ANALYST PRESENTATION H1 2021/22

Half year ended 30 September 2021

18 November 2021

LUCAS BOLS
1575

DISCLAIMER

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Certain figures in this presentation, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

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2. Strategy Update
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HIGHLIGHTS H1 2021/22

LUCAS BOLS

HIGHLIGHTS H1 2021/22

- Revenue at € 45.6 million, a strong year-on-year growth of 70% (nearly on par with pre-COVID-19 H1 2019/20)
- Excellent performance in the US: revenue tripled vs the same period last year and accelerated growth of 59% vs H1 2019/20
- Strong recovery in most markets, except for Japan, Southeast Asia, and Travel Retail
- Depletions were up 33% compared to H1 2020/21 (+6% vs H1 2019/20), reflecting a strong performance of our Global Cocktail Brands
- The gross margin was 56.6%, in line with last year
- Operating profit more than doubled to € 11.5 million, while net profit came in at € 7.7 million. Targeted structural overhead cost savings were achieved
- Strong free operating cash flow of € 11.4 million, enabling an important net debt reduction of € 8.9 million to € 83.5 million
- With the start of Maxxium BeLux in October, Lucas Bols now controls the distribution of around 40% of its global revenue

STRATEGY UPDATE

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STRATEGY UPDATE – FIT FOR GROWTH

2021 was disrupted by COVID-19. We successfully took action and FY 21/22 marks the start of a revised strategy and a company with stronger fundamentals going forward

In April ‘21, we implemented Fit For Growth, which is a revised operating model to boost growth. We are already seeing the first effects in our results

Fit For Growth redefines the value proposition and is based on the following success factors:

- **Brand Focus:** Even more focus on cocktails, brands and innovation
- **Market approach:** Tailored to cocktail culture maturity
- **Ways of working:** Smart use of assets and partnerships
- **Organization:** Transformation into a flat and agile entrepreneurial organization

Optimally positioned to capture further organic and acquisitive growth

KEY SUCCESS FACTORS FIT FOR GROWTH

1 BRAND FOCUS

- We are Brand led in everything we do
- We are Cocktail inspired
- We are innovative and trend led
- We inspire our community
- We redefined our brand portfolios

2 MARKET APPROACH

- Redefined market clusters
- Based on "cocktail culture maturity"
- Brand Market Unit (BMU) based A&P investments
- Improved in-market brand activations

3 WAYS OF WORKING

- Long term partnerships and JV's
- Smart use of production assets and distribution partners
- Control of sales & marketing in selected markets
- Innovation led and entrepreneurial in nature

4 ORGANISATION

- Revised decision-making & flat reporting structure
- Fits brand focus & market approach
- Stimulating teamwork
- Integrated teams
- Forward looking and result oriented

FOCUS ON BRANDS, COCKTAILS AND INNOVATIONS

REDEFINED BRAND PORTFOLIOS

- The two brand portfolios are redefined
  A. **Global Cocktail Brands**

  B. **Regional Liqueurs & Spirits**
     - International Liqueurs & Spirits
     - Domestic Liqueurs & Spirits

- Specific objectives by brand and by market

- Tailored market approach and resource allocation

BRAND FOCUS – GLOBAL COCKTAIL BRANDS

YEARLY REVENUE GROWTH TARGET OF 4-5%

Bols Cocktails

Passoã

Galliano

Market developments
- Growing global cocktail trends
- Continuing increase in popularity of cocktails and mixology
- In-home cocktail consumption growth
- Premiumization of brands and products

Our actions
- Cocktails as driver for growth
- Innovation & product development
- A&P investments, more direct to consumer and digital marketing
- Ambitious Brand marketing and commercial objectives (BMU focus)

BRAND FOCUS - REGIONAL LIQUEURS & SPIRITS

MAINTAIN REVENUE AND OPTIMIZE PROFIT

International

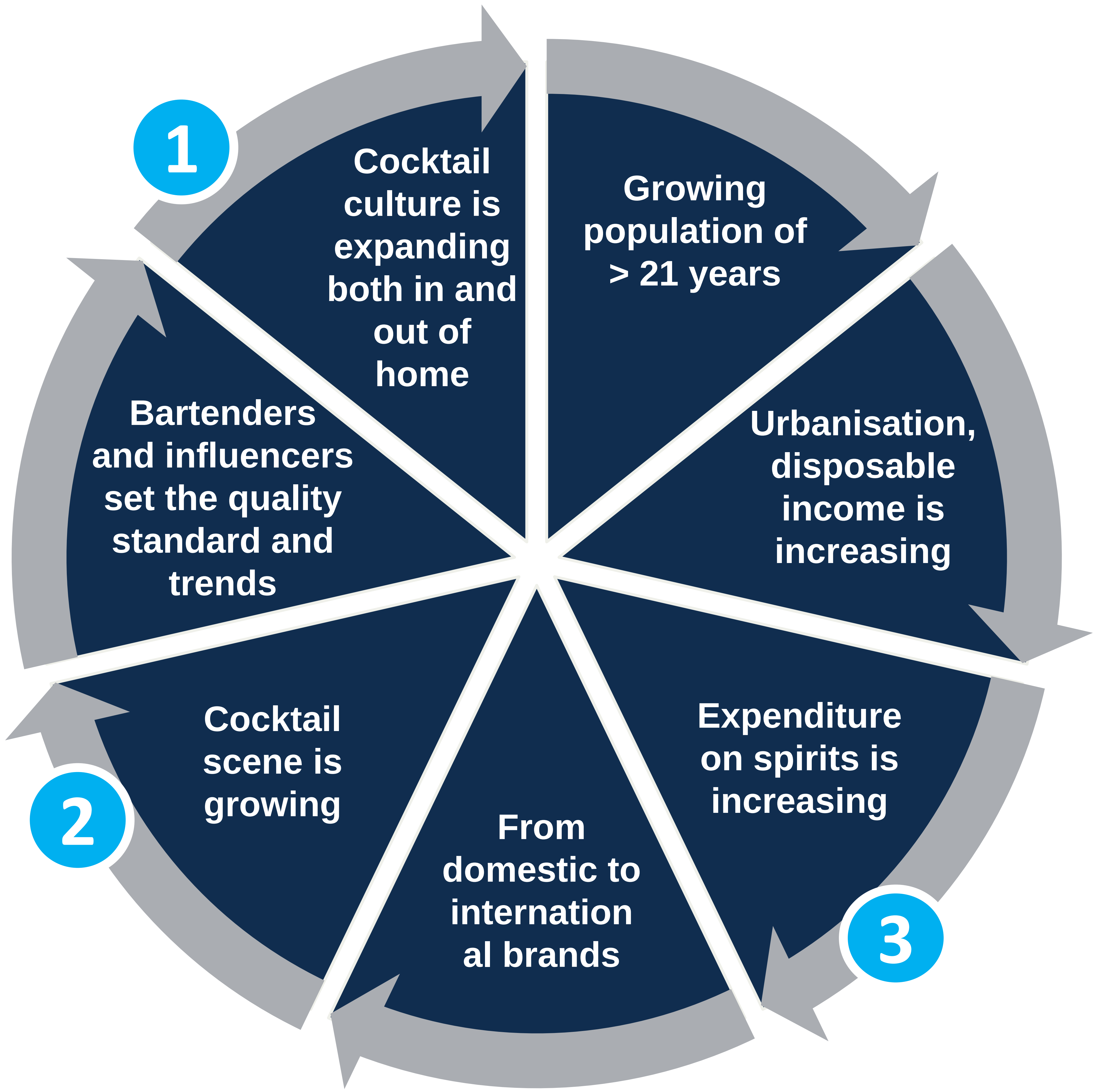
Domestic

- Growth strategy in specific niche markets
- Expand distribution to new markets
- Higher gross margin with targeted A&P investments

