LUCAS BOLS

<u>Half-year results 23/24 (1 April 2023 – 30 September 2023)</u>

16 November 2023

Stable revenue, higher operating profit
Solid improvement in free operating cash flow

Highlights

- **Revenue came in at € 55.7 million, close to the strong H1 22/23 level**
- **Depletions fell 1%, a solid performance given the challenging environment**
- **Growth in markets such as the US, Japan and Spain was offset by slower sales in Western European retail markets**
- **The gross margin improved by 420bps compared to H2 22/23 (to 51.4%) due to sales price increases but was still below H1 22/23 (55.2%) when the impact of input cost inflation was still limited. Gross profit per case shows ongoing growth: +6% vs. the 22/23 financial year**
- **Normalised operating profit was € 11.6 million, slightly higher than a year ago (€ 11.3 million). The decrease in gross profit was more than offset by lower logistics and other costs**
- **Free operating cash flow (excluding the Nuvo acquisition) improved significantly, to € 7.5 million (H1 22/23: € 2.8 million), reflecting a 61% cash conversion ratio (H1 22/23: 23%)**
- **Net debt increased slightly to € 61.0 million following the acquisition of the Nuvo brand (€ 5.3 million) and the 22/23 dividend payment. The leverage ratio came in at 3.49x**
- **Good progress is made on the preparations for the intended recommended public offer by the Nolet Group for all the issued and outstanding shares in the capital of Lucas Bols for € 18.- per share (cum dividend) jointly announced on 9 October 2023**
- **In light of that intended public offer no interim dividend will be paid**

Huub van Doorne, CEO of the Lucas Bols Company: *"Despite a volatile environment, the top-line performance was solid this first half year with revenue close to the strong level achieved in the same period last year in which we achieved double-digit growth. Our brands showed resilience, especially in view of the economic slowdown in several regions and the continued high levels of inflation. In general we are also observing that customers are reducing their stock levels in response to a rapid increase in the cost of capital. This is expected to lead to destocking in the second half of the financial year.*

We expect the environment to remain challenging but continue to aim for full-year revenue growth. The gross margin should stabilise now that sales price increases are phasing in.

Although we remain vigilant for possible supply chain disruptions, we plan to reduce our inventory levels, paving the way for further free operating cash flow improvements.

We announced our more explicit and integrated ESG strategy in the 22/23 Annual Report. Our teams and business partners are really engaged and already started working on the implementation of the various initiatives.

We are also pleased with the progress on the intended recommended public offer by the Nolet Group."

Key figures

(in € million unless otherwise stated, for the half year ended)	Excluding one-off items			Reported		
	30 September 2023	30 September 2022	% change organic[1]	30 September 2023	30 September 2022	% change reported
Revenue	55.7	56.3	-1%	55.7	56.3	-1%
Gross margin	*51.4%*	*55.2%*	*-380bps*	*51.4%*	*55.2%*	*-380bps*
Operating profit	11.6	11.3	1%	11.2	11.3	-1%
Operating profit margin	*20.7%*	*20.1%*	*50bps*	*20.1%*	*20.1%*	*0bps*
EBIT[2]	11.9	11.8	0%	11.6	11.8	-2%
Net profit	7.4	7.9	-7%	7.0	7.9	-11%
Free operating cash flow[3]	7.5	2.8	-	7.5	2.8	167%
Earnings per share (in €)	0.49	0.53	-7%	0.47	0.53	-11%
Interim dividend per share (in €)	-	0.21	-	-	0.21	-100%

Intended recommended public offer by the Nolet Group
On 9 October 2023 Lucas Bols and the Nolet Group jointly announced the intended recommended public offer by the Nolet Group for all the issued and outstanding shares in the capital of Lucas Bols for € 18.- per share (cum dividend), resulting in a significant premium of approximately 76% to Lucas Bols' closing price per share on 6 October 2023. The intended transaction would create a Dutch champion in the global spirits and cocktail market and preserve valuable heritage and growth potential for the long term.

On 3 November 2023 Lucas Bols and the Nolet Group provided a joint update, stating that parties are making good progress on the preparations for the offer.

For further information on the intended recommended public offer by the Nolet Group reference is made to the joint press releases issued by the Nolet Group and Lucas Bols on 9 October and 3 November 2023, respectively.

Acquisition of Nuvo brand
The acquisition of Nuvo from the US-based London Group LLC was completed in June. The purchase price of $ 5.7 million was paid in cash. For the past five years the Nuvo business was already part of the consolidated Lucas Bols reporting. Nuvo fits well in the growing aperitif moment of consumption and with its super premium-positioning the brand contributes to the premiumisation of our portfolio.

Transfer of US production
In the first half of the year we successfully completed a major project in which the production of Bols Liqueurs for the US market was transferred from Kentucky to our new partner Phillips Distilling in Minnesota. In line with our plans we are temporarily carrying higher stock levels to facilitate a smooth transition. We have finalised the transfer without any disruption to our business and production capacity.

Business review

Brands

Global Cocktail Brands

Bols Cocktails
Bols Cocktails (Liqueurs, Vodka, Genever and Ready-to-Enjoy Cocktails) aims to become the leading choice in cocktails for bartenders and consumers. Bols Cocktails posted a solid performance, mainly driven by Bols

[1] At constant currencies
[2] EBIT is defined as operating profit plus share of profit of joint ventures
[3] Free operating cash flow excludes the Nuvo acquisition

Liqueurs due to a focused flavour strategy for each market. Blue Curaçao, Triple Sec and Peach are our top 3 flavours globally. Bols Cocktails' sales in the US recovered strongly from last year's glass shortages, reporting double digit-growth. Recently introduced in the US, Bols Vodka also contributed to the growth on the back of increased momentum for vodka-based cocktails such as the Espresso Martini. The Bols Ready-to-Enjoy Cocktails faced high comparables following last year's launch. Lower consumer spending impacted sales across Europe, while in Southeast Asia and Japan Bols Cocktails continued to show significant growth, confirming the recovery from the pandemic. Successful bartender activations were organised through local Bols Cocktails bartender competitions and other events.

