


# ANNUAL REPORT
# 2025



# Reading guide

The Annual Report 2025 provides a comprehensive view of the financial and sustainability performance of the illycaffè Group (hereinafter also "the Group" or "illycaffè") and consists of three sections.

## MANAGEMENT REPORT

It illustrates the Group's operating performance, supplementing the economic-financial and sustainability information referring to the year ended 31 December 2025, and includes all the information required by Art. 40 of Legislative Decree 127/1991 and Article 2428 of the Italian Civil Code.

The approach adopted in the preparation of the Management Report is based on an integrated reporting model, which illycaffè has been using on a voluntary basis since 2021 and which reflects the increasing integration between economic-financial performance and the social and environmental context in which the Group operates.

With the aim of anticipating the regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD), illycaffè has included information on governance, sustainability strategy and management of ESG impacts, risks and opportunities in the Management Report. This has been done to proactively respond to the provisions of the European Sustainability Reporting Standards (ESRS) developed by EFRAG (European Financial Reporting Advisory Group).

Furthermore, the Management Report includes, within the Sustainability Statements, the annual reporting required by Law 208/2015 on Benefit Companies (so-called Impact Report), regarding the pursuit of the common benefit objectives included in the Articles of Association.

## CONSOLIDATED FINANCIAL STATEMENTS

It refers to the financial year ended at 31 December 2025 and is prepared in accordance with IFRS/IAS international accounting standards. It includes information on the Group's economic, equity and financial situation.

## FINANCIAL STATEMENTS

It refers to the financial year ended at 31 December 2025 and is prepared in accordance with IFRS/IAS international accounting standards. It includes information on the Parent Company's economic, equity and financial situation.



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# Management Report



# Highlights

## Performance Highlights

**€700 million**
REVENUES
**+11.1%** vs. 2024

**135**
COUNTRIES SERVED

**136**
FLAGSHIP STORES IN 26 COUNTRIES

**1,375**
EMPLOYEES WORLDWIDE*
**+11.3** vs. 2024

**96.5%**
GENDER PAY INDEX

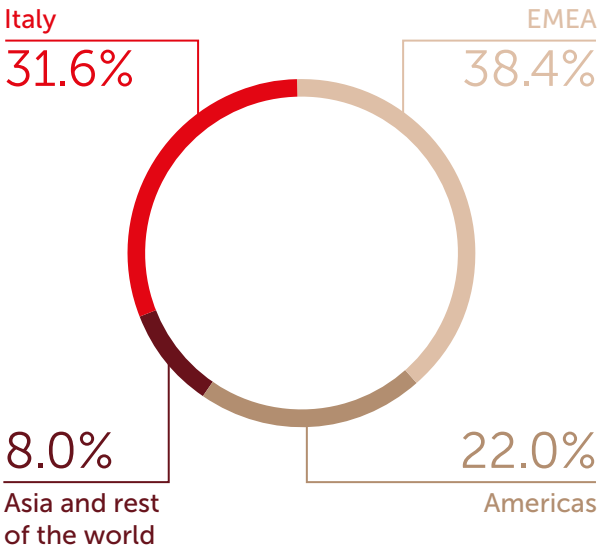
**2,407**
STAKEHOLDERS INVOLVED IN TRAINING ACTIVITIES ALONG THE COFFEE SUPPLY CHAIN

**450**
COFFEE TASTED EVERY DAY

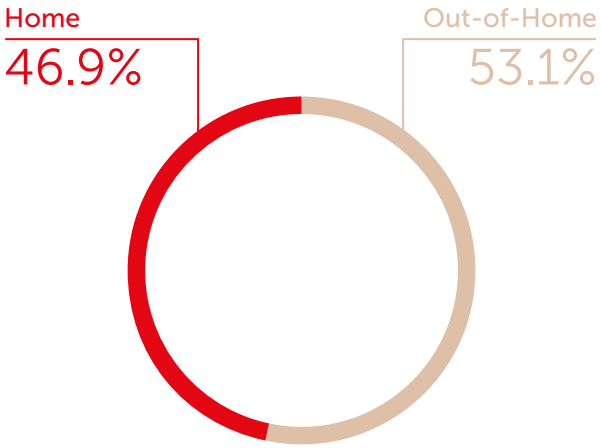
**24**
UNIVERSITÀ DEL CAFFÈ LOCATIONS

**96.9%**
ELECTRICITY FROM RENEWABLE SOURCES
*100% FOR THE PARENT COMPANY*

### REVENUES BY GEOGRAPHICAL AREA




### REVENUES BY DISTRIBUTION CHANNEL




**2**
STRATEGIC ACQUISITIONS

Illycafé AG
Capitani S.r.l.

* The figure also includes employees of Illycafé AG and Capitani S.r.l.

# Main events of the year

## CONTEMPORARY ART

In 2025, illycaffè presented two illy Art Collections: in May, the collection designed by Sol Calero and, in September, the collection designed by John Armleder.
Sol Calero is an artist born in Caracas and now based in Berlin, famous for her works that explore the themes of representation and identity through immersive installations rich in colourful patterns and fabrics. A bright colour palette, floral motifs and vibrant geometries have given life to a collection that evokes Latin American imagery and invites us to slow down, observe and share.
John Armleder is one of the most radical and visionary Swiss artists of his time, known for his multidisciplinary approach that encompasses painting, sculpture, design, performance and installation. The collection fully reflects Armleder's visionary approach and aesthetic universe, which, through mirrored surfaces, metallic chrome and iridescent reflections, recalls one of his most iconic works, the famous Universal Mirror Balls.




## illy Art Collection

Launched in 1992, the illy Art Collection project allowed illycaffè to transform an everyday object (the iconic coffee cup designed by Matteo Thun) into a blank canvas on which contemporary artists were invited to express their creativity. Over the years, this canvas has hosted the works of over 125 internationally renowned artists, including Michelangelo Pistoletto, Marina Abramović, Anish Kapoor, Yoko Ono, Robert Wilson and Ai Weiwei.






In 2025, illycaffè further continued to support the leading contemporary art fairs around the world, starting with Frieze, of which it is the official global coffee partner. During the Los Angeles and New York editions, the illy Art Collection Genesi was exhibited, created by Syrian artist Simone Fattal, Iranian artist Shirin Neshat, Italian artist Monica Bonvicini and Binta Diaw, a Milanese artist of Senegalese origin. At the Seoul edition, the collection by Sol Calero was presented, while the illy Art Collection by John Armleder was launched at the London edition. The latter collection was subsequently presented in Paris at Art Basel Paris and in Turin at Artissima.

The 2025 edition of ARCOmadrid marked the twentieth year of partnership between illycaffè and the art fair and the eighteenth anniversary of illy SustainArt, the award given to young artists under 40 exhibiting at the fair, which was awarded to Spanish artist Claudia Pagès for her work exploring the interaction between space and time.

The Artissima fair in Turin also celebrated an important anniversary: 25 years of the illy Present Future award, which went to Louis Morlae for his works that investigate the cultural impact of technology, exploring the connections between digital worlds, techno-fetishistic objects and narrative fiction.

In 2025, illycaffè was once again a key player at Milan Design Week with partnerships both inside and outside the Salone del Mobile, alongside some of the most renowned and sophisticated brands such as Lissoni & Partners, Kartell, Molteni, Moroso, Interni and Poltrona Frau. At the Fiera Milano Rho exhibition centre, illy was the coffee partner for various meetings, networking events and coffee breaks at the International Business Lounge and the Caffè della Stampa.

For the 57th edition of Barcolana, the world's largest sailing regatta held every year in the Gulf of Trieste, illycaffè chose to collaborate with Robert Wilson, one of the world's greatest visual and theatre artists, who recently passed away, to create the Barcolana Manifesto and a commemorative illy Art Collection. Wilson chose a rigorous and theatrical composition where light takes centre stage: thanks to the use of primary and powerful graphic elements, the colour blue transforms into sky, sea and sails, bringing the event back to its essence and celebrating the fusion between art and the sea.



## SUSTAINABLE SUPPLY CHAIN




On International Coffee Day, celebrated every year on the 1st of October, illycaffè presented its "Why We Make It" campaign, aimed at spreading the passion and daily commitment that illycaffè has dedicated for over 90 years to ensuring superior quality and sustainable coffee. The campaign kicked off with two large pop-ups in Milan and New York and a commercial filmed at the production plant in Trieste, featuring illycaffè employees explaining the refined techniques of selection, blending, roasting, grinding and pressurisation developed over 90 years of experience. It was the voices of illycaffè's professionals that revealed the behind-the-scenes of the production process and reaffirmed their commitment as ambassadors of Made in Italy products and pioneers of quality coffee culture.






At the 34th edition of the Prêmio Ernesto Illy de Qualidade Sustentável do Café para Espresso, the annual award established by illycaffè to reward the best sustainably grown coffee harvest, held in São Paulo, Brazil, the names of the growers who produced the best quality Arabica in the country were announced, gaining them access to the tenth edition of the Ernesto Illy International Coffee Award.

The Ernesto Illy International Coffee Award, a landmark event for the sector, which celebrates excellence and sustainability in coffee production worldwide every year, was held in Rome in 2025. The prestigious "Best of the Best" award was presented by an international technical jury to Rwanda's Ngamba Coffee Washing Station – Sucafina S.A. for the extraordinary quality and sustainability of its coffee. The "Coffee Lovers Choice" award, on the other hand, awarded directly by consumers, was won for the first time by El Salvador with Agroindustrial Yaya's Finca Villa Mercedes.

The Ernesto Illy International Coffee Award is also an important meeting point for representatives from across the coffee supply chain, from producers to exporters, traders and institutions. The event opened with an audience with Pope Leo XIV at the Vatican and was enriched by a meeting at the FAO headquarters, during which international experts addressed issues such as regenerative agriculture and artificial intelligence, considered strategic levers for responding to systemic challenges that could impact the coffee sector in the medium to long term.



## HIGH GASTRONOMY

Also in 2025, illycaffè was a partner of The World's 50 Best Restaurants, the ranking of the 50 best restaurants in the world, which culminates with one of the most influential culinary events of the catering world. The ranking is the result of the votes of the World's 50 Best Restaurants Academy, consisting of more than 1,000 experts from all over the world.

Two Illy Chef Ambassadors were reconfirmed in the rankings: in 18th place, Niko Romito, who with his Reale in Castel di Sangro once again demonstrated culinary mastery and commitment to excellence, and, in 43rd place, Mauro Uliassi with his restaurant of the same name in Senigallia, known for his creativity and ability to transform high-quality ingredients into surprising dishes. Massimo Bottura with Osteria Francescana has been confirmed in the Hall of Fame.




# illy Chef Ambassador

The illy Chef Ambassador project is an initiative launched by illycaffè in 2017, combining the world of quality coffee and haute cuisine. The programme involves internationally renowned chefs, giving them the opportunity to create a custom blend that reflects their culinary style and sensory preferences, resulting in unique experiences for coffee and fine dining lovers.






In June, the illy brand once again took centre stage at Taste of London, bringing the excellence of Italian espresso to the heart of London's gastronomic scene. With an elegant dedicated stand, illycaffè offered tastings of its 100% Arabica blend, twenty masterclasses and exclusive pairings with dishes created by Michelin-starred chefs, such as the exclusive zero-waste coffee-based dish created in collaboration with Chantelle Nicholson, illy Chef Ambassador and recipient of the Michelin Green Star. The event was a unique opportunity for coffee lovers to discover the art and culture of illy espresso in a context of innovation and haute cuisine.

In September, the 26th edition of Gambero Rosso's Guida Bar d'Italia (Italian Bar Guide) was presented in Milan, produced in collaboration with illycaffè. The illy Bar of the Year Award, which recognises establishments that stand out for their particular focus on sustainability, was presented to Mamm Pane, Vino e Cucina in Udine.



## Group Profile

# Mission, Vision, Values

### SINCE 1933, THE DREAM OF OFFERING THE BEST COFFEE TO THE WORLD

illycaffè was founded in 1933 by Francesco Illy, inspired by a dream: to offer the best coffee to the world.

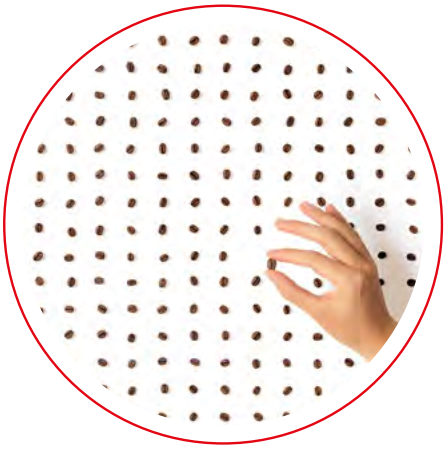


In the late 1940s, his son Ernesto, a chemistry graduate, took over, who gave a marked impetus to illycaffè's scientific and technological research, creating the company's first chemistry lab.

The 1990s saw a generational change, first with Riccardo and then with Andrea, CEO since 1994 and Group Chairman in office since 2005.

To date, illycaffè is a family-controlled and management-led company. Since 1 January 2022, Chief Executive Officer is Cristina Scocchia.

In 2021, the private equity fund Rhône Capital acquired a minority interest in illycaffè's share capital, to work alongside the company on its international growth path.



illy is a global brand in the premium coffee segment, recognised for the excellent quality of its blend, enjoyed every day in homes, bars, restaurants, hotels, offices and single-brand cafes in the 135 countries where the Group is present through direct branches and a network of distributors.

illy coffee is characterised by a unique 100% Arabica blend, which comes from the selection of 1% of beans with zero defects.

# Mission

Delight lovers of beauty and goodness in the world, with the best coffee nature can offer, enhanced by technology and the beauty of the arts.





# Vision

We strive to be the world reference for coffee culture and excellence.
An innovative company, leader of the high-end segment, offering unique experiences.

# Values

Ethics, intended as long-term value creation, through sustainability, transparency and people development.

Excellence, intended as love for beauty, goodness and the well-made.



# History

## 1933

### THE BIRTH OF ILLYCAFFÈ

Francesco Illy, born in Hungary, moves from Vienna to Trieste, the city of coffee, at the end of the First World War.
In 1933 he establishes illycaffè based on a dream: to offer the best coffee in the world.

## 1934

### PRESSURISATION

illycaffè obtains a patent for its revolutionary pressurisation system, still used today for the packaging of products: coffee can thus travel around the world enhancing its aromas, thanks to ageing, and preserving its freshness.



## 1935

### ILLETTA

Illetta is born, the progenitor of modern espresso machines, thanks to the patented system of separating heating and water pressure.



## 1957

### QUALITY AT HOME

With its new production department, the tin for home consumption is born: round, small, even for ground coffee.




## 1974

### PODS

illycaffè was the first to industrialise pods: single-serving portions of ground and pressed coffee, which make it possible to obtain a perfect espresso in every location where coffee is consumed. A radical innovation in the history of coffee, which will pave the way for the company's international expansion.



## 1980

### ILLYCAFFÈ IN THE USA

illycaffè lands in the United States, the first Italian coffee to export espresso culture overseas.





## QUALITY IN EVERY SINGLE BEAN

illycaffè patents the digital coffee sorting machine that analyses the colour and shape of the beans to ensure their perfection.



## ILLY ART COLLECTION

The illy Art Collection project is launched, through which the company transforms an everyday object such as an espresso cup into a blank canvas, inviting contemporary artists to use it to express their creativity.
The iconic espresso cup designed by Matteo Thun for illy has been joined over the years by the works of Masters and new talents.
A unique collection of everyday art objects.



## JAMES ROSENQUIST AND THE NEW LOGO

The art and science of espresso: the legendary American pop artist James Rosenquist creates the new illy logo.

1982

1991

## PRÊMIO ERNESTO ILLY DE QUALIDADE SUSTENTÁVEL DO CAFÉ PARA ESPRESSO

First edition of the award in Brazil, established by illycaffè as an integral part of the plan for the development of sustainable coffee quality in the country.



1992

1995

## X1, DESIGN AND TECHNOLOGY FOR ESPRESSOS

Sixty years after Illetta, the X1 machine is launched for making espressos at home, still a style icon today.



1996

1999

## UNIVERSITÀ DEL CAFFÈ

The Università del Caffè is founded, a hub of excellence created to spread the culture of quality coffee throughout the world through training, research and innovation activities.

UNIVERSITÀ *del* CAFFÈ
www.unicaffe.com

# History



## COLLABORATION WITH SEBASTIÃO SALGADO

The famous photographer Sebastião Salgado travels to coffee paradises to pay tribute to those who cultivate it. The project lasts 14 years and touches 10 countries, culminating in the exhibition Aroma of a Dream.



## IPERESPRESSO

Thanks to the two phases of infusion and emulsion, the Iperespresso system – covered by five international patents – produces a coffee with an intense aroma and a velvety consistency.

## RESPONSIBLE SUPPLY CHAIN PROCESS

The Chairman Andrea Illy launches the idea of certifying sustainability. Issued by DNV-GL, this certification attests to a company's creation of social, environmental and economic value for all stakeholders in the supply chain.

## ERNESTO ILLY INTERNATIONAL COFFEE AWARD

Since 2016, the Prêmio Ernesto Illy de Qualidade Sustentável do Café para Espresso has gone global with the Ernesto Illy International Coffee Award, which pays tribute to the talent and commitment of farmers around the world in the production of sustainable coffee.

**2002** **2003** **2006** **2008** **2011** **2015** **2016**

## FLAGSHIP STORES

illycaffè launches espressamente illy, the authentic Italian coffee shop project which was transformed in 2015 into illy Caffè venues.



## MITACA

Mitaca, a company specialising in portioned office systems, is acquired.




## EXPO MILAN

The biggest celebration of coffee in history: illy becomes an official partner of EXPO Milan 2015 and ICO (International Coffee Organization), coordinates an extraordinary program of events and curates the Coffee Cluster, the coffee pavilion visited by over 13 million people.

Official Coffee Partner

MILANO 2015

FEEDING THE PLANET
ENERGY FOR LIFE



## ILLETTA

An evolution of the first machine by the same name launched in 1935, the new Illetta, designed by Antonio Citterio, reinvents the coffee bar experience.

## X-CAPS



A new proprietary system made from recycled aluminium is launched, complementing the X1 and X3 range of machines designed by Luca Trazzi.

## BENEFIT CORPORATION

illycaffè S.p.A. becomes a Benefit Corporation and amends its Articles of Association accordingly.

## SUSTAINABLE PROCUREMENT PROCESS

illycaffè evolves its procurement process using the Sustainable Procurement Process protocol, one of the most comprehensive sustainability standards in the coffee procurement process.

Certified B Corporation

## B CORP® CERTIFICATION

illycaffè becomes the first Italian coffee company to obtain the B Corp® certification, granted to companies that operate according to rigorous standards of social and environmental performance.

2017 2019 2020 2021 2023 2024

## SUSTAINABILITY COMMITTEE

illycaffè's commitment in the environmental sustainability, social and governance sphere is realised through the creation of a Sustainability Committee with the function of making proposals and advising the Board of Directors.

## OPENING OF CAPITAL

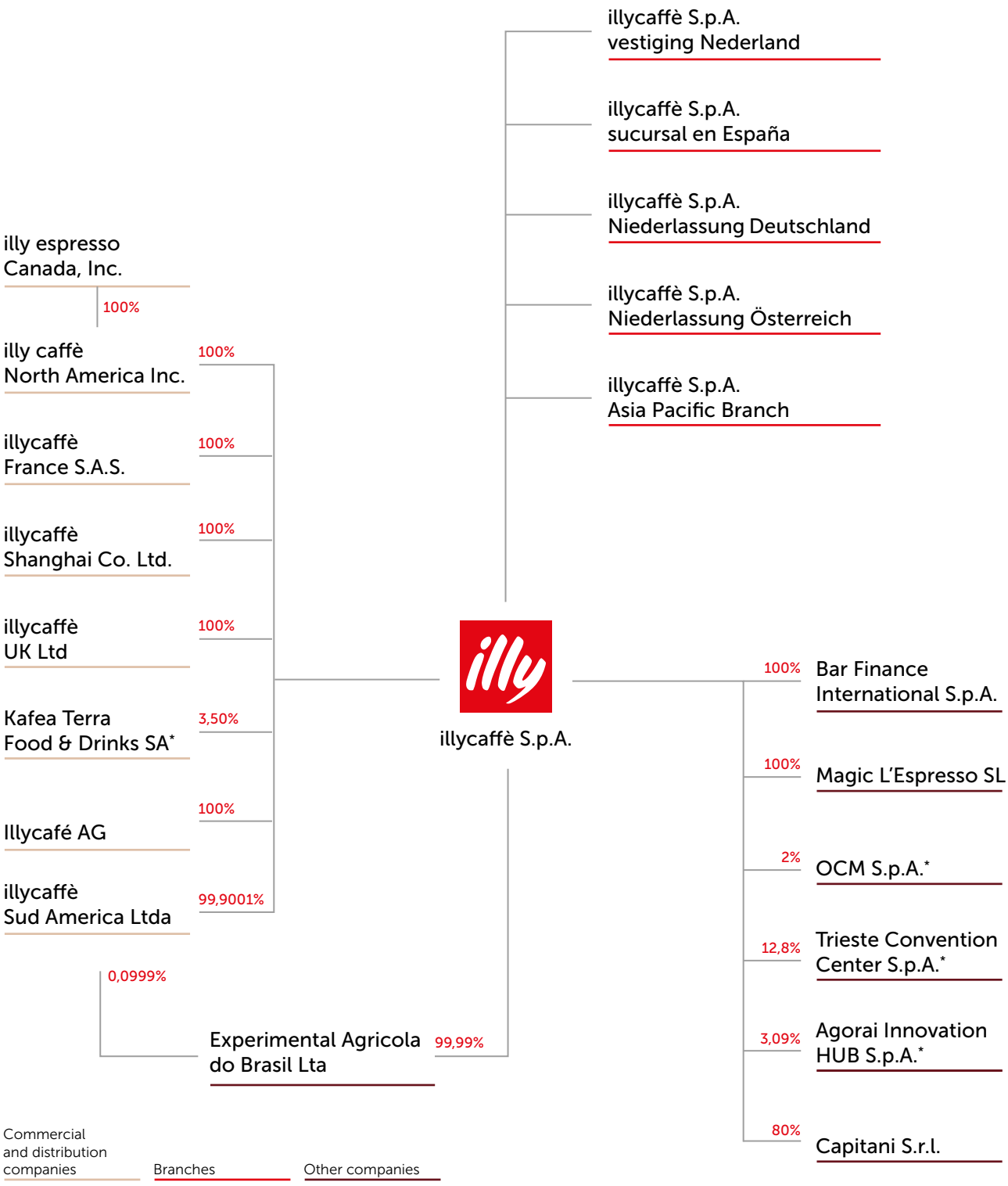
Rhône Capital, a global private equity firm, enters the capital of illycaffè acquiring a 20% interest to contribute to its international growth plans.

## ARABICA SELECTION BRAZIL CERRADO MINEIRO

The first coffee grown using regenerative agricultural practices certified by regenagri® is launched. The launch is the result of direct and long-standing relationships built over time with producers in the Cerrado Mineiro region of Brazil.



# Group structure




* Companies not falling within the scope of line-by-line consolidation of illycaffè S.p.A.

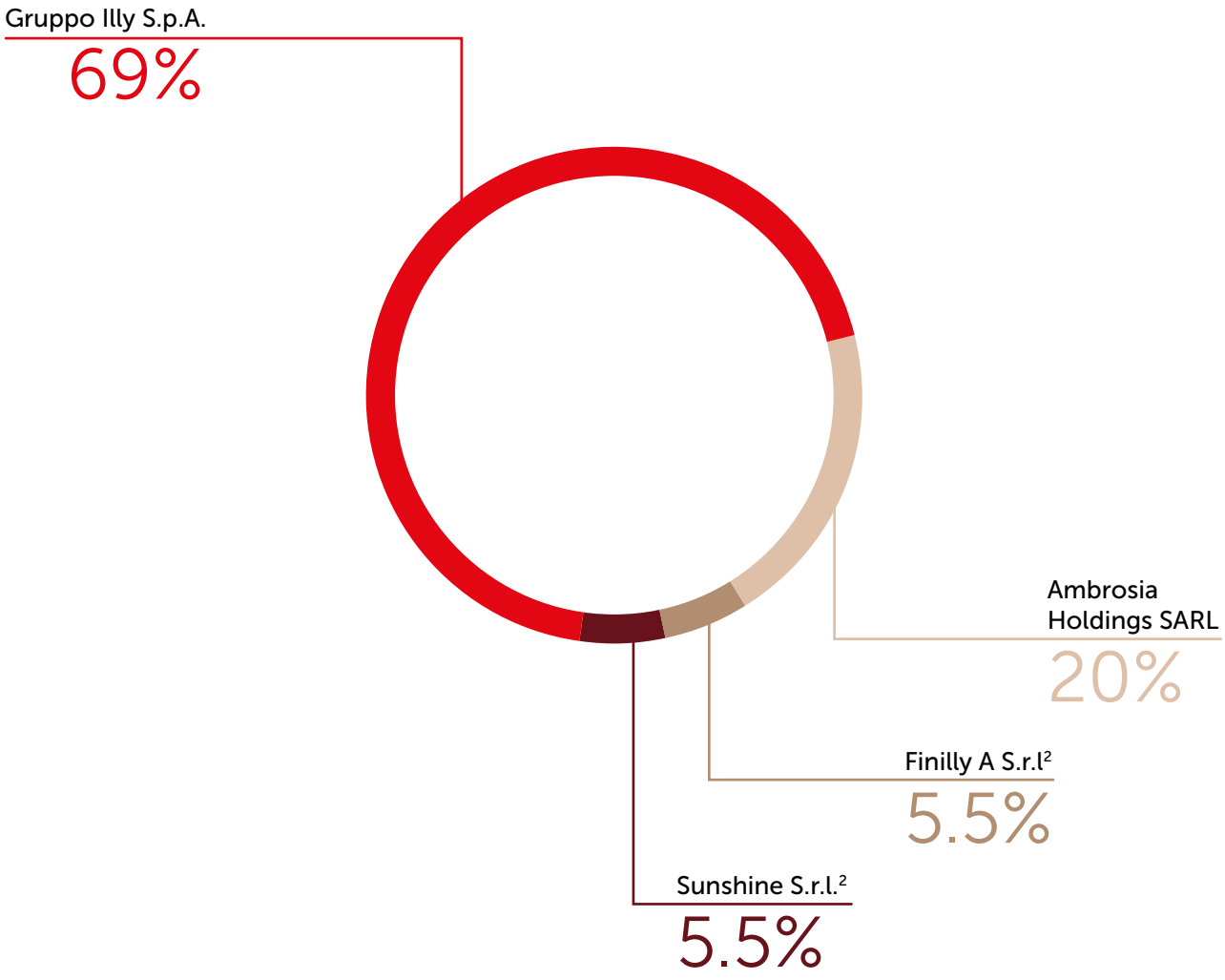
# SHAREHOLDERS

The share capital of illycaffè S.p.A. (hereinafter also "the Parent Company") is 69% owned by Illy Group S.p.A., 20% by Rhône Capital through Ambrosia Holdings SARL, 5.5% by Finilly A S.r.l. and 5.5% by Sunshine S.r.l.

The companies Finilly A S.r.l. and Sunshine S.r.l. are wholly owned by Andrea Illy and Anna Illy, respectively.

Pursuant to and by effect of Article 2497 et seq. of the Italian Civil Code, illycaffè S.p.A. is not subject to management and coordination.

## SHAREHOLDERS OF ILLYCAFFÈ S.P.A.[1]




[1] The subscribed and paid-up share capital is equal to €50,000,000.00 and is divided into 4,500,000 class shares, with no expressed nominal value, broken down as follows: Gruppo Illy S.p.A., with registered office in Rome in via Della Mercede 11, holder of 3,105,000 class A shares, with no expressed nominal value; Ambrosia Holdings SARL, with registered office in Luxembourg in rue Edward Steichen 14, holder of 900,000 class B shares, with no expressed nominal value; Finilly A S.r.l., with registered office in Milan, in piazza Cavour 3, holder of 247,500 class A shares, with no express nominal value; Sunshine S.r.l., with registered office in Trieste, in via di Tor Bandena 3, holder of 247,500 class A shares, with no express nominal value.

[2] Anna Rossi Illy holds the usufruct of 49.22% of the shares of Finilly A S.r.l. and Sunshine S.r.l.

# GROUP COMPANIES

## At 31 December 2025, the Group comprised the companies listed below.

### illycaffè S.p.A.

The Parent Company, which owns the "illycaffè" and "illy" brands, is engaged in the production and distribution of products under the illy brand.

## Commercial and distribution companies

### illy caffè North America, Inc.

A subsidiary of the Parent Company, engaged in product distribution activities in the US, Canada (through its own subsidiary in the case of the latter) and in Mexico. The company is also engaged in the development and management of direct and franchised single-brand stores in the American and Canadian markets.

### illy espresso Canada, Inc.

A subsidiary of illy caffè North America, Inc., engaged in product distribution activities in Canada.

### illycaffè France S.A.S.

A subsidiary of the Parent Company, engaged in distribution activities in France, Belgium and Luxembourg. The company is also engaged in the development and management of direct and franchised single-brand stores.

### illycaffè Shanghai Co. Ltd

A subsidiary of the Parent Company, engaged in product distribution activities in China.

### illycaffè UK Ltd

A company that carries out distribution activities in the United Kingdom. The company is also engaged in the development and management of direct and franchised single-brand stores.

### illycaffè Sud America Comércio Importaçao e Exportaçao Ltda

A subsidiary of the Parent Company, engaged in product distribution activities in Brazil.

### Illycafé AG

Subsidiary of the Parent Company based in Switzerland (Thalwil, Zurich), which distributes products in Switzerland.

## Branches

The Parent Company operates not only through the structure active in Italy, but also through five branches in the markets of Spain, Germany, Austria, the Netherlands and Hong Kong.

### illycaffè S.p.A. Sucursal en España

Branch active in distribution in Spain and Portugal.

### illycaffè S.p.A. Niederlassung Deutschland

Branch active in distribution in Germany.

### illycaffè S.p.A. Niederlassung Österreich

Branch active in distribution in Austria.

### illycaffè S.p.A. Vestiging Nederland

Branch active in distribution in the Netherlands and in Iceland, Aruba, Curaçao and Bonaire.

### illycaffè S.p.A. Asia Pacific Branch

Branch which supports the development of the illy brand in the Asian area.

## Other companies

### Bar Finance International S.p.A.

Company controlled by the Parent Company, engaged in the disbursement of loans to companies belonging to the same production or distribution chain as the Parent Company.

### Magic L'Espresso S.L.

A subsidiary of the Parent Company headquartered in Spain (Els Hostalets, Barcelona) engaged in producing coffee machines.

### Experimental Agricola do Brasil Ltda

A subsidiary of the Parent Company engaged in selecting, analysing and purchasing green coffee in the Brazilian market.

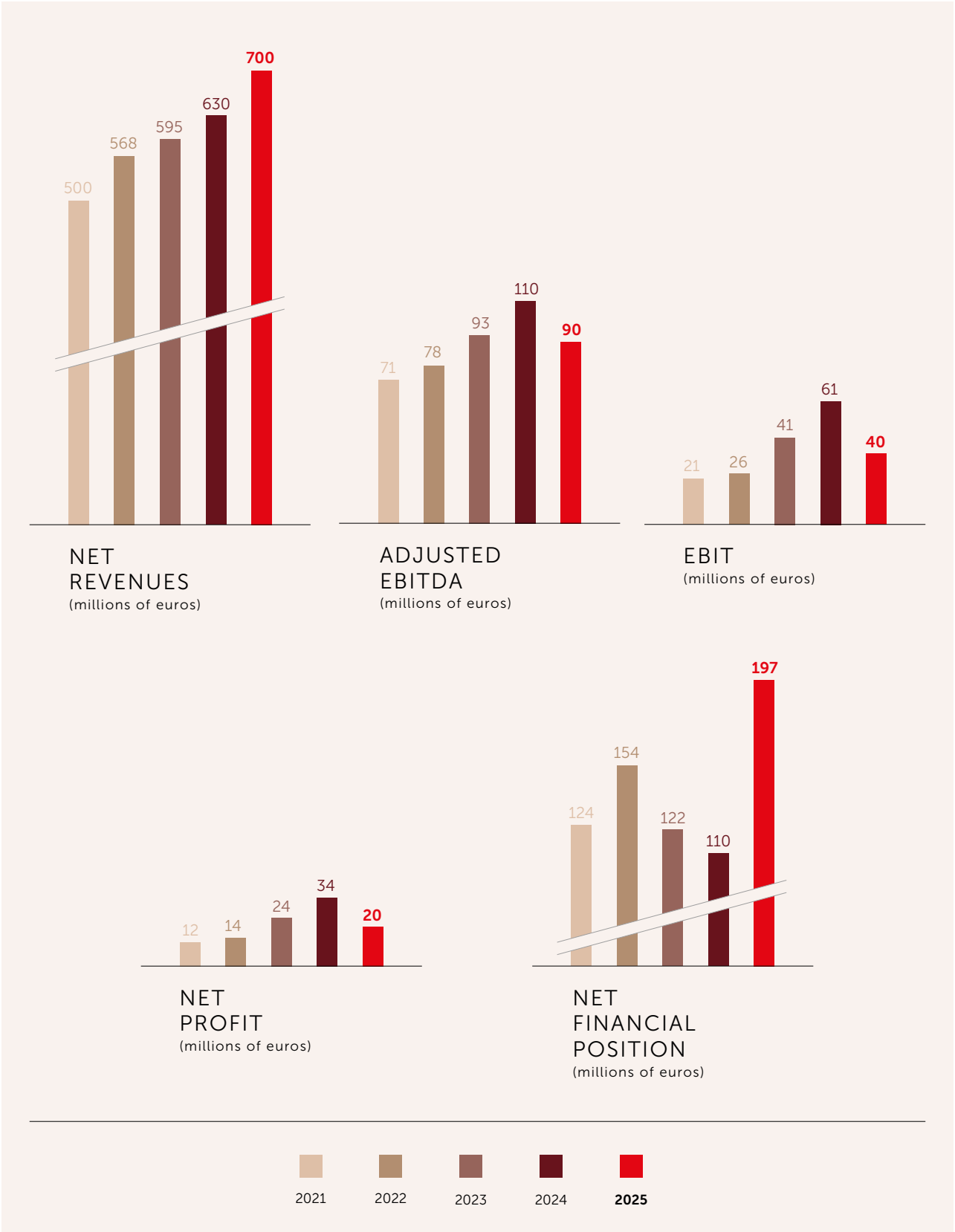
### Capitani S.r.l.

Company 80% controlled by the Parent Company, based in Italy (Solbiate con Cagno, Como), which manufactures coffee machines.


illy

# Group economic-financial performance

## ECONOMIC-FINANCIAL HIGHLIGHTS



# Macroeconomic context

In 2025, global economic growth remained moderate, albeit showing signs of slowing down compared to 2024. Estimates by the International Monetary Fund (IMF) indicate global gross domestic product (GDP) growth of 3.3%, supported by the gradual easing of inflationary pressures, but held back by geopolitical tensions, more restrictive trade policies and a context of growing polarisation of the international economy.

Macroeconomic developments varied between advanced economies and emerging markets, highlighting different growth dynamics.

According to the IMF, the US economy grew by 2.1%, mainly supported by household consumption and investment, particularly in technology-intensive and artificial intelligence-related sectors. This trend confirmed the strength of the economic cycle, despite ongoing trade tensions. The inflation rate, as reported by the Bureau of Labour Statistics in December 2025, continued to decline, settling at 2.7%, above the 2.0% target set by the Federal Reserve. Monetary policy followed a path of gradual easing: after keeping interest rates in the 4.25%–4.50% range in the first part of the year, the Federal Reserve began a cycle of reductions, bringing them to the 3.50%–3.75% range in the second half of 2025, mainly motivated by the cooling of the labour market.

For the Eurozone, 2025 was a year of stabilisation, marked by the end of the inflationary phase and the consolidation of moderate growth. According to EUROSTAT, the area's GDP grew by 1.5%, supported by expansionary fiscal policies and investments linked to the NextGenerationEU programme. Inflation fell to 2.0%, down from 2.5% in the previous year and broadly in line with the European Central Bank (ECB) target. The labour market performed well, with an unemployment rate of 6.2% in December, a new record low for the area. However, growth was not uniform across the main countries. For example, Spain grew by 2.6%, supported by a particularly dynamic tourism sector and solid domestic consumption, while Germany experienced substantial stagnation (+0.4%), affected by industrial weakness and a contraction in exports. France, on the other hand, maintained stable growth of around 1.1%.

According to the National Institute of Statistics (Istat), in 2025 the Italian economy grew by 0.7%, entirely supported by domestic demand. The labour market performed well, with the unemployment rate falling to 5.6%. Inflation slowed significantly: on a harmonised basis (HICP), the average annual rate stood at 1.7%, about half a percentage point lower than the euro area average, mainly due to lower energy and raw material prices. On the public accounts front, the deficit fell to 3.0% of the GDP (from 3.4% in 2024), according to Government estimates.

Emerging markets recorded average growth estimated by the IMF at 4.4%.

India confirmed its role as a global engine with growth of 7.3%, while China recorded expansion of 5.0%, supported by exports and macroeconomic stimulus measures, despite persistent structural weaknesses, particularly related to weak domestic demand. South Korea and Taiwan, strategic hubs in global artificial intelligence and semiconductor chains, reported growth of 0.9% and 3.7% respectively. In the Middle East, transforming economies benefited from diversification policies and substantial investments in clean energy and digital infrastructure. In particular, Saudi Arabia and the United Arab Emirates recorded growth of 4.0% and 4.8% respectively.

2025 was marked by a sharp reversal in the foreign exchange market, with a significant weakening of the US dollar and an improvement in the main emerging currencies. The US Dollar Index fell by 9.2%, penalised by more aggressive than expected rate cuts by the Federal Reserve and an increase in the US fiscal deficit.

The euro appreciated by 13.0% against the US dollar, exceeding 1.17 from its low of 1.04 at the beginning of the year. In Europe, the ECB began a cycle of rate cuts after restrictive measures in the 2022-2023 two-year-period.
At the end of 2025, the reference rates stood at 2.15% (main refinancing), 2.40% (marginal refinancing) and 2.00% (deposit facility). At the same time, the Euribor remained positive across all maturities, closing the year at 1.94% (1 month), 2.03% (3 months) and 2.11% (6 months).

# Green coffee performance



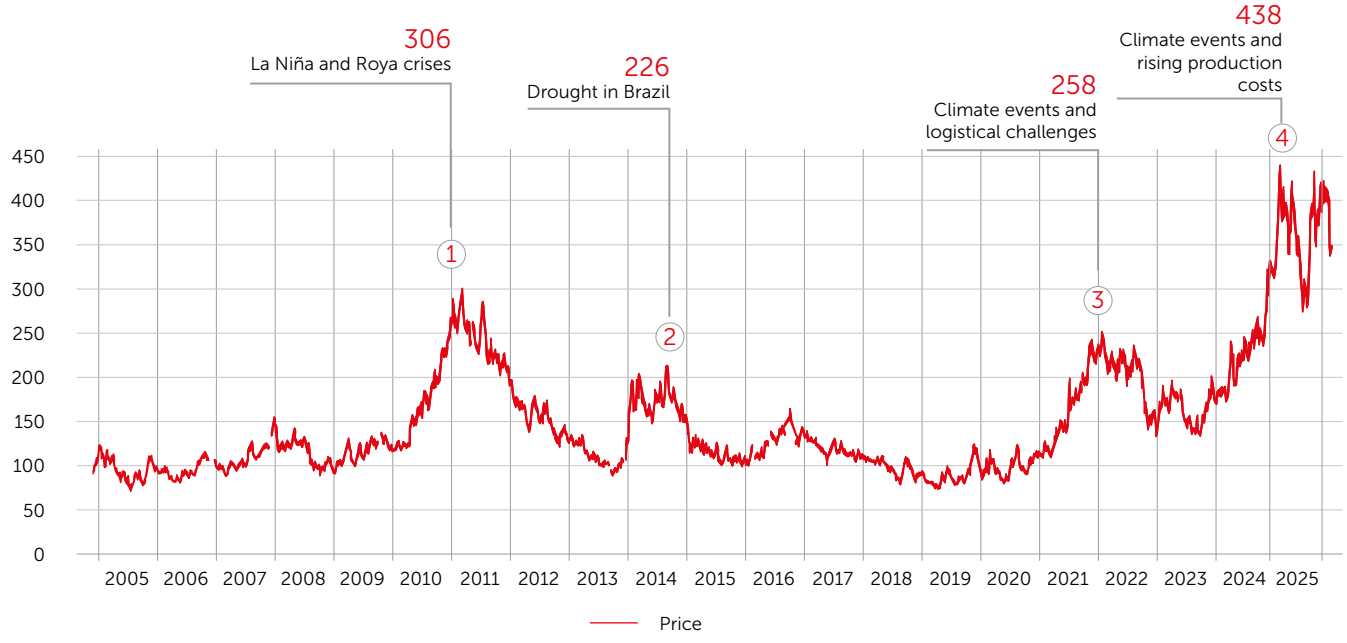
In 2025, the price of green coffee rose sharply and was characterised by high volatility. During the year, Arabica coffee futures remained extremely high, reaching an all-time high of 438.9 cents per pound (cts/lb) on 13 February. The average price for the year was 368.2 cts/lb, up 56.4% compared to 2024.

In the first half of the year, market trends were affected by uncertainty regarding global supply, mainly due to persistent drought and the consequent risk of a reduction in the Brazilian harvest. The upward trend in prices was further accentuated by speculation about the introduction of US tariffs on coffee imports (particularly from Brazil), which were applied at a rate of 50% in August.

In the second half of the year, prices peaked at 432.4 cts/lb, supported by the actual introduction of the tariffs (subsequently removed in November), as well as by additional climate factors, such as delayed rainfall in Brazil and limited availability of certified stocks on the exchanges of consumer countries. These factors were compounded by the prolonged repercussions of the geopolitical context and logistical challenges linked to the conflicts in Ukraine and the Middle East. These dynamics contributed to the increase in the price of green coffee and intensified speculative pressure on the market.

The regulatory framework was another factor contributing to volatility, with the entry into force of the European Union Deforestation Regulation (EUDR) generating widespread uncertainty throughout the year. However, this scenario has been partially mitigated by the decision to further extend the application of the regulation, now scheduled for 30 December 2026.

## PRICE OF GREEN COFFEE FUTURES (ARABICA) 2005-2025 (cts/lb)




In terms of volumes, the United States Department of Agriculture (USDA) estimates global production for the 2024/2025 season at 175.3 million bags, an increase of 3.5% compared to the previous season. A record global production of 178.8 million bags (+2.0% compared to the previous year) is expected for the 2025/2026 season.

The expected increase is mainly attributable to significant expansion of production in Ethiopia, Indonesia and Vietnam, countries that are expected to make a decisive contribution to the expansion of global supply. In contrast, adverse weather conditions in Brazil (in particular, drought and prolonged periods of high temperatures in the second half of 2024) had a negative impact on Arabica coffee harvests.

As a result, production in 2025 was lower than expected and substantially in line with the previous year's level.

# Economic and financial results

In 2025, illycaffè achieved significant organic growth, driven by increased volumes in all major markets and the resulting increase in brand penetration in the Home and Out-of-Home segments. This trend confirms the soundness of the channel strategies developed over the last four years and reflects the significant contribution of product innovation, supported by incisive communication and marketing strategies aimed at continuously strengthening brand equity.

## KEY ECONOMIC-FINANCIAL INDICATORS (in millions of euros)

| | **2025** | 2024 | % |
|---|---|---|---|
| Net revenues | 700 | 630 | +11.1% |
| Adjusted EBITDA | 90 | 110 | -18.5% |
| Adjusted EBITDA pre IFRS 16* | 82 | 103 | -20.2% |
| EBITDA | 85 | 106 | -19.5% |
| EBIT | 40 | 61 | -35.0% |
| Net profit | 20 | 34 | -41.0% |
| Net financial position | (197) | (110) | +79.7% |
| Net Financial Position pre IFRS 16* | (171) | (89) | +93.0% |

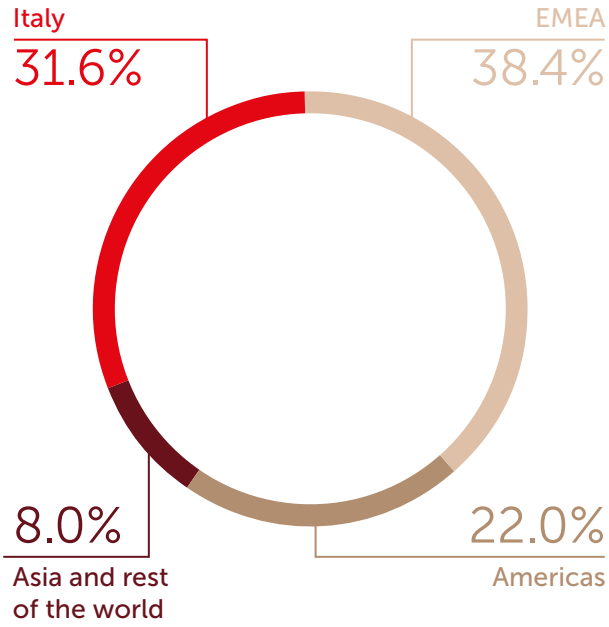
(*) The effects deriving from the application of IFRS 16 limited to operating leases.

In 2025, the Group's revenues amounted to €700 million, an increase of 11.1% compared to 2024 (+12.0% at constant exchange rates).

Italy and the United States remained the Group's two priority strategic markets, contributing a total of 50.5% of revenues. In particular, Italy contributed 31.6% of revenues (+1.0 p.p. compared to the previous year). 38.4% of revenues were generated by the EMEA markets, with particularly positive results from France, Germany, Greece, Spain and the United Kingdom. The Americas accounted for 22.0% of revenues overall, up 0.9 p.p. compared to 2024. The remaining markets, including South Korea, Australia, China and Hong Kong, accounted for 8.0% of revenues.

Despite robust organic growth during the year, the Gross Industrial Margin was affected by the exceptional increase in raw material costs. The average price of green coffee in 2025 stood at 368.2 cts/lb, triple the historical average since 1972 and up +56.4% compared to 2024. This extraordinary inflationary trend was partially mitigated by an effective pricing strategy and a strengthening of cost efficiency measures, allowing the decline in Gross Industrial Margin to be limited to 0.8%. In absolute terms, the Gross Industrial

## REVENUES BY GEOGRAPHICAL AREA



Margin amounted to €364 million. Industrial margins consequently amounted to 52.0% of net revenues, down 6.3 p.p. compared to 2024.

Personnel costs increased by 4.2% compared to 2024. This change is mainly attributable to salary adjustments provided for in national collective agreements, merit-based increases related to the talent assessment process and the strengthening of the workforce, mainly in the production area, to support the increase in volumes. Personnel costs as a percentage of net revenues stood at 16.2%, down from the previous year (-1.1 p.p.).

Costs for goods and services increased by 10.8% compared to 2024, maintaining a 17.0% incidence on net revenues, in line with the previous year.
This trend mainly reflects the growth in variable cost components linked to higher sales volumes.
This trend was offset by strict control of operating costs and structured measures to improve efficiency and rationalise overheads.

Advertising and marketing costs fell by 8.8% compared to 2024, reflecting a more effective allocation of resources, which enabled the implementation of numerous initiatives with a high impact on brand equity.
In particular, in 2025, the launch of the new X-CAPS system played a central role, supported by the integrated campaign "L'Emozione del Gusto"
(The Emotion of Taste) featuring multi-starred chef Massimo Bottura, which was broadcast on TV, digital, social media and dedicated events. The international campaign "Why We Make It" was also launched on International Coffee Day, aimed at spreading the passion and daily commitment that illycaffè has dedicated for over 90 years to ensuring superior quality and sustainable coffee. The campaign was further amplified by immersive pop-ups in Milan and New York and a global multi-channel plan.

Adjusted EBITDA stood at €89 million, down 18.5% compared to the previous year, mainly due to the extraordinary increase in raw material costs, which offset the strong contribution from organic growth achieved during the year. Adjusted EBITDA margin was 12.8%, down 4.7 p.p. compared to 2024.

In 2025, net non-recurrent net charges amounted to €5 million and mainly related to early retirement incentives (€4 million) and consultancy fees for extraordinary projects (€1 million).

EBITDA was €85 million, down 19.5% compared to the previous year. The EBITDA margin stood at 12.2% of revenues, down 4.6 p.p. compared to 2024.

The Net Operating Margin (EBIT) also decreased compared to the previous year (-35.0%), amounting to €40 million. The negative impact of the higher cost of green coffee was partially offset by a lower impact of depreciation and amortisation on revenues compared to the previous year. The impact on revenues stood at 5.7%, down 4.0 p.p. compared to 2024.

Net financial expenses increased by 14.0% compared to 2024, mainly due to the increase in the Net Financial Position, caused by inflationary pressure on raw materials. This trend was only partially offset by the reduction in the average reference rate, which fell from 4.10% to 3.46%, in line with the reduction in the Euribor (3 months) from 3.572% in 2024 to 2.177% in 2025.

Taxes were down compared to the previous year, due to the decrease in Pre-tax Profit (-37.4% compared to 2024). Taxation for the period amounted to 34.3% of Pre-tax Profit, up 4.0 p.p. compared to the previous year, driven by the reduction in non-recurring items relating to taxes from previous years.

Net profit amounted to €20 million, down 41.0% compared to 2024, in line with the reduction in EBIT, due to the increase in the cost of raw materials.
The impact on revenues was 2.8% of revenues, down 2.5 p.p. compared to 2024.

The Net Financial Position stood at €197 million, an increase of 79.7% compared to the previous year.
This trend is mainly attributable to higher cash absorption due to the increase in inventory value, as a result of the increase in green coffee prices.

Despite the significant impact on cash flow linked to inflationary pressures on raw materials, the Company continued with its planned investment programme, focusing mainly on the implementation of its multi-year business plan. In 2025, investments continued for the construction of the new roasting plant and the expansion of strategic production lines, supporting strong organic growth. In addition, the Net Financial Position was affected by the consolidation of companies acquired during 2025. In particular, the acquisition of 100% of the Swiss distributor Illycafé AG was completed in July, in line with the strategy of strengthening direct presence in the main European markets. Subsequently, in October, 80% of the capital of Capitani S.r.l., a company specialising in the design and manufacture of coffee machines, was acquired with the strategic objective of further strengthening the customer experience, ensuring full integration of the machines into a system logic.

The Net Financial Position breakdown showed an increase in both current financial debt (+€36 million) and non-current financial debt (+€32 million).
This trend mainly reflects the renegotiation of the syndicated loan, which was increased to €160 million with maturity in 2030. In addition, a new revolving credit line of €40 million was activated, of which €10 million had been used as at 31 December 2025.
The syndicated loan retains its Sustainability Linked Loan status, providing for a reward mechanism linked to the achievement of specific ESG objectives, including the reduction of greenhouse gas emissions throughout the entire value chain and the further reduction of the gender pay gap.

The Net Financial Position, excluding the impact of the application of IFRS 16, amounted to €171 million, up from €89 million in the previous year.

Profitability indicators (ROI, ROE, ROS) were negatively affected by the extraordinary increase in raw material costs in 2025. The NFP/EBITDA ratio also increased (+1.3) due to this inflationary trend, which led to an increase in NFP and a simultaneous reduction in EBITDA.

## PROFITABILITY AND FINANCIAL INDICATORS

| | **2025** | 2024 | Δ |
|---|---|---|---|
| ROI | 10.1% | 20.3% | -10.2 p.p. |
| ROE | 10.9% | 18.2% | -7.4 p.p. |
| ROS | 5.7% | 9.7% | -4.0 p.p. |
| NFP/Adjusted EBITDA | 2.2 | 1.0 | 1.2 |
| NFP/EBITDA | 2.3 | 1.0 | 1.3 |
| NFP/Equity | 1.1 | 0.6 | 0.5 |

# Acquisitions



## Illycafé AG

In July 2025, illycaffè acquired 100% of the capital of the Swiss distributor based in Thalwil, in the Canton of Zurich. The Swiss market, which is highly strategic in terms of size, premiumness and potential, represents a significant area of growth for the illy brand.
The acquisition is also part of a broader strategy to strengthen direct presence in key European markets, through which illycaffè aims to expand its presence in all major distribution channels, enhance the brand experience and increase operational efficiency, in line with its international growth and development objectives.

## Capitani S.r.l.

In October 2025, illycaffè acquired an 80% stake in Capitani, a company specialising in the design and manufacture of coffee machines for portioned systems, mainly for the home segment. Founded in 1979 in Solbiate con Cagno (Como), Capitani represents excellence in the coffee machine sector, recognised for its technical quality, constant capacity for innovation and efficient industrial processes. Through this upstream integration, illycaffè intends to enhance and support the Italian production chain. In particular, the operation will maximise the quality of authentic Italian espresso in the cup, combining illy's unique blend with proprietary preparation systems.

# Group revenue performance

## REVENUES BY GEOGRAPHICAL AREA (in millions of euros)

| | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Italy | 221 | 316% | 193 | 30.6% |
| EMEA (excluding Italy) | 269 | 38.4% | 245 | 38.9% |
| Americas | 154 | 22.0% | 133 | 21.1% |
| Asia and Rest of the World | 56 | 8.0% | 59 | 9.4% |
| **Total** | **700** | **100.0%** | **630** | **100.0%** |

In 2025, all the main markets where the Group operates in showed growth compared to 2024.