- Maintain market leadership in NL
- Optimize chain profitability and cash generation
- Lower gross margin with limited A&P investments

MARKET CLUSTERS BASED ON COCKTAIL MATURITY

"COCKTAIL MATURITY" ASSESSMENT BY MARKET CLUSTER



1 SOPHISTICATED COCKTAIL MARKETS

Northern America

- Sophisticated and well developed cocktail culture both in- and out-of-home

2 DEVELOPED COCKTAIL MARKETS

Western Europe, Japan, Australia and New Zealand

- Cocktail culture becoming more sophisticated and widespread

3 EMERGING COCKTAIL MARKETS

Eastern Europe and Asia (excl. Japan)

- Growing and developing cocktail culture and bartender scene

Africa, Middle East and LatAm

- Early phase of (big city) cocktail scene

MISSION & STRATEGY

RE-INFORCING THE MESSAGE, CHANGING THE EXECUTION

OUR MISSION

We create great cocktail experiences around the world

STRATEGIC OBJECTIVE

It is our objective to strengthen and grow our Global Cocktail Brands in the international cocktail markets and to pursue growth in specific markets or maintain competitiveness of our Regional Liqueurs & Spirits Brands

STRATEGIC PILLARS

1 Build the equity of our brands

- Leading brands for the international cocktail markets
- Bols is “The World’s First Cocktail Brand”
- We actively invest and innovate in our brands
- We continuously develop new flavors and concepts

2 Lead the development of the cocktail market

- Engage with the local bartending community
- Create and drive new trends
- Share knowledge and expertise
- Nurture our Brand Ambassadors
- We showcase and inspire in the House of Bols and the Bols Cocktail Academy

3 Accelerate growth of the Global Cocktail Brands

- Grow the Global Cocktail Brands in all cocktail markets
- Extend into new and developing cocktail markets
- Grow the Cocktail market and grow our market share through direct-to-consumer initiatives

4 Leverage commercial and operational excellence

- Asset-light business model
- Scalable platform
- Long-term partnerships
- Optimize chain profitability of our Regional Liqueurs & Spirits

THE LUCAS BOLS VALUE PROPOSITION

LEADING GLOBAL COCKTAIL AND SPIRITS PLAYER POISED FOR FUTURE GROWTH

- Build the equity of our brands
- Lead the development of the cocktail market
- Accelerate growth of the global cocktail brands
- Leverage commercial & operational excellence

- Cocktail market continues to grow globally
- Organic annual revenue growth from global cocktail brands of 4-5%
- High and sustainable profit margins
- Strong cash generation and high cash conversion
- Scalable distribution & production platform through partnerships and/or acquisitions
- Reward investors with an attractive dividend

HIGHLIGHTS BY BRAND

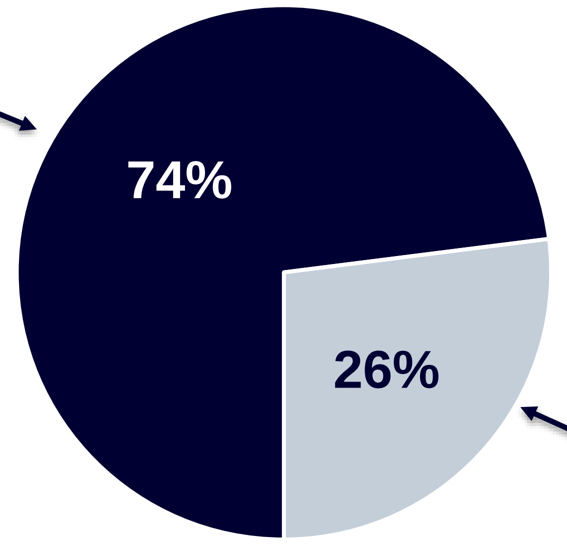
GLOBAL COCKTAIL BRANDS AND REGIONAL LIQUEURS & SPIRITS STRONG RECOVERY OF REVENUE AND GROSS PROFIT

REVENUE SPLIT H1 2021/22

Global Cocktail Brands:

€ 33.8 million

+77% vs 2020/21



Regional Liqueurs & Spirits

€ 11.8 million

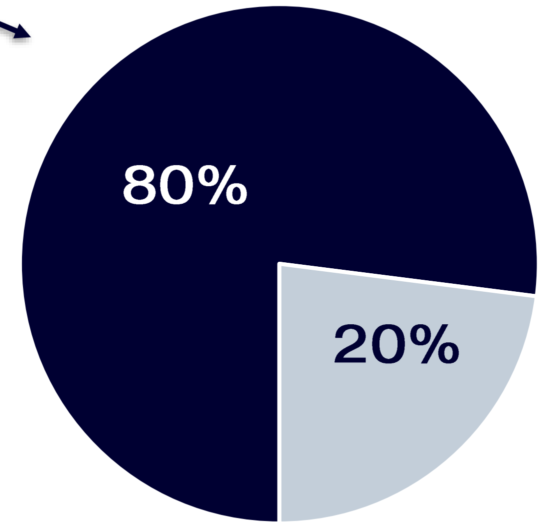
+54% vs 2020/21

GROSS PROFIT SPLIT H1 2021/22

Global Cocktail Brands:

€ 20.6 million

+78% vs 2020/21



Regional Liqueurs & Spirits

€ 5.2 million

+43% vs 2020/21

BOLS THE WORLD’S FIRST COCKTAIL BRAND
PORTFOLIO STRATEGY & ROLE

BOLS COCKTAILS BRAND

The flavoured Liqueurs act as the cocktail enabler

Genever stands for credibility and your original cocktail mixer

Vodka to support the trade with an all-round cocktail focus

Ready to Enjoy cocktails to build consumer brand name and bring cocktails at home

BOLS COCKTAILS

- Gradual reopening of the on-trade drives Bols Cocktails revenue growth
- In the US Bols Cocktails depletions are up +94% versus LY and +34% above 2019/20
- Depletions in China and Eastern Europe exceeding pre-COVID-19 levels
- Improving trends in Western Europe as from Q2
- Japan and South-East Asia still down but recovery expected in H2 2021/22
- Focused drinks strategy on popular signature cocktails implemented
- Bols Ready to Enjoy Cocktails launched as from October in the US and the Netherlands

READY TO ENJOY COCKTAILS

- Development and production of Bols Ready to Enjoy Cocktails in H1
- Launch and roll-out in the US and the Netherlands in H2:

US

- 3,000 points of distribution by March 31st
- ZIP code targeted social media campaign around distribution points

Netherlands

- Distribution in retail outlets and Cash & Carry
- PR and social media campaign

PASSOÃ

- Continued double digit revenue growth exceeding expectations
- Nearly all top markets well ahead of 2019/20
- Drivers are the reopening of the on-trade and the very successful cocktail and mix drinks strategy
- Accelerated growth in the UK driven by social media campaigns, Passoã Star Martini activations and PR coverage
- Positive momentum in the US, Puerto Rico, the Netherlands and Australia continued