Passoã
Following the launch in China and Korea, Passoã is now available in over 50 markets worldwide. The brand performed strongly in the Netherlands, Japan and Italy, but was adversely impacted by a slowdown in retail markets such as the UK, France and Belux. The popularity of the Pornstar Martini cocktail continues to grow across the globe. Pornstar Martini Week was scaled up this year, with special activations in the US. We also hosted the first Pornstar Martini competition together with Difford's Guide, leading to even higher brand awareness amongst bartenders and consumers.

Galliano
After three years of growth the Galliano brand reported a slowdown in the first half of the year, mainly due to challenging retail circumstances in Australia and Scandinavia. In the US, Galliano Espresso achieved double-digit growth on the back of the popular Espresso Martini cocktail. In Australia and New Zealand the Galliano Vanilla Mule signature cocktail was further activated through successful (social media) campaigns and competitions. It is now served by many on-trade outlets in the region.

Regional Liqueurs & Spirits
Despite the ongoing decline of the jenever/vieux category and the challenging retail environment for Pisang Ambon, revenue for the Regional Liqueurs & Spirits was in line with the first half of last year, showing the brand portfolio's resilience. Pallini performed strongly, with double-digit depletion growth in both the on-trade and retail. Tequila Partida also showed growth and points of distribution were gained following the expansion of distribution to 45 states. The recently acquired non-alcoholic Fluère brand was launched in several markets, including the US, on the back of an innovative no- & lower-alcohol cocktails strategy. This, together with the launch of Pallini Limonzero in the US, considerably strengthens our position in the growing no- & lower-alcohol segment. The domestic portfolio, including our jenever/vieux brands, was able to achieve depletions ahead of the market. With travel picking up further our sales of the KLM miniature houses improved.

Market clusters

Sophisticated Cocktail Markets (US, Canada and Puerto Rico)
During the first half of the year, we regained most of the accounts we lost when the glass shortages emerged a year ago, resulting in a strong recovery of Bols Liqueurs sales in the US. This is reflected in the strong position of the brand in this key growth market and we are confident that we will be able to increase the number of accounts in the year to go. At the same time, we faced high comps: high shipments took place from July to September last year when Bols Ready-to-Enjoy Cocktails was launched, our Tequila Partida distribution transition was completed and the Bols Liqueurs temporarily produced in the Netherlands were shipped to our customers in the US to replenish stock levels. Bols Vodka had an excellent performance, building on last year's successful introduction in the US. Galliano Espresso did well, supported by the increased popularity of the Espresso Martini cocktail. Canada was able to show strong sales, driven by Bols Liqueurs and other brands. Although revenue in Puerto Rico (Passoã only) improved compared to last year, depletions are still lagging due to challenging economic conditions. Overall, revenue for the Sophisticated Cocktail Markets grew ahead of industry levels.

Developed Cocktail Markets (Western Europe, Japan and Australia/New Zealand)
A number of key markets maintained the strong performance achieved last year. Japan, historically an important market for Lucas Bols, achieved ongoing growth as depletions posted a double-digit rise driven by the on-trade market. In Western Europe the performance of retail-focused markets such as the Netherlands, Belux, UK and France was adversely impacted by high inflation and related prudent consumer spending. With Southern Europe being more on-trade focused, markets benefitted from the further recovery of the tourism sector. In the Netherlands Passoã was able to realise high single-digit growth, leveraging the ongoing popularity of the brand's ready-to-drink proposition. In Australia and New Zealand we observed a slowdown in Galliano sales as a result of more cautious consumer spending.

Emerging Cocktail Markets (Eastern Europe, Asia (excl. Japan), Latin America and Africa/Middle East)
In Southeast Asia we reaped the benefits of our route-to-market investments and a strong recovery from the pandemic. We are actively focused on the continuing growth of the cocktail trend. Although better than last year, growth in China was below expectations due to adverse and uncertain economic developments. Most Latin American markets showed similar challenges, resulting in a drop in sales compared to the first half of last year. In Argentina our sales are temporarily impacted by a deliberate shift to another business model (from a royalty contract to direct sales).
Africa and the Middle East region did reasonably well. Bols Brandy was successfully relaunched in South Africa, and the region's performance was also boosted by increased sales of concentrates. Sales in the Emirates (including Dubai) almost doubled, leveraging the partnerships built in recent years.

Depletions
In the Global Cocktail Brands portfolio the Bols Cocktail brand stood out with the Liqueurs, Vodka and Genever showing significant increases in depletions, mainly in the US, Canada and Japan. After years of growth both Passoã and Galliano were down a little in the first half, mainly due to their retail markets. Galliano Espresso was however able to seize the Espresso Martini opportunities. Tequila Partida, Pallini, Vaccari and the KLM miniature houses posted very good results in the Regional Liqueurs & Spirits portfolio. Growth in these brands more than offset the minor decline in the jenever/vieux brands, which was better than the overall market performance in the first half of 23/24.

Depletions for the first half were in line with last year. The Sophisticated Cocktail Markets grew 15%, although the US faced relatively weak comparables due to last year's glass shortage. The Developed Cocktail Markets declined by 7% as a strong performance in Japan and Travel Retail was more than offset by a decline in the more retail-skewed markets. The Emerging Cocktail Markets showed mixed results. Most eastern European markets recorded double-digit growth. In Asia (excluding Japan) the South-East Asian markets did so well that their growth more than offset the macro-challenges encountered in China. Although Mexico continued its growth path, Latin America as a whole suffered. Africa and the Middle East were up strongly, mainly benefiting from the investments made in the Emirates (including Dubai) and South Africa.

