reclassification to Group equity € million
Ancho Reyes and Montelobos	0.1	0.1	(16.7)	(16.5)
Champagne Lallier	(0.6)	0.1	0.9	0.4
Trans Beverages Company	0.8	(0.5)	(6.3)	(6.0)
Wilderness Trail Distillery	0.7	(3.7)	-	(3.0)
Increase (decrease) through other movements including reclassifications	**1.0**	**(4.0)**	**(22.1)**	**(25.2)**

iii. Share-based payments

- Compensation plans in the form of stock options

On 13 April 2023, the AGM approved a new stock option plan for an aggregate maximum number of options based on the ratio between €6,000,000 and the options' exercise price for the category of beneficiaries other than the members of the Board of Directors (while no options have been assigned to the members of the Board of Directors this year), in accordance with the Stock Option Regulation adopted by the Company. The options may be exercised during the two years after the end of the fifth year following the assignment date. For a more detailed explanation of the stock option plan, please refer to the relevant explanatory report of the Board of Directors, prepared in compliance with article 84-bis of the Italian Issuer Regulation, which is available at the registered office of the Company, on the Company's website (www.camparigroup.com/en/page/group/governance) and through the authorized storage mechanism 1Info (www.1info.it), in accordance with the terms prescribed by law. Options were granted on 2 May 2023 to individual beneficiaries. The total number of options granted in the first half 2023 for the purchase of further shares was 450,003 (8,725,347 in 2022), with an average grant price of €11.69 (€10.29 in 2022), equivalent to the weighted average market price in the month preceding the day on which the options were granted.

The following table shows the changes in stock option plans during the periods concerned.

	at 30 June 2023		at 31 December 2022	
	n. of shares	average allocation/exercise price (€)	n. of shares	average allocation/exercise price (€)
options outstanding at the beginning of the period	38,970,219	6.70	33,491,265	5.59
options granted during the period	450,033	11.61	8,725,347	10.29
(options cancelled during the period)	(301,082)	9.03	(1,336,625)	6.76
(options exercised during the period)[1]	(10,717,631)	4.35	(1,844,088)	3.67
(options expired during the period)	(5,416)	-	(65,680)	-
options outstanding at the end of the period	28,396,123	7.55	38,970,219	6.70
of which exercisable at the end of the period	7,809,409	6.03	8,980,965	3.82

(1) The average market price on the exercise date was €11.66.

The following assumptions were used for the fair value measurement of options issued in the six months ended 30 June 2023 and for the year ended 31 December 2022.

Black-Scholes model parameters	2023	2022
Expected dividends (€)	0.065	0.060
Expected volatility (%)	21.18%	25.92%
Historic volatility (%)	28.58%	23.90%
Market interest rate	2.930%	1.354%
Expected option life (years)	7.00	7.00
Exercise price (€)	11.61	10.29

The average fair value of options granted in the first half of 2023 was €3.51 (€3.06 in the first half of 2022).

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

The table below shows the changes in share-based rights during first half 2023, compared with first half 2022.

n. of rights	at 30 June 2023	at 30 June 2022
outstanding rights at the beginning of the year	3,606,911	1,129,949
assigned during the period	414,636	2,594,772
cancelled during the period	(160,015)	(46,157)
exercised during the period	(13,236)	(19,156)
outstanding rights at the end of the period	3,848,296	3,659,408

If a share-based scheme is not permitted or is not effective based on specific national legislation, a phantom stock option plan is awarded, resulting in a liability. The latter, recorded under the item personnel long-term liabilities, was negligible at 30 June 2023.

iv. Other comprehensive income

The changes during the period and the related tax effect on other comprehensive income items for the half year periods ended 30 June 2023 and 2022 were as follows.