GALLIANO

- Overall high single digit growth in depletions both versus 2020/21 and 2019/20
- Clear focus on the after-dinner coffee moment with key signature serves like the Galliano Hot Shot and Espresso Martini
- Strong results in Australia / New Zealand continued
- In Scandinavia double digit growth driven by the Galliano Hot Shot
- Launch of new digital platform Galliano.com
- Relaunch of Galliano Ristretto to Galliano Espresso in H2 leveraging the popular Espresso Martini Cocktail

REGIONAL LIQUEURS & SPIRITS

- Damrak Gin and Damrak Virgin slow recovery with reopening of the on-trade
- NUVO is doing well in the US and South America
- Pallini is performing according to plan and growing versus year ago
- Pisang Ambon continues to perform well with depletions up mid single digit
- Excellent performance of Henkes in West Africa, with consumer communication on billboards leading to accelerated growth
- Vaccari performs well, driven by a very positive trend in Mexico
- Continued decline of the genever and vieux portfolio in the Netherlands

FINANCIAL HIGHLIGHTS

H1 PERFORMANCE MARKS A STRONG RECOVERY

INTRODUCTION

Full-year outlook (27 May 2021)

1 Recover most of the COVID-19 sales decline
- Global roll-out vaccination programmes
- Markets are re-opening gradually
- Strength and resilience of our brands

2 Shipments are expected to follow depletions
- FY 2020/21 de-stocking

3 Ongoing COVID-19 consequences in H1
- Continued focus on cost control, cash management and a further reduction in net debt…
- …whilst executing our growth strategy (market-by-market A&P increases)

4 Global disruption in the supply chain
- Raw materials (shortages, pricing)
- Logistics (availability, pricing)

H1 key messages

1 Strong sales recovery – even vs. 2019/20
- Depletions +33% (vs. 2019/20: 6%), revenue +70% (vs. 2019/20: +1%)[1]
- US and Passoã: excellent performance
- Japan and travel-related markets remain impacted

2 Shipments have followed depletions closely
- No material stocking or de-stocking
- Further de-stocking Japan as planned

3 Further cost and cash improvements, but not at the expense of brand investments
- Structural overhead cost savings
- FOCF +19% (to € 11.4 million, vs. 2019/20: +29%), € 8.9 million reduction in net debt (to € 83.5 million)
- Significant brand investments and innovations

4 Adverse impact of global disruption
- Input costs increase, some missed sales
- Logistics: higher costs, complex planning

[1] Organic growth

OPERATING PROFIT MORE THAN DOUBLED

P&L - SUMMARY

(€ x million)	H1 2021/22	H1 2020/21			H1 2019/20		
	€	€	Δ (%)	Δ (%)[1]	€	Δ (%)	Δ (%)[1]
1 **Revenue**	**45,6**	**26,8**	**70%**	**70%**	**46,3**	**-2%**	**1%**
Cost of sales	-19,8	-11,6	71%	71%	-19,2	3%	5%
2 **Gross profit**	**25,8**	**15,2**	**70%**	**70%**	**27,1**	**-5%**	**-2%**
Gross margin (%)	*56,6%*	*56,7%*			*58,5%*		
D&A expenses	-14,3	-9,9	45%	46%	-14,2	0%	2%
D&A expenses (%)	*-31,3%*	*-36,8%*			*-30,7%*		
3 **Operating profit**	**11,5**	**5,3**	**116%**	**113%**	**12,9**	**-11%**	**-7%**
Operating margin (%)	*25,3%*	*19,9%*			*27,9%*		
Share of profit of JVs	0,5	-1,0			0,4		
4 **EBIT**	**12,1**	**4,3**	**180%**	**175%**	**13,3**	**-9%**	**-5%**
EBIT margin (%)	*26,4%*	*16,1%*			*28,6%*		
Net finance expenses	-1,8	-1,7	7%	6%	-1,7	7%	7%
Profit before tax	**10,3**	**2,6**	**289%**	**282%**	**11,6**	**-11%**	**-7%**
Income tax expense	-2,6	-0,7	264%	264%	-3,1	-15%	-15%
5 **Net profit**	**7,7**	**1,9**	**298%**	**288%**	**8,5**	**-10%**	**-4%**
6 **Earnings per share** *(in €)*	**0,62**	**0,16**	**274%**	**300%**	**0,68**	**-10%**	**-4%**

1 Revenue: € 45.6 million

vs. H1 2020/21: +70%

- Organically: +70%
- Depletions +33%
- On-trade re-opening
- Brand momentum
- Addition of Pallini
- Most markets, except for Japan, Travel Retail

vs. H1 2019/20: -2%

- Organically: + 1%
- Depletions +6%
- Further premiumisation
- Addition of Pallini
- Impact COVID-19
- Higher Commercial A&P spend

2 Gross profit: € 25.8 million (56.6%)

vs. H1 2020/21: -10bps

- Limited FX impact
- Recovering on-trade share and price increases offset by:
  - increased input costs
  - addition of Pallini (distribution contract)

vs. H1 2019/20: -190bps

- Negatively impacted by:
  - Commercial A&P
  - mix (channel, market)
  - increased input costs
  - addition of Pallini

3 Operating profit: € 11.5 million (25.3%)

vs. H1 2020/21: +116%

- Strong trade recovery
- A&P returns to normal levels, focus remains
- Increase in logistics and commissions
- Ongoing overhead cost control

vs. H1 2019/20: -11%

- Structural cost savings more than offset by:
  - lower gross margin
  - higher logistics
  - higher commissions
  - higher depreciation
- A&P in line

4 EBIT: € 12.1 million (26.4%)

vs. H1 2020/21: +180%

- Better operating profit
- Much higher JV results:
  - Maxxium
  - Avandis (returned to full capacity)

vs. H1 2019/20: -9%

- Operating profit impacted by COVID-19 still
- Slightly better JV results

5 Net profit: € 7.7 million

vs. H1 2020/21: +298%

- Strong EBIT improvement
- Slightly higher net finance costs
- Income tax:
  - Improved net profit
  - ETR: 25.2% vs. 27.0%

vs. H1 2019/20: -10%

- EBIT impacted by COVID-19 still
- Slightly higher net finance costs
- Income tax:
  - Lower net profit
  - ETR: 25.2% vs. 26.3%