Depletions (value)	**% change H1 23/24 vs. H1 22/23**
Total	-1%
Brands	
Global Cocktail Brands	-1%
Regional Liqueurs & Spirits	0%
Market clusters	
Sophisticated Cocktail Markets	15%
Developed Cocktail Markets	-7%
Emerging Cocktail Markets	-2%

Financial review

Revenue
Lucas Bols' revenue for the first half of the financial year amounted to € 55.7 million, just under last year's revenue for the same six-month period. The comparison basis was tough given last year's distributor inventory replenishments both in Europe and the US. The economic slowdown in a number of markets was more or less compensated by strong results for Bols Cocktails in key markets such the US, Japan and Southeast Asia as well as the ongoing popularity of Passoã in various on-trade markets. To counter the impact of input cost inflation, significant price increases were implemented, often in addition to those already effected in 22/23. Due to phasing, these increases will only come into full effect in the year to go. The impact of foreign exchange results on revenue was € 0.1 million positive, mainly relating to the US dollar, Japanese yen and Australian dollar.

Revenue of the Global Cocktail Brands (€ 39.7 million) was more or less flat. The Regional Liqueurs & Spirits portfolio generated € 16.1 in million revenue, in line with the first half of 22/23 when the launch of for example Tequila Partida and the Nuvo ready-to-drink proposition took place. Revenue in the Sophisticated Cocktail Markets outperformed last year by 10%, whilst revenue in the Developed Cocktail Markets declined as a consequence of the difficult retail markets and lower consumer spending. In the Emerging Cocktail Markets a 2% increase in revenue was achieved despite a slowdown in China and Latin America. Southeast Asia, Eastern Europe, Africa and the Middle East more than made up for that.

Gross profit

Gross profit for the first half of the 23/24 financial year decreased by € 2.4 million to € 28.7 million. Gross profit as a percentage of revenue was down 380bps. In the first six months of last year the gross margin was not yet impacted by the severe input cost inflation that started when the war in Ukraine broke out because sufficient inventory was held at pre-inflation costs. Although the full effect is yet to phase in, the positive impact of higher sales prices is already evident in the first half of 23/24. The gross margin of 51.4% in the first six months of the year was 420bps higher than the gross margin achieved in the second half of 22/23.

The success of our premiumisation strategy continues to drive higher gross profit per case, which was up 6% versus the 22/23 financial year.

Operating profit

Despite the intensified challenges, normalised operating profit in the first half improved by 2% to € 11.6 million. In line with the progress we made in the first half of last year, 13% of revenue was invested in our brands (including Commercial A&P). Logistics costs came down significantly, driven by lower shipment volumes, a decrease in global container rates and the absence of last year's non-recurring costs when the production of Bols Liqueurs for the US market had to be moved to the Netherlands following a US-wide glass shortage. These cost savings, combined with lower commissions paid and depreciation charges, more than offset the lower gross profit and a 3% increase in overhead costs.

EBIT

Normalised EBIT for the first six months of the 23/24 financial year was € 11.9 million (H1 22/23: € 11.8 million). The € 0.1 million increase was on the back of a € 0.3 million increase in operating profit which was partly offset by a € 0.1 million lower share of profit of joint ventures. The latter reflects a decline in Maxxium's results, mirroring the overall slowdown noted in the Netherlands and Belux.

	Global Cocktail Brands		Regional Liqueurs & Spirits	
(in € million unless otherwise stated, for the full year ended)	**30 September 2023**	**30 September 2022**	**30 September 2023**	**30 September 2022**
Revenue	39.7	40.0	16.1	16.3
Gross profit *Gross margin*	21.8 *55.0%*	23.7 *59.3%*	6.9 *42.7%*	7.4 *45.3%*
EBIT *EBIT margin*	14.8 *37.2%*	14.3 *35.9%*	5.0 *31.2%*	5.7 *34.9%*

Net finance costs

Net finance costs for the first half of 23/24 came in at € 2.4 million, an increase compared to € 1.3 million in the comparable period last year. This is attributable to the significant increase in EURIBOR, which was almost 340bps higher in the first half of this year than in the same period last year.

Income tax expenses

Income tax expenses amounted to € 2.2 million versus € 2.6 million a year earlier. The decline is due to lower profits before tax.

The effective tax rate was approximately 23.9%, compared to 24.9% a year earlier. The effective tax rate for the first half of this year was below the Netherlands' nominal tax rate because of the non-taxable share of profit of joint ventures.

Net profit
Normalised net profit for the first half of the 23/24 financial year came in at € 7.4 million (H1 22/23: € 7.9 million). Normalised earnings per share amounted to € 0.49 (H1 22/23: € 0.53).

One-off items
The following one-off items were recognised in the first half of the financial year, the normalisation of which has a net positive impact on profit before tax of € 0.4 million:

- € 0.3 million of transportation costs required to transfer our US inventory from Kentucky to Minnesota following the transfer of production (included in distribution and administrative expenses).
- € 0.1 million of costs relating to various projects (included in distribution and administrative expenses).

Including these one-off items, reported net profit came in at € 7.0 million for the first half of 23/24. In the first half of 22/23 no one-off items were recognised.

Cash flow
Free operating cash flow improved significantly, from € 2.8 million last year to € 7.5 million for the first half of this year[3]. The increase is driven by lower working capital investments and lower income taxes paid in France for Passoã. Inventory levels have come down somewhat but they remain at an elevated level.

Equity
Equity increased by € 5.3 million compared to 31 March 2023 as the recorded net profit for the first half of the year (€ 7.0 million) was partly offset by the dividend for 22/23 paid in July 2023 (€ 1.9 million).

Net debt
During the first half of the 23/24 financial year the net debt position increased to € 61.0 million (31 March 2023: € 59.6 million). Although free operating cash flow was solid, it was more than offset by for example the Nuvo acquisition payment (€ 5.3 million), the final 22/23 dividend payment (€ 1.9 million) and interest payments (€ 1.7 million).
Lucas Bols fully complied with the bank covenants in place.