	for the six months ended	
	30 June 2023 € million	30 June 2022 € million
Cash flow hedge:		
Profit (loss) for the period	(8.7)	2.2
Profit (losses) classified to other comprehensive income	(2.5)	13.1
Related Income tax effect	3.2	(3.7)
Total cash flow hedge	**(8.0)**	**11.7**
Foreign currency translation:		
Hyperinflation effects	12.3	7.7
Exchange differences on translation of foreign operations	(0.4)	190.1
Total foreign currency translation	**11.9**	**197.9**

In the half year 2023 the impact of the non-monetary foreign currency effect was mainly guided by the US Dollar and the Jamaican Dollar.

v. Shareholders' equity attributable to non-controlling interests

The changes during the period are reflected below.

non-controlling interests € million	BBS group	Ancho Reyes and Montelobos	Champagne Lallier group	Trans Beverages	Wilderness Trail	Thirsty Camel	total
at 31 December 2022	**1.4**	**-**	**-**	**-**	**-**	**-**	**1.4**
net result	(0.1)	0.1	(0.6)	0.8	0.7	(0.1)	0.7
translation difference	-	0.2	-	(0.2)	(3.1)	0.0	(3.1)
perimeter effect for acquisition	-	-	-	-	-	0.3	0.3
other movements	-	(0.2)	0.1	(0.3)	(0.5)	-	(1.0)
reclassification to Group net equity	-	(0.1)	0.5	(0.3)	3.0	-	3.0
at 30 June 2023	**1.2**	**-**	**-**	**-**	**-**	**0.2**	**1.4**

vi. Transactions with non-controlling interests

Except for the business combination completed during the period and involving non-controlling interests, there were no other transactions with them for the six months ended 30 June 2023 and 2022.

10. Other disclosures

This section includes additional financial information required by the relevant accounting standards or that management considers relevant for stakeholders.

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

Provision for risks and charges

The tables below show the changes in this item during the first half of 2023; during the same period no unrecognised contingent assets were identified.

	tax provision € million	restructuring provisions € million	agent severance fund € million	other € million	total € million
at 31 December 2022	**5.5**	**7.8**	**1.0**	**21.2**	**35.6**
Change resulting from provisional allocation of acquisition value	3.5	-	-	-	3.5
at 31 December 2022 post-reclassifications	**9.0**	**7.8**	**1.0**	**21.2**	**39.0**
Accruals	-	0.3	0.1	0.5	0.8
Utilisations	-	(0.1)	(0.2)	(5.3)	(5.6)
Releases	-	-	-	0.8	0.8
Reclassification	(0.3)	-	-	(0.3)	(0.5)
Exchange rate differences and other changes	(1.5)	0.1	-	0.8	(0.6)
at 30 June 2023	**7.2**	**8.0**	**0.8**	**17.9**	**34.0**

With regard to contingent liability, no signification updates were identified compared to what was disclosed in the Campari Group consolidated financial statements at 31 December 2022.

ii. Commitments and risks

For information regarding the Group's other commitments and risks, please see note 10 ii-'Commitments and risks' to the Campari Group consolidated financial statements at 31 December 2022. No significant updates were identified during the first half of 2023.
The following table shows the amounts owed by the Group in future periods, broken down by maturity, relating to the main contractual commitments for the use of third-party assets out of scope for lease accounting.

	at 30 June 2023 € million	at 31 December 2022 € million
Within 1 year	11.0	13.7
1-5 years	14.6	13.2
After 5 years	21.5	13.8
Total	**47.1**	**40.6**

