DAVIDE CAMPARI-MILANO N.V.
ADDITIONAL FINANCIAL INFORMATION
AT 30 SEPTEMBER 2021

CAMPARI GROUP

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About this report

Note on presentation

The additional financial information for the nine months ending 30 September 2021 has been prepared using the same recognition and measurement criteria used to prepare the Group's annual consolidated financial statements at 31 December 2020, to which reference is made. This document has not been audited. The additional financial information provides a description of the significant events that occurred during and after the end of the period, the Group's sales performance, broken down by region and by brand, the Group's profit before taxation and its consolidated net financial debt.

Forward-looking statements

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

The actual impact of Covid-19 and its associated operating environment may be materially different from management's expectations.

Campari Group does not assume any obligations or liability in respect of any inaccuracies in the forward-looking statements made in this additional financial information or for any use by any third party of such forward-looking statements.

Information on the figures presented

All references in this additional financial information are expressed in 'Euro' or '€'.

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

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

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

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Key highlights

	for the nine months ending 30 September		change	
	2021	2020	total	organic change
	€ million	€ million	%	%
Net sales [1]	**1,575.7**	**1,282.5**	**22.9%**	**27.3%**
Contribution margin	692.9	546.1	26.9%	31.5%
EBITDA	408.4	258.9	57.7%	
EBITDA-adjusted	**418.0**	**307.1**	**36.1%**	**44.1%**
EBIT	350.1	200.3	74.8%	
EBIT-adjusted	**359.8**	**248.5**	**44.8%**	**54.2%**
Profit before taxation	341.1	189.4	80.1%	
Group profit before taxation	**341.2**	**190.2**	**79.4%**	
Group profit before taxation-adjusted	**343.3**	**220.0**	**56.1%**	
ROS % (EBIT/net sales)	22.2%	15.6%		
ROS (EBIT-adjusted/net sales)	**22.8%**	**19.4%**		

	at 30 September 2021	at 31 December 2020
	€ million	€ million
Net financial debt	926.0	1,103.8

(1) Sales net of excise duties.

	third quarter		change	
	2021	2020	total	organic change
	€ million	€ million	%	%
Net sales [1]	**574.8**	**513.8**	**11.9%**	**12.8%**
Contribution margin	251.2	215.0	16.9%	17.0%
EBITDA	152.7	116.5	31.0%	
EBITDA-adjusted	**156.3**	**137.4**	**13.8%**	**14.2%**
EBIT	133.0	97.3	36.7%	
EBIT-adjusted	**136.6**	**118.2**	**15.6%**	**16.2%**
Profit before taxation	126.7	88.4	43.3%	
Group profit before taxation	**126.6**	**88.7**	**42.8%**	
Group profit before taxation-adjusted	**130.1**	**109.3**	**19.0%**	
ROS % (EBIT/net sales)	23.1%	18.9%		
ROS (EBIT-adjusted/net sales)	**23.8%**	**23.0%**		

(1) Sales net of excise duties.

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Corporate bodies

Board of Directors[1]

Luca Garavoglia[2]	Chairman
Robert Kunze-Concewitz[3]	Chief Executive Officer
Paolo Marchesini[3]	Chief Financial Officer
Fabio Di Fede[3]	Group General Counsel and Business Development Officer
Eugenio Barcellona[2]	Director and Member of the Control and Risks Committee and the Remuneration and Appointment Committee
Fabio Facchini[2][4]	Director and Member of the Control and Risks Committee
Alessandra Garavoglia[2]	Director
Michel Klersy[2]	Director
Catherine Gérardin-Vautrin[2]	Director and Member of the Control and Risks Committee and the Remuneration and Appointment Committee
Annalisa Elia Loustau[2]	Director and Member of the Control and Risks Committee and the Remuneration and Appointment Committee

External auditor[5]

Ernst&Young Accountants LLP

(1) The Board of Directors of Davide Campari-Milano N.V. (also the 'Company' or 'Davide Campari' or 'Campari') was appointed by the Company's Shareholders' meeting of 16 April 2019 for a three-year term 2019-2021.

(2) Non-executive director.

(3) Executive managing director.

(4) Appointed non-executive director by the Company's Extraordinary General meeting on 18 September 2020. On that same date, Fabio Facchini was also appointed member of the Control and Risks Committee by the Company's Board of Directors.

(5) The Company's Shareholders' meeting held on 8 April 2021 resolved the appointment of Ernst&Young Accountants LLP, for the statutory audit of the Company's accounts for the financial year 2021, pursuant to Dutch law.

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Campari Group additional financial information for the first nine months ending 30 September 2021

Updates on the coronavirus, Covid-19 outbreak

The Covid-19 (‘Coronavirus’) pandemic began in 2020 and had a huge impact on the world, which still persists. Although most countries experienced the first wave of infections in a similar way in 2020, the path to recovery from Covid-19 varies widely from country to country, depending on the spread of new variants and the progress of vaccination campaigns. Albeit the mass vaccination programme is making good progress, new waves of infections continue to spread during the third quarter of 2021 in many regions where vaccination rates remain low, such as some Asian countries and emerging markets, thus triggering new localized lockdowns and renewed uncertainty. However, the situation seems overall to be improving thanks largely to greater awareness of the prophylaxis to be followed to treat the disease and the ability of governments to manage specific emergencies in a patchy way instead of applying global measures.
In July 2021 the regulation on the European Covid Digital Certificate (‘EUDCC’), also known as ‘green pass’, came into force in the European Union, setting rules for proof that a person has been vaccinated against Covid-19, tested negative, or recovered from an infection, allowing safe travelling among EU Member States. The green pass was also used by some governments to allow safe access to indoor spaces, including restaurants and bars as well as workplaces. During the first nine months of 2021, consumers started to return to restaurants and bars to enjoy conviviality in a safe get-together environment and to benefit from wider access to outdoor spaces, especially during the summer season. Meanwhile, as international travel remains largely subdued due to various limitations still in place, the Global Travel Retail channel continued to be severely hit by the pandemic effects with respect to pre-Covid-19 levels, although it showed some early signs of improvement in the second and third quarter of 2021, thanks to greater mobility for people, both for work and holidays, particularly among European countries.

While all Campari Group plants and distilleries continue to be fully operational, a new hybrid way of working has been launched globally for office-based Camparistas, where remote working and a safe return to the workplace coexist with a right balance. Togetherness, which is fundamental to the Group’s culture and success, is made possible by spaces that have been designed to support collaboration and relationship building. In this ‘way of working evolution’ technology had a crucial role as it allows inclusion of everyone who is virtually or physically present. ‘Togetherness’ is one of the key corporate values and is in the company’s DNA, which helps focus, productivity as well as collaboration and bonding between social individuals.

Campari Group is continuing to monitor developments of the pandemic and their effects on the macroeconomic scenario and on the markets in which it operates, with special focus on how they affect the behavioural patterns of its consumer base, the Group’s financial position and the results of its operations, despite the objective difficulty to forecast in a context constrained by numerous and new variables that are beyond the Group’s control. The human desire to socialise remains strong and physical distancing rules have prompted the development of new occasions for consumption as people attempt to make bar-quality drinks at home as a new source of entertainment. In fact, the off-premise channel remains resilient and solid, despite the gradual re-opening of the on-premise outlets. With the at-home mixology trend accelerating and increasing home consumption, more consumers have shown interest in buying sprits online and this trend has led to unprecedented levels of e-commerce development, driving the shift to digital marketing strategies. In addition, ready-to-drinks (‘RTD’s’), which in terms of channel pivoted to home consumption, showed strong resilience and development driven by the trend towards flavour, lower-ABV, refreshment and convenience, with spirits companies launching RTDs brand with a premium price positioning.

Campari Group demonstrated remarkable agility and learning ability to engage with new consumers online and leveraging social and digital media initiatives to further strengthen its brands actively, while gaining market share in the premium spirits segments and consolidating its leadership in the aperitifs category. Innovative brand experiences have been generated through distinguished activations and events mainly in outdoor spaces, which benefitted also from overall good weather in key markets, particularly during the key summer tourist season.

The excellent execution across key markets continued during the first nine months of 2021, combined with the Group’s focus on its long-term growth strategic objectives, in terms of brand building and strengthening of its distribution capabilities in strategic geographies, including Asian markets.

Main brand-building activities

The brand portfolio represents a strategic asset for the Campari Group. One of the main pillars of the Group's mission is to build and develop its brands. The Group has an ongoing commitment to investment in marketing designed to strengthen the recognition and reputation of iconic and distinctive brands in the key markets and to launch and develop them in new high-potential geographical regions. The Group is developing its strategies with an increasing focus on new communication tools, especially the digital media channel, which is regarded as strategic due to its interactive, customisable and measurable properties.

The main marketing initiatives focused on global and regional priority brands, undertaken in the first nine months of 2021, are outlined below. Brand-activations are managed in a flexible manner in order to be remodelled, if necessary, to take into account changes in restrictions and new lockdowns aimed at the ongoing containment of the pandemic imposed in the various markets. Brand-building initiatives were mainly focused on digital activations at the beginning of the year. However, throughout the year, following the re-opening of on-premise venues in some countries, initiatives were progressively activated in the on-premise distribution channel as well, in compliance with all regulations.

Most of the Group's visitor centres around the world are now open. In particular, as a result of the restrictive measures in place to fight the pandemic, some of them have shorter opening hours, limited tours and experiences in rigorous compliance with the emergency health measures in force to protect the health of both guests and Camparistas.

New developments

Introducing the <u>RARE</u> division, a new dedicated approach to engage trade and high-end consumers in the United States and key global markets

Campari Group has launched RARE, a new dedicated division with the ambition to become a leading purveyor of luxury offerings in the United States and key global markets. Through this strategic initiative, Campari Group aims to unlock and accelerate the growth of its existing and future portfolio of super premium products and above, seeking a new dedicated approach to brand-building and route-to-market.
In the United States, RARE will focus on three product tiers:

- opulent, top tier luxury offerings that allow Campari to engage with high net-worth individuals;
- boutique, niche products that allow Campari to engage with 'in the know' consumers, spirits connoisseurs and bartenders;
- signature, foundational super premium offerings, with award-winning propositions in the largest and fastest growing categories in the United States.

Beyond the United States, where in its initial phase the project will target three States with the objective to gradually branch out in the following years, a deployment of the RARE initiative, via an increased focus of existing sales organisations, is planned in selected European and Asian markets as well as in e-commerce, enriched by the finest expressions of the Group's portfolio of leading brands.

Global priority brands

Aperol

Throughout the first nine months of 2021 multiple initiatives were launched to recruit and educate consumers with the perfect serve, strengthening the link with food and generating digital engagement to reinforce home consumption of Aperol Spritz. Upon the easing of restrictions in some countries, with the on-premise reopening, activations and events were undertaken across different channels to generate brand experiences, while complying with all regulations. Numerous activations were offered in the core markets, such as Italy, Germany and the United States to enhance the pleasure of celebrating 'together' again. **Together We Can Cheer activation**, **Aperitivo a Casa** and an innovative music event of the **Italian pop music** were launch in Italy, while the **Aperol Bar Walking Tour** and the **Aperol Pool Concert Tour** were launched in selected cities in Germany. Starting from May 2021 the **Aperol 360° Summer Program** was launched in the United States to drive awareness, recognition and trial for Aperol Spritz. In addition, the brand sponsored the **#AperolLovesPizza** campaign on top of **selected music events** in New York City, New Jersey, the San Francisco area and Los Angeles. Numerous other events were tailored to support the brand development in other markets namely France, the United Kingdom, Spain, Greece, China, Poland and South America.

In line with 2020, in the context of the Covid-19 outbreak, several charity organizations were supported by Aperol, including Another Round Another Rally namely in the United States.

In August 2021, a range of exclusive activations and events was held to mark the **opening of Terrazza Aperol**, the first Aperol branded flagship by Campari Group, **in the heart of Venice** (Campo Santo Stefano). Terrazza Aperol celebrates a deep connection with one of the city's most characteristic rituals, the Italian aperitivo, which is revisited in a contemporary version through the orange lens of Aperol Spritz. This initiative is part of Campari Group’s activities to create brand houses for its iconic brands and will enable the Group to establish local and international Aperol brand visibility and equity in the on-premise channel, while also consolidating its expertise in managing sales outlet, following Camparino flagship reopening in Milan in 2019.