Dividend
In light of the intended public offer by Nolet the Management Board and Supervisory Board have decided to not pay an interim dividend in 23/24 (22/23 interim dividend: € 0.21 per share).

Outlook
We expect the challenging conditions to persist in the second half of the year. Given the ongoing high interest rates and macro-economic and geopolitical uncertainties, customers and outlets are expected to carry stock at a minimum level, in response to which we anticipate some destocking in the year to go.

For the full 23/24 financial year we still aim to show year-on-year revenue growth, and expect to do so at a stable gross margin. We continue our brand investments (albeit with close market-by-market monitoring) and anticipate logistics costs to remain at the moderated levels.

Operating profit (adjusted for the costs relating to the intended public offer by the Nolet Group) should be ahead of 22/23 levels.

We plan for own inventory levels to come down further in the second half of the year, contributing to our objective of bringing full-year free operating cash flow back to the level achieved in 21/22.

Intended public offer by the Nolet Group
Lucas Bols and the Nolet Group continue to make good progress on the preparations for the recommended offer for all the issued and outstanding shares in the capital of Lucas Bols. A request for review and approval of the Offer Memorandum was filed with the AFM early November 2023. As communicated in the joint press release dated 9 October 2023, the Nolet Group and Lucas Bols anticipate that the Offer will close in the first half of 2024.

Further information

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About the Lucas Bols Company

The Lucas Bols Company is a leading global cocktail and spirits player in the worldwide cocktail market and one of the oldest Dutch companies still active. Our mission is to create great cocktail experiences around the globe. The Lucas Bols Company is active in over 110 countries worldwide with a portfolio of more than 20 premium and super-premium brands. Bols The World's First Cocktail Brand includes the number-one liqueur range globally (not including the US). We are also the world's largest player in the genever segment, and our portfolio of brands includes Passoã, the number one passion fruit liqueur, and the ultra-premium Tequila Partida brand.

Through the House of Bols Cocktail & Genever Experience and the Bols Cocktail Academy, the company provides inspiration and education to both bartenders and consumers.
With almost 450 years of experience in the art of distilling and blending spirits and cocktails combined with the creative spirit of Amsterdam, we truly are 'Masters of Taste'.

The Lucas Bols Company has been listed on Euronext Amsterdam (BOLS) since 4 February 2015.

Annexes

Brand information
Market cluster information
Interim condensed consolidated report for H1 23/24

1. Brand information

Global Cocktail Brands (Bols Cocktails, Passoã and Galliano)

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	39.7	40.0	-1%	-1%
Gross profit	21.8	23.7	-8%	-7%
Gross margin	55.0%	59.3%	-430 bps	-410 bps
D&A expenses	7.1	9.4	-25%	-24%
% of revenue	17.9%	23.6%	-570 bps	-540 bps
EBIT	14.8	14.3	2%	3%
EBIT margin	37.2%	35.9%	130 bps	130 bps

Regional Liqueurs & Spirits (all other brands)

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	16.1	16.3	-1%	-2%
Gross profit	6.9	7.4	-7%	-9%
Gross margin	42.7%	45.3%	-260 bps	-310 bps
D&A expenses	2.1	2.1	-2%	-2%
% of revenue	12.9%	13.0%	-10 bps	0 bps
EBIT	5.0	5.7	-12%	-14%
EBIT margin	31.2%	34.9%	-370 bps	-430 bps

Total

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	55.7	56.3	-1%	-1%
Gross profit	28.7	31.1	-8%	-8%
Gross margin	51.4%	55.2%	-380 bps	-380 bps
D&A expenses (allocated)	9.2	11.6	-21%	-20%
% of revenue	16.4%	20.5%	-410 bps	-390 bps
D&A expenses (unallocated)	7.9	8.2	-4%	-5%
Overhead (excl. depreciation) % of revenue	13.6%	13.1%	50 bps	60 bps
EBIT	11.9	11.8	1%	0%
EBIT margin	21.4%	21.0%	40 bps	20 bps

2. Market cluster information (geographical)

Sophisticated Cocktail Markets (North America)

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	15.2	13.8	10%	5%
% of total revenue	27.2%	24.5%		
Gross profit	6.9	7.0	-2%	-11%
% of total gross profit	23.9%	22.6%		
Gross margin	45.3%	50.9%	-560 bps	-790 bps

Developed Cocktail Markets (Western Europe, Japan and Australia/New Zealand)

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	31.5	33.6	-6%	-5%
% of total revenue	56.5%	59.7%		
Gross profit	16.6	18.9	-12%	-10%
% of total gross profit	57.9%	60.8%		
Gross margin	52.7%	56.3%	-360 bps	-290 bps

Emerging Cocktail Markets (Eastern Europe, Asia excl. Japan, Latin America and Africa/ Middle East)

(in € million unless otherwise stated, for the period ended)	30 September 2023	30 September 2022	% change reported	% change organic[1]
Revenue	9.1	8.9	2%	4%
% of total revenue	16.3%	15.8%		
Gross profit	5.2	5.2	1%	4%
% of total gross profit	18.2%	16.6%		
Gross margin	57.3%	57.9%	-60 bps	20 bps

LUCAS BOLS

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Interim condensed consolidated financial information for the six-month period ended 30 September 2023 (unaudited)