6 Earnings per share: € 0.62

H1 2020/21: € 0.16

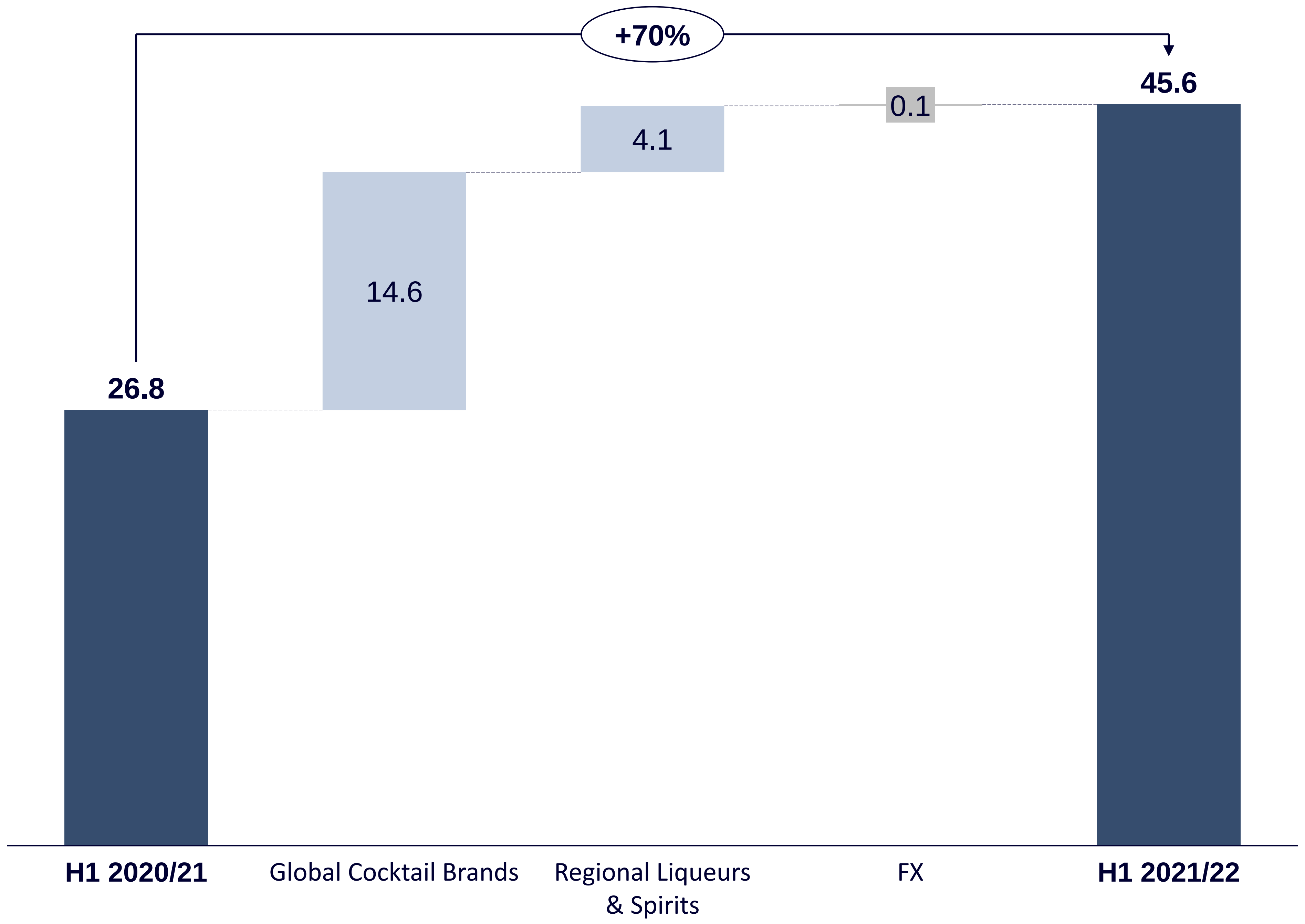
H1 2019/20: € 0.68

[1] Organic growth

ON-TRADE RE-OPENING AND POSITIVE BRAND MOMENTUM

P&L – REVENUE AND GROSS MARGIN GLOBAL COCKTAIL BRANDS AND REGIONAL LIQUEURS & SPIRITS

Revenue development (in € millions)

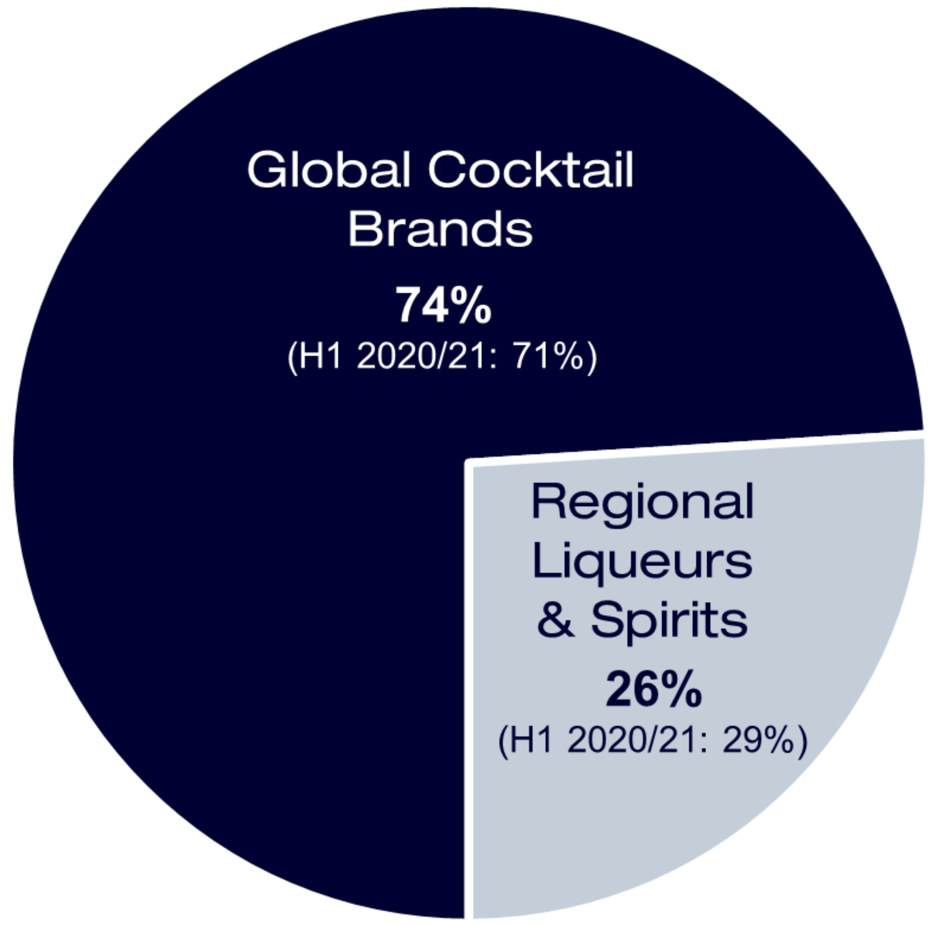


Gross margin (reported)	56.7%	60.9% (H1 2020/21: 60.3%)	44.2% (H1 2020/21: 47.5%)		56.6%

Revenue (€ x million)	H1 2021/22	H1 2020/21			H1 2019/20		
	€	€	Δ (%)	Δ (%)[1]	€	Δ (%)	Δ (%)[1]
Global Cocktail Brands	33,8	19,1	77%	77%	34,3	-1%	1%
Regional Liqueurs & Spirits	11,8	7,7	54%	53%	12,0	-2%	0%
Total	**45,6**	**26,8**	**70%**	**70%**	**46,3**	**-2%**	**1%**

[1] Organic growth

Revenue split



Global Cocktail Brands

- Depletions +31%
- Bols Cocktails does well
  - On-trade re-opening
  - US (botanicals, # accounts)
  - China and Eastern Europe
  - Japan, SEA and on-trade in Europe still impacted
- Passoã – double-digit growth
  - On-trade re-opening
  - Cocktail/Mix-drinks strategy
  - Across all key markets
  - UK has accelerated growth
- Galliano continues turnaround
  - Australia and New Zealand
  - 'Hot Shot'/Espresso Martini