Campari

During the first nine months of 2021 many activations were implemented to strengthen the quintessential aperitif with its unmistakable red colour, namely leveraging digital platforms at the global level with the support of sharp initiatives in the core markets Italy, the United States and Germany. The **Campari Red Passion digital campaign** was launched globally establishing the brands’ ethos of Red Passion through the voice of the bartender. In September 2021 for the 9th consecutive year, Campari and Imbibe magazine have partnered together for the **Negroni Week**, over one shared charitable goal. Finally, throughout the year the Campari brand’s bond with Cinema continued to get stronger, with multiple initiatives and partnerships being implemented, including the following:

- the **Campari Red Diaries 2021 Fellini Forward** project explored the creative genius of Federico Fellini using artificial intelligence to create a one-of-a-kind short film, which was globally premiered at the Campari Boat-In Cinema during the **78th Venice International Film Festival**, for which Campari was the **main sponsor** for the 4th consecutive year;
- Campari was the **exclusive spirits partner for the 59th New York Film Festival** and the presenting partner of the Opening Night.

The **2020 edition of the Barawards**, awarded Camparino as the bar revelation of the year, while its bartender Mattia Capezzuoli was awarded as best bartender under 30.

The **160 Years of Campari celebratory stamp**, issued in 2020, was elected as the most beautiful stamp of 2020 by the readers of ‘Il Collezionista’: an Italian magazine dedicated to stamps, philately and postal history.

Wild Turkey

The initiatives executed during the first nine months of 2021 were aimed to strengthen the portfolio premiumisation through packaging upgrades and the introduction of more premium extensions and limited editions. Very positive feedback was highlighted through the recognition of multiple awards in the United States in the context of the **2021 Drinks International Annual Brand Report**, the **2021 San Francisco World Spirits Competition** and the **2021 Ultimate Spirit Challenge**. Focusing on the extensions, the 7th edition of Wild Turkey’s annual exclusive premium release **Master’s Keep** was launched globally. The liquid is a homage to the taste preferences of father-son master distilling duo Jimmy and Eddie Russell: two aged liquids are masterfully united into ‘One’ through a special second maturation. In August 2021 the **Trust Your Spirit** campaign was launched, featuring creative director Matthew McConaughey and introducing the brand’s new tagline, an inspired double entendre, channelling the uncompromising spirit of Wild Turkey’s Master Distiller Jimmy Russell.

In May 2021 the new iconic packaging design of Wild Turkey 101 was launched, as well as the new limited-edition Russell's Reserve 13 year old, one of the boldest, yet smoothest bourbons ever that honours the Russel family ties, exemplifying their mastery of bourbon-making.

SKYY

In June 2021 **SKYY** was **relaunched** with a global campaign first introduced in the United States. The campaign was executed digitally, through multiple media websites and out-of-home media in selected cities. Following the United States key market, the relaunch was extended to Canada and Germany. To support the brand relaunch, in June 2021 the largest national paid media campaign **Born from the Blue** was initiated across digital and social media, online search as well as out of home, establishing the new liquid's claims and credentials, along with the new positioning, that leans into the brand's San Franciscan roots.
The brand also continued its support of the LGBTQIA+ community by becoming an official sponsor of New York City Pride, and launching a sponsorship campaign in the United States. The campaign titled **Coming Out (Again)**, featuring LGBTQIA+ talent Symone, the winner of RuPaul's Drag Race 2021, calls on everyone to come out, safely, and support the LGBTQIA+ hospitality industry, one of those the hardest hit by the Covid-19 pandemic.

Grand Marnier

Several initiatives were launched in the key United States market during the 2021 summer period. Grand Marnier was the **Official Liqueur of New York Fashion Week**, while the **Grand Margarita activation** was implemented in the United States across multiple channels such as paid media, social media, digital influencers and PR activations.

Jamaican rums

With regard to the Jamaican rums portfolio, the **relaunch of Appleton Estate Core Range** (Signature, 8 Year Old Reserve and 12 Year Old Rare Casks) continued across the world in 2021, with rollouts in most of European and Asian markets in April and July 2021, following the introduction in selected markets during 2020. In addition, the new **Appleton Estate 15 Year Old Black River Casks** and the relaunch of **Appleton Estate 21 Year Old Nassau Valley Casks** were activated in key international markets. A new communication campaign called **Hidden Gems** was launched in Canada to drive awareness, with a series of episodes with the Master Blender Joy Spence interviewing local talents of Jamaican Descent and connecting their success stories to Appleton Estate's unique achievements. Moreover, during the first nine months of 2021 the Jamaican rums portfolio was honoured with multiple awards in the context of the prestigious **2021 Beverage Tasting Institute Competition**, the **Spirits Business Rum Masters Competition 2021** and the **2021 Drinks International Annual Brand Report**.

Regional priority brands

Among regional brands portfolio particularly interesting initiatives were launched with reference to some brands in their core markets.
With respect to **Espolòn**, during the summer season a new global communication platform was launched including impactful out of home advertising in selected cities in the United States. In terms of new propositions, the new expression made of 100% blue weber agave with a touch of extra Añejo artfully filtered through charcoal, named Espolòn Cristalino, was launched in Mexico. In terms of awards, Espolòn received the Impact Hot Brand 2020 award for the 5th year in a row and was named one of the Impact's Blue Chip brands, the drinks industry's best long-term performers.
In terms of **The GlenGrant**, in April 2021 Dennis Malcolm, The GlenGrant's Master Distiller, celebrated 60 years in the industry and his tenure as Scotland's longest serving Master Distiller: to support this milestone achievement, the Dennis Malcolm 60th Anniversary Edition was launched. In terms of honours, The GlenGrant portfolio received multiple awards during the first nine months of 2021 in the context of the Editors' Choice in the 2021 spring issue of Whiskey Advocate, the 2021 San Francisco World Spirits Competition and the Ultimate Spirits Challenge.
With regard to **Bulldog**, in April 2021, a new Digital Native Campaign 'Begin Bold' was launched, featuring a new digital storytelling series of short films to champion the entrepreneurial attitude towards life.
With respect to recent acquisitions, in September 2021 the **Lallier Série R** was launched in the core Italian and French markets. The variant is a brut non-vintage, reflecting the uniqueness of a harvest since it is made with a majority of grapes coming from a single harvest of 2018.

Local priority brands

With the reopening of the on-trade and the lifting of restriction measures, a roll-out programme for **Crodino** aimed at strengthening the brand awareness as 'the' non-alcoholic Aperitivo and increasing its distribution outside Italy was accelerated in multiple markets such as Switzerland, Austria, Benelux, Germany, the United Kingdom, as well as Greece, Romania and Bulgaria. With regard to **Aperol Spritz RTE** (ready-to-enjoy), in January 2021 the brand was launched in Australia with an engaging teaser through a multi-channel activation, coupled with off- and on-premise trade media activations to drive mass awareness and expand consumption moments.

Significant events during and after the end of the period

Acquisitions and commercial agreements

Moët Hennessy and Campari Group to partner in a 50/50 joint-venture
On 12 July 2021 Moët Hennessy and Campari Group announced the formation of a 50/50 joint-venture ('JV') with the purpose of investing in wines&spirits e-commerce companies and build a European e-commerce pure player in this growing business.
As part of this partnership, Campari plans to contribute its stake in Tannico to the JV (in 2020 Campari completed its initial investment of 49% in Tannico for a consideration of €23.4 million).
Tannico also owns a majority stake of 68.5% in Ventealapropriete.com ('VAP'), following the closing taken place on 8 July 2021. This transaction was funded via a capital increase underwritten, among other shareholders, by Campari for €25.4 million. Tannico will have the possibility to increase its interest to 100% of VAP from 2024. VAP is a major e-commerce platform for the sale of premium domestic and international wines, as well as high-end spirits in France. In 2020, VAP obtained net sales of €34.5 million (under local GAAP).
Tannico and Ventealapropriete.com have complementary business models, territories and capabilities in terms of technology, marketing and logistics and generated pro-forma aggregated sales of over €70 million in 2020.
The combined business will be led by a seasoned management team led by Marco Magnocavallo, current Chief Executive Officer of Tannico, who remains a key minority shareholder in the business. The transaction confirms the Group's commitment to the strategic e-commerce channel, set to continue to grow strongly thanks to the positive trend of the home consumption of spirits cocktails.

Route-to-market developments in Asia Pacific
During 2021 a number of initiatives were realized supporting the Group's strategy to further develop its presence in the Asian-Pacific markets.
In January 2021, Campari Group increased its interests in the South Korean joint-venture Trans Beverages Company Ltd., with its 40% stake rising to 51%,confirming the call option on the remaining share capital, which can be exercised from 2024. The company, previously represented as a joint-venture investment, has been consolidated since 4 January 2021.
In April 2021, the Group signed an agreement to acquire an interest in a New Zealand company, Thirsty Camel Ltd., a local player that is specialised in the marketing and distribution of alcoholic and non-alcoholic products in the territory. The aim of the agreement is to promote and develop the Group's aperitifs, bitters, liqueur, tequila, single malt and vodka products in New Zealand.
In October 2021, Campari Australia and The Boston Beer Company, parent of Truly Hard Seltzer, announced a partnership, which will see Campari Australia locally manufacture and distribute Truly Hard Seltzer in Australia from February 2022. In the United States, the biggest hard seltzer market globally, Truly grew the most cases of all hard seltzer brands in the last 12 months leveraging its strong innovation pipeline and extensive range. Recently, seltzer RTDs have been experiencing exceptional growth in Australia as well. This partnership will enable Campari Group to play a key role with Truly in this growing business.

Termination of the distribution agreements
With the aim of focusing more on the premium offering and the portfolio of brands owned by the Group, at the beginning of 2021 the agreement to distribute the William Grants&Sons brands in Germany was terminated. The portfolio's sales represented around 2% of the Group overall sales in 2020.
Furthermore, the distribution agreement for the Jägermeister brand in Italy, due to expire in December 2021, will not be renewed. The termination of this agreement will be effective from 1 January 2022 and is not expected to generate material effects on the Group's account (brand sales accounted for less than 1% of consolidated sales in 2020).

Corporate actions

Annual General Meeting of Shareholders
The Annual General Meeting of Shareholders ('AGM') held on 8 April 2021 adopted the 2020 annual financial statements and agreed the distribution of a cash dividend of €0.055 per outstanding share, in line with the dividend distributed in the previous fiscal year. The total dividend, calculated on the outstanding shares and excluding own shares held by the Company at the date of the General Meeting (41,061,670 shares), amounted to €61,629,608.15 and was paid on 21 April 2021.

Employee Share Ownership Plan
The AGM approved the resolution to implement an Employee Share Ownership Plan ('ESOP') aimed at encouraging employees to share the Company's values, strengthening the sense of belonging and encouraging active participation in the Group's long-term growth. The ESOP is intended for all Group employees, with the exception of members of the Board of Directors. These employees will be offered the opportunity to allocate certain amounts to the plan. Their contributions will be used to purchase shares of Davide Campari-Milano N.V. (the 'Purchased Shares') by the plan administrator and, after a three-year vesting period, complementary free shares will be awarded. This initiative will start having an impact on the Group's accounts from the first quarter of 2022.

Moreover, in the context of the ESOP, the AGM approved the resolution to introduce an Extra-Mile Bonus Plan ('EMB') to reward all permanent employees, who worked at the Group for at least 6 months during 2020, with the exception of the Group Leadership Team, for their participation in the Group's performance. Eligible employees will be awarded the right to receive a number of Campari shares for free, subject to their continued employment during a vesting period of three years. This beforementioned initiative started having an impact on the Group's accounts from the third quarter of 2021.

The ESOP and EMB Information Documents, drafted in accordance with applicable legislation, are available on the Company's website: www.camparigroup.com/en/page/group/governance.

Group significant events

Share buyback plan and commitment to sustainability
The AGM authorised the Board of Directors for the purchase of own shares, mainly aimed at the replenishment of the own shares portfolio to serve the current and future stock option plans for the Group's management and other incentive plans currently in force or to be adopted. The authorisation is granted until 8 October 2022. The repurchase can take place for a minimum price, excluding expenses, of the nominal value of the shares concerned and a maximum price of an amount equal to 5% above the average closing price over a period of 5 days preceding the day of the agreement to acquire the shares.
On May 31 Davide Campari-Milano N.V. announced the launch of a programme covering the period from 8 April 2021 to 8 October 2022 coordinated by Exane BNP Paribas. Moreover, the programme includes a contractually-agreed reward mechanism. An amount deriving from the outperformance[1] in the purchase cost of the shares during the programme will be allocated by Campari to an energy efficiency project, namely the installation of photovoltaic panels at Campari's main plant located in Italy (Novi Ligure), allowing the Company to insource the production of renewable electricity and reduce emissions, in line with Campari Group's energy efficiency and decarbonation agenda. By introducing this additional initiative, Campari further confirms its strong commitment to the responsible use of resources and reduction of the environmental impact of its production activities, one of the four pillars of Campari Group's sustainability roadmap.