Interim condensed consolidated statement of profit or loss

for the six-month period ended 30 September 2023 and 2022

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	Note	2023	2022
Revenue	4	**55,744**	**56,295**
Cost of sales		(27,070)	(25,204)
Gross profit		**28,674**	**31,091**
Distribution and administrative expenses	5	(17,452)	(19,750)
Operating profit		**11,222**	**11,341**
Share of result of joint ventures	6	356	480
Finance income		96	3
Finance costs		(2,452)	(1,349)
Net finance costs	7	**(2,356)**	**(1,346)**
Profit before tax		**9,222**	**10,475**
Income tax expense	9	(2,207)	(2,607)
Net profit		**7,015**	**7,868**
Result attributable to the owners of the Company		**7,015**	**7,868**
Weighted average number of shares	8	14,972,756	14,972,756
Earnings per share			
Basic earnings per share (EUR)	8	0.47	0.53
Diluted earnings per share (EUR)	8	0.47	0.53

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of other comprehensive income

for the six-month period ended 30 September 2023 and 2022

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	Note	2023	2022
Net profit		7,015	7,868
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability		-	-
Related tax		-	-
		-	-
Items that are or may be reclassified to profit or loss			
Foreign operations - foreign currency translation differences		560	2,364
Net change in hedging reserve		(446)	245
Related tax		115	(61)
		229	2,548
Other comprehensive income for the period, net of tax		229	2,548
Total comprehensive income for the period, net of tax		7,244	10,416
Total comprehensive income attributable to the owners of the Company		7,244	10,416

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

for the six-month period ended 30 September 2023 and 2022

AMOUNTS IN EUR '000	Note	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE PERIOD	TOTAL EQUITY
Balance as at 1 April 2023		1,497	157,787	-	(486)	348	7,630	56,044	(16,238)	206,582
Transfer result prior period		-	-	-	-	-	-	(16,238)	16,238	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	7,015	7,015
Other comprehensive income		-	-	-	560	(331)	-	-	-	229
Total comprehensive income		-	-	-	560	(331)	-	-	7,015	7,244
Dividend paid		-	-	-	-	-	-	(1,947)	-	(1,947)
Purchase own shares (ESPP)	15	(168)	-	-	-	-	-	-	-	(168)
Own shares delivered (ESPP)	15	168	-	-	-	-	-	-	-	168
Balance as at 30 September 2023		1,497	157,787	-	74	17	7,630	37,859	7,015	211,879

AMOUNTS IN EUR '000	Note	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	CURRENCY TRANSLATION RESERVE	HEDGING RESERVE	OTHER LEGAL RESERVES	RETAINED EARNINGS	RESULT FOR THE PERIOD	TOTAL EQUITY
Balance as at 1 April 2022		1,497	157,787	-	(289)	(287)	7,630	47,417	11,771	225,526
Transfer result prior period		-	-	-	-	-	-	11,771	(11,771)	-
Total comprehensive income										
Profit (loss) for the period		-	-	-	-	-	-	-	7,868	7,868
Other comprehensive income		-	-	-	2,364	184	-	-	-	2,548
Total comprehensive income		-	-	-	2,364	184	-	0	7,868	10,416
Dividend paid		-	-	-	-	-	-	-	-	-
Purchase own shares (ESPP)	15	-	-	-	-	-	-	-	-	-
Own shares delivered (ESPP)	15	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2022		1,497	157,787	-	2,075	(103)	7,630	59,188	7,868	235,942

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

as at 30 September 2023 and 31 March 2023

AMOUNTS IN EUR '000 AS AT	Note	30 September 2023	31 March 2023
Assets			
Property, plant and equipment	10	9,103	8,018
Intangible assets	11	289,880	284,569
Investments in joint ventures	6	1,639	1,652
Other investments		407	408
Non-current assets		**301,029**	**294,647**
Inventories		24,028	24,910
Trade and other receivables		21,091	16,092
Other investments including derivatives		182	517
Cash and cash equivalents		16,621	17,569
Current assets		**61,922**	**59,088**
Total assets		**362,951**	**353,735**

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

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position (continued)

AMOUNTS IN EUR '000 AS AT	Note	30 September 2023	31 March 2023
Equity			
Share capital		1,497	1,497
Share premium		157,787	157,787
Translation Reserve		74	(486)
Hedging Reserve		17	348
Other legal reserves		7,630	7,630
Retained earnings		37,859	56,044
Result for the period		7,015	(16,238)
Total equity		**211,879**	**206,582**
Liabilities			
Loans and borrowings	12	69,448	67,028
Other non-current financial liabilities	14	5,306	4,762
Employee benefits		207	129
Deferred tax liabilities	9	49,896	50,337
Total non-current liabilities		**124,857**	**122,256**
Loans and borrowings	12	8,051	10,044
Trade and other payables		14,870	13,707
Corporate income tax payable		1,274	194
Other current financial liabilities, including derivatives	14	2,020	952
Total current liabilities		**26,215**	**24,897**
Total liabilities		**151,072**	**147,153**
Total equity and liabilities		**362,951**	**353,735**

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

for the six-month period ended 30 September 2023 and 2022

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	Note	2023	2022
Cash flows from operating activities			
Net profit/(loss)		**7,015**	**7,868**
Adjustments for:			
• Depreciation, amortisation and impairment	5	694	845
• Net finance costs	7	2,356	1,346
• Share of profit of joint ventures	17	(356)	(480)
• Income tax expense	9	2,207	2,607
• Stock elimination		(182)	135
• Provision for share-based payments		78	70
		11,812	**12,391**
Change in:			
• Inventories		882	(2,563)
• Trade and other receivables		(4,999)	(4,248)
• Trade and other payables		1,163	(419)
Net changes in working capital	13	**(2,954)**	**(7,230)**
Dividends from joint ventures	17	450	450
Interest received		156	38
Income tax paid		(1,417)	(2,766)
Net cash from operating activities		**8,047**	**2,883**

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows (continued)

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	Note	2023	2022
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	-
Acquisition of/additions to joint ventures	6/17	-	-
Acquisition of property, plant and equipment	10	(545)	(73)
Acquisition of intangible assets	11	(5,336)	-
Loans issued and other investments		(64)	-
Net cash used in investing activities		**(5,945)**	**(73)**
Cash flows from financing activities			
Proceeds from loans and borrowings	12	5,000	-
Repayment of loans and borrowings	12	(7,500)	(6,500)
Settlement of other current financial liabilities		-	(1,637)
Cash dividend paid to shareholders		(1,947)	-
Payments made in lease contracts		(456)	(485)
Interest paid		(1,742)	(1,509)
Net cash used in financing activities		**(6,645)**	**(10,131)**
Net (decrease)/increase in cash and cash equivalents		**(4,543)**	**(7,321)**
Cash and cash equivalents as at 1 April		17,525	24,838
Effect of exchange rate fluctuations		588	2,330
Net cash and cash equivalents as at 30 September		**13,570**	**19,847**
Cash and cash equivalents (asset)		16,621	21,890
Less: bank overdrafts included in current loans and borrowings		(3,051)	(2,043)
Net cash and cash equivalents as at 30 September		**13,570**	**19,847**

The notes on page 9 to 21 are an integral part of this interim condensed consolidated financial information

Notes to the interim condensed consolidated financial statements for the six-month period ended 30 September 2023 and 2022

1. Reporting entity

Lucas Bols N.V. (the 'Company') is a limited company (Naamloze Vennootschap (N.V.)) domiciled in the Netherlands. The address of the Company's registered office is Paulus Potterstraat 14, 1071 CZ in Amsterdam. The interim condensed consolidated financial statements of the Company as at, and for the six months ended, 30 September 2023 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in jointly controlled entities.

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

2. Basis of preparation

(a) Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the EU. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 March 2023. All significant transactions and events have been disclosed in the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements were authorised for issue by the Management Board and Supervisory Board on 15 November 2023. The interim condensed consolidated financial statements have been reviewed by an independent external auditor.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on each reporting date on the historical cost basis except for the following material items in the statement of financial position:

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

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the valuation techniques as outlined below.
When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 14 – financial instruments.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023.

Several amendments and interpretations apply for the first time in 2023, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

4. Operating segments

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

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

Brand information

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

(I) Global Cocktail Brands

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

(II) Regional Liqueurs & Spirits

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

Management reviews, analyses and discusses internal reports of each reportable segment. Key information regarding each reportable segment is set out on the next page.

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

Brand information (continued)

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	GLOBAL COCKTAIL BRANDS		REGIONAL LIQUEURS & SPIRITS		UNALLOCATED		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	39,658	39,987	16,086	16,308	-	-	55,744	56,295
Cost of sales	(17,851)	(16,288)	(9,219)	(8,916)	-	-	(27,070)	(25,204)
Gross profit	**21,807**	**23,699**	**6,867**	**7,392**	-	-	**28,674**	**31,091**
A&P and distribution expenses	(7,082)	(9,425)	(2,072)	(2,113)	-	-	(9,154)	(11,538)
Personnel and other expenses	-	-	-	-	(8,298)	(8,212)	(8,298)	(8,212)
Total result from operating activities	**14,725**	**14,274**	**4,795**	**5,279**	**(8,298)**	**(8,212)**	**11,222**	**11,341**
Share of result of joint ventures	33	62	323	418	-	-	356	480
EBIT[1]	**14,758**	**14,336**	**5,118**	**5,697**	**(8,298)**	**(8,212)**	**11,578**	**11,821**

AMOUNTS IN EUR '000 AS AT	GLOBAL COCKTAIL BRANDS		REGIONAL LIQUEURS & SPIRITS		UNALLOCATED		TOTAL	
	30 SEPTEMBER 2023	31 MARCH 2023	30 SEPTEMBER 2023	31 MARCH 2023	30 SEPTEMBER 2023	31 MARCH 2023	30 SEPTEMBER 2023	31 MARCH 2023
Intangible assets	213,013	213,013	76,867	71,556	-	-	289,880	284,569
Inventories	15,561	17,044	8,467	7,866	-	-	24,028	24,910
Other assets	-	-	-	-	49,043	44,256	49,043	44,256
Total segment assets	**228,574**	**230,057**	**85,334**	**79,422**	**49,043**	**44,256**	**362,951**	**353,735**
Total segment liabilities	-	-	-	-	(151,072)	(147,154)	(151,072)	(147,154)

[1] EBIT is defined as operating profit plus share of result of joint ventures

Market cluster information (Regions)

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

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

AMOUNTS IN EUR '000 FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER	REVENUE BY MARKET CLUSTER		GROSS PROFIT	
	2023	2022	2023	2022
Sophisticated Cocktail Markets [1]	15,171	13,925	6,865	7,152
Developed Cocktail Markets [2]	31,494	33,751	16,604	19,053
Emerging Cocktail Markets	9,079	8,619	5,205	4,886
Consolidated totals	**55,744**	**56,295**	**28,674**	**31,091**

[1] Revenue attributed to the USA is 13,184 (H1 2022/23: 12,303)

[2] Revenue attributed to The Netherlands is 6,767 (H1 2022/23: 6,892)

Revenue came in at EUR 55,744 thousand (2022/23: EUR 56,295 thousand), down 1% compared to last year, mainly as a result of lower trading volumes partly offset by customer price increases, premiumisation, favourable mix effects and exchange rate impact.

5. Distribution and administrative expenses

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	2023	2022
Advertising and promotional expenses	(5,008)	(5,086)
Distribution expenses	(4,146)	(6,452)
Personnel expenses	(5,649)	(5,543)
Other administrative expenses	(1,955)	(1,824)
Depreciation and amortisation	(694)	(845)
	(17,452)	**(19,750)**

Advertising and promotional expenses in the six-month period ended 30 September 2023 are in line with the same period last year reflecting our ongoing strategy to invest in the brands (mainly the Global Cocktail Brands) to accelerate growth. The decrease in distribution expenses is largely driven by last year's non-recurring logistic costs when a substantial single batch of Bols Liqueurs for the US market was produced at Avandis (rather than at our production partner in the US) to minimise the impact of the US glass shortages at the time. The remaining decrease in logistics costs relates to lower volumes shipped as well as a decrease in container rates. Personnel expenses increased compared to the same period last year, reflecting salary increases and an increase in flexible staff at the Lucas Bols Experiences (e.g. the House of Bols).

6. Joint ventures

The share of result of joint ventures results from Maxxium the Netherlands and Belux.

7. Net finance costs

AMOUNTS IN EUR '000 FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	2023	2022
Interest income	96	3
Finance income	**96**	**3**
Interest expenses on loans and borrowings	(2,136)	(959)
Amortisation refinancing fees	(82)	(39)
Interest expense on lease liability	(65)	(66)
Other finance costs	(169)	(285)
Finance costs	**(2,452)**	**(1,349)**
Net finance costs recognised in profit or loss	**(2,356)**	**(1,346)**

8. Earnings per share

Per 30 September 2023 the total weighted average number of shares amounts to 14,972,756, which is equal to the total number of shares issued as at that date.

Basic and diluted earnings per share for the six-month period ended 30 September 2023 amount to EUR 0.47 (30 September 2022: EUR 0.53).

9. Tax expense

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2023 was 23.9% (six months ended 30 September 2022: 24.9%). The effective tax rate for the six months ended 30 September 2023 is below the Company's domestic tax rate (i.e. the Dutch corporate income tax rate which is 25.8% for the six-month period ended 30 September 2023) mainly due to the effect of share of profit of equity-accounted investees.

Reconciliation of effective tax rate

FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER	2023		2022	
	%	EUR 1,000	%	EUR 1,000
Profit/(loss) before tax		9,222		10,475
Tax using the Company's domestic tax rate	25.8	(2,379)	25.8	(2,703)
Effect of tax rates in foreign jurisdictions	(0.9)	87	0.0	(4)
Non-deductible expenses	0.6	(55)	0.0	4
Effect of share of profits of equity-accounted investees	(0.7)	66	(1.2)	124
Changes in estimates related to prior years	0.8	(75)	0.4	(41)
Other	(1.6)	148	(0.1)	13
	23.9	**(2,207)**	**24.9**	**(2,607)**

Deferred tax liabilities

The deferred tax liabilities of EUR 49,896 thousand as at 30 September 2023 (EUR 50,337 thousand as at 31 March 2023) is the net balance of deferred tax assets of EUR 1,512 thousand (EUR 1,009 thousand as at 31 March 2023) and deferred tax liabilities of EUR 51,408 thousand (EUR 51,346 thousand as at 31 March 2023).

The new Dutch tax loss utilisation rules which became effective 1 January 2022 do not impact the Company's current income tax expense and deferred tax assets as no unrecognised tax losses continue to exist.

10. Property, plant and equipment

The balance of the Group's right-of-use assets as at 30 September 2023 is EUR 5,987 thousand (EUR 5,256 thousand as at 31 March 2023).

11. Intangible assets

Each year the Company carries out a formal impairment test at the end of its financial year. For the six-month period ended 30 September 2023 no impairment test has been performed as we did not identify any triggering events. Moreover, the operations during the six-month period ended 30 September 2023 are materially in line with the assumptions applied to last year's impairment test (i.e. the test performed at 31 March 2023).

In June 2023 the Company acquired the Nuvo brand from London Group LLC for EUR 5.3 million (USD 5.7 million) which was added to the Company's brand portfolio.

12. Loans and borrowings

As at 30 September 2023 the Group has drawn EUR 30.0 million on the term loan facility, EUR 9.0 million on the revolving credit facility and EUR 35.0 million on the acquisition facility. The amended bank facilities in place consist of a EUR 30.0 million term loan facility, a EUR 30.0 million revolving credit facility and a EUR 35.0 million acquisition facility.

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

Based on the definitions in the facility agreement and the (extended) amendments thereto, the interest cover per 30 September 2023 was 4.92x (31 March 2023: 6.85x), whilst the leverage ratio for the period ended on that date was 3.49x (31 March 2023: 3.36x).

13. Net working capital

The increase in net working capital as at 30 September 2023 is caused by an increase in trade and other receivables (following strong revenue in August and September 2023), partly offset by lower inventories and slightly higher trade and other payables.

14. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

AMOUNTS IN EUR '000 AS AT 30 SEPTEMBER 2023	FAIR VALUE – HEDGING INSTRUMENTS	LOANS AND RECEIVABLES	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets measured at fair value							
Interest rate swaps used for hedging	-	-	-	-	-	-	-
Forward exchange contracts used for hedging	182	-	-	182	-	182	-
	182	-	-	**182**	-	**182**	-
Financial assets not measured at fair value							
Loan issued	-	140	-	140	-	140	-
Other related party loans	-	267	-	267	-	267	-
Trade and other receivables	-	21,091	-	21,091	-	21,091	-
Cash and cash equivalents	-	16,621	-	16,621	-	16,621	-
	-	**38,119**	-	**38,119**	-	**38,119**	-
Financial liabilities measured at fair value							
Fixed cash consideration	-	-	(250)	(250)	-	-	(250)
Employee benefits	-	-	(207)	(207)	(207)	-	-
Interest rate swaps used for hedging	-	-	-	-	-	-	-
Forward exchange contracts used for hedging	(159)	-	-	(159)	-	(159)	-
	(159)	-	**(457)**	**(616)**	**(207)**	**(159)**	**(250)**
Financial liabilities not measured at fair value							
Loans and borrowings	-	-	(74,448)	(74,448)	-	(74,448)	-
Lease liabilities (non-current)	-	-	(5,306)	(5,306)	-	(5,306)	-
Lease liabilities (current)	-	-	(831)	(831)	-	(831)	-
Other financial liabilities (current)	-	-	-	-	-	-	-
Trade and other payables	-	-	(14,870)	(14,870)	-	(14,870)	-
Accrued interest payable	-	-	(780)	(780)	-	(780)	-
Corporate income tax payable	-	-	(1,274)	(1,274)	-	(1,274)	-
Bank overdrafts	-	-	(3,051)	(3,051)	-	(3,051)	-
	-	-	**(100,560)**	**(100,560)**	-	**(100,560)**	-

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

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 September 2023 and 31 March 2023, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments	Not applicable	Not applicable

Financial instruments not measured at fair value:

Type	Valuation technique	Significant unobservable inputs
Financial assets	Discounted cash flows	Not applicable
Financials liabilities	Discounted cash flows	Not applicable

Financial assets include trade and other receivables, cash and cash equivalents and other investments including derivatives. Other financial liabilities include bank loans, other short term financial liabilities and trade and other payables. The book value of the secured bank loans is considered to be the best approximation of the fair value. For all other financial instruments, the fair value is considered to be consistent with the book value.

15. Share-based arrangements

Employee Share Purchase Plan

In 2015 the Group set up its Employee Share Purchase Plan ('ESPP'). Under the ESPP, employees are entitled to buy shares of the Company with their own funds twice a year (i.e. following publication of the half-year and full-year results) for a yearly maximum of 33.33% of their gross base salary. Eligible employees are entitled to buy at a discount of 13.5% of the share price at that time. A three-year lock up period is applicable, during which the employees cannot sell the shares bought under the ESPP. No other vesting or performance conditions are applicable. The ESPP qualifies as a share-based arrangement (equity settled) under IFRS 2. No share-based payment costs are recognised in profit and loss as the fair value of the share-based payment is zero. In light of the recommended public offer by Nolet for all issued and outstanding shares in the capital of the Company (announced on 9 October 2023) management decided that eligible employees can no longer buy shares of the Company under the ESPP.

Long Term Incentive Plan

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

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

During the six-month period ended 30 September 2023 the Group granted 57,209 phantom shares to key management and senior employees with a vesting period of three years (30 September 2022: 52,848).

16. Commitments and contingencies

The Group leases offices, which were brought on the balance sheet following the adoption of IFRS 16 in the fiscal year ended 31 March 2019; refer to note 10. A guarantee has been issued to the lessor for an amount of EUR 138 thousand.

17. Related parties

Transactions with key management personnel

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24 'Related party disclosures'. The components and magnitude of their remuneration for the six-month period ended 30 September 2023 did not significantly change compared to what was disclosed in the remuneration report in the annual report for the year ended 31 March 2023. For details on their remuneration, reference is made to the remuneration report in the annual report for the year ended 31 March 2023.

Other related-party transactions

The Group has related-party relationships with its shareholders, subsidiaries and post-employment benefit plans. The financial transactions between the Company and its subsidiaries comprise financing-related transactions and operational transactions in the normal course of business and are eliminated in the consolidated financial statements. In substance, the related-party transactions in the six-month period ended 30 September 2023 do not deviate from the transactions reflected in the consolidated financial statements as at, and for the year ended, 31 March 2023.

AMOUNTS IN EUR '000	TRANSACTION VALUES FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER		BALANCE OUTSTANDING AS AT	
	2023	**2022**	**30 SEPTEMBER 2023**	**31 MARCH 2023**
Sale of goods and services				
Joint ventures	8,041	10,630	1,259	1,210
Purchase of goods and services				
Joint ventures	(1,616)	(17,118)	24	89
Others				
Joint ventures dividends received	450	450	-	-
Joint ventures share in results	356	480	-	-
Joint ventures capital contribution	-	-	-	-
Other related party loans	-	232	232	232

Balances are expected to be settled in cash within two months of the end of the reporting period, except for the other related party loan (undefined duration). None of the balances is secured. No expense was recognised in the six-month period ended 30 September 2023 for doubtful debts in respect of amounts owed by related parties (30 September 2022: nil).

18. Subsequent events

Intended public offer by the Nolet Group for Lucas Bols

On 9 October 2023 the Nolet Group and Lucas Bols announced they had reached conditional agreement on a recommended all-cash public offer to be made by the Offeror for all issued and outstanding shares in the capital of the Lucas Bols at an offer price of EUR 18.00 per share (cum dividend). On 3 November 2023 the Nolet Group and Lucas Bols issued a joint press release in which a status update was provided, commenting that parties are making good progress on the preparations for the offer. A first draft of the Offer Memorandum was filed with the AFM for review and approval early November 2023. In line with what was communicated in the 9 October 2023 press release parties anticipate that the offer will close in the first half of 2024.

19. Responsibility statement

The Management Board of Lucas Bols N.V. hereby declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at and for the six months ended 30 September 2023 as prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU give a true and fair view of the assets, liabilities, financial position and the profit or loss of Lucas Bols N.V. and its consolidated companies included in the consolidation as a whole, and that the interim condensed consolidated financial information for the six-month period ended 30 September 2023 gives a fair view of the information required in accordance with section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Amsterdam, 15 November 2023

Huub L.M.P. van Doorne (CEO)

Frank J. Cocx (CFO)

Review report

To: the members of the Supervisory Board and the Management Board of Lucas Bols N.V.

Introduction

We have reviewed the accompanying interim condensed consolidated financial information for the six month period ended 30 September 2023 of Lucas Bols N.V., Amsterdam, which comprises the interim condensed consolidated statement of financial position as at 30 September 2023, the interim condensed consolidated statement of profit and loss, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the period then ended and the selected explanatory notes. The Management Board is responsible for the preparation and presentation of this (condensed) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information for the six-month period ended 30 September 2023 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 15 November 2023

PricewaterhouseCoopers Accountants N.V.

B.A.A. Verhoeven RA