iii. Fair value information on assets and liabilities

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

	at 30 June 2023 € million	at 31 December 2022 € million
A) Items reported at fair value	**205.2**	**149.9**
of which assets	***45.1***	***86.4***
Other current financial assets	*-*	*16.2*
Current assets for hedging derivatives	*3.4*	*1.7*
Current assets for hedge derivatives, not in hedge accounting	*0.4*	*-*
Non-current assets for hedging derivatives	*13.5*	*41.5*
Other non-current financial assets	*-*	*1.0*
Other non-current assets (non-financial item)	*17.1*	*18.8*
Biological asset inventory (non-financial item)	*10.7*	*7.1*
of which liability	***251.0***	***236.3***
Current liabilities for hedging derivatives	*0.5*	*-*
Current liabilities for hedge derivatives, not in hedge accounting	*0.1*	*-*
Liabilities for put option and earn-out payments	*250.4*	*236.3*
B) Financial liabilities reported at amortised cost method but for which fair value information is provided	**2,132.0**	**1,698.4**
of which liability	***2,132.0***	***1,698.4***
Loans due to banks	*1,046.3*	*929.4*
Bonds issued in 2017	*146.9*	*147.1*
Bonds issued in 2019	*146.2*	*146.5*
Bonds issued in 2020	*487.1*	*475.4*
Bonds issued in 2023	*305.4*	*-*

Unrecognised financial instruments were not included since no significant changes occurred during the six months ended 30 June 2023.

There were no changes in the Group's valuation processes, techniques and types of inputs used in the fair value measurements during the period regarding the fair value of a) financial and b) non-financial instruments. The valuation date for all items is 30 June 2023.

a) Financial instruments
There were no changes in the fair value measurement criteria reported in Campari Group consolidated financial statements at 31 December 2022, to which reference is made.
An analysis of financial instruments measured at fair value based on three different valuation levels is provided in the table below. There were no transfers between level 1 and level 2 fair value measurements during the first half of 2023.

at 30 June 2023	level 1 € million	level 2 € million	level 3 € million
Assets reported at fair value			
Current assets for hedging derivatives		3.4	
Current assets for hedge derivatives, not in hedge accounting		0.4	
Non-current assets for hedging derivatives		13.5	
Other non-current assets			17.1
Biological asset inventory			10.7
Liabilities reported at fair value			
Current liabilities for hedging derivatives		0.5	
Current liabilities for hedge derivatives, not in hedge accounting		0.1	
Liabilities for put option and earn-out payments			250.4
Financial liabilities theoretical fair value			
Loans due to banks		1,046.3	
Bonds issued in 2017		146.9	
Bonds issued in 2019		146.2	
Bonds issued in 2020		487.1	
Bonds issued in 2023		305.4	

at 31 December 2022	level 1 € million	level 2 € million	level 3 € million
Assets reported at fair value			
Other current financial assets	16.2		
Current assets for hedging derivatives		1.7	
Non-current assets for hedging derivatives		41.5	
Other non-current financial assets	1.0		
Other non-current assets			18.8
Biological asset inventory			7.1
Liabilities reported at fair value			
Liabilities for put option and earn-out payments			236.3
Financial liabilities theoretical fair value			
Loans due to banks		929.4	
Bonds issued in 2017		147.1	
Bonds issued in 2019		146.5	
Bonds issued in 2020		475.4	

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values at 30 June 2023 for financial instruments measured at fair value in the statement of financial position, and the significant unobservable inputs used.