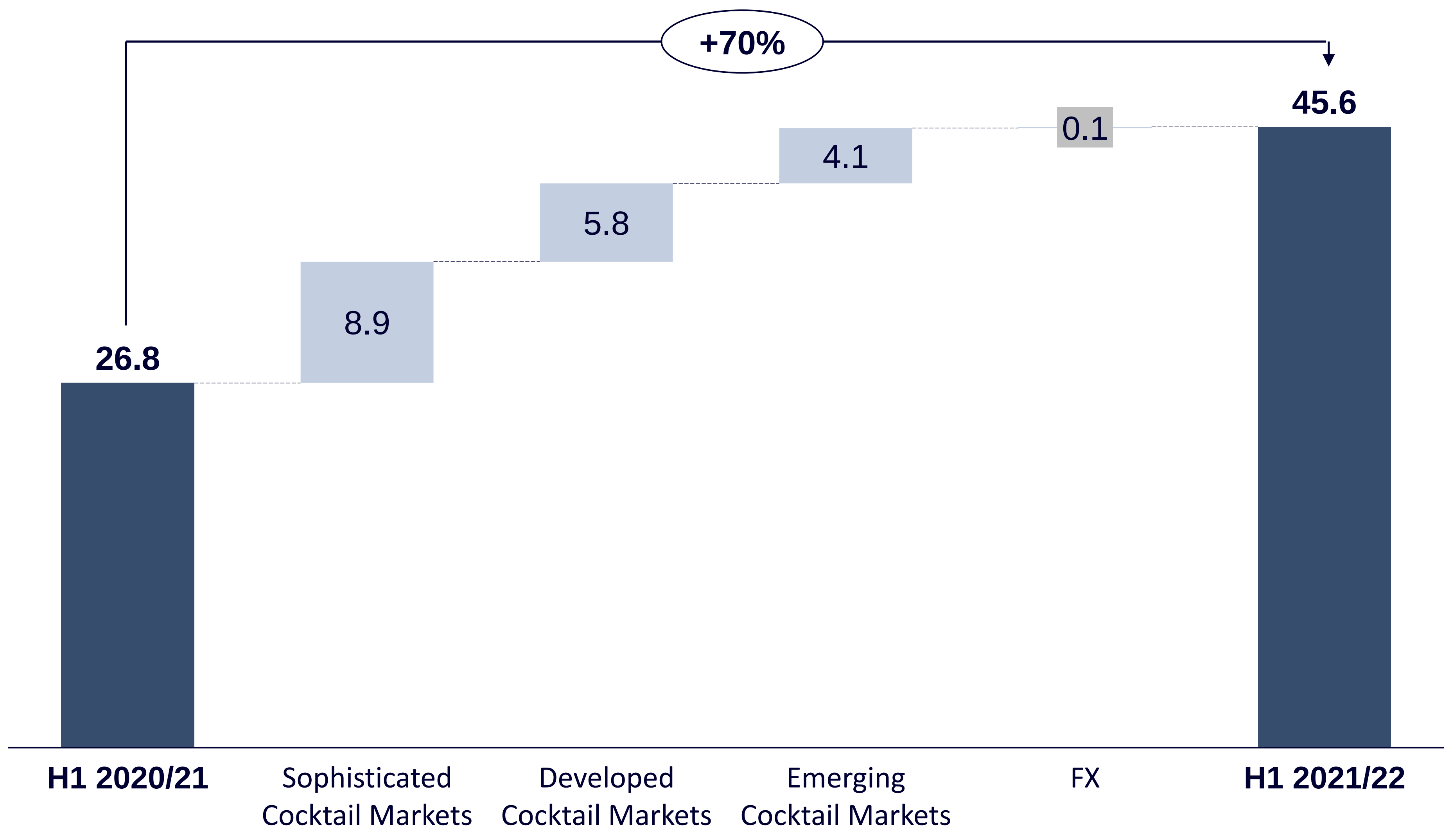
Regional Liqueurs & Spirits

- Depletions +41%
- Revenue growth on various brands, incl. Vaccari, Pisang Ambon, Nuvo and Henkes
- Addition of Pallini to the distribution portolio
- Negatively impacted still:
  - Domestic jenever/vieux (continued market decline, 'preventie-akkoord')
  - Travel-related (Delft-blue houses, Experiences)

RAPID REBOUND IN NEARLY ALL MARKETS: US ACCELERATES

P&L – REVENUE AND GROSS MARGIN BY MARKET CLUSTER

Revenue development (in € millions)

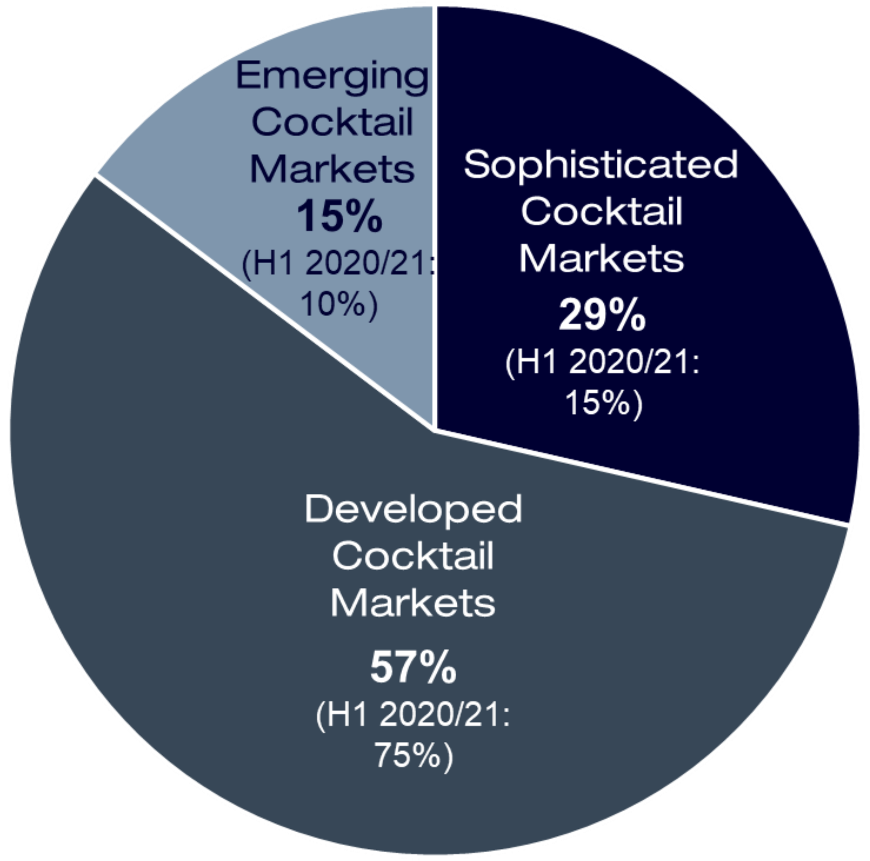


Gross margin (reported)	56.7%	53.1% (H1 2020/21: 47.3%)	58.9% (H1 2020/21: 58.5%)	54.3% (H1 2020/21: 56.9%)		56.6%

Revenue (€ x million)	H1 2021/22	H1 2020/21			H1 2019/20		
	€	€	Δ (%)	Δ (%)[1]	€	Δ (%)	Δ (%)[1]
Sophisticated Cocktail Markets	13,1	4,0	226%	221%	8,6	52%	65%
Developed Cocktail Markets	25,9	20,2	28%	29%	30,0	-14%	-14%
Emerging Cocktail Markets	6,7	2,6	155%	154%	7,8	-14%	-8%
Total	**45,6**	**26,8**	**70%**	**70%**	**46,3**	**-2%**	**1%**

[1] Organic growth

Revenue split



Sophisticated Cocktail Markets

- Depletions +73%
- US:
  - Strong impact re-opening on-trade
  - Launch liqueurs natural botanicals
  - Acceleration Passoã/Galliano
  - Strengthened platform (Pallini)
- Puerto Rico: substantial, sustainable growth Passoã
- Canada: lower shipments (phasing and lower promos)

Developed Cocktail Markets

- Depletions +15%
- Strong growth:
  - Pacific (Galliano, Passoã)
  - Western Europe (Passoã, Bols Cocktails)
  - Galliano (Scanda)
- Adverse impact:
  - Japan (ongoing lockdown)
  - Southern Europe (on-trade)
  - Travel retail
  - Domestic jenever/vieux

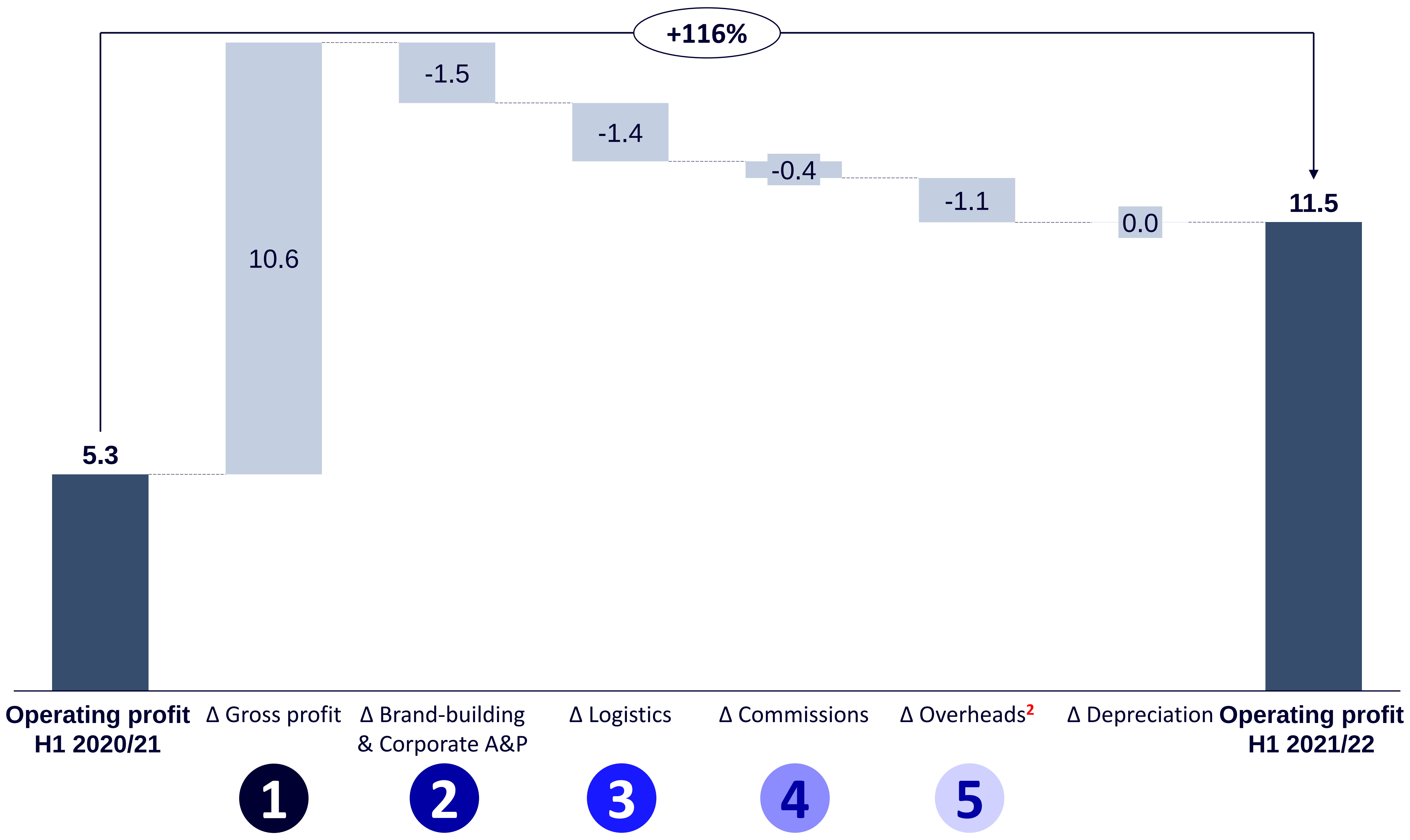
Emerging Cocktail Markets

- Depletions +65%
- Promising results:
  - China
  - Eastern Europe
  - Western Africa (Henkes)
  - Mexico (Vaccari)
- Slower recovery:
  - South-East Asia
  - South Africa

TRADE RECOVERY AND COST SAVINGS GROW PROFITABILITY

P&L – OPERATING PROFIT AND DISTRIBUTION & ADMINISTRATIVE EXPENSES

Operating profit development (in € millions)



1. **Gross profit** is up € 10.6 million (+70%) driven by the continued on-trade re-opening, positive brand momentum and increasing number of (retail) account listings

Operating profit improved by € 6.2 million (+116%):

2. Although the agile BMU-by-BMU focus continues, Brand-building and Corporate **A&P** returns to pre COVID-19 levels now that depletions recover rapidly in most key markets. Total H1 brand investments[1] are 13.6% of revenue (H1 2020/21: 16.1%, H1 2019/20: 13.1%)
3. **Logistic** costs almost doubled, to € 3.1 million
   - Higher volumes
   - Different shipment mix
   - Global logistics circumstances (scarcity and pricing of containers)
4. **Commissions** increase € 0.4 million, mainly in relation to improved performance of Nuvo and higher sales in the US and Africa
5. Ongoing cost control enables structural **overhead** cost savings
   - Excl. government support:
     – Further improvement vs. H1 2020/21
     – 13.6% of revenue (H1 2020/21: 23.3%, H1 2019/20: 15.4%)
   - Savings vs. H1 2019/20: personnel, travel and 3rd party expenses

[1] Including Commercial A&P (accounted for in net revenue)
[2] Including COVID-19 government support

€ 8.9 MILLION FURTHER REDUCTION IN NET DEBT

BALANCE SHEET

(€ x million)	30 September 2021	31 March 2021	Δ (€)
Intangible assets	298,1	298,2	-0,1
Investments in JVs	9,5	9,0	0,5
Other non-current assets	9,8	10,6	-0,8
Non-current assets	***317,5***	***317,9***	***-0,4***
Cash & Cash equivalents	17,9	18,8	-0,9
Net working capital	13,5	13,8	-0,3
Other current assets	-	-	-
Current assets	***31,4***	***32,6***	***-1,2***
TOTAL ASSETS	**349,0**	**350,5**	**-1,5**
Equity	***193,1***	***184,8***	***8,3***
Loans & Borrowings	95,3	95,3	0,0
Deferred tax liabilities	46,8	45,9	0,9
Other non-current liabilities	6,1	6,6	-0,6
Non-current liabilities	***148,2***	***147,8***	***0,5***
Loans & Borrowings	5,9	15,7	-9,8
Other current liabilities	1,7	2,1	-0,4
Current liabilities	***7,7***	***17,8***	***-10,2***
TOTAL EQUITY & LIABILITIES	**349,0**	**350,5**	**-1,5**

Non-current assets

- **Intangible assets** are materially unchanged following the € 8.9 million impairment (Dutch Brands) per 31 March 2021
- Carrying value of **investments in joint ventures** increases by € 0.5 million
  - Incorporation of Maxxium BeLux
  - Share of profit Maxxium the Netherlands
- Movement in **other non-current assets** reflects CapEx and depreciation expenses in regards to property, plant & equipment