As a result of the exercise of stock option plans, between 1 January and 30 September 2021, the Company sold 16,368,387 own shares, for a total cash-in of €59.0 million, corresponding to the average exercise price multiplied by the number of own shares sold to the stock option beneficiaries. In the same period, the Company purchased 3,657,186 shares at an average price of €11.4, for a total amount of €42.0[2] million. Considering the spot price per share at 30 September 2021 of €12.2 a theoretical gain of €2.8 million on these purchases is implied within Group equity. At 30 September 2021, the Company held 29,482,606 own shares, equivalent to 2.5% of the share capital.

Other ESG initiatives-Vaccination Hub collaboration in Italy
In Italy (Milan), in collaboration with one of the largest Italian healthcare providers, 'Gruppo MultiMedica', a vaccination hub was created to support both Camparistas and other company employees, as well as local citizens during the critical months of the Covid-19 Italian vaccination campaign.

Global guidelines on 'New ways of working'
Campari Group introduced guidelines for the new ways of working deriving from the specific regulations that each country has enforced as a consequence of the pandemic.
The new ways of working are based on two key principles: a togetherness connection, which is fundamental to support the Group culture and success, and flexibility, to combine personal and work activities in the most suitable place at the most appropriate time. The right office environment will be a place in which Camparistas can achieve great things working, creating and collaborating together. The Group will continue to invest more over time on

[1] The outperformance is the difference between the purchase price and the average VWAP (Volume Weighted Average Price) during the execution period.
[2] The amount does not include the receivable of €0.2 million to be collected in connection with the share buyback programme.

designing the right environments for Camparistas to work together. The office space will acquire a new meaning and will remain a core component of the working philosophy while, at the same time, Camparistas will embrace remote working and exploit relevant technology.

Campari Group celebrated 20 years on the Italian Stock Exchange
Since the initial public offering on the Italian Stock Exchange on 6 July 2001, Campari Group has evolved into a top global spirits player through nearly €3.4 billion in acquisitions, driving its market capitalisation from €0.9 billion in July 2001 to €14.1 billion in September 2021, 15.7x the market capitalisation at IPO[3]. Having increased its net sales from €494.3 million in 2001 to €1,772.0 in 2020, Campari Group is a true success story. Over the last two decades, Campari Group has successfully built upon its proud history to become one of the leading players in the global branded beverage industry with a portfolio of over 50 premium and super premium brands sold in 190 countries. Headquartered in Milan, Italy, Campari Group operates at 22 production sites worldwide and has its own distribution network in 22 countries, employing approximately 4,000 people. In 2020, the Company transferred its registered office to the Netherlands with no impact on its operations or on its tax residence, which remains in Italy. Davide Campari-Milano N.V.'s ordinary shares continue to be listed solely on the Italian Stock Exchange.

[3] All stock data references from 6 July 2001 to 30 September 2021. IPO date 6 July 2001.

Group Financial Review

Sales performance

1. Overall performance

In the first nine months of 2021, the Group's net sales amounted to €1,575.7 million, with an overall increase of +22.9% as compared to the same period of 2020 confirming a sound performance in key markets and brands, with a strong on-premise rebound driven by its progressive reopening, whilst the off-premise continued to show an overall resilience. The organic growth component reported a positive change of +27.3% while the exchange rate component and the perimeter effect were negative at -3.0% and -1.5% respectively.

	for the nine months ending 30 September									
	2021	2020	total change	nine months change %, of which				organic change % by quarter		
	€ million	€ million	€ million	total	organic	perimeter	exchange rate[1]	first	second	third
Total	**1,575.7**	1,282.5	**293.2**	**22.9%**	**27.3%**	-1.5%	-3.0%	17.9%	54.0%	**12.8%**

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

Organic change

The organic performance in the first nine months was very positive registering double-digit growth (+27.3%), normalising with respect to the first half of 2021 (+37.1%). The third quarter continued to show solid double-digit trend (+12.8%), notwithstanding the tough comparison base in the third quarter 2020 (+12.9%) which was characterized by the bounce back of consumption after the prolonged lockdowns.

The very positive growth of the first nine months of 2021 was the result of the continued robust brand momentum across key markets, thanks to a sustained home consumption, combined with a very favourable on-premise performance, which benefitted from the gradual channel reopening. In such channel, consumption was boosted by revenge conviviality, as well as by positive weather conditions in a context of both the initial recovery of tourism and the staycation effect during the key summer season. Moreover, the comparison base in the first nine months of 2020 (-2.8% organic growth) overall impacted positively on the performance registered in the period.

If compared to the results of the first nine months and third quarter of 2019, unaffected base with respect to Covid-19 and hence considered to be a reference benchmark, the net sales performances in 2021 were highly satisfactory with an overall organic increase of +24.0%[4] and +27.3% respectively, showing solid underlying business momentum.

- **Geographical regions overview**

	for the nine months ending 30 September									
	2021		2020		total change	nine months change %, of which				change % third quarter
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]	organic
Americas	667.9	42.4%	552.2	43.1%	115.6	20.9%	28.0%	-	-7.1%	16.6%
Southern Europe, Middle East and Africa	465.6	29.6%	348.7	27.2%	116.9	33.5%	31.9%	1.6%	0.1%	3.8%
North, Central and Eastern Europe	320.4	20.3%	291.8	22.8%	28.6	9.8%	19.8%	-8.8%	-1.1%	14.4%
Asia-Pacific	121.8	7.7%	89.7	7.0%	32.1	35.8%	30.4%	0.8%	4.6%	29.6%
Total	**1,575.7**	**100.0%**	**1,282.5**	**100.0%**	**293.2**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**	**12.8%**

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

All the regions recorded double-digit growth rates in the period, when compared to both the first nine months of 2020 and the first nine months of 2019, driven by sustained home consumption and the on-premise bounce back.

Double-digit growth registered in 2021 in the Americas and Southern Europe, Middle East and Africa region was reinforced by an easy comparison base with the same period of the previous year (-3.6% and -14.2% in the first nine months of 2020, respectively).

Growth in the **Americas**' of +28.0% (+16.6% in the third quarter of 2021) was sustained by strong on-premise momentum combined with resilient home consumption habits and driven by the positive performance across all markets, particularly the United States, Jamaica, Canada, Mexico and South America.

Southern Europe, Middle East and Africa, a mainly on-premise skewed region, registered a growth at +31.9% (+3.8% in the third quarter of 2021 on the back of a very tough comparison base), largely driven by on-premise reopening in the key tourism summer season coupled with good weather conditions. Italy, France, South Africa, Spain as well as the Global Travel Retail channel, all registered strong growth.

[4] The organic percentage change of the first nine months of 2021 compared with the first nine months of 2019 is calculated as the sum of the overall values of organic performances of the first nine months of 2021 and the first nine months of 2020 (with respect to the first nine months of 2020 and the first nine months of 2019 respectively), divided by the overall net sales of the comparison period, i.e. the first nine months of 2019.

North, Central and Eastern Europe recorded a very sound performance notwithstanding a tough double-digit growths comparison base (+11.3% in the first nine months of 2020), despite unfavourable weather conditions and a less pronounced staycation effect during the summer period. The growth was recorded across all countries, particularly the United Kingdom, Germany and Russia.
The **Asia-Pacific** region also showed a positive momentum (+30.4% and +29.6% in the period and in the third quarter of 2021, respectively), also benefitting from route-to-market changes and despite a volatile environment due to renewed localized lockdowns in connection with the spread of new Covid-19 variants namely in the third quarter of 2021. Australia, the region's largest market, recorded organic growth at mid-single digit level, while China, Japan, New Zealand and South Korea showed a very sustained growth.

- **Brands overview**

for the nine months ending 30 September 2021	percentage of Group sales	nine months change %, of which				change % third quarter
		total	organic	perimeter	exchange rate	organic
global priority brands	58.5%	23.7%	27.5%	-	-3.8%	15.0%
regional priority brands	17.3%	31.1%	34.2%	0.8%	-3.8%	18.9%
local priority brands	12.9%	24.3%	24.8%	-	-0.5%	4.5%
rest of the portfolio	11.3%	7.3%	20.4%	-12.7%	-0.4%	4.1%
total	**100.0%**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**	**12.8%**

With regard to brand performances, all clusters showed a double-digit trend with a normalisation in the third quarter of 2021, in light of a tough comparison base with the same period of the previous year for each brand cluster. Performance was confirmed to be positive with double-digit growth rates compared to the first nine months of 2019, thanks to the healthy brand momentum.

The **global priority** (+27.5%) were driven by the solid brand momentum, as well as by the strong performance of aperitifs following the on-premise reopenings in the key summer season. In particular, a positive double-digit organic performance was reported across all brands.
Regional priority brands registered a very good performance (+34.2%) with Espolòn continuing to grow at double-digit rates, combined with the very positive performance of sparkling wines (Mondoro and Riccadonna), Cinzano, the Italian bitters, further strengthened by The GlenGrant and Bulldog performances.
The **local priority brands** grew by +24.8%, driven by the RTDs, with the positive performance mainly of Campari Soda benefitting from the on-premise reopenings, combined with the good results of Aperol Spritz ready-to-enjoy and X-Rated Fusion Liqueur.

Perimeter variation

The perimeter variation of -1.5% in the first nine months of 2021, as compared with sales in the same period of 2020, is analysed in the table below.

breakdown of the perimeter effect	€ million	% on first nine months 2020
acquisitions (Baron Philippe de Rothschild France Distribution S.A.S.[1] and Champagne Lallier)	5.7	0.4%
total acquisitions	**5.7**	**0.4%**
new agency brands	0.7	0.1%
discontinued agency brands	(25.9)	-2.0%
total agency brands	**(25.2)**	**-2.0%**
total perimeter effect	**(19.4)**	**-1.5%**

[1] Baron Philippe de Rothschild France Distribution S.A.S. ('RFD'), re-named Campari France Distribution S.A.S. ('CFD'). Effective from 1 January 2021 CFD and Marnier-Lapostolle Bisquit SAS were merged. The name of the new company following the merge was Campari France SAS.

- **Business acquisitions**

In the first nine months of 2021, the perimeter variation due to business acquisitions was positive at +0.4%. It was driven by the acquisitions of CFD from 28 February 2020 and of Champagne Lallier from 30 June 2020. With regard to the CFD acquisition, sales of Campari Group's brands contributed to the organic sales change, as they were previously distributed by CFD, and were hence reported as Group sales, by virtue of the distribution agreement that had existed prior to the acquisition, whereas sales of agency brands are classified as perimeter variations. With respect to the inclusion in the Group's perimeter of Trans Beverage Ltd., starting from January 2021, the sales trend for Campari Group's own brands for the first nine months of 2021 was reported as an organic component in light of the previous distribution agreement for the Group's own brands in place for the South Korean market, whereby sales in that market were already represented as Group sales; the mainly controlled legal entity's agency brands included in the Group figures following this acquisition were recorded as a perimeter effect.

- **Agency brands distributed**

The perimeter variation due to the distribution of agency brands in the first nine months of 2021 represented a net decrease of -2.0% and was mainly related to the termination of the agreement to distribute the William Grants&Sons portfolio in Germany from January 2021, which more than offset the new agency brands distributed related to the inclusion in the Group's perimeter of Trans Beverage Ltd. starting from January 2021.

Exchange rate effects

The exchange rate effect in the first nine months of 2021 was negative at -3.0%, mainly due to the devaluation of the US Dollar, one of the Group's key currencies, against the Euro, combined with the devaluation of the Jamaican Dollar, the Brazilian Real, the Argentina Peso, the Russian Ruble and the Swiss Franc. The exchange rate effect includes the impact of applying the IFRS guidance on managing hyperinflation in Argentina.
The table below shows, for the Group's most important currencies, the average exchange rates for the first nine months of 2021 with the percentage change against the Euro as compared with the same period in 2020, as well as the spot rates at 30 September 2021 with the percentage change against the Euro as compared with 31 December 2020.

	average exchange rates			spot exchange rates		
	for the nine months ending 30 September 2021	for the nine months ending 30 September 2020	revaluation/(devaluation) vs. nine months 2020	at 30 September 2021	at 31 December 2020	revaluation/(devaluation) vs. 31 December 2020
	1 Euro	: 1 Euro	%	1 Euro	: 1 Euro	%
US Dollar	1.197	1.124	-6.1%	1.158	1.227	6.0%
Canadian Dollar	1.498	1.521	1.6%	1.475	1.563	6.0%
Jamaican Dollar	179.242	159.099	-11.2%	170.776	174.805	2.4%
Mexican Peso	24.081	24.517	1.8%	23.744	24.416	2.8%
Brazilian Real	6.381	5.707	-10.6%	6.263	6.374	1.8%
Argentine Peso(1)	114.214	89.123	-22.0%	114.214	103.249	-9.6%
Russian Ruble	88.601	79.899	-9.8%	84.339	91.467	8.5%
Great Britain Pound	0.864	0.885	2.4%	0.861	0.899	4.5%
Swiss Franc	1.090	1.068	-2.1%	1.083	1.080	-0.3%
Australian Dollar	1.577	1.663	5.5%	1.610	1.590	-1.2%
Yuan Renminbi	7.741	7.861	1.6%	7.485	8.023	7.2%

(1) The average exchange rate of the Argentine Peso was equal to the spot exchange rate at the reporting date.

2. Sales by region

The following analysis by geographical region and core market refers to sales in the first nine months of 2021 in comparison to the same period in 2020. Unless otherwise stated, the comments relate to the organic change in each market. The performance of each region and the key markets compared to the first nine months of 2019, unaffected with respect to Covid-19 and hence considered to be a reference benchmark, is also provided in the tables below.

- **Americas**

The region, broken down into its core markets below, recorded an overall organic increase of +28.0%. The region is predominantly off-premise skewed, particularly North America.

	% of Group total	for the nine months ending 30 September 2021		2020		total change	nine months change %, of which				change % third quarter	organic change versus the first nine months of 2019
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(1)	organic	
US	27.3%	430.0	64.4%	371.0	67.2%	59.0	15.9%	23.4%	-	-7.5%	12.3%	23.7%
Jamaica	4.8%	75.0	11.2%	61.5	11.1%	13.5	22.0%	37.4%	-	-15.4%	44.6%	24.7%
Canada	3.2%	51.1	7.7%	45.3	8.2%	5.9	12.9%	10.7%	0.5%	1.7%	-5.5%	22.8%
Brazil	2.0%	31.0	4.6%	23.4	4.2%	7.6	32.4%	48.1%	-	-15.6%	16.6%	21.2%
Mexico	1.6%	26.0	3.9%	16.0	2.9%	9.9	61.8%	59.6%	-0.6%	2.9%	29.6%	0.5%
Other countries of the region	3.5%	54.8	8.2%	35.1	6.4%	19.7	56.2%	54.7%	-	1.5%	34.4%	28.9%
Americas	**42.4%**	**667.9**	**100.0%**	**552.2**	**100.0%**	**115.6**	**20.9%**	**28.0%**	**-**	**-7.1%**	**16.6%**	**22.9%**

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

If compared to the results of the first nine months of 2019, the performance of the first nine months of 2021 in the region was highly satisfactory showing an overall organic increase of +22.9%.

The **United States**, the Group's largest market, accounting for 27.3% of total Group sales, closed the first nine months of 2021 with a very positive organic performance of +23.4% (+12.3% in the third quarter), benefitting from the progressive on-premise reopening and resilient off-premise consumption, coupled with a low comparison base with the same period in the previous year (+0.1% organic growth in the first nine months of 2020), which was affected by a destocking effect at wholesaler level. The nine-month period confirmed a sustained double-digit

performance driven by the very solid premiumisation trend in spirit consumption supporting Grand Marnier, Espolòn, Wild Turkey and the Jamaican rums performances. The result from the aperitif segment of Aperol and Campari was also solid. SKYY was slightly positive in the period. The performance in the third quarter of 2021 confirmed the positive trend, benefitting from on-premise reopenings, despite the tough comparison base (+8.9% in the third quarter of 2020).
In terms of sell-out, the off-premise channel reflected a tough comparison base with the first nine months of 2020, whilst it showed a very strong sell-out trend of +36.7% in value for core brands compared with the first nine months of 2019[5], growing faster than the overall market.

Jamaica recorded an increase in sales of +37.4% (+44.6% in the third quarter), thanks to the strong growth of Wray&NephewOverproof, Campari, Appleton Estate and Magnum Tonic. The overall performance of the market was boosted by a favourable comparison base with the same period in the previous year (-7.6%). Resilience in off-premise channel performance was also favoured by the shift towards home consumption, while the on-premise channel is still suffering the effect of reduced operating hours and capacity constraints, mitigated by improvements in tourism.

Canada showed a very positive growth of +10.7% during the nine-month period, whilst the trend in the third quarter (-5.5%) was essentially due to an unfavourable comparison base for the same period in the previous year (+13.6%), characterized by the strength in off-premise channel. The main drivers of the positive growth in the first nine months of 2021 were Forty Creek, Appleton Estate, Grand Marnier as well as Espolòn and Wray&NephewOverproof.

Brazil registered a good growth of +48.1% (+16.6% in the third quarter) supported by an easy comparison base with the same period in the previous year (-11.4% in the first nine months and -13.9% in the third quarter). The growth was mainly driven by Campari and Aperol as well as local brand Dreher. The trading environment remains volatile and still heavily affected by the pandemic.

Mexico recorded a very good organic growth of +59.6% (+29.6% in the third quarter) driven by a favourable comparison base with the same period in the previous year (-34.3% in the first nine months and -6.8% in the third quarter), sustained by the lifting of restrictions during the summer period, combined with gradual recovery of international and domestic tourism. SKYY ready-to-drink, Montelobos and Aperol showed very positive performances.

The **other countries** recorded an overall organic growth in sales of +54.7% in a volatile trading environment, favoured by a low comparison base (-16.5% in the first nine months of 2020). Performance was boosted by the very positive results registered in **Peru**, **Chile** and **Argentina**. In the latter market, as a prudent measure to strip-out the effects of the local high inflation rate, the organic change includes only the component attributable to the volumes sold.

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

The region, which is broken down by core markets in the table below, reported an organic increase of +31.9%. It is predominantly skewed to the on-premise channel.

		for the nine months ending 30 September										
		2021		2020		total change	nine months change %, of which				change % third quarter	organic change versus the first nine months of 2019
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic	
Italy	19.4%	305.6	65.6%	235.7	67.6%	69.9	29.7%	29.6%	0.1%	-	1.3%	14.6%
France	5.9%	92.2	19.8%	72.1	20.7%	20.1	27.9%	21.9%	6.0%	-	-14.6%	103.8%
GTR(1)	0.6%	9.9	2.1%	7.0	2.0%	2.9	41.8%	43.9%	-	-2.2%	88.4%	-50.5%
Other countries of the region	3.7%	57.8	12.4%	33.8	9.7%	24.0	70.8%	66.4%	2.9%	1.5%	64.7%	2.7%
Southern Europe, Middle East and Africa	**29.6%**	**465.6**	**100.0%**	**348.7**	**100.0%**	**116.9**	**33.5%**	**31.9%**	**1.6%**	**0.1%**	**3.8%**	**16.4%**

(1) Global Travel Retail.

If compared to the results of the first nine months of 2019, the performance of the first nine months of 2021 in the region was up by double-digit (+16.4%). The overall performance of the period benefitted from favourable weather conditions during the key summer season for the aperitif portfolio and the bounce back of consumption in the on-

[5] Nielsen data Total outlet combined ('XAOC') +Total Liquor+Conv, YTD 38 W/E 25 September 2021.

premise channel, thanks to the positive progression of the vaccination campaign and the introduction of the mandatory Green Pass to access indoor spaces in some key countries during the third quarter of 2021.

The performance in the on-premise skewed **Italian** market was overall positive (+29.6%) in the first nine months of 2021, benefitting from a favourable comparison base (-11.6% in the first nine months of 2020).
Organic growth for the first nine months of 2021 (compared with the same period in the previous year) was driven by a very strong performance of the aperitif portfolio supported by an extremely favourable summer season in terms of weather and revenge conviviality effect driven by the gradual reopening of on-premise venues, further strengthened by the restart of the tourist flow (both domestic and international), combined with a still relevant staycation effect. Positive performance in the period was driven by the double-digit growth of Campari, Aperol and Campari Soda, as well as by a good growth from the on-premise skewed Crodino brand. Aperol Spritz ready-to-enjoy was also positive. The 2021 third quarter growth of +1.3% was impacted by an unfavourable comparison base, since the third quarter of 2020 reported a very strong growth of +35.4%.
The 2021 nine months organic growth in Italy was very solid even compared with the first nine months of 2019, showing a growth of +14.6%. Compared with the third quarter of 2019, the 2021 one was very positive at +37.2%, reflecting the strong brand momentum in the key summer season, also boosted by the favourable summer weather conditions and the ongoing staycation effect. Off-premise sell-out[6] continued to grow at a solid pace, up by +19.3% compared to the first nine months of 2020 and by +41.0% compared to the first nine months of 2019, growing much faster than the overall market.

France registered an organic growth of +21.9%, mainly driven by the continued positive brand momentum of Aperol, Riccadonna, as well as good growth of Campari and Trois Rivieres. The organic trend of the market normalized in the nine-month period, following a weakness in the third quarter of 2021, due to an unfavourable comparison base (+151.8% in the third quarter of 2020, which was impacted by route-to-market changes).

Global Travel Retail showed a double-digit growth of +43.9%, thanks to a favourable comparison base (-64.8% in the first nine months of 2020) from a small base in value terms. The performance reflected the initial lifting of global travel restrictions, which were still disruptive and remained down by -50.5% compared with the first nine months of 2019, unaffected by Covid-19.

The **other countries in the region** reported an overall growth of +66.4%, favoured by an easy comparison base (-46.5% in the first nine months of 2020). In particular, **Spain**, which is an on-premise skewed market, benefitted from the recovery of this channel despite the overall inflow of international tourism being limited. Notwithstanding the still unfavourable macro-economic situation, the strong performance in **South Africa** was mainly supported by progressive restocking against an easy comparison base, which was impacted by a severe destocking in connection with the changes in the distribution set-up. **Nigeria** showed a very good growth driven by the core brand Campari, still in a volatile scenario with ongoing socio-economic instability.

- **Northern, Central and Eastern Europe**

The region recorded overall positive organic growth (+19.8%) spread across its core central and northern European countries. The region is predominantly off-premise skewed. In the first nine months the positive trend of off-trade and e-commerce channels was confirmed, despite an overall tough comparison base (+11.3% in the same period of the previous year). In particular, new consumption and purchasing habits, developed from the beginning of pandemic, started to sustain the organic growth of the main brands. Focusing on the third quarter of 2021, the environment was still volatile due to the new Covid-19 normality scenario and a contingent lower staycation level compared to 2020, combined with poor weather conditions particularly in Central Europe.

		for the nine months ending 30 September										
		2021		2020		total change	nine months change %, of which				change % third quarter	organic change versus the first nine months of 2019
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic	
Germany	7.7%	121.5	37.9%	133.7	45.8%	(12.2)	-9.1%	10.1%	-19.3%	-	7.7%	22.7%
United Kingdom	3.4%	53.1	16.6%	36.5	12.5%	16.7	45.8%	42.5%	-0.1%	3.4%	51.8%	74.9%
Russia	2.1%	33.3	10.4%	28.0	9.6%	5.4	19.2%	32.2%	-	-13.0%	17.2%	53.0%
Other countries of the region	7.1%	112.4	35.1%	93.7	32.1%	18.7	20.0%	20.9%	-	-1.0%	10.3%	26.6%
North, Central and Eastern Europe	**20.3%**	**320.4**	**100.0%**	**291.8**	**100.0%**	**28.6**	**9.8%**	**19.8%**	**-8.8%**	**-1.1%**	**14.4%**	**32.8%**

[6] IRI (Italy) liquid data, hypermarkets + supermarket + proximity stores/superettes from January 2021 to September 2021.

If compared to the results of the first nine months of 2019, the performance of the first nine months of 2021 in the region showed a very positive double-digit growth of +32.8%.

Germany showed a very resilient performance with continued double-digit growth (+10.1%), despite a very tough comparison base (+11.6% in the first nine months of 2020). The performance was mainly driven by Aperol and Aperol Spritz ready-to-enjoy, with the latter recently launched in the market. In addition, Campari, SKYY, Grand Marnier and Crodino also delivered a positive performance. The strong business momentum continued in the third quarter (+7.7%) notwithstanding the adverse weather conditions during the summer period, as well as the less pronounced staycation effect.
Compared with the first nine months of 2020, the strong momentum in sell-out data is confirmed, tracking above the overall market and led by Aperol[7].

Sales in the **United Kingdom** showed a positive growth of +42.5%, on a tough comparison base (+22.8% in the first nine months of 2020), benefitting from the good momentum in the on-premise channel over the sustained off-premise consumption, and was mainly driven by the very positive growth of Campari, Aperol and Magnum Tonic, as well as Wray&Nephew Overproof. Performance was also very solid in the third quarter of 2021 (+51.8%), despite both a progressive normalization of the on-trade channel in unfavourable weather conditions during the months of July and August, and a tough comparison base.

Russia registered a very positive growth of +32.2%, with a normalizing trend in the third quarter of 2021. The performance in the period was driven by the double-digit growth of Aperol, the sparkling wine Mondoro, Campari and Espolòn.

The performance in the **other countries of the region** was up overall by +20.9%, thanks to the double-digit trends of **Switzerland**, **Austria** (both driven by the aperitifs, Aperol and Campari, and Aperol Spritz ready-to-enjoy) and **Belgium**.

- **Asia-Pacific**

This region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded an organic growth of +30.4%, also supported by the recent route-to-market changes in selected Asian countries. The area suffered from a volatile scenario in connection with renewed localized lockdowns, due to the spread of new Covid-19 variants, which impacted the on-premise channel. Although this situation of volatility is reflected in the results of the various quarters of the year, this area recorded strong organic growth of +36.5% in the first nine months of 2021, when compared with the results of the first nine months of 2019.

	% of Group total	for the nine months ending 30 September: 2021 € million	2021 %	2020 € million	2020 %	total change € million	nine months change %, of which: total	organic	perimeter	exchange rate	change % third quarter organic	organic change versus the first nine months of 2019
Australia	5.0%	78.5	64.4%	70.4	78.5%	8.1	11.5%	5.7%	-	5.8%	-3.2%	27.6%
Other countries of the region	2.7%	43.3	35.6%	19.3	21.5%	24.0	124.3%	120.2%	3.7%	0.3%	181.4%	55.9%
Asia-Pacific	**7.7%**	**121.8**	**100.0%**	**89.7**	**100.0%**	**32.1**	**35.8%**	**30.4%**	**0.8%**	**4.6%**	**29.6%**	**36.5%**

In **Australia**, the region's largest market, organic growth in the period was positive at +5.7%, following a weak third quarter in 2021, impacted by local lockdowns combined with supply constraints linked to trans-oceanic shipments and a tough comparison base (+24.7% in the third quarter of 2020). Performance overall was driven by Wild Turkey ready-to-drink, Espolòn, Aperol, Campari, and Aperol Spritz ready-to-enjoy.

Sales in the **other countries of the region** grew by triple digit, also favoured by an easy comparison base (-28.3% in first nine months of 2020) and driven by the very positive performance in **China**, **New Zealand**, **Japan** and **South Korea**, which also benefitted from shipment recovery following route-to-market changes. The performance in China was mainly driven by X-Rated Fusion Liqueur and SKYY Vodka, Aperol, Grand Marnier and Wild Turkey bourbon, while Japan was driven by Wild Turkey bourbon, Campari and The GlenGrant, helped also by a low comparison base.

3. Sales by main brands at consolidated level

The following table summarises the total growth (split into the three components of organic, perimeter and exchange rate effects) in the Group's main brands in the first nine months of 2021, broken down into the categories

[7] Germany NielsenIQ RMS – Grocery+Drug (LEH+DM) YTD August 2021.

identified by the Group based on the priority (global, regional, local and other) assigned to them. In the table below the performance of the portfolio and the key brands compared to the first nine months of 2019, unaffected by Covid-19 and hence considered to be a reference benchmark, is also provided.

	percentage of Group sales	nine months change %, of which				change % third quarter	organic change compared with the first nine months of 2019
		total	organic	perimeter	exchange rate	organic	
Aperol	22.3%	28.6%	29.9%	-	-1.3%	15.5%	33.2%
Campari	10.2%	25.0%	28.4%	-	-3.4%	11.2%	27.1%
Wild Turkey portfolio(1)(2)	7.3%	15.6%	20.9%	-	-5.3%	10.0%	15.6%
SKYY(1)	6.0%	7.1%	11.0%	-	-4.0%	8.0%	-6.0%
Grand Marnier	7.3%	36.0%	43.3%	-	-7.3%	24.2%	28.3%
Jamaican rums portfolio(3)	5.4%	20.2%	28.2%	-	-8.1%	25.6%	35.1%
global priority brands	**58.5%**	**23.7%**	**27.5%**	**-**	**-3.8%**	**15.0%**	**24.0%**
Espolòn	5.4%	33.5%	41.1%	-	-7.7%	17.7%	83.1%
Bulldog	0.7%	46.6%	46.6%	-	-	39.8%	16.6%
The GlenGrant	0.8%	36.3%	36.3%	-	-0.1%	25.6%	-0.1%
Forty Creek	1.0%	11.8%	10.9%	-	0.9%	4.0%	19.0%
Italian bitters(4)	2.8%	18.3%	20.3%	-	-2.0%	13.9%	-1.9%
Cinzano	2.4%	19.8%	20.7%	-	-1.0%	3.4%	10.6%
other(5)	4.0%	50.5%	51.6%	3.9%	-5.0%	34.6%	79.8%
regional priority brands	**17.3%**	**31.1%**	**34.2%**	**0.8%**	**-3.8%**	**18.9%**	**35.3%**
Campari Soda	3.5%	40.0%	40.0%	-	-	-11.6%	25.5%
Crodino	2.5%	5.3%	5.4%	-	-0.1%	-9.5%	-11.7%
Wild Turkey ready-to-drink(6)	2.2%	10.7%	4.9%	-	5.8%	-7.9%	33.4%
Dreher and Sagatiba	1.0%	18.2%	31.5%	-	-13.4%	15.7%	30.2%
other(7)	3.7%	38.7%	40.4%	-	-1.7%	47.1%	64.2%
local priority brands	**12.9%**	**24.3%**	**24.8%**	**-**	**-0.5%**	**4.5%**	**25.5%**
rest of the portfolio	**11.3%**	**7.3%**	**20.4%**	**-12.7%**	**-0.4%**	**4.1%**	**10.1%**
total	**100.0%**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**	**12.8%**	**24.0%**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
(4) Includes Braulio, Cynar, Averna and Frangelico.
(5) Includes Bisquit&Dubouché, Riccadonna, Mondoro, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos and Lallier.
(6) Includes American Honey ready-to-drink.
(7) Includes Cabo Wabo, Ouzo, X-Rated Fusion Liqueur and Aperol Spritz ready-to-enjoy. Aperol Spritz ready-to-enjoy is a stand-alone brand not included in the Aperol brand performance.
In light of the positive trends recorded over the past periods, starting from 1 January 2021 Aperol Spritz ready-to-enjoy and X-Rated Fusion Liqueur were moved from the rest of the portfolio category and reported as local priority brands.

The Group's **global priority brands** (58.5% of sales) showed an organic increase of +27.5%, with an overall positive change of +23.7%, an exchange rate effect of -3.8% and a neutral perimeter effect. The comments below relate to the organic performance of individual brands in the first nine months of 2021. If compared to the results of the first nine months of 2019, unaffected by Covid-19, the global priorities organic performance in the first nine months of 2021 confirmed a growth of +24.0%.

Aperol registered a positive performance at +29.9% as the brand renews recruitment of consumers in the on-premise channel and continues to benefit from sustained home consumption. Core markets, such as Italy, Germany, the United States, the United Kingdom, France, Russia, Switzerland, Austria and Belgium grew by double-digits. Newer markets such as China and Mexico grew even faster, up by triple digits. The positive momentum continued in the key summer season, with a double-digit performance in the third quarter of 2021 (+15.5%), notwithstanding a very tough comparison base (+26.2% in the third quarter 2020), particularly in the core Italian market.

Compared with the first nine months of 2019, Aperol grew by +33.2%, largely driven by positive growth across all core markets, offsetting the weakness in the Global Travel Retail channel and Spain. The key Italian market was up by +35.2% thanks to robust brand momentum.

Campari was up by +28.4%, benefitting from positive home mixology consumption trends as well as the on-premise momentum of the brand's core markets. Performance was positive across all major markets, with double-digit growth registered in core Italian market.

Compared with the first nine months of 2019, Campari grew by +27.1%, mainly driven by the performance in the United States, the United Kingdom, Nigeria, Jamaica, Brazil, Argentina as well as Germany, offsetting the declines in Global Travel Retail and Spain. Compared with first nine months of 2019, the Italian market was up by +30.6%.

The **Wild Turkey** portfolio, which includes American Honey, showed a strong growth of +20.9%, helped by a favourable comparison base (-4.3% in the same period of the previous year). Performance was mainly driven by the core United States market, thanks to solid category momentum and premiumisation trend. Among the other markets, Japan, Canada and South Korea registered positive tendencies, while Australia was weak, impacted by a tough comparison base (+28.0% in the first nine months of 2020).

SKYY closed the first nine months of 2021 with a growth of +11.0%, thanks to the very positive performance of international markets, particularly Argentina, China and South Africa, with the latter benefitting from an easy comparison base. The United States market, where the brand began the relaunch of new packaging and a new

concept, was slightly positive. Compared with the first nine months of 2019, SKYY was down (-6.0%), still impacted by the destocking effect of 2020 in the core United States market.
Grand Marnier recorded solid growth of +43.3%, driven by the very positive trend in the core United States market (+43.3%) favoured by home-made cocktail consumption trends, particularly the success of the Grand Margarita in both channels, further helped by a favourable comparison base. A good growth was registered in other markets, including France, China and Canada, with the latter being positively impacted by the easy comparison base.
The **Jamaican rums portfolio** (Appleton Estate, Wray&Nephew Overproof and Kingston 62) registered an organic growth of +28.2%. Appleton Estate showed a very good performance (+38.2%), benefitting from the favourable category trend in premium rum, particularly in Jamaica, the United States, Canada and the United Kingdom. Wray&NephewOverproof grew at a double-digit rate (+23.7%), driven by continued positive trends in the core markets of Jamaica, the United Kingdom, the United States and Canada. The rest of portfolio (mainly Kingston 62) showed a double-digit performance as well, in the period.

The **regional priority brands** (17.3% of sales) recorded an organic growth of +34.2%, with an overall positive variation of +31.1%, a perimeter effect of +0.8% and an exchange rate effect of -3.8%. The comments below relate to the organic performance of individual brands. Compared to the results of the first nine months of 2019, unaffected with respect to Covid-19 and hence considered to be a reference benchmark, the regional priorities organic performance in the first nine months of 2021 would have been up by +35.3%.

Espolòn (5.4% of total sales) showed a continued double-digit trend (+41.1%), mainly driven by very positive performance in the core United States market thanks to solid premium tequila category momentum. The seeding markets, such as Australia, Canada and Italy, also showed a positive trend in the period.
Bulldog registered a double-digit increase (+46.6%), helped by a favourable comparison base (-20.2% in the first nine months of 2020) and boosted by the very positive trend in Spain, Argentina, Italy, Germany and Belgium.
The GlenGrant performance was very positive (+36.3%) and was sustained by a favourable comparison base (-26.7% in the first nine months of 2020) combined with good trends in the Global Travel Retail, France, Italy as well as Japan and China. The brand is benefitting from its long-term repositioning, featuring an enhanced focus and gradual shifting into premium long-aged and high-margin propositions from high-volume and unaged variants.
Forty Creek showed a double-digit growth trend of +10.9%, thanks to its core Canadian market.
Italian bitters (Cynar, Averna, Braulio and Frangelico) recorded an organic increase of +20.3%, with positive results across the whole brand portfolio. Performance was mainly driven by the core United States and Italian markets and was also overall sustained by a favourable comparison base (-18.3% in the first nine months of 2020).
Cinzano was up by +20.7% organically, helped by an easy comparison base of -8.1% in the first nine months of 2020. The performance was driven by a double-digit growth in both the vermouth segment, mainly attributable to the United States and Argentina, and the sparkling wines segment, thanks to the United States, Russia and Italy.
Among the **other brands**, both Mondoro and Riccadonna recorded double-digit growth of +77.1% and +48.3% respectively. Mondoro was driven by its core Russian market, while the positive performance of Riccadonna was driven by the French market, positively impacted by both the change in route-to-market and the continuous spread of Aperol spritz, as well as from Peru. Bisquit&Dubouché recorded a positive performance on the back of a very favourable comparison base with the same period of the previous year.
With respect to recent acquisitions, the positive trend of Montelobos and Ancho Reyes was driven by the core United States market and Mexico, while the Rhum Agricole portfolio (Trois Rivières and Maison La Mauny) registered an organic growth in the period, driven by the key French market. Both portfolios were helped by an easy comparison base with the first nine months of 2020, impacted by the pandemic.

The **local priority brands**[8] (12.9% of the Group's portfolio) registered an organic sales increase of +24.8%, with an overall positive change of +24.3%, an exchange rate effect of -0.5% and a neutral perimeter effect. The comments below relate to the organic performance of individual brands.

The organic performance of the local priority brands was the result of very good growth from the entire portfolio, with particular focus on the single-serve aperitifs such as **Campari Soda**, driven by favourable summer weather condition and resilient home consumption in the core Italian market favoured by its cocktail-to-go format and the on-premise reopening, combined with a favourable comparison base (-10.4% in the first nine months of 2020), and **Aperol Spritz ready-to-enjoy**. The latter was driven by the core Italian market boosted by the positive launch in selected international markets such as Germany and Australia. **Crodino** recorded an overall positive organic performance in the period, sustained by an easy comparison base (-16.3% in the first nine months of 2020) and driven by its core Italian market further supported by the continued growth of international markets such as Germany and Switzerland which still represent a small portion of sales. Compared with the first nine months of

[8] In light of the positive trends over the past periods, starting from 1 January 2021 Aperol Spritz ready-to-enjoy and X-Rated Fusion Liqueur were moved from the rest of the portfolio category and reported as local priority brands.

2019, the brand performance was negative, still impacted by lockdowns in 2020 and at the beginning of 2021. The positive performance of **Wild Turkey ready-to-drink** was driven by its key Australian market, despite the tough comparison base (+27.4% in the first nine months of 2020), while the positive trend of **Cabo Wabo** was sustained by its core United States market thanks to the positive category momentum. The Brazilian brand (**Dreher** and **Sagatiba**) showed a double-digit organic growth, thanks to its core Brazilian market, characterized by a continued volatile trading environment. **X-Rated Fusion Liqueur** recorded a very strong growth driven by the core South Korean market and China, benefitting from increased focus after changes in local route-to-market, and the United States.

The **rest of the portfolio** (11.3% of sales) showed a double-digit growth of +20.4%, thanks to the positive results of **Magnum tonic** in the core United Kingdom market and Jamaica, and **SKYY ready-to-drink** in Mexico.

Statement of profit or loss

Key highlights

Profit or loss for the first nine months of 2021 had a positive organic performance for all profitability indicators. Specifically, in organic terms, net sales, gross profit, contribution margin and the result from recurring activities (EBIT adjusted) showed a growth of +27.3%, +30.3%, +31.5% and +54.2%, respectively. In particular, all indicators grew strongly compared to net sales, thus driving margin accretion. While, on the one hand, these results are driven by favourable comparison base in the same period of 2020 due to the pandemic, on the other hand they confirmed the solidity of the strong momentum of the Group's brand in their core markets, also compared to 2019 first nine months results: the diversification in terms of brand and geography combinations enabled the achievement of a sustained recovery throughout the period.

The perimeter component was namely related to the termination of some distribution agreements from January 2021, only partially offset by the acquisition of Campari France Distribution SAS[9] finalised on 28 February 2020 and the acquisition of Champagne Lallier S.a.r.l. completed on 10 June 2020.

The exchange rate effect was unfavourable during the first nine months of 2021 mainly due to the devaluation of the US Dollar, one of the Group's key currencies, against the Euro.

The table below shows the profit or loss[(1)] for the first nine months of 2021 and a breakdown of the total change by organic change, perimeter change and exchange rate effects.

	for the nine months ending 30 September											
	2021		2020		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[(2)]	**1,575.7**	**100.0**	**1,282.5**	**100.0**	**293.2**	**22.9%**	**350.6**	**27.3%**	**(19.4)**	**-1.5%**	**(38.0)**	**-3.0%**
Cost of sales	(614.5)	(39.0)	(520.9)	(40.6)	(93.6)	18.0%	(119.9)	23.0%	17.3	-3.3%	9.0	-1.7%
Gross profit	**961.2**	**61.0**	**761.5**	**59.4**	**199.6**	**26.2%**	**230.8**	**30.3%**	**(2.2)**	**-0.3%**	**(29.0)**	**-3.8%**
Advertising and promotional expenses	(268.2)	(17.0)	(215.4)	(16.8)	(52.8)	24.5%	(58.5)	27.2%	-	-	5.7	-2.7%
Contribution margin	**692.9**	**44.0**	**546.1**	**42.6**	**146.8**	**26.9%**	**172.3**	**31.5%**	**(2.2)**	**-0.4%**	**(23.2)**	**-4.3%**
Selling, general and administrative expenses	(333.1)	(21.1)	(297.6)	(23.2)	(35.5)	11.9%	(37.5)	12.6%	(3.6)	1.2%	5.5	-1.9%
Result from recurring activities (EBIT-adjusted)	**359.8**	**22.8**	**248.5**	**19.4**	**111.3**	**44.8%**	**134.8**	**54.2%**	**(5.8)**	**-2.3%**	**(17.7)**	**-7.1%**
Other operating income (expenses)	(9.7)	(0.6)	(48.3)	(3.8)	38.6	-79.9%						
Operating result (EBIT)	**350.1**	**22.2**	**200.3**	**15.6**	**149.8**	**74.8%**						
Financial income (expenses)	(15.1)	(1.0)	(27.4)	(2.1)	12.3	-44.7%						
Adjustments to financial income (expenses)	4.7	0.3	2.0	0.2	2.7	130.7%						
Put option, earn out income (expenses) and hyperinflation effect	(0.2)	-	15.4	1.2	(15.5)	-101.1%						
Profit (loss) related to associates and joint-ventures	1.6	0.1	(0.9)	(0.1)	2.5	-						
Profit before taxation	**341.1**	**21.6**	**189.4**	**14.8**	**151.7**	**80.1%**						
Non-controlling interests-before taxation	(0.1)	-	(0.8)	(0.1)	0.7	88.7%						
Group profit before taxation	**341.2**	**21.7**	**190.2**	**14.8**	**151.0**	**79.4%**						
Group profit before taxation-adjusted	**343.3**	**21.8**	**220.0**	**17.2**	**123.3**	**56.1%**						
Total depreciation and amortisation	(58.2)	(3.7)	(58.6)	(4.6)	0.4	-0.6%	(0.7)	1.2%	(0.5)	0.9%	1.6	-2.7%
EBITDA-adjusted	**418.0**	**26.5**	**307.1**	**23.9**	**110.9**	**36.1%**	**135.4**	**44.1%**	**(5.3)**	**-1.7%**	**(19.3)**	**-6.3%**
EBITDA	**408.4**	**25.9**	**258.9**	**20.2**	**149.5**	**57.7%**						

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

(2) Sales after deduction of excise duties.

9 Effective from 1 January 2021 Campari France Distribution SAS ('CFD') and Marnier-Lapostolle Bisquit SAS were merged. The name of the new company following the merger is Campari France SAS.

The table below shows the statement of profit or loss[1] for the third quarter of 2021 broken down into total change, organic change, perimeter change and exchange rate effects.

	third quarter											
	2021		2020		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[2]	**574.8**	**100.0**	**513.8**	**100.0**	**61.1**	**11.9%**	**65.7**	**12.8%**	**(9.7)**	**-1.9%**	**5.0**	**1.0%**
Cost of sales	(217.2)	(37.8)	(205.2)	(39.9)	(12.1)	5.9%	(16.4)	8.0%	8.8	-4.3%	(4.4)	2.2%
Gross profit	**357.6**	**62.2**	**308.6**	**60.1**	**49.0**	**15.9%**	**49.3**	**16.0%**	**(0.8)**	**-0.3%**	**0.5**	**0.2%**
Advertising and promotional expenses	(106.4)	(18.5)	(93.6)	(18.2)	(12.8)	13.6%	(12.7)	13.6%	0.1	-0.1%	(0.1)	0.1%
Contribution margin	**251.2**	**43.7**	**215.0**	**41.8**	**36.2**	**16.9%**	**36.5**	**17.0%**	**(0.7)**	**-0.3%**	**0.4**	**0.2%**
Selling, general and administrative expenses	(114.6)	(19.9)	(96.8)	(18.8)	(17.8)	18.3%	(17.4)	18.0%	-	-	(0.4)	0.4%
Result from recurring activities (EBIT-adjusted)	**136.6**	**23.8**	**118.2**	**23.0**	**18.5**	**15.6%**	**19.2**	**16.2%**	**(0.7)**	**-0.6%**	**0.1**	**-**
Other operating income (expenses)	(3.6)	(0.6)	(20.9)	(4.1)	17.2	-82.6%						
Operating result (EBIT)	**133.0**	**23.1**	**97.3**	**18.9**	**35.7**	**36.7%**						
Financial income (expenses)	(6.4)	(1.1)	(8.2)	(1.6)	1.9	-22.8%						
Adjustments to financial income (expenses)	0.1	-	0.4	0.1	(0.3)	-65.3%						
Put option, earn out income (expenses) and hyperinflation effect	0.2	-	(0.4)	(0.1)	0.6	-						
Profit (loss) related to associates and joint-ventures	(0.3)	(0.1)	(0.7)	(0.1)	0.4	-54.1%						
Profit before taxation	**126.7**	**22.0**	**88.4**	**17.2**	**38.3**	**43.3%**						
Non-controlling interests-before taxation	-	-	(0.3)	(0.2)	0.3	116.5%						
Group profit before taxation	**126.6**	**22.0**	**88.7**	**17.3**	**37.9**	**42.8%**						
Group profit before taxation-adjusted	**130.1**	**22.6**	**109.3**	**21.3**	**20.8**	**19.0%**						
Total depreciation and amortisation	(19.7)	(3.4)	(19.2)	(3.7)	(0.5)	2.4%	(0.3)	1.5%	-	-	(0.2)	0.9%
EBITDA-adjusted	**156.3**	**27.2**	**137.4**	**26.7**	**18.9**	**13.8%**	**19.4**	**14.2%**	**(0.7)**	**-0.5%**	**0.2**	**0.2%**
EBITDA	**152.7**	**26.6**	**116.5**	**22.7**	**36.2**	**31.0%**						

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

The table below shows the changes in the key profit or loss indicators for the first nine months of 2021 compared with the results of the first nine months both of 2020 and 2019 in terms of margin changes (basis points) as a percentage of total net sales and organic sales as well as organic changes[1].

	first nine months of 2021 compared to first nine months of				
	2020			2019	
margin accretion (dilution) in basis points ('bps')[2] and organic % change	total bps	organic bps	% organic	organic bps	% organic
Net sales	-	**-**	**27.3%**	-	**24.0%**
Cost of sales	160	140	23.0%	(130)	28.3%
Gross profit	**160**	**140**	**30.3%**	**(130)**	**21.4%**
Advertising and promotional expenses	(20)	-	27.2%	80	18.2%
Contribution margin	**140**	**140**	**31.5%**	**(50)**	**22.7%**
Selling, general and administrative expenses	210	270	12.6%	180	13.7%
Result from recurring activities (EBIT-adjusted)	**350**	**410**	**54.2%**	**140**	**31.7%**

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

The table below shows the changes in the key profit or loss indicators for the third quarter of 2021 compared with the results of the third quarter of both 2020 and 2019 in terms of margin changes (basis points) as a percentage of total net sales and organic sales as well as organic changes[1].

	third quarter 2021 compared to third quarter				
	2020			2019	
margin accretion (dilution) in basis points ('bps')[2] and organic % change	total bps	organic bps	% organic	organic bps	% organic
Net sales	-	-	**12.8%**	-	**27.3%**
Cost of sales	210	170	8.0%	10	27.1%
Gross profit	**210**	**170**	**16.0%**	**10**	**27.4%**
Advertising and promotional expenses	(30)	(10)	13.6%	(90)	33.6%
Contribution margin	**190**	**160**	**17.0%**	**(80)**	**24.9%**
Selling, general and administrative expenses	(110)	(90)	18.0%	110	20.3%
Result from recurring activities (EBIT-adjusted)	**80**	**70**	**16.2%**	**30**	**29.0%**

(1) For information on the definition of alternative performance measures, see the section 'Definitions and reconciliation of the Alternative Performance Measures' in the next part of this additional financial information.
(2) There may be rounding effects given that the corresponding basis points have been rounded to the nearest ten.

Statement of profit or loss in detail

The key profit or loss items for the first nine months of 2021 are analysed below, while a detailed analysis on 'sales performance' is included in the previous paragraph, to which reference is made.

Gross profit for the period was €961.2 million, up +26.2% compared to the same period of 2020. The organic component of +30.3% (+16.0% in the third quarter 2021), favoured by an easy comparison base (-7.1% in the first nine months 2020), was slightly offset by exchange rate variations of -3.8% and an almost neutral perimeter effect of -0.3%. As a percentage of sales, profitability stood at 61.0%, higher than in the first nine months of 2020 (59.4%). In terms of basis points, total profitability increased as a percentage of sales by 160 basis points overall. The organic components accounted for the majority of the accretive effect, i.e. 140 basis points (accretion of 170 basis points in the third quarter 2021), while the perimeter impact was positive at 60 basis points, more than offsetting the dilutive exchange rate component of 40 basis points. Overall, the gross margin accretion was driven by a sound product/market sales mix (outperformance of high margin aperitifs and premium spirits), supported by price increases in selected combinations of brands and geographies, combined with a stronger absorption of fixed production costs driven by higher volume produced as well as the suspension of the United States import tariffs. These positive effects, favoured also by an easy comparison base with respect to the first nine months of 2020, more than offset the intensifying inflationary pressure detected on input costs that began to occur especially with reference to logistics costs. Meanwhile, the agave purchase price remained elevated, albeit improving. Compared to the first nine months of 2019, gross profit grew +21.4% organically, with a margin dilution of 130 basis points, due to the unfavourable sales mix driven by the outperformance of Espolòn (generating a dilution of 150 basis points), with product cost still impacted by high agave prices, and the underperformance of SKYY, due to destocking, and Crodino hit by lockdowns in the Italian market.

Advertising and promotional expenses amounted to €268.2 million, up +24.5% overall with respect to the first nine months of 2020. The organic increase was +27.2% (+13.6% in the third quarter 2021), which was partly offset by the exchange rate variations of -2.7% while the perimeter was neutral. Brand building investments were increasingly targeted at the on-premise channel during the key summer season whilst digital media remained key to leverage new consumer behaviours, trends and preferences. The organic growth in the first nine months of 2021 reflected a favourable comparison base (-6.9% in the first nine months of 2020), as well as sustained marketing investments behind key brands, in particular, aperitifs, to benefit from the gradual reopening of the on-premise channel. As a percentage of sales, advertising and promotional expenses moved from 16.8% in the first nine months of 2020 to 17.0% in the same period of 2021 with an overall dilution effect on sales of 20 basis points (dilution of 30 basis points in the third quarter of 2021). Compared with the first nine months of 2019, advertising and promotional expenses increased by +18.2% organically, with a margin accretion of 80 basis points. In the third quarter it was up +13.6% compared with the third quarter of 2020 against a tough comparison base, hence slightly dilutive on margin, and it was up +33.6% compared with the third quarter of 2019, confirming the continued brand building investment step-up.

The **contribution margin** was €692.9 million, an overall increase of +26.9% on the first nine months of 2020. As a percentage of sales, the contribution margin stood at 44.0%, showing an overall accretion of 140 basis points compared to the same period of 2020. The organic growth component was +31.5% (+17.0% in the third quarter of 2021), also aided by a favourable comparison base (-7.2% in the first nine months of 2020) and was higher than organic sales growth, thus generating improved profitability of 140 basis points (160 basis points in the third quarter 2021). The perimeter effect was slightly negative at -0.4% with a positive impact on profitability of 40 basis points and was mainly attributable to the discontinuation of the distribution of agency brands. The exchange rate effect of -4.3% had a dilutive impact on margins of 40 basis points.

Selling, general and administrative expenses amounted to €333.1 million, up by +11.9% on the same period of the previous year. As a percentage of sales, they amounted to 21.1% compared with 23.2% in the first nine months of 2020, with an overall accretive effect on margins of 210 basis points. At organic level, selling, general and administrative expenses increased by +12.6% compared with the first nine months of 2020 (+18.0% in the third quarter 2021), lower than the significant increase in sales growth and, therefore, generating an accretion effect on margin of 270 basis points (a dilution of 90 basis points in the third quarter of 2021). In terms of the performance compared to the previous year, it is worth mentioning that from the second quarter of 2020, a series of structure cost mitigation initiatives were put in place in order to protect the profitability given the decrease in net sales during the initial lockdowns.

The increase in selling, general and administrative expenses in the first nine months of 2021, accelerating in the third quarter, reflected investments mainly to strengthen the Group's capabilities and business infrastructure.

Compared to the first nine months of 2019, selling, general and administrative expenses rose by +13.7% organically, behind the strong sales growth (+24.0%) generating a margin accretion of 180 basis points.

The result from recurring activities (EBIT adjusted) was €359.8 million, with an overall increase of +44.8% on the same period in 2020. The return on sales adjusted (ROS) stood at 22.8%, up from 19.4% in the first nine months of 2020. The organic growth component was +54.2% (+16.2% in the third quarter of 2021), which was higher than organic sales growth, generating an improved profitability of 410 basis points (70 basis points in the third quarter of 2021). The impact of perimeter variations on EBIT adjusted was negative by €5.8 million or -2.3%, with a dilution effect of 10 basis points, mainly attributable to the discontinuation of certain agency brands and the tail-end effect from the consolidation of newly acquired businesses. Moreover, the exchange rate effect was negative by €17.7 million or -7.1% (with a dilution of 50 basis points) namely generated by the devaluation of the US Dollar, one of the Group's key currencies, against the Euro, as well as the Emerging Market currencies, due to an unfavourable country mix. Compared to the first nine months of 2019, the EBIT adjusted grew by +31.7% organically, with a margin accretion of 140 basis points.

Other operating income (expenses) comprised a net expense of €9.7 million. This referred to costs associated with the restructuring projects commenced in previous years, non-recurring retention schemes, only partly mitigated by the positive adjustment resulting from the closure of a tax dispute regarding indirect taxes in Brazil following the final favourable opinion received from the local authorities, coupled with the insurance reimbursement of damages due to the malware attack suffered in 2020.

The operating result (EBIT) for the first nine months of 2021 was €350.1 million, reflecting an increase of +74.8% on the same period in 2020. The ROS, which measures the operating result as a percentage of net sales, amounted to 22.2% (15.6% in the first nine months of 2020).

Depreciation and amortisation totalled €58.2 million, down -0.6% on the first nine months of 2020, of which +1.2% was at organic level and +0.9% related to perimeter variation, which were more than offset by exchange rate variations of -2.7%.

EBITDA adjusted stood at €418.0 million, an increase of +36.1%, of which +44.1% was at organic level, partially offset by the exchange rate and the perimeter effect of -6.3% and-1.7% respectively.

EBITDA was €408.4 million, an increase of +57.7% compared to the first nine months of 2020 (€258.9 million).

Net financial expenses, which include exchange rate components, totalled €15.1 million compared to €27.4 million in the first nine months of 2020. The decrease of €12.3 million is partially attributable to the exchange rate components, which generated a positive variance of €4.3 million (a gain of €3.9 million in the first nine months of 2021 compared with a loss of €0.4 million in the first nine months of 2020). Excluding the aforementioned exchange components, net financial expenses stood at €19.0 million for the first nine months of 2021 and €27.0 million for the first nine months of 2020, recording a decrease of €8.0 million despite a higher level of average debt in the first nine months of 2021 (€1,040.6 million) than the same period of 2020 (€948.6 million). The average cost of net debt (excluding the above exchange rate components) in the first nine months of 2021 was 2.4%, showing a significant improvement compared to 3.8% reported in the same period of 2020. This decrease was mainly attributable to the lower average coupon on long-term debt obtained thanks to the liability management transactions performed in 2020 and 2021 to benefit from the favourable interest rates. A detailed analysis of net financial expenses is provided in the table below.

	for the nine months ending 30 September	
	2021 € million	2020 € million
Total interest expenses bond, loans and leases	(21.1)	(28.9)
Bank and other term deposit interests income	4.8	5.1
Other net expenses	(2.8)	(3.2)
Total financial expenses before exchange gain (losses)	**(19.0)**	**(27.0)**
Exchange gain (losses)	3.9	(0.4)
Total financial income (expenses)	**(15.1)**	**(27.4)**

In the first nine months of 2021 the **adjustments to financial income (expenses)** were positive at €4.7 million, due to the interest on the gain resulting from the final favourable opinion received from the local authorities related to the closure of a tax dispute in Brazil on indirect taxes; the €2.0 million adjustment reported in the first nine months of 2020 mainly related to a liability management transaction for a term loan subscribed in July 2019, to which minor amendments were made.

The **income (expenses) relating to put options, earn out and hyperinflation effects** was negative and totalled €0.2 million. It includes net expenses totalling €0.3 million attributable to the non-cash effects of the remeasurement and discounting to present value of payables for future commitments relating to earn out and minority shareholdings in the acquired businesses. The item also includes amounts arising from the application of the hyperinflation management measures for the accounts of the Argentine company, generating a net revenue of €0.1 million.

The profit (loss) related to associates and joint-ventures represented a net gain of €1.6 million, mainly generated by the reassessment of the Group’s interests in the South Korean joint-venture, Trans Beverages Company Ltd., which was included in the Group’s perimeter from 4 January 2021 after the acquisition of a controlling stake. This gain was partially offset by a loss of €1.3 million resulting from the recognition of the results obtained by joint-venture companies in the period of competence for the Group.

Profit before taxation (Group and non-controlling interests) stood at €341.1 million, an increase of +80.1% compared with the same period of 2020. Profit before taxation as a percentage of sales was 21.6% (14.8% in the first nine months of 2020).

Profit (loss) before taxation relating to non-controlling interests for the period in question was marginal and corresponds to a loss of €0.1 million (a loss of €0.8 million in the first nine months of 2020).

The **Group’s profit before taxation** amounted to €341.2 million, an increase of +79.4% on the same period of 2020. Profit before taxation as a percentage of sales was 21.7% (14.8% in the first nine months of 2020).
However, after excluding adjustments to operating, financial, put options and earn out items before the related taxation and the profit (loss) related to re-assessments of previously held joint-venture investments before their consolidation, the Group’s profit before taxation amounted to €343.3 million, up +56.1% on the figure reported in the first nine months 2020, adjusted consistently.

Net financial debt

At 30 September 2021, consolidated net financial debt amounted to €926.0 million, down €177.8 million on the €1,103.8 million reported at 31 December 2020.

The consolidated net financial debt at 30 September 2021 reflects the positive cash flow generation thanks to the Group's very satisfactory business performance in the first nine months of 2021; moreover, it factors in the cash-out effect of dividend payment of €61.6 million, the payment of put option liabilities for €6.2 million and the acquisition of additional interests in Tannico S.p.A. for €25.4 million, partially offset by a cash inflow of €17.0 million resulting from the sale of own shares to service stock option plans, net of the purchase of own shares during the period.

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

	at 30 September 2021 € million	at 31 December 2020 € million	total change € million	*organic € million*	*perimeter[2] € million*	*exchange rates € million*
cash and cash equivalents	838.3	548.1	290.3	*294.9*	*(26.1)*	*21.5*
bonds	(50.0)	-	(50.0)	*(50.0)*	-	-
loans due to banks	(283.0)	(244.3)	(38.7)	*(38.3)*	-	*(0.5)*
lease payables	(13.7)	(13.9)	0.1	*0.5*	-	*(0.3)*
other financial assets and liabilities	(10.8)	(13.3)	2.5	*2.5*	-	-
short-term net financial debt	**480.8**	**276.6**	**204.2**	***209.6***	***(26.1)***	***20.7***
bonds	(845.3)	(894.7)	49.4	*49.4*	-	-
loans due to banks[1]	(394.8)	(320.0)	(74.8)	*(74.8)*	-	-
lease payables	(73.8)	(69.5)	(4.3)	*(2.3)*	-	*(1.9)*
other financial assets and liabilities	7.6	7.1	0.5	*0.5*	-	-
medium-/long-term net financial debt	**(1,306.3)**	**(1,277.1)**	**(29.2)**	***(27.3)***	**-**	***(1.9)***
net financial debt before put option and earn-out payments	**(825.5)**	**(1,000.5)**	**174.9**	***182.3***	***(26.1)***	***18.8***
liabilities for put option and earn-out payments	(100.4)	(103.3)	2.8	*2.9*	-	*(0.1)*
net financial debt	**(926.0)**	**(1,103.8)**	**177.8**	***185.2***	***(26.1)***	***18.7***

(1) Including the relevant derivative.

(2) The perimeter variation included the cash outflow for the acquisition of additional interests in Tannico S.p.A. for €25.4 million, the effect deriving from the incorporation of the subsidiary in South Korea (Trans Beverages Company Ltd.) into Campari Group accounts and the 10% stake in Thirsty Camel Ltd., classified as other investments, resulting in an overall consideration paid of €1.5 million. Trans Beverages Company Ltd. was previously represented as a joint-venture investment, while, during the first half of the year, in line with the Group's strategy to empower its presence in the Asian Pacific region, the Group increased its interests by raising its stake from 40% to 51%. For more information on this transaction, please refer to paragraph 'Significant events during and after the end of the period' of this additional financial information at 30 September 2021.

As of 30 September 2021, the net financial debt composition, skewed into medium/long-term debt and strengthened by a meaningful liquidity position, reflects the Group's commitment to pursue its long-term external growth strategy. Moreover, the Group relies on significant credit lines totalling €658.3 million, of which only €130.6 million were drawn down at the end of the period.

Short-term net financial debt, mainly comprising cash and cash equivalents (€838.3 million) net of loans due to banks (€283.0 million) and bonds (€50.0 million), was positive at €480.8 million up €204.2 million compared with the short-term net financial debt at 31 December 2020. The main element of the change was the positive cash generation of €290.3 million (organically €294.9 million), which more than offset the increase in loans due to banks (€38.7 million) and the short-term reclassification of the five-year unrated bond (€50 million), issued in 2017 and maturing in April 2022. Other financial assets and liabilities mainly relate to payables for interest accrued on existing bonds for an amount of €9.8 million (€6.3 million at 31 December 2020).

The medium/long-term financial debt consisted primarily of bonds (€845.3 million) and loans due to banks (€394.8 million) for a total amount of €1,306.3 million. The change in bank loans (€74.8 million) was mainly due to efficient liability management aimed at maximizing temporarily favourable market conditions through the subscription of new loans, for a total amount of €130.0 million, and the repayment of existing and maturing loans for a total cash outflow of €50.5 million. Long-term lease payables (€73.8 million) were up by €4.3 million, primarily connected to organic growth in the right-of-use of third-party buildings in France. Other financial assets and liabilities, for a net positive amount of €7.6 million, were mainly related to receivables from the sale of non-core business completed in previous years (€3.0 million unchanged compared to 31 December 2020) and restricted deposits supporting future payments associated with past business acquisitions for €4.1 million (€4.0 million at 31 December 2020).

Moreover, the Group's net financial debt included a liability of €100.4 million, consisting of future commitments to purchase outstanding minority shareholdings in controlled companies and, in particular, in Société des Produits Marnier Lapostolle S.A. (for an expected cash outflow of €45.0 million), Montelobos, Ancho Reyes, J. Wray&Nephew Ltd. and Champagne Lallier S.a.r.l. (for an estimated combined cash outflow of €53.4 million) and other committed liabilities related to recent business acquisitions. At September 2021 the whole short-term liability of €6.2 million, related to the agreement in place with the previous shareholders in Société des Produits Marnier Lapostolle S.A., was settled.

The Group's debt management objectives are based on the achievement of an optimal and sustainable level of financial solidity, while maintaining an appropriate level of flexibility with regard to acquisition opportunities and funding options, through available cash. The Group monitors the evolution of the net debt/EBITDA adjusted ratio on an ongoing basis. For the purposes of the ratio calculation, net debt is the value of the Group's net financial debt at 30 September 2021, whereas the EBITDA adjusted relates to the rolling EBITDA adjusted over the last twelve months (for more information related to the calculation, please refer to 'Alternative Performance Measures' in this additional financial information). At 30 September 2021, this multiple was 1.8 times, compared with 2.8 times at 31 December 2020 and 2.4 times at 30 September 2020, based on consistent calculation criteria. The decrease of the ratio compared to 31 December 2020 is mainly driven by the positive cash generation from the business performance, as well as the improved rolling EBITDA adjusted, which incorporated the results of the first nine months of 2021, largely enhanced compared with the results of the first nine months of 2020.

2021 first nine months conclusion and outlook

The first nine months of 2021 have been characterized by a sharp rebound in the on-premise channel driven by a revenge conviviality and by the resilience in the off-premise thanks to sustained home consumption. Results in the third quarter were sustained by a positive tourism season coupled with favourable weather conditions in core on-premise markets during the key summer period. The performance was very sound in terms of organic growth, both compared to the same period of last year and to the unaffected base of 2019. As life returns to a 'new normal', this positive trend confirms that social experience and conviviality outside home remain an essential habit in consumers' lifestyles. The strong momentum across key brands and markets was supported by continued investment in marketing and innovation with an increasing focus on the on-premise activations upon the reopening of this key channel.

Looking at the remainder of the year, the Group remains confident about the business underlying performance, which is expected to continue in the last quarter. The favourable sales mix by product and market/channel is expected to partially offset the rising inflationary pressure on input and distribution costs, namely linked to logistic constraints, the accelerated brand building investments, as well as the structure costs phasing (incentives and hiring catch up) against a low comparison base.

The perimeter effect on Campari Group's EBIT adjusted in the full year is expected to be unchanged versus previous guidance provided upon the 2021 half year results (approximately €-9 million and mainly due to termination of agency brands). The exchange rates outlook in the last quarter of the year is not expected to materially worsen.

Looking beyond 2021, volatility is expected to persist, impacted by the speed of Covid-19 vaccination campaigns and the possible reintroduction of restrictive measures to prevent the spread of new Covid-19 variants.

In this context, Campari Group expects some uncertainty in connection with the evolution of the pandemic in relation to induced logistic constraints and intensified input cost pressure, despite the improving agave outlook. Overall Campari Group remains confident on the solid brand momentum as it continues to invest behind its brands and capabilities.

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

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

FINANCIAL MEASURES USED TO MEASURE GROUP PERFORMANCE

Organic change: Campari Group shows organic changes to comment on its underlying business performance. By using this measure, it is possible to focus on the business performance common to both periods under comparison and which management can influence. Organic change is calculated by excluding both the impact of currency movement against the Euro (expressed at average exchange rates for the same period in the previous year) and the effects of business acquisitions and disposals, as well as the signing or termination of distribution agreements. In order to mitigate the effect of hyperinflationary economies, organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS only includes the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.
Specifically:
- the exchange rate effects are calculated by converting the figures for the current period at the exchange rates applicable in the comparative period of the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the previous year are included in full in the figures for the previous year as from the closing date of the transaction, and are only included in the current period's organic change 12 months after their conclusion;
- the results from business disposals or the termination of distribution agreements during the same period of the previous year are wholly excluded from the figures for that period and, therefore, from organic change;
- the results from business disposals or the termination of distribution agreements during the current period are excluded from the figures for the same period of the previous year from their corresponding date of disposal or termination.

The organic change as a percentage is the ratio of the overall value of the organic change, calculated as described above, to the overall value of the measure in question for the previous period under comparison.

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

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

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

These items are deducted from, or added to, the following measures: operating result (EBIT), EBITDA and Group profit or loss before taxation. For a detailed reconciliation of the items that had an impact on the alternative performance measures referred to above in the current and comparison period, see the appendix given at the end of this section.

The Group believes that properly adjusted measures help both management and investors to assess the Group's results year over year on a comparable basis as well as against those of other groups in the sector, as they exclude the impact of certain items that are not relevant to assess performance.

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

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

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

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

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

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

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

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

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

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

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

Debt/EBITDA adjusted ratio

The net debt/EBITDA adjusted ratio is used by management to assess the Group's level of financial leverage, which affects its capacity to refinance its debt by the set maturity dates and to obtain further financing to invest in new business opportunities. The Group monitors changes in this measure on an ongoing basis. Net debt is the Group's net financial debt reported at the closing date of the reference period; the Group's EBITDA adjusted for the past 12 months is calculated based on the reported value at the closing date of the reference period, into which the portion of EBITDA adjusted recorded in the previous year is incorporated for the remaining months.

- **Appendix of alternative performance indicators**

In the first nine months ending 30 September 2021, EBITDA, the result from recurring activities (EBIT) and Group's profit or loss before taxation were adjusted to take into account the items shown in the tables below.

for the nine months ending 30 September 2021	**EBITDA**		**EBIT**		**Group profit before taxation**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**408.4**	**25.9%**	**350.1**	**22.2%**	**341.2**	**21.7%**
devaluation of tangible assets, goodwill, trademarks and business disposed	(1.8)	-0.1%	(1.8)	-0.1%	(1.8)	-0.1%
restructuring costs	(5.2)	-0.3%	(5.2)	-0.3%	(5.2)	-0.3%
Jamaica site restoration	(4.8)	-0.3%	(4.8)	-0.3%	(4.8)	-0.3%
gains (losses) from disposals of tangible and intangible fixed assets	1.8	0.1%	1.8	0.1%	1.8	0.1%
gain (loss) resulting from fiscal disputes	6.2	0.4%	6.2	0.4%	6.2	0.4%
retention schemes	(7.5)	-0.5%	(7.5)	-0.5%	(7.5)	-0.5%
cyber attack expenses net of insurance refund	5.0	0.3%	5.0	0.3%	5.0	0.3%
other adjustments of operating income (expenses) (incl. donations)	(3.3)	-0.2%	(3.3)	-0.2%	(3.3)	-0.2%
profit (loss) related to re-assessments previously held joint-ventures investment	-	-	-	-	2.9	0.2%
interest revenues connected to the definition of fiscal disputes	-	-	-	-	4.7	0.3%
total adjustments	**(9.7)**	**-0.6%**	**(9.7)**	**-0.6%**	**(2.1)**	**-0.1%**
alternative performance measure adjusted	**418.0**	**26.5%**	**359.8**	**22.8%**	**343.3**	**21.8%**

	for the nine months ending 30 September 2021 € million
EBITDA adjusted at 30 September 2021(+)	418.0
EBITDA adjusted at 31 December 2020(+)	399.9
EBITDA adjusted at 30 September 2020(-)	307.1
rolling twelve months EBITDA adjusted	**510.8**
net financial debt at 30 September 2021	**926.0**
net debt/adjusted EBITDA ratio	**ratio 1.8**

for the nine months ending 30 September 2020	**EBITDA**		**EBIT**		**Group profit before taxation**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**258.9**	**20.2%**	**200.3**	**15.6%**	**190.2**	**14.8%**
gains (losses) from disposals of tangible and intangible fixed assets	0.7	0.1%	0.7	0.1%	0.7	0.1%
devaluation of tangible assets, goodwill, trademarks and business disposed	(16.1)	-1.3%	(16.1)	-1.3%	(16.1)	-1.3%
fees from acquisition/disposals of businesses or companies	(2.3)	-0.2%	(2.3)	-0.2%	(2.3)	-0.2%
restructuring and reorganisation costs	(26.1)	-2.0%	(26.1)	-2.0%	(26.1)	-2.0%
other adjustments of operating income (expenses)	(4.6)	-0.4%	(4.6)	-0.4%	(4.6)	-0.4%
income (expenses) related to put option and earn out	-	-	-	-	16.4	1.3%
adjustments to financial income (expenses)	-	-	-	-	2.0	0.2%
total adjustments	**(48.3)**	**-3.8%**	**(48.3)**	**-3.8%**	**(29.8)**	**-2.3%**
alternative performance measure adjusted	**307.1**	**23.9%**	**248.5**	**19.4%**	**220.0**	**17.2%**

	for the nine months ending 30 September 2020 € million
EBITDA adjusted at 30 September 2020 (+)	307.1
EBITDA adjusted at 31 December 2019 (+)	479.8
EBITDA adjusted at 30 September 2019 (-)	340.3
rolling twelve months EBITDA adjusted	**446.6**
net financial debt at 30 September 2020	**1,068.2**
net debt/adjusted EBITDA ratio	**ratio 2.4**

Davide Campari - Milano N.V.

Official seat: Amsterdam, The Netherlands-Dutch Companies’ Register No. 78502934

Corporate address: Via Franco Sacchetti, 20, 20099 Sesto San Giovanni (Milan), Italy

Share capital: €11,616,000.00 fully paid in

Fiscal Code and Milan Companies’ Register No. 06672120158-VAT No. IT06672120158

Investor Relations

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