type	valuation technique	significant unobservable inputs	inter-relationship between significant unobservable inputs and fair value measurement
forward and option exchange contracts	For Campari Group, net exposure to foreign exchange effects is limited to transactions concluded among Group companies relating to certain sales and purchases regulated in currencies other than the functional currencies of the companies. Although these transactions represent only a portion of the overall business, the Group policy regularly determines the net exposure to the primary currencies (US$, GBP, AUD) based on its predicted intercompany sales and purchases up to 18 months. The Group then enters into foreign currency forward and option contracts to hedge those exposures. The fair value is determined using quoted forward exchange rates at the reporting date based on high credit quality yield curves in the respective currencies. The models incorporate various inputs, including market volatility, spot and forward exchange rates and current and forward interest rates.	Not applicable.	Not applicable.
derivative agreements not in hedge accounting	Sometime the Group decided not to designate foreign currency derivative contracts as hedge accounting relationships for operational reasons. The derivative agreements used by the Group are forward and option exchange contracts covering foreign exchange exposure on receivables and payables, for which the natural hedge effect is obtained.	Not applicable.	Not applicable.
interest rate swaps	Interest rate swap agreements are namely connected with financing. The fair value of interest rate swap agreements is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources reflecting the applicable benchmark interbank rate used by market participants when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable.	Not applicable.
bond and loans	Bonds and loans are one of the financing sources of the Group. The fair value of bonds and loans is calculated as the present value of the estimated future cash flows, given market interest rates. Estimates of future cash flows are based on quoted swap rates and government bonds, used as benchmarks. Estimated cash flows are discounted using a yield curve constructed from similar sources reflecting the applicable comparable yield rate used by market participants when pricing loans and bonds, also taking into account the inverse relation between yields and bond prices (higher market rates give lower fixed rate bond prices and *viceversa*). The fair value estimate is subject to a credit risk adjustment that is incorporated in the market price of the bond and in the spread of the loan.	Not applicable.	Not applicable.

type	valuation technique	significant unobservable inputs	inter-relationship between significant unobservable inputs and fair value measurement
marketable securities and term deposit	Financial assets represented by debt securities and term deposits are classified and valued in the statement of financial position based on the business model adopted to manage these financial assets and on the financial flows associated with each financial asset. The fair value is determined considering data received from external sources. The liquidity of the instruments and the active markets in which they are exchanged make this data reliable and representative of their fair values.	Not applicable.	Not applicable.
contingent consideration and put or put/call agreements and earn-out connected with business combination	The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Wilderness Trail Distillery option – company performance contractually envisaged with targets based on profitability and indebtedness measured over a period of 9 years from the acquisition date; – risk-adjusted discount rate: 3.2%. Ancho Reyes and Montelobos option – company performance contractually envisaged with targets based on profitability and indebtedness measured over a period of 5 years from the acquisition date; – risk-adjusted discount rate: 3.2%. Trans Beverage Company Ltd. option – company performance contractually envisaged with targets based on profitability and indebtedness measured over a period of 6 years from the acquisition date; – risk-adjusted discount rate: 3.2%. Thirsty Camel Ltd. option – company performance contractually envisaged with targets based on sales, profitability and indebtedness measured over a period of 3 years from the acquisition date; – risk-adjusted discount rate: 3.2%. Lallier group earn-out – company performance contractually envisaged with targets based on sales performances measured over a period of 3 years from the acquisition date; – risk-adjusted discount rate: 3 CT Spirits Japan Ltd. earn-out – company performance contractually envisaged with targets based on profitability and indebtedness measured over a period of 2 years from the acquisition date; – risk-adjusted discount rate: 3.2%.	The estimated fair value would increase (decrease) if: – the expected contractually target business performances, were higher (lower); or – the risk-adjusted discount rate was lower (higher) with related impact in financial liabilities affecting the expected cash out value and Campari Group net equity.
derivatives resulting from put/call agreement connected with equity investments, associates and joint-ventures	The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Monkey Spirits, LLC – company performance contractually envisaged with targets based on sales, profitability and indebtedness measured over a period of 3 years from the equity investments acquisition date; – risk-adjusted discount rate: 3.2%. Spiritus Co Ltd. – company performance contractually envisaged with targets based on sales, profitability and indebtedness measured over a period of 3 years from the joint venture acquisition date; – risk-adjusted discount rate 3.2%.	The estimated fair value would increase (decrease) if: – the expected contractually target business performances, were higher (lower); or – the risk-adjusted discount rate was lower (higher) with related impact in financial liabilities affecting the expected cash out value and Campari Group net equity.

The following table shows a reconciliation from the opening balance at 31 December 2022 to the closing balance at 30 June 2023 for level 3 fair values.