Current assets

- **Net working capital** remains stable despite the strong business recovery
  - This is driven by:
    - Increased 31 March 2021 inventory levels (to phase production at Avandis and to prepare for markets re-opening and supply disruptions)
    - Ongoing working capital focus, incl. (over-due) debtor management
  - Inventories decreased following strong market demand

Non-current liabilities

- The **deferred tax liability** increases due to further utilisation of the Netherlands tax-loss carry forward

Current liabilities

- **Current loans & borrowings** includes a € 2.5 million re-payment (Mar 2022)

Net debt

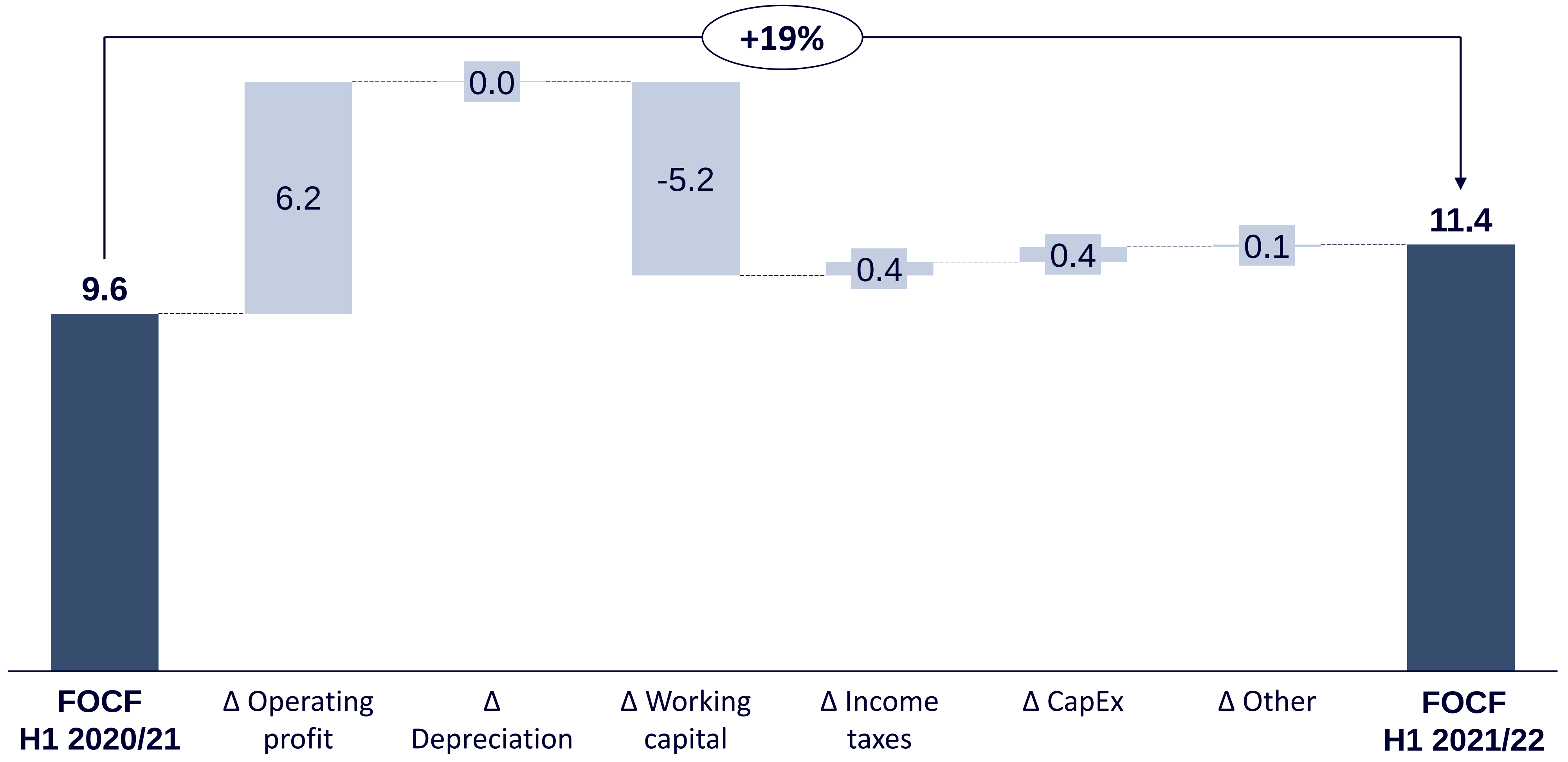
- Business recovery and an ongoing rigorous cash focus enabled Lucas Bols to further reduce **net debt** in H1 by € 8.9 million (to € 83.5 million)
- Net cash proceeds were mainly used to reduce bank overdrafts

(€ x million)	30 September 2021	31 March 2021	30 September 2020
Facilities drawn	-98,0	-98,0	-48,0
Passoã call/put option liability	-	-	-71,1
Interest-bearing debt	**-98,0**	**-98,0**	**-119,1**
Cash & Cash equivalents	17,9	18,8	37,2
Bank overdrafts	-3,4	-13,2	-10,7
Net debt	**-83,5**	**-92,4**	**-92,7**

ONGOING FOCUS LEADS TO STRONG CASH GENERATION

CASH FLOW

Free operating cash flow (in € millions)