The Group further consolidated its leadership position in Italy in the premium market segment, recording revenues of €221 million, up 14.5% compared to 2024.

In EMEA (excluding Italy), revenues amounted to Euro 269 million, an increase of 9.6% compared to 2024. Growth was mainly driven by France, Germany, Spain, the United Kingdom and Greece, as well as the further strengthening of the Group's presence in the Middle East. In particular, growth in the European[3] strategic clusters reached 22.6%.

The Americas recorded revenues of €154 million, up 16.2% compared to 2024, thanks to strong growth in the United States (+15.1% compared to 2024, +20.1% at constant exchange rates), a priority market in the Group's medium-term plans.

In 2025, revenues in Asia and the Rest of the World amounted to €56 million, down 5.4% compared to 2024. The overall trend reflects mixed dynamics within the area: on the one hand, growth continued in high-potential markets such as Australia and Japan; on the other hand, performance in China was affected by a rapidly changing market environment, impacted by intensified investment by local operators, resulting in widespread competitive pressure on global players.

## REVENUES BY DISTRIBUTION CHANNEL (in millions of euros)

| | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Home* | 328 | 46.9% | 296 | 47.0% |
| Out-of-Home** | 372 | 53.1% | 334 | 53.0% |
| **Total** | **700** | **100%** | **630** | **100.0%** |

* Home: it includes Modern Distribution, e-Commerce and the Home component of the distributors business.

** Out-of-Home: it includes Ho.Re.Ca., Retail, OCS/Vending, Large Corporate Clients and the OOH component of the Distributors business.

The illycaffè business model is characterised by a balanced Home and Out-of-Home mix. In particular, the incidence of revenues related to out-of-home consumption accounted for 53.1% of consolidated revenues, while the Home channel reached an incidence on consolidated revenues of 46.9%, substantially in line with the previous year.

Revenues from the Ho.Re.Ca. channel grew by 8.2% compared to 2024, driven by Italy, the United States, Spain and Germany thanks to sustained acquisition of new customers in the premium market segment (+12.7%), combined with the implementation of commercial and marketing policies aimed at further strengthening the customer base.

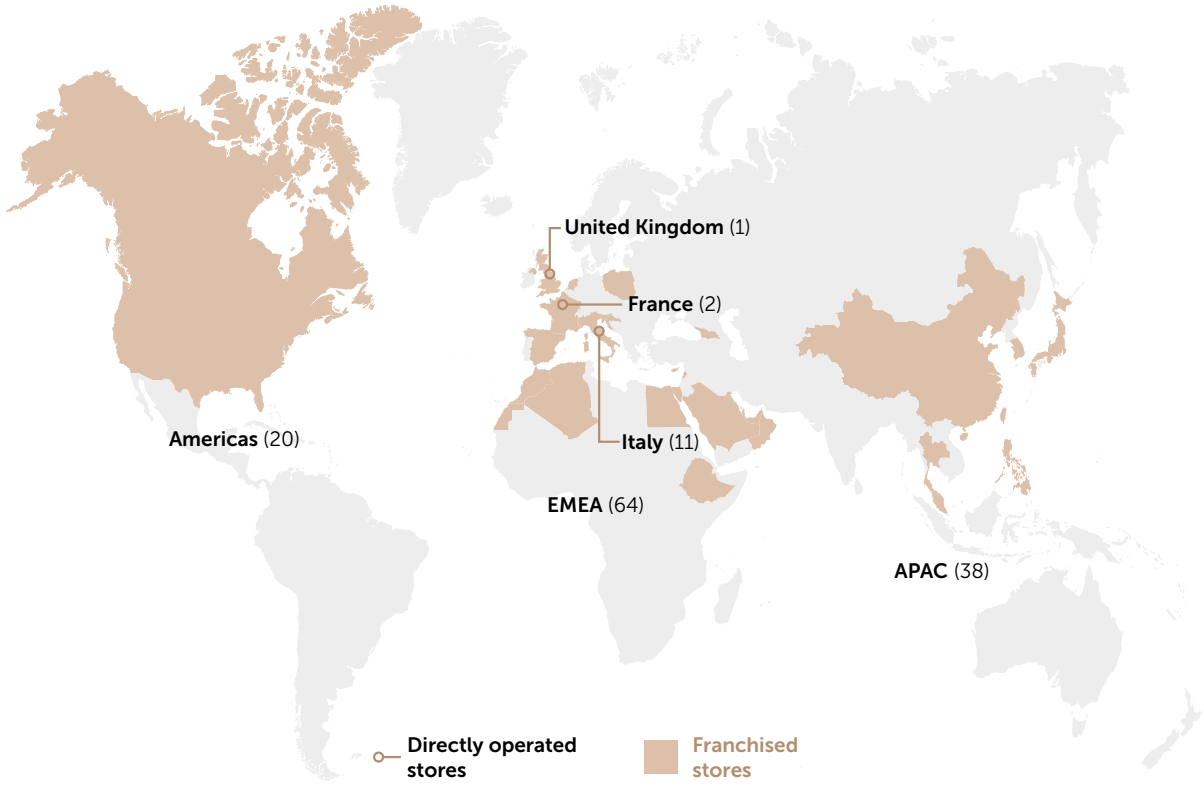
Revenues from the Modern Trade channel increased by 29.0% compared to 2024. This performance was mainly driven by Italy, the United States and the France and Germany clusters, thanks to the expansion of weighted average distribution, the direct distribution of Nespresso® compatible capsules and continued volume growth in the Roast & Ground segment.
In particular, in Italy, the penetration of the illy brand increased by approximately 40% compared to 2024 and by approximately 70% compared to 2023.
The strategy of consolidating relationships with leading premium retailers also continued, particularly in the United States, with significant increases in terms of visibility at points of sale.

[3] In Europe, illycaffè has defined four clusters: (i) France, Belgium, the Netherlands and Luxembourg; (ii) Spain and Portugal; (iii) the United Kingdom and Ireland; and (iv) Germany, Austria and Switzerland.

Online channel revenues grew by 12.0%, supported by the consolidation of the partnership with Amazon, which recorded sell-out growth rates above the market average, and by the contribution of revenues generated by subscriptions, which continue to encourage greater purchase frequency and higher customer base loyalty.

Over the years, the Group has developed a network of single-brand stores in order to strengthen the brand's direct presence and enhance the consumer experience in its main markets. As at 31 December 2025, the network consisted of 136 stores, of which 14 were directly managed and 122 were franchised.

## RETAIL NETWORK



# The Emotion of Taste



In May, illycaffè presented its The Emotion of Taste campaign, created with the participation of multi-starred Chef Ambassador Massimo Bottura and directed by Gabriele Mainetti. Set in the chef's kitchen, the commercial celebrates the taste and sensory experience that characterises X-CAPS, the new proprietary system of capsules made from 85% recycled aluminium and machines for the Home segment.



As part of the campaign, Piazza Gae Aulenti in Milan hosted illy Space, an experiential pop-up dedicated to X-CAPS. The initiative offered the public an immersive experience that combined innovation, design and espresso culture. The pop-up accompanied consumers on a journey of discovery of the elements that make this system an evolution in taste and aroma.
The experiential journey illustrated the stages involved in creating the new capsules: from the selection of the top 1% of Arabica beans to the Hyperinfusion extraction system, which enhances every sensory nuance.



# Business outlook

In 2026, the global economy will continue to be affected by significant geopolitical, macroeconomic and climate-related risk factors.

Developments in conflicts across various regions of the world—most notably in Ukraine and the Middle East—and potential changes in trade and tariff policies may affect the stability of supply chains and logistics costs, with possible repercussions on demand dynamics.

These factors are compounded by risks associated with climate change, which are of systemic relevance to the coffee sector. Extreme events such as prolonged droughts and frosts can affect the availability, quality and price volatility of green coffee.

While continuing to operate in a highly complex environment, illycaffè expects to continue growing in all major markets and channels in 2026, consolidating its position in the premium segment of the market. In particular, the Group will continue to focus on further developing the US market and expanding its main European markets, thanks to the implementation of channel strategies already developed for the 2022-2025 four-year period. Growth is also expected to continue in Italy, the domestic market where illycaffè holds a leading position.

Although the first quarter of the year showed initial signs of a reduction in raw material prices compared to the 2025 average, the need to procure supplies six to nine months in advance will lead to an increase in costs in 2026 as well. This trend may be offset by the implementation of specific initiatives with a positive impact on margins, including:

- adopting pricing strategies aimed at balancing margin protection and strengthening brand penetration;
- increasing the operational efficiency of purchasing processes along the supply chain;
- strict control of general and administrative expenses, with a continuous rationalisation of discretionary costs.

To support the expected growth, the Group will continue to pursue a major investment plan launched in 2023, aimed at expanding production and logistics capacity in the strategic hub of Trieste and sustainable product innovation.

# Reclassified financial statements

## RECLASSIFIED INCOME STATEMENT

| | 2025 | % | 2024 | % | 2023 | % |
|---|---|---|---|---|---|---|
| Net revenues | 699,881 | 100.0% | 630,105 | 100.0% | 595,143 | 100.0% |
| Consumption of raw materials | 335,594 | 48.0% | 262,782 | 41.7% | 262,090 | 44.0% |
| **Gross Industrial Margin** | **364,287** | **52.0%** | **367,323** | **58.3%** | **333,054** | **56.0%** |
| Personnel costs | 113,356 | 16.2% | 108,827 | 17.3% | 103,161 | 17.3% |
| Costs for goods and services | 118,644 | 17.0% | 107,071 | 17.0% | 101,897 | 17.1% |
| Advertising and marketing costs | 32,180 | 4.6% | 35,281 | 5.6% | 28,679 | 4.8% |
| Other management costs (net of revenues) | 5,876 | 0.8% | 4,733 | 0.8% | 4,759 | 0.8% |
| Provisions and write-down of receivables (net of releases) | 4,313 | 0.6% | 1,080 | 0.2% | 1,733 | 0.3% |
| **Adjusted Gross Operating Margin (ADJUSTED EBITDA)** | **89,918** | **12.8%** | **110,329** | **17.5%** | **92,825** | **15.6%** |
| Non-recurring charges (income) | 4,641 | 0.7% | 4,389 | 0.7% | 4,020 | 0.7% |
| **Gross Operating Margin (EBITDA)** | **85,277** | **12.2%** | **105,940** | **16.8%** | **88,805** | **14.9%** |
| Depreciation and write-downs of property, plant and equipment | 30,538 | 4.4% | 29,426 | 4.7% | 28,807 | 4.8% |
| Amortisation of right-of-use assets | 7,346 | 1.0% | 7,364 | 1.2% | 7,675 | 1.3% |
| Amortisation and write-downs of intangible assets | 7,632 | 1.1% | 8,017 | 1.3% | 11,477 | 1.9% |
| **Operating Margin (EBIT)** | **39,761** | **5.7%** | **61,133** | **9.7%** | **40,846** | **6.9%** |
| Financial management result | (9,464) | (1.4%) | (8,023) | (1.3%) | (7,333) | (1.2%) |
| Adjustments to the value of financial assets | (93) | (0.0%) | (4,857) | (0.8%) | 51 | 0.0% |
| **Pre-Tax Profit** | **30,204** | **4.3%** | **48,253** | **7.7%** | **33,565** | **5.6%** |
| Income taxes | (10,369) | (1.5%) | (14,614) | (2.3%) | (9,860) | (1.7%) |
| **Consolidated Net Profit** | **19,835** | **2.8%** | **33,638** | **5.3%** | **23,705** | **4.0%** |
| **of which: Non-controlling interests** | **0** | **0.0%** | **0** | **0.0%** | **0** | **0.0%** |
| **of which: Ordinary shareholders of the Parent Company** | **19,834** | **2.8%** | **33,638** | **5.3%** | **23,705** | **4.0%** |

## RECLASSIFIED BALANCE SHEET

| | 31/12/2025 | % | 31/12/2024 | % | 31/12/2023 | % |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Trade receivables | 110,643 | 26.0% | 108,661 | 31.3% | 95,566 | 28.6% |
| Trade payables | (127,857) | (30.0%) | (126,901) | (36.6%) | (105,148) | (31.5%) |
| Inventories | 171,207 | 40.2% | 128,864 | 37.1% | 114,967 | 34.5% |
| **Net Operating Working Capital** | **153,992** | **36.2%** | **110,624** | **31.9%** | **105,385** | **31.6%** |
| **Other current and non-current assets** | **32,162** | **7.5%** | **32,553** | **9.4%** | **31,911** | **9.6%** |
| Equity investments | 1,988 | 0.5% | 13,169 | 3.8% | 16,794 | 5.0% |
| Property, plant and equipment | 144,332 | 33.9% | 125,636 | 36.2% | 116,190 | 35.8% |
| Right-of-use assets | 27,471 | 6.4% | 22,893 | 6.6% | 24,908 | 6.4% |
| Intangible assets | 66,232 | 15.5% | 42,257 | 12.2% | 38,525 | 11.5% |
| **Non-current assets** | **240,023** | **56.3%** | **203,955** | **58.8%** | **196,417** | **58.9%** |
| **TOTAL NET ASSETS** | **426,176** | **100.0%** | **347,132** | **100.0%** | **333,712** | **100.0%** |
| LIABILITIES | | | | | | |
| **Net Financial Position** | **196,948** | **46.2%** | **109,597** | **31.6%** | **122,197** | **36.6%** |
| **Other current and non-current liabilities** | **31,778** | **7.5%** | **40,982** | **11.8%** | **37,902** | **11.4%** |
| Employee benefits | 3,546 | 0.8% | 2,481 | 0.7% | 2,644 | 0.8% |
| Other provisions | 11,211 | 2.6% | 8,731 | 2.5% | 6,263 | 1.9% |
| **Total Provisions** | **14,757** | **3.5%** | **11,212** | **3.2%** | **8,906** | **2.7%** |
| **Loan capital** | **243,483** | **57.1%** | **161,792** | **46.6%** | **169,005** | **50.6%** |
| **Shareholders' equity pertaining to non-controlling interests** | **1** | **0.0%** | **12** | **0.0%** | **12** | **0.0%** |
| **Group shareholders' equity** | **182,693** | **42.9%** | **185,328** | **53.4%** | **164,695** | **49.4%** |
| **TOTAL NET LIABILITIES** | **426,176** | **100.0%** | **347,132** | **100.0%** | **333,712** | **100.0%** |

## NET FINANCIAL POSITION

| Amounts in thousands of euros | | 2025 | 2024 |
|---|---|---|---|
| A | Cash and cash equivalents | 29,204 | 52,377 |
| B | Other current financial assets | 17,370 | 13,540 |
| **C=A+B** | **Total liquid assets** | **46,574** | **65,917** |
| D | Current financial receivables | (543) | (720) |
| E | Short-term derivative financial assets | (10) | |
| F | Current bank payables | 34,321 | 474 |
| G | Debt instruments: bonds issued | 14,000 | 14,000 |
| H | Other current financial payables | 3,171 | 1,309 |
| I | Current financial payables for leases | 6,795 | 6,729 |
| J | Short-term derivative financial liabilities | 13 | 222 |
| **K=D+E+F+G+H+I+J** | **Current financial debt** | **57,746** | **22,014** |
| **L=K-C** | **Net current financial debt** | **11,173** | **(43,902)** |
| M | Long-term derivative financial assets | | |
| N | Non-current bank payables | 140,513 | 100,781 |
| O | Debt instruments: bonds issued | 14,000 | 28,000 |
| P | Other non-current financial payables | 7,772 | 9,089 |
| Q | Non-current financial payables for leases | 19,338 | 14,381 |
| R | Long-term derivative financial liabilities | 4,153 | 1,250 |
| **S=M+N+O+P+Q+R** | **Non-current financial debt** | **185.775** | **153,500** |
| **T=S+L** | **Net financial debt** | **196,948** | **109,597** |

# Performance of the Group companies

| Amounts in thousands of euros | Revenues | | Net profit | |
|---|---|---|---|---|
| COMMERCIAL AND DISTRIBUTION COMPANIES | **2025** | 2024 | **2025** | 2024 |
| illy caffè North America, Inc. | 140,374.2 | 122,369.5 | 1,884.3 | 1,507.9 |
| illy espresso Canada, Inc. | 7,976.3 | 6,963.3 | (198.8) | 29.4 |
| illy caffè France S.A.S. | 40,773.1 | 35,575.7 | 1,117.5 | 1,229.6 |
| illycaffè Shanghai Co. Ltd | 3,371.4 | 3,506.8 | 204.8 | 275.8 |
| illycaffè UK Ltd | 29,984.3 | 27,376.1 | 655.2 | 618.6 |
| illycaffè Sud America Comércio Importaçao e Exportaçao Ltda | 9,359.6 | 7,026.4 | 95.6 | (242.6) |
| OTHER COMPANIES | | | | |
| Bar Finance International S.p.A. | | | (7.3) | (7.0) |
| Magic L'Espresso S.L. | 5,507.6 | 5,605.0 | 182.6 | 259.0 |
| Experimental Agricola do Brasil Ltda | 121,495.9 | 76,038.4 | 3,266.1 | 1,929.0 |
| Illycafé AG* | 4,034.0 | | (95.9) | |
| Capitani Srl** | 2,751.4 | | (10.7) | |

* The figures refer to the period from 1 July 2025 to 31 December 2025.

** The figures refer to the period from 9 October 2025 to 31 December 2025.

It is noted, that the Parent Company operates not only through the structure active in Italy, but also through five branches in the markets of Spain, Germany, Austria, the Netherlands and Hong Kong.

# Relations with subsidiaries, associates, controlling shareholders and companies subject to the control of the latter

## PARENT COMPANY

Receivable and payable positions in respect of the controlling shareholder, recorded in the statement of financial position, mainly relate to Parent Company receivables and payables to the controlling shareholder Gruppo illy S.p.A. resulting from the option to join the national tax consolidation scheme, for the 2020-2022 three-year period, and to Holding Illy, deriving from the option for the national tax consolidation regime, signed for the 2023-2026 three-year period. The Parent Company does not hold any treasury shares and it does not own nor did it hold any shares or holdings of parent companies during the year, including through trust companies or intermediaries.

## RELATED PARTIES

As part of its ordinary business management, the group has commercial relationships with related companies that are regulated under normal market conditions.

| | Trade receivables | Other current assets | Trade payables | Revenues from sales and services | Cost of production |
|---|---|---|---|---|---|
| **Dealings with Parent Company** | | | | | |
| Gruppo Illy S.p.A. | 19,093 | 2,822,256 | | 42,300 | |
| Holding Illy S.p.A. | | 661,391 | | | |
| **Dealings with associates** | | | | | |
| Kafea Terra Food & Drinks S.A. | 9,637,945 | | | 32,600,605 | |
| **Dealings with other related parties** | | | | | |
| Ernesto Illy Foundation | 1,903 | | | 1,903 | 475,000 |
| Blitz Srl | | | 740 | | 6,787 |
| Amarey Srl | | | | | 975 |
| **TOTAL** | **9,658,941** | **3,483,647** | **740** | **32,644,808** | **482,762** |

# Parent company economic-financial performance

# Economic and financial results

## KEY ECONOMIC-FINANCIAL INDICATORS (in millions of euros)

| | 2025 | 2024 | % |
|---|---|---|---|
| Net revenues | 595,235 | 538,655 | +10.5% |
| Adjusted EBITDA | 67,839 | 91,264 | -25.7% |
| Adjusted EBITDA pre IFRS 16* | 62,852 | 86,432 | -27.3% |
| EBITDA | 64,168 | 88,323 | -27.3% |
| EBIT | 28,850 | 54,053 | -46.6% |
| Net profit | 13,762 | 29,701 | -53.7% |
| Net Financial Position | (203,519) | (122,771) | +60.4% |
| Net Financial Position pre IFRS 16* | (184,444) | (108,548) | +73.6% |

(*) The effects deriving from the application of IFRS 16 limited to operating leases.

## PROFITABILITY AND FINANCIAL INDICATORS

| | 2025 | 2024 | Δ |
|---|---|---|---|
| ROI | 9.8% | 22.5% | -12.7 p.p. |
| ROE | 8.7% | 9.1% | -0.4 p.p. |
| ROS | 4.8% | 10.0% | -5.2 p.p. |
| NFP/Adjusted EBITDA | 3.0 | 1.4 | 1.6 |
| NFP/EBITDA | 3.2 | 1.4 | 1.8 |
| NFP/Equity | 1.3 | 0.4 | 0.9 |

# Parent company revenue performance

## REVENUES BY GEOGRAPHICAL AREA (in thousands of euros)

| | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Italy | 219,199 | 36.8% | 192,725 | 35.8% |
| EMEA (excluding Italy) | 242,064 | 40.7% | 218,013 | 40.5% |
| Americas | 79,934 | 13.4% | 70,895 | 13.2% |
| Asia and Rest of the World | 54,039 | 9.1% | 57,021 | 10.6% |
| **Total** | **595,235** | **100.0%** | **538,655** | **100.0%** |

# Reclassified financial statements

## RECLASSIFIED INCOME STATEMENT

| | 2025 | % | 2024 | % | 2023 | % |
|---|---|---|---|---|---|---|
| Net revenues | 595,235 | 100.0% | 538,655 | 100.0% | 504,880 | 100.0% |
| Consumption of raw materials | 327,622 | 55.0% | 255,495 | 47.4% | 251,818 | 49.9% |
| **Gross Industrial Margin** | **267,613** | **45.0%** | **283,160** | **52.6%** | **253,063** | **50.1%** |
| Personnel costs | 83,467 | 14.0% | 80,079 | 14.9% | 74,893 | 14.8% |
| Costs for goods and services | 93,096 | 15.6% | 83,230 | 15.5% | 78,788 | 15.6% |
| Advertising and marketing costs | 17,734 | 3.0% | 21,124 | 3.9% | 20,502 | 4.1% |
| Other management costs (net of revenues) | 3,071 | 0.5% | 6,661 | 1.2% | 9,756 | 1.9% |
| Provisions and write-down of receivables (net of releases) | 2,405 | 0.4% | 802 | 0.1% | 1,062 | 0.2% |
| **Adjusted Gross Operating Margin (ADJUSTED EBITDA)** | **67,839** | **11.4%** | **91,264** | **16.9%** | **68,062** | **13.5%** |
| Non-recurring charges (income) | 3,672 | 0.6% | 2,940 | 0.5% | 3,666 | 0.7% |
| **Gross Operating Margin (EBITDA)** | **64,168** | **10.8%** | **88,323** | **16.4%** | **64,396** | **12.8%** |
| Depreciation and write-downs of property, plant and equipment | 23,331 | 3.9% | 21,541 | 4.0% | 21,207 | 4.2% |
| Amortisation of right-of-use assets | 4,592 | 0.8% | 4,799 | 0.9% | 4,693 | 0.9% |
| Amortisation and write-downs of intangible assets | 7,395 | 1.2% | 7,930 | 1.5% | 9,238 | 1.8% |
| **Operating Margin (EBIT)** | **28,850** | **4.8%** | **54,053** | **10.0%** | **29,259** | **5.8%** |
| Financial management result | (8,909) | (1.5%) | (6,688) | (1.2%) | (5,703) | (1.1%) |
| Adjustments to the value of financial assets | 930 | 0.2% | (5,674) | (1.1%) | (1,029) | (0.2%) |
| **Pre-Tax Profit** | **20,871** | **3.5%** | **41,690** | **7.7%** | **22,527** | **4.5%** |
| Income taxes | (7,109) | (1.2%) | (11,989) | (2.2%) | (6,320) | (1.3%) |
| **Net Profit** | **13,762** | **2.3%** | **29,701** | **5.5%** | **16,207** | **3.2%** |

## RECLASSIFIED BALANCE SHEET

| | 31/12/2025 | % | 31/12/2024 | % | 31/12/2023 | % |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Trade receivables | 91,449 | 23.0% | 93,619 | 28.8% | 89,855 | 27.9% |
| Trade payables | (116,873) | (29.4%) | (120,940) | (37.2%) | (95,595) | (29.7%) |
| Inventories | 145,082 | 36.5% | 107,558 | 33.1% | 93,275 | 29.0% |
| **Net Operating Working Capital** | **119,659** | **30.1%** | **80,238** | **24.7%** | **87,534** | **27.2%** |
| **Other current and non-current assets** | **26,108** | **6.6%** | **25,819** | **7.9%** | **25,987** | **8.1%** |
| Equity investments and other non-current financial assets | 75,376 | 19.0% | 58,822 | 18.1% | 58,077 | 18.1% |
| Property, plant and equipment | 116,657 | 29.4% | 108,315 | 33.3% | 100,381 | 31.2% |
| Right-of-use assets | 20,848 | 5.2% | 16,380 | 5.0% | 17,906 | 5.6% |
| Intangible assets | 38,548 | 9.7% | 35,638 | 11.0% | 31,843 | 9.9% |
| **Fixed asset** | **251,428** | **63.3%** | **219,155** | **67.4%** | **208,208** | **64.7%** |
| **TOTAL NET ASSETS** | **397,195** | **100.0%** | **325,211** | **100.0%** | **321,729** | **100.0%** |
| LIABILITIES | | | | | | |
| **Net Financial Position** | **203,519** | **51.2%** | **122,771** | **37.8%** | **133,940** | **41.6%** |
| **Other current and non-current liabilities** | **23,452** | **5.9%** | **31,531** | **9.7%** | **28,047** | **8.7%** |
| Employee benefits | 2,210 | 0.6% | 2,224 | 0.7% | 2,373 | 0.7% |
| Other provisions | 9,049 | 2.3% | 7,446 | 2.3% | 11,825 | 3.7% |
| **Total Provisions** | **11,259** | **2.8%** | **9,670** | **3.0%** | **14,199** | **4.4%** |
| **Loan capital** | **238,230** | **60.0%** | **163,971** | **50.4%** | **176,185** | **54.8%** |
| **Shareholders' equity** | **158,965** | **40.0%** | **161,240** | **49.6%** | **145,544** | **45.2%** |
| **TOTAL NET LIABILITIES** | **397,195** | **100.0%** | **325,211** | **100.0%** | **321,729** | **100.0%** |

## NET FINANCIAL POSITION

| Amounts in thousands of euros | | 2025 | 2024 |
|---|---|---|---|
| A | Cash and cash equivalents | 23,979 | 46,577 |
| B | Other current financial assets | | |
| **C=A+B** | **Total liquid assets** | **23,979** | **46,577** |
| D | Current financial receivables | | |
| E | Short-term derivative financial assets | (10) | |
| F | Current bank payables | 30,259 | 474 |
| G | Debt instruments: bonds issued | 14,000 | 14,000 |
| H | Other current financial payables | 1,317 | 1,309 |
| I | Current financial payables for leases | 4,468 | 3,965 |
| J | Short-term derivative financial liabilities | 13 | 222 |
| **K=D+E+F+G+H+I+J** | **Current financial debt** | **50,046** | **19,970** |
| **L=K-C** | **Net current financial debt** | **26,067** | **(26,607)** |
| M | Long-term derivative financial assets | | |
| N | Non-current bank payables | 140,333 | 100,781 |
| O | Debt instruments: bonds issued | 14,000 | 28,000 |
| P | Other non-current financial payables | 7,772 | 9,089 |
| Q | Non-current financial payables for leases | 14,607 | 10,259 |
| R | Long-term derivative financial liabilities | 740 | 1,250 |
| **S=M+N+O+P+Q+R** | **Non-current financial debt** | **177,452** | **149,378** |
| **T=S+L** | **Net financial debt** | **203,519** | **122,771** |

## INDICATOR DESCRIPTION

This Report uses certain indicators, set out below.

### EBITDA[3]
(Gross Operating Margin)

Profit/(loss) for the year, before financial charges/income, income taxes and amortisation and depreciation (including write-downs of tangible fixed assets).

### ADJUSTED EBITDA[3]
(Adjusted Gross Operating Margin)

EBITDA before non-recurring charges/income.

### EBIT
(Net Operating Margin)

Profit/(loss) for the year, before financial charges/income and income taxes.

### NFP
(Net Financial Position)

The sum of bank payables, other financial payables, debt instruments and payables for operating leases (short, medium and long-term), net of current financial receivables, cash and cash equivalents and marketable securities.

It also includes the positive or negative fair value of derivative financial instruments.

### NFP/EBITDA[3]

The ratio of Net Financial Position to EBITDA.

### NFP/EBITDA[3] Adjusted

The ratio of Net Financial Position to Adjusted EBITDA.

### NFP/EQUITY

The ratio of Net Financial Position to consolidated shareholder's equity.

### ROE
(Return on Equity)

The ratio of net profit to consolidated shareholders' equity at the end of the year.

### ROI
(Return on Investment)

The ratio of Gross Operating Margin (EBIT) to the sum of Net Operating Working Capital (equal to the algebraic sum of inventories and short-term trade receivables and trade payables) and non-current assets (tangible, intangible and for right-of-use assets).

### ROS
(Return on Sales)

The ratio of Net Operating Margin (EBIT) to net revenues.

[3] The gross operating margin (EBITDA) is a measure used by the Group to monitor and assess operating performance, although it is not defined as an accounting measure under the reference accounting standards. Consequently, the criterion used to determine this income statement value may not be the same as that used by other entities, and therefore may not be in any way comparable.

## Risk management and policy

# Risk management and policy

The internal control and risk management system adopted by illycaffè defines the principles of transparency, segregation of responsibilities e traceability of the operations carried out, as well as the adoption of structured controls. It represents the set of rules, procedures and organisational structures designed to enable the proper management of the company. Starting from 2017, the Group adopted the Guidelines of the Internal Control and Risk Management System, subsequently updated in 2020 and 2022.

illycaffè's internal control and risk management system has a three-level structure:

- the first level consists of line controls, aimed at identifying, monitoring, mitigating and reporting the risks inherent in ordinary business activities. These controls are carried out, in the first instance, directly by the owners of the individual operating processes and by the IT systems used for this purpose;
- second-level controls are carried out by the company departments responsible for managing the risks typical of the Group's activities, under the supervision and coordination of the Risk Manager;
- third-level controls are delegated to the Internal Audit department, which is responsible for verifying the adequacy of the first two levels of controls through audits of the internal control and risk management system, carried out on the basis of the audit plan approved by the Board of Directors.

The Risk Manager is responsible for developing and updating the risk management framework, under the supervision of the Chief Executive Officer, with the support of the Risk, Compliance & Control department. The Risk Manager periodically reports to the Control and Risk Committee, which performs proposal, advisory and control functions in favour of the Board of Directors with regard to the internal control and risk management system.

During 2025, illycaffè consolidated the Enterprise Risk Management (ERM) framework, adopted to allow a comprehensive, integrated management of business risks, confirming the objectives, benchmarks, Risk Catalogue, assessment metrics, roles in risk management and reporting flow to the Governance and the Risk Appetite Map, a governance expression of the degree of risk acceptable to the organisation in relation to the various types of risk.

With the Enterprise Risk Assessment (ERA) activity, the risk map was annually updated with a potentially significant impact on the company's strategic objectives and value. In particular, the transversal risk identification and assessment methodology across the different functions was consolidated and the managers of each risk (risk owner), who are entrusted with the management of the risk and the implementation or improvement of mitigation actions, were identified.

Specifically, the process was divided into four phases:

- risk identification;
- assessment of risks in terms of severity and probability of occurrence. The criteria for assessing severity include economic and reputational aspects, as well as aspects relating to people and the environment;
- prioritisation on the Heat Map, preparatory to risk processing;
- reporting to the various levels of the corporate organisation.

Following the assessment, risk mitigation plans were updated to support subsequent periodic monitoring. In addition, during the year, in-depth analyses were conducted on the most significant risks on the Heat Map, as well as those that showed an increase in the level of exposure.

With regard to the identification phase, the risks reported in the Risk Register may be linked to drivers of change in the external environment, such as geopolitical or macroeconomic factors, industry trends and regulatory developments, or in the internal environment, including aspects relating to objectives, organisation and processes, and more generally anything that may affect the company's risk profile in the medium and long term.

To support this phase, use is made of the Risk Catalogue as a guideline, where the risks are divided into four categories and related sub-categories:

- strategic risks associated with the business and governance model adopted, the market context in which the Group operates and the decision-making and strategic direction processes;
- operational risks related to company operations, organisational structure, information systems and control and reporting processes.
- integrity and compliance risks related to the company's non-compliance, in conducting its business, with applicable laws and regulations, both nationally and internationally, as well as with the Code of Ethics and internal procedures;

- financial risks related to the Group's financial management and, in particular, related to liquidity, currency, interest rate and financial counterparty risks.

Risks related to ESG factors apply to all the above subdivisions, since they can present thematic connections in each highlighted category.

In 2025, the persistence of tensions arising from the external environment (such as conflicts in Ukraine and the Middle East, intensifying competition between major global powers, sharp increases in raw material prices, US protectionist policies and uncertainty over certain regulatory developments) and, more generally, the presence of increasing systemic risks (such as food, climate, energy and technological uncertainty) have led to continuous monitoring of the level of exposure for many of the company's operational and strategic areas and the definition of mitigation or adaptation strategies.

Below are the main risks that emerged from the mapping, divided into the categories defined above, and the description of the management methods.

## STRATEGIC, OPERATIONAL, INTEGRITY AND COMPLIANCE, AND FINANCIAL RISKS

| STRATEGIC RISKS | |
|---|---|
| **Risk related to the long-term availability of raw materials** | The risks associated with coffee availability present a dual temporal dimension: in the short term, exposure is linked to extreme weather events such as droughts and frosts, to potential logistical shocks, and to commercial or regulatory constraints; in the medium to long term, climate change may lead to a progressive reduction in the availability of Arabica coffee in certain regions, potentially reshaping the geographical areas suitable for coffee cultivation and affecting the overall balance of the value chain. The Group mitigates this risk through an integrated approach that includes proactive and continuous monitoring of risk factors (climatic, logistical, commercial, and regulatory) in sourcing countries, the use of climate scenario analysis, and investments in research and innovation at the upstream level of the supply chain through dedicated projects focused on the study of coffee varieties, plant diseases, and biodiversity protection. Within this context, illycaffè serves as a thought leader in the international debate on sustainable agricultural practices, contributing to the dissemination of regenerative agriculture models and to a systemic approach to sustainability. This commitment is also expressed through the Regenerative Society Foundation, co-founded by Chairman Andrea Illy, which promotes the transition towards a regenerative economic and production paradigm, fostering knowledge sharing, multi-stakeholder collaboration, and the experimentation of innovative solutions for the benefit of the global coffee value chain. In this framework, since 2019, illycaffè has supported Virtuous Agriculture®, a holistic scientific research and training initiative led by Chairman Andrea Illy, which combines sustainable agriculture with a focus on environmental regeneration by enriching soils with organic carbon. |
| **Market risk** | The evolution of the macroeconomic environment and of purchasing power in the Group's key reference markets represents a critical external factor in a context characterised by inflationary pressures on consumer prices in the coffee sector, mainly driven by rising raw material costs. These dynamics may affect consumer spending behaviours and, in the event of a contraction in discretionary expenditure, may lead to impacts on demand. The Group mitigates this risk through an integrated management of value-creation levers, continuously monitoring the competitive landscape and market dynamics, adopting commercial policies aligned with the brand's premium positioning, and implementing communication and marketing strategies aimed at reinforcing the distinctiveness of the offering and supporting brand equity. |
| **Risks related to increased market competition** | The risk arises from the intensification of competitive pressures across the entire coffee value chain, driven by the growing number of market participants and by sector consolidation processes. This risk is mitigated through the adoption of a product and brand differentiation strategy based on the qualitative excellence of the blend, continuous innovation, and a premium market positioning, supported by targeted investments in marketing and communication. |

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| **Risks related to the protection of own brands** | The risk stems from the strategic value of the Group's portfolio of patents, trademarks and other intellectual property rights. Intensifying competition, technological innovation and the evolution of business models may increase the likelihood of imitation or improper use, with potential reputational and economic impacts that could undermine brand distinctiveness and competitive advantage. The Group conducts regular monitoring and oversight activities to ensure adequate protection of its trademarks, designs and corporate inventions, enabling timely intervention where necessary through the implementation of appropriate corrective or legal actions. |
| **Reputational risks** | The risk is linked to the Group's premium positioning and the high level of brand awareness, factors that expose the Group to potential vulnerabilities arising from negative events, media attacks or unfavourable stakeholder perceptions. The Group manages reputational risk through continuous monitoring of press coverage and social media interactions, and it has dedicated tools and procedures in place for mitigation and crisis management. |
| **Risks related to the environmental impacts of products** | The risk relating to the environmental impacts of products is linked to the growing attention of consumers, customers and institutions towards increasingly sustainable packaging solutions. The continuous—and in certain areas still uncertain—evolution of the regulatory framework heightens this risk, as it may require timely and structural adjustments to the materials used and to production processes. illycaffè has undertaken specific initiatives aimed at the recovery, recycling and reuse of materials. In addition, illycaffè's product portfolio includes X-CAPS capsules, made with 85% recycled aluminium, and home-compostable capsules for the CoffeeB system. The Group continues to pursue research and development activities on materials with a reduced environmental impact, while ensuring high standards of product quality and safety and maintaining alignment with the evolving regulatory landscape. |
| **Risks related to achieving $CO_2$ emission reduction targets** | The implementation of decarbonisation initiatives across the value chains and within corporate processes is influenced by the complexity of the external environment, characterised by significant macroeconomic uncertainty and an evolving regulatory framework. These factors may slow the execution of projects envisaged under the decarbonisation strategy, requiring adjustments in the planning and delivery of activities. Rising costs associated with the energy and environmental transition add further complexity to the implementation of the initiatives undertaken. The Group mitigates this risk through a structured decarbonisation strategy aligned with the greenhouse gas emissions reduction roadmap validated by the Science Based Targets initiative (SBTi). In particular, illycaffè has launched a programme of initiatives across internal processes and key value chains, with a specific focus on the dissemination of regenerative agriculture practices, supported by periodic monitoring systems for emissions and progress against established targets. |
| **Risks related to the sustainability of production processes and the supply chain** | The risk arises from the evolution of the European regulatory framework on due diligence, which is expected to lead to a significant increase in the information flows required and in the related documentation obligations. This risk affects the entire value chain, including producing countries and the organisations involved in sourcing activities, where environmental, labour-related and ethical issues may emerge. illycaffè updates annually its assessment of the main environmental, social and ethical risks associated with producing countries and with the organisations operating within the supply chain. Oversight activities focus on raising awareness of adequate wage levels, preventing the use of hazardous agrochemicals, supporting the implementation of efficient wastewater treatment systems, and preventing and mitigating the risk of child labour. These initiatives form part of the audit and monitoring programme for supply chains envisaged under the Responsibilillyty sustainable sourcing protocol. |
| **Risks related to the effects of coffee on health** | Coffee consumption is occasionally the focus of media attention and informational initiatives that, under certain circumstances, raise concerns regarding the potential effects of high daily intake. Such dynamics may influence consumer and stakeholder perceptions and therefore require careful oversight, as well as responsible and evidence-based communication. illycaffè manages product-related health and perception issues by supporting independent scientific research, participating in the Scientific Committee of the Institute for Scientific Information on Coffee (ISIC), and promoting well-established evidence that excludes associations between coffee consumption and oncological risks, while also indicating potential health benefits. |

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| **Risks related to acquisitions** | The risk concerns the Group's ability to effectively integrate the acquired companies, ensuring strategic coherence, operational continuity and full alignment with governance and compliance standards. In this context, the acquisitions completed in 2025 (Illycafé AG, a Swiss company active in the marketing and distribution of coffee, acquired in full, and Capitani S.r.l., specialised in the design and production of coffee machines, acquired at 80%) require the harmonisation of systems and processes to ensure their full integration into the Group's operating model. Following the acquisitions, specific initiatives have been launched to address the main risk areas and to support a gradual and effective integration process. |
| **OPERATIONAL RISKS** | |
| **Risk related to the supply of raw materials (green coffee)** | The availability of raw materials is influenced by external variables such as climate change, geopolitical tensions and the evolution of the regulatory framework. Climate change may significantly affect the price trends of green coffee, while geopolitical tensions can impact international logistics flows. At the same time, the introduction of new regulations on agrochemicals and deforestation entails an increase in obligations and controls related to import processes. In this context, illycaffè has developed a solid system of long-term relationships with producers, aimed at ensuring continuity and reliability in the sourcing of raw materials. The diversification of coffee origins represents a further risk-mitigation factor, enabling effective oversight of potential disruptions linked to the regularity of logistics flows. Regulatory developments are subject to systematic monitoring. In particular, an in-depth assessment has been conducted regarding the European Union Deforestation Regulation (EUDR) with the objective of ensuring full compliance with the requirements set out. The entry into force of the regulation has meanwhile been postponed to 30 December 2026. |
| **Risk related to the supply of other goods and services** | The availability and cost trends of critical components and services represent a potential risk factor, particularly in cases where single-source supply situations exist. This risk is mitigated through continuous monitoring of the supply chain, which strengthens transparency, enhances assessment capabilities and supports the development of long-term relationships, thereby contributing to operational continuity and stability in procurement processes. |
| **Risk related to production continuity** | The Group's production activities are concentrated primarily at the Trieste site, which hosts warehouses and highly specialised and customised production lines. This configuration exposes the Group to the risk of operational disruptions in the event of exceptional natural or accidental events. Risk mitigation is based on the implementation of a structured multi-year industrial plan aimed at progressively strengthening the Group's production capacity, as well as on the adoption of additional prevention and mitigation measures and the maintenance of an adequate level of insurance coverage to safeguard operational continuity. |
| **Risks related to IT security** | The Group attaches primary importance to the robustness, security and continuity of its information systems, which are subject to constant monitoring and continuous improvement measures. In this context, the risk of cyber attacks—whose frequency and severity continue to increase globally, also in connection with the evolving geopolitical landscape—represents a structural threat, further heightened by the growing digitalisation of processes and the introduction of automation and artificial intelligence solutions, which expand exposure to technological and operational risks. In response to this risk, significant prevention, detection and impact-containment measures have been implemented in recent years, both in terms of operational continuity and with regard to the protection of personal data. In addition to the adoption of dedicated technological tools, a structured programme of continuous training for employees is in place on these matters; furthermore, specific insurance coverage is maintained and reviewed on an annual basis. |
| **Risks linked to product quality, compliance and safety** | The Group has long been committed to ensuring strong oversight of this category of risk. A particularly significant aspect concerns the ongoing evolution of regulations in the various countries in which it operates, which requires the timely updating of control systems relating to raw materials and finished products, as well as of the mandatory information and declarations associated with them. illycaffè manages these risk areas through structured regulatory-monitoring activities and the planning of the necessary interventions, including the updating of controls and the adjustment of product layouts. These activities cover the entire value chain with the objective of ensuring full regulatory compliance and the highest standards of product safety. |

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| **Risks related to human resources management** | In human resources management, the risk associated with the Group's ability to attract and retain talent—also in relation to external market conditions—may affect the overall effectiveness of the organisation. The Group mitigates risks relating to talent attraction, retention and full integration through a structured human-resources management approach based on respect for individual rights, the enhancement of personal contribution and professional development. In this context, since 2020 illycaffè has introduced flexible working arrangements and smart-working practices to promote organisational well-being, strengthen employee engagement and support work–life balance. The talent-assessment process, introduced in 2022 and further consolidated over subsequent years, supports retention and the development of competencies through the structured management of development pathways, performance and potential. |
| **Risks related to health and safety** | The Group is exposed to risks associated with the performance of production and administrative activities, which may result in accidents, occupational illnesses or adverse effects on the physical and psychological well-being of employees. The Group is committed to developing initiatives aimed at the continuous improvement of health and safety standards in the workplace. To this end, regular training courses and workshops are organised for employees, with a specific focus on operational safety and emergency management within production facilities and retail outlets. illycaffè adopts a management system compliant with the ISO 45001 standard, the correct application of which is subject to periodic audits by the certification body. |
| **INTEGRITY AND COMPLIANCE RISKS** | |
| **Integrity and compliance risks** | The risk is associated with the possibility that the Group's activities may not be fully compliant with the applicable national and international regulatory frameworks, as well as with the internal policies, guidelines and procedures adopted. This risk may generate potential operational, economic and reputational impacts. The Group continuously monitors regulatory developments, particularly at the European level, to manage risks arising from new legislation. In 2025, controls over the robustness and updating of contracts with counterparties were strengthened to ensure full compliance with regulatory requirements. In addition, the Group has adopted the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001. |
| **FINANCIAL RISKS** | |
| **Risk related to the price of raw materials** | The risk is influenced by multiple factors, including adverse weather conditions (such as droughts and frosts), macroeconomic dynamics and financial elements, including speculative activity by index funds and hedge funds. In 2025, the price of Arabica coffee recorded an exceptional increase, reaching record levels amounting to three times the historical average since 1972. Supply-chain tensions, the introduction of new trade tariffs—particularly by the United States—and the entry into force of the European deforestation regulation further contributed to upward pressure on prices. These dynamics may lead to a substantial increase in procurement costs, affect the Group's profitability and create additional complexities in operational planning and inventory management. The Group mitigates this risk through a structured and integrated approach that combines planning tools, supply-chain oversight and operational flexibility. In particular, the main mitigation actions include: i) early procurement planning and active inventory management, aimed at ensuring production continuity and reducing exposure to sudden market shocks; ii) direct and long-term relationships with producers, which enhance oversight of raw-material availability and provide better visibility over climatic, regulatory and operational risks in countries of origin, thereby helping to mitigate |

| | |
|---|---|
| | the effects of periods of heightened volatility; iii) continuous monitoring of market developments and exogenous factors, including macroeconomic, geopolitical and regulatory developments (such as trade tariffs and deforestation regulations); iv) flexibility in operational and industrial planning. |
| **Credit risk** | The risk arises from the possibility that customers or counterparties may be unable to meet their payment obligations, potentially generating economic losses for the Group. Although exposure is distributed across a large number of counterparties, ensuring a high degree of diversification, risks remain connected to insolvencies, late payments or a deterioration in customer creditworthiness. This risk may intensify in complex macroeconomic contexts or in markets characterised by significant volatility. illycaffè adopts a structured approach to containing credit-default risk, applying procedures that ensure sales are directed primarily towards reliable and solvent counterparties. These procedures are based on the analysis of available information regarding customers' financial soundness, the use of historical statistical data and the definition of exposure limits for each customer, thereby reducing credit concentration and minimising overall risk. In a particularly inflationary environment, illycaffè has also strengthened the monitoring of credit performance, with specific attention to the Italian market and certain foreign distributors, assessing the adequacy and effectiveness of the control measures in place. |
| **Liquidity risk** | The risk may arise if the Group is unable to obtain, within appropriate timeframes and on optimal economic terms, the financial resources necessary to support its operating activities. Cash flows, funding requirements and the Group's liquidity position are subject to continuous monitoring with the objective of ensuring effective and efficient management of financial resources. The high level of creditworthiness recognised by the banking system provides solid and adequate mitigation of this risk profile. |
| **Exchange rate risk** | The Group operates in an international context in which a portion of transactions is denominated in currencies other than the euro, and is therefore exposed to exchange-rate fluctuation risk. The management of this risk is primarily focused on monitoring accounting exchange-rate exposure, with the objective of reducing the impact of rate variations occurring between the invoicing date and the date of collection or payment. Centralising exchange-rate risk management activities within the Parent Company enables, where possible, the implementation of natural hedging strategies through the offsetting of incoming and outgoing cash flows in different currencies. Conversely, translational risk—relating to the conversion into euro of the assets and liabilities of consolidated companies that prepare their financial statements in a functional currency other than the euro—remains outside the scope of risk management. |
| **Interest rate risk** | Interest-rate risk is influenced by the structure of the Group's debt and by the mix of fixed- and variable-rate instruments. Specifically, 40% of illycaffè's indebtedness is at a fixed rate and is composed of a bond loan and interest-rate swap agreements. The remaining 60% is indexed to a variable rate and includes part of the syndicated loan, as well as two additional credit lines granted by Mediocredito and the FRIE (Rotation Fund for Economic Initiatives), the latter dedicated to supporting investments through preferential conditions. The risk is managed in accordance with the Group's Financial Risk Policy, which provides for the use of financial hedging instruments. Furthermore, the Group has activated an interest-rate hedge on 50% of the syndicated loan in order to mitigate potential impacts arising from market volatility. |

# Sustainability Statements

# General Disclosures

## NOTE ON METHODOLOGY

### General criteria for the preparation of the Sustainability Statements

GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-5

The Sustainability Statements has been prepared in accordance with the GRI Standards 2021, using the "in accordance with" option, and also referring, on a voluntary basis, to the guidelines defined by the European Sustainability Reporting Standards (ESRS). In particular, the reporting follows the Policies, Actions, Targets and Metrics structure set out in the ESRS 1 – General Requirements. References to the GRI Standards are included in the individual chapters of the Sustainability Report and can be consulted in the GRI Table of Contents on pages 106-112. In addition, a reconciliation table with the ESRS has been prepared on pages 113-116. In consideration of the growing importance of SASB (Sustainability Accounting Standards Board) reporting for financial stakeholders, on page 117, a reconciliation table was also prepared with the SASB and GRI indicators reported to allow an integrated reading of the information reported.

The process of collecting data and information was coordinated by the Strategy & Investor Relations and Total Quality & Sustainability departments and implemented by the various company departments and companies within the scope of reference, within which Data Owners, Data Approvers and Global Approvers were identified in order to ensure an adequate number of checks and verifications on data quality.

The reporting scope of the Sustainability Statements includes the companies fully consolidated by the illycaffè Group and corresponds to that of the Consolidated Financial Statements for the year ended 31 December 2025, with the exception of Illycafé AG and Capitani S.r.l., acquired on 1 July 2025 and 9 October 2025, respectively. This exclusion is justified by the insignificance for the reference financial year in relation to the Group's environmental and social impacts. Starting from the 2026 financial year, both companies will be included in full, ensuring consistency and completeness across all reported indicators. It should also be noted that the illycaffè S.p.A. Asia Pacific Branch did not carry out any operating activities during the reference financial year. For further details, please refer to the sociogram in the Group Structure section on page 20 and the GRI Table of Contents on pages 106-112.

The Sustainability Statements was approved by the Board of Directors of illycaffè S.p.A. on 30 March 2026 and has been subject to limited assurance by KPMG S.p.A., which has issued a report certifying the compliance of the information reported with the criteria established by ISAE 3000 Revised standard. The audit was carried out in accordance with the procedures indicated in the Independent Auditors' Report, which can be consulted on pages 120-123. The limited assurance engagement does not cover the information relating to the financial materiality analysis and the indicators subject to limited assurance are exclusively those compliant with the GRI Standards.

### Information in relation to specific circumstances

GRI 2-4

The indicators and quantitative information contained in the Sustainability Statements are compared, where possible, with the previous financial year. The indicators refer to measurable quantities, relying to a limited extent on the use of estimates, possibly made on the basis of best practices. The calculation methodologies for the main indicators are provided in the Appendix on page 119.

If restatements have been made with respect to the data already reported in previous year, an explicit indication is provided in the relative chapters.

# GOVERNANCE

## Role of the administrative, management and control bodies

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-18

The composition of illycaffè's governance meets the effectiveness and efficiency criteria and integrates a shared value creation model. The Shareholders' Meeting and the Board of Directors work to ensure the sustainable development of the business, which was further strengthened in 2019 with the transformation into a Benefit Corporation.

illycaffè operates according to an independent, family-controlled and management-led business model.

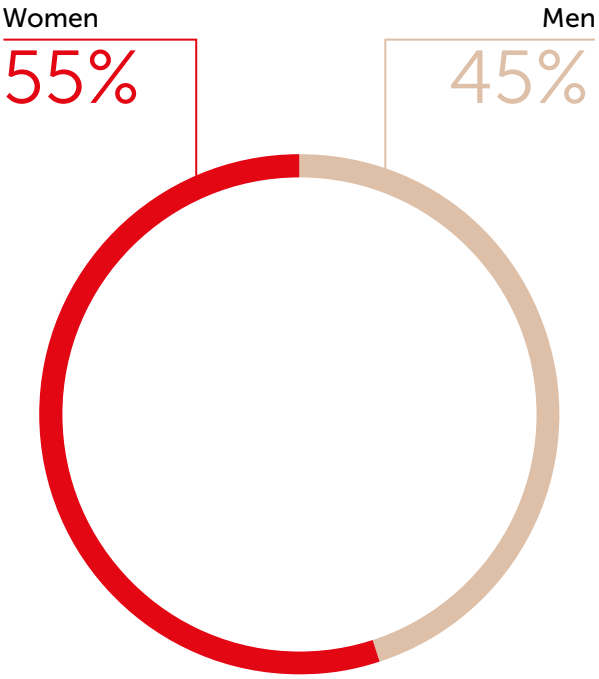
The Board of Directors plays a central role in guiding and managing the Group. In addition to its powers pursuant to the law and the Articles of Association, the Board has exclusive competence in relation to the main economic and strategic decisions.
The Board of Directors is responsible for monitoring and guiding the company and the Group. The Board of Directors is responsible for the annual assessment on the adequacy of the company's organisational, administrative and accounting structure and of the company's general operating performance, on the basis of reporting from the delegated bodies.

illycaffè's Board of Directors was renewed by resolution of the Shareholders' Meeting of 29 April 2025 and will remain in office until the approval of the Financial Statements as at 31 December 2027.

The Parent Company's Board of Directors consists of 11 members, including the Chairman, all over fifty years old. Women account for 55% of the members, including the Chief Executive Officer.

In 2025, the Board of Directors met 6 times and the average meeting attendance was 95%.