€ million	contingent considerations
level 3 fair values at 31 December 2022	**(236.3)**
-change in fair value included in Group net equity	(22.1)
-payments	3.4
-additions	(0.5)
-exchange rate effect and other movements	5.2
level 3 fair values at 30 June 2023	**(250.4)**

With regard to the level 3 fair value items and reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, there are no significant variations to be reported compared to 31 December 2022.

Interest Rate Benchmark Reform ('IBOR' reform)
With respect to the amendments to IFRS connected to the IBOR reform phase 2, the impact on the Group at 30 of June 2023 is negligible and namely related to the US Dollar Libor replacement.

b) Non-financial instruments
There were no changes in the fair value measurement criteria reported in Campari Group consolidated financial statements at 31 December 2022, to which reference is made.

The table below details the hierarchy of non-financial instruments measured at fair value, based on the valuation methods used. There were no transfers between level 1 and level 2 fair value measurements during the first half of 2023.

30 June 2023	level 1 € million	level 2 € million	level 3 € million
Assets valued at fair value			
Third-party investment	-	-	17.1
Biological assets in inventory	-	-	10.7

31 December 2022	level 1 € million	level 2 € million	level 3 € million
Assets valued at fair value			
Third-party investment	-	-	18.8
Biological assets in inventory[(1)]	-	-	7.1

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values at 30 June 2023 for non-financial instruments measured at fair value in the statement of financial position, and the significant unobservable inputs used.

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

The following table shows a reconciliation from the opening and the closing balance for level 3 fair values as of 31 December 2022 and 30 June 2023 respectively.

€ million	other non-current assets
level 3 fair values at 31 December 2022	**18.8**
-change in fair value included in profit or loss	(1.0)
-perimeter	(0.3)
-exchange rate effect and other movements	(0.3)
level 3 fair values at 30 June 2023	**17.1**

In 2023, the change in fair value indicated referred to the harvests of agave and sugar cane carried out during the year.

€ million	biological assets in inventory[1]
at 31 December 2022	**7.1**
harvest and reclassification to raw materials	(1.2)
accretion	3.3
change in fair value included in profit or loss (cost of goods sold)	0.5
exchange rate differences	1.0
at 30 June 2023	**10.7**

[1] Please refer to note 7 iii-'Inventories and current biological assets.

All the biological products (agave, sugar cane and grapes) are classified as current inventory in consideration of their annual vegetative growing process, apart from agave which is classified as inventory even during the 6-year growing period in consideration of the vegetative characteristics of the product. The amount disclosed in the consolidated accounts at 31 December 2022 for sugar cane and grapes, was used in the production process during the year 2023 and the value reported in the Group statement of the financial position at 30 June 2023 represented the new value of agricultural products that are growing on the plants.

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

iv. Related parties

At 30 June 2023, Davide Campari-Milano N.V. was controlled by Lagfin S.C.A., Société en Commandite par Actions. Davide Campari-Milano N.V. and its Italian subsidiaries have adopted the national tax consolidation scheme for 2021 to 2023 and the individual Italian companies' income tax receivables and payables were recorded from or to, respectively, Lagfin S.C.A., Société en Commandite par Actions. Furthermore, Lagfin S.C.A., Société en Commandite par Actions, Davide Campari-Milano N.V. and some of its Italian subsidiaries, have joined the Group-wide VAT scheme. All tax receivables and payables are non-interest-bearing.

The tables below indicate the amounts for the various categories of transactions with related parties.

at 30 June 2023	receivables for tax consolidation € million	payables for tax consolidation € million	receivables (payables) for Group VAT € million	other non-current tax receivables € million
Lagfin S.C.A., Société en Commandite par Actions	6.0	(18.6)	(12.9)	0.1
total	**6.0**	**(18.6)**	**(12.9)**	**0.1**
% on the related financial statements item	**25.3%**	**45.7%**	**11.5%**	**0.3%**

at 31 December 2022	receivables for tax consolidation € million	payables for tax consolidation € million	receivables (payables) for Group VAT € million	other non-current tax receivables € million
Lagfin S.C.A., Société en Commandite par Actions	0.7	(56.2)	(0.5)	0.1
total	**0.7**	**(56.2)**	**(0.5)**	**0.1**
% on the related financial statements item	**3.8%**	**77.4%**	**0.5%**	**0.2%**

During the six months ended 30 June 2023, no transactions with related parties were accounted in the profit or loss.