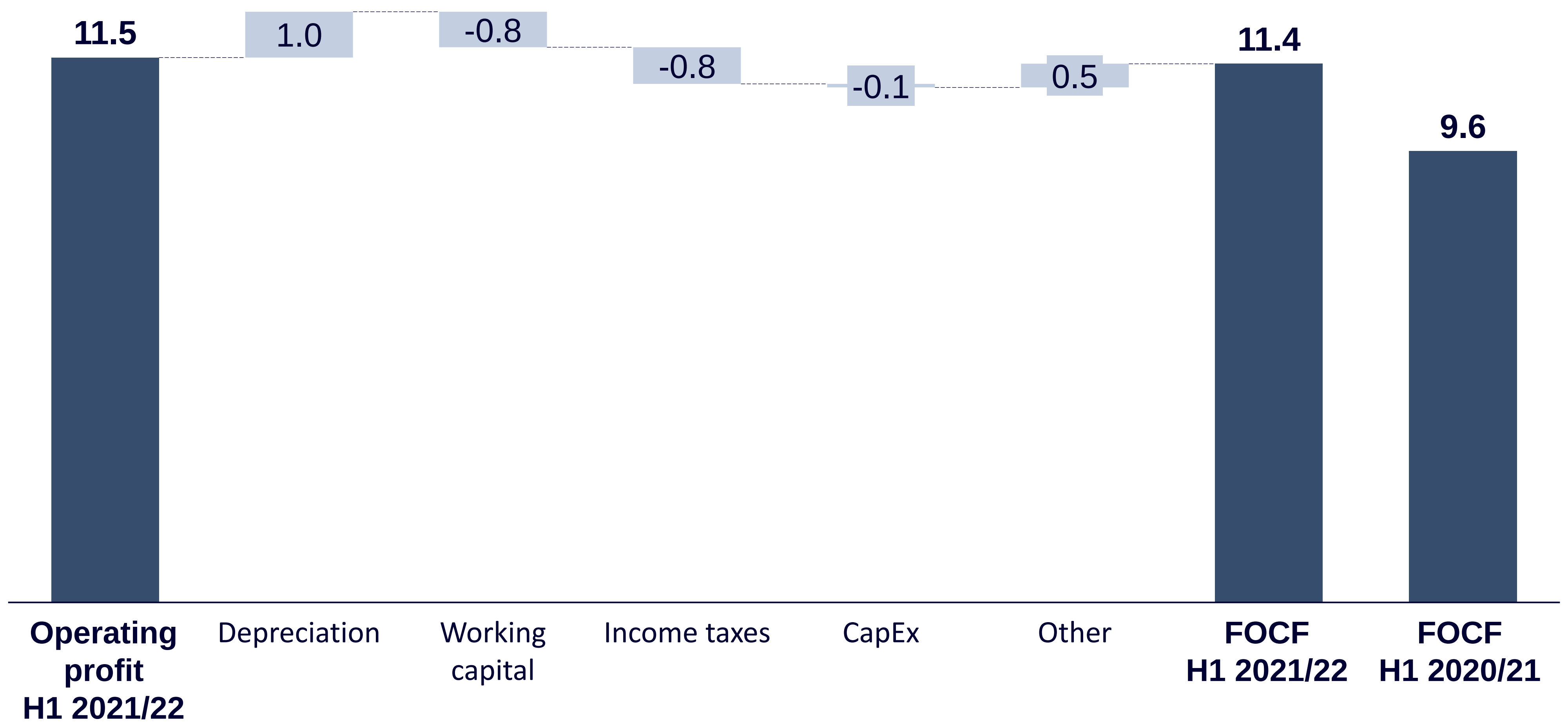


- Free operating cash flow[1] improved:
  - by € 1.8 million (or 19%) vs. H1 2020/21 (when working capital was reduced substantially)
  - by € 2.5 million (or 29%) vs. pre-COVID-19 H1 2019/20
- The improvement vs. H1 2020/21 is driven by
  - growth in operating profit (+€ 6.2 million),
  - lower income taxes paid (-€ 0.4 million),
  - reduced CapEx (-€ 0.4 million), and
  - higher dividends received (+€ 0.1 million),

  to a large extent offset by higher working capital investments (-€ 5.2 million)

[1] Free operating cash flow: net cash from operating activities minus capital expenditures

Cash conversion (in € millions)



- Business growth combined with cash and expenditure management resulted in a strong H1 2021/22 **cash conversion rate**[2] of 91.2%: well above pre-COVID-19 H1 2019/20 (64.5%)
- Cash generated through operations, joint-venture dividends and interest was used for:
  - working capital investments to facilitate business recovery (€ 0.8 million)
  - income tax payments (€ 0.8 million)
  - CapEx (€ 0.1 million)

[2] Cash conversion: free operating cash flow / (operating profit + depreciation)

HEADWINDS ON SUPPLY, BUT WELL POSITIONED FOR H2

OTHER MATTERS

Supply chain

- Overall (H1): impact of global disruptions *relatively* limited
- Increasing pressure on **raw materials** (availability and pricing)
- **Production**
  - All three key production sites operate at full capacity
  - Occasional shift between facilities when feasible
- Our **logistics** remain fully operational, but costs increased
  - Global increase in container prices
  - Change in mix towards “westward” (North America) and Australia shipping lines (most significant price increases)
- Limited (in-market) **out-of-stocks** to date only
  - Additional inventory was built per 31 Mar 2021

Bank covenants

- Apr 2021: extension of amendments to address prolonged COVID-19 impact and facilitate execution of growth strategy
  - 30 Sep 2021, 31 Mar 2022 and 30 Sep 2022:

(€ x million)	min. EBITDA (LTM)	min. liquidity
30 Sep 2021	4,5	12,5
31 Mar 2022	8,0	12,5
30 Sep 2022	11,0	15,0

  - 31 Mar 2023: back to *ratio* testing, but vs. 4.50x (leverage ratio) and 2.76x (interest cover ratio) covenants, resp.
- 30 Sep 2021: full compliance with covenants in place
  - EBITDA (LTM): € 17.2 million (vs. € 4.5 million covenant)
  - Liquidity: € 36.5 million (vs. € 12.5 million covenant)

Strategic matters

- **Fit for Growth**
- Start of **Maxxium BeLux**
  - Strengthening of distribution partnership with Edrington
  - 50/50 joint venture
  - Mirroring other consolidations in the Benelux market
  - Distribution under Maxxium BeLux commenced 1 Oct 2021
  - Distribution of c. 40% of global revenue is now controlled
- Product innovations: **Bols Ready-to-enjoy Cocktails**
  - Bols Cocktail Tubes and multi-serve bottles
  - Launch in the US and the Netherlands in October (H2)
  - Significant investments yet accounted for in H1

Heading into H2

- Unstable and uncertain, but a **continuation of the strong recovery** is expected (and invested in), and on a strengthened foundation
- Global disruption causes ongoing **supply chain “headwinds”**
  - Increased input and logistic costs → margin pressure despite mitigating actions (price increases, cost control)
  - Scarcity and availability issues remain → additional inventory investments where relevant to limit out-of-stocks
- A **one-off, non-cash tax loss** (c. € 1 million) following another deferred tax liability re-measurement (as the Netherlands future income tax rate increases from 25.0% to 25.8%)

SUMMARY & OUTLOOK

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SUMMARY

H1 2021/22 CONFIRMS COVID-19 RESILIENCE AND EFFECTIVE INTRODUCTION OF OUR NEW STRATEGY

- Revenue YoY growth of 70%, mainly as a result of re-opening on-trade, positive brand momentum and a favourable comparison base
- Strong on-trade recovery in most markets and enhanced retail performance
- A number of key markets are even ahead of pre-COVID-19 levels, with the US performance being a testament to the strength of our distribution platform
- Our revised operating model 'Fit For Growth' implements increased strategic focus on Global Cocktail Brands and a refined market approach based on cocktail culture maturity
- This combined with a new way of working and strict financial discipline, effectively reducing net debt, creates a solid foundation for future growth
- The integration and turnaround of Passoã is an excellent example of this refined focus
- Intensified efforts on direct-to-consumer engagement initiatives with e.g. the company's online presence and recent launch of Ready-to-enjoy Cocktails

OUTLOOK

FIT FOR GROWTH STRATEGY AND STRONGER BALANCE SHEET PROVIDE A SOLID BASE FOR THE FUTURE

- Now that the vaccination rate is steadily increasing, and assuming the global recovery of the on-trade continues and restrictions are gradually lifted, we expect a strong second half of the year
- With a sharpened focus and increased A&P investments in our Global Cocktail Brands, we expect solid revenue growth in H2 2021/22 versus last year and even some growth versus 2019/20
- Going forward we target a yearly revenue growth of 4-5% for the Global Cocktail Brands
- Headwinds on our input and logistical costs are likely to continue in the second half of the year. Although mitigating actions are taken, these headwinds are expected to put pressure on margins and profit in the second half of 2021/22
- Overall we aim to achieve a full-year operating profit that is close to the pre-COVID year 2019/20, demonstrating the strong recovery of our performance, with foreign currencies expected to have limited impact on EBIT
- We aim to further reduce net debt, and our focus on cash management remains in place to continue strengthening our balance sheet. Where relevant we will invest in additional inventory to avoid out of stocks in key markets due to the ongoing scarcity of raw materials, production capacity and logistics
- Given the ongoing uncertainties related to the COVID-19 situation we have decided not to pay an interim dividend. We intend to resume dividend payments for the full fiscal year 2021/22, but we will need to assess that in May 2022 based on the actual situation at that point in time
- Continued focus on further growth and leveraging our scalable distribution & production platform through partnerships and/or acquisitions

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