COMPOSITION OF THE BOARD OF DIRECTORS OF ILLYCAFFÈ S.P.A. BY GENDER




The Board of Directors guides the company in its path for the creation of long-term sustainable value and is composed of members with diversified skills and complementary professional experience, consistent with the identified strategic objectives and oriented to the international development of the illy brand in the premium segment of the coffee market.

| Role | Name | Executive | Independent | Year of first appointment | Percentage of attendance | Skills |
|---|---|---|---|---|---|---|
| Chairman[1] | Andrea Illy | ● | | 14/04/1992 | 100% | |
| Vice Chairman | Raffaele Jerusalmi[2] | | ● | 20/06/2022 | 100% | |
| Chief Executive Officer | Cristina Scocchia | ● | | 29/04/2019 | 100% | |
| Director | Anna Illy[3] | | | 14/04/1992 | 100% | |
| Director | Robert Frank Agostinelli | | | 25/02/2021 | 100% | |
| Director | Marianne Kirkegaard | | | 30/07/2021 | 83% | |
| Director | Carolyn Dittmeier | | ● | 29/04/2019 | 100% | |
| Director | Gianmario Tondato | | ● | 29/04/2025 | 100% | |
| Director | Paola Cillo | | ● | 20/06/2022 | 83% | |
| Director | Marco Bizzarri | | ● | 29/04/2025 | 80% | |
| Director | Michaela Tod | | ● | 29/04/2025 | 100% | |

## KEY

- Sector experience
- Strategy and business model
- Innovation
- Corporate governance, compliance and legal affairs
- Financial and accounting analysis
- International experience
- Audit and risk management
- ESG

illycaffè promotes diversity in the composition of the Board of Directors, in line with the priority objective of ensuring an adequate level of competence, professionalism and experience.

The number and skills of non-executive directors are such as to ensure they have a significant weight in the adoption of resolutions and to guarantee effective management monitoring, in particular in areas where

[1] The Chairman of the Board of Directors is not a manager in the organisation.

[2] As Lead Independent Director, they represents the point of reference and coordination of the Independent Directors' requests and contributions.

[3] As Chief Ethical Officer, they represents the point of reference for the promotion of company's ethical values.

conflicts of interest could arise, not identified during 2025. In this regard, the Board of Directors approved the Code of Ethics, which governs the management of conflicts of interest, and adopted the procedure for related-party transactions. Under this procedure, the Board assigned the Related Parties Committee functions to the Control and Risk Committee.

All directors are required to possess the professional qualifications and skills appropriate to the performance of their duties, in accordance with the provisions of the Italian Stock Exchange's Corporate Governance Code. They must not be in situations that could lead to their suspension from office in accordance with applicable regulations, nor have engaged in conduct that, while not constituting a criminal offence, is contrary to the principles and values enshrined in the Group's Code of Ethics.

The Board ensures that the independence requirements are met by referring to the legal provisions and the Corporate Governance Code of the Italian Stock Exchange (Borsa Italiana), taking into account any additional offices in other companies. In particular, the Board assesses the possible presence of more than one office in companies that may become related parties; it also assesses that there are no circumstances that may entail a conflict of interest or impair independent judgement with the consequent loss of independence.

In line with the importance that stakeholders attach to effective and transparent governance, illycaffè, while not obliged to comply with the provisions contained in Circular CRD IV no. 285 First Part, Section IV, Chapter 1, since 2017 it has implemented an annual process of self-assessment of the Board of Directors and its optimal composition (Board Evaluation). Operating with the support of an independent external consultancy firm, this process aims to evaluate:

- the size, composition and actual functioning of the Board and its Committees;
- the role played by the Board in defining strategies and monitoring management performance with particular attention to sustainability issues (integration in strategic plans, internal control systems and remuneration policies) and to the adequacy of the internal control and risk management system;
- any areas for improvement.

Also in 2025, the evaluation focused on the qualitative-quantitative composition of the Board, its functioning, and its incisiveness in exercising a corporate leadership and oversight role. With regard to ESG factors, the assessment by Board members focused on, among other aspects, the ability to ensure effective supervision of illycaffè's material issues, the implementation of appropriate governance processes for the management of ethical issues, and the creation of sustainable value in the long term.

## GOVERNING BODIES

### Board of Statutory Auditors[4]

Joram Bassan *(Chairman)*
Carlo Bellavite Pellegrini
Alessandra Stabilini

### Internal Control and Risk Committee[5]

Carolyn Dittmeier *(Chairman)*
Marianne Kirkegaard
Michaela Tod

It performs investigative, proposal and advisory functions in favour of the Board of Directors with regard to the internal control and risk management system. It also acts as the Related Parties Committee. It is made up of three Directors, the majority of whom meet the requirements of "non-executive and independent director."

### Sustainability Committee[5]

Paola Cillo *(Chair)*
Marco Bizzarri
Marianne Kirkegaard

It performs investigative, proposal and advisory functions in favour of the Board of Directors with regard to sustainability. It is made up of three Directors, the majority of whom meet the requirements of "non-executive and independent director."

### Appointments and Remuneration Committee[5]

Gianmario Tondato *(Chair)*
Robert Frank Agostinelli
Paola Cillo

It performs investigatory, proposal and advisory functions in favour of the Board of Directors with regard to the appointment and remuneration of the CEO, Directors and top management. It is made up of three Directors, the majority of whom meet the requirements of "non-executive and independent director."

### 231 Supervisory Body and Code of Ethics[5]

Daniele Piva *(Chairman)*
Luca Marmo
Miriam Ota

[4] Term of office fiscal years 2024 – 2026 with resolution of Shareholders' Meeting of 24 April 2024.

[5] Term of office fiscal years 2025 – 2027 with resolution of the Board of Directors of 29 April 2025.

## Remuneration policies and incentive plans

GRI 2-19, GRI 2-20

The Board of Directors' remuneration policies envisage a fixed remuneration for all non-executive members and the Chairman. The remuneration of its members is determined by the Board of Directors, based on the opinion of the Nomination and Remuneration Committee and in compliance with the maximum limit established by the Shareholders' Meeting. This determination is informed by benchmark analyses prepared by independent third-party consulting firms. The Chief Executive Officer's remuneration also includes a variable component, linked to both economic-financial and sustainability objectives, resolved by the Board with the favourable opinion of the Appointments and Remuneration Committee.

With a view to progressively integrating ESG factors in the incentive plans, in 2024 the Board of Directors introduced an emissions intensity reduction target (total tonnes of $CO_2$eq emissions compared to tonnes of coffee sold) within the scope of the Short-Term Management Incentive Plan.

In 2022, the Board of Directors of the Parent Company approved the regulations of the incentive plan called "Management Equity Plan 2022 - 2029" in favour of the CEO and executives of the Parent Company or its subsidiaries, identified by name at the sole discretion of the Board of Directors. Through this plan, illycaffè aims to incentivize and retain beneficiaries according to the company's value growth in the medium to long term, aligning the interests of the beneficiaries with those of the shareholders of the Parent Company over a multi-year time horizon.

## Governance of sustainability

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-17

The illycaffè Board of Directors plays a fundamental role in ensuring that the Group's commitment to sustainable development models is consistent and widespread along the entire value chain, and integrated into its strategic plan and business model, also based on the mutual benefit objectives pursued as a Benefit Corporation. In particular, the approval of the following remain the responsibility of the Board of Directors:

- the Sustainability Statements contained in the Individual Management Report;
- the dual materiality analysis and related material issues.

Since illycaffè is a Benefit Corporation, the directors have specific obligations in addition to the ordinary ones provided for by the Italian Civil Code, which concern:

- balancing the interest of the shareholders, i.e., pursuit of profit, with pursuit of the common benefit objectives, in accordance with the provisions of the Articles of Association;
- appointment of the person responsible (so-called Chief Impact Officer) to be entrusted with functions and tasks aimed at pursuing the common benefit objectives;
- the approval of the objectives relating to the pursuit of the common benefit objectives and their reporting.

The governance system adopted by the company provides for the Board of Directors to be supported by a Sustainability Committee, which plays a strategic role in the dissemination and monitoring of issues related to the environment, society and governance. It also supports management in the evolutionary path towards systemic governance of sustainability, in order to ensure its increasing integration in the Group's strategies. With a view to fully integrating ESG issues, in 2025 the Sustainability Committee collaborated with the Control and Risk Committee in carrying out the dual materiality analysis.

Among the objectives of the Total Quality & Sustainability Department, which reports directly to the Chief Executive Officer of illycaffè S.p.A., are the development and monitoring of the Sustainability Plan, coordinating and supporting the organisation in the implementation of initiatives and projects.

The Strategy & Investor Relations Department, also reporting directly to the Chief Executive Officer of illycaffè S.p.A., integrates the Sustainability Plan into the Strategic Plan, coordinates the reporting of ESG performance, enhancing its strategic relevance to the financial community and the main reference stakeholders.

The Total Quality & Sustainability and Strategy & Investor Relations Departments coordinate the ESG Taskforce, the committee set up by illycaffè in 2022 with the aim of encouraging the continuous interaction of all company functions and all the skills necessary to pursue the Group's sustainability process in an increasingly effective manner. The ESG Taskforce, composed of the Chief Executive Officer, all members of the Leadership Team[6], and the Risk, Compliance & Control and Legal departments, has the following objectives:

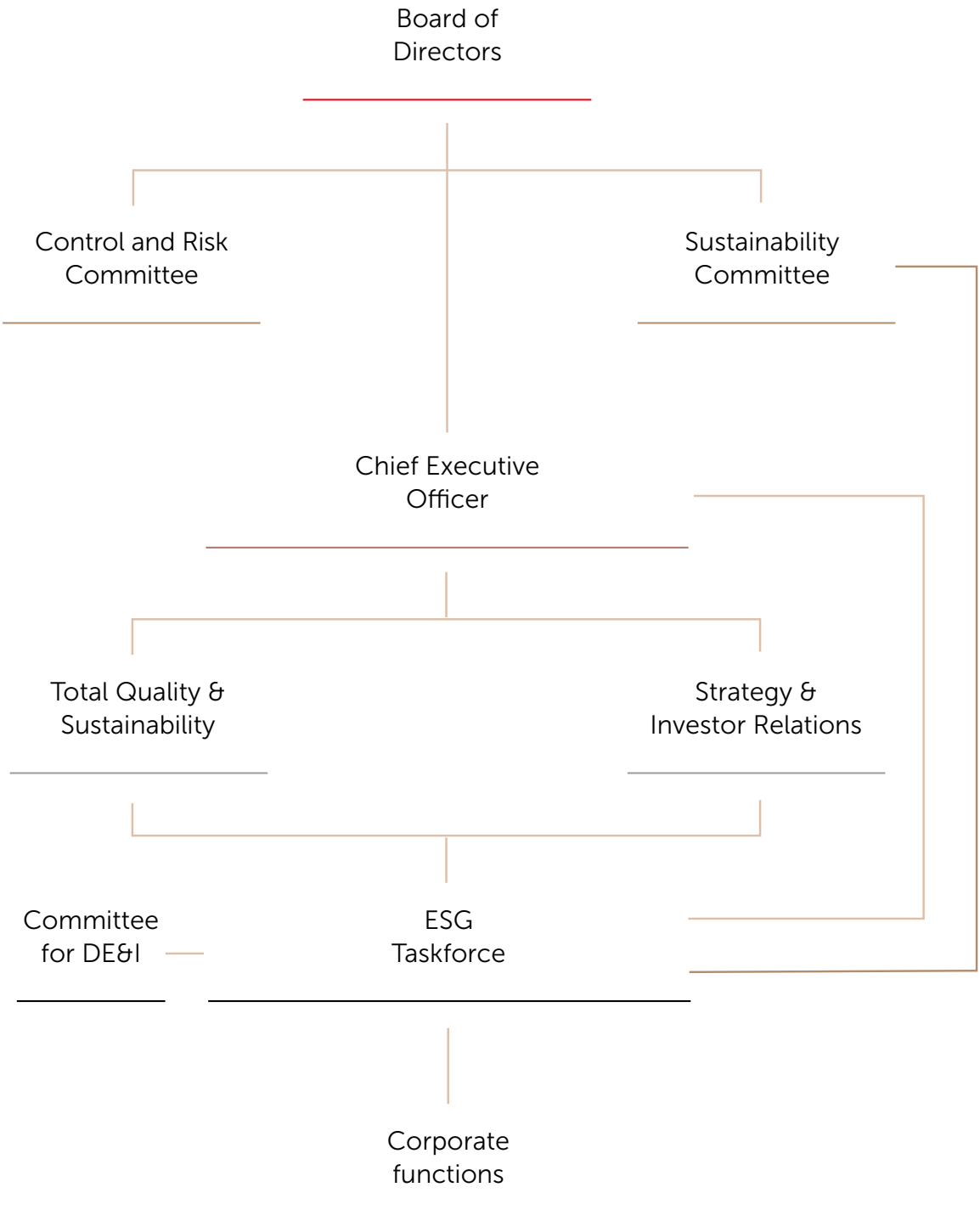
- the coordination and definition of the Group's strategic priorities and sustainability objectives;
- the definition of plans and investments to achieve these objectives;

[6] The Leadership Team includes all the headquarters managers who report directly to the Chief Executive Officer.

- the monitoring of projects' progress and the sustainability performance trend;
- the dissemination of a managerial culture on sustainability within the organisation.

Under the supervision of the Total Quality & Sustainability Department, these company functions are responsible for the implementation of the initiatives identified in the Sustainability Plan.

In addition, the Diversity, Equity & Inclusion (DE&I) Committee was established in 2023, which has been assigned appropriate resources, responsibilities and powers to pursue, achieve and maintain the established diversity, equity and inclusion objectives.



# STRATEGY

## Strategy, business model and value chain

GRI 2-6, GRI 2-22, GRI 2-23, GRI 2-24, GRI 2-25

Since its foundation, illycaffè has directed its strategies towards a sustainable business model, integrating economic and financial objectives with social and environmental aspects. For illycaffè, the virtuous sustainability circle starts in producing countries through a sustainable procurement strategy focused on the transfer of knowledge and on the construction of sound and lasting human relationships, aimed at fostering a culture of excellence.

Through a dual materiality analysis, updated in 2025, illycaffè confirmed the key drivers supporting its sustainability strategy. These drivers contribute to the achievement of the United Nations Sustainable Development Goals. In particular, illycaffè has identified 12 Goals as relevant to its business model. The identified drivers are also aligned with specific common benefit objectives, provided for in the Articles of Association since 2019 and focused on creating economic value for stakeholders, pursuing well-being in coffee-growing areas and promoting regenerative agricultural practices.

| MATERIAL TOPICS | SDGs | DRIVERS OF THE SUSTAINABILITY STRATEGY |
|---|---|---|
| Climate change |  | • Reduction of emissions thanks to the adoption by green coffee growers of regenerative agronomic practices that promote biodiversity protection<br>• Transition towards the use of renewable energy sources<br>• Sustainable innovation and product development in line with circular economy principles |
| Water |  | |
| Biodiversity and ecosystems |  | |
| Resource use and circular economy |  | |
| Own workforce |  | • Elimination of the pay gap between women and men<br>• Development of fair and merit-based career paths<br>• Support for coffee growing communities through training and projects focused on education and health |
| Workers in the value chain |  | |
| Communities concerned |  | • Support to suppliers and local communities, through dedicated projects aimed at promoting collective well-being<br>• Safeguarding consumer health and safety through the superior and sustainable quality of its products |
| Consumers and end users |  | |
| Business conduct |  | |

During 2025, illycaffè continued to implement a strategy aimed at creating long-term sustainable value, strengthening its governance framework by defining a policy system inspired by international regulations, guidelines and globally recognised standards.

In particular, the Environmental Sustainability Policy recognises the environment and natural resources as essential elements for sustainable economic development. In this context, the Group is committed to identifying and assessing the dependencies of its business model on ecosystem services in order to responsibly manage risks and opportunities related to natural capital.

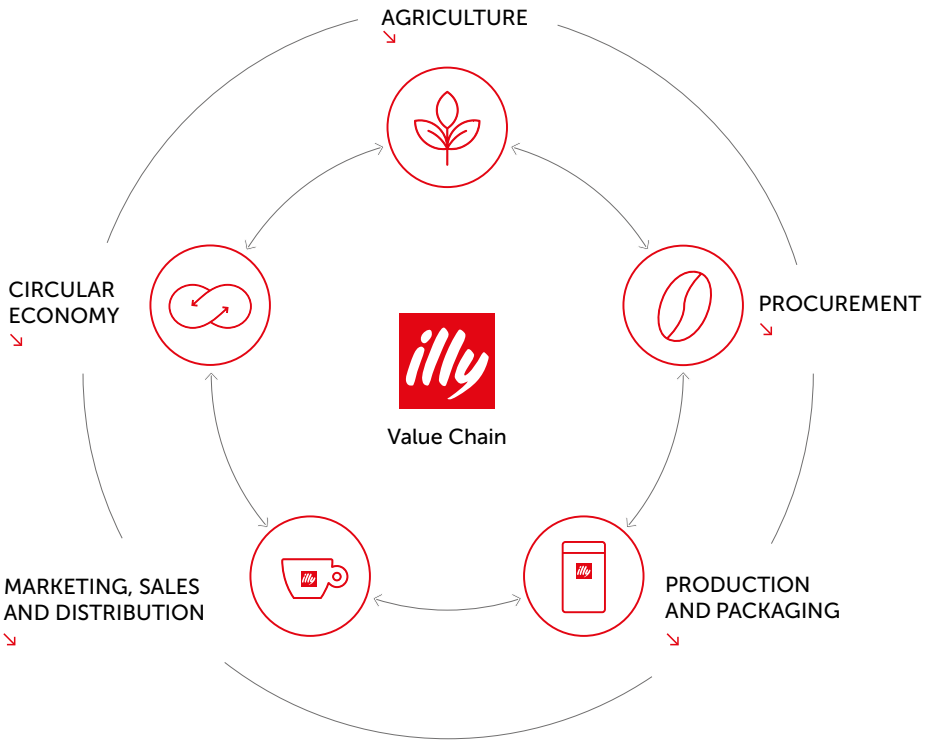
The Social Sustainability Policy further formalises illycaffè's commitment to recognising, respecting and protecting the rights of all stakeholders, defining a clear and consistent approach to international human rights principles.

The Group integrates the commitments set out in its policies into its corporate strategies, operational processes, business relationships and governance procedures. The policies are disseminated through the company intranet and published on the website, ensuring transparency and accessibility.

The policies are approved by the Board of Directors, which supervises their implementation, verifying their consistency with the sustainability strategy and business model. They are subject to periodic review and responsibility for implementing the commitments outlined is assigned to the various company departments, which work in a coordinated manner to ensure the correct integration of the policies into the organisation's processes and activities.

Furthermore, since 2012, illycaffè has been a member of the United Nations Global Compact, an initiative designed to encourage companies around the world to adopt sustainable and socially responsible policies. Every year, illycaffè publishes its Communication on Progress (CoP), confirming its support for the principles it has subscribed to.

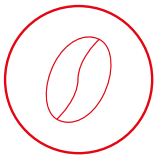
illycaffè's sustainability strategy extends to every stage of its value chain, in line with its commitment to operating sustainably, from bean to cup. The value chain is divided into five main stages: agriculture, sourcing, production and packaging, marketing, sales and distribution, and the circular economy.





## Agriculture

The sustainable quality of coffee begins at the first link in its value chain: cultivation. illycaffè works together with producers, supporting them in adopting regenerative agricultural practices, tailored to different contexts, aimed at mitigating the effects of climate change and promoting the conservation and restoration of biodiversity and increased soil fertility. The well-being of local communities has always been a priority for illycaffè, which has developed numerous projects mainly in the field of education, economic development and health. These initiatives are supported by ongoing scientific research with a particular focus on the relationship between environmental health and human health.



## Procurement

Ensuring the sustainable quality of raw materials and purchased goods and services is a fundamental principle for illycaffè. Each supplier plays a strategic role in the Group's sustainable sourcing process. The process involves a rigorous selection of partners, aimed at ensuring compliance with high social and environmental standards, with particular attention to the protection of human rights. Over time, illycaffè has consolidated direct relationships with communities in the green coffee supply chain, and logistics and transport activities for raw materials, particularly coffee from producing countries, are managed and optimised with a view to reducing environmental impact.



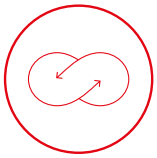
## Production and packaging

The distinctive illycaffè blend is created from a combination of nine high-quality 100% Arabica coffee ingredients, selected to guarantee its unmistakable aroma. The pursuit of product excellence is integrated with environmental protection. With this in mind, illycaffè adopts a responsible resource management approach throughout all stages of operation: selection, roasting, packaging and pressurisation, with the aim of combining quality performance and environmental efficiency.



## Marketing, sales and distribution

illycaffè is present in 135 markets globally and operates through a multi-channel business model, mainly Ho.Re.Ca., Modern Trade, online, single-brand retail and OCS/Vending. The go-to-market strategy is based on direct distribution models, thanks to an extensive commercial network, and indirect models, through a vast network of distributors. The product portfolio covers multiple consumption occasions, both in the Home and Out-of-Home segments. The Home segment mainly includes coffee beans, ground coffee and single-serve coffee (E.S.E. pods, Nespresso® compatible capsules and proprietary systems). The range of products for home consumption also includes coffee machines for all major preparation systems. The Out-of-Home segment includes the iconic 3 kg and 1.5 kg tin formats, designed for coffee bars and restaurants. illycaffè promotes a culture of coffee excellence and provides training, research and innovation through the Università del Caffè, established in 1999.



## Circular economy

The principles of circular economy and eco-design, based on resource and material efficiency, guide strategic choices throughout the entire supply chain, from procurement to end-of-life stages. The adoption of methodologies such as Life Cycle Assessment (LCA) allows us to evaluate and quantify the environmental impacts associated with products and their life cycle, supporting the identification of solutions for waste reduction. In this regard, illycaffè also participates in initiatives dedicated to the recovery and recycling of capsules with the aim of promoting virtuous behaviour and responsible resource management.

## Stakeholders

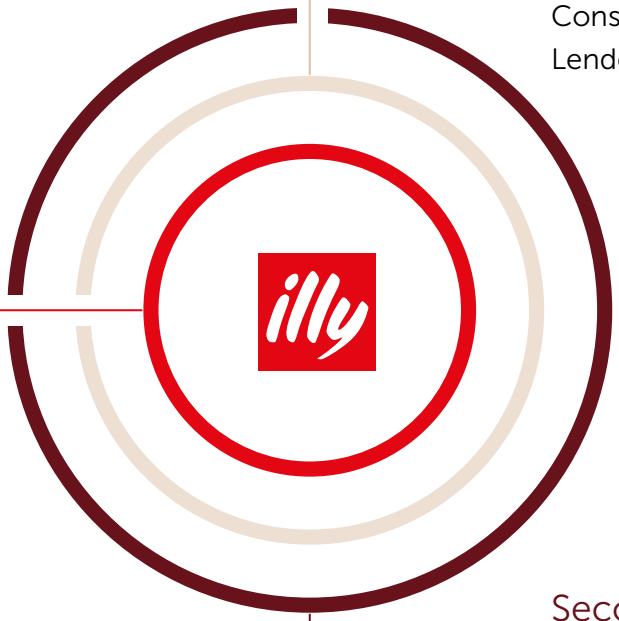
GRI 2-28, GRI 2-29, GRI 201-1

The Group pursues a strategy of sustainable growth at every stage of the value chain and pays particular attention to the impacts generated on its stakeholders. The Group's long-term sustainable growth also reflects the evolution of its relationships with stakeholders and illycaffè's attention to their expectations and needs. Continuous dialogue, based on the principle of transparency, forms the basis for building solid and lasting relationships that generate mutual benefits and shared value.

Stakeholders are mapped by illycaffè according to their level of influence, based on three main criteria: frequency of interaction, degree of dependence on the company's operations and geographical proximity to the Group's sites.

### First-level external stakeholders

- Green coffee suppliers
- Suppliers of goods and services
- Local communities
- Customers (B2B)
- Consumers (B2C)
- Lenders



### Internal stakeholders

- Employees and other collaborators
- Shareholders and Board of Directors

### Second-level external stakeholders

- Ernesto Illy Foundation
- Certification and control bodies
- Advocacy groups and NGOs

During 2025, illycaffè conducted specific stakeholder engagement initiatives aimed at encouraging the involvement, listening and dialogue of various stakeholders.

Engagement with stakeholders is a fundamental part of the shared value creation strategy. illycaffè maintains stable and lasting relationships based on principles of integrity and transparency, promoting constant dialogue through dedicated organisational structures in order to gain an in-depth understanding of the interests and expectations of the various parties involved.

Opportunities for discussion with stakeholders represent strategic moments to consolidate ties with the relevant industrial, economic and social context. The various engagement initiatives have enabled the collection and structured analysis of the feedback received. The results showed that stakeholder expectations are broadly aligned with the Group's strategic objectives, particularly with regard to the growing focus on social responsibility towards workers, ethics and integrity in business relationships, and climate change.

illycaffè does not engage in direct political lobbying. However, it participates in technical working groups and trade associations which, in some cases, have relationships with public institutions on issues relevant to the coffee sector and sustainability. These activities are conducted in full compliance with the principles of transparency and integrity with the aim of contributing to informed decision-making processes based on scientific evidence and geared towards collective well-being and sustainable development. Furthermore, illycaffè is committed to ensuring that the positions taken within these organisations are fully consistent with its values and sustainability strategy, particularly with regard to climate action and social responsibility along the value chain.

| Stakeholders | Engagement activities carried out in 2025 |
|---|---|
| Employees and other collaborators | • Sharing of policies, guidelines, procedures, codes and regulations<br>• Periodic plenary meetings with the Chief Executive Officer to share company strategies, results and objectives<br>• Training courses and activities<br>• Talent assessment<br>• On-boarding path for new employees<br>• Engagement survey Intended for the production hub of the Trieste plant<br>• Participation in corporate volunteering projects throughout Italy (ELIS – School4Life 2.0, In farmacia per i bambini - In the pharmacy for children)<br>• Involvement in identifying material issues and related impacts, risks and opportunities<br>• Use of the mailbox for sharing feedback and reports<br>• Sharing of news and notices via the intranet<br>• Meetings for insights and awareness raising on DE&I issues through external testimonials<br>• Periodic meetings with trade unions and employee representatives |
| Shareholders and Board of Directors | • Periodic meetings with board committees<br>• Periodic meetings with the Board of Statutory Auditors |
| Green coffee suppliers | • Sharing of guidelines, protocols and the Supplier Code of Conduct<br>• Periodic audit and monitoring activities<br>• Continuous improvement programs<br>• Mutual transfer of knowledge through training activities<br>• Meetings of Circolo illy and of Clube illy do Café<br>• Prêmio Ernesto Illy de Qualidade do Café para Espresso do Brazil<br>• Ernesto Illy International Coffee Award<br>• Active participation in institutional working groups (G7, Mattei Plan) and multi-stakeholder platforms (European Coffee Federation, Global Coffee Platform, International Coffee Organization, COP16) |
| Suppliers of other goods and services | • Sharing of guidelines and the Supplier Code of Conduct<br>• Pre-qualification and qualification surveys<br>• Specific audits on quality issues |
| Local communities | • Ad hoc projects to support well-being, health and education (European Institute of Oncology, Italian League for the Fight against Cancer, Community of San Patrignano, Food for Soul)<br>• Participation in working groups (e.g. International Coffee Organization, World Coffee Research) |

| Stakeholders | Engagement activities carried out in 2025 |
|---|---|
| Customers (B2B) | • Events, exhibitions and fairs<br>• Prospect tours, roadshows<br>• Interactions through customer care<br>• Training through the Università del Caffè<br>• Visits to the production plant<br>• Illy Chef Ambassador Program<br>• Artists of Taste Program |
| Consumers (B2C) | • Market research, customer segmentation and insights<br>• Customer satisfaction analysis<br>• Customer Relationship Management<br>• Measuring the Customer Satisfaction Index and Net Promoter Score<br>• Interactions through customer care<br>• Management of social media, digital channels and other media<br>• Training through the Università del Caffè |
| Lenders | • Ad hoc meetings<br>• Investor relations activities |
| Ernesto Illy Foundation | • Scientific research collaborations, educational and advanced training projects, and study conferences (Virtuous Agriculture®)<br>• Participation in global surveys (World Happiness Report)<br>• Organisation of events, seminars and workshops (Regeneration 20\|30 Forum) |
| Certification and control bodies | • Certification audits (ISO standards, UNI/PdR 125:2022)<br>• Compliance audits<br>• Networking meetings with the B Corp Italia community |
| Advocacy groups and NGOs | • Institutional meetings<br>• Active involvement in working groups and supranational organisations on sustainability (UN Global Compact Italy) |



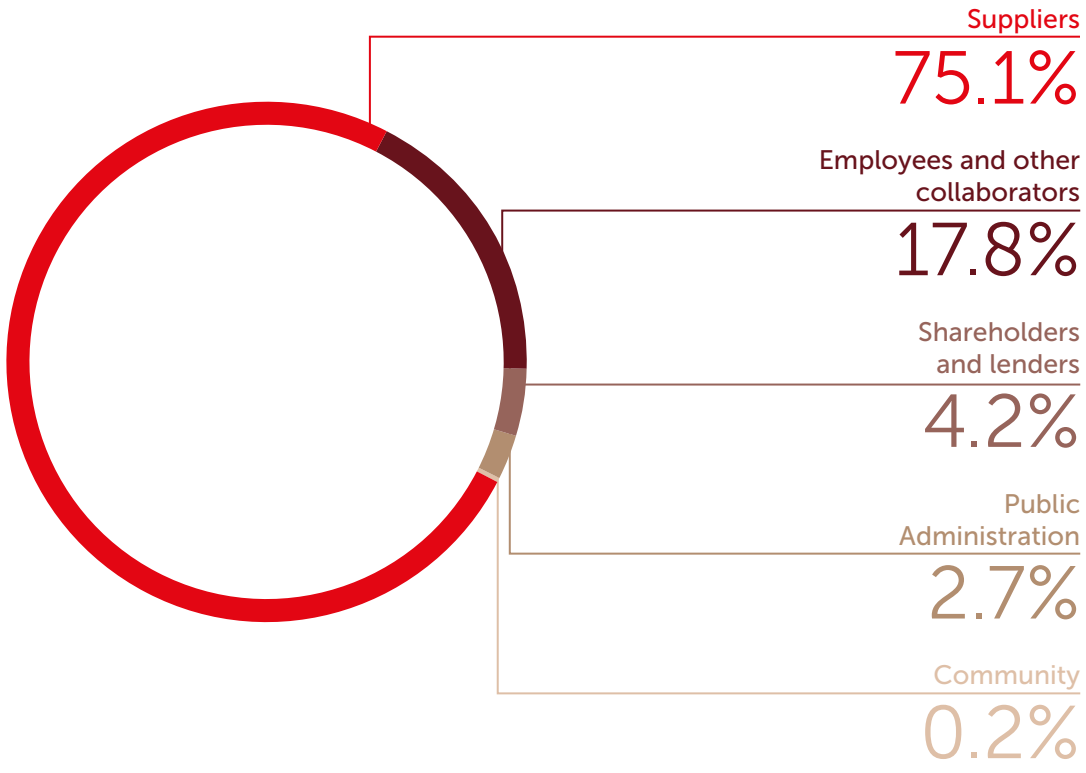
In order to provide a representation of the value shared by the Group with its stakeholders, the income derived from the use of resources, which, as a result of the production cycle, has generated economic value, is reported below.

In 2025, illycaffè generated an economic value of €709.0 million, representing an increase of 10.7% compared with the previous year. Of the economic value generated, 92.8% was distributed to both internal and external stakeholders, while the remaining 7.2% was retained within the Group.

## ECONOMIC VALUE GENERATED AND DISTRIBUTED

| | 2025 | 2024 |
|---|---|---|
| Revenue | 706.4 | 637.6 |
| Financial income | 2.6 | 2.8 |
| **Economic value generated** | **709.0** | **640.5** |
| Operating costs | 493.7 | 414.6 |
| Personnel remuneration | 117.0 | 112.2 |
| Credit and risk capital | 27.9 | 20.2 |
| Taxes and duties | 17.8 | 19.9 |
| Donations and association contributions | 1.3 | 1.5 |
| **Economic value distributed** | **657.6** | **568.3** |
| **Economic value retained** | **51.3** | **72.2** |

## ECONOMIC VALUE DISTRIBUTED



# Management of impacts, risks and opportunities

GRI 2-22, GRI 3-1, GRI 3-2, GRI 3-3

The sustainability aspects on which illycaffè focuses its management, monitoring and planning efforts were identified through a dual materiality analysis, which included the assessment of the following aspects:

- impacts that the organisation generates or could generate on the economy, society (including human rights aspects) and the environment, along the entire value chain;
- risks and opportunities that could have repercussions on the organisation's future cash flows and financial performance.

During 2025, illycaffè updated its dual materiality analysis based on the guidelines contained in GRI Standard 3 – Material Topics of the GRI Universal Standards and the European Sustainability Reporting Standards (ESRS) guidelines defined by the European Commission.

The process, coordinated by the Total Quality & Sustainability and Strategy & Investor Relations departments, involved all the main areas of the company and a number of external stakeholders, including suppliers, customers and non-governmental organisations. Their contributions were collected through a dedicated survey, aimed at identifying perceptions and priorities and integrating this feedback into the scoring process. With regard to the financial materiality analysis, the Risk, Compliance & Control function was actively involved, leveraging the methodology adopted in the context of Enterprise Risk Management (ERM) activities.

The dual materiality analysis process envisaged the following steps:

## 1 Context analysis.

The first phase of the process focused on the analysis of the business model and the value chain, as well as on the dynamics in the coffee sector, also through external sources, such as academic research, publications and international standards. Specifically, consideration was given to Sector Standard GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 and Industry Standard SASB 2018: Food & Beverage Sector - Agricultural Products.

The needs and issues highlighted by the representatives of the main company functions that emerged during the multiple interactions with stakeholders that took place during the year were analysed in detail.

## 2 Identification of impacts, risks and opportunities (IRO)

Thanks to the context analysis and interviews conducted with company departments, it was possible to update the IROs in relation to the topics and sub-topics set out in ESRS 1 General Requirements.

## 3 Assessment and approval of material topics

Each IRO was assigned a score. Specifically, the assessment of impacts was carried out using the criteria of scope, scale and irremediability, while the evaluation of risks and opportunities was based on the criteria of magnitude, likelihood and time horizon, in line with the methodology adopted within the Enterprise Risk Management (ERM) process. The assessment was conducted with the support of the relevant corporate functions and external stakeholders. The resulting score made it possible to establish a materiality threshold and identify the most significant IROs, corresponding to nine material topics.

## 4 Reporting and integration of material topics in the strategy

The material topics identified will guide the strategic priorities in the ESG field in the medium to long term and are the basis of the current Sustainability Statements.

Below are the identified IROs for each material topic:

| Topic | Sub-topic | IRO | Description | Value chain stage | Time Horizon |
|---|---|---|---|---|---|
| Climate change | Climate change mitigation | Current negative impact | Generation of GHG emissions from activities throughout the value chain |  |  |
| | | Current positive impact | Adoption of regenerative agriculture practices as a primary tool for reducing GHG emissions and protecting biodiversity |  |  |
| | | Opportunity | Further business development and strengthening of brand equity through new products derived from regenerative agriculture |  |  |
| | Adaptation to climate change | Potential positive impact | Contribution to scientific research on coffee crops that are more resilient to climate change. |  |  |
| | | Risk | Reduction in areas suitable for Arabica cultivation, with a potential reduction in supply and consequent increase in the cost of raw materials |  |  |
| | | Risk | Loss of business and incremental costs resulting from natural or catastrophic events affecting the production site or interrupting single-source supplies |  |  |
| | Energy | Current negative impact | Generation of GHG emissions from the use of non-renewable fossil energy sources |  |  |
| Water | Water consumption | Current negative impact | High water consumption in agricultural processes (irrigation and coffee washing) and in industrial processes for the supply of raw materials and materials (metals and paper) |  |  |
| Biodiversity and ecosystems | Drivers of change in biodiversity and ecosystems | Current negative impact | Generation of GHG emissions and pollutants that contribute to changes in biodiversity and ecosystems |  |  |
| | | Current positive impact | Adoption of regenerative agriculture practices as a primary tool for biodiversity protection and ecosystem restoration |  |  |
| | | Risk | Reduced availability of Arabica and consequent increase in costs due to the reduction in cultivable areas caused by biodiversity loss |  |  |
| Resource use and circular economy | Resource inflows | Current negative impact | Development of products and packaging made from high-impact materials such as plastic, aluminium and tinplate |  |  |
| | | Risk | Adaptation to the changed European regulatory framework on packaging and packaging waste |  |  |
| | Resource outflows | Current negative impact | Improper management by customers and consumers of end-of-life products and packaging |  |  |
| | | Current positive impact | Transformation of coffee waste into by-products for other production chains |  |  |
| Own workforce | Working conditions | Potential negative impact | Decreased engagement and satisfaction in terms of career development and remuneration, which can lead to a loss of talent retention and attractiveness |  |  |
| | | Current positive impact | Improved worker well-being through benefit and welfare programmes |  |  |
| | Social dialogue, freedom of association, right to participation and collective bargaining | Current positive impact | Guarantee of workers' rights through social dialogue, freedom of association, representation, information, consultation and participation, and collective bargaining |  |  |

| Topic | Sub-topic | IRO | Description | Value chain stage | Time Horizon |
|---|---|---|---|---|---|
| Own workforce | Health and safety | Current positive impact | Prevention of health and safety risks to workers through the implementation of awareness-raising, management and monitoring tools | | |
| | | Risk | Spread of emerging occupational diseases that could affect the workforce | | |
| | Training and skills development | Current positive impact | Strengthening workers' skills through talent development plans and professional growth opportunities | | |
| | Diversity and equal treatment | Current positive impact | Creation of a fair, inclusive and ethical working environment | | |
| Workers in the value chain | Training and skills development | Current positive impact | Skills development for actors along the value chain through training and knowledge sharing | | |
| | Other work-related rights | Current positive impact | Prevention of child and forced labour through the adoption of a structured due diligence process supported by specific interventions | | |
| Communities concerned | Economic, social and cultural rights of communities | Current positive impact | Creation of economic value for communities through the employment of workers and sourcing from local suppliers | | |
| | Economic, social and cultural rights of communities | Current positive impact | Creation of social value for communities through partnerships and voluntary and charitable initiatives | | |
| Consumers and end users | Personal safety of consumers and end users | Risk | Reputational damage resulting from product recalls due to contamination, packaging defects or non-compliant labelling | | |
| | Impacts related to information for consumers and end users | Current positive impact | Ensuring information transparency through packaging and digital touchpoints | | |
| | | Current positive impact | Absence of chemical and microbiological contaminants and substances of concern in products, guaranteed by rigorous quality control activities | | |
| Business conduct | Corporate culture | Current positive impact | Promotion of a corporate culture based on the principles of ethics, transparency and integrity | | |
| | | Current positive impact | Protection of whistleblowers through the implementation of dedicated mechanisms, ensuring that stakeholders can safely report illegal activities, unethical behaviour or regulatory violations | | |
| | Management of supplier relationships | Current positive impact | Creation of a collaborative supply ecosystem guided by shared values and objectives | | |

**VALUE CHAIN STAGE**

- Upstream
- Business operations
- Downstream

**TIME HORIZON**

- Short term
- Medium term
- Long term

# IMPACT REPORT

## Common benefit objectives

As a Benefit Corporation, since 2019 illycaffè has been pursuing common benefit objectives in the following areas:

- creation of economic value for stakeholders;
- pursuit of well-being, understood as health and happiness;
- circular economy and biosphere regeneration.

| Area | Purpose | 2025 goals | Results | 2026 goals |
|---|---|---|---|---|
| Creation of economic value for stakeholders | Help reduce risks in the coffee supply chain by promoting actions to adapt coffee growing to climate change. | Continue to collect increasingly accurate primary data along the coffee supply chains with the aim of promoting green coffee production that is more sustainable and resilient to the effects of climate change. | **Goal achieved:** 343 field audits carried out. | Continue to collect increasingly accurate primary data along the coffee supply chains with the aim of carrying out at least 200 field audits to complete the verification of supply chain actors. |
| | Contribute to climate change mitigation through socio-economically sustainable investments. | Continue to promote the training of players in caffeine supply chains on regenerative agriculture and decarbonisation issues. | **Goal achieved:** 395 hours of training provided to 2,407 stakeholders in the coffee supply chains and agribusiness sector. | Join at least one collective project dedicated to the adoption and development of regenerative agriculture practices in coffee-growing areas. |
| | Promote global initiatives and partnerships to improve sustainability through research and knowledge transfer. | Reconfirm illycaffè's role as a partner, promoter and operational player in scientific research activities in the agricultural and coffee sectors at national and international levels. | **Goal achieved:** Consolidated role as partner and promoter of scientific research activities in the agricultural and coffee sectors at national and international level, through support for six research and training projects in collaboration with universities and confirmed participation in the Master's Degree in Coffee Economics and Science – Ernesto Illy. | Launch at least one new scientific collaboration with universities or research centres in the agricultural or coffee sectors and reconfirm participation in the Master's Degree in Coffee Economics and Science – Ernesto Illy. |
| Pursuit of well-being, understood as health and happiness | Promote a healthy lifestyle, promoting the health benefits of coffee. | Reconfirm membership of the Executive Board of ISIC (Institute for Scientific Information on Coffee). | **Goal achieved:** Membership of the ISIC Board confirmed, to strengthen the promotion and dissemination of scientific evidence on the relationship between coffee consumption and health. | Reaffirm membership of the ISIC Board and increase the visibility of illycaffè through active support for at least two initiatives or publications promoted by ISIC, to contribute to the dissemination of scientific evidence on the relationship between coffee and health. |

| Area | Purpose | 2025 goals | Results | 2026 goals |
|---|---|---|---|---|
| Pursuit of well-being, understood as health and happiness | Promote improvement of quality of life through social sustainability, working environment and coffee culture. | Reconfirm support for current projects, expanding support to other entities in the local area. | **Goal achieved:** Support for ongoing projects reconfirmed and extended to local organisations committed to the inclusion and well-being of vulnerable people. 1,580 visits were made thanks to the illy10 project in five cities in Italy. | Reaffirm support for ongoing projects and expand the number of stakeholders involved, monitoring the impact through indicators shared with partner organisations. Extend the illy15 project to five other cities in Italy and expand support to two new cities with the Refettori project. |
| | Promote social development in areas growing coffee, fuelling the virtuous circle of well-being for those who consume it and economic value for those who produce it. | Continue to promote social projects in the areas of education, health and development of coffee-growing communities in producer countries. | **Goal achieved:** Projects in Guatemala, Costa Rica, Nicaragua, Brazil and Rwanda supported, also thanks to the support of the Ernesto Illy Foundation. | Continue to promote social projects in the areas of education, health and the development of coffee-growing communities in producing countries, increasing the number of stakeholders involved by 5%. |
| Circular economy and biosphere regeneration | Minimise consumption of natural resources through production efficiency and processing of renewable or recyclable raw materials. | Complete the installation of the photovoltaic system at the Robecchetto plant with Induno. | **Goal achieved:** Installation of a photovoltaic system at the Robecchetto con Induno plant for the self-production of renewable electricity. | Complete the installation of a pre-heating system on the new roasting machine in Trieste with the aim of reducing the energy consumption of the roasting process. |
| | Combat all types of residues, such as greenhouse gases, pollutants, waste and litter, through the promotion of regenerative agronomic practices and balancing production and disposal processes. | Continue development and launch of recyclable and compostable products and packaging. Implementation of at least 1 project for upcycling waste from coffee production to a cosmetics, nutraceuticals or design supply chain. | **Goal achieved:** Continued the launch of X-CAPS portioned systems, made from 85% recycled aluminium, and CoffeeB, which is compostable at home.<br>**Goal achieved**: Collaboration continued on 2 projects dedicated to the reuse of silverskin in the cosmetics and packaging sectors. | Increase the share of products with recyclable or compostable packaging, including the launch of at least one new solution with recycled materials and reduced packaging use. |
| | Promote biodiversity preservation and carbon sequestration through regenerative agronomic practices and ecosystem renewal. | Incentivise the implementation and scalability of regenerative agriculture practices, which make less use of synthetic agrochemicals and in favour of soil protection. | **Goal achieved:** Monitored 260 plantations, which have increased on average the use of regenerative agriculture practices, practices aimed at reducing the application of synthetic agrochemicals and practices that promote soil protection. | Increase training and promotion activities for the use of regenerative agriculture practices by 10% to encourage reduced use of synthetic agrochemicals and promote soil protection in monitored plantations. |

## Assessment of the impact generated

illycaffè has been B Corp® certified since 2021 and continues its journey of continuous improvement inspired by the founding principles of the standard.

In 2025, in view of the recertification scheduled for 2026, illycaffè has adopted the new B Corp v2.1 standard introduced by B Lab in advance, using it as a reference for measuring the impact generated, in line with the reporting obligations of Benefit Corporations under Law 208/2015.

All the impact areas (Impact Topics) required by the standard were analysed and evaluated: Foundational Requirements, Climate Action, Fair Work, Purpose and Stakeholder Governance, JEDI (Justice, Equity, Diversity, Inclusion), Human Rights, Environmental Stewardship and Circularity, and Government Affairs & Collective Action. For each area, illycaffè's level of alignment with the requirements was assessed, distinguishing between actions already taken and preparatory to meeting compliance criteria and initiatives already integrated into business processes.

The self-assessment conducted in 2025 showed that illycaffè has already implemented practices that will only become mandatory in the years following recertification, confirming the maturity of the path undertaken.

On the environmental front, the assessment confirmed the strength of the commitment to reducing emissions, improving energy efficiency and managing resources responsibly. Initiatives aimed at increasing product circularity further strengthened the overall consistency of the environmental strategy.

From a social perspective, the promotion of a fair and inclusive working environment had a positive impact on performance. The progressive reduction of the gender pay gap and the strengthening of internal dialogue channels were distinctive elements. Initiatives aimed at creating shared value in local areas and along the coffee supply chain (in particular, collaboration with producers and support for the socio-economic development of communities) also contributed to generating positive and lasting impacts. In terms of human rights, the assessment confirmed the robustness of the supply chain monitoring model, based on structured due diligence processes, risk assessment and targeted interventions.

In terms of governance, the process highlighted progress in formalising commitments through new policies that strengthen transparency, accountability and the alignment of decision-making processes with long-term strategic objectives.

The new version of the B Corp® standard represents an opportunity for illycaffè to evolve further. The self-assessment conducted in 2025 clearly identified areas to be consolidated and those to be further developed with the aim of generating lasting value for people, communities and the environment.



# Environmental Disclosures

## CLIMATE CHANGE

### Transition plan

GRI 3-3

In 2025, illycaffè developed its Climate Transition Plan, defining the strategic path through which it intends to make a concrete contribution to mitigating climate change, which represents one of the main threats to the balance of global ecosystems.

The coffee sector is exposed to significant risks arising from rising average temperatures, irregular rainfall, more frequent extreme events (such as droughts, frosts and floods) and the spread of pests and plant diseases. These phenomena are already having an unprecedented impact on raw material prices, while increasing the socio-economic vulnerability of millions of small producers, who often lack the resources necessary to adapt effectively to these changes.

The plan identifies three areas of intervention, considered priorities for addressing the main emission hotspots along the value chain:

- promotion of regenerative agriculture with the aim of improving the resilience of agricultural systems, increasing carbon sequestration capacity and reducing the climate impact of production;
- energy efficiency and transition to renewable sources, in order to progressively reduce the energy requirements of industrial processes and increase the share of energy from low-emission sources;
- optimising the use of resources and promoting circularity, with the aim of reducing pressure on natural resources and increasing levels of recycling, recovery and reuse of materials.

As part of its climate risk assessment, illycaffè uses scenario analysis as a tool to anticipate the potential impacts of climate variables on the company's economic and reputational value.
With regard to short-term risks, the potential impacts of extreme weather events in the main sourcing areas were assessed, with particular attention to the consequences on the availability and costs of green coffee.

With regard to the medium- to long-term risk associated with the progressive reduction of areas suitable for Arabica cultivation, the climate scenarios of the IPCC (Intergovernmental Panel on Climate Change) were considered, which include regulated transition paths and scenarios characterised by more severe climate impacts. The analysis provided insight into the potential effects of temperature and precipitation changes on the availability of raw materials in certain strategic geographical areas.

### Policies

GRI 3-3

illycaffè's commitment to climate change mitigation and adaptation is reflected in policies consistent with limiting global warming to 1.5°C and with the European Union's goal of achieving climate neutrality by 2050.

In this context, in 2025 illycaffè adopted an Environmental Sustainability Policy, which defines a comprehensive framework of principles and commitments aimed at reducing emissions, efficiently managing natural resources and strengthening the resilience of production processes to the physical risks associated with climate change. The Policy serves as a strategic reference to guide the Group in the implementation of mitigation measures (including energy efficiency, the use of lower carbon technologies and the progressive reduction of environmental impacts) and adaptation actions aimed at ensuring operational continuity and the protection of the ecosystems involved in coffee production.

In particular, illycaffè is committed to:

- communicating transparently its results and objectives in the field of greenhouse gas emissions reduction;
- monitoring and progressively reducing its energy consumption by setting efficiency targets;
- sourcing electricity from renewable sources through the purchase of certificates of origin;
- progressively abandoning the use of fossil and non-renewable resources in favour of renewable, recyclable or recycled materials, where possible;
- designing products and packaging with reduced environmental impact during production, use and disposal;
- promoting information, awareness and education among its internal and external stakeholders on issues related to climate change mitigation and adaptation, avoiding funding climate denial initiatives or lobbying against climate regulations.

## Actions

GRI 3-3

In 2025, illycaffè once again participated in the questionnaire of the Carbon Disclosure Project (CDP), an internationally renowned non-profit organisation that provides a recognised system for reporting and evaluating the climate performance of companies. On a scale from D- to A, illycaffè achieved an A- (Leadership) score, improving on the previous year's result of B (Full Management). Based on the findings of the assessment, in 2026 illycaffè will launch an action plan aimed at further strengthening the transparency, completeness and alignment of its communication on climate change commitments and results.

Although pollution is not a material issue for the Group, illycaffè ensures rigorous monitoring of the pollutant emissions generated by its production processes. The main emissions are attributable to the coffee roasting phase and include dust, nitrogen oxides (NOx), Total Organic Carbon (TOC) and Volatile Organic Compounds (VOC). Directive 2010/75/EU, together with the subsequent 2012 update on integrated pollution prevention and control, establishes specific parameters for controlling NOx and TOC emissions from roaster chimneys.

illycaffè's energy transition continued also in 2025 with the aim of improving efficiency and resource consumption by means of the application of best practices and innovative solutions: The initiatives carried out during the year worthy of mention include:

- the completion of the installation of a 460 kWp photovoltaic system at the Robecchetto con Induno plant, which will enable an annual energy production of 530,000 kWh and cover more than 20% of the production site's annual energy needs;
- the start of work on the installation of a pre-heating system on the new roasting machine in Trieste, which will come into operation in early 2026, enabling a reduction in methane gas consumption from the production process of approximately 20%;
- The adoption of LEED (Leadership in Energy and Environmental Design) protocols in the design and construction process of the new roasting plant in Trieste with the aim of obtaining LEED Silver certification. The integration of the criteria involved the implementation of advanced architectural, plant engineering and management solutions aimed at improving energy efficiency, promoting the use of materials with reduced environmental impact and ensuring high quality standards for indoor environments;
- the installation of hardware and software components at the Robecchetto con Induno plant dedicated to the collection, communication and analysis of energy consumption, both at line and department level;
- work on the compressed air distribution network at the Robecchetto con Induno plant, aimed at reducing pressure drops and optimising operating pressure, contributing to greater system efficiency;
- replacement of traditional lighting with LED lamps and installation of presence detectors in the office areas of Trieste and Robecchetto con Induno, aimed at reducing electricity consumption associated with lighting;
- the introduction of home automation systems at the Robecchetto con Induno plant for the automated management of set points and the switching on and off of systems, in order to improve energy control in the premises.

During 2025, illycaffè continued to strengthen its Environmental and Energy Management System. The System continued to be a key tool for monitoring performance, managing risks and promoting continuous improvement. The effectiveness of the System is based on formalised processes, defined responsibilities and widespread skills within the organisation, helping to promote a culture oriented towards sustainability in the medium to long term.

## Targets

GRI 3-3

Aiming to counter and mitigate the effects of climate change, in 2024 illycaffè outlined a strategy to gradually reduce greenhouse gas emissions generated along its value chain. The decarbonisation strategy identified envisages two milestones: a near-term target for 2033, the centenary of illycaffè's founding, and a long-term target (Net Zero[7]) for 2050.

[7] Net Zero indicates the achievement of a balance between greenhouse gas emissions generated and those removed from the atmosphere, in accordance with the European Commission's goals for climate neutrality by 2050.

The targets developed by illycaffè have been validated in 2024 by Science Based Targets initiative (SBTi), a global initiative that has developed a methodological approach to define greenhouse gas emission reduction targets aligned with the scientific evidence needed to limit global warming. The first roaster in Italy to have its targets verified by SBTi, illycaffè is committed to pursuing targets in line with the scenarios of the Paris Agreement, which aims to contain global temperature increase well below 2°C compared to pre-industrial levels, with a commitment to limit it to 1.5°C.

In addition, illycaffè is pursuing the goal of progressively increasing its electricity supply from renewable sources through the purchase of guarantees of origin certificates with the aim of fully covering its needs by 2033.

## Energy consumption and energy mix

GRI 302-1, GRI 302-3

In 2025, energy consumption reached 153,423.3 GJ (+5.4% compared to the previous year), reflecting a general increase in the Group's energy requirements.

Total energy consumption from fossil fuels increased by 6.0% compared to 2024. Within this category, the main contribution came from natural gas, used mainly in the roasting process and, to a lesser extent, for the production of domestic hot water and heating. Natural gas consumption increased by 8.6%, mainly due to the increase in roasted coffee volumes (+7.3% compared to the previous year).
The share of fossil fuels in the total was 65.1%, slightly up compared to 2024 (+0.4 p.p.).

Total energy consumption from renewable sources increased by 4.2%, mainly due to the greater amount of electricity from renewable sources (+3.7%).
In particular, 96.9% of the electricity consumed comes from renewable sources (+0.4 p.p. compared to 2024) and is purchased through guarantees of origin certificates and, to a lesser extent, self-produced through a photovoltaic system installed at the Robecchetto con Induno plant.
In line with previous years, 100% of the Parent Company's electricity came from renewable sources.
The share of renewable energy in the total stood at 34.9%, a slight decrease compared to 2024 (-0.4 p.p.).

illycaffè also analyses the performance of its production processes using the energy intensity indicator, which compares the Group's energy consumption to tonnes of roasted coffee. In 2025, this indicator was 5.48 GJ/t of roasted coffee, a decrease of 1.8% compared to the previous year[8].

### ENERGY CONSUMPTION (GJ)

| | 2025 | 2024 |
|---|---|---|
| Consumption of coal fuels and coal products | 0.0 | 0.0 |
| Consumption of crude oil and petroleum products | 17,727.6 | 18,204.8 |
| Consumption of natural gas fuels | 80,453.7 | 74,105.8 |
| Consumption of fuels from other non-renewable sources | 0,0 | 0,0 |
| Consumption of fuels from other non-renewable sources | 1,710.7 | 1,885.7 |
| **Total energy consumption from fossil fuels** | **99,892.0** | **94,196.2** |
| *Share of fossil fuels in total energy consumption (%)* | 65.1% | 64.7% |
| Consumption of fuels from renewable sources | 115.0 | 140.8 |
| Consumption of fuels from other non-renewable sources | 53,116.1 | 51,228.4 |
| Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired | 300.2 | 0.0 |
| **Total energy consumption from renewable sources** | **53,531.3** | **51,369.2** |
| *Share of renewable sources in total energy consumption (%)* | 34.9% | 35.3% |
| **Total energy consumption** | **153,423.3** | **145,565.4** |

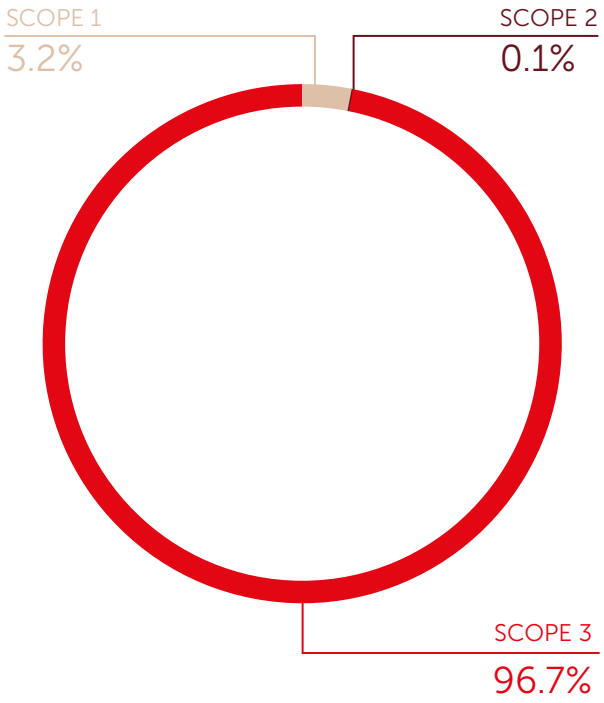
[8] The figure reported in the 2024 Annual Report has been adjusted (5.58).

# Scope 1, 2 and 3 greenhouse gas emissions

GRI 305-1, 305-2, 305-3, 305-4

An analysis of illycaffè's carbon footprint in 2025, using the market-based[9] calculation method, showed that most of the greenhouse gas emissions generated (96.7%, in line with the previous year) belong to Scope 3 and are therefore produced outside the company's operations. Emissions falling within the scope of illycaffè's activities (Scope 1 and 2), on the other hand, account for the remaining part (3.3%).

## CARBON FOOTPRINT (SCOPE 1, 2 AND 3)




In 2025, greenhouse gas emissions generated by the Group amounted to 265,157.7 tonnes of $CO_2$ equivalents (+4.6% compared to the previous year). This trend is mainly attributable to the higher volumes of green coffee purchased.

Scope 1 emissions, i.e. emissions directly generated by illycaffè during fuel consumption, increased by 8.7%, mainly attributable to the growth in emissions from the consumption of natural gas used in the production process (+5.4%).

Scope 2 emissions (calculated on a market-based basis), i.e. indirect emissions linked to the consumption of purchased electricity, fell significantly (-53.1%), attributable to the procurement of electricity from renewable sources through guarantee of origin certificates.

Scope 3 emissions, i.e. emissions indirectly linked to illycaffè and generated along its value chain, increased by 4.5%, mainly due to higher emissions related to the purchase of goods and services (+5.3%), upstream transport and distribution (+3.7%) and end-of-life treatment of products sold (+15.5%).

[9] The market-based method requires the determination of GHG emissions deriving from the purchase of electricity and heat considering the specific emission factors communicated by suppliers. A zero emission factor is assigned to purchases of electricity from renewable sources. On the other hand, the location-based method envisages accounting for emissions deriving from electricity consumption, applying national average emission factors for the various countries where electricity is purchased.

## GREENHOUSE GAS EMISSIONS (t $CO_2$eq)

| | 2025 | 2024* |
|---|---|---|
| Emissions from fuels for the production process | 5,462.4 | 5,180.4 |
| Emissions from fuels for heating | 816.2 | 774.1 |
| Fugitive emissions | 274.7 | 211.3 |
| Company car fleet emissions | 2,020.7 | 1,724.9 |
| **Scope 1 emissions** | **8,574.0** | **7,890.7** |
| **Scope 2 emissions deriving from electricity consumption (market-based)** | **249.3** | **531.4** |
| Scope 2 emissions deriving from electricity consumption (location-based) | 6,434.3 | 5,708.2 |
| Goods and services purchased | 197,508.3 | 187,622.6 |
| Activities related to fuels and energy not included in Scope 1 and 2 | 2,223.4 | 2,184.2 |
| Upstream transport and distribution | 17,733.0 | 17,096.2 |
| Waste generated by operations | 892.4 | 1,133.8 |
| Business travel | 413.7 | 682.9 |
| Commuting by employees | 2,857.4 | 2,914.9 |
| **Scope 3 emissions - Upstream** | **221,628.0** | **211,634.5** |
| Downstream transport and distribution | 13,931.7 | 13,891.7 |
| Use of products sold | 3,785.7 | 4,968.4 |
| End-of-life treatment of products sold | 16,731.9 | 14,480.7 |
| Downstream leased assets | 222.0 | 198.4 |
| **Scope 3 emissions - Downstream** | **34,671.3** | **33,539.2** |
| **Scope 3 emissions** | **256,299.4** | **245,173.7** |
| **Total emissions** | **265,122.7** | **253,595.7** |

* The figures reported in the 2024 Annual Report for the categories "Upstream transportation and distribution" and "Downstream leased assets" have been restated following an update to the conversion factors applied.

illycaffè also analyses the performance of its production processes using the emissions intensity indicator, which compares the tonnes of $CO_2$ equivalent emissions (calculated using the market-based method) generated by the Group to the tonnes of roasted coffee. In 2025, this indicator was 9.48 t $CO_2$eq/t roasted coffee, down 2.6% compared to the previous year[10].

# WATER

## Policies

GRI 3-3, GRI 303-1

Water is a fundamental resource for illycaffè and must be protected. The Group is committed to managing the use of water resources efficiently in its operations, minimising withdrawal, particularly in areas of high water stress, and optimising consumption.

In this context, in 2025 illycaffè adopted an Environmental Sustainability Policy, which defines a comprehensive framework of principles and commitments aimed at protecting water resources, efficiently managing water used throughout the production cycle and preventing potential impacts on ecosystems. The Policy is a strategic reference point to guide the Group in implementing measures aimed at reducing water consumption, improving water recycling and reuse systems, and strengthening the resilience of business processes with regard to risks related to the availability and quality of this resource.

## Actions

GRI 3-3, GRI 303-1

In 2025, the Parent Company continued to implement a structured water resource monitoring system, carrying out periodic meter readings and systematic checks on all devices connected to the company's water network, such as taps, sanitary drains, showers and irrigation systems. These activities made it possible to promptly identify any critical issues and opportunities for efficiency improvements and consumption reduction.

At the Parent Company's production sites, water is mainly consumed in the roasting process, in the form of evaporated water, and for the operation of cooling systems.

Wastewater is managed through periodic wastewater quality checks and constant monitoring of applicable authorisations and emission limits. In Trieste, the plant is equipped with a water discharge system that conveys water from the testing of filled cans, evaporative towers and compressors, while the

[10] The figure reported in the 2024 Annual Report has been adjusted (9.73).

logistics centre has a discharge system for managing the condensate generated by the compressors of the green coffee cleaning plant.

## Targets

GRI 3-3, GRI 303-1

illycaffè adopts a continuous approach to the protection of water resources, favouring measures aimed at reducing consumption.

In particular, the Parent Company is committed to:

- equipping 100% of water meters in production facilities with remote control systems by 2030, in order to ensure more accurate and continuous monitoring of withdrawals;
- minimising water losses through the adoption of more effective maintenance practices and control procedures;
- implementing rainwater collection and utilisation systems in new buildings at the Trieste production site.

## Metrics

GRI 303-3, 303-4, 303-5

During 2025, water withdrawals reached 41.9 megalitres, an increase of 18.4% compared to the previous year. The share of water withdrawn from areas subject to water stress[11] (Catalonia, Spain) stood at 0.2%, broadly in line with 2024, indicating a marginal reduction in exposure to vulnerable water sources.

Water consumption amounted to 6.3 megalitres, showing a reduction of 8.4% compared to 2024. Consumption at the Trieste and Robecchetto con Induno production sites accounts for almost all of the Group's consumption. Here, water is consumed in the roasting process, in the form of evaporated water, and for the operation of cooling systems.

At the same time, water discharge stood at 35.6 megalitres, an increase of 24.9%. This trend reflects a higher proportion of water returned to the water system compared to the previous year.

### WATER WITHDRAWALS, CONSUMPTION AND DISCHARGES (ML)

| | **2025** | 2024 |
|---|---|---|
| Water withdrawn | 41.9 | 35.4 |
| *Percentage of water withdrawn from areas under water stress* | 0.19% | 0.23% |
| Water consumed | 6.3 | 6.9 |
| Water discharged | 35.6 | 28.5 |

The data reported includes water withdrawals, consumption and discharges from the production sites of illycaffè S.p.A. (Trieste and Robecchetto con Induno, Milan) and Magic L'Espresso S.L. (Els Hostalets, Barcelona)

illycaffè analyses the performance of its production processes using the water intensity indicator, which compares the $m^3$ of water consumed per tonne of roasted coffee. In 2025, this indicator stood at 0.23 $m^3/t$ (-14.6% compared to the previous year).

# BIODIVERSITY AND ECOSYSTEMS

## Transition plan

GRI 3-3, GRI 101-4

For illycaffè, the conservation and restoration of biodiversity and ecosystems are strategic, priority and essential factors in ensuring the long-term resilience of the coffee sector.

The adoption of increasingly integrated agricultural practices is a key factor in countering and reversing biodiversity loss while intensifying the production of sustainable quality coffee per hectare. In this context, regenerative agriculture represents a set of agricultural practices that, among other benefits, helps reverse the effects of climate change, reducing greenhouse gas emissions, rebuilding soil organic matter, and restoring biodiversity, especially in the soil.

For this reason, illycaffè's climate transition plan extends to the promotion of regenerative agriculture along the supply chain, combining scientific research, training, innovation and close collaboration with producers.

During 2025, illycaffè embarked on a process of identifying, analysing and assessing the pressures exerted on nature along its value chain. This activity was carried out on both direct operations and upstream activities and made it possible to identify the geographical areas most affected and classify them according to their strategic importance.

[11] Areas subject to water stress were identified using the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI). Areas classified as "High (40-80%)" category and above were taken into consideration.

With regard to upstream activities, and in particular the coffee supply chains, the screening carried out showed that coffee cultivation generates significant pressures on almost all of the natural aspects analysed: land use and land use change, climate-changing emissions, soil and water pollution, as well as water consumption. These pressures were quantified using a Life Cycle Assessment (LCA) approach, using both primary and secondary data from scientific literature. The results generated a combined rank, which integrates the intensity of the pressures generated by illycaffè, the sensitivity of ecosystems to external pressures and the local condition of biodiversity. This process made it possible to define a baseline consistent with the Science-Based Targets for Nature framework. 2026 will be dedicated to defining targets and metrics aimed at progressively reducing these impacts, ensuring that the level of intervention is proportionate to the significance of the pressures exerted on natural resources.

## Policies

GRI 3-3, GRI 101-1

In line with the 2050 Goals and 2030 Targets of the Kunming-Montréal Global Biodiversity Framework, illycaffè is committed to helping halt and reverse biodiversity loss through policies aimed at protecting ecosystems, using natural resources responsibly and promoting sustainable agricultural practices.

In this context, in 2025 illycaffè adopted an Environmental Sustainability Policy, which defines a comprehensive framework of principles and commitments aimed at protecting biodiversity, conserving ecosystems and responsibly managing natural resources throughout the entire value chain. The Policy is a strategic reference point to guide the Group in implementing practices aimed at reducing the impact on natural habitats, promoting production methods that favour ecological balance and strengthening the resilience of agricultural ecosystems linked to coffee cultivation.

In particular, illycaffè is committed to:

- preserving, monitoring and promoting biodiversity in the countries from which it sources its products through the implementation of regenerative agriculture practices that increase and protect the biodiversity of flora, fauna and microorganisms present in the soil;
- identifying methods for monitoring and measuring biodiversity in coffee-producing countries;
- stimulating the differentiation of cultivable species to increase biodiversity with the aim of guaranteeing alternative sources of income for farmers and coffee-growing communities;
- preserving water and optimising its management during the coffee production and processing phases, with particular attention to regions with scarce water availability, reducing consumption through appropriate technologies and increasing the rate of wastewater recovery on plantations;
- preventing and reducing the pollutant load of wastewater on plantations through appropriate treatment based on locally available resources;
- promoting rainwater recovery on plantations through the construction of ad hoc reservoirs or tanks;
- spreading regenerative agricultural practices aimed at conserving water in the soil to prevent loss and evaporation.

Furthermore, in line with the requirements of the European Union Deforestation Regulation (EUDR), illycaffè is committed to not purchasing coffee from areas at risk of deforestation.

illycaffè's commercial relationships with its suppliers are governed by strict criteria, formalised through specific contractual clauses, which prohibit the conversion of natural ecosystems and the use of unauthorised agrochemicals. The selection, qualification and monitoring of partners are carried out through the application of stringent criteria and audits based on risk analysis. If risks emerge that are not adequately mitigated, mandatory corrective action plans are put in place and, if the critical issues persist, the commercial relationship is suspended or terminated.

At the same time, illycaffè actively promotes capacity building activities through technical training programmes and field support in order to encourage the adoption of agricultural practices with reduced environmental impact throughout the supply chain.

## Actions

GRI 101-2

The commitments defined by illycaffè take the form of actions aimed at preventing habitat degradation, reducing pressure on ecosystems (particularly in relation to the use of water, soil and agricultural input) and promoting the conservation and restoration of biodiversity in sourcing areas.

In line with its *Responsibillyty* sustainable procurement protocol, illycaffè carries out field checks every three years, with more frequent annual checks for sites with a higher risk profile. Extraordinary checks are also carried out in the event of critical situations or specific warning signs. In the event of non-compliance, a corrective action plan is promptly activated with predefined timelines for resolving the critical issues identified.

During technical audits, illycaffè adopts monitoring methodologies that integrate specific nature-related dimensions, such as land use and management, water availability and use, agronomic practices implemented, and the presence of crop and ecological diversity. These assessments are based on the integration of primary data collected along the supply chains in order to ensure accurate, traceable and comparable measurements over time. Field visits are not only opportunities to collect data, but also provide opportunities for technical discussion and direct support to producers: illycaffè's team of agronomists and technicians provide operational recommendations aimed at continuously improving environmental performance.

One of the most critical issues for biodiversity protection is the management of wastewater generated during the washing and fermentation of coffee cherries. This wastewater has a high organic load and contains compounds which, if released into surface water bodies, can alter the balance of ecosystems (particularly through eutrophication processes) and interfere with normal biological purification processes. illycaffè gives top priority to this issue during its field visits and technical assistance activities, supporting producers in adopting solutions aimed at:

- preventing and reducing water consumption in processing;
- the use of mechanical recirculating eco-pulpers, which significantly reduce the volume of wastewater to be treated compared to traditional systems.

The adoption of agronomic practices aimed at preventing erosion and soil depletion is a further lever for the protection of local ecosystems; in this context, the use of cover crops is one of the primary mitigation tools.

The protection and promotion of birds and pollinating insects, such as bees, also play an important role in verification activities, as they contribute to biological pest control, soil fertility and health, and carbon sequestration processes. At the same time, responsible and reduced use of agrochemicals, particularly herbicides, is essential to limit environmental pollution and preserve fundamental ecological processes, including pollination, which are indispensable for the resilience of crops and agricultural ecosystems.

# Stories from the field



## Brazil

Viveiro de Atitude is a socio-environmental programme launched in Brazil at the monteCCer cooperative in Monte Carmelo, in the state of Minas Gerais, with the aim of contributing to the conservation of the Cerrado biome through the production and distribution of native plant species, as well as through environmental education initiatives. The nursery produces over 150 native species annually and markets and redistributes them. Between 2020 and 2025, a total of 74,571 plants were distributed to 123 plantations in the region and 27 municipalities, which were able to increase their urban green areas. The proceeds from the programme's activities are allocated to local social projects, including shelters for minors and support services for the elderly and people with disabilities. Since 2020, the programme has generated direct and indirect benefits for over 50,000 people.

illycaffè is collaborating on the programme with the aim of contributing to the protection of water resources, increasing forest cover and creating habitats that are more resilient to the impacts of climate change. This commitment is part of the company's broader presence in the Cerrado region, which began in the early 1990s through long-term collaborations with local producers and the mutual sharing of knowledge on sustainable quality.

## Nicaragua

In 2025, illycaffè launched a three-year collaboration with its supplier Hacofco, aimed at developing a pilot project dedicated to promoting regenerative agriculture in three selected coffee plantations. The initiative aims to improve soil health, optimise production and economic performance, and reduce the climate impact associated with the cropping system. At the end of this first experimental phase, and based on the results achieved, the project will be progressively extended to other producers in the supply chain with the aim of encouraging the large-scale adoption of the most effective and replicable agronomic practices.

## Rwanda

Since 2024, illycaffè has been collaborating with Sucafina on a coordinated programme of agronomic, social and financial interventions, which has involved 5,842 farmers to date. The main areas of intervention include the promotion of regenerative agriculture practices, advanced soil health management, improved pruning techniques, as well as the provision of financial education courses and the establishment of community savings groups, aimed at supporting economic stability and diversification of family income.

The component dedicated to soil health involved a significant number of analyses, confirming the intensity of the diagnostic activities carried out. These analyses were accompanied by targeted corrective measures. At the same time, a large-scale tree regeneration campaign was implemented: in 2025, 197,782 plants were pruned.

## Tanzania

In 2025, the three-year project "Towards a new generation of sustainable quality coffee producers in southern Tanzania" was launched, in which illycaffè participates together with the Friuli Venezia Giulia Region, the University of Trieste, CIHEAM Bari, the Ernesto Illy Foundation, Café Africa Tanzania, the Tanzania Coffee Board and the regional authorities of Mbeya, Songwe and Ruvuma. The initiative, funded by the Italian Agency for Development Cooperation, aims to promote the spread of regenerative and sustainable agricultural practices. The programme involves 120 officials and extension workers, as well as 180 cooperative technicians and leading farmers, with an estimated impact on around 12,000 small producers.

The planned activities include genetic analysis of local varieties, the creation of 30 nurseries for the total production of around 40,000 plants, the introduction of cover crops, mulching practices and the composting of cherry waste.

A dedicated strand of the project concerns the efficient management of water resources: activities include the redesign of washing channels and the introduction of procedures for measuring the volumes of water used. Finally, the project includes a series of initiatives aimed at improving sanitation facilities and wastewater management, such as microbiological studies and sampling and the upgrading of existing treatment systems.

## Targets

GRI 101-1

illycaffè is committed to ensuring that, by 2033, 80% of the coffee purchased from Brazil comes from regenerative agriculture practices. This approach aims to ensure that every purchase contributes positively not only to the sustainable quality of the finished product, but also to the protection of ecosystems and the well-being of producers and local communities involved in agricultural activities.

With a view to continuous improvement, illycaffè also aims to gradually extend the adoption of these practices to 100% of the plantations from which it sources its coffee.

## Metrics

GRI 101-2

In 2025, the mapping of regenerative agriculture practices applied in different origins continued, promoting their scalability in different regions and similar contexts. This mapping also concerned the implementation of practices aimed at preserving and restoring biodiversity, especially soil biodiversity, and with reduced use of synthetic agrochemicals. Auditing activities carried out during 2025 showed that the 260 plantations monitored (-18.5% compared to 2024) implemented on average:

- 73.5% of regenerative agriculture practices (+3.3 p.p. compared to 2024);
- 82.9% of practices aimed at reducing the application of synthetic agrochemicals (+5.2 p.p. compared to 2024);
- 74.6% of practices promoting soil protection (+3.3 p.p. compared to 2024).

In 2023, illycaffè launched Arabica Selection Brazil Cerrado Mineiro, the first coffee sourced 100% from regenerative agriculture and certified by regenagri®. This certification attests to compliance with practices aimed at improving soil fertility, conserving natural resources and reducing environmental impact throughout the agricultural supply chain.
The certification system is based on independent audits and measurable criteria, with the aim of promoting a resilient and sustainable production model over time. In 2025, 9.5% of Brazilian coffee purchased by illycaffè was certified by regenagri®.

Finally, during 2025, the Coffee Development & Procurement team focused on collecting data on the geolocation of the plantations from which it sources its coffee, verifying their compliance with the criteria established by the EUDR, ensuring that all plantations complied with the requirements of the Regulation and that 100% of the coffee purchased in 2025 came from areas not at risk of deforestation, in line with the previous year.

# Scientific research



## Virtuous Agriculture®

A holistic research and scientific training project that, under the leadership of President Andrea Illy, combines sustainable agriculture with a focus on the regeneration of the environment, enriching the soil with organic carbon. Virtuous Agriculture® has a twofold benefit: for the environment, through the sequestration of carbon and the reduction of contaminants, and for human health, through natural nutritional products. During 2025, a scientific collaboration was launched with the University of Bologna, aimed at investigating the influence of environmental factors on the chemical composition of green coffee. This research activity led to the publication of a scientific article in the journal Plant Biology.

## ECOFFEE R&D

The initiative brings together expertise and resources from key scientific, industrial and agricultural stakeholders in the coffee sector to identify solutions that gradually reduce pesticide use. During 2025, activities continued on the second phase of the initiative, focusing on the collection of primary field data in Costa Rica and Brazil, to assess the effects of the reduced use of pesticides both for the purposes of agronomic performance and coffee quality, as well as for the impact on the environment. Some of the results achieved within the project were presented at the 2025 ASIC (Association for the Science and Information on Coffee) Congress, held in Lisbon.

## Sequencing of the Coffea arabica genome

In 2025, collaboration also continued with the Institute of Applied Genomics (IGA) in Udine on experimental activities aimed at expanding knowledge of coffee genomics. The activities carried out in collaboration with the CIFC (Centro de Investigação das Ferrugens do Cafeeiro) in Lisbon produced results that were presented at the ASIC 2025 Congress, held in Lisbon.

## Scientific collaborations with universities

During 2025, a scientific collaboration was launched with the University of Eastern Piedmont, which involved study and research activities aimed at characterising the volatile organic compounds of green coffee through the use of advanced analytical techniques. The activities produced significant results, some of which were published in the scientific journal International Journal of Food Science.

A scientific collaboration was also developed with the University of Camerino, dedicated to the in-depth study of specific bioactive compounds in coffee. The research activities led to significant results, some of which were published in the scientific journal Food Chemistry.

## BOLERO

The project, part of the Horizon Europe programme, aims to fine-tune the agronomic technique of grafting to make coffee production more sustainable and, with the latter, analyse the interactions that occur between plant and soil. The four-year project, which began in October 2022, also saw illycaffè's support for 2025. Some of the results achieved within the project were presented at the ASIC 2025 Congress, held in Lisbon.

## EVOQUE

The project aims to develop a new sensory system for the detection of volatile organic compounds. This system, based on photonics, could be applied in sectors such as agriculture and food, but also in monitoring environmental pollution and industrial emissions. The project, which began in 2024, involved illycaffè as a promoter and operational actor. Some of the results achieved within the project were published in the scientific journal Molecules and presented at the ASIC 2025 Congress held in Lisbon.

# RESOURCE USE AND CIRCULAR ECONOMY

## Policies

GRI 3-3

For illycaffè, the circular economy is an essential strategic guideline for promoting long-term regenerative growth. In a global context characterised by increasing pressure on natural resources and ever-higher consumer expectations, illycaffè has chosen to integrate the principles of circularity into its innovation, design and operational management processes.

The adoption of circular models in industrial processes reduces dependence on virgin raw materials, strengthens the resilience of the supply chain, improves the environmental performance of products and generates shared value in the territories where the Group operates.

In particular, illycaffè is committed to:

- integrate eco-design principles into product design with the aim of minimising environmental impact throughout their entire life cycle;
- develop and adopt specific indicators to measure the circularity of products;
- use materials that are easily recyclable and can be reintegrated into production processes, reducing dependence on virgin resources;
- promote the recycling of coffee capsules and pods through dedicated collection and recycling programmes, in collaboration with partners and suppliers;
- adopt packaging solutions that use recyclable materials and reduce the use of unnecessary materials;
- implement waste management practices aimed at reducing the amount of waste generated in the Group's production facilities;
- activate supply chains for the recovery of production waste to transform it into resources that are useful for other production processes or the community;
- provide clear and transparent information on the environmental characteristics of products, to enable consumers to make informed choices;
- raise consumer awareness on the correct management of end-of-life products, promoting recycling.

## Actions

GRI 3-3, GRI 306-1, GRI 306-2

The transition to a circular model requires the creation of pre-competitive partnerships, the achievement of economies of scale and the development of supply chains capable of generating shared and innovative solutions. With this in mind, illycaffè actively participates in the main national (Unione Italiana Food) and international (European Coffee Federation) discussion forums and has set up a cross-functional working group dedicated to product development, consumer communication and compliance supervision.

For years, illycaffè has been conducting research and experimentation to enhance the value of coffee production waste, with a particular focus on silverskin, the thin film that covers green coffee beans and separates during roasting.

In 2025, work continued on the RECOBIOPACK project, coordinated by the Department of Environmental Sciences and Policies of the University of Milan, aimed at transforming silverskin into components useful for the synthesis of polymeric materials or as additives for food packaging, in addition to the extraction of residual cellulose.

Since 2024, a collaboration with Amarey has also been underway for the use of silverskin as a by-product in the cosmetics sector. Amarey, a start-up founded by the fourth generation of the Illy family, develops natural ingredients for the cosmetics, nutraceuticals and fragrance industries. The partnership has led to the creation of a regenerative skincare line derived from Coffea arabica extracts.

At the Trieste plant, all coffee waste is transformed into organic fertilisers. With the aim of generating higher value-added products and progressively reducing the amount of non-recoverable waste, in 2025, over 390 tonnes of residues from the coffee processing process were sent for transformation.

The design phase is the most decisive lever for the creation of circular products. To this end, illycaffè applies the principles of eco-design, reducing the use of materials, favouring recyclable and recycled components, increasing product durability and facilitating end-of-life recycling operations.

In 2025, the development of the Circularity Index was completed, a proprietary tool designed to systematically and comparably measure the level of circularity of illy brand products. The index integrates the ISO 59020:2024 standard, which establishes criteria for measuring circularity performance, and meets the requirements of the Packaging and Packaging Waste Regulation (PPWR) relating to recyclability, minimum recycled content and compostability of packaging, as well as the requirements of Regulation (EU) 2024/1781

(Ecodesign Regulation), which include durability, reparability and the impact of materials.

A concrete example of the application of ecodesign principles is the new X-CAPS capsule, made from 85% recycled aluminium, which significantly reduces the need for virgin raw materials and guarantees technical performance consistent with illycaffè's quality standards. In 2025, CoffeeB, a capsule-free system based on 100% compostable coffee balls, was also introduced on the Italian market. The technology, developed with Delica (Migros Group), combines the quality of the illy blend with a format that is completely compostable in the home.

With regard to packaging recyclability, in 2025 illycaffè joined RecyClass, a European initiative that assesses and certifies the recyclability of plastic packaging according to industry-recognised protocols. This collaboration allows the recyclability of currently used packaging to be tested and the development of materials to be geared towards solutions that are fully compatible with European recycling flows. The application of RecyClass protocols and ongoing dialogue with specialised laboratories and consortia enable us to identify areas for improvement, optimise component design and accelerate the transition to more circular packaging.

To improve the recyclability of paper packaging, illycaffè subjects its packaging to Aticelca 501 testing, which assesses compatibility with industrial recycling processes through disintegration, impurity separation and fibre yield tests. At the same time, the company applies the guidelines of the Confederation of European Paper Industries (CEPI), which define the requirements for paper packaging to be effectively recyclable and recyclable on a large scale.
The combined use of these standards makes it possible to develop more easily recyclable solutions and support a continuous process of improvement in circular design and alignment with European paper supply chains.

In order to raise its consumers' awareness and encourage virtuous processes for the protection of the environment and the responsible management of resources and materials, illycaffè adheres to numerous initiatives in the field of capsule recovery and recycling:

## ReCap

Created in 2021 through a collaboration between illycaffè and the Nestlé Italia Group, ReCap has made it possible to create an industrial circuit dedicated to the recycling of plastic coffee capsules, in which the capsules are collected separately through dedicated collection points; the materials are sorted and separated (the plastic is recovered and can be reused in new production cycles); and the organic coffee residue is used as a resource in agriculture or energy production. Since 2024, ReCap has been consolidated through the creation of the Alliance for the Recycling of Plastic Capsules. The project involves a growing number of public and private partners (including the Friuli Venezia Giulia, Veneto and Emilia Romagna regions, waste managers and local administrations), with a total of 44 collection centres.

## Alliance for the recycling of aluminium capsules

The Alliance for the Recycling of Aluminium Capsules, founded by illycaffè and Nespresso in 2021, has continued its collection activities throughout Italy. Since 2021, over 7,500 tonnes of used capsules and over 400 tonnes of aluminium have been recovered. In 2025, there were over 240 collection points, distributed among recycling centres, Nespresso boutiques, illy Caffè and illy Shop.

## Podback

Also in 2025, illycaffè continued to participate in the British Podback scheme, which enables the recycling of capsules through a retail network and local collection centres, facilitating large-scale recovery. The project involves 1,100 stores and 300 local recycling centres.

## Circularcaps

In Spain, the Circularcaps programme continued, ensuring the recycling of Iperespresso and Nespresso® compatible capsules through an extensive network of collection points distributed throughout the country. Capsule recycling is guaranteed thanks to the presence of 7,700 active collection points.

## G2 Revolution®

In the United States, the collaboration with G2 Revolution® continued, allowing Iperespresso capsules to be collected by post from home or at selected points of sale, making proper disposal more accessible.

## Fost Plus

In Belgium, illycaffè participated in the Fost Plus voluntary coffee capsules recycling project. With the support of Aliénor, this initiative enables aluminium and plastic coffee capsules to be collected and recycled via the collective blue PMD (Plastic, Metal, Drinks) bag.

## Targets

GRI 3-3

In accordance with the Packaging and Packaging Waste Regulation (PPWR), illycaffè is committed to ensuring that its packaging is fully recyclable by 2030 through the adoption of design solutions aimed at reusing materials, simplifying packaging and reducing multi-material complexity.

At the same time, illycaffè pursues the goal of maximising the value of coffee waste throughout the entire product life cycle, promoting recovery and transformation models aimed at reducing environmental impact and encouraging a more efficient and responsible use of resources.

## Metrics

GRI 301-1, GRI 301-2, GRI 306-3, GRI 306-4, GRI 306-5

In 2025, total material consumption reached 54,691.2 tonnes, an increase of 7.2% compared to 2024. The increase is attributable to both the use of raw materials and the use of materials functional to the production process and packaging.

As regards raw materials, the main contribution came from green coffee, with consumption of 33,750.4 tonnes, up 8.5% on the previous year, due to the higher volumes purchased to support the Group's growth plans.

The total amount of materials used in the production process amounted to 4,123.9 tonnes, an increase of 5.1% compared to 2024. Within this category, nitrogen consumption (gas used during the pressurisation phase) amounted to 3,847.9 tonnes, also up on the previous period (+3.7%), mainly due to the increase in roasted coffee volumes (+7.3% compared to the previous year).

Semi-finished products and components recorded a total consumption of 116.8 tonnes, down 2.3% compared to 2024. The most significant item in this category is steel, with 59.8 tonnes, down 21.0% compared to 2024.

A significant portion of the materials used relates to packaging materials, whose total consumption in 2025 was 16,507.3 tonnes, up compared to 2024 (+6.4%). The main components include metals, plastics, paper and cardboard, and textiles. In particular, tinplate was mainly used to make the iconic tins for the Ho.Re.Ca. channel and for home consumption. Paper and cardboard were mainly used for secondary and tertiary packaging required for product transport. Plastic was used largely in the production of Iperespresso capsules.
This category also includes polylaminate materials in plastic-aluminium, used for the Soft Can jars and for Iperespresso capsules packaging, and plastics used to make industrially compostable MPS capsules according to the EN 13432:2000 standard.
Textile materials include jute, used for transporting coffee, and cotton, used by the Magic L'Espresso production site for packaging coffee machines.

### RAW MATERIALS AND PURCHASED MATERIALS (t)

| | **2025** | 2024 |
|---|---|---|
| Raw materials | 33,943.1 | 31,464.3 |
| Materials necessary for the production process | 4,123.9 | 3,923.9 |
| Semi-finished products or components | 116.8 | 119.6 |
| Packaging | 16,507.3 | 15,518.7 |
| **Total materials used** | **54,691.2** | **51,026.5** |

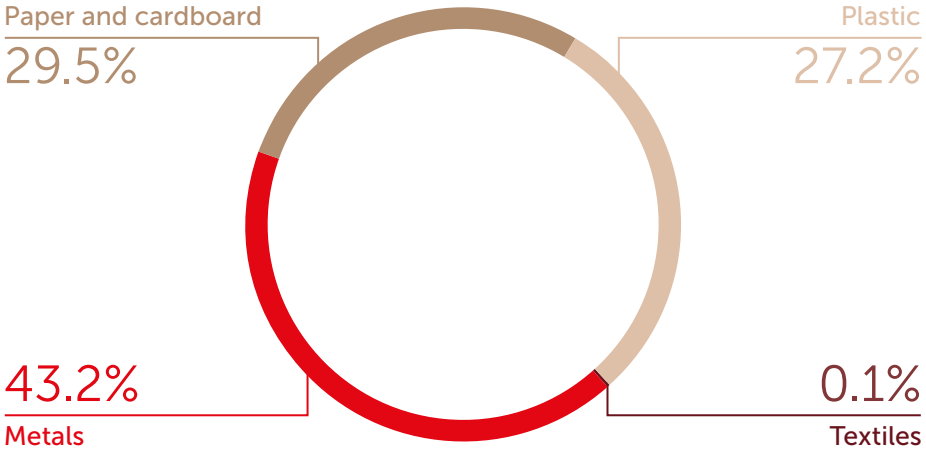
The figures shown include raw materials and materials purchased by the production facilities of illycaffè S.p.A. (Trieste and Robecchetto con Induno, Milan) and Magic L'Espresso S.L. (Els Hostalets, Barcelona).

The percentage of recycled materials compared to the total stands at 8.1% (-0.8 p.p. compared to 2024), a value consistent with the product composition and technical constraints associated with materials intended for food contact and production processes.

The share of renewable materials[11] was 70.7%, an increase of 1.2 p.p. compared to the previous year.

This trend reflects a gradual increase in the use of materials of biological or renewable origin.

## PURCHASED PACKAGING




In 2025, the Group generated 2,066.4 tonnes of waste, down 5.7% compared to 2024.
This result reflects the effectiveness of the measures taken to optimise production processes and the initiatives aimed at preventing and minimising waste implemented during the year.

Non-hazardous waste accounted for almost all of the waste generated (99.8%), a reduction of 5.6% compared to the previous year. The decrease is attributable, in particular, to the significant decline in certain high-incidence categories such as paper and cardboard (-4.3%), solid urban waste (-17.3%) and plastic (-12.2%). These trends reflect a more efficient use of packaging materials and improved waste management at the Trieste production site, despite an increase in operational activities and the number of staff employed.

Hazardous waste amounted to 5.0 tonnes, down 25.1% compared to 2024. This result is mainly attributable to better control of processes that generate waste classified as hazardous. In percentage terms, hazardous waste accounts for only 0.2% of the total, confirming the Group's commitment to the safe and responsible management of hazardous substances.

[11] Materials derived from resources abundant in nature that are rapidly replenished via ecological cycles or agricultural processes, so that the services provided by these and other related resources are not compromised and remain available for future generations.

## WASTE GENERATED BY COMPOSITION (t)

| | 2025 | 2024 |
|---|---|---|
| Other non-hazardous waste | 78.2 | 53.5 |
| Discarded equipment | 26.3 | 31.4 |
| Tinplate | 66.7 | 81.1 |
| Card and cardboard | 450.5 | 470.6 |
| Iron and steel | 44.1 | 41.3 |
| Jute | 71.9 | 51.9 |
| Filtering materials | 39.9 | 38.2 |
| Wood pallets | 110.8 | 119.1 |
| Films | 230.7 | 264.3 |
| Plastic | 251.4 | 286.5 |
| Aluminium polylaminate plastic | 82.9 | 83.1 |
| Municipal solid waste | 349.2 | 422.2 |
| Liquid coffee waste | 71.5 | 79.4 |
| Ground coffee waste | 187.4 | 162.0 |
| Toner | 0.0 | 0.0 |
| **Total non-hazardous waste** | **2,061.4** | **2,184.5** |
| Other hazardous waste | 2.3 | 4.2 |
| Oily emulsions | 2.7 | 2.4 |
| **Total hazardous waste** | **5.0** | **6.6** |
| **Total waste generated** | **2,066.4** | **2,191.1** |

The figures shown include waste generated by the production facilities of illycaffè S.p.A. (Trieste and Robecchetto con Induno, Milan) and Magic L'Espresso S.L. (Els Hostalets, Barcelona).

In line with the previous year, the majority of the waste generated was sent for recovery, which overall represents 96.0% of the total and also includes energy recovery. This result confirms the Group's commitment to promoting circularity-oriented management models and maximising the recovery of residual materials from production processes.

The remaining 4.0% of waste was sent for disposal, carried out in compliance with current legislation and according to authorised procedures. Among the waste streams managed, particular mention should be made of the management of liquid coffee waste (equal to 71.5 tonnes), which was treated using a chemical purification process.

## WASTE GENERATED BY DISPOSAL METHOD (t)

| | 2025 | | | 2024* | | |
|---|---|---|---|---|---|---|
| | Hazardous waste | Non-hazardous waste | Total | Hazardous waste | Non-hazardous waste | Total |
| Reuse | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Recycling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other recovery operations | 3.7 | 1,631.8 | 1,635.5 | 6.1 | 1,645.5 | 1,651.6 |
| Waste-to-energy | 0.0 | 348.8 | 348.8 | 0.0 | 421.8 | 421.8 |
| Incineration | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Landfill | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.4 |
| Other disposal operations | 1.3 | 80.8 | 82.1 | 0.6 | 116.8 | 117.3 |
| **Total waste generated** | **5.0** | **2,061.4** | **2,066.4** | **6.6** | **2,184.5** | **2,191.1** |

The figures shown include waste generated by the production facilities of illycaffè S.p.A. (Trieste and Robecchetto con Induno, Milan) and Magic L'Espresso S.L. (Els Hostalets, Barcelona)

* The figures reported in the 2024 Annual Report have been adjusted.

# Social Disclosures

## OWN WORKFORCE

### Policies

GRI 3-3

As a stakeholder company, illycaffè recognises the central role of its employees, who occupy a priority position among the organisation's stakeholders. illycaffè places the enhancement of human capital at the centre of its work, promoting policies aimed at well-being, skills development, the protection of rights and the creation of inclusive and safe working environments.

In this context, in 2025 illycaffè adopted a Social Sustainability Policy, which comprehensively defines the Group's commitment to recognising, respecting and protecting the human rights of its stakeholders. The Policy outlines principles, responsibilities and guidelines aimed at promoting fair working conditions, reinforcing a management model focused on ethics, inclusion and the enhancement of people.

In particular, illycaffè is committed to:

- adopt fair remuneration policies, in accordance with applicable laws and standards;
- guarantee freedom of association and respect for collective bargaining agreements, where applicable;
- ensure a decent wage for all employees, through transparent criteria for determining remuneration and periodic analyses of the cost of living in the geographical areas where it operates;
- promote structured social dialogue through periodic meetings with employee representatives, aimed at encouraging the active participation of staff in decision-making processes relating to working conditions;
- disseminate a culture of respect for human rights and corporate ethics through awareness-raising initiatives and training courses to promote conscious and responsible behaviour throughout the value chain;
- prevent and combat all forms of discrimination and harassment, including those related to gender, age, ethnicity, nationality, religion, political or trade union opinions, health status, sexual orientation, gender identity, language or disability;
- create an inclusive work environment based on shared values, promoting the enhancement of skills and ensuring equal opportunities for professional growth and development.

illycaffè promotes gender equality, the enhancement of diversity and the spread of an inclusive culture with a particular focus on female participation and empowerment, the fair allocation of roles and responsibilities, and support for work-life balance. To this end, the Parent Company has adopted a gender equality management system compliant with the UNI/PdR 125:2022 standard, embarking on a process of consolidation and improvement of the results achieved. The model involves the definition of strategic objectives, monitored through dedicated indicators and subject to periodic reporting. They are also supported by training and awareness programmes and subject to periodic reviews in relation to organisational developments and the results of monitoring activities.

Through its Feedback and Complaint Mechanisms Policy, illycaffè ensures the active involvement of employees in identifying opportunities for improvement in company practices and provides a secure and accessible channel for reporting any issues not covered by other corporate procedures.

illycaffè also adopts a Disciplinary Code, which regulates the consequences of non-compliance with behavioural rules, in accordance with applicable legislative and contractual provisions. The Disciplinary Code clearly and transparently sets out non-compliant behaviour and the related sanctions, ensuring fairness, proportionality and consistency in the management of violations. This tool is an essential reference for ensuring compliance with illycaffè's founding values, promoting an ethical, responsible and continuously improving working environment.

### Actions

GRI 3-3, GRI 404-2, GRI 404-3, GRI 406-1

In 2025, illycaffè's commitment to promoting diversity, equity and inclusion was further strengthened, contributing to the consolidation of a corporate culture focused on recognising the value of each person's uniqueness and contribution.

The Diversity, Equity & Inclusion (DE&I) Committee expanded and enhanced its activities, continuing, among other initiatives, with DE&I Month, an internal communication programme aimed at promoting authenticity and social commitment through the testimonies of people who embody the values of the illy brand on a daily basis. In particular, three central themes were explored through dedicated events and editorial content: disability, migration and the role of food as a tool for inclusion. The experiences shared further enriched the internal dialogue, fuelling a growing collective awareness of DE&I principles.

At the same time with the continuation and evolution of programmes already launched in previous years (including initiatives on bias and stereotypes, inclusive language, disability and prevention of harassment in the workplace), new initiatives were introduced in 2025. These included a structured training and coaching programme on shared parenting and the "Health and Well-being in the Workplace" project, which contributed to illycaffè joining the Health Friendly Company label scheme, confirming its commitment to promoting well-being and prevention practices.

During the year, the work begun with the internal survey administered in 2024 also continued, completing the action plans defined on the basis of the results that emerged and structured around focus groups dedicated to DE&I issues. The same survey was administered to other departments with a 100% participation rate and results confirming the positive trend of previous years.

For illycaffè, the recognition of merit and the definition of fair and transparent development paths is a consolidated pillar of its people management policies. During 2025, continuing the process begun in 2023, talent assessment and talent management processes were further strengthened and systematically applied within the organisation, involving 100% of employees. These processes integrated performance evaluation with the analysis of development potential, measured through observable professional behaviours and shared leadership factors. The model was supported by formal discussions and calibration sessions, aimed at ensuring consistency, objectivity and methodological alignment. The results of the process continued to guide the definition of targeted training plans aimed at skills development, professional growth and strengthening the talent pipeline, ensuring consistency between assessment, development initiatives and the organisation's strategic priorities. The remuneration structure for top management includes a variable component, aimed at rewarding the contribution of each function to the achievement of illycaffè's strategic and business objectives, including the impact on environmental sustainability.

During 2025, illycaffè further consolidated its commitment to training and developing its people, strengthening an integrated model that combines digital learning, experiential training and the enhancement of internal know-how.

Training initiatives focused on the dissemination of key skills to support the company's strategy, with a particular focus on leadership development, professional growth and the strengthening of organisational culture. The LinkedIn Learning platform played a central role in promoting autonomous and continuous learning through structured courses, individual plans and international engagement initiatives. This approach was accompanied by the launch of the proprietary e-learning platform LIVE (Learning Interactive Virtual Environment), designed to host internal training content.

In 2025, specialist training initiatives continued, including upskilling programmes for international sales functions, courses for production staff and training in cybersecurity and fraud prevention. At the same time, initiatives dedicated to the responsible use of digital technologies and artificial intelligence were developed.

Recurring training on the contents of the Code of Ethics and corporate reporting models also continued, supporting the values of integrity, transparency and responsibility.

The onboarding process for new recruits was further enhanced thanks to the evolution of digital content and collaboration with the Università del Caffè, ensuring a structured induction experience fully aligned with the Group's values.

Finally, in 2025, illycaffè launched a structured process aimed at defining a corporate governance framework (comprising policies, processes and the establishment of a dedicated committee) on artificial intelligence with the aim of ensuring its responsible use by employees. An initial regulatory framework has been developed, which will form the basis for the progressive development of guidelines and operating procedures, according to a gradual approach geared towards continuous improvement and alignment with emerging AI standards.
One of the most significant initiatives is the creation and activation of the AI Community, a cross-functional platform that brings together working groups from different areas of the company with the task of idetnifying potential use cases and developing, testing and sharing AI-based solutions and agents to support the company's workforce. This community is a key element of illycaffè's innovation management model, promoting the dissemination of skills, the assessment of risks and opportunities related to the adoption of AI, and the creation of operational tools capable of improving process efficiency and work quality.

## Targets

GRI 3-3

With the aim of fostering a fair, safe and inclusive working environment, in 2025 illycaffè launched a structured programme to define specific objectives

relating to the management and development of its people. These objectives are designed to ensure employee well-being, to recognise and nurture talent, and to support professional growth, in a perspective of continuous improvement and the progressive dissemination of a corporate culture founded on respect and the appreciation of diversity.

In particular, illycaffè has defined a set of objectives for 2026 aimed at continuously strengthening health and safety protection in the workplace. The priorities identified mainly concern the optimisation of health surveillance programmes, the consolidation of emergency management through an increase in the number of trained personnel, and the completion of the training planned for all operational staff.

## Characteristics of employees and non-employees

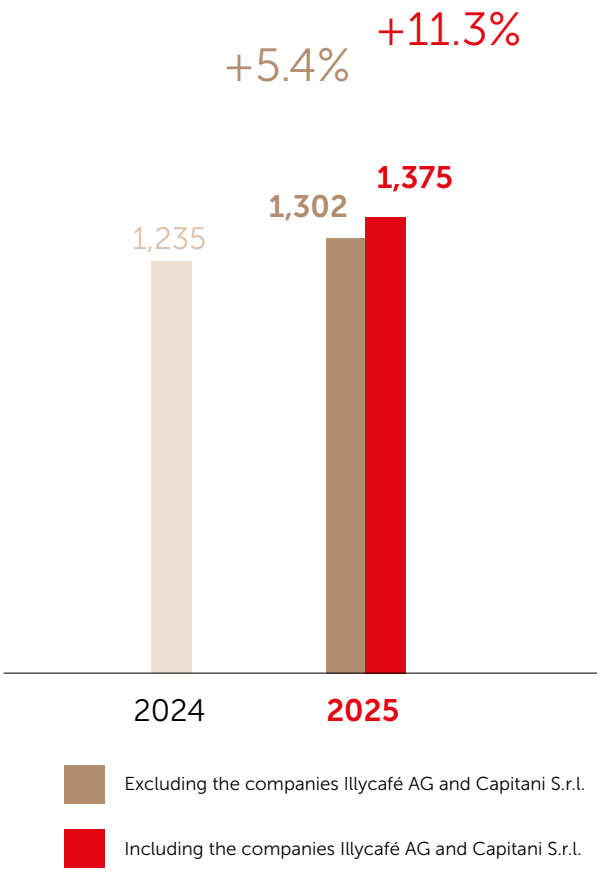
GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 405-1

At 31 December 2025, the Group's number of employees was 1,302, up 5.4% compared to 2024. Including Illycafé AG and Capitani S.r.l.[12], the number of employees amounted to 1,375, an increase of 11.3% compared to the previous year. There were 51 non-employee workers[13], down 19.0% compared to the previous year, mainly due to the stabilisation of production staff at the Trieste hub, which was affected by the expansion of production capacity envisaged in the business plan.

71.5% of the workforce was based in Italy (931 employees, up +9.7% compared to the previous year).

96.2% of employees were on permanent contracts (+1.7 p.p. compared to 2024) and full-time employees accounted for 94.7% of the total (+0,9 p.p. compared to 2024). Also in 2025, illycaffè did not employ employees on zero hours contracts. In addition, 84.5% of employees were covered by collective labour agreements[13] (+1.3 p.p. compared to the previous year).

### NUMBER OF EMPLOYEES




In 2025, women accounted for 39.2% of the total workforce and held 40.3% of managerial positions, i.e. middle and top management categories (+2.7 p.p. compared to the previous year).

Analysing the age distribution, the 30-50 age group accounted for the majority of the company's workforce (55,0%).

Finally, taking into account professional categories, white-collar workers accounted for 51.8% of the workforce, followed by production workers and middle and top management.

[12] It is noted that, as stated in the Methodological Note on page 50, these companies are not included in the scope of the Sustainability Report.

[13] Non-employed workers, who in 2025 carried out duties for illycaffè but did not have an employment relationship with the company, were mainly temporary workers through authorised agencies, blue-collar workers in production activities areas (packaging, production, etc.) and workers in the Ho.Re.Ca. sector. (bar tenders).

[14] The remaining 15.5% of employees were employed in countries where local legislation does not provide for collective bargaining agreements or in subsidiaries that, by sector and size, do not provide for the obligation or option to comply with it.

## EMPLOYEES BY TYPE OF CONTRACT, GENDER AND GEOGRAPHICAL AREA

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Men** | **Women** | **Total** | Men | Women | Total |
| **Americas** | **59** | **74** | **133** | **69** | **77** | **146** |
| Permanent | 59 | 74 | 133 | 69 | 77 | 146 |
| Fixed-term | 0 | 0 | 0 | 0 | 0 | 0 |
| Full-time | 58 | 74 | 132 | 68 | 77 | 145 |
| Part-time | 1 | 0 | 1 | 1 | 0 | 1 |
| **Europe** | **723** | **426** | **1,149** | **634** | **433** | **1,067** |
| Permanent | 706 | 400 | 1,106 | 606 | 401 | 1,007 |
| Fixed-term | 17 | 26 | 43 | 28 | 32 | 60 |
| Full-time | 714 | 367 | 1,081 | 621 | 371 | 992 |
| Part-time | 9 | 59 | 68 | 13 | 62 | 75 |
| **Asia** | **9** | **11** | **20** | **10** | **12** | **22** |
| Permanent | 7 | 6 | 13 | 8 | 6 | 14 |
| Fixed-term | 2 | 5 | 7 | 2 | 6 | 8 |
| Full-time | 9 | 11 | 20 | 10 | 12 | 22 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **791** | **511** | **1,302** | **713** | **522** | **1,235** |

## EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Men** | **Women** | **Total** | Men | Women | Total |
| Top management | 36 | 12 | 48 | 43 | 12 | 55 |
| Middle management | 87 | 71 | 158 | 90 | 68 | 158 |
| Clerical staff | 319 | 356 | 675 | 324 | 374 | 698 |
| Production workers | 349 | 72 | 421 | 256 | 68 | 324 |
| **Total** | **791** | **511** | **1,302** | **713** | **522** | **1,235** |

## EMPLOYEES BY AGE GROUP AND PROFESSIONAL CATEGORY

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **<30** | **30-50** | **>50** | **Total** | <30 | 30-50 | >50 | Total |
| Top management | 0 | 17 | 31 | 48 | 0 | 24 | 31 | 55 |
| Middle management | 0 | 92 | 66 | 158 | 1 | 93 | 64 | 158 |
| Clerical staff | 115 | 399 | 161 | 675 | 139 | 412 | 147 | 698 |
| Production workers | 45 | 208 | 168 | 421 | 24 | 183 | 117 | 324 |
| **Total** | **160** | **716** | **426** | **1,302** | **164** | **712** | **359** | **1,235** |

In 2025, the Group's recruitment rate was 21.7%, down 5.2 p.p. compared to the previous year. The turnover rate stood at 16.6%, a decrease of 6.6 p.p. compared to 2024. Excluding retail personnel, who are affected by dynamics typical of the sector due to the specific competitive environment and developments in the network, the recruitment rate was 16.3% (+1.9 p.p. compared to 2024), while the turnover rate was 8.7% (-3.1 p.p. compared to 2024).

### NEW HIRINGS AND TERMINATIONS BY GENDER, AGE GROUP AND GEOGRAPHICAL AREA

| | Recruits | | Leavers | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| **Total by gender** | **283** | **333** | **216** | **286** |
| Men | 184 | 181 | 107 | 136 |
| Women | 99 | 152 | 109 | 150 |
| **Total by age group** | **283** | **333** | **216** | **286** |
| <30 | 96 | 174 | 77 | 118 |
| 30-50 | 131 | 133 | 105 | 134 |
| >50 | 56 | 26 | 34 | 34 |
| **Total by geographical area** | **283** | **333** | **216** | **286** |
| Americas | 20 | 36 | 33 | 25 |
| Europe | 261 | 292 | 179 | 253 |
| Asia | 2 | 5 | 4 | 8 |

## Equal opportunities and remuneration policies

GRI 401-2, GRI 405-2

During 2025, the set of initiatives undertaken by illycaffè to promote DE&I contributed to a significant improvement in the qualitative indicators relating to the "Culture and Strategy" area required by the gender equality certification in accordance with the UNI/PdR 125:2022 standard. illycaffè successfully passed the surveillance visit scheduled two years after obtaining certification, achieving an overall score of 83%. This result represents an increase of 3 p.p. compared to the 2024 surveillance visit and 8 p.p. compared to the initial score recorded in 2023, confirming the effectiveness of the policies and of the actions implemented and the progressive consolidation of a corporate culture oriented towards gender equality and inclusion.

In 2025, the ratio of women's base salaries to men's, calculated using a weighted average related to the number of female employees in each professional category, was 96.5%.

With a view to continuous improvement of the remuneration and talent management policies, with the support of a leading independent consultant, already in 2023 the company had carried out an assessment aimed at defining a mapping of Executives and Middle Managers categories positions in Italy by weighted by role, area of responsibility and impact on the business ("grade"). For the Employees and Production Workers categories, the levels already envisaged by the National Collective Labour Agreement (CCNL) for the Food Industry were considered. This mapping, refined during 2025, made it possible to make comparisons between salaries of comparable positions, aimed at providing an additional analysis tool to support the remuneration strategies adopted. Leveraging on these analyses, the ratio between the average remuneration of women and the average remuneration of men in the same grades/levels was 98.8% (+0.2 p.p. compared to 2024).

In 2025, the Parent Company continued to offer its employees a structured set of economic and social benefits with the aim of supporting individual and family well-being and promoting a positive work-life balance. The main measures implemented include:

- supplementary health coverage for employees and their families, entirely paid for by the company, in order to ensure broader and more qualified access to preventive and medical care services;
- remote working arrangements, equal to two days per week for most staff, as a tool to promote organisational flexibility and improve quality of life;
- university education benefits, including a bonus for obtaining a degree and financial contributions for the purchase of academic texts;
- agreements with local facilities and services, including gyms, theatres, shops, nurseries and medical clinics, aimed at supporting the physical, cultural and social well-being of employees.

## Training and skills development

GRI 404-1

During 2025, a total of 17,670 hours of training[15] were provided (+6.5% compared to 2024), averaging 13.6 hours of training per employee (+1.5% compared to the previous year).

### TRAINING HOURS

| | 2025 | 2024 |
|---|---|---|
| Men | 9,946 | 8,737 |
| Women | 7,724 | 7,859 |
| **Total by gender** | **17,670** | **16,596** |
| Top management | 761 | 876 |
| Middle management | 2,474 | 2,232 |
| Clerical staff | 11,211 | 11,180 |
| Production workers | 3,223 | 2,309 |
| **Total by professional category** | **17,670** | **16,596** |

## Health and safety in the workplace

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

illycaffè S.p.A. has implemented a health and safety management system in accordance with Italian Legislative Decree 81/2008 and aligned with the ISO 45001 standard, applied to 100% of the Parent Company's workers. This system is designed to proactively strengthen accident prevention and protect workers' health, while contributing to the solidity and resilience of the organisation.

illycaffè's commitment to health and safety is based on strict compliance with current legislation, the reduction and prevention of occupational risks and the goal of eliminating work-related injuries and illnesses. A central role is assigned to the active involvement of the entire organisational structure, according to defined roles and responsibilities.

Particular attention is paid to staff training, information and education, as well as to regular consultation with stakeholders and collaboration with institutions, suppliers and local communities. These initiatives are undertaken with a view to transparency and continuous improvement of the company's performance in the field of health and safety.

illycaffè adopts a structured system for managing reports of detected events (near misses), aimed at accurately recording incidents, communicating them to the relevant parties and activating and verifying the resulting corrective actions. The aim of the system is to strengthen the preventive approach, enabling the early identification of potential critical issues and promoting timely and effective interventions.

All employees can report risky situations through various internal communication channels. Reports are analysed by the Health, Safety & Environment (HSE) department, in collaboration with the Head of the Prevention and Protection Service (RSPP), in order to assess their relevance and define the most appropriate measures. The information collected is shared with the organisation while respecting the anonymity of the reporter.

During 2025, 57 near misses were recorded, marking an increase of 4 compared to the previous year.

illycaffè S.p.A. has appointed a company doctor to carry out health surveillance for workers exposed to health risks. This activity involves carrying out periodic medical examinations to check the health of staff and assess their fitness for work, with any prescriptions or operational limitations indicated.

Through regular inspections of the workplace, the competent doctor also contributes to the identification of potential hazards and the definition of corrective measures aimed at reducing health risks, supporting the continuous improvement of safety conditions within the company.

To promote the active participation of workers and ensure effective consultation, illycaffè makes system documentation, operating procedures and specific instructions relating to occupational health and safety management available to all personnel. This allows each worker to be adequately informed about the company's health and safety policy, related objectives and their role in the process of continuous improvement of company performance.

[15] Please refer to the chapter Health and Safety in the Workplace on page 92 for details of the mandatory training hours provided on health and safety.

Workers are also kept up to date on the possible consequences of non-compliance with the management system requirements, on injuries involving them and on the results of analyses conducted to identify the relevant causes.

Workers' Safety Representatives (WSRs) receive regular detailed information on injury trends, the status of training and health surveillance, reports received and the progress of corrective actions taken.

In the event of an injury or near miss, dedicated meetings are organised with the RLS, who actively participate in the analysis of the causes and the definition of the corrective measures to be taken, contributing to the overall strengthening of the prevention and protection system.

All workers are required to participate in mandatory training courses on health and safety in the workplace. The duration of the training varies from 8 to 16 hours, depending on the role and tasks performed, and is subject to periodic updates in accordance with current legislation.

For activities requiring specific technical skills, illycaffè has provided dedicated training courses, such as those for operating forklift trucks and aerial work platforms, for fire emergency personnel, for first aid personnel and for carrying out electrical work.

During 2025, the Group provided 4,036 hours of health and safety training, a decrease of 14.5% compared to the previous year, which was impacted by the renewal of mandatory training for many workers.

The Parent Company facilitates its workers' access to non-professional medical services by providing all workers with supplementary health insurance.

As part of its occupational health and safety risk prevention and mitigation activities, illycaffè ensures that all external parties (including consultants, partners and suppliers) have access to its policies, procedures and operating instructions. This ensures consistent alignment with company standards and promotes safe behaviour during the performance of outsourced activities.

To protect the health and safety of contractors' employees, illycaffè adopts a structured process divided into four main phases:

- qualification of contractors operating on company sites, through prior verification of technical and professional requirements;
- assessment of interference risks associated with contracted activities, aimed at defining the necessary prevention and protection measures;
- identification of personnel responsible for managing and coordinating the contract;
- supervision of the work entrusted to contractors by the persons in charge, in order to monitor compliance with company procedures and safety regulations.

During 2025, the trend in work-related injuries showed an overall improvement compared to the previous year, reflecting the effectiveness of the prevention initiatives and protective measures adopted.

As regards employees, there were 11 recordable injuries (-26.7% compared to 2024), all of which resulted in at least one day of absence from work (-21.4% compared to the previous year). The injury rate showed a marked improvement, falling from 7.2 to 5.1, and the Lost Time Injury Frequency Rate (LTIFR), the rate of injury resulting in at least one day of absence from work, also fell from 6.7 to 5.1.

The severity rate, which measures the severity of injuries that have occurred, considering the number of days of absence from work caused, stood at 0.07, substantially in line with 2024 (0.06).

Among non-employee workers, there was one minor accident, resulting in both the injury rate and the LTIFR standing at 10.6.

## WORK-RELATED INJURIES

| | **2025** | 2024 |
|---|---|---|
| Employees | | |
| Recordable injuries | 11 | 15 |
| *of which injuries that caused at least one day of absence from work* | *11* | *14* |
| Hours worked | 2,154,600.5 | 2,081,067.0 |
| **Injury rate** | **5.1** | **7.2** |
| **Rate of injuries that caused at least one day of absence from work (LTIFR)** | **5.1** | **6.7** |
| Workers who are not employees | | |
| Recordable injuries | 1 | 0 |
| *of which injuries that caused at least one day of absence from work* | *1* | *0* |
| Hours worked | 94,010.2 | 90,243.0 |
| **Injury rate** | **10.6** | **0.0** |
| **Rate of injuries that caused at least one day of absence from work (LTIFR)** | **10.6** | **0.0** |

Most injuries occurred in Italy (10 injuries, in line with the previous year), particularly in the industrial area of the Trieste site, and were mainly attributable to accidental events that occurred during internal movements or while carrying out routine operational activities. The retail area was also affected by injuries mainly attributable to routine operational activities carried out inside stores. During the year, a systematic analysis of injuries was carried out with the aim of monitoring the trend in harmful events and identifying the causes that led to them.

In 2025, there was also 1 injury while travelling to or from work, a reduction of 2 units compared to the previous year.

Finally, in 2025, there were no cases of occupational illness or deaths among workers.

# WORKERS IN THE VALUE CHAIN

## Policies

GRI 3-3, GRI 408-1

Procurement is a fundamental stage in illycaffè's value chain, as it guarantees the sustainable quality of the raw materials and input materials used in the production cycle. All suppliers, both of green coffee and of other goods and services, play a crucial role in the responsible procurement process pursued by the Group.

In this context, in 2025 illycaffè adopted a Social Sustainability Policy, which comprehensively defines the Group's commitment to recognising, respecting and protecting the human rights and working conditions of its stakeholders.

### Green coffee suppliers

Producing superior quality, sustainable coffee is a strategic priority and a long-term commitment for illycaffè. With this in mind, in 2009 illycaffè launched a structured process of monitoring and supporting its supply chains, aimed at promoting an increasingly sustainable and resilient model of coffee cultivation.

Sustainability is therefore a central and essential element of illycaffè's purchasing strategy, fully integrated into its business processes and not delegable to external parties. illycaffè takes a direct role in ensuring the application, monitoring and continuous improvement of sustainability principles in all its operating procedures.

This commitment initially resulted in the adoption of the Responsible Supply Chain Process certification, which subsequently evolved into the Sustainable Procurement Process protocol, both of which are issued and verified annually by Det Norske Veritas (DNV) and inspired, among others, by the international standards ISO 20400 on sustainable procurement and ISO 26000 on corporate social responsibility.

Based on the experience gained, in 2025 illycaffè formalised its approach to responsible raw material procurement through its proprietary *Responsibillyty* protocol, which obtained official recognition from the Global Coffee Platform (GCP), receiving equivalence with the Coffee Sustainability Reference Code as a second-party assurance system. Responsibillyty is one of the most comprehensive standards in the coffee supply process and defines principles, policies and practices of sustainable development and social responsibility, integrating them into procurement procedures. The protocol uses the illy Sustainability Guide, developed in 2020 and divided into check-lists dedicated to the various players in the supply chain.

In particular, the following players play a decisive role in the green coffee supply chain:

- farmers, who work small plots of land;
- producers, such as farms and cooperatives that carry out post-harvest processing;
- exporters, responsible for selecting and marketing coffee.

Responsibility is based on an integrated supply chain approach and direct relationships, consolidated over time and based on mutual trust. This approach is based on four pillars:

- selection and motivation of producers, rewarding their efforts to grow and supply excellent quality coffee;
- knowledge transfer through the Università del Caffè and technical visits by buyers, agronomists and technicians;
- incentives for continuous improvement in quality and sustainability;
- creation of an illy community through initiatives such as the Circolo illy and the Clube illy do Café.

The sourcing strategy outlined by Responsibillyty involves continuous monitoring, covering 100% of supply chain actors over a three-year period. The checks include field visits, some of which are unannounced, and training sessions covering four main areas:

social sustainability: human rights, working conditions, health and safety, and impact on communities;

- environmental sustainability: forest protection, land use, biodiversity, water, waste, energy consumption, emissions;
- farm management: production management, cultivation practices, use of fertilisers and agrochemicals, plant protection, regenerative agriculture practices;
- traceability: chain of custody, commercial processes, storage.

The performance parameters are structured into:

- minimum requirements, which in the event of non-compliance require corrective action or, as a last resort, termination of supply;
- additional requirements that exceed minimum legal standards and reflect illycaffè's priorities;
- rating systems for the qualification of supply chains.

One of the main risks in the coffee-growing sector is child labour, the use of which on plantations undermines social development in those countries where school closures coincide with the coffee harvest period. To combat this phenomenon, illycaffè purchases exclusively from countries that have ratified the ILO (International Labor Organization) standards of the United Nations and that have established by law a child working age of no less than 14 years. Furthermore, since 2023, illycaffè has been participating in the Working Group dedicated to sustainable procurement of the UN Global Compact Network Italy, to promote the exchange of advanced practices on human rights in the management of complex supply chains.

### Suppliers of other goods and services

In full compliance with the principles of sustainability and business ethics, illycaffè also maintains mutually beneficial relationships with its suppliers of other goods and services, chosen in line with the Group's values. To this end, it uses the Procurement Portal, a platform dedicated to collecting and comparing a wide range of data and information on supply partners. In addition to supporting negotiation and contractual activities, the portal enables structured management of collaborations and promotes the development of effective and transparent relationships. Through the pre-qualification questionnaire, registered suppliers accept illycaffè's Organisational Model 231 and Code of Ethics and access the Code of Conduct, which illustrates the required principles. The questionnaire focuses on ethics and commercial integrity, respect for human and labour rights, and environmental sustainability.

## Actions

GRI 3-3, GRI 408-1

### Green coffee suppliers

The verification of coffee supply chains carried out in 2025 highlighted areas for improvement in terms of workers' contractual and wage conditions and health and safety in the workplace. For each non-compliance identified, the suppliers concerned defined and implemented a specific action plan aimed at resolving the critical issues identified. During the year, all action plans were completed, supported by documentary evidence proving the effective implementation of corrective measures and the resolution of the critical issues identified.

During the year, illycaffè continued and expanded its awareness-raising and training activities on human rights issues and promoted social initiatives aimed at preventing and mitigating related risks. In particular, illycaffè operated according to an integrated supply chain approach, geared towards continuous improvement and based on the active involvement of national and international institutions, public and private bodies, academic institutions and research centres with the aim of developing synergies geared towards identifying systemic solutions.
These collaborations aim to consider not only individual supply chains, but the entire coffee sector at regional, national and international level, helping to strengthen the resilience of the entire coffee value chain.
The main organisations involved include:

- European Coffee Federation (ECF);
- International Coffee Organization (ICO);
- Advisory Team of the Mattei Plan;
- United Nations Industrial Development Organization (UNIDO);
- Global Coffee Platform (GCP);
- Italian Coffee Committee;
- Ethiopian Coffee & Tea Authority with training activities conducted at the Coffee Training Centre (CTC);
- Food and Agriculture Organization of the United Nations (FAO);
- Ministries of Agriculture of various countries, financial institutions, universities and national coffee institutes.

The training activities provided along the coffee supply chains covered various areas relevant to responsible supply chain management, with a focus on the main risk profiles identified. In particular, these risks relate to small and large farms, where the use of seasonal labour during peak harvest periods can lead to the presence of migrant families with children, and to processing units (wet mills), where young workers may be exposed to operational risks such as the use of

moving machinery and the handling of loads, if adequate safety measures are not in place. The training provided focused on:

- regenerative farming practices (composting, water-saving techniques, soil fertility management);
- safe use of agrochemicals and proper storage of products;
- adoption of personal protective equipment and application of health and safety protocols;
- document management and traceability enhancement;
- maintaining and updating worker records, with particular attention to the formalisation of employment relationships;
- formal registration procedures for workers with the competent authorities, in accordance with national labour, social security and administrative compliance regulations;
- raising awareness of social risks, including child labour and the protection of rural communities.

When training alone was not sufficient to bridge structural gaps, illycaffè intervened through dedicated projects, often developed in collaboration with the Ernesto Illy Foundation and local institutional partners. In particular, illycaffè has continued to support programmes aimed at strengthening school infrastructure and improving educational provision in producing countries with the aim of expanding access to education in rural areas, combating poverty, reducing school dropout rates and contributing to sustainable generational change in the coffee supply chain, while promoting workforce loyalty.

### Suppliers of other goods and services

The construction and consolidation of a responsible supply chain also extends to suppliers of other goods and services. In this context, the multi-year Sustainability in Procurement project, launched in 2022, aims to structurally strengthen the integration of ESG criteria into the selection, evaluation and development processes of strategic partners.
In 2025, 45 suppliers of the Parent Company were identified as critical in relation to their relevance to the business and their contribution to Scope 3 emissions. These suppliers were asked to complete a sustainability questionnaire via the Synesgy platform in order to obtain a structured assessment of their ESG performance.

Subsequently, a systematic analysis of the results was carried out to identify the main areas for improvement and define priorities for action.
The results of the assessment showed a growing level of ESG maturity, highlighting the progressive embedding of sustainability issues within the supplier base.
This progress confirms the effectiveness of the path taken and the constant strengthening of the responsible supply model adopted by illycaffè.
Looking ahead, targeted improvement plans are expected to be defined and implemented by 2026 for partners whose performance is below expectations. These activities represent a further step towards increasingly proactive, structured and strategic supply chain management, in line with the company's long-term sustainability objectives.

## Targets

GRI 3-3

In line with its commitment to ensuring fair, safe and human rights-compliant working conditions throughout the value chain, in 2025 illycaffè launched a structured process aimed at defining specific objectives to strengthen social safeguards in the coffee supply chain and create shared value for communities in producing countries. In particular, the objectives identified by illycaffè for 2026 concern two strategic areas:

- strengthening the systems for monitoring working conditions in the supply chains with the aim of carrying out at least 200 audits. This activity will enable the completion of checks on all actors in the supply chain, ensuring an accurate assessment of the social, environmental and organisational conditions in which workers, producers and processors operate;
- promoting social development in coffee-growing communities, with particular reference to education, health and the development of local communities. In this context, illycaffè aims to increase the number of stakeholders involved by 5%, expanding the scope of its initiatives and strengthening collaboration with local institutions, non-profit organisations, foundations and operators in the sector.

# Stories from the field



## Guatemala

In 2025, illycaffè continued to fund a mobile clinic in the Santa Rosa region, providing free medical, dental and eye care to 2,038 people (+2.9% compared to the previous year). illycaffè's commitment to health promotion in rural areas, where farmers and their families are often not guaranteed access to basic health services, was also implemented through the donation of additional dental equipment for the clinic's activities.
Moreover, illycaffè once again funded educational facilities in the regions of Esquipulas and Santa Rosa, where the children of coffee pickers were accommodated during the coffee harvest season. Children aged between five and fourteen were provided with educational materials and four meals a day.

## Nicaragua

illycaffè supports the right to education for children at the La Florida plantation, from which it has been sourcing coffee continuously since 2014. The over ten-year relationship with the Nicaraguan producer has made it possible to open a facility whose educational offering is based on the development and learning needs of the age groups of the children welcomed (0-14 years) and is also aimed at teaching Spanish literacy to Misquitas indigenous children.

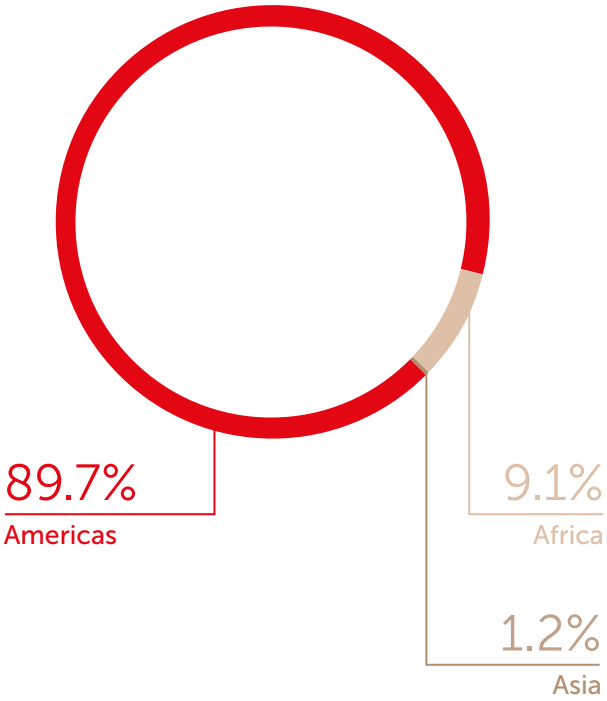
# Metrics

GRI 204-1, GRI 408-1, GRI 409-1, GRI 413-1

## Green coffee suppliers

In 2025, illycaffè continued to source mainly from Central and South America.

### ORIGIN OF GREEN COFFEE SUPPLIERS




In 2025, 343 audits were conducted, both in person and remotely (-16.1% compared to 2024), at producers, cooperatives, wet mills and dry mills located in Brazil, Colombia, Costa Rica, El Salvador, Ethiopia, Guatemala, Honduras, India, Nicaragua and Uganda. The control activities made it possible to continuously monitor the social, environmental and agronomic performance of the supply chains, leading to the identification of 96 cases of non-compliance (+3 compared to 2024).

The decrease in the overall number of audits reflects the normal implementation of the control cycle planned by illycaffè, defined on the basis of experience gained and risk assurance requirements. The selection of actors to be audited is based on three priority criteria:

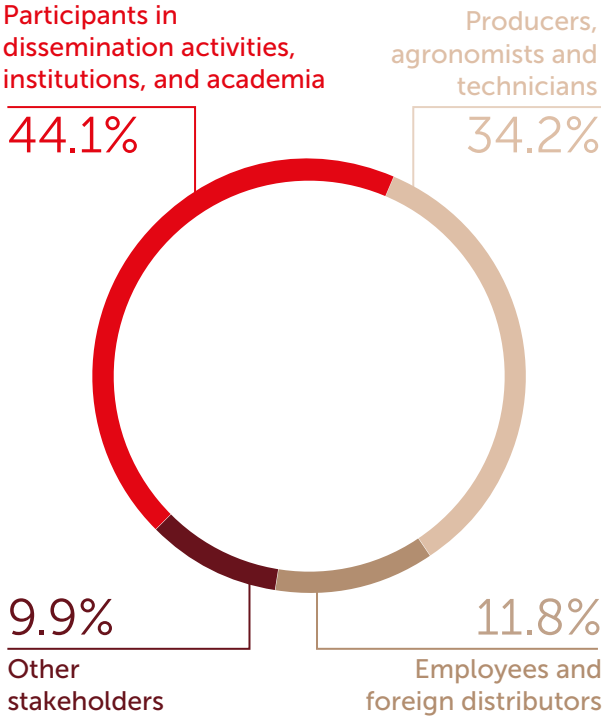
- no audits in the last three years;
- entry of new producers or new suppliers;
- presence of previous non-conformities, for which a follow-up audit is required.

The slight increase in non-compliance detected is attributable to specific local and regional circumstances, where certain issues require further training and targeted support. These activities are part of the process of progressively strengthening the standards applied throughout the supply chains with the aim of ensuring increasingly high and consistent levels of compliance.

In 2025, illycaffè directly involved 2,407 stakeholders in dialogue and training activities, through 395 hours of training. Stakeholder engagement activities involved the following categories of stakeholders:

- 823 members of the coffee supply chains (management and sales representatives of suppliers, agronomists, technicians and producers), who represent the primary stakeholders with whom the company has ongoing commercial relationships;
- 1,062 participants in outreach activities aimed at supply chains, public and private institutions in the sector and the academic world;
- 283 people, including illycaffè employees, teachers at the international branches of the Università del Caffè and foreign distributors;
- 239 representatives from companies operating in the fields of digitalisation, agribusiness linked to precision farming, fertiliser production, as well as social foundations and multi-stakeholder platforms.

### STAKEHOLDERS INVOLVED IN THE COFFEE SUPPLY CHAIN

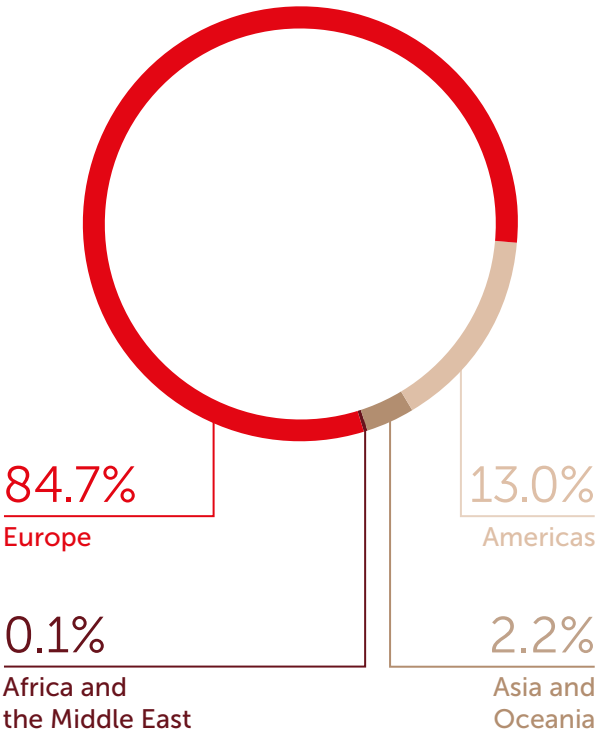


In 2025, illycaffè once again reported no cases of child labour along its supply chain, no cases of young people exposed to dangerous work, and no incidents of forced labour.

### Suppliers of other goods and services

Excluding green coffee purchases, the Group procured from 3,663 suppliers during 2025, up 4.6% from the previous year. The proportion of expenditure in favour of local suppliers was 79.7%, substantially in line with the previous year. Most suppliers (84.7%) are based in Europe. In particular, in 2025, Italian suppliers accounted for 48.9%, supporting local supply chains and Made in Italy manufacturing.

ORIGIN OF SUPPLIERS (EXCLUDING GREEN COFFEE SUPPLIERS)




# COMMUNITIES CONCERNED

## Policies

GRI 3-3

illycaffè recognises the strategic value of its social commitment and pays constant attention to supporting local communities through initiatives aimed at promoting collective well-being and facilitating access of people in fragile conditions to essential services..

## Actions, Targets and Metrics

GRI 3-3, GRI 413-2

In 2025, the commitment to cancer prevention continued through the illydieci programme, through which illycaffè supports the "Visite Donate" project of the Italian League for the Fight against Cancer (LILT). By purchasing an illydieci subscription at any directly managed illy Caffè or participating coffee bar, consumers received a free coffee and illycaffè donated one euro to LILT to fund free cancer screenings for people in fragile economic or social conditions. With over 260 participating coffee bars and 50,000 subscriptions sold, 1,580 free cancer screenings were guaranteed in 2025 in the cities of Bari, Milan, Naples, Palermo, Trieste and Rome. The project will continue in 2026, expanding coverage to the cities of Bologna, Cagliari, Genoa, Padua and Pescara.

illycaffè has also extended its contribution to the fight against cancer through a new initiative in support of the Umberto Veronesi Foundation ETS. Starting in July 2025, a limited edition 250-gram jar of coffee dedicated to the prevention of female cancers and marked with a pink ribbon was introduced in the Esselunga retail chain. For every pack purchased, illycaffè donated 50 cents to the Veronesi Foundation.




In 2025, illycaffè renewed its support for the activities of the dental department of the San Patrignano Community with the aim of contributing to improving the quality of care for the facility's guests.
The support involved the purchase of tools, materials and equipment necessary for the activities of the dental laboratory, where students on the dedicated training course at the Community's study centre operate.

During the year, the collaboration continued with Food For Soul, the non-profit organisation founded by Massimo Bottura and Lara Gilmore, which since 2015 has been promoting support projects for people in vulnerable conditions through the recovery of raw materials and the creation of community spaces in Italy (in Bologna, Milan, Modena and Naples) and in the United States (in Chicago, New York and San Francisco). The "Refettori" projects transform abandoned or underused places into welcoming environments, where every day hundreds of people have been able to access nutritious meals and participate in social experiences capable of generating new relationships and a sense of belonging.

In 2025, illycaffè strengthened its commitment to social responsibility through its collaboration with the Seconda Chance association, which is dedicated to helping prisoners reintegrate into the workforce at the end of their sentences. The partnership involved two main initiatives:

- a recruitment process aimed at assessing potential employment opportunities within illycaffè, which has already resulted in the hiring of two individuals in the production area;
- two 12-hour courses provided by the Università del Caffè, aimed at providing theoretical and practical skills on the supply chain, the correct preparation of espresso and cappuccino, equipment maintenance and basic service techniques.

The course consisted of four sessions, for a total of 48 hours of training, and involved 33 participants at the prisons in Trieste and Pordenone. The project demonstrates illycaffè's commitment to promoting inclusion and equal opportunities by creating concrete paths to reintegration through training and employment.

In line with its values of social responsibility, in April 2025 illycaffè collaborated with the Carabinieri in an awareness initiative aimed at preventing fraud against vulnerable individuals. Furthermore, in November, on the occasion of the International Day for the Elimination of Violence against Women, illycaffè took part in an initiative dedicated to the prevention and mitigation of gender-based violence.

On both occasions, participating retailers in the Province of Trieste displayed informational materials at their points of sale, outlining key self-protection guidelines, warning signs to recognise and emergency contact numbers. The same information was also distributed to customers in the form of a leaflet handed out together with the receipt.

With the aim of further strengthening its contribution to the development of the territories in which it operates, in 2025 illycaffè launched a structured process aimed at defining specific objectives relating to the consolidation of programmes and initiatives in favour of local communities. These targets will be geared towards increasing collaboration with local authorities, institutions and third sector organisations in order to amplify the effectiveness of interventions and generate tangible positive impacts for the communities in the areas concerned.

# CONSUMERS AND END USERS

## Policies

GRI 3-3, GRI 2-25

illycaffè places the protection of customers and consumers at the heart of its activities, adopting policies focused on product quality and safety and transparency of information. In this context, illycaffè is committed to complying with strict standards throughout all stages of the product life cycle: from the selection of raw materials to production, from product communication to the management of any reports.

In particular, in line with the commitments defined in its Social Sustainability Policy, illycaffè is committed to ensuring:

- access to transparent and understandable information for all customers, consumers and end users of illy brand products through packaging and digital touchpoints and by eliminating, where possible, language and disability barriers;
- that products placed on the market comply with strict quality and safety standards to protect consumer health, through systematic checks along the supply chain and targeted audits with prompt corrective action in the event of non-compliance.

All products sold by illycaffè, both consumable and durable, are subject to directives and regulations that regulate the impacts they generate in terms of health and safety for its customers and consumers. In particular, since 2010, illycaffè's food safety management system has been verified against HACCP (Hazard Analysis and Critical Control Points) principles. With regard to coffee machines, directives regulate electrical voltage limits (Directive 2014/35/EU), electromagnetic compatibility (Directive 2014/30/EU), the eco-design of energy-related products (Directive 2009/125/EC) and restriction of the use of certain hazardous substances (Directive 2011/65/EC). Food contact compliance is governed by Regulation 1935/2004/EC and Good Manufacturing Practices (Regulation 2023/2006/EC).

At the same time, illycaffè guarantees structured complaint management, ensuring full traceability of reports and the timely adoption of any corrective actions by the Quality Assurance team.

## Actions

GRI 3-3

The implementation of these policies translates into a comprehensive set of activities that oversee all stages of customer and consumer relations.

Quality is ensured through extremely rigorous controls on green coffee and finished products. Each lot is evaluated through visual, olfactory and sensory analysis conducted by specialised panels, supported when necessary by laboratory tests. Before purchase, lots are only approved after passing multiple tests. Checks then continue in the country of origin, before shipment by sea, and continue at the port of Trieste and in the storage warehouses.

illycaffè pays particular attention to its communication and marketing activities, developing campaigns aimed at engaging customers and consumers and promoting greater awareness of the brand's values and distinctive features.

Its commitment to consumers is also reflected in the constant improvement of its customer care services. In 2025, illycaffè consolidated its active partnership in European markets for the management of B2C operations, successfully responding to the growing volume of interactions and contributing to the identification of areas for improvement in business processes. The use of a CRM system implemented in various countries has enabled more uniform, accessible and timely management of requests.

## Targets

GRI 3-3

In terms of product safety, illycaffè aims to maintain full compliance with regulations, avoiding any cases of non-compliance.

In terms of customer experience, the goal is to ensure a Customer Satisfaction Index (an index that measures customer satisfaction) of 4 out of 5 or higher, while maintaining efficient response times and high service quality. illycaffè also intends to continue strengthening its responsible and educational communication initiatives to increase consumer awareness of its brand values.

## Metrics

GRI 416-2

In 2025, there were no cases of non-compliance relating to product safety. Control activities continue to ensure high levels of protection thanks to the 135 types of tests carried out daily and the approximately 350 analyses performed every day by internal laboratories.

The Customer Satisfaction Index confirmed a level equal to or higher than the target of 4 out of 5 in Italy and the United States. In addition, Italian customer care won second place in the "Coffee and Tea" section and third place in the "Coffee Machines and Pods" section of Italy's Best Customer Service 2025/2026 Award, presented by L'Economia del Corriere della Sera and Statista in June 2025.

## Spreading the coffee culture

The constant search for perfection in every single cup contributes to expressing a vocation that illycaffè has always embodied: the promotion and dissemination of the coffee culture.

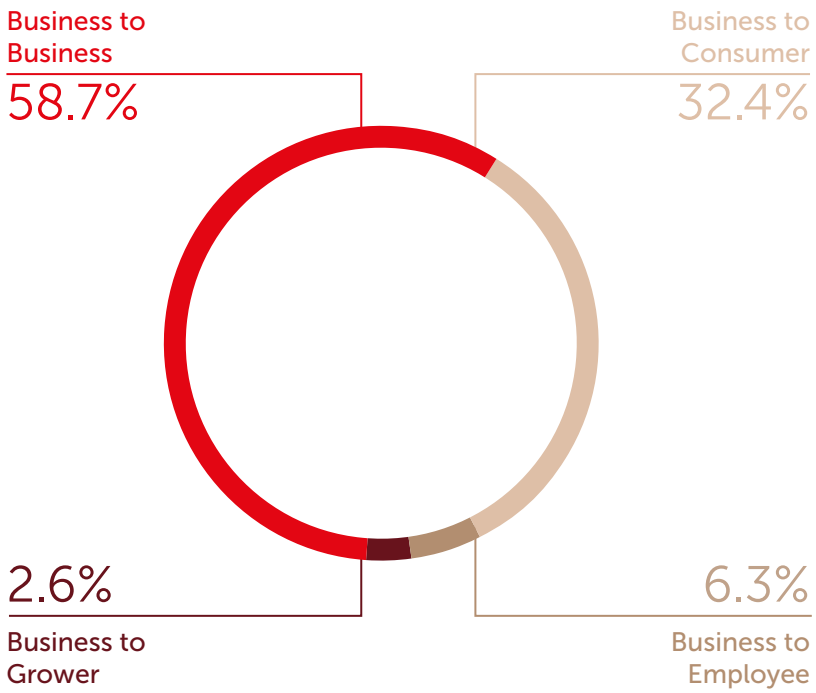
In this spirit, the Università del Caffè was founded in 1999, a hub of excellence created to spread the culture of quality coffee throughout the world through training, research and innovation: a mission that unites all the players involved in the supply chain of a large international community which, to date, has trained over 382,000 people.

In 2025, 17,499 participants were reached through 1,599 training, educational and consultancy activities for Ho.Re.Ca. professionals. (Business to Business), consumers (Business to Consumer), illycaffè employees (Business to Employee[16]) and members of the coffee supply chain (Business to Grower[17]).

[16] The Business to Employee category includes all illycaffè employees, agents and the illycaffè retail network.

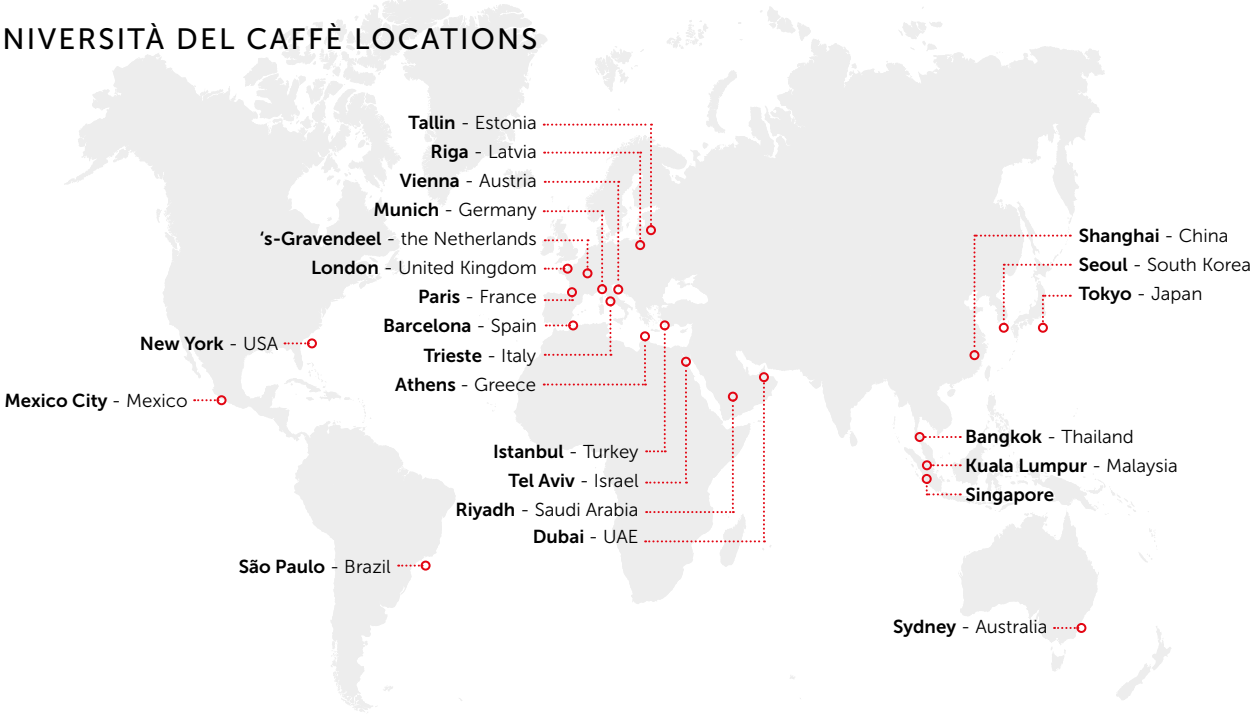
[17] The Business to Grower category corresponds to members of the coffee supply chain involved in stakeholder engagement activities carried out by the Coffee Development & Procurement team during 2025. For more information, please refer to the chapter Workers in the value chain (page 97).

## CATEGORIES OF PARTICIPANTS IN UNIVERSITÀ DEL CAFFÈ ACTIVITIES




The Università del Caffè network has 24 locations worldwide. During the year, the know-how, knowledge and training skills of a further 19 teachers working in international branches were certified by ACS Italia, an organisation accredited by ACCREDIA, bringing the total number of certified teachers to 76 (+11 compared to 2024).

## UNIVERSITÀ DEL CAFFÈ LOCATIONS



Through the Università del Caffè, illycaffè promotes one of the cornerstones of its sustainable quality: direct relations with suppliers and the sharing and transfer of knowledge. Since 2000, more than 13,500 coffee producers have been supported in the field by experts and instructors from the Università del Caffè.

The dissemination horizon extends to the sector of Ho.Re.Ca. professionals, who have the delicate task of conveying the illy experience to consumers.
To this end, the Università del Caffè has developed a programme of courses dedicated to baristas and restaurateurs. The activities carried out in 2025 for hospitality professionals include, among others:

- masterclasses and training modules at the ALMA, CAST, Intrecci and Niko Romito academies;
- educational activities for prospective customers and key accounts.

2025 saw the finalisation of the course "The Sustainable Bar." The programme is a practical tool for entrepreneurs and operators of cafés and restaurants who want to learn about the principles of sustainability or improve their impact on the market. The training course addresses the issues of social, economic and environmental sustainability, providing practical and theoretical skills for responsible business management. The course is managed and coordinated by lecturers from the Università del Caffè with the contribution of sustainability experts from illycaffè.

Also in 2025, in collaboration with the Cimbali Group and Alpro, illycaffè organised the 33rd edition of the Maestri dell'Espresso Junior competition, where sustainable quality and innovation were key concepts in the selection of finalists. In 2025, 64 schools took part in the initiative. The use of a test specifically designed for those with learning disabilities was consolidated and a new training module, dedicated to the main service techniques in the coffee shop sector, was introduced.

Targeted at graduates from all over the world and aiming to provide high-profile academic preparation in the world of coffee, the Master in Economics and Science of Coffee – Ernesto Illy is dedicated to present and future professionals in the world of coffee. The Master is promoted by the Ernesto Illy Foundation ETS and was developed with authoritative Italian and international partners. As usual, Università del Caffè organised Coffee Brewing Week for the 23 students who participated in the 2025 edition.

Training also addresses end consumers, who can sharpen their knowledge of the world of coffee, discover its production aspects and learn to appreciate its characteristics. In this way, the activities of the Università del Caffè contribute to the achievement of three fundamental objectives, promoting a virtuous circle that enhances quality through knowledge:

- over the short-term, the loyalty retention of customers and consumers;
- in the medium term, the creation of consumers increasingly sensitive to quality, able to recognise it and ready to demand it;
- in the long term, the development of a quality coffee culture in the world.

It should also be noted that in 2025, 312 company tours were offered (+35 compared to 2024), attended by 2,099 guests (+225 compared to 2024), including professionals, consumers, authorities and the media.

Finally, as part of collaborations with universities, schools and academies, we would like to highlight the activities carried out by the Università del Caffè trainers for students at the University of Bologna, SDA Bocconi School of Management, LUISS, MIB Trieste School of Management, University of Trieste, Scuola Superiore di Studi Avanzati di Trieste (Upper Secondary School), University of Michigan's Ross School of Business and, finally, the British Columbia Institute of Technology.

## Ernesto Illy Foundation ETS

illycaffè supports the Ernesto Illy Foundation ETS, created in 2008 with the aim of carrying out philanthropic activities to supplement and support its sustainable business model, according to the principles of the stakeholder company.

The Ernesto Illy Foundation ETS is a non-profit organisation chaired by Anna Illy, daughter of Ernesto, who was for years her father's closest collaborator, accompanying him on his travels in search of the best quality Arabica coffee for roasting.

The Foundation protects and disseminates the thought of Ernesto Illy through scientific research and innovation, education and outreach, and the implementation of sustainability and philanthropy projects in coffee-producing countries and in the Trieste area. Prioritising the generation of shared value, it expresses a model of responsible organisation based on a scientific approach and ethics. In particular, the focus is on protecting and strengthening the economic, social and cultural rights of the target communities.

The main objective of the Ernesto Illy Foundation ETS is to develop and launch a series of global projects in the fields of science, education, training and culture that align with the 17 United Nations Sustainable Development Goals. To this end, the Foundation collaborates with associations, entities and institutions whose activities are aimed, directly or indirectly, at pursuing purposes similar to those of the same Foundation.

Among the main developments in 2025 are the Foundation's registration in the Single National Register of the Third Sector (RUNTS) and the appointment of Gerardo Patacconi as Strategy Advisor. Patacconi has extensive international experience, having served as Head of Operations at the International Coffee Organisation (ICO) and Director of the Agri-business Department of the United Nations Industrial Development Organisation (UNIDO).

A significant milestone was reached with the completion of the first pilot Social Report for the year 2024. The drafting process was based on three key principles: listening, measurement and transparency. The activity included a complete reconstruction of the initiatives carried out, the collection of qualitative and quantitative data, the mapping of areas of intervention in relation to the Sustainable Development Goals, as well as a survey conducted through questionnaires and interviews with the Foundation's partners. This was complemented by an integrated analysis of outputs, outcomes and impacts. The Social Report was designed not only as a tool for systematising existing activities, but also as a strategic reference for the future, guiding decisions and assessments with a view to sustainability, relationships and concrete impact. The 2025 Social Report is expected to be published in early 2026.

In 2025, long-standing collaborations and partnerships continued with prestigious organisations and bodies such as UNIDO, ECOSOC (United Nations Economic and Social Council), UNESCO (United Nations Educational, Scientific and Cultural Organisation), UNFPA (United Nations Population Fund), Simbiotica, Save the Children, IWCA (International Women's Coffee Alliance) and Red Nacional de Cuido.

New discussions and collaborations with internationally renowned organisations, including the EY Foundation, were also initiated. We would also like to mention the papal audience on 5 November: the meeting was a symbolic moment of great importance for bringing the voice of the coffee communities to the fore and reaffirming the universal values of peace and dignity. Representatives of the Ernesto Illy Foundation ETS, illycaffè and a delegation of 50 producers present in Rome for the Ernesto Illy International Coffee Award took part.

One hundred years after his birth, the Ernesto Illy Foundation ETS commemorated Ernesto Illy in a special event dedicated to him on 18 July at the Generali Convention Centre in Trieste. In a discussion between academics, scientists, entrepreneurs and people who knew him, the event "The values of Ernesto Illy: reflections one hundred years after his birth" stimulated reflection on the key principles that inspired the man and the entrepreneur. On the one hand, ethics, practised through respect for the promise made to the consumer and the protection of a responsible approach to business; on the other, science, the pillar of the continuous research and innovation that has distinguished the company's history and fuelled the insatiable curiosity and propensity for the future of the Trieste entrepreneur. It was a day of memories, anecdotes and contributions in memory of Ernesto Illy, which was also joined by a message from the President of the Republic, Sergio Mattarella, who emphasised how the business world is not disconnected from its responsibility towards the community and the future.

The strategy of the Ernesto Illy Foundation ETS is based on five major impact objectives, which represent the priority areas of commitment and guide the selection and planning of activities. Firstly, the Ernesto Illy Foundation ETS aims to protect and disseminate Ernesto Illy's ethical model, preserving its values and promoting awareness thereof. At the same time, it aims to increase education and knowledge by promoting training courses and cultural initiatives that contribute to the growth of skills. A further objective is to contribute to ecological transition and nature conservation by supporting sustainability-oriented practices and projects. The strategy also includes a commitment to improving the quality of life in coffee-producing communities through interventions that generate social and economic development. Finally, the Ernesto Illy Foundation ETS is dedicated to supporting the needs of the local community in Trieste, strengthening ties with the territory and promoting initiatives of social value.

The projects implemented in 2025 by the Ernesto Illy Foundation ETS include:

## Master's degree in Coffee Economics and Science – Ernesto Illy

One of the Foundation's most important projects, open to graduates from all over the world, the Master's programme is developed in collaboration with the Universities of Trieste and Udine, the International School for Advanced Studies in Trieste (SISSA), the Trieste Science and Technology Research Area (Area Science Park) and with the contribution of the Friuli Foundation. Taught entirely in English, the Master's degree includes over 400 hours of lessons divided into 9 modules for a total of 60 training credits. The curriculum covers the entire coffee production chain and develops across three disciplinary areas: economics-management, biology-agronomics and technology.

The 14th edition of the Master included 23 students of 17 different nationalities. In 2025, the Foundation once again offered full and partial financial support to cover tuition fees, supporting 15 deserving students from coffee-producing countries.




## ELIS – School4Life 2.0

The two-year project is based on the synergy between companies and middle and high schools with the aim of providing guidance activities for students from Italian areas characterised by high school drop-out rates. In 2025, illycaffè and the Ernesto Illy Foundation ETS continued to support the project, assisting five schools in the Trieste area through financial support and the involvement of a faculty of 13 employees, who took on the role of teachers for the occasion, sharing their professional skills and experience and participating in 19 inspirational talks and workshops for a total of 30 hours of training.

## Regenerative Society Foundation

The Ernesto Illy Foundation ETS is one of the founding partners of the Regenerative Society Foundation, created in 2020 with the aim of developing and promoting a regenerative socio-economic model. Andrea Illy is its co-Chairman together with Professor Jeffrey D. Sachs.

In 2025, the focus was on organising and promoting the Regeneration 20|30 Forum, aimed at promoting the evolution towards a regenerative economy. Part of the programme of the 24th International Exhibition of the La Triennale Foundation of Milan, the Forum was held on 27 and 28 November and was attended by over 400 participants from more than 15 countries, mainly from the private sector, and 55 high-profile and internationally renowned speakers. The two days were dedicated to the presentation of the regenerative model and measurement framework developed by the Regenerative Society Foundation. The sessions also explored ways in which it is possible to collaborate in building a regenerative society, with a thematic focus on agri-food systems, urban contexts, energy, well-being and mobility.
A Youth Forum was also organised, a session specifically dedicated to the recommendations made by various youth organisations regarding the Regenerative Society Foundation's manifesto and business model.

At the same time, the Foundation produced a scientific paper dedicated to the Regenerative Framework and began its digitisation. Communication and advocacy initiatives also continued, through participation in major international sustainability events, including Ocean Week and the Innovation Observatory for Biodiversity. In 2025, the One Ocean Foundation joined the Regenerative Society Foundation as a partner, while two new experts, Prof. Maurizio Zollo of Imperial College and Prof. John Little of Virginia Tech, joined the Scientific Committee.

## Virtuous Agriculture®

The Ernesto Illy Foundation ETS works closely with illycaffè on all educational and scientific aspects related to the development of Virtuous Agriculture® in the coffee supply chain. illycaffè has a long-standing collaboration with ICGEB (International Centre for Genetic Engineering and Biotechnology), which has launched numerous start-ups, including Simbiotica, with which the Ernesto Illy Foundation ETS collaborates with the aim of developing specific bacterial cocktails for the fertilisation of coffee plants. During 2025, the research project focused on the development of a bacterial inoculant for Coffea arabica concentrated on the design and prototyping phase for subsequent application in a regenerative agriculture context through experimentation in Ethiopia.

## Casa de la Alegría

The project, which has been underway since 2019, is dedicated to the prevention of child labour in coffee plantations in Costa Rica. The Ernesto Illy Foundation ETS supports facilities that host the children of the coffee pickers during the working season, providing them with food, education and educational support. With the Foundation's contribution, in 2025 the project operated through nine active community support centres in the Coto Brus region, welcoming a total of 454 children and providing support to around 300 indigenous families from the Ngäbe-Buglé community. In addition, the Foundation contributed to the purchase of school supplies, food, hygiene products for the minors and cleaning of the facilities.

## Seeds for Progress

The Ernesto Illy Foundation ETS and illycaffè support the Cultivating Education program of the Seeds for Progress Foundation, created with the aim of preventing the risk of child labour on coffee plantations in Central America. During 2025, 60 children and adolescents were welcomed into the reception centre built the previous year.

## Macuba Women & Youth

The project, carried out in collaboration with the Kahawatu Foundation at the Macuba coffee washing station in Rwanda, aims to replicate and expand the model already successfully tested in a women's cooperative in another district. The project involved the purchase of two hectares of land for coffee cultivation, which were allocated to women and young people. Project participants were trained in regenerative agriculture techniques, entrepreneurial skills, gender equity, business management, family planning, nutrition, hygiene, and sanitation. The project also envisages access to subsidised credit to stimulate further agricultural investment, strengthening the economic and social fabric of the region. Finally, beekeeping and the raising of pigs were added to coffee growing so that organic waste from the animal farming can be used as a natural fertiliser for the coffee plants.

## Save the Children

In 2025, the Ernesto Illy Foundation ETS continued to support the Education and Protection programme promoted by Save the Children in Ethiopia. The programme operates in 44 schools in the Southern Nations, Nationalities and Peoples' Region and the Sidama region with the aim of ensuring inclusive, quality education from early childhood, preventing abuse and neglect, and facilitating the transition to primary school. The project involved the distribution of teaching materials, teacher training and awareness-raising activities aimed at families.

## World Happiness Report

In 2025, the Ernesto Illy Foundation ETS renewed its support for the World Happiness Report, a publication of global significance that analyses the level of happiness and well-being in over 150 countries, based on indicators such as income, social support, health, freedom, generosity and perception of corruption. For the eighth consecutive year, the World Happiness Report ranks Finland at the top of its list, while Italy ranks 40th, highlighting areas for improvement in sociality and perception of corruption.

# Governance Disclosures

## BUSINESS CONDUCT

### Policies

GRI 2-16, GRI 2-25, GRI 2-26, GRI 3-3

illycaffè has developed and adopted its own Code of Ethics, which defines its commitments and responsibilities in conducting business and carrying out corporate activities. The Code is divided into general principles governing relations with stakeholders, criteria of conduct and specific implementation mechanisms, aimed at describing the control system set up to ensure compliance.

In particular, the criteria of conduct provide the guidelines and reference standards necessary to ensure compliance with the general principles and to prevent the risk of unethical behaviour.
Among other things, the Code of Ethics governs the criteria of conduct applicable to the various stages of the employment relationship, from the selection of employees to their management and professional development. It also defines the principles governing health and safety, integrity, personal protection and privacy protection, specifying the duties of those subject to the Code, such as diligence and good faith, the management of conflicts of interest, confidentiality and the protection of company and intellectual property. Additional criteria of conduct are established with reference to relations with customers, suppliers, partners and external collaborators, with the Public Administration, with other institutional interlocutors and with shareholders.

The Code of Ethics has been translated into seven languages, in addition to Italian, and is distributed to all subsidiaries and branches in order to share and consolidate the Group's culture of values.
The document is also subject to periodic updates, with a view to continuously and systematically strengthening measures to prevent and combat both active and passive corruption.

illycaffè has also adopted the Organisation, Management and Control Model pursuant to and for the purposes of Legislative Decree No. 231 of 8 June 2001, aimed at preventing the commission of offences under the law and strengthening the internal control system. The Model is divided into two parts:

- the General Part, which illustrates the purposes and recipients of the Model, as well as the components of the preventive control system adopted by the Company. In accordance with the provisions of Italian Legislative Decree 231/2001, it also describes the structure, functioning and tasks of the Supervisory Body, which is responsible for monitoring the functioning and observance of the Model. The General Section also regulates training and information activities for personnel regarding the contents of the Model, as well as the disciplinary system applicable in the event of violation of its provisions;
- the Special Section, which contains a description of the types of offences relevant pursuant to Italian Legislative Decree 231/2001 and the related penalties with reference to the areas of risk of possible commission of offences identified in the Model.

During 2025, illycaffè updated the Special Section of the Model, including the new types of offences introduced under Italian Legislative Decree 231/2001 and maintaining the methodological approach already adopted in 2024, based on the analysis of business processes. This approach has allowed for further refinement of the prevention system, with particular attention to processes considered sensitive, i.e. those activities which, by their nature or the way they are carried out, present a higher risk of exposure to unlawful conduct. The methodology adopted involves the detailed mapping of business processes and the identification, for each of them, of specific categories of potentially relevant offences, in order to define and implement appropriate prevention and control measures. This approach allows for more targeted and dynamic risk management, ensuring constant monitoring and proactive prevention of risks associated with various company activities.

The Model integrates with the whistleblowing guidelines provided for by Italian Legislative Decree 231/2001, updated in accordance with the Whistleblowing Decree referred to in Italian Legislative Decree no. 24 of 10 March 2023. These guidelines have been further refined, extending their scope of application to so-called ordinary reports, understood as information concerning conduct, acts or omissions which, although not falling within the objective scope of Italian Legislative Decree no. 24/2023, are potentially capable of violating the provisions and principles contained in illycaffè's company procedures and Code of Ethics.

The guidelines define the reporting channels adopted by illycaffè and identified in order to guarantee the confidentiality of the whistleblower's identity, the security of the information transmitted and the protection of personal data.

To complete the system, the guidelines for subsidiaries and branches summarise the fundamental principles of the Model in order to ensure its consistent and uniform dissemination within the Group.

The Code of Ethics, the Model and the whistleblowing guidelines are publicly available on the illycaffè's website and also accessible via the company's intranet. The latter allows users to consult company policies, guidelines and procedures and to access, among other things, the policy on feedback and complaint mechanisms, which encourages the active involvement of employees in identifying and implementing initiatives to improve company practices, as well as reporting any critical issues not covered by other internal procedures.

## Actions

GRI 2-26

illycaffè has adequate control measures in place as required by the Model, which allow it to classify the risk of active and passive corruption associated with its operations as limited.

Anti-corruption audits are part of a broader audit programme aimed at assessing the adequacy and effectiveness of the internal control system, as well as its ability to prevent major business risks. Where necessary, the Model provides for specific procedures for managing any investigations into alleged corruption.

The initiatives undertaken, including the mapping of business processes, risk assessment activities, the preparation and approval of the Model by the Board of Directors, as well as its dissemination within the organisation, are an integral part of the training programme on corruption prevention aimed at all parties involved.

## Metrics

GRI 2-16, GRI 2-27, GRI 205-2, GRI 205-3

The regulations and procedures relating to the prevention of corruption are formally included in the Code of Ethics and the Model and have been communicated to all employees and governing bodies.

During 2025, training activities on the Code of Ethics, Model 231 and whistleblowing, including the main anti-corruption measures and principles, involved 42.4% of the Group's employees. In particular, topics related to conflicts of interest and relations with the Public Administration were covered.

During the same period, specific training was also provided to 100% of the Directors and members of the Board of Statutory Auditors, in conjunction with the renewal of the Board of Directors.

The overall objective of the training programme is to consolidate awareness of ethical principles and available compliance tools, ensuring widespread dissemination of knowledge at all levels of the organisation.

In particular, the programme aims to ensure that all Group employees are informed of the regulations and procedures relating to the prevention of corruption via the company intranet and the LIVE training portal, as well as all members of the governing bodies.

It is confirmed that, during 2025 as well, there were no cases of non-compliance with Italian Legislative Decree 231/2001, nor episodes of corruption.

# Appendix

## GRI TABLE OF CONTENTS

| | |
|---|---|
| Declaration of use | illycaffè reported the information cited in this GRI Table of Contents for the period between 1 January 2025 and 31 December 2025, in compliance with the "in accordance with" method of the GRI Standard. |
| Use of GRI 1 | GRI 1 – Fundamental Principles – 2021 edition |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| **General Disclosures** | | | | |
| GRI 2 – General Disclosures 2021 | 2-1 Organisational details | Note on methodology – General criteria for the preparation of the Sustainability Report | | |
| | 2-2 Entities included in the organisation's sustainability reporting | Note on methodology – General criteria for the preparation of the Sustainability Report | | |
| | 2-3 Reporting period, frequency and contact point | Note on methodology – General criteria for the preparation of the Sustainability Report | | |
| | 2-4 Restatements of information | Note on methodology – General criteria for the preparation of the Sustainability Report | | |
| | 2-5 External assurance | Note on methodology – General criteria for the preparation of the Sustainability Report | | |
| | 2-6 Activities, value chain and other business relationships | Strategy – Strategy, business model and value chain | | |
| | 2-7 Employees | Own workforce – Characteristics of employees and non-employee workers | | |
| | 2-8 Workers who are not employees | Own workforce – Characteristics of employees and non-employee workers | | |
| | 2-9 Governance structure and composition | Governance – Role of the administrative, management and control bodies | | |
| | 2-10 Nomination and selection of the highest governance body | Governance – Role of the administrative, management and control bodies | | |
| | 2-11 Chair of the highest governance body | Governance – Role of the administrative, management and control bodies | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Governance – Governance of sustainability | | |
| | 2-13 Delegation of responsibility for the management of impacts | Governance – Governance of sustainability | | |
| | 2-14 Role of the highest governance body in sustainability reporting | Governance – Governance of sustainability | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| GRI 2 – General Disclosures 2021 | 2-15 Conflicts of interest | Governance – Role of the administrative, management and control bodies | | |
| | 2-16 Communication of critical issues | Business Conduct – Policies | | |
| | | Business conduct – Metrics | | |
| | 2-17 Collective knowledge of the highest governance body | Governance – Composition of the Parent Company's governing bodies | | |
| | 2-18 Performance assessment of the highest governance body | Governance – Role of the administrative, management and control bodies | | |
| | 2-19 Rules regarding remuneration | Governance – Integration of sustainability performance into incentive schemes | | |
| | 2-20 Remuneration determination procedure | Governance – Integration of sustainability performance into incentive schemes | | |
| | 2-21 Total annual remuneration ratio | | For confidentiality reasons, disclosure of the metric is not provided. | |
| | 2-22 Statement on sustainable development strategy | Strategy – Strategy, business model and value chain | | |
| | | Strategy – Management of impacts, risks and opportunities | | |
| | 2-23 Policy commitment | Strategy – Strategy, business model and value chain | | |
| | 2-24 Integration of impacts in terms of policy | Strategy – Strategy, business model and value chain | | |
| | 2-25 Processes aimed at mitigating negative impacts | Own workforce – Actions | | |
| | | Business Conduct – Policies | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Business Conduct – Policies | | |
| | | Business conduct – Actions | | |
| | 2-27 Compliance with laws and regulations | Business conduct – Metrics | | |
| | 2-28 Membership of associations | Strategy – Stakeholder | | |
| | 2-29 Approach to stakeholder engagement | Strategy – Stakeholder | | |
| | 2-30 Collective agreements | Own workforce – Characteristics of employees and non-employee workers | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| **Material topics** | | | | |
| GRI 3: Material topics 2021 | 3-1 Process to determine material topics | Management of impacts, risks and opportunities | | |
| | 3-2 List of material topics | Management of impacts, risks and opportunities | | |
| **Business conduct** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Business Conduct – Policies | | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | Strategy – Stakeholder | | |
| GRI 204: Procurement practices 2016 | 204-1 Proportion of spending on local suppliers | Workers in the value chain – Metrics | | |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training on anti-corruption policies and procedures | Business conduct – Metrics | | |
| | 205-3 Confirmed incidents of corruption and actions taken | Business conduct – Metrics | | |
| **Circular economy - Inflows of resources** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Resource use and circular economy – Policies | | |
| | | Resource use and circular economy – Actions | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Resource use and circular economy – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| | 301-2 Recycled input materials used | Resource use and circular economy – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| **Climate change - Climate change mitigation** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Climate change – Transition plan | | |
| | 3-3 Management of material topics | Climate change – Policies | | |
| | 3-3 Management of material topics | Climate change – Actions | | |
| | 3-3 Management of material topics | Climate change – Targets | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) greenhouse gas emissions | Climate change – Scope 1, 2 and 3 greenhouse gas emissions | | |
| | 305-2 Indirect (Scope 2) greenhouse gas emissions | Climate change – Scope 1, 2 and 3 greenhouse gas emissions | | |
| | 305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions | Climate change – Scope 1, 2 and 3 greenhouse gas emissions | | |
| | 305-4 GHG emissions intensity | Climate change – Scope 1, 2 and 3 greenhouse gas emissions | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| **Energy and climate change - Energy** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Climate change – Actions | | |
| | 3-3 Management of material topics | Climate change – Policies | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | Climate change – Energy consumption and energy mix | | |
| | 302-3 Energy intensity | Climate change – Energy consumption and energy mix | | |
| **Biodiversity and ecosystems – Direct impact factors on biodiversity loss** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Biodiversity and ecosystems – Transition plan | | |
| | 3-3 Management of material topics | Biodiversity and ecosystems – Policies | | |
| GRI 101: Biodiversity 2024 | 101-1 Policies to halt and reverse biodiversity loss | Biodiversity and ecosystems – Policies | | |
| | | Biodiversity and ecosystems – Targets | | |
| | 101-2 Management of biodiversity impacts | Biodiversity and ecosystems – Actions | | |
| | | Biodiversity and ecosystems – Metrics | | |
| | 101-4 Identification of impacts on biodiversity | Biodiversity and ecosystems – Transition plan | | |
| **Water and Marine Resources - Use of water** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Water – Policies | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Water – Actions | | |
| GRI 303: Water and effluents 2018 | 303-1 Interactions with water as resource | Water – Actions | | |
| | 303-3 Water withdrawal | Water – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| | 303-4 Water discharge | Water – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| | 303-5 Water consumption | Water – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| **Circular economy - Outflows of resources** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Resource use and circular economy – Targets | | |
| | | Resource use and circular economy – Actions | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Resource use and circular economy – Actions | | |
| | 306-2 Management of significant waste-related impacts | Resource use and circular economy – Actions | | |
| | 306-3 Waste produced | Resource use and circular economy – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| | 306-4 Waste not destined for disposal | Resource use and circular economy – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| | 306-5 Waste destined for disposal | Resource use and circular economy – Metrics | | The scope for this indicator is limited to illycaffè S.p.A. (Trieste and Robecchetto with Induno) and Magic L'Espresso S.L. (Els Hostalets, Barcelona). |
| **Own workforce – Working conditions** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Own workforce – Policies | | |
| | | Own workforce – Actions | | |
| | | Own workforce – Targets | | |
| GRI 401: Employment 2016 | 401-1 New employees and turnover | Own workforce – Characteristics of employees and non-employee workers | | |
| | 401-2 Benefits provided to full-time employees that are not provided to part-time or temporary employees | Own workforce – Equal opportunity and remuneration policies | | |
| GRI 403: Occupational health and safety 2018 | 403-1 Occupational health and safety management system | Own workforce – Health and safety in the workplace | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Own workforce – Health and safety in the workplace | | |
| | 403-3 Occupational health services | Own workforce – Health and safety in the workplace | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Own workforce – Health and safety in the workplace | | |
| | 403-5 Worker training on occupational health and safety | Own workforce – Health and safety in the workplace | | |
| | 403-6 Promotion of worker health | Own workforce – Health and safety in the workplace | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| GRI 403: Occupational health and safety 2018 | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Own workforce – Health and safety in the workplace | | |
| | 403-8 Employees covered by an occupational health and safety management system | Own workforce – Health and safety in the workplace | | |
| | 403-9 Work-related injuries | Own workforce – Health and safety in the workplace | | |
| | 403-10 Work-related ill health | Own workforce – Health and safety in the workplace | | |
| **Own workforce - Equal treatment and opportunities for all** | | | | |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year per employee | Own workforce – Training and skills development | | |
| | 404-2 Employee skills upgrading and transition assistance programmes | Own workforce – Actions | | |
| | 404-3 Percentage of employees receiving regular performance and professional development reviews | Own workforce – Equal opportunity and remuneration policies | | |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 Diversity of governance bodies and employees | Governance – Role of the administrative, management and control bodies | | |
| | | Own workforce – Characteristics of employees and non-employee workers | | |
| | 405-2 Ratio between basic salary and remuneration of women and those of men | Own workforce – Equal opportunity and remuneration policies | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective measures taken | Own workforce – Actions | | |
| **Workers in the value chain - Equal treatment and opportunities for all** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Workers in the value chain – Policies | | |
| | | Workers in the value chain – Actions | | |
| | | Workers in the value chain – Targets | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labour | Workers in the value chain – Policies | | |
| | | Workers in the value chain – Actions | | |
| | | Workers in the value chain – Metrics | | |
| GRI 409: Forced or compulsory labour 2016 | 409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labour | Workers in the value chain – Metrics | | |

| GRI Standard / other source | Notice | Location | Omission (requirements omitted, reason for omission, explanation) | Notes |
|---|---|---|---|---|
| **Communities concerned – Economic, social and cultural rights of communities** | | | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | Communities concerned – Policies | | |
| | | Communities concerned – Actions and metrics | | |
| GRI 413: Local communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Workers in the value chain – Metrics | | |
| | 413-2 Operations with significant actual and potential impacts on local communities | Communities concerned – Actions and metrics | | |
| **Consumers and end users - Health and safety, Access to quality information and Responsible marketing practices** | | | | |
| GRI 3 – 2021 Material topics | 3-3 Management of material topics | Consumers and end users – Policies | | |
| | | Consumers and end users – Actions | | |
| | | Consumers and end users – Targets | | |
| GRI 416: Consumer health and safety | 416-2 Incidents of non-compliance regarding the health and safety impacts of products and services | Consumers and end users – Metrics | | |
| GRI 417: Marketing and labelling 2016 | 417-1 Product and service information and labelling requirements | Consumers and end users – Actions | | |

# ESRS CORRESPONDENCE TABLE

## GRI – ESRS Correspondence table

The correspondence table has been developed by taking into account the key requirements set out in the current ESRS and the elements within the GRI Standards that correspond to them. This representation does not, however, imply full coverage or a complete alignment with all the disclosures required by the ESRS.

| ESRS | DR | DR Content | GRI | GRI Content |
|---|---|---|---|---|
| **General disclosure** | | | | |
| ESRS 2 | BP-1 | General criteria for drafting sustainability statements | GRI 2-2 | Entities included in the organisation's sustainability reporting |
| | BP-2 | Information in relation to specific circumstances | GRI 2-4 | Restatements of information |
| | GOV-1 | Role of the administrative, management and control bodies | GRI 2-9 | Governance structure and composition |
| | | | GRI 2-10 | Appointment and selection of the highest governance body |
| | | | GRI 2-11 | Chair of the highest governance body |
| | | | GRI 2-12 | Role of the highest governance body in overseeing the management of impacts |
| | | | GRI 2-13 | Delegation of responsibility for the management of impacts |
| | | | GRI 2-17 | Collective knowledge of the highest governance body |
| | | | GRI 2-18 | Performance assessment of the highest governance body |
| | | | GRI 405-1 | Diversity of governance bodies and employees |
| | GOV-2 | Information provided to the administrative, management and control bodies of the company and sustainability issues addressed by them | GRI 2-16 | Communication of critical issues |
| | | | GRI 2-24 | Integration of impact in terms of policy |
| | GOV-3 | Integrating sustainability performance into incentive systems | GRI 2-19 | Rules regarding remuneration |
| | | | GRI 2-20 | Remuneration determination procedure |
| | SBM-1 | Strategy, business model and value chain | GRI 2-6 | Activities, value chain and other business relationships |
| | | | GRI 2-22 | Statement on sustainable development strategy |
| | SBM-2 | Stakeholders' interests and opinions | GRI 2-29 | Approach to stakeholder engagement |
| | SBM-3 | Significant impacts, risks and opportunities and their interaction with the strategy and business model | GRI 3-2 | List of material topics |
| | | | GRI 3-3 | Management of material topics |
| | IRO-1 | Description of processes to identify and assess relevant impacts, risks and opportunities | GRI 3-1 | Process to determine material topics |
| | IRO-2 | ESRS disclosure requirements covered by the corporate sustainability statement | GRI 1-Requirement 7 | Publication of GRI Table of Contents and ESRS Correspondence Table |

| | | | | |
|---|---|---|---|---|
| **Environmental Information – Climate Change** | | | | |
| ESRS E1 | E1-1 | Transition plan for climate change mitigation | GRI 3-3 | Management of material topics |
| | E1-2 | Policies related to climate change mitigation and adaptation | GRI 3-3 | Management of material topics |
| | E1-3 | Climate Change policy actions and resources | GRI 3-3 | Management of material topics |
| | E1-5 | Energy consumption and energy mix | GRI 302-1 | Energy consumption within the organisation |
| | | | GRI 302-3 | Energy intensity |
| | E1-6 | Scope 1, 2, 3 gross GHG emissions and total GHG emissions | GRI 305-1 | Direct (Scope 1) greenhouse gas (GHG) emissions |
| | | | GRI 305-2 | Energy consumption (Scope 2) indirect greenhouse gas (GHG) emissions |
| | | | GRI 305-3 | Other indirect (Scope 3) greenhouse gas (GHG) emissions |
| | | | GRI 305-4 | Greenhouse gas (GHG) emission intensity |
| **Environmental Information – Water and marine resources** | | | | |
| ESRS E3 | E3-1 | Policies related to water and marine resources | GRI 3-3 | Management of material topics |
| | E3-2 | Actions and resources related to water and marine resources | GRI 303-1 | Interactions with water as a shared resource |
| | E3-4 | Water Consumption | GRI 303-5 | Water consumption |
| | | | GRI 303-3 | Water withdrawal |
| | | | GRI 303-4 | Water discharge |
| **Environmental information – Biodiversity and ecosystems** | | | | |
| ESRS E4 | E4-2 | Policies related to biodiversity and ecosystems | GRI 3-3 | Management of material topics |
| | E4-3 | Actions and resources related to biodiversity and ecosystems | GRI 3-3 | Management of material topics |
| **Environmental Information – Resource use and circular economy** | | | | |
| ESRS E5 | E5-1 | Policies related to resource use and circular economy | GRI 3-3 | Management of material topics |
| | E5-2 | Actions and resources related to resource use and circular economy | GRI 3-3 | Management of material topics |
| | E5-4 | Incoming resource flows | GRI 301-1 | Materials used by weight or volume |
| | | | GRI 301-2 | Recycled incoming materials used |
| | E5-5 | Outgoing resource flows | GRI 306-1 | Generation of significant waste and waste-related impacts |
| | | | GRI 306-2 | Management of significant waste-related impacts |
| | | | GRI 306-3 | Waste generated |
| | | | GRI 306-4 | Waste not sent to landfill |
| | | | GRI 306-5 | Waste sent to landfill |
| **Social Information – Own Workforce** | | | | |
| ESRS S1 | S1-1 | Policies related to own workforce | GRI 3-3 | Management of material topics |
| | | | GRI 2-23 | Policy commitment |
| | | | GRI 403-1 | Occupational health and safety management system |

| | | | | |
|---|---|---|---|---|
| **Social Information – Own Workforce** | | | | |
| ESRS S1 | S1-4 | Interventions on relevant impacts and approaches to mitigate relevant risks and pursue relevant opportunities in relation to own workforce, as well as the effectiveness of such actions and approaches | GRI 3-3 | Management of material topics |
| | | | GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |
| | S1-6 | Characteristics of the company's employees | GRI 2-7 | Employees |
| | | | GRI 401-1 | Hiring new employees and employee turnover |
| | S1-7 | Characteristics of non-employee workers in the company's own workforce | GRI 2-8 | Workers who are not employees |
| | S1-8 | Coverage of collective bargaining and social dialogue | GRI 2-30 | Collective agreements |
| | S1-9 | Diversity metrics | GRI 405-1 | Diversity of governance bodies and employees |
| | S1-11 | Social protection | GRI 401-2 | Benefits for full-time employees that are not available to temporary or part-time employees |
| | S1-12 | People with disabilities | GRI 405-1 | Diversity of governance bodies and employees |
| | S1-13 | Training and skills development metrics | GRI 404-1 | Average hours of training per year per employee |
| | | | GRI 403-5 | Worker training on occupational health and safety |
| | | | GRI 404-3 | Percentage of employees receiving regular performance and professional development reviews |
| | S1-14 | Health and safety metrics | GRI 403-2 | Hazard identification, risk assessment, and incident investigation |
| | | | GRI 403-3 | Occupational health services |
| | | | GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety |
| | | | GRI 403-5 | Worker training on occupational health and safety |
| | | | GRI 403-6 | Promotion of worker health |
| | | | GRI 403-8 | Employees covered by an occupational health and safety management system |
| | | | GRI 403-9 | Work-related injuries |
| | | | GRI 403-10 | Occupational disease |
| | S1-16 | Remuneration metrics (pay gap and remuneration) | GRI 2-21 | Total annual remuneration ratio |
| | | | GRI 405-2 | Ratio between basic salary and remuneration of women compared to men |
| | S1-17 | Serious human rights incidents, complaints and impacts | GRI 2-27 | Compliance with laws and regulations |
| **Social disclosure – Workers in the value chain** | | | | |
| ESRS S2 | S2-1 | Policies relating to workers in the value chain | GRI 2-23 | Policy commitment |
| | | | GRI 3-3 | Management of material topics |
| | S2-2 | Processes for involving workers in the value chain regarding impacts | GRI 3-3 | Management of material topics |

| | | | | |
|---|---|---|---|---|
| **Social disclosure – Workers in the value chain** | | | | |
| ESRS S2 | S2-4 | Interventions on relevant impacts for workers in the value chain and approaches for managing relevant risks and achieving relevant opportunities for workers in the value chain as well as the effectiveness of such actions | GRI 3-3 | Management of material topics |
| **Social Information – Communities concerned** | | | | |
| ESRS S3 | S3-1 | Policies related to communities concerned | GRI 3-3 | Management of material topics |
| | S3-2 | Processes of engagement of communities concerned in terms of impact | GRI 3-3 | Management of material topics |
| | | | GRI 413-1 | Operations with local community engagement, impact assessments, and development programs |
| **Social information – Consumers and end users** | | | | |
| ESRS S4 | S4-1 | Policies related to consumers and end users | GRI 3-3 | Management of material topics |
| | S4-2 | Processes for involving consumers and end-users regarding impacts | GRI 3-3 | Management of material topics |
| | S4-4 | Interventions on relevant impacts on consumers and end-users, approaches to manage relevant risks and achieve relevant opportunities in relation to consumers and end-users, and effectiveness of such actions | GRI 2-26 | Mechanisms for seeking clarification and raising concerns |
| **Information on governance – Business Conduct** | | | | |
| ESRS G1 | G1-1 | Policies on corporate culture and business conduct | GRI 2-16 | Communication of critical issues |
| | | | GRI 2-23 | Policy commitment |
| | | | GRI 2-24 | Integration of commitments in terms of policy |
| | | | GRI 2-26 | Mechanisms for seeking clarification and raising concerns |
| | G1-3 | Prevention and detection of active and passive corruption | GRI 3-3 | Management of material topics |
| | | | GRI 205-2 | Communication and training on anti-corruption regulations and procedures |
| | | | GRI 2-16 | Communication of critical issues |
| | | | GRI 2-23 | Policy commitment |
| | G1-4 | Cases of active or passive corruption | GRI 2-27 | Compliance with laws and regulations |
| | | | GRI 205-3 | Confirmed incidents of corruption and measures taken |

# GRI – SASB CORRESPONDENCE TABLE

The SASB Standards considered for this correspondence table refer to the Food & Beverage sector. Specifically, the following categories have been adopted as the relevant scope: Agricultural Products, Non-Alcoholic Beverages, and Processed Foods.

| Topic | SASB code | Accounting metric | Related GRI |
|---|---|---|---|
| Greenhouse gas emissions | FB-AG-110a.1 | Global gross emissions scope 1 | GRI 305-1 |
| | FB-AG-110a.2 | Discussion of the strategy or long-term and short-term plan for the management of scope 1 emissions, of the emission reduction objectives and of the performance analysis with respect to these objectives | GRI 3-3<br>GRI 305-4 |
| | FB-AG-110a.3 | Fuel consumed by the fleet | GRI 302-1 |
| Management of energy consumption | FB-AG-130a.1 | (1) Operational energy consumed<br>(2) Percentage of grid electricity<br>(3) Percentage of renewable energy | GRI 302-1 |
| Water resource management | FB-AG-140a.1 | (1) Total water withdrawal<br>(2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress | GRI 303-3 |
| | FB-AG-140a.2 | Description of water management risks and discussion of strategies and practices to mitigate these risks | GRI 3-3<br>GRI 303-2 |
| Health and safety of the workforce | FB-AG-320a.1 | (1) Total recordable injury rate (TRIR)<br>(2) Fatality rate<br>(3) Near-miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees | GRI 403-9<br>GRI 403-10 |
| Procurement of raw materials | FB-AG-440a.1 | Identification of the main crops and description of the risks and opportunities presented by climate change | GRI 3-3 |
| Management of the life cycle of packaging | FB-NB-410a.1 | (1) Total weight of packaging<br>(2) % of recycled and/or renewable materials<br>(3) % of recyclable, reusable and/or compostable material | GRI 301-1<br>GRI 301-2 |
| Food safety | FB-PF-250a.3 | (1) Total number of food safety violation notices received<br>(2) Percentage corrected | GRI 416-2 |

# COMMON BENEFIT OBJECTIVES – MATERIAL ISSUES CORRESPONDENCE TABLE

| AREA | COMMON BENEFIT OBJECTIVES | MATERIAL TOPIC |
|---|---|---|
| CREATION OF ECONOMIC VALUE FOR STAKEHOLDERS | 1 Help reduce risks in the coffee supply chain by promoting actions to adapt coffee growing to climate change | Biodiversity and ecosystems |
| | 2 Contribute to climate change mitigation through socio-economically sustainable investments | Workers in the value chain |
| | 3 Promote global initiatives and partnerships to improve sustainability through research and knowledge transfer | Biodiversity and ecosystems |
| PURSUIT OF WELL-BEING, UNDERSTOOD AS HEALTH AND HAPPINESS | 4 Promote a healthy lifestyle, promoting the health benefits of coffee | Consumers and end users |
| | 5 Promote improvement of quality of life through social sustainability, working environment and coffee culture | Communities concerned |
| | 6 Promote social development in areas growing coffee, fuelling the virtuous circle of well-being for those who consume it and economic value for those who produce it | Workers in the value chain |
| CIRCULAR ECONOMY AND BIOSPHERE REGENERATION | 7 Minimise consumption of natural resources through production efficiency and processing of renewable or recyclable raw materials | Climate change |
| | 8 Combat all types of residues, such as greenhouse gases, pollutants, waste and litter, through the promotion of regenerative agronomic practices and balancing production and disposal processes | Resource use and circular economy of Consumers and end users |
| | 9 Promote biodiversity preservation and carbon sequestration through regenerative agronomic practices and ecosystem renewal | Biodiversity and ecosystems |

# Calculation methodologies

| KPI | METHODOLOGY |
|---|---|
| **PEOPLE** | |
| INDUSTRIAL RELATIONS | Employees covered by collective bargaining agreements are those whose employment relationship is governed by collective contracts or agreements, whether at national, sectoral, company or site level. |
| TRAINING HOURS | Training hours include activities delivered through structured programmes, as well as training undertaken independently or through on-the-job learning.<br>Average training hours are calculated by dividing the total number of training hours delivered during the year by the total number of employees as at 31 December 2025. |
| EMPLOYEES | The figure corresponds to the total number of employees as at 31 December 2025. |
| GENDER PAY GAP | Il Gender Pay Gap è determinato come rapporto tra la retribuzione di base e la retribuzione complessiva delle donne rispetto agli uomini per ciascuna categoria professionale. L'indicatore è calcolato per ciascun Paese incluso nel perimetro di rendicontazione e successivamente aggregato a livello consolidato. Poiché il dato consolidato è stato rilevato per la prima volta nell'esercizio 2025, non è presentato un confronto con l'esercizio precedente. |
| TURNOVER RATE | Positive turnover: ratio between the number of employees hired during the reporting period and the number of employees at year-end.<br>Negative turnover: ratio between the number of terminations during the reporting period and the number of employees at year-end. |
| HEALTH AND SAFETY | Injury rate: frequency rate of total recordable injuries (work-related injuries resulting in days away from work, medical treatment or work restrictions). Numerator: number of total recordable work-related injuries; Denominator: hours worked during the same period. The result is multiplied by 1,000,000.<br>Lost Time Injury Frequency Rate (LTIFR): frequency rate of work-related injuries resulting in more than one day of absence. Numerator: number of injuries causing at least one day of absence from work; Denominator: hours worked during the same period. The result is multiplied by 1,000,000. |
| **ENVIRONMENT** | |
| ENERGY CONSUMPTION | The conversion factors used for petrol, diesel, natural gas, LPG, bioethanol and electricity are sourced from the DEFRA 2025 database (Department for Environment, Food and Rural Affairs, UK). |
| GHG EMISSIONS | Scope 1 emissions: direct emissions generated by the Group's assets, including the following gases: $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs and $SF_6$.<br>Scope 2 emissions – Market Based: indirect emissions calculated considering the emissions of electricity purchased through the Group's supply contracts.<br>Scope 2 emissions – Location Based: indirect emissions relating to the generation of electricity and heat purchased from third parties and consumed in the Group's assets. Calculation applies the average emission factors of the countries in which the Group operates.<br>Scope 3 emissions: calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard.<br>The Group reports the categories considered relevant to its business model and data availability, including: purchased goods and services, fuel- and energy-related activities, upstream and downstream transport, waste, business travel, employee commuting, use and end-of-life of sold products, and downstream leased assets.<br>Where direct measurements are not available, a conservative and methodologically consistent spend-based approach is applied.<br>The calculation of Scope 1, 2 and 3 emissions is performed using primary data where available, supplemented by secondary data and emission factors from internationally recognised databases (Ecoinvent v.3.12, World Food LCA Database v.3.5). Specific methodological assumptions are adopted for components not supported by direct measurement. |
| **BUSINESS CONDUCT** | |
| ECONOMIC VALUE GENERATED AND DISTRIBUTED | The economic value generated and distributed is calculated consistently with the data reported in the Consolidated Financial Statements.<br>The economic value generated corresponds to the main income items for the year, while the economic value distributed includes the principal economic flows allocated to stakeholders. |

# Independent auditors' report

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# illycaffè Group

**2025 Sustainability Report**

(with independent auditors' report thereon)

KPMG S.p.A.

14 April 2026

KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Independent auditors' report on the sustainability report

*To the board of directors of*
*illycaffè S.p.A.*

We have been engaged to perform a limited assurance engagement of the "Sustainability statements" section of the management report (the "sustainability report") of the illycaffè Group (the "Group") as at and for the year ended 31 December 2025.

## *Director's responsibility for the sustainability report*

The directors of illycaffè S.p.A. (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

## *Auditors' independence and quality management*

We are independent in compliance with the independence and ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
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Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

## *Auditors' responsibility*

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1 analysing the reporting of material aspects process, specifically how the reference environment is analysed and understood, how the actual and potential impacts are identified, assessed and prioritised and how the process outcome is validated internally;

2 comparing the financial disclosures presented in the sustainability report with those included in the group's consolidated financial statements.

3 understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

   Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level:
  a) we held interviews and obtained supporting documentation to check the qualitative information;
  b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the Trieste production site, which we have selected on the basis of its business, contribution to the key consolidated performance indicators and location, to meet management and obtain documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the indicators.

## *Conclusion*

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2025 sustainability report of the illycaffè Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards.

Milan, 14 April 2026

KPMG S.p.A.

(signed on the original)

Paolo Bruno
Director of Audit



# Consolidated Financial Statements

# Consolidated financial statements

## CONSOLIDATED INCOME STATEMENT

| | 2025 | 2024 | Notes |
|---|---|---|---|
| Sales revenues | 699,880,829 | 630,104,777 | 1 |
| Other operating income | 6,477,192 | 7,536,403 | 2 |
| **Total net revenues** | **706,358,022** | **637,641,180** | |
| Changes in inventories of finished and semi-finished products | 13,337,768 | 5,782,106 | 3 |
| Costs of purchase of raw materials, consumable and finished goods | (354,393,113) | (274,236,555) | 4 |
| Costs for employee benefits | (115,291,125) | (110,596,907) | 5 |
| Cost of services | (135,682,797) | (123,954,228) | 6 |
| Amortisation/depreciation | (45,301,231) | (44,401,219) | 7 |
| Impairment losses on non-current assets | (214,953) | (406,481) | 8 |
| Other operating costs | (29,051,523) | (28,695,157) | 9 |
| **Total costs** | **(666,596,973)** | **(576,508,443)** | |
| **Operating result (EBIT)** | **39,761,048** | **61,132,737** | |
| Financial expense | (18,834,264) | (14,388,608) | 10 |
| Financial income | 9,277,460 | 6,008,566 | 11 |
| Other income (expenses) on financial activities | | (4,500,000) | 12 |
| **Pre-tax profit/(loss)** | **30,204,244** | **48,252,695** | |
| Income taxes | (10,369,434) | (14,614,326) | 13 |
| **Profit/(loss) deriving from assets held for disposal net of taxation** | | | |
| **Profit/(loss) for the year** | **19,834,810** | **33,638,369** | |
| Profit/(loss) attributable to: | | | |
| Ordinary shareholders of the Parent Company | 19,834,484 | 33,638,176 | |
| Non-controlling interests | 327 | 193 | |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2025 | 2024 |
|---|---|---|
| **Profit / (loss) for the year (A)** | **19,834,810** | **33,638,369** |
| **Components of comprehensive income that will subsequently be reclassified under profit/(loss) for the year:** | | |
| Exchange differences from translation of foreign financial statements | (6,426,314) | 960,726 |
| Net gain/(loss) on cash flow hedges | 499,812 | (3,482,139) |
| Tax impact | (112,355) | 835,713 |
| **Subtotal (B1)** | **(6,038,857)** | **(1,685,699)** |
| **Components of comprehensive income that will not be reclassified to profit/(loss) in subsequent periods:** | | |
| Actuarial profits/(losses) recognised in the statement of comprehensive income | 46,055 | 19,477 |
| Tax impact | (45,715) | (5,200) |
| **Subtotal (B2)** | **340** | **14,277** |
| **Total other components of the statement of comprehensive income for the year, net of taxation (B1+B2)** | **(6,038,517)** | **(1,671,422)** |
| **Comprehensive net profit/(loss) for the year (A+B1+B2)** | **13,796,293** | **31,966,947** |
| Total comprehensive net profit/(loss) attributable to the: | | |
| Ordinary shareholders of the Parent Company | 13,795,974 | 31,966,862 |
| Non-controlling interests | 319 | 86 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 31/12/2025 | 31/12/2024 | Notes |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 144,331,886 | 125,636,326 | 14 |
| Intangible assets and goodwill | 66,232,279 | 42,257,052 | 15 |
| Right-of-use assets | 27,470,603 | 22,892,784 | 16 |
| Non-current financial assets | 3,078,394 | 14,191,134 | 17 |
| Other non-current assets | 924,948 | 976,721 | 18 |
| Deferred tax assets | 13,928,536 | 14,108,334 | 13 |
| **Total non-current assets** | **255,966,645** | **220,062,352** | |
| **Current assets** | | | |
| Inventories | 171,206,508 | 128,863,598 | 19 |
| Trade receivables | 110,642,984 | 108,661,112 | 20 |
| Current tax receivables | 7,854,106 | 9,421,233 | 21 |
| Current financial assets | 18,151,856 | 14,596,242 | 22 |
| Other current assets | 8,135,078 | 6,688,518 | 23 |
| Cash and cash equivalents | 29,203,802 | 52,376,856 | 24 |
| **Total current assets** | **345,194,335** | **320,607,559** | |
| Assets held for sale | | | |
| **Total assets** | **601,160,980** | **540,669,911** | |
| **Shareholders' equity** | | | |
| Share capital | 50,000,000 | 50,000,000 | |
| Other reserves | 98,098,751 | 87,095,605 | |
| Retained earnings and result for the period | 34,593,936 | 48,231,957 | |
| **Total Group shareholders' equity** | **182,692,687** | **185,327,561** | |
| **Shareholders' equity pertaining to non-controlling interests** | **1,002** | **12,390** | |
| **Total shareholders' equity** | **182,693,689** | **185,339,951** | 25 |
| Non-current financial liabilities | 166,437,083 | 139,118,790 | 26 |
| Non-current lease liabilities | 19,338,061 | 14,381,001 | 27 |
| Other non-current liabilities | 2,880,722 | 3,337,961 | 28 |
| Employee benefits | 3,546,234 | 2,481,093 | 29 |
| Non-current provisions | 10,885,409 | 8,404,110 | 30 |
| Non-current contractual liabilities | | | |
| Deferred tax liabilities | 854,833 | 1,986,211 | 13 |
| **Total non-current liabilities** | **203,942,340** | **169,709,166** | |
| Current financial liabilities | 51,504,636 | 16,005,396 | 31 |
| Current lease liabilities | 6,795,310 | 6,729,445 | 27 |
| Trade payables | 127,857,257 | 126,901,160 | 32 |
| Other current liabilities | 25,225,778 | 32,348,904 | 33 |
| Current provisions | 325,604 | 326,554 | 34 |
| Contract liabilities | 492,535 | 607,810 | 35 |
| Current tax payables | 2,323,831 | 2,701,525 | 36 |
| **Total current liabilities** | **214,524,950** | **185,620,793** | |
| Liabilities relating to assets held for sale | | | |
| **Total liabilities** | **418,467,291** | **355,329,959** | |
| **Total Liabilities and Shareholders' equity** | **601,160,980** | **540,669,911** | |


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# CONSOLIDATED CASH FLOW STATEMENT

| | 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Group profit (loss) for the year** | **19,834,484** | **33,638,176** |
| **Profit (loss) for the year pertaining to minority interests** | **327** | **193** |
| Income taxes | 10,369,434 | 14,614,326 |
| Financial income and expense | 7,299,587 | 8,952,509 |
| (Dividends) | (234,136) | (297,625) |
| Profit (loss) on the disposal of property, plant and machinery | (156,801) | (291,443) |
| **1) Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals** | **37,112,896** | **56,616,136** |
| Net appropriations for provisions | 2,480,349 | 2,468,151 |
| Depreciation of property, plant and equipment | 30,328,948 | 29,140,005 |
| Amortisation of intangible assets | 7,626,182 | 7,897,074 |
| Amortisation of right-of-use assets | 7,346,101 | 7,364,140 |
| Write-downs for permanent impairment losses | 214,953 | 406,481 |
| Write-downs of goodwill and investments | | 4,500,000 |
| Net change in employee benefits | 254,831 | (162,647) |
| Share-based payment transactions settled with equity instruments | 390,386 | 518,089 |
| Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary movements | 387,457 | (2,646,425) |
| Other adjustments increase/(decrease) for non-monetary items | 2,800,976 | 3,877,685 |
| **2) Financial flow before changes to the NWC** | **88,943,079** | **109,978,689** |
| (Increase)/decrease in inventories | (38,187,275) | (13,896,378) |
| (Increase)/decrease in trade receivables | 2,304,014 | (13,095,543) |
| (Increase)/decrease in other non-financial assets | 1,746,925 | (2,237,441) |
| (Increase)/decrease in trade payables | (1,731,507) | 21,752,935 |
| (Increase)/decrease in other current assets | (1,136,064) | 407,001 |
| (Increase)/decrease in other current liabilities | (11,975,549) | (11,454,412) |
| Other decreases/(Other increases) in NWC | (405,466) | 3,194,562 |
| **3) Financial flow after changes to the NWC** | **39,558,155** | **94,649,414** |
| Interest received/(Interest paid) | (7,299,587) | (8,952,509) |
| Income taxes paid | (6,088,491) | (2,247,323) |
| Dividends received | 321,540 | 218,932 |

| | 2025 | 2024 |
|---|---|---|
| **NET CASH FLOW GENERATED/(ABSORBED) FROM OPERATING ACTIVITIES (A)** | **26,491,618** | **83,668,514** |
| Investments in tangible assets | (39,673,501) | (39,745,655) |
| Disposals of tangible assets | 2,133,108 | 1,164,427 |
| Investments in intangible assets | (13,238,487) | (11,991,571) |
| Divestments of intangible assets | | 242,181 |
| Net (investments)/divestments in non-current financial assets | (3,607,471) | (874,330) |
| (Investments in short-term financial assets) | (347,205) | (3,185,662) |
| Disposal of short-term financial assets | | 370,612 |
| Acquisition of subsidiaries net of cash acquired | (15,754,775) | |
| **NET CASH FLOW ABSORBED FROM INVESTMENT ACTIVITIES (B)** | **(70,488,331)** | **(54,019,999)** |
| **Cash flows from financing activities** | | |
| Net increase/(decrease) in current financial liabilities | (195,071) | (385,583) |
| Undertaking of non-current and current financial liabilities | 170,000,000 | 100,000,000 |
| Repayment of non-current and current financial liabilities | (115,776,060) | (90,371,593) |
| Repayment of principal portion of lease agreements | (7,991,829) | (7,467,605) |
| Dividends paid to shareholders of the Parent Company | (18,773,553) | (11,852,324) |
| **NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)** | **27,263,488** | **(10,077,105)** |
| Other changes in shareholders' equity | (6,439,828) | 975,003 |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A + B + C)** | **(23,173,054)** | **20,546,413** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)** | **52,376,855** | **31,830,442** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (F=D+E)** | **29,203,801** | **52,376,855** |

# STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| Amounts in euros | Share capital | Legal reserve | Translation reserve | FTA reserve | Stock Option Reserve | Reserve for employee benefits |
|---|---|---|---|---|---|---|
| **Opening balance at 01/01/2025** | **50,000,000** | **9,601,505** | **(1,496,716)** | **(8,304,341)** | **1,161,835** | **(155,734)** |
| Net result for the year | | | | | | |
| Net gain/(loss) on expected cash flow hedging transactions | | | | | | |
| Change in the translation reserve | | | (6,426,307) | | | |
| Actuarial gains/(losses) | | | | | | 340 |
| **Total comprehensive income/(loss)** | **0** | **0** | **(6,426,307)** | **0** | **0** | **340** |
| Allocation of the result | | 398,495 | | | | |
| Payment of dividends | | | | | | |
| Increase | | | | | 390,386 | |
| Other changes | | | | | | |
| **Closing balance at 31/12/2025** | **50,000,000** | **10,000,000** | **(7,923,023)** | **(8,304,341)** | **1,552,221** | **(155,394)** |

| Amounts in euros | Share capital | Legal reserve | Translation reserve | FTA reserve | Stock Option Reserve | Reserve for employee benefits |
|---|---|---|---|---|---|---|
| **Opening balance at 01/01/2024** | **50,000,000** | **8,979,381** | **(2,457,550)** | **(8,304,341)** | **643,745** | **(170,011)** |
| Net result for the year | | | | | | |
| Net gain/(loss) on expected cash flow hedging transactions | | | | | | |
| Change in the translation reserve | | | 960,834 | | | |
| Actuarial gains/(losses) | | | | | | 14,277 |
| **Total comprehensive income/(loss)** | **0** | **0** | **960,834** | **0** | **0** | **14,277** |
| Allocation of the result | | 622,124 | | | | |
| Payment of dividends | | | | | | |
| Increase | | | | | 518,089 | |
| **Closing balance at 31/12/2024** | **50,000,000** | **9,601,505** | **(1,496,716)** | **(8,304,341)** | **1,161,835** | **(155,734)** |

| Reserve for expected cash flow of hedging transactions | Other reserves | Profit carried forward | Group net result for the year | Total Group shareholders' equity | Minority interests | Net result for the year pertaining to minority interests | Total shareholders' equity pertaining to minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **(949,669)** | **78,934,383** | **22,898,121** | **33,638,176** | **185,327,561** | **12,197** | **193** | **12,390** | **185,339,951** |
| | | | 19,834,484 | 19,834,484 | | 327 | 327 | 19,834,810 |
| 387,457 | | | | 387,457 | | | 0 | 387,457 |
| | | | | (6,426,307) | (8) | | (8) | (6,426,314) |
| | | | | 340 | | | 0 | 340 |
| **387,457** | **0** | **0** | **19,834,484** | **13,795,974** | **(8)** | **327** | **319** | **13,796,293** |
| | 12,483,875 | 3,936,718 | (16,819,088) | 0 | 193 | (193) | 0 | 0 |
| | | | (16,819,088) | (16,819,088) | | | 0 | (16,819,088) |
| | | | | 390,386 | | | 0 | 390,386 |
| | 3,768,900 | (3,771,046) | | (2,146) | (11,707) | | (11,707) | (13,853) |
| **(562,212)** | **95,187,159** | **23,063,793** | **19,834,484** | **182,692,687** | **676** | **327** | **1,002** | **182,693,689** |

| Reserve for expected cash flow of hedging transactions | Other reserves | Profit carried forward | Group net result for the year | Total Group shareholders' equity | Minority interests | Net result for the year pertaining to minority interests | Total shareholders' equity pertaining to minority interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **1,696,757** | **78,966,342** | **11,635,963** | **23,704,648** | **164,694,936** | **12,223** | **80** | **12,303** | **164,707,239** |
| | | | 33,638,176 | 33,638,176 | | 193 | 193 | 33,638,369 |
| (2,646,425) | | | | (2,646,425) | | | 0 | (2,646,425) |
| | | | | 960,834 | (107) | | (107) | 960,726 |
| | | | | 14,277 | | | 0 | 14,277 |
| **(2,646,425)** | **0** | **0** | **33,638,176** | **31,966,862** | **(107)** | **193** | **86** | **31,966,947** |
| | (31,959) | 23,114,483 | (23,704,648) | 0 | 80 | (80) | 0 | 0 |
| | | (11,852,324) | | (11,852,324) | | | 0 | (11,852,324) |
| | | | | 518,089 | | | 0 | 518,089 |
| **(949,669)** | **78,934,383** | **22,898,121** | **33,638,176** | **185,327,561** | **12,197** | **193** | **12,390** | **185,339,951** |

# Basis of preparation

## CORPORATE INFORMATION

The illycaffè Group (hereinafter merely "illycaffè" or "the Group") is a reference group in the production and distribution of coffee and derivative, similar and complementary products, as well as food and ancillary products, in Italy and abroad, and the corresponding industrial activities.

The Group also carries out activities involving research, design, sale of machines and equipment related to the production and use of the aforementioned materials and products and the relative after-sales assistance.

It should be noted that, starting from 2019, illycaffè S.p.A. (hereinafter, also referred to as the "Parent Company") adopted the status of Benefit Corporation and this constituted a step towards crystallising its guiding principle of doing business: operating as a stakeholder company based on a model of sustainable development that, through the sharing of the value generated (economic sustainability), harmoniously pursues its own growth and a positive impact (social sustainability, environmental sustainability) on the communities in which it operates. Crystallising this process, in 2021 the company became the first Italian coffee company to achieve B Corp® certification.

The Parent Company is a joint stock company with registered office in Trieste, Via Flavia 110 and is not subject to management and coordination, pursuant to and by the effect of Article 2497 et seq. of the Italian Civil Code.

The publication of the consolidated financial statements for the year ended 31 December 2025 was authorised by the Board of Directors on 30 March 2026.

The consolidated financial statements for the year at 31 December 2025 were prepared in compliance with international accounting standards as well as the provisions issued in implementation of Article 9 of Italian Legislative Decree no. 38 of 28 February 2005.

These standards include the set of IAS (*International Accounting Standards*) and IFRS (*International Financial Reporting Standards*) issued by the International Accounting Standards Board (IASB), as well as the interpretations of the *Interpretations Committee* (IFRIC) and the *Standing Interpretations Committee* (SIC), that have been approved according to the procedure pursuant to Article 6 of Regulation (EC) no. 1606 of 19 July 2002 by 31 December 2025 (hereinafter also referred to as "IFRS").
Any international accounting standards endorsed after that date and before the date of preparation of these financial statements are used in the preparation of the consolidated financial statements only if early adoption is permitted by the endorsement Regulation and the accounting standard subject to endorsement and in the event the Group has made use of this option.

The Group's consolidated financial statements are listed below:

- the income statement, in which income and expenses are classified by nature;
- the comprehensive income statement that includes income and expense items that are not recognised in the income statement for the period as required or permitted by IFRS, such as changes in the reserve for actuarial income and expenses on employee benefits and changes in the conversion reserve;
- the statement of financial position, in which assets and liabilities are classified separately into current and non-current;
- the cash flow statement in accordance with the indirect method format, whereby the pre-tax profit for the year has been stripped of the effects of transactions of a non-cash nature, of any deferrals or accruals of previous or future operating cash receipts or payments, and of elements of income or expense associated with cash flows from investing or financing activities;
- the statement of changes in the consolidated shareholders' equity with separate evidence of the operating result and of each income, charge and expense not passed through the profit (loss) of the financial year, but charged directly to net equity on the basis of the FIRS.

These consolidated financial statements are expressed in euro, the functional currency of the Parent Company.
All values are stated in thousands of euros, unless otherwise indicated.

The Group has prepared the consolidated financial statements on the assumption that the going-concern requirement is maintained, after considering the provisions of IAS 1 "Presentation of Financial Statements," paragraphs 25 and 26.

# SCOPE OF CONSOLIDATION

Using the line-by-line consolidation method, the Group's consolidated financial statements include the financial statements of the Parent Company *illycaffè S.p.A*. at 31 December 2025 and the financial statements, at the same date, of directly or indirectly controlled companies, as detailed in the following table:

| Name | City or Country | Currency | Share capital | Shareholders' equity | Group ownership share | Type of shareholding | Parent Company |
|---|---|---|---|---|---|---|---|
| illy caffè North America Inc. | United States | USD | 4,970 | 38,011,716 | 100.00% | Direct | illycaffè S.p.A |
| illycaffè France S.A.S. | France | EUR | 1,064,000 | 6,455,310 | 100.00% | Direct | illycaffè S.p.A |
| illy espresso Canada Inc. | Canada | CAD | 2,000,100 | 690,331 | 100.00% | Indirect | illy caffè North America Inc. |
| Magic L'Espresso S.L. | Spain | EUR | 285,475 | 1,903,785 | 100.00% | Direct | illycaffè S.p.A |
| Bar Finance International S.p.A. | Italy | EUR | 4,700,000 | 4,520,414 | 100.00% | Direct | illycaffè S.p.A |
| Experimental Agricola do Brasil Ltda | Brazil | BRL | 5,360,653 | 60,798,584 | 99.99% | Direct | illycaffè S.p.A |
| illycaffè Sud America Comercio, Importaçao e Exportaçao Ltda | Brazil | BRL | 28,274,037 | 29,403,019 | 100.00% | Direct | illycaffè S.p.A |
| illycaffè Shanghai Co. Ltd. | People's Republic of China | CNY | 16,081,854 | 112,807,515 | 100.00% | Direct | illycaffè S.p.A |
| Capitani Srl | Italy | EUR | 20,000 | 2,475,787 | 80.00% | Direct | illycaffè S.p.A |
| illycafè AG | Switzerland | CHF | 100,000 | 172,743 | 100.00% | Direct | illycaffè S.p.A |
| illycaffè UK Ltd. | Great Britain | GBP | 101 | 2,178,180 | 100.00% | Direct | illycaffè S.p.A |

The parent Company is *illycaffè S.p.A.*, established on 24 July 1933, with headquarters in Via Flavia 110, Trieste (TS).

It should be remembered that the values of the permanent organisations were included every month in the accounts of the Parent Company, namely: *illycaffè S.p.A. Asia Pacific Branch, illycaffè S.p.A. vestiging Nederland, illycaffè S.p.A. Niederlassung Oesterreich, illycaffè S.p.A. Niederlassung Deutschland and illycaffè S.p.A. Sucursal en Espana*.

### Changes in the scope of consolidation

During the financial year, the scope of consolidation changed following the acquisition of control of Illycafé AG (with effect from 1 July 2025) and the acquisition by illycaffè S.p.A. of an 80% interest in Capitani S.r.l. (with effect from 9 October 2025).

# SUMMARY OF SIGNIFICANT ACCOUNTING STANDARDS

Unless otherwise specified, the accounting standards described below were applied consistently for all periods included in these consolidated financial statements.

## Consolidation criteria

The consolidated financial statements include the financial statements of illycaffè S.p.A. and its subsidiaries at 31 December 2025.

The subsidiaries indicated in the previous paragraph are consolidated on a line-by-line basis from the date of acquisition, or from the date on which the Group acquires control and cease to be consolidated on the date on which control is lost.

### Subsidiaries

The companies controlled by the Parent Company were included in the scope of consolidation. The existence of control over a company is determined on the basis of:

(i) the voting rights, including potential, held by the Group and by virtue of which the Group can exercise the majority of the votes that can be exercised in the ordinary shareholders' meeting of the company;

(ii) the content of any agreements between shareholders or the existence of particular statutory clauses, which give the Group the power to govern the company;

(iii) the control by the Group of a number of votes sufficient to exercise de facto control of the ordinary shareholders' meeting of the company.

The income components are included in the consolidated financial statements starting from the date of acquisition of control and until the date of loss of control.

Receivables and payables, as well as costs and revenues deriving from transactions between companies included in the scope of consolidation, are entirely eliminated; capital losses and gains arising from transfers of fixed assets between consolidated companies, losses and gains arising from transactions between consolidated companies relating to disposals of assets that remain as inventories at the purchasing company, write-downs and reversals of write-downs of equity investments in consolidated companies, as well as intercompany dividends are also eliminated.

Assets, liabilities, costs and revenues of the subsidiaries are recognised for their total amount, attributing to the non-controlling shareholders the portion of shareholders' equity and result for the year pertaining to them.

The necessary adjustments are made to the financial statements of subsidiaries to make the measurement criteria consistent with those adopted by the Group.

The year-end date of the subsidiaries is aligned with that of the Parent Company; if this is not the case, the subsidiaries prepare specific balance sheets for use by the parent company.

## Business combinations and goodwill

Business combinations are accounted for using the *acquisition method*, based on which the identifiable assets, liabilities and contingent liabilities of the acquired company, which meet the conditions for recognition according to IFRS 3, are recognised at *fair value* on the date on which the Group actually obtains control of the acquiree.

Deferred taxes are therefore recognised on value adjustments made to previous book values to align them with that value.

The application of the *acquisition method*, due to its complexity, involves a first phase of provisional determination of the current values of the assets, liabilities and contingent liabilities acquired, such as to allow an initial recognition of the transaction in the consolidated financial statements at the end of the year in which the business combination was carried out. This initial recognition is completed and adjusted within twelve months from the acquisition date. Changes to the initial consideration that derive from events or circumstances subsequent to the acquisition date are recognised in the statement of profit or loss for the year.

Goodwill is recognised as the difference between:

a) the sum of:

- the consideration transferred;
- the amount of non-controlling interests, measured aggregate by aggregate pro-rata of the identifiable net assets attributable to third parties and measured in accordance with IFRS 3;
- and, in a business combination carried out in several phases, the fair value of the interests previously held in the acquiree, recognising any resulting profit (loss) in the statement of profit or loss for the year.

b) the net *fair value* of the identifiable assets acquired and the identifiable liabilities assumed.

The amount of non-controlling interests can be calculated as the percentage due to non-controlling interests of the *fair value* referred to in point b) or, if the *full goodwill* option is applied, as the percentage due to third parties of the total *fair value* of the acquiree, also taking into account any majority premiums paid by the illycaffè Group.
The application of the *full goodwill* option can also be carried out for a single business combination without the need to extend the option to all other business combinations recognised in the financial statements.

If the agreement with the seller provides for an adjustment of the price that varies according to the profitability of the business acquired, over a defined time horizon or at a predetermined future date (*earn-out*), the adjustment is included in the purchase price from the acquisition date and is measured at *fair value* at the acquisition date.

If, on completion of the determination of the *fair value* of assets, liabilities and contingent liabilities, the value referred to in point b) above exceeds the sum referred to in point a) above, there is no goodwill and this excess is credited in the income statement, as non-recurring income.

The costs associated with the business combination are not part of the consideration transferred and are therefore recognised in the income statement during the year.

Goodwill is periodically reviewed, at least annually, to verify its recoverability by comparing it with the higher of the *fair value* and the *value in use,* calculated as the sum of the discounted future cash flows generated by the underlying investment. Impairment losses on goodwill are recognised immediately in the income statement and cannot be reversed.

For the purpose of the adequacy analysis, the goodwill acquired in a business combination is allocated, at the acquisition date, to the individual cash-generating units of the Group, or to the groups of cash-generating units that should benefit from the synergies of the aggregation, regardless of whether other assets or liabilities of the Group are assigned to these units or groupings of units.

Each unit or group of units to which the goodwill is allocated:

- represents the smallest identifiable group of assets generating cash inflows largely independent of cash inflows generated by other assets or groups of assets;
- is not wider than the operating segments identified on the basis of IFRS 8 "Operating segments."

When goodwill is allocated to a cash-generating unit (group of cash-generating units) and part of the asset within that unit is sold, the goodwill associated with the asset sold is included in the book value of the asset, contributing to the determination of the profit or loss deriving from the sale. The goodwill sold in these circumstances is measured on the basis of the relative values of the asset sold and the portion of the unit kept in place.

When the sale concerns a subsidiary, the difference between the sale price and the net assets, together with the accumulated translation differences and residual goodwill, is recognised in the income statement.

On first-time adoption of IFRS, the Group chose not to apply IFRS 3 to acquisitions made before the date of transition to IAS/IFRS, therefore the goodwill generated on acquisitions prior to that date was maintained at the values resulting from the application of Italian accounting standards and is periodically subject to *impairment testing*.

The main differences in treatment refer to ancillary costs previously capitalised and now recognised in the income statement, the treatment of changes in the initial consideration as a result of events occurring after the acquisition, and the *fair value* measurement of the interest previously held in the equity investment.

## Translation of financial statements expressed in a currency other than the functional currency

The consolidated financial statements are presented in Euro, which is the functional and reporting currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements.

Transactions in foreign currencies are initially recognised at the exchange rate (referring to the functional currency) in effect on the date of the transaction.

Monetary assets and liabilities, denominated in foreign currencies, are translated back into the functional currency at the exchange rate in force on the reporting date.

Non-monetary items measured at historical cost in foreign currency are translated using the exchange rates in effect on the initial date of recognition of the transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rate on the date of determination of that value.

At the reporting date, the assets and liabilities of subsidiaries that adopt a functional currency other than the euro are converted into the presentation currency of the Group's consolidated financial statements at the year-end exchange rate, and their income statement is converted using the average exchange rate for the year.

Exchange rate differences arising from translation are recognised in other comprehensive income and are shown separately in a special reserve in shareholders' equity ("*Translation difference reserve*" for the Group's share and "*Non-controlling interests in capital and reserves*" for the non-controlling interest).

Upon the disposal of one such subsidiary, the accumulated exchange rate differences related to it are reclassified from equity and recognised in the income statement.

Below are the exchange rates applied when converting financial statements in currencies other than the euro for the years ended 31 December 2025 and 31 December 2024:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Currency | Average exchange rate | End-of-year exchange rate | Average exchange rate | End-of-year exchange rate |
| BRL | 6.30720 | 6.43640 | 5.82830 | 6.42530 |
| CAD | 1.57870 | 1.60880 | 1.48210 | 1.49480 |
| CHF | 0.93700 | 0.93140 | 0.95260 | 0.94120 |
| CNY | 8.11850 | 8.22620 | 7.78750 | 7.58330 |
| GBP | 0.85679 | 0.87260 | 0.84662 | 0.82918 |
| HK$ | 8.81040 | 9.14640 | 8.44540 | 8.06860 |
| TWD | 35.14880 | 36.86200 | 34.74830 | 34.05660 |
| SGD | 1.47560 | 1.51050 | 1.44580 | 1.41640 |
| USD | 1.13000 | 1.17500 | 1.08240 | 1.03890 |

## REVENUES

The Group is active in the market involved in the production and distribution of coffee and derivative, similar and complementary products, coffee machines, and food and ancillary products, in Italy and abroad, and the corresponding industrial activities.

Revenues from contracts with customers are recognised in accordance with IFRS 15.

Based on the five-step model introduced by IFRS 15, the Group recognises revenues after identifying the contracts with its customers and the related services to be fulfilled (transfer of goods and/or services), determining the consideration to which it believes it is entitled in exchange for the fulfilment of each of these services, and evaluating the manner in which these services will be fulfilled.

The Group recognises revenues only when the requirements for identifying the "contract" with the customer are met and the parties have committed to fulfil their respective obligations and it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Revenues from sales of coffee are recognised when the control of the goods passes to the customer, generally at the time of delivery, for an amount that reflects the consideration the Group expects to receive in exchange for the sale.

The Group considers whether there are other promises in the contract that represent obligations to perform on which a portion of the transaction consideration is to be allocated, such as in relation to customer loyalty programmes. In determining the price of the coffee sales transaction, the Group considers the effects of variable consideration and consideration to be paid to the customer.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in return for transferring the goods to the customer.

The Group applies either the most probable amount method or the expected value method to estimate the variable consideration of the contract. The choice of the best method to use to predict the amount of variable consideration depends on the number of thresholds in the contract.

The measurement of consideration is adjusted for volume discounts on quantities sold, early payments with respect to normal payment terms, fees to be acknowledged to customers and customer loyalty programmes.

In particular, the Group recognises volume discounts on quantities sold to certain customers when the quantities of coffee purchased during the period exceed specific contractually defined thresholds, which adjust the related revenues; the Group also grants its customers discounts for early payment, with respect to the normal payment terms. These discounts, even when already contractualised and shown on the invoice, are not considered representative of a significant financial component and are accounted for as a reduction of the related revenues by applying the practical expedient of not taking financial components into account for short-term advances received from customers.

Revenues from the sale of coffee are also adjusted for fees to be paid to customers, including, for example, the conditional premiums for promotional services, contributions for dealing with their own contacts or contributions for marketing support and visibility activities, since the fair value of the service received from customers cannot be reliably estimated.

The Group has loyalty programmes that allow customers to accumulate points that can be redeemed for free with products, discounts or promotional codes. Loyalty points entail a separate obligation to perform as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers on the basis of the related stand-alone sales price and recognised as an obligation to perform as long as the points are used. Consequently, a reduction in sales revenue is estimated in the presence of a current contractual liability. Revenue is recognised when the products are redeemed by the customer.

In assessing the stand-alone price of loyalty points, the Group considers the probability that the customer will redeem the points. The Group updates its estimates of points that will be redeemed quarterly and any adjustments to the balance of contractual liabilities are booked to revenues.

### Contractual liabilities

A contractual liability is an obligation to transfer to the customer goods or services for which the Group has already received payment (or for which a portion of the payment is due). If the customer pays the consideration before the Group has transferred control of the goods or services, the liability deriving from the contract is recognised when the payment is made or (if prior) when it is due.

## PUBLIC GRANTS

Public grants are recognised when it is reasonably certain that they will be received and that all conditions referring to them have been met.

Grants related to cost components are recognised as a reduction of the relevant cost item or are shown as income where not directly attributable to a specific cost item and are systematically allocated between periods so as to be commensurate with the recognition of the costs they are intended to offset. Grants related to an asset are spread on a straight-line basis over the expected useful life of the relevant asset.

## RECOGNITION OF COSTS

Costs are recognised when related to goods and services purchased or consumed during the year or when no utility beyond the reporting period can be recognised.

Costs directly attributable to capital transactions are recognised as a direct reduction of shareholders' equity.

Commercial costs relating to the acquisition of new customers are charged to the income statement when incurred.

## DIVIDENDS

Dividends to be paid to shareholders are recognised at the date of approval of the resolution by the Shareholders' Meeting.

## FINANCIAL INCOME AND EXPENSE

Financial income and expenses are recognised in the income statement on an accrual basis. Interest income and expense are recognised using the effective interest rate method. Dividend income is recognised when the Group companies' right to receive payment is established.

Dividends are recognised in profit (loss) for the year only when:

a) the entity's right to receive the dividend payment arises. Under current European company law, a distribution is authorised when it is approved by the shareholders;

b) it is probable that the economic benefits deriving from the dividend will flow to the entity;

c) and the amount of the dividend can be reliably determined.

## INCOME TAXES AND INDIRECT TAXES

The tax expense for the year includes current and deferred taxes recognised in profit/(loss) for the year, with the exception of those relating to business combinations or items recognised directly in shareholders' equity or other comprehensive income statement components.

Interest and penalties relating to income taxes are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets as they do not meet the definition of income taxes governed by IAS 12.

# Current income taxes

Current tax assets and liabilities for the year are measured at the amount that is expected to be recovered or paid to the tax authorities by applying the rates and tax regulations in force or substantially approved at the reporting date in the countries where the Group operates and generates its taxable income.

Current taxes relating to items recognised directly under shareholders' equity are also recognised under shareholders' equity and not in the profit and loss statement for the year. Management periodically assesses the position adopted in the tax return in cases where tax rules are subject to interpretation in accordance with IFRIC 23 and, where appropriate, makes the relative provisions.

Starting from 2005, the Parent company, acting as the consolidated company, together with *Gruppo Illy S.p.A.* as consolidating company, implemented the national tax consolidation scheme option that enables IRES to be determined on a taxable base corresponding to the algebraic sum of the positive and negative taxable bases of the individual participating companies. Following the reorganisation of the *Gruppo illy S.p.A.* during the 2023 financial year, the option for the national tax consolidation regime was renewed with the *Holding Illy S.p.A.*, which took over from the *Gruppo Illy S.p.A.* as consolidating company for the 2023-2026 three-year period.

Financial transactions, as well as the mutual responsibilities and obligations between the consolidating company and the consolidated companies are defined in the "*Consolidation Regulation*" for Group companies. In the statement of financial position, current tax payables or receivables are posted respectively to the item "*Other current liabilities*" or "*Other current assets*," net of payments on account, taxes withheld and, in general, tax receivables, while in the income statement, current taxes are booked under the item "*Income taxes for the year*," for the portion due from the consolidated companies.

Any consolidation adjustments that generate benefits in the consolidated statement are recorded in the income statement under the item "*Tax revenues from consolidated taxation*," classified under the item "*Income taxes for the year*" with an offsetting entry in the balance sheet under "*Other current assets*." With regard to the transfer of withholding taxes, IRES surpluses, as well as the advances autonomously paid by the consolidated companies, since this is a real sale of assets to the consolidated company, the group companies recognise a receivable from the consolidated company.

## Deferred and prepaid income taxes

Deferred and prepaid income taxes are calculated on the temporary differences between the values of the assets and liabilities recognised in the financial statements and the corresponding values recognised for tax purposes, as well as in relation to the tax losses of previous years deductible from taxable income.

Deferred taxes are recognised on all taxable timing differences, with the following exceptions:

- deferred taxes arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit/loss nor the taxable income;
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse;
- the taxable temporary differences relating to the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and tax receivables, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which these assets can be used.

The value of deferred tax assets is reviewed at each period end and is reduced to the extent that it is no longer probable that sufficient tax profits will become available in the future for the use of all or part of said asset.

Unrecognised deferred tax assets are reviewed at each year-end date and are recognised to the extent that it becomes probable that future taxable income will be sufficient to allow recovery of these deferred tax assets.

Prepaid and deferred taxes are measured on the basis of the tax rates that are expected to be applied in the year in which those assets will be realised or those liabilities will be settled, considering the rates in force and those already issued, or essentially in force, at the balance sheet date in the various countries in which the Group operates.

Current and deferred taxes are charged or credited directly to equity if they relate to items charged directly to equity.

Deferred tax assets and liabilities are not discounted.

### Indirect taxes

Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement;
- the trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered or paid to the tax authorities is recorded in the financial statements under the item "*Other current assets*" or under "*Other current liabilities*."

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at purchase cost (including ancillary charges), if acquired separately, or at production cost (including direct and indirect production costs), if produced internally, or at fair value at the acquisition date if acquired through business combinations.

Property, plant and equipment are systematically depreciated (with the exception of the component relating to land and assets held for sale). The depreciation process takes place on a straight-line basis on the basis of rates deemed representative of the estimated useful life. The useful life and the depreciation criterion are periodically reviewed and if there are significant changes with respect to the assumptions adopted previously, the depreciation charge is adjusted on a prospective basis.

If an asset is composed of several components with different useful lives, these components are accounted for separately (significant components) and depreciated independently.

Costs incurred for improvements, modernisation and transformation of an incremental nature of property, plant and equipment are recognised as assets only if they can be recovered through expected future economic benefits and can be reliably estimated. Ordinary maintenance expenses are charged to the income statement in the year in which they are incurred. Any decommissioning costs are estimated and added to the asset as a contra-entry to a provision for decommissioning costs. They are then depreciated over the residual duration of the useful life of the asset of reference.

The Group grants professional coffee equipment free of charge to its customers. This equipment is recognised at purchase cost and systematically depreciated on a straight-line basis at rates deemed representative of its useful life.

The amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| | |
|---|---|
| - Property | 3.00% |
| - Plant and equipment | 12.50% |
| - Specific spare parts for plant and machinery | based on the useful life of the main asset |
| **Industrial and commercial equipment** | |
| - Coffee equipment | 25.00%-30.00% |
| - Internal vehicles | 20.00% |
| **Other assets:** | |
| - Electronic equipment | 20.00% |
| - Furniture and office equipment | 12.00% |
| - Motor vehicles | 25.00% |
| - Light constructions | 10.00% |
| - Printing equipment | 40.00% |
| - Furnishings, trade shows and events | 27.00% |
| - "Concept Bar" furniture | 12.00% |
| - Laboratory fittings | 40.00% |
| -Equipment of modest value | 100.00% |

Assets held for sale are classified separately under non-current assets held for sale and are no longer depreciated, but written down if their *fair value* is lower than the cost recognised in the financial statements.

The book value of an asset is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. The gain/loss that emerges at the time of derecognition of the asset (calculated as the difference between the net book value of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

Assets are assessed for impairment indicators to identify any impairment losses.

## LEASES

During the first-time application of the international accounting standards (1 January 2020), the Group chose to apply IFRS 16 retrospectively (modified retrospective method). At the time of signing a contract, the Group assesses whether it is, or contains, a lease. In other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee. The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases involving low-value assets.

At the commencement date of a lease agreement, the Group recognises an asset consisting of the right of use of the underlying asset (right-of-use asset) and a liability relating to the lease payments. Specifically:

- it accounts for a right of use on the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made at the commencement date or prior to commencement net of any incentives received. Right-of-use assets are amortised on a straight-line basis from the commencement date to the end of the useful life of the asset consisting of the right of use. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease or if the cost of the right-of-use asset reflects the fact that the lessee will exercise the purchase option, the lessee shall amortise the right-of-use asset from the commencement date until the end of the useful life of the underlying asset. Right-of-use assets are subject to *impairment*. Assets for leases are presented separately within non-current assets;
- a financial liability is accounted on the commencement date of the lease. The group recognises lease liabilities by measuring them at the current value of the lease payments due but not yet paid at that date. Lease payments due include fixed payments (including fixed payments in essence) net of any lease incentives receivable, floating lease payments that depend on an index or rate, and amounts expected to be paid as security for the residual value. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that such an option will be exercised by the Group, and lease termination penalty payments, if the lease duration takes into account the Group's exercise of its lease termination option. Floating lease payments that are not index- or rate-dependent are recognised as costs in the period in which the event or condition giving rise to the payment occurs. In calculating the present value of payments due, the Group uses the marginal borrowing rate at the start date if the implied interest rate cannot be easily determined. After the commencement date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the book value of the lease liability is restated in the event of any changes to the lease or for the review of the contractual terms for the change in payments; it is also restated for changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments. Liabilities for operating leases are presented separately, distinguishing between current and non-current; liabilities for financial leases are presented under financial liabilities - payables for loans due to other providers of finance. The Group applies the exemption for the recognition of leases relating to *low-value assets* such as computers, telephones and tablets, printers and electronic equipment, and to contracts with a duration of 12 months or less that do not contain purchase options (*short-term leases*). Fees relating to short-term leases and leases of low-value assets are recognised as costs on a straight-line basis over the lease duration.

As required by the standard, the Group has adopted certain elements of professional judgement and the use of assumptions and estimates in relation to contractual terms (*lease term*), and the definition of the incremental borrowing rate. The main ones are summarised below:

- renewal clauses, extension options and early termination of contracts are taken into account in determining the term of the contract when their exercise is deemed reasonably certain, i.e. when the Group has the right to exercise them without the need to obtain the consent of the counterparty;
- incremental borrowing rate: the Group has decided to use the *incremental borrowing rate* as the discount rate for discounting back lease payments. This rate consists of the *risk free* rate adjusted on the basis of three different *credit spreads* of the Group, determined on the basis of three different loans taken out by the same, at different times and with different durations.

## INTANGIBLE ASSETS AND GOODWILL

Intangible assets are resources that are clearly identifiable and controllable by the Group, from which future economic benefits are expected for the Group. They are recognised at purchase cost if acquired separately, and are capitalised at *fair value* at the acquisition date if acquired through business combinations. Internally generated intangible assets, with the exception of development costs that meet specific requirements as defined in IAS 38, are not capitalised and are recognised in the income statement for the year in which they are incurred.

Both the useful life and the amortisation criterion are reviewed periodically and, if significant changes are found with respect to the assumptions previously adopted, the amortisation charge for the year and subsequent years is adjusted.

Intangible assets with a definite useful life are amortised over their useful life and are tested for impairment whenever there are indications of possible impairment. Amortisation begins when the asset is available for use and ceases when its useful life ends or it is classified as held for sale (or included in a disposal group classified as held for sale). Both the useful life and the amortisation criterion of an intangible asset with a finite useful life are reviewed periodically (at least at the end of each year) and, if significant changes are found with respect to the assumptions previously adopted, the amortisation charge for the year and subsequent years is adjusted.

Amortisation charges for intangible assets with a finite useful life are recognised in the statement of profit or loss for the year in the cost category consistent with the function of the intangible asset.

The amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| | |
|---|---|
| - Development costs | 3-5 years |
| - Industrial patent rights | 10 years |
| - Know-how, intellectual property and internet domain rights | 2-10 years |
| - Concessions, licences, trademarks and similar rights | 5-10 years |
| - Other intangible fixed assets | from 2 to 33 years |

Goodwill and fixed assets with an indefinite useful life are not subject to amortisation, but rather to periodic tests to identify any value impairment losses. If the recoverable value is lower than the *carrying amount*, the recognised asset is appropriately written down.

The assessment of the indefinite useful life is reviewed annually to determine whether this designation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a forward-looking basis.

### Research and development costs

Costs for research activities are charged to the income statement for the year in which they are incurred. Development costs incurred in connection with a specific project are recognised as intangible assets only if:

- the project is clearly identified and the related costs are identifiable and reliably measurable;
- the technical feasibility of the project is demonstrated;
- the intention to complete the project and to sell the assets generated by the project has been demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset for the production of the assets generated by the project is demonstrated;
- the technical and financial resources necessary for the completion of the project are available;
- the intangible asset will generate probable future economic benefits.

After initial recognition, the development activities are measured at cost reduced by the amortisation or the accumulated impairment losses. The amortization of assets begins when development is complete and the asset is available for use. Development activities are amortised over the period of the expected benefits, normally identified as a period of up to 5 years. During the development period, the asset is subject to an annual impairment test.

## LOSS IN VALUE (IMPAIRMENT) ON NON-FINANCIAL ASSETS

At each reporting date, the Group assesses whether there are any indicators of impairment of non-financial assets.

In the case of goodwill, other intangible assets with an indefinite useful life and intangible assets not yet available for use, this assessment is made at least annually, even in the absence of *impairment* indicators. In the case of tangible fixed assets as well as equity investments and intangible assets with a finite useful life, the measurement of the recoverable value is carried out whenever the periodic analysis carried out at each reporting date shows *trigger events*.

The recoverability of the values recorded is verified by comparing the book value recorded in the financial statements with the higher of the *fair value* of the asset or cash-generating unit, net of disposal costs, and its value in use.
If the book value of an asset is greater than its recoverable value, that asset has suffered an impairment loss and is consequently written down to its recoverable value.

*Fair value* is the price that could be received to sell an asset or pay to transfer a liability in an ordinary transaction between market participants at the measurement date. Therefore, recent transactions on the market are taken into account. If it is not possible to identify such transactions, an appropriate valuation model is used.

The value in use is determined with reference to the present value of estimated future cash flows, which are assumed to result from the continuous use of an asset and its disposal at the end of its useful life, discounted by applying a post-tax discount rate that reflects the current market valuations of the present value of money and the specific risks associated with the asset. If an individual asset does not produce independent cash flows, it is not possible to determine its value in use: in this case, it will be estimated with reference to the cash-generating unit to which the asset belongs.

The Group bases its *impairment test* on the most recent and up-to-date forecast estimates drawn up and approved by the management body. These forecast estimates generally cover a period of four to five years. To project future cash flows beyond the fourth or fifth year, a long-term growth rate is calculated.

Impairment losses are recognised in the income statement when the book value of the asset is higher than the recoverable value.

With the exception of goodwill, for which impairment losses cannot be reversed, the book value of the asset is increased to the recoverable value when an impairment loss is reversed or is reduced. The value of a previously impaired asset may be reinstated only if there have been changes in the assumptions on which the calculation of the determined recoverable value was based, subsequent to the recognition of the last impairment loss. However, the increased book value of an asset due to a reversal of an impairment loss does not exceed the book value that would have been determined, net of amortisation, had no impairment loss been recognised in prior years. Reversals of an asset's value are recognised immediately as income in the income statement unless the asset is recorded at revalued value, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually, or more frequently if circumstances indicate that the book value may be impaired.

Goodwill impairment is determined by assessing the recoverable value of the flow generating unit or group of cash generating units to which the goodwill relates. If the recoverable value of the cash generating unit is less than the book value of the cash generating unit to which the goodwill was allocated, an impairment loss is recognised. Impairment losses of a cash-generating unit or group of cash-generating units are charged firstly as a reduction in the book value of any goodwill allocated to it and then as a reduction in the book values of other assets, in proportion to their book value.

## FINANCIAL INSTRUMENTS

A financial instrument is any contract which gives rise to a financial asset for an entity and to a financial liability or to an instrument representative of capital for another entity.

The financial instruments held by the Group are included in the following financial statements items:

- "*Non-current financial assets*": these include non-current receivables and loans and investments in other companies;
- "*Current financial assets*": these include trade receivables, receivables from loan activities, current securities and other current financial assets (including the positive *fair value* of derivative financial instruments);
- "*Cash and cash equivalents*": these include bank deposits, units of liquidity funds and other highly marketable securities that can be readily converted into cash and are subject to an insignificant risk of change in value;
- "*Financial liabilities*": these refer to financial payables, other financial liabilities, the negative *fair value* of derivative financial instruments, trade payables and other payables.

# Financial assets

## Recognition, initial measurement and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at *fair value* in the other components of comprehensive income (OCI) and at *fair value* in the income statement.

The classification of financial assets at the time of initial recognition depends not only on the nature of the instrument, but also on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. With the exception of trade receivables, the Group initially values a financial asset at its *fair value* plus any transaction costs.

Upon initial recognition, trade receivables, which do not contain a significant financing component, are measured at the transaction price determined in accordance with IFRS 15.

For the purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets measured at *fair valuethrough other comprehensive income*;
- Financial assets measured at *fair value through profit or loss*.

## Financial assets at amortised cost (debt instruments)

The Group measures the financial assets at amortised cost if both the following requirements are met:

- the financial asset is held as part of a *business* model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset envisage cash flows at certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to *impairment*. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

## Financial assets measured at fair value through other comprehensive income

A financial asset must be measured at *fair value through other comprehensive income* if it is not designated at *fair value through profit or loss* and both of the following conditions are met:

- the financial asset is held as part of a *business* model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; and
- the contractual terms of the financial asset envisage cash flows at certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

These assets are initially recognised in the financial statements at their *fair value* plus any ancillary costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the valuation carried out at the time of recognition is updated and any changes in *fair value* are recognised in the statement of comprehensive income.

## Financial assets measured at fair value recognised in the income statement

Financial assets that are not classified in any of the previous categories are classified in this category.

Assets falling into this category are recognised at *fair value through profit or loss* both at the time of their initial recognition and at the time of subsequent measurement as profits or losses deriving from the change in *fair value*.

## Removal from the financial statements

A financial asset or, where applicable, part of a financial asset or part of a group of similar financial assets, is derecognised in the first instance, i.e. removed from the Group's statement of financial position, when:

- the rights to receive cash flows from the asset are extinguished;
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has essentially transferred all risks and benefits of ownership of the financial asset, or (b) has neither transferred nor retained essentially all risks and benefits of the asset, but has transferred control of it.

In cases where the Group has transferred the rights to receive cash flows from an asset or has entered into an agreement whereby it retains the contractual rights to receive the cash flows from the financial asset, but undertakes a contractual obligation to pay the cash flows to one or more recipients (*pass-through*), it assesses whether and to what extent it has retained the risks and benefits inherent in ownership. If it has neither transferred nor retained essentially all of the risks and benefits or has not lost control over it, the asset continues to be recognised in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognises an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Group.

When the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured at the amount of the asset or the maximum amount of consideration received that the entity could be required to repay, whichever is the lower.

### Impairment of financial assets

The Group recognises a write-down for expected losses (so-called *expected credit loss*) for all financial assets represented by debt instruments not held at *fair value* recognised in the income statement. Expected losses are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, discounted back to an approximation of the original effective interest rate. Expected cash flows include cash flows arising from the enforcement of secured guarantees held or other credit guarantees that are an integral part of the contractual terms.

With regard to trade receivables and assets, the Group applies a simplified approach in the calculation of the expected losses, therefore it does not monitor changes in credit risk, but recognises the expected loss in full at each balance sheet date. The Group has defined a matrix system based on historical and market information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as an instrument for determining expected losses.

## Financial liabilities

### Recognition, initial and subsequent measurement

The Group's financial liabilities include mortgages, loans, derivative financial instruments, and a bond loan. Financial liabilities are classified, at the time of initial recognition, under mortgages and loans, or as derivative instruments designated as hedging instruments. There are no financial liabilities at *fair value* recognised in the income statement, including therein derivative financial instruments entered into by the Group that are not designated as hedging instruments in a hedging relationship as defined by IFRS 9.

All financial liabilities are initially recognised at *fair value* plus, in the case of mortgages, loans and payables, directly attributable transaction costs. Subsequently, since they are loans and financing, they are measured at amortised cost. The value of the payables is subsequently reduced for the amounts paid, both as principal and interest.

### Financial liabilities at amortised cost (loans and financing)

After initial recognition, loans are measured using the amortised cost approach, applying the effective interest rate method.

With regard to the change in the contractual terms of a financial liability, the Group assesses when such a change can be considered "substantial," thus giving rise to an accounting *derecognition of the financial liability*. If the change is not substantial in nature ("*modification*"), the financial liability is not extinguished and the Group recognises the profit or loss deriving from this change in the income statement.

In the case of instruments maturing within twelve months, the nominal value is used as an approximation of the amortised cost.

It follows that if the interest rate of the transaction is not significantly different from the market rate, the payable is initially recorded at a nominal value net of all transaction costs and all premiums, discounts and rebates directly derived from the transaction that generated the payable. These transaction costs, as ancillary costs for obtaining the loans, any commission and any difference between the initial value and the nominal value at maturity are spread over the duration of the payables using the effective interest approach.

On the other hand, when it appears that the interest rate of the transaction based on contractual conditions is significantly different from the market rate, the payables (in addition to the corresponding cost in the case of commercial transactions) is initially recognised at a value equal to the present value of future cash flows taking into account any transaction costs. The rate used to discount future flows is the market rate.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that

form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expense in the statement of profit/loss.

### Removal from the financial statements

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or discharged. Where an existing financial liability is exchanged for another financial liability of the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability from the accounts, accompanied by the recognition of a new liability, with any differences between the book values recognised in the income statement.

## DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

### Recognition, initial and subsequent measurement

The Group uses derivative financial instruments including currency forwards, interest rate *swaps*, *commodity swap transaction* and options to purchase *commodities* to hedge its exchange rate risks, interest rate risks and the price risks in relation to the raw material green coffee or washed coffee, respectively. The company's policy is to use these instruments within the limits defined by the needs of ordinary operations, and not to take on positions for speculative purposes.

For the purposes of accounting for these derivative financial instruments, the Group adopts the provisions of IFRS 9.

The documentation that formalises the hedging relationship to which *hedge accounting* is to be applied includes the identification of:

- the hedging instrument;
- the hedged item or transaction;
- the nature of the risk;
- the methods with which the company intends to assess the effectiveness of the hedge in offsetting the exposure to changes in fair value of the hedged item or the cash flows attributable to the hedged risk.

The hedging relationship meets the eligibility criteria for hedge accounting if:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of the credit risk does not override the changes in value resulting from the aforementioned economic relationship;
- a ratio of coverage is determined equal to the ratio between the quantities of derivative financial instruments used and the quantity of items hedged to an extent that does not entail ex ante the ineffectiveness of the hedge.

The verification of the economic relationship is carried out qualitatively, verifying that the supporting elements of the covering instrument and the covered element are corresponding or closely aligned, and in a quantitative manner.

On initial recognition, these instruments are measured at *fair value*. At subsequent reporting dates, the *fair value* of derivatives must be remeasured and:

(i) if these instruments do not meet the requirements for hedge accounting, the changes in *fair value* that arise after initial recognition are charged to the income statement;

(ii) if these instruments meet the requirements of a *fair value hedge*, from that date the changes in *fair value* of the derivative are recognised in the income statement; at the same time, changes in *fair value* due to the hedged risk are recognised as an adjustment to the book value of the hedged item and, as a balancing entry, to the income statement; any ineffectiveness of the hedge is recognised in the income statement, in a separate item from that in which the changes in *fair value* of the hedging instrument and the hedged item are classified;

(iii) if these instruments meet the requirements of a cash flow hedge, starting from that date, the changes in *fair value* of the derivative are recognised in equity limited to the effective portion of the hedge and in the income statement for the ineffective portion; the changes in *fair value* of the derivative recognised in equity are reclassified to the income statement in the period in which the hedged transaction affects the income statement; when the object of the hedge is the purchase of a non-financial asset, the changes in *fair value* of the derivative recognised in equity are reclassified as an adjustment to the purchase cost of the hedged asset;

(iv) if these instruments meet the requirements of a *hedge of a net investment of a foreign operation*, starting from that date the changes in *fair value* of the derivative adjust the "translation difference" limited to the effective portion of the hedge and are allocated to the income statement for the ineffective portion;

(v) hedging is carried out by the designated instrument, considered as a unit. In the case of options or *forward* contracts, however, only a part of the derivative is designated as a hedging instrument; the residual component is charged to the income statement. In particular, in the case of options, only changes in *fair value* due to changes in *intrinsic value* are designated as hedging instruments; on the other hand, changes in *fair value* of the option due to changes in *time value* are recognised in the income statement and are not considered in the measurement of the effectiveness of the hedge. In the case of *forward* contracts, only changes in *fair value* due to changes in the spot rate are designated as a hedging instrument; on the other hand, changes in *fair value* due to changes in *forward* points are recognised in the income statement and are not considered in the measurement of the effectiveness of the hedge.

If the hedge becomes ineffective or if there is a change in the Group's hedging strategies, hedge accounting is discontinued. Specifically, *hedge accounting stops*, with prospective effects, when hedging becomes ineffective or when the change in hedging strategies occurs.

If, in a *fair value hedge*, the hedged item is a financial instrument measured using the effective interest rate method, the adjustments made to the book value of the hedged item are amortised starting from the date on which the *fair value hedge* accounting is discontinued and therefore the hedged item ceases to be adjusted for changes in *fair value* attributable to the hedged risk.

Transactions hedging exchange rate risk due to *forecasted transactions* and *firm commitments* are recognised in the financial statements according to the *cash-flow hedge accounting model*.

Derivatives are recognised as assets if the *fair value* is positive and as liabilities if negative. These balances are shown under current assets or liabilities if they relate to derivatives that do not meet the hedging requirements, while they are classified in line with the hedged item in the other cases.

In particular, if the hedged item is classified under current assets or liabilities, the positive or negative *fair value* of the hedging instrument is shown under current assets or liabilities; if the hedged item is classified under non-current assets or liabilities, the positive or negative *fair value* of the hedging instrument is shown under non-current assets or liabilities.

## INVENTORIES

Inventories are measured at the lower of purchase or production cost and the net estimated realisable value based on market trends. For raw materials, the acquisition cost is determined using the weighted average cost.

For finished products and goods, the purchase or production cost is determined on the basis of the weighted average costs for the year, including ancillary purchase costs and direct and indirect production costs for the reasonably attributable part.

Obsolete and slow-moving stocks are written down in relation to their possibility of use or sale.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes liquid financial assets and financial investments with a residual maturity at the date of purchase of less than three months and subject to an insignificant risk of change in their value.
The aforementioned financial assets are recognised at their nominal value.

## PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges concern costs and charges of a determined nature and of certain or probable existence that at the year-end date cannot be determined with certainty in terms of amount or date of occurrence.

Provisions are recognised when the following conditions are met:

(i) the Group has a current legal or implied obligation arising from a past event;

(ii) it is probable that the fulfilment of the obligation will require the use of resources likely to produce economic benefits;

(iii) the amount of the obligation can be reliably estimated.

The amount allocated in the financial statements represents the best estimate of the amount that the company would rationally pay to settle the obligation or to transfer it to third parties at the reporting date.

When the financial effect of time is significant and the settlement dates of obligations can be reliably estimated, the provision is discounted; when the provision is discounted, the increase in the provision related to the passage of time is charged to the income statement as a financial expense.

## EMPLOYEE BENEFITS

Short-term employee benefits are recognised as an expense when the service that gives rise to these benefits is provided.

The Group recognises a liability for the amount that is expected to be paid when it has a current, legal or implied obligation to make such payments as a result of past events and it is possible to make a reliable estimate of the obligation.

Post-employment benefits are defined on the basis of plans, albeit not formalised, which according to their characteristics are divided into defined contribution plans and defined benefit plans.

In defined contribution plans, the obligation of the company is limited to the payment of the contributions agreed with the employees and is determined on the basis of the contributions due at the end of the period, less any amounts already paid.

In defined benefit plans, the amount recognised as a liability is equal to:

(a) the present value of the defined benefit obligation at the reporting date;

(b) plus any actuarial gains (less any actuarial losses);

(c) less any social security costs relating to past service not yet recognised;

(d) less the *fair value* at the reporting date of the assets serving the plan (if any) outside of which the obligations must be extinguished directly.

In defined benefit plans, the cost charged to the income statement is equal to the algebraic sum of the following elements:

(a) the social security cost relating to current services;

(b) financial expense deriving from the increase in liabilities as a result of the passage of time;

(c) the expected return on any assets serving the plan;

(d) the social security cost relating to past services;

(e) the effect of any reductions or terminations of the programme.

Actuarial gains and losses are recognised in other comprehensive income.

All net financial expenses on defined benefit plans are recognised under financial income (expense) in the income statement.

## SHARE-BASED PAYMENTS

The Group pays some members of senior management and other beneficiaries who hold key positions in the Group incentives consisting of share capital plans.

The value of these share-based payments is measured by reference to the fair value at the assignment date. Fair value is determined using an appropriate valuation model.

The cost of transactions settled with securities, together with the corresponding increase in shareholders' equity, is recognised in the period starting from the moment in which the conditions relating to the achievement of objectives and/or the provision of the service are met and ends on the date on which the employees concerned have fully accrued the right to receive the remuneration ("vesting date").

The cumulative costs recognised for these transactions at each year-end date until the vesting date are commensurate with the expiry of the vesting period and the best available estimate of the number of equity instruments that will actually vest. The cost or revenue in the income statement represents the change in the cumulative cost recognised at the beginning and end of the period.

## ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale include, respectively, non-current assets (or groups of assets held for sale) and the associated liabilities, the sale of which is highly probable within one year according to a specific plan and the book value of which will therefore be recovered primarily through a sale transaction rather than through continued use. These items are measured at the lower of the net book value at which these assets and liabilities were recognised and the *fair value* less foreseeable costs of disposal. From the date on which these assets are classified in the category of non-current assets held for sale, the related amortisation/depreciation is suspended. Any losses deriving from this valuation are recognised in a specific item of the income statement.

# CHANGE IN ACCOUNTING STANDARDS AND DISCLOSURE

## New accounting standards, interpretations and amendments adopted by the Group

The Group has not adopted any other standards, interpretations or amendments in advance that have been issued but are not yet effective.

## IFRS standards/Interpretations approved by the IASB and endorsed by the European Union

The following table shows the IFRS/Interpretations approved by the IASB and endorsed for adoption in the European Union and applied for the first time in the current year.

| Document title | Issue date | Date of entry into force | Approval date | EU Regulation and publication date |
|---|---|---|---|---|
| Effects of changes in foreign exchange rates (Lack of convertibility) - Amendment to IAS 21 | August 2023 | 1 January 2025 | 12/11/2023 | (EU) 2024/2862 13 November 2024 |

The amendments to IAS 21 aim to clarify when a currency is exchangeable for another currency and how to estimate the spot exchange rate of a currency when there is a lack of exchangeability.

With reference to the standards and interpretations detailed above, the adoption did not have a material impact on the measurement of the Group's assets, liabilities, costs and revenues.

The following table shows the IFRS/Interpretations approved by the IASB and endorsed for adoption in the European Union the mandatory effective date of which is after 31 December 2025.

| Document title | Issue date | Date of entry into force | Approval date | EU Regulation and publication date |
|---|---|---|---|---|
| IFRS 18 Presentation and Disclosure in Financial Statements | 09/04/2024 | 1 January 2027 | 13/02/2026 | (EU) 2026/338 16 February 2026 |
| Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7) | 30/05/2024 | 1 January 2026 | 28/05/2025 | (EU) 2025/1047 27 May 2025 |
| Contracts Referencing Nature-dependent Electricity (IFRS 9 and IFRS 7) | 18/12/2024 | 1 January 2026 | 1 July 2025 | (EU) 2025/1266 30 June 2025 |
| Annual cycle of improvements to IFRS accounting standards - Volume 11 (IAS 7 and IFRS 1,7,9,10) | 18/07/2024 | 1 January 2026 | 10/07/2025 | (EU) 2025/1311 09 July 2025 |

The introduction of IFRS 18 aims to improve the transparency and comparability of the income statement, replacing IAS 1. Its main objectives are to standardise subtotals (e.g. operating profit), regulate management-defined performance measures (MPMs) and strengthen disclosure on data aggregation/disaggregation.

The amendments to IFRS 9 and IFRS 7 aim to clarify the accounting treatment of financial instruments with specific characteristics, including "own use" energy contracts and instruments linked to ESG objectives, improving information on cash settlement and structured instruments.

The amendments, which are the result of the Annual Improvements to IFRS Standards - Volume 11, published by the International Accounting Standards Board (IASB) in July 2024, are mandatory for financial statements for periods beginning on or after 1 January 2026. Early application is permitted, but must be explicitly stated by the company in its financial statements. The EU Regulation directly amends the previous Reg. EU 2023/1803, amending various standards with the aim of rationalising, clarifying and improving the quality of companies' financial reporting.

With reference to the standards and interpretations detailed above, the adoption is not expected to have a material impact on the measurement of the Group's assets, liabilities, costs and revenues.

However, based on a preliminary analysis of the new requirements contained in IFRS 18, the group expects that its implementation will mainly determine changes to the classification methods of certain cost and revenue components as well as to the presentation method of the income statement and the cash flow statement. These impacts are still being analysed by the Group.

### Forthcoming accounting standards and interpretations

IFRS standards/Interpretations approved by the IASB and not endorsed by the European Union.

Below are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB that have not yet been endorsed for adoption in the European Union at 31 December 2025.

| Description | Issue date by the IASB | Date of entry into force of the IASB document | Envisaged approval date by the EU |
|---|---|---|---|
| **Standards** | | | |
| IFRS 19 Subsidiaries without public accountability: disclosures | 09 May 2024<br>21 August 2025 | 1 January 2027 | to be defined |
| **Amendments** | | | |
| Translation to a hyperinflation presentation currency (Amendment IAS 21) | 13/11/2025 | 1 January 2026 | to be defined |

With reference to the standards and interpretations detailed above, the adoption is not expected to have a material impact on the measurement of the Group's assets, liabilities, costs and revenues.

## DISCRETIONARY ASSESSMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the financial statements requires the Directors to apply accounting standards and methods which, in certain circumstances, are based on valuations and estimates based on historical experience and assumptions that are considered reasonable and realistic from time to time in relation to the related circumstances.

The application of these estimates and assumptions has an effect on the values of the assets and liabilities, of the costs and revenues recognised in the financial statements and on the disclosure relating to contingent assets and liabilities at the year-end date. The final results could differ from these estimates.

Below is a brief description of the financial statement items that require more subjectivity on the part of the Directors in preparing the estimates than others and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data.

- **Measurement of receivables:** trade receivables are adjusted by the related allowance for doubtful receivables to take into account their actual recoverable value. Determining the amount of the write-downs made requires the Directors to exercise subjective judgement based on the documentation and information available also regarding the customer's solvency, as well as on experience and historical trends.
- **Measurement of goodwill and intangible assets with an indefinite useful life:** in accordance with the accounting standards applied by the Group, goodwill and intangible assets with an indefinite useful life are subject to an *impairment test* at least annually in order to ascertain whether there is any indication of impairment. This test requires the Directors to make subjective assessments based on the information available within the Group and from the market, as well as on historical experience; they also depend on factors that may vary over time, influencing the valuations and estimates made by the Directors. In addition, if it is determined that a potential impairment may have been generated, the Group proceeds to determine it using valuation techniques deemed appropriate.
- **Provisions for risks:** the identification of the existence or otherwise of a current obligation (legal or implicit) is not easy to determine in some circumstances. The Directors assess these phenomena on a case-by-case basis, together with the estimate of the amount of economic resources required to fulfil the obligation. When the Directors believe that the occurrence of a liability is only possible, the risks are indicated in the specific disclosure section on commitments and risks, without giving rise to any allocation.
- **Valuation of closing inventories:** the closing inventories of products with obsolescence or slow turnover characteristics are periodically subjected to valuation tests and written down if their recoverable value is lower than the book value. The write-downs made are based on assumptions and estimates by management deriving from its experience and from the historical results achieved.
- **Pension plans and other post-employment benefits:** Group companies participate in pension plans and other post-employment benefits in various countries. Management uses multiple statistical assumptions and valuation factors with the aim of anticipating future events to calculate the charges, liabilities and assets relating to these plans. The assumptions concern the discount rate, the expected return on assets servicing the plan and rates of future salary increases. In addition, the Group's consulting actuaries also use subjective factors, such as mortality and resignation rates.

- **Lease term:** determined on the basis of the individual agreement and consisting of the "non-cancellable" period together with the effects of any extensions or early terminations the exercise of which was deemed reasonably certain and considering the terms of the contract itself. Specifically, for properties, this valuation considered the specific circumstances of each asset on a consistent basis with the Group's long-term plans. With regard to other categories of assets, the Group has generally considered it unlikely that any extension or early termination clauses would be exercised in consideration of the approach usually followed by the Group.
- **Actualisation rate of leases falling under IFRS 16** (*incremental borrowing rate*): the Group cannot easily determine the implicit interest rate of the operating lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate that the lessee would have to pay for a loan, with a similar duration and with similar collateral, required to obtain an asset of similar value to the right-of-use asset in a similar economic context. The Group has estimated the incremental borrowing rate using observable data, such as, for example, market interest rates for the various durations of the lease agreements.
- **Depreciation and amortisation** of property, plant and equipment, intangible assets and right-of-use assets, recognised on the basis of the estimate of the residual useful life and their recoverable value. The estimate of the useful lives, also with reference to any capital gains allocated at the time of business combinations, is made by management on the basis of generally applicable valuation practices, based on industry experience and knowledge, and is critically reviewed at each period end.
- **Taxes:** income taxes are recognised on the basis of the best estimate of the rate expected for the entire year. Deferred tax assets are recognised to the extent that it is probable that there will be a taxable profit in the future that will allow the utilisation of the losses. Significant estimation by management is required to determine the amount of tax assets that can be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

## Measurement of fair values

Various accounting standards and some disclosure obligations require the Group to measure the *fair value* of financial and non-financial assets and liabilities.

In measuring the *fair value* of an asset or liability, the Group uses observable market data as far as possible. The *fair values* are divided into various hierarchical levels based on the input data used in the valuation techniques, as illustrated below.

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: *input* data other than the quoted prices referred to in Level 1 that are observable for the asset or liability, both directly (prices) and indirectly (derived from prices);
- Level 3: input data relating to the asset or liability that are not based on observable market data.

If the *input* data used to measure the *fair value* of an asset or liability can be classified in the different levels of the *fair value* hierarchy, the entire measurement is included in the same hierarchy level as the lowest level *input* that it is significant for the entire assessment. The Group recognises the transfers between the various levels of the *fair value* hierarchy at the end of the period in which the transfer took place.

# SEGMENT INFORMATION

The Parent Company does not have any securities traded or that may soon be issued for trading on financial markets and is therefore exempt from the obligation to report segment financial information, as required by IFRS 8.

# EARNINGS PER SHARE

The Group has no ordinary shares or potential ordinary shares traded or that may soon be issued for trading in the financial markets; therefore, it does not apply the IAS 33 standard, which governs the disclosure of earnings per share.

# FINANCIAL RISK MANAGEMENT CRITERIA AND OBJECTIVES

The Group constantly monitors its exposure to financial risks with the aim of stabilising cash flows and ensuring the alignment of the operating result with what was planned in the *budget*.

These risks are managed centrally by the Administration, Finance and Control Department, based on the guidelines agreed with senior management. In particular, market risk management with regard to raw materials, exchange rates

and interest rates is regulated by a Group policy approved in February 2017 and updated at the end of 2021, which defines the perimeter of exposure, the time horizon, the roles and responsibilities as well as the derivative instruments allowed for hedging for said risks.

## Commodity price risk

The Group is exposed to the risk of changes in commodity prices, given the extremely volatile nature of the coffee market, which is influenced by macroeconomic factors (e.g. supply and demand) and financial factors (e.g. *index funds, hedge funds, etc.*).

The objective of commodity risk management is to stabilise the purchase cost of the raw material in order to ensure alignment with the values defined in the forecast and multi-year plan as far as is possible. In addition to defining pre-defined price agreements with producers, derivative financial instruments are used with banks specialised in the agricultural sector, with a time horizon that is at most equal to the multi-year plan, always following the guidelines defined in the *Financial Risk Policy*.

During 2025, the company did not enter into any new derivative hedging contracts for the purchase of coffee, nor did it negotiate multi-year agreements with predefined prices with green-coffee producers.

## Exchange rate risk

The Group operates in an international context in which transactions are also conducted in currencies other than the euro, essentially US dollars, exposing it to the risk of fluctuating exchange rates. The exchange rate risk is managed (deriving from changes in the euro values of cash flows in foreign currencies due to an exchange rate that is different from what was defined in the budget) and partly also the accounting exchange risk to reduce the impact of changes in the exchange rate between the date of invoicing and the date of collection. The centralisation in the Parent Company of activities related to the management of such risk allows – where possible - *natural hedging* between the incoming and outgoing forecast flows. If the net balance is higher than five hundred thousand euros per annum, any hedging transactions are decided in accordance with the provisions of the budget/multi-year plan and using the financial instruments defined in the Financial Risk Policy.

The translation risk associated with the translation of the assets/liabilities of consolidated companies that prepare their financial statements in currencies other than the euro is not managed.

Foreign exchange derivative transactions outstanding at 31 December 2025 are described in Note 22.

The following table shows the sensitivity to a reasonably possible change in the exchange rate of the US dollar and the Brazilian real, with all other variables held constant. The effect on the Group's profit before tax is due to changes in the *fair value* of monetary assets and liabilities outstanding at year end, including derivatives in foreign currency, while that on shareholders' equity pre-taxation also includes the effect of the conversion of the net assets/liabilities of the American consolidated companies. The Group's exposure to exchange rate changes for all other foreign currencies is not significant.

| Appreciation/depreciation of the exchange rate | Increase/decrease in the pre-tax profit | Increase/decrease pre-taxation on the shareholders' equity |
|---|---|---|
| 5% EUR vs. USD | (398,857) | (1,936,441) |
| -5% EUR vs. USD | 468,889 | 2,168,324 |
| 5% EUR vs. BRL | (186,388) | (380,719) |
| -5% EUR vs. BRL | 206,008 | 420,795 |

## Interest rate risk

Borrowing from banks exposes the Group to the risk of changes in interest rates. Specifically, loans at floating rates determine the risk of an increase in financial expenses, whereas fixed-rate loans (including the bond loan issued in 2015) entail a potential change in the *fair value* of the loans.

Interest rate risk, in terms of increase in financial expense, is managed by the Financial Risk Policy where the use of financial hedging instruments is envisaged.

At 31 December, there were two *Interest Rate Swap* agreements in place, the characteristics of which are more fully described in Note 17, where the Group agrees to exchange, at defined intervals, the difference in amount between the fixed rate and the floating rate calculated making reference to an agreed notional principal amount.

These swaps are designated to hedge the underlying debt. At 31 December 2025, after taking into account the effect of the IRSs, approximately 40% of the Group's loans are fixed-rate (2024: 60%).

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of debt and loans, after the effects of hedge accounting. With all other variables held constant, and thus based on the value of the financial debt/credit at the end of the year, the Group's profit before of taxes is affected by the impact on floating-rate loans as follows:

| Increase/decrease in the basis points | Increase/decrease in the pre-tax profit |
|---|---|
| +100BPS | (2,166,100) |
| -100BPS | 2,166,100 |

## Credit risk

Credit exposure is divided among a high number of counterparties and customers. The Group strives to reduce the risk resulting from the insolvency of customers through rules ensuring that sales are made to reliable and solvent customers, especially in Italy. These rules, based on the available information on customer solvency and historic data statistical series, combined with exposure limits per individual customer, reduce credit concentration and minimise the relative risk. In the event of changes in the payment terms, guarantee measures are put in place to protect payments. Positions involving significant amounts for which the Group identifies situations of objective, total or partial, non-recoverability, taking into consideration any guarantees obtained and the costs and expenses of recovery, are written down individually.

Also, the Group makes appropriate provisions for receivables that have not been written down individually on the basis of the expected losses. The write-down percentages are determined on the basis of that which the reference standard suggests, estimating the probability of default on the historical basis of past losses and collection experience in the previous twenty-four months.

In particular, the write-down percentages in the previous twenty-four months are based on the days past due for each class of customers grouped in the various segments that show similar historical loss trends (by geographical area and by past due class).

Disclosure on the credit risk exposure on the trade receivables is illustrated in note 20.

## Liquidity risk

This risk could be manifested in inability on the part of the Group to find, at optimal financing conditions and adequate timing, the financial resources needed to sustain operations.
The group's cash flows, borrowing requirements and liquidity are constantly monitored centrally by the Finance and Treasury department in order to ensure the effective and efficient management of financial resources; these include bank overdrafts, medium/long-term bank loans, a bond loan and financial lease agreements.

The Group's capacity for generating operating cash flows, structuring its financial debt maturities and the confidence that the banking system has in it, with the consequent availability to access sources of funding, mean that the liquidity risk is regarded as well-controlled.

# CAPITAL MANAGEMENT

For the purpose of the Group's capital management, it has been defined to include the issued share capital, the share premium reserve and all other reserves, including retained earnings (Group shareholders' equity).

The main objective of capital management is chiefly related to obtaining a strong credit rating, in order to support operations and maximise shareholder value.

The Group monitors capital by following the trend of the debt ratio, which is derived from the comparison between the value of the net financial position and consolidated shareholders' equity. The group includes in the net financial position loans and funding, including financial lease payables (but not operating lease payables), derivative contracts, liquid funds and equivalents.

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Short and medium-term net financial debt | 239,366,552 | 174,042,347 |
| Net value of derivative contracts | 4,154,864 | 1,471,926 |
| Liquid funds and other current financial assets | (46,573,562) | (65,916,885) |
| **Net financial position** | **196,947,855** | **109,597,387** |
| | | |
| **Group shareholders' equity** | **182,692,687** | **185,327,561** |
| | | |
| **NFP/Group shareholders' equity ratio** | **108%** | **59%** |

The Group's capital management aims, among other things, to ensure that covenants related to interest-bearing loans and the like (excluding operating leases), which define capital structure requirements, are met. Breaches of the covenants would allow banks to demand immediate repayment of loans and financing. In the current year, there were no breaches of covenants related to interest-bearing loans and the like.

There were no changes to objectives, policies or processes during the years ending 31 December 2025 and 31 December 2024, nor were there any significant capital transactions during the two periods, with the exception of the distribution of dividends.

# Explanatory notes

## NOTE 1 - REVENUES

Revenues as at 31 December 2025 amounted to €699,880.9 thousand and mainly refer to the sales of coffee products.

A more detailed table is provided below:

| Sales revenues by geographic area | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Italy | 220,837 | 31.6% | 192,893 | 30.6% |
| EMEA (excluding Italy) | 268,947 | 38.4% | 245,391 | 38.9% |
| Americas | 154,104 | 22.0% | 132,640 | 21.1% |
| Asia and Rest of the World | 55,993 | 8.0% | 59,181 | 9.4% |
| **TOTAL** | **699,881** | **100%** | **630,105** | **100%** |

The Group's revenue performance was characterised by a continued growth trajectory, recording an increase of 11.1% compared with the previous year, driven by solid performances across its key markets.

The Group strengthened its leadership position in Italy within the premium segment of the market, achieving a 14.5% increase compared with 2024. This result was supported by both the Out-of-Home channels (+10.9%, mainly Ho.Re.Ca.) and the Home channels (+18.8% year-on-year, particularly within Modern Trade).

In EMEA (excluding Italy), revenues amounted to €268.9 million, up 9.6% compared with 2024. Growth was primarily driven by Germany, Spain, the United Kingdom, and Greece, as well as by a further reinforcement of the Group's presence in the Middle East. In particular, revenues in the strategic European clusters increased by 22.6%.

The American market reported revenues of €154.1 million, up 16.2% compared with 2024, supported by strong growth in the United States (+15.1% year-on-year, +20.1% at constant exchange rates), identified as a priority within the Group's medium-term plans.

In 2025, revenues in Asia and the Rest of the World amounted to €56.0 million, reflecting a decline of 5.4% compared with 2024. The overall performance reflects heterogeneous dynamics across the region: on the one hand, growth continued in high-potential markets such as Australia and Japan; on the other, performance in China was affected by a rapidly evolving market environment, influenced by intensified investments from local operators, resulting in broad competitive pressures on global players.

amounts in thousands of euros

| Sales revenues for products | 2025 | % | 2024 | % |
|---|---|---|---|---|
| Coffee products | 645,773 | 92.3% | 570,430 | 90.5% |
| Espresso machines | 14,740 | 2.1% | 18,230 | 2.9% |
| Other products | 39,368 | 5.6% | 41,444 | 6.6% |
| **TOTAL** | **699,881** | **100%** | **630,105** | **100%** |

All core coffee products (in particular the iconic 3kg, 1.5kg and 250g tins) contributed to growth, followed by Nespresso-compatible capsules.

The decline in coffee machine revenues (-19.1% compared with 2024) is mainly attributable to lower volumes in South Korea, impacted by a general slowdown in the market.

The reduction in sales under Other Products is linked to the termination of a licensing agreement with a commercial partner, while sales of other coffee-based products (illycrema, instant coffee, cold brew) remained stable.

# NOTE 2 - OTHER OPERATING INCOME

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Net capital gains on disposal of tangible and intangible assets | 384,995 | 428,385 | (43,390) |
| Public grants | 1,223,991 | 1,456,048 | (232,057) |
| Contract termination penalties | 281,590 | 257,555 | 24,035 |
| Reimbursement of transport costs | 2,213,845 | 2,072,421 | 141,424 |
| Other operating income | 2,372,771 | 3,321,995 | (949,224) |
| **TOTAL** | **6,477,192** | **7,536,403** | **(1,059,211)** |

The item "Other operating income" amounted to €6,477.2 thousand in 2025 (€7,536.4 thousand in 2024) and consists of:

- "*Other operating income*" amounting to €2,372.8 thousand (€3,322.0 thousand in the previous year), which mainly refers to other income of €653.6 thousand related to collaborations with commercial partners (€992.4 thousand in the previous year), other damages of €156.4 thousand (€242.7 thousand in the previous year), rental income from spaces for €77.7 thousand (€69.9 thousand in the previous year), the release of the provision for doubtful receivables for €276.5 thousand, the provision for risks for €280.8 thousand and the provision for returned goods for €67.3 thousand;
- "*Public grants*" amounting to €1,224.0 thousand (€1,456.1 thousand in the previous year), include the operating grants in current expenses received by the Parent Company for €1,178.0 thousand (€1,358.6 thousand in the previous year) and grants received by *illycaffè France S.A.S. and illycaffè Shanghai Co. Ltd.* in support of the business;
- "*Reimbursement of transport expenses*" amounting to €2,213.8 thousand (€2,072.4 thousand in the previous year) consisting mainly of reimbursements of transport expenses recognised in the financial statements by the US affiliated company for €702.8 thousand at 31 December 2025 (€663.2 thousand at 31 December 2024), and by the Parent Company for €1,378.3 thousand at 31 December 2025 (€1,300.9 thousand at 31 December 2024);
- "*Contract termination penalties*" amounting to €281.6 thousand (€257.6 thousand in the previous year), includes the amounts charged to customers as penalties in the event of early termination of the contract;
- "*Net capital gains on the disposal of tangible and intangible assets*" amounting to €385.0 thousand (€438.4 thousand in the previous financial year) includes the capital gains recorded in the financial year following the disposal of some tangible and intangible assets.

# NOTE 3 - CHANGE IN INVENTORIES OF FINISHED AND SEMI-FINISHED PRODUCTS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Changes in inventories of finished and semi-finished products | 13,337,768 | 5,782,106 | 7,555,663 |
| **TOTAL** | **13,337,768** | **5,782,106** | **7,555,663** |

The change in inventories of work in progress, finished and semi-finished products had a positive effect on the income statement amounting to €13,337.8 thousand in 2025 (€ 5,782.1 thousand in 2024). The change in the period has undergone a significant increase compared to the previous financial year due to both a higher production compared to the previous financial year and the increase in the cost of the raw material included in the finished product. Please refer to Note 19 for an analysis of the change in inventories.

# NOTE 4 – COSTS FOR PURCHASE OF RAW MATERIALS, SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Change in inventories of raw, ancillary and consumable materials and goods for resale | (30,433,393) | (9,649,594) | (20,783,799) |
| Raw materials and sundry items | 275,026,386 | 179,483,506 | 95,542,879 |
| Charges on purchases of coffee | 3,484,757 | 3,204,992 | 279,765 |
| Espresso machines, packaging, advertising materials | 100,854,020 | 95,525,338 | 5,328,681 |
| Sundry and other purchases | 5,461,343 | 5,672,312 | (210,969) |
| **TOTAL** | **354,393,113** | **274,236,555** | **80,156,557** |

"*Costs for the purchase of raw, ancillary and consumable materials and goods for resale*" amounted to €354,393.1 thousand in 2025 (€274,236.6 thousand in 2024), disclosing an increase of €80,156.6 thousand compared to the previous year. The increase is mainly attributable to the item *"Purchases of raw materials and miscellaneous items"* for €95,542.9 thousand and related expenses on purchases of raw materials offset by the consumption of raw materials in stock, as shown in the item "*Change in inventories of raw materials, consumables and goods*" for €20,783.8 thousand.

During the financial year, no hedging transactions were recorded by the Parent Company on the coffee commodity for purchases made during the year (€1,745.2 thousand in 2024 included in the item "*Purchases of raw materials and miscellaneous items").* Refer to the Management Report for further details on the increase in the item.

# NOTE 5 - COSTS FOR EMPLOYEE BENEFITS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Salaries and wages | 75,498,492 | 74,563,920 | 934,572 |
| Social security contributions | 21,690,870 | 20,383,181 | 1,307,689 |
| Benefits subsequent to the termination of the employment relationship | 3,488,353 | 3,357,101 | 131,252 |
| Other personnel costs | 4,043,262 | 3,796,245 | 247,017 |
| Temporary employment | 3,008,491 | 2,741,348 | 267,143 |
| Directors' remuneration | 7,561,656 | 5,755,112 | 1,806,544 |
| **TOTAL** | **115,291,125** | **110,596,907** | **4,694,218** |

The item "*Costs for employee benefits*" amounts to €115,291.1 thousand in 2025 (€110,596.9 thousand in 2024), an increase of €4,694.2 thousand compared to the previous year due to new hires at both the Trieste and Milan offices, an increase in directors' remuneration and an increase in the number of Group employees.

This item includes all expenses for employees and directors, including merit-based increases, promotions, the cost of unused holiday leave and provisions required by law and collective agreements. This item also includes "*Other personnel costs*" relating, directly or indirectly, to employees for €4,043.3 thousand in 2025 (€3,796.26 thousand in 2024), as well as costs for "*Temporary employment*" for €3,008.5 thousand in 2025 (€2,741.3 thousand in 2024).

This item also includes non-recurring costs related to reorganisation plan for €1.1 million.

The following table shows the number of employees of the company by category, broken down between those in force as of 31 December 2025 and 31 December 2024 and the average number over the two years:

| | 2025 | 2024 | Current year average | Previous year average |
|---|---|---|---|---|
| Senior managers | 51 | 55 | 53 | 52 |
| White-collar workers and middle managers | 858 | 856 | 857 | 843 |
| Production workers | 466 | 324 | 395 | 317 |
| **TOTAL** | **1,375** | **1,235** | **1,305** | **1,212** |

# NOTE 6 - COSTS FOR SERVICES

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Maintenance and repair costs | 5,123,081 | 4,769,657 | 353,423 |
| Consultancy fees | 5,783,770 | 5,868,320 | (84,550) |
| Insurance costs | 1,459,430 | 1,425,836 | 33,593 |
| Energy, similar and telephone costs | 6,636,110 | 6,810,567 | (174,458) |
| Marketing and communication expenses | 27,759,785 | 27,529,876 | 229,909 |
| Sales organization expenses | 12,655,112 | 11,247,734 | 1,407,378 |
| Travel expenses | 3,048,539 | 3,585,896 | (537,357) |
| Transport and shuttle expenses | 29,565,086 | 27,143,515 | 2,421,571 |
| External processing | 16,641,570 | 9,440,770 | 7,200,800 |
| Storage costs | 7,707,596 | 6,162,212 | 1,545,383 |
| Statutory Auditors' fees | 299,717 | 291,366 | 8,351 |
| Industrial costs | 5,174,642 | 5,919,069 | (744,427) |
| Supervisory body fee | 71,127 | 71,004 | 122 |
| Meal vouchers and restaurant vouchers | 864,322 | 831,909 | 32,413 |
| Staff training | 464,367 | 372,577 | 91,790 |
| Cleaning and reception services | 1,972,725 | 1,869,596 | 103,130 |
| Other costs for services | 10,455,818 | 10,614,323 | (158,505) |
| **TOTAL** | **135,682,797** | **123,954,228** | **11,728,569** |

The item "*Costs for services*" amounted to €135,682.8 thousand in 2025 (€123,954.2 thousand in 2024). This item shows an increase of approximately 9.5% compared to the previous year, mainly due to the increase in transport and shuttle costs, external processing and storage costs, and sales organisation costs as a result of the growth in turnover.

"*Marketing and communication expenses*" include advertising and marketing activities designed and developed during the financial year, in particular the "L'Emozione del Gusto" (The Emotion of Taste) campaign for the launch of the new X-CAPS system and the international "Why We Make It" campaign aimed at spreading the passion and daily commitment that illycaffè dedicates to ensuring superior quality and sustainable coffee. This item is substantially in line with the previous year's expenses.

The costs for "*Travel expenses*" decreased by 15.0% in absolute terms, both as a percentage of expenditure compared to turnover and compared to the previous financial year (-0.13 p.p.). "*Energy and similar and telephone costs*" show a decrease mainly attributable to greater control of these expense items jointly with improved contracting with mobile phone and energy providers.

The "*External processing*" expenses relate to subcontracted processing activities, whose increase is attributable to a co-packing agreement for pods and capsules entered into during the financial year.

The item "*Other costs for services*" includes non-recurring service costs related to consulting on projects of an extraordinary nature for €1.2 million.

An indication is given of the total fees payable to the Directors and the Statutory Auditors for the performance of their duties, both at the Parent Company and at the companies forming part of the consolidation area, as well as the fees due to the auditing firm (KPMG S.p.A.) responsible for the audit of the consolidated financial statements (the latter including the fees for auditing the subsidiaries carried out by the same auditing firm and by the Parent Company's auditor's network or by other auditing firms not belonging to the KPMG S.p.A. network, as well as the fees for services other than auditing).

| Description | Remuneration |
|---|---|
| Directors' remuneration | 7,504,676 |
| Board of Statutory Auditors | 294,832 |
| Official audit of the Parent Company | 111,200 |
| Accounts audit of the subsidiaries and branches carried out by the network of the Parent Company and other auditing firms | 273,885 |
| Other audit services provided by the Parent Company's external auditor | 2,918 |
| Tax and legal advisory services provided by the network of the audit firm | 155,960 |

# NOTE 7 - AMORTISATION AND DEPRECIATION

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Depreciation of property, plant and machinery | 30,328,948 | 29,140,005 | 1,188,943 |
| Amortisation of intangible assets | 7,626,182 | 7,897,074 | (270,892) |
| Amortisation of usage rights | 7,346,101 | 7,364,140 | (18,039) |
| **TOTAL** | **45,301,231** | **44,401,219** | **900,012** |

Depreciation of tangible fixed assets amounted to €30,328.9 thousand in 2025 (€29,140.0 thousand in 2024).

The increase in depreciation of property, plant and machinery, amounting to €1,188.9 thousand, was mainly generated by the entry into operation of investments made during the year, as commented in note 14.

Amortisation of intangible fixed assets amounted to €7,626.2 thousand in 2025 (€7,897.1 thousand in 2024).

Amortisation of right-of-use assets amounted to €7,346.1 thousand, in line with the previous year (€7,364.1 thousand in 2024).

# NOTE 8 - IMPAIRMENT LOSS ON OF NON-CURRENT ASSETS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Finite useful life | 214,953 | 406,481 | (191,529) |
| **TOTAL** | **214,953** | **406,481** | **(191,529)** |

The "*Impairment of non-current assets*" item amounted to €215.0 thousand in 2025 (€406.5 thousand in 2024). The "*Finite useful life*" category includes the write-down of property, plant and equipment relating to a building owned by the Parent Company that was demolished to enable construction work for the new roasting facility, amounting to €50.5 thousand. The item also includes the write-down of coffee equipment provided on loan to customers by the US subsidiary, amounting to €132.7 thousand.

In the previous financial year, this item included the write-down of advances on intangible fixed assets following the decision not to proceed with a project started in previous financial years, as well as the write-down of furniture.

# NOTE 9 - OTHER OPERATING COSTS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Costs for leases and rentals | 6,430,875 | 6,117,125 | 313,750 |
| Losses on receivables | 1,892,789 | 1,229,093 | 663,696 |
| Provisions for risks | 2,977,191 | 2,574,958 | 402,234 |
| Net capital losses on disposal of tangible and intangible assets | 228,194 | 136,942 | 91,252 |
| Indirect taxes and levies | 5,133,444 | 4,822,175 | 311,269 |
| Entertainment expenses and external relations | 4,420,642 | 7,754,595 | (3,333,953) |
| Annuity and patent management | 436,139 | 348,735 | 87,404 |
| Royalty payments | 403,504 | 586,959 | (183,455) |
| Membership fees | 540,866 | 695,691 | (154,824) |
| Environmental contributions (CONAI and WEEE) | 976,470 | 981,105 | (4,635) |
| Rewards programmes | 1,171,496 | 1,024,926 | 146,570 |
| Other operating costs | 4,439,912 | 2,422,854 | 2,017,058 |
| **TOTAL** | **29,051,523** | **28,695,157** | **356,366** |

The entire item "*Other operating costs*" is virtually unchanged compared to the previous financial year (+1.2%). There was an increase in the items "*Losses on receivables*," "*Provisions for risks*" and "*Other operating costs*," which was substantially offset by the reduction in "Entertainment and external relations expenses."

The "*Lease and rental expenses*" item increased mainly as a result of equipment rental agreements that were recognised directly in the income statement.

The item "*Representation and external relations expenses*" decreased by 43.0% compared to the previous year as a result of a greater focus on specific initiatives with an impact on the brand with a view to greater cost control in a context of high variability in raw material prices.

The residual item "*Other operating costs*" mainly consists of other operating expenses amounting to €1,481.6 thousand, such as exemption contribution costs of €291.7 thousand, social utility expenses of €723.7 thousand and contingent liabilities of €580.0 thousand, in particular for a theft incurred in the United Kingdom.

This item also includes a non-recurring cost of €1.5 million following a settlement agreement with a supplier.

## NOTE 10 - FINANCIAL EXPENSES

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Interest on bank loans and charged by other providers of finance | 6,396,119 | 6,065,365 | 330,754 |
| Interest on other amounts due to banks | 903,048 | 1,081,691 | (178,643) |
| Realised exchange losses | 7,305,585 | 2,522,552 | 4,783,033 |
| Unrealised exchange losses | 21,729 | 837,921 | (816,192) |
| Losses on IRS derivatives | 1,595,861 | 1,071,194 | 524,667 |
| Interest expense on lease agreements | 833,849 | 920,874 | (87,025) |
| Write-down of derivatives and other financial assets | 103,544 | 357,496 | (253,952) |
| Other expense | 1,674,528 | 1,531,514 | 143,014 |
| **TOTAL** | **18,834,264** | **14,388,608** | **4,445,656** |

Financial expenses for the period amounted to €18,864.9 thousand, an increase of €4,476.3 thousand compared with the previous year, mainly due to the net effect of realised and unrealised exchange losses totalling €3,997.5 thousand (€7,327.3 thousand in 2025 compared with €3,360.5 thousand in 2024) and interest on bank borrowings (€6,396.1 thousand in 2025 versus €6,065.4 thousand in 2024).

The "*Other expenses*" item consists almost entirely of "*Bank charges and commissions*", amounting to €1,514.8 thousand (€1,463.8 thousand in 2024).

The "*Impairment of derivatives and other financial assets*" item includes the write-down of financial receivables of €90.9 thousand (€135.1 thousand in 2024), which are not expected to be recovered, and the write-down of exchange-rate derivatives of €12.6 thousand (€222.4 thousand in 2024).

## NOTE 11 - FINANCIAL INCOME

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Unrealised exchange gains | 111,154 | 733,408 | (622,254) |
| Realised exchange gains | 6,554,804 | 2,428,980 | 4,125,824 |
| Income from foreign exchange derivatives | 10,430 | | 10,430 |
| Income from IRS derivatives | 1,141,576 | 1,506,948 | (365,372) |
| Other financial income | 1,459,496 | 1,339,230 | 120,266 |
| **TOTAL** | **9,277,460** | **6,008,566** | **3,268,894** |

The item "*Financial income*," amounting to €9,277.5 thousand in 2025, shows an increase of €3,268.9 thousand compared to the previous year (€6,008.6 thousand), mainly attributable to the net effect of realised and unrealised foreign exchange gains of €3,503.6 thousand relating to the adjustment to end-of-period exchange rates of items denominated in currencies other than the functional currency still outstanding at the date of the consolidated financial statements and gains on items closed during the period.

The item "*Income from foreign exchange derivatives*" amounting to €10.4 thousand refers to forward currency purchase/sale transactions to hedge commercial transactions in accordance with the Group's foreign exchange risk management policy.

The item "*Income from IRS derivatives*" for €1,141.6 thousand represents the positive differentials on *Interest Rate Swap* financial derivatives.

The item "*Other income*" consists mainly of "*Dividends from other companies*" for €210.2 thousand as dividends from Kafea Terra Food & Drink SA and OCM S.r.l. for €23.9 thousand, "*Interest income on other receivables*" for €129.4 thousand and "*Financial income from securities recorded under current assets*" for €936.0 thousand.

## NOTE 12 – OTHER INCOME (EXPENSES) ON FINANCIAL ASSETS

The Group's financial income (expenses) are shown:

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Other income (expenses) on financial activities | 0 | (4,500,000) | 4,500,000 |
| **TOTAL** | **0** | **(4,500,000)** | **4,500,000** |

In the previous financial year, this item included the write-down of the investment in *illycafè AG*. See note 15 for further information.

## NOTE 13 - INCOME TAXES

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Current taxes for the year | 10,975,749 | 15,672,557 | (4,696,808) |
| Current taxes relating to previous years | 304,267 | (1,460,539) | 1,764,807 |
| Deferred taxes | (910,582) | 402,308 | (1,312,890) |
| **TOTAL** | **10,369,434** | **14,614,326** | **(4,244,891)** |

The tax burden for the 2025 financial year amounts to a total of €10,369.4 thousand, as a consequence of the net effect of:

- current taxes of €10,975.8 thousand;
- the positive effect of deferred taxation of €910.6 thousand;
- current taxes relating to previous years, which generated a negative impact of €304.3 thousand, deriving from the tax burden recalculated on the basis of the tax returns submitted with respect to the settlement of taxes made when preparing the financial statements for the previous year.

For current taxes, the tax burden is determined on the basis of the taxable income deriving from the result for the year, applying the nominal tax rates in force in the countries of reference (for the Group's Italian companies, 24% for IRES [company earnings' tax] and 3.9% for IRAP [regional business tax], respectively).

The breakdown of income taxes is as follows:

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| IRES | 5,835,349 | 10,615,977 | (4,780,628) |
| IRAP | 1,314,916 | 2,043,106 | (728,190) |
| Other current taxes | 3,825,484 | 3,013,474 | 812,010 |
| **Current taxes** | **10,975,749** | **15,672,557** | **(4,696,808)** |
| IRES | (373,231) | 702,463 | (1,075,695) |
| IRAP | 35,564 | 93,872 | (58,309) |
| Other deferred (prepaid) taxes | (572,914) | (394,027) | (178,887) |
| **Deferred (prepaid) taxes** | **(910,582)** | **402,308** | **(1,312,890)** |
| Taxes from previous years | 304,267 | (1,460,539) | 1,764,807 |
| **Taxes from previous years** | **304,267** | **(1,460,539)** | **1,764,807** |
| **TOTAL INCOME TAXES** | **10,369,434** | **14,614,326** | **(4,244,891)** |

Taxation for the period accounted for 34.3% of the pre-tax result, up 4.0 p.p. compared to the previous year (30.3%). The tax trend was driven by the decrease in Pre-tax profit (-37.4% compared to 2024) and the reduction in non-recurring items relating to taxes from previous years.

## Deferred tax assets

| | 31/12/2025 | | 31/12/2024 | |
|---|---|---|---|---|
| Description | Amount of Temporary Difference | Tax Impact | Amount of Temporary Difference | Tax Impact |
| Write-down of receivables | 3,632,410 | 871,779 | 3,911,913 | 938,859 |
| Other provisions and write-downs of intangible and tangible fixed assets | 23,353,846 | 6,421,349 | 22,013,735 | 6,093,130 |
| Financial derivative hedging instruments | 739,754 | 177,541 | 1,249,563 | 299,895 |
| Directors' remuneration | 1,838,066 | 441,136 | 1,228,806 | 294,914 |
| Amount of deferred tax assets deriving from the consolidation of subsidiaries | | 6,016,731 | | 6,481,536 |
| **Total deferred tax assets** | | **13,928,536** | | **14,108,334** |

It should be noted that the change in the provision for deferred prepaid taxes relating to derivative financial instruments, totalling €122.4 thousand, did not affect the deferred tax expense of the Income Statement, since it is linked to derivative financial instruments qualified as hedging.

## Deferred tax liabilities

| | 31/12/2025 | | 31/12/2024 | |
|---|---|---|---|---|
| Description | Amount of Differences | Tax Impact | Amount of Differences | Tax Impact |
| Dividends recorded on an accruals basis | 10,511 | 2,523 | 300,575 | 72,138 |
| Other provisions | 2,365,774 | 654,524 | 1,901,731 | 524,503 |
| Amount of deferred taxes deriving from fully consolidated companies | | 197,786 | | 1,389,569 |
| **Total deferred tax liabilities** | | **854,833** | | **1,986,210** |

# NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

| Description | **31/12/2025** | 31/12/2024 | Change |
|---|---|---|---|
| Land and buildings | 43,905,956 | 36,145,292 | 7,760,664 |
| Plant and equipment | 35,474,291 | 32,882,797 | 2,591,495 |
| Industrial and commercial equipment | 41,875,330 | 39,387,760 | 2,487,570 |
| Leasehold improvements | 1,946,976 | 2,306,596 | (359,620) |
| Other tangible assets | 7,876,076 | 7,190,535 | 685,541 |
| Tangible assets in progress and advance payments | 13,253,256 | 7,723,346 | 5,529,911 |
| **TOTAL** | **144,331,886** | **125,636,326** | **18,695,560** |

The item "*Tangible assets*" amounted to €144,331.9 thousand as at 31 December 2025 (€125,636.3 thousand as at 31 December 2024) and is made up as follows:

- "*Land and buildings*," amounting to €43,906.0 thousand as at 31 December 2025, with an increase of €7,760.7 thousand compared to the previous financial year. The change during the year is mainly attributable to the allocation to land of €8.6 thousand of the consolidation difference arising from the elimination of the investment in illycafè AG, net of depreciation for the period on buildings.
- "*Plant and machinery*," equal to €35,474.3 thousand as of 31 December 2025, with a increase of €2,591.5 thousand. The change in the period is mainly attributable to the effect of depreciation of €7,805.8 thousand, in addition to disposals for a net value of €128.0 thousand and investments for the year, including the capitalisation of advances and contracts for a total of €10,250.8 thousand, the latter mainly relating to costs incurred by the Parent Company for the construction of new production facilities, in particular investments made to innovate and improve the efficiency of production lines by carrying out upgrades and improvements, and to the expansion of the scope of consolidation.
- "*Industrial and commercial equipment*," which amount to €41,875.3 thousand at 31 December 2025, with an increase of €2,487.6 thousand, mainly attributable to the purchase of professional coffee equipment granted on loan and/or lease to customers and for the acquisition and innovation of printing systems used for the production of products of the Iperespresso system.
- The item "*Leasehold improvements*" amounted to €1,945.0 thousand at 31 December 2025 (€2,306.6 thousand at 31 December 2024). The change in this item is due to increases relating to the renovation of a car park and the creation of green areas near the Parent Company's headquarters, net of depreciation for the period.
- "*Other tangible assets*," amounting to €7,876.1 thousand (€7,190.5 thousand at 31 December 2024), refer to investments made by Group companies mainly in electronic equipment, light construction, office furniture and furnishings, laboratory equipment, furnishings for trade fairs and events, and illy concept bar furnishings.
- "*Tangible assets in progress and advances,*" amounting to €13,253.3 thousand at 31 December 2025 (€7,723.3 thousand at 31 December 2024) refer to works not yet completed, with particular reference to research and innovation in the field of cutting-edge professional machines and the creation of sustainable products that meet the requirements of the circular economy, such as reduced packaging and complete recyclability.

The decreases reflect reclassification applied during the year for specific relevant tangible fixed assets.

The table with a breakdown of the changes is presented below:

| | Land and buildings | Plant and equipment | Equipment | Other assets | Leasehold improvements | Fixed assets in progress and advance payments | Total property, plant and machinery |
|---|---|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **63,148,928** | **110,574,111** | **183,134,909** | **33,234,540** | **7,395,949** | **7,082,852** | **404,571,289** |
| Increase | 947,508 | 7,122,530 | 21,837,832 | 2,223,391 | 563,082 | 7,051,313 | 39,745,655 |
| Decrease | | (398,452) | (6,405,839) | (536,863) | (246,995) | (997,588) | (8,585,737) |
| Exchange differences | | 2,469 | 1,362,249 | 96,000 | 38,562 | | 1,499,279 |
| Other changes | (651,641) | 4,779,922 | 4,431 | 234,140 | (15,308) | (4,878,231) | (526,686) |
| **Historical cost 31/12/2024** | **63,444,795** | **122,080,580** | **199,933,582** | **35,251,208** | **7,735,290** | **8,258,346** | **436,703,801** |
| **Provision for Write-downs 01/01/2024** | **(26,327,443)** | **(81,526,181)** | **(145,092,308)** | **(26,458,911)** | **(4,889,054)** | | **(284,293,897)** |
| Increase | (1,733,908) | (7,345,138) | (17,447,135) | (1,845,561) | (768,264) | | (29,140,005) |
| Decrease | | 334,377 | 5,190,802 | 409,742 | 230,915 | | 6,165,837 |
| Exchange differences | | (2,236) | (1,212,118) | (108,672) | (22,254) | | (1,345,280) |
| Other changes | 761,849 | (237,916) | 3,240 | (21,280) | 19,962 | | 525,854 |
| **Provision for Write-downs 31/12/2024** | **(27,299,503)** | **(88,777,095)** | **(158,557,518)** | **(28,024,681)** | **(5,428,694)** | | **(308,087,491)** |
| **Write-down provision 01/01/2024** | | **(420,688)** | **(2,194,605)** | | | **(1,472,224)** | **(4,087,518)** |
| Decrease | | | 583,162 | | | 937,224 | 1,520,386 |
| Exchange differences | | | (126,638) | | | | (126,638) |
| Write-downs | | | (250,222) | (35,992) | | | (286,215) |
| **Write-down provision 31/12/2024** | | **(420,688)** | **(1,988,304)** | **(35,992)** | | **(535,000)** | **(2,979,985)** |
| **Net book value 31/12/2024** | **36,145,292** | **32,882,797** | **39,387,760** | **7,190,535** | **2,306,596** | **7,723,346** | **125,636,326** |
| **Historical cost 01/01/2025** | **63,444,795** | **122,080,580** | **199,933,582** | **35,251,208** | **7,735,290** | **8,258,346** | **436,703,801** |
| Increase | 355,978 | 6,195,735 | 22,298,599 | 2,361,107 | 484,572 | 10,403,308 | 42,099,299 |
| Decrease | (148,228) | (1,357,853) | (10,106,270) | (1,074,097) | (398,886) | | (13,085,334) |
| Exchange differences | | (5,310) | (3,802,030) | (310,786) | (159,528) | | (4,277,654) |
| Other changes | 241,091 | 3,993,875 | 89,517 | 285,080 | | (4,873,398) | (263,835) |
| Change in the scope of consolidation | 12,092,372 | 1,260,847 | 3,426,738 | 1,515,846 | | | 18,295,803 |
| **Historical cost 31/12/2025** | **75,986,009** | **132,167,874** | **211,840,135** | **38,028,359** | **7,661,449** | **13,788,256** | **479,472,081** |
| **Provision for Write-downs 01/01/2025** | **(27,299,503)** | **(88,777,095)** | **(158,557,518)** | **(28,024,681)** | **(5,428,694)** | | **(308,087,491)** |
| Increase | (1,471,223) | (7,805,795) | (18,209,249) | (2,081,355) | (761,327) | | (30,328,948) |
| Decrease | 107,933 | 1,229,907 | 9,144,644 | 1,086,444 | 372,819 | | 11,941,748 |
| Exchange differences | | 4,935 | 2,705,017 | 279,119 | 102,728 | | 3,091,799 |
| Other changes | | 263,835 | | | | | 263,835 |
| Change in the scope of consolidation | (3,417,260) | (1,188,681) | (3,194,169) | (1,375,817) | | | (9,175,927) |
| **Provision for Write-downs 31/12/2024** | **(32,080,052)** | **(96,272,894)** | **(168,111,275)** | **(30,116,290)** | **(5,714,473)** | | **(332,294,984)** |
| **Write-down provision 01/01/2025** | | **(420,688)** | **(1,988,304)** | **(35,992)** | | **(535,000)** | **(2,979,985)** |
| Decrease | 40,295 | 7,896 | 82,786 | 2,347 | | | 133,324 |
| Exchange differences | | | 216,402 | | | | 216,402 |
| Write-downs | (40,295) | (7,896) | (164,415) | (2,347) | | | (214,953) |
| **Write-down provision 31/12/2025** | | **(420,688)** | **(1,853,530)** | **(35,992)** | | **(535,000)** | **(2,845,211)** |
| **Net book value 01/01/2025** | **43,905,956** | **35,474,291** | **41,875,330** | **7,876,076** | **1,946,976** | **13,253,256** | **144,331,886** |

# NOTE 15 - INTANGIBLE ASSETS AND GOODWILL

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| Goodwill | 33,625,727 | 12,421,340 | 21,204,387 |
| Development costs | 3,585,634 | 4,457,444 | (871,810) |
| Concessions, licences, software, trademarks and similar rights | 2,146,706 | 2,416,197 | (269,492) |
| Other intangible assets | 10,509,222 | 10,147,373 | 361,850 |
| Intangible assets in progress and advance payments | 16,364,990 | 12,814,698 | 3,550,292 |
| **TOTAL** | **66,232,279** | **42,257,052** | **23,975,226** |

The item "*Intangible assets*" amounted to €66,232.3 thousand at 31 December 2025 (€42,257.1 thousand at 31 December 2024).

- "*Development costs*" amounting to €3,585.6 thousand as at 31 December 2025 (€4,457.4 thousand as at 31 December 2024) include the capitalisation of development costs for innovation projects on espresso machines and new types of compostable, aluminium and compatible capsules with a view to sustainability.
- "*Concessions, licences, software, trademarks and similar rights*" refer to trademark rights, as well as licences for the use of software for the information system, industrial patents and rights granted to new artists for the decorations created on illy Art Collection cups, in addition to new designs for espresso machines.
- The increases in the item "*Other intangible assets*" mainly refer to investments made by the Parent Company in updating the integrated information system and the right to create a global site.
- The increase in the item "*Fixed assets in progress and advance payments*" mainly represents costs relating to projects on technological innovations on espresso machines still in progress.



The table with a breakdown of the changes is presented below:

| | Development costs | Concessions, licences, software, trademarks and similar rights | Other intangible assets | Intangible assets in progress and advance payments | Total other intangible assets |
|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **21,079,261** | **24,554,687** | **75,929,047** | **11,992,861** | **133,555,856** |
| Increase | 1,785,976 | 775,588 | 5,346,645 | 4,083,361 | 11,991,571 |
| Decrease | (139,826) | (360,746) | (1,331,452) | (1,128,274) | (2,960,299) |
| Exchange differences | | 5,648 | 617,631 | 3,575 | 626,853 |
| Other changes | 329,810 | | 1,034,467 | (1,364,277) | |
| **Historical cost 31/12/2024** | **23,055,220** | **24,975,176** | **81,596,338** | **13,587,246** | **143,213,981** |
| **Provision for Write-downs 01/01/2024** | **(16,885,957)** | **(21,749,309)** | **(66,600,256)** | | **(105,235,522)** |
| Increase | (1,700,899) | (1,184,794) | (5,011,380) | | (7,897,074) |
| Decrease | (10,920) | 380,082 | 1,140,106 | | 1,509,268 |
| Exchange differences | | (4,958) | (603,477) | | (608,435) |
| **Provision for Write-downs 31/12/2024** | **(18,597,777)** | **(22,558,979)** | **(71,075,007)** | | **(112,231,763)** |
| **Write-down provision 01/01/2024** | | | **(373,958)** | **(1,757,467)** | **(2,131,425)** |
| Decrease | | | | 1,104,771 | 1,104,771 |
| Write-downs | | | | (119,852) | (119,852) |
| **Write-down provision 31/12/2024** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Net book value 31/12/2024** | **4,457,444** | **2,416,197** | **10,147,373** | **12,814,698** | **29,835,712** |
| **Historical cost 01/01/2025** | **23,055,220** | **24,975,176** | **81,596,338** | **13,587,246** | **143,213,981** |
| Increase | 718,528 | 665,445 | 4,724,959 | 4,336,993 | 10,445,926 |
| Decrease | (295,795) | (28,939) | (37,899) | | (362,633) |
| Exchange differences | | (12,547) | (1,210,463) | | (1,223,010) |
| Other changes | 8,423 | | 778,278 | (786,701) | |
| Changes in the scope of consolidation | | 733,894 | 521,740 | | 1,255,635 |
| **Historical cost 31/12/2025** | **23,486,376** | **26,333,031** | **86,372,954** | **17,137,538** | **153,329,898** |
| **Provision for Write-downs 01/01/2025** | **(18,597,777)** | **(22,558,979)** | **(71,075,007)** | | **(112,231,763)** |
| Increase | (1,535,323) | (977,232) | (5,113,627) | | (7,626,182) |
| Decrease | 232,357 | 15,646 | | | 248,003 |
| Exchange differences | | 11,361 | 1,193,695 | | 1,205,056 |
| Changes in the scope of consolidation | | (677,120) | (494,834) | | (1,171,955) |
| **Provision for Write-downs 31/12/2025** | **(19,900,742)** | **(24,186,325)** | **(75,489,773)** | | **(119,576,840)** |
| **Write-down provision 01/01/2025** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Write-down provision 31/12/2025** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Net book value 31/12/2025** | **3,585,634** | **2,146,706** | **10,509,222** | **16,364,990** | **32,606,552** |

# Goodwill

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| Goodwill | 33,625,727 | 12,421,340 | 21,204,387 |
| **Total assets with an indefinite useful life** | **33,625,727** | **12,421,340** | **21,204,387** |

This item increased during the year following the M&A transactions carried out by the Parent Company, which led to the acquisition of control of illycafè AG (€6,159.5 thousand) and the acquisition of Capitani S.r.l. (€15,173.8 thousand).

In the specific case of Capitani S.r.l., by virtue of the shareholders' agreements signed, which provide for the exercise of a put & call option by the parties under certain conditions, it was included in the consolidation on the basis of the *pre-acquisition method*.

Furthermore, the item includes the values determined at the time of acquisition of the business *Mitaca S.r.l.* and *illycaffè UK Ltd.* and the remaining values are mostly related to minor acquisitions made by the Parent Company's permanent establishments.

Goodwill is considered to be an asset with an indefinite useful life and is therefore not subject to amortisation, but is at least annually subjected to an impairment test as at the balance sheet date.

The Group has therefore subjected the Net Invested Capital (NIC), including goodwill, to an impairment test, for each cash-generating unit (CGU), understood as an entity with respect to which management monitors its flows.

With regard to illycaffè UK Ltd., the impairment test was carried out with reference to the relevant CGU identified respectively in illycaffè UK Ltd., a distribution company operating in the UK market, and illycaffè AG.

With reference to the goodwill deriving from the acquisition of the Mitaca business, it should be noted that in 2023 the company Mitaca S.r.l., with a view to simplifying and reorganising the management of the Group, was merged into illycaffè S.p.A. and therefore for the purposes of the impairment test, illycaffè S.p.A. was considered as the reference CGU.
The recoverable amount of the CGUs was determined through the value in use, calculated by applying the discounted future cash flow model (*so-called discounted cash flows*), considering the cash flows forecast by management in the multi-year plan up to 2030 (submitted to the Board of Directors at its meeting on 15 December 2025), in addition to the *terminal value*, calculated as the present value of the perpetual annuity.

For the purposes of calculating the *terminal value* the normalised cash flow for the last year of the explicit forecast period was considered, based on a growth rate ("g") consistent with the CGU's reference market of 0.9% for illycaffè UK Ltd. and 1.9% for the Mitaca business.

For discounting purposes, management has identified a WACC of 9.0% for illycaffè UK Ltd. and 9.1% for the *Mitaca business*, which weights the cost of debt with that of shareholders' equity, considering the characteristics of the markets in which the CGUs operate.

The following considerations were made to determine the WACC:

- the cost of equity capital considering a risk-free rate;
- a market share risk premium and an additional risk premium;
- an unlevered beta coefficient;
- the cost of gross debt, including the spread;
- the reference tax rate of the individual CGU;
- the debt to equity ratio

The impairment test did not reveal any need to write down the CGUs. In order to confirm the reasonableness of these assessments, management carried out a sensitivity analysis which confirmed the stability of the value of goodwill recorded in the event of changes in the above parameters within a reasonable range.

The additional difference compared to 31 December 2024 relates to the translation difference of illycaffè UK's goodwill.

# NOTE 16 - RIGHT-OF-USE ASSETS

The table with a breakdown of the changes is presented below:

| | Stores & Buildings | Means of transport | Industrial and commercial equipment | Other usage rights | Total |
|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **44,054,867** | **5,228,967** | **1,035,962** | **2,140,113** | **52,459,909** |
| Increase | 8,458,439 | 2,838,121 | 579,770 | 93,747 | 11,970,077 |
| Decrease | (7,588,593) | (2,523,016) | (359,278) | (508,886) | (10,979,773) |
| Exchange differences | 115,399 | (6,349) | | 19,092 | 128,143 |
| **Historical cost 31/12/2024** | **45,040,112** | **5,537,724** | **1,256,455** | **1,744,066** | **53,578,356** |
| Increase | 10,819,896 | 2,307,883 | 489,186 | 49,777 | 13,666,742 |
| Decrease | (1,118,746) | (2,353,160) | (296,923) | (434,880) | (4,203,708) |
| Exchange differences | (802,305) | (7,344) | | (36,970) | (846,619) |
| **Historical cost 31/12/2025** | **53,938,958** | **5,485,103** | **1,448,718** | **1,321,994** | **62,194,772** |
| **Provision for Write-downs 01/01/2024** | **(22,724,601)** | **(2,831,432)** | **(756,747)** | **(1,239,638)** | **(27,552,418)** |
| Increase | (5,168,594) | (1,524,329) | (248,191) | (423,026) | (7,364,140) |
| Decrease | 2,264,525 | 1,227,865 | 343,582 | 508,886 | 4,344,859 |
| Exchange differences | (103,061) | 3,073 | | (13,885) | (113,873) |
| **Provision for Write-downs 31/12/2024** | **(25,731,731)** | **(3,124,823)** | **(661,356)** | **(1,167,663)** | **(30,685,573)** |
| Increase | (5,422,820) | (1,369,979) | (213,436) | (339,867) | (7,346,101) |
| Decrease | 979,595 | 1,130,766 | 176,374 | 384,466 | 2,671,201 |
| Exchange differences | 600,068 | 6,181 | (40) | 30,094 | 636,304 |
| **Provision for Write-downs 31/12/2025** | **(29,574,887)** | **(3,357,854)** | **(698,458)** | **(1,092,970)** | **(34,724,169)** |
| **NET BOOK VALUE 31/12/2024** | **19,308,381** | **2,412,901** | **595,099** | **576,404** | **22,892,784** |
| **NET BOOK VALUE 31/12/2025** | **24,364,070** | **2,127,248** | **750,260** | **229,024** | **27,470,603** |

The increases in assets for right-of-use of leased assets acquired during the year mainly relate to the renewal of the lease agreement for the store in Via Montenapoleone in Milan and the lease of the store in Old Brompton Road managed directly by illycaffè UK and to following the expansion of the scope of consolidation with the inclusion of the lease on the property of Capitani S.r.l.

The decreases relate to the reduction in the duration of certain *leases*.

# NOTE 17 - NON-CURRENT FINANCIAL ASSETS

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Other financial receivables | 1,090,546 | 1,022,536 |
| Other equity investments | 1,987,847 | 13,168,598 |
| **Total non-current financial assets** | **3,078,394** | **14,191,134** |

The item "Non-current financial assets" amounted to €3,078.4 thousand as at 31 December 2025 (€14,191.1 thousand as at 31 December 2024) and is made up as follows:

- "*Other Investments*", amounting to €1,987.8 thousand, the movements of which are summarised in the table below. In particular, the decreases relate entirely to illycafé AG, which has been included in the scope of consolidation starting from the 2025 financial year.
- "*Other equity investments*" for €1,987.8 thousand. This item decreased during the year following the acquisition of control by the Parent Company of illycafè AG, based in Thalwil, Switzerland, with effect from July 2025 and its subsequent inclusion in the scope of consolidation.

In addition, during the year, the Parent Company acquired an investment in the newly established Agorai Innovation HUB S.p.A. for €254.2 thousand, a company that aims to carry out applied research for the development of technological assets and support business transformations in the transition to digital and in the newly established *Data Science & Artificial Intelligence Foundation ETS* for €25.0 thousand, a foundation based in Trieste with the aim of conducting basic research in the field of data science and artificial intelligence.

For the investments in other companies there were no other cases of write-back of value.

The changes in investments in other companies during the year are shown below:

| | Purchase cost 31/12/2024 | Write-down provision 31/12/2024 | Net opening balance 31/12/2024 | Increase | Decrease | Purchase cost 31/12/2025 | Write-down provision 31/12/2025 | Ending net amount 31/12/2025 |
|---|---|---|---|---|---|---|---|---|
| CAAF Interreg. Dipendenti S.r.l. | 5 | | 5 | | | 5 | | 5 |
| Kafea Terra Food & Drinks S.A. | 247,000 | | 247,000 | | | 247,000 | | 247,000 |
| OCM S.r.l. | 748,499 | | 748,499 | | | 748,499 | | 748,499 |
| CONAI | 1,605 | | 1,605 | | | 1,605 | | 1,605 |
| ERP Italia Srl - WEEE | 4,010 | | 4,010 | | | 4,010 | | 4,010 |
| illycafè AG | 15,959,946 | (4,500,000) | 11,459,946 | | (11,459,946) | | | 0 |
| Consorzio E.S.E. | 3,533 | | 3,533 | | | 3,533 | | 3,533 |
| Little Italy Espresso Machines SL | 120,202 | (120,202) | 0 | | | 120,202 | (120,202) | 0 |
| Trieste Convention Center | 704,000 | | 704,000 | | | 704,000 | | 704,000 |
| Agorai Innovation HUB S.p.A. | | | 0 | 254,195 | | 254,195 | | 254,195 |
| Data Science & Artificial Intelligence Foundation ETS | | | 0 | 25,000 | | 25,000 | | 25,000 |
| **TOTAL** | **17,788,800** | **(4,620,202)** | **13,168,598** | **279,195** | **(11,459,946)** | **2,108,050** | **(120,202)** | **1,987,847** |

## NOTE 18 - OTHER NON-CURRENT ASSETS

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Other non-current assets | 117,621 | 118,861 |
| Guarantee deposits | 807,327 | 857,860 |
| **Total other non-current assets** | **924,948** | **976,721** |

The item "*Other non-current assets*" amounts to €942.9 thousand as at 31 December 2025 (€976.7 thousand) of which €807.3 thousand relate to "Security deposits" and €117.6 thousand for the portion of prepaid expenses with a duration beyond one year.

# NOTE 19 - INVENTORIES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Raw, ancillary and consumable materials | 98,061,628 | 66,701,192 |
| Work in progress | 3,812,997 | 1,591,344 |
| Finished products | 69,084,558 | 60,046,521 |
| Payments on account | 247,325 | 524,541 |
| **Total inventories** | **171,206,508** | **128,863,598** |

The item "*Inventories*" amounted to €171,206.5 thousand as at 31 December 2025 (€128,863.6 thousand as at 31 December 2024). The increase of €42,342.9 thousand compared to the previous year is mainly attributable to the increase in inventories of raw materials and finished products held at the end of the year by Group companies and to the effect of the increase in the cost of raw materials.

Inventories are stated net of the write-down allowance amounting to €uro 10,914.2.

The changes in the write-down allowance are shown below:

| | 2025 | 2024 |
|---|---|---|
| **Starting balance** | **(8,824,144)** | **(8,652,301)** |
| Provision | (3,470,666) | (1,643,892) |
| Uses and releases | 1,368,285 | 1,579,902 |
| Exchange differences | 394,890 | (107,852) |
| Change in the scope of consolidation | (382,533) | |
| **Closing balance** | **(10,914,167)** | **(8,824,144)** |

# NOTE 20 - TRADE RECEIVABLES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Trade receivables | 117,206,322 | 115,032,628 |
| Amounts due from parent companies | 19,093 | 25,981 |
| **TOTAL** | **117,225,414** | **115,058,608** |

The item "*Trade receivables*," gross of the allowance for doubtful receivables, amounted to €117,225.4 thousand as at 31 December 2025 (€1,015,058.6 thousand as at 31 December 2024) and is made up as follows:

- "*Receivables from customers,*" whose increase with respect to the previous year is mainly linked to the increase in turnover recorded during the financial year as well as an increase in collection terms compared to the previous year;
- "*Amounts due from the parent company,*" which includes trade receivables due from *Gruppo illy S.p.A.*; trade receivables are shown in the financial statements net of an allowance for doubtful receivables amounting to €6,582.4 thousand as at 31 December 2025 (€6,397.5 thousand as at 31 December 2024), allocated in relation to an estimation model that takes into account not only the estimated loss on impaired receivables, but also the expected losses on currently performing receivables.

The changes in the allowance for doubtful receivables are shown below:

| | 2025 | 2024 | Change |
|---|---|---|---|
| **Balance at the start of the year** | **(6,397,497)** | **(7,323,063)** | **925,566** |
| Provisions | (1,774,826) | (1,068,738) | (706,088) |
| Uses and releases | 1,569,436 | 2,042,154 | (427,718) |
| Exchange differences | 172,816 | (47,850) | 220,666 |
| Changes in the scope of consolidation | (152,359) | | (152,359) |
| **Balance at the end of the year** | **(6,582,430)** | **(6,397,497)** | **(184,933)** |

During the year, the allowance for doubtful receivables increased by €1,774.8 thousand by way of a provision and decreased by €1,569.4 thousand due to use or release.

The credit quality of customers is assessed on the basis of an assessment of the creditworthiness of the customers, for whom individual credit limits are established. Open customer receivables and assets deriving from contracts are regularly monitored. At each balance sheet date, an impairment analysis is performed on receivables, using a matrix to measure the expected losses. Write-down percentages are determined on the basis of days past due and by grouping together customer receivables that are characterised by similar causes of impairment (geographic area and past due dates).

The calculation is based both on the probability of recovery of the receivable and on a historical analysis of losses on receivables, which have never been significant.

In addition, impaired trade receivables are subject to a specific write-down if legal action is taken.

The provision made during the year is affected by both the allocation made against a position difficult to collect, and the adjustment of the expected losses on receivables still performing and on the various bands of past due