11. Subsequent events

No relevant subsequent events were reported.

Sesto San Giovanni (Milan)-Italy, Wednesday, 26 July 2023

Chairman of the Board of Directors

Luca Garavoglia

Responsibilities in respect of the half year condensed consolidated financial statements at 30 June 2023

The Board of Directors is responsible for preparing the half year report, inclusive of the half year condensed consolidated financial statements and the half year management board report at 30 June 2023, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34-'Interim Financial Reporting' as endorsed by the European Union.

In accordance with Section 5:25d, paragraph 2, of the Dutch Financial Supervision Act, the Directors state that, to the best of their knowledge:

- the half year condensed consolidated financial statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or losses of Davide Campari-Milano N.V. and its subsidiaries, and undertakings included in the consolidation as a whole; and

- the half year management board report at 30 June 2023 provides a fair view of the information required pursuant to Section 5:25d, paragraphs 8 and 9, of the Dutch Financial Supervision Act.

Sesto San Giovanni (Milan)-Italy, Wednesday, 26 July 2023

On behalf of the Board of Directors:

Luca Garavoglia
Chairman

Robert Kunze-Concewitz
Chief Executive Officer

Paolo Marchesini
Chief Financial and Operating Officer

Fabio Di Fede
General Counsel and Business Development Officer

Independent auditor's review report

To: the shareholders of Davide Campari-Milano N.V.

Our conclusion

We have reviewed the half year condensed consolidated financial statements included in the accompanying half year report of Davide Campari-Milano N.V. based in Amsterdam for the period from January 1, 2023 to June 30, 2023.

Based on our review, nothing has come to our attention that causes us to believe that the half year condensed consolidated financial statements of Davide Campari-Milano N.V. for the period from January 1, 2023 to June 30, 2023, is not prepared, in all material respects, in accordance with
IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The half year condensed consolidated financial statements comprise:

- The consolidated statement of financial position as at June 30, 2023
- The following consolidated statements for the period from January 1, 2023 to June 30, 2023:
  - Profit or loss, other comprehensive income, cash flows, and changes in shareholders' equity
- The notes comprising of a summary of the significant accounting policies and selected explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410,
"Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed interim financial information section of our report.

We are independent of Davide Campari-Milano N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (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).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and the control and risk committee for the half year condensed consolidated financial statements

Management is responsible for the preparation and presentation of the half year condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

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Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the half year condensed consolidated financial statements that is free from material misstatement, whether due to fraud or error.

The control and risk committee is responsible for overseeing the entity's financial reporting process.

Our responsibilities for the review of the half year condensed consolidated financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the half year condensed consolidated financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of half year condensed consolidated financial statements
- Making inquiries of management and others within the entity
- Applying analytical procedures with respect to information included in the half year condensed consolidated financial statements
- Obtaining assurance evidence that half year condensed consolidated financial statements agrees with, or reconciles to, the entity's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the half year condensed consolidated financial statements
- Considering whether the half year condensed consolidated financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Rotterdam, July 26, 2023

Ernst & Young Accountants LLP

signed by P.W.J. (Pieter) Laan

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Davide Campari-Milano N.V.

Legal domicile: Amsterdam, The Netherlands-Dutch Companies' Register n. 78502934
Corporate address: Via Franco Sacchetti, 20, 20099 Sesto San Giovanni (Milan), Italy
Share capital: €11,616,000.00 fully paid in
Fiscal Code and Milan Companies' Register n. 06672120158 -VAT n. IT06672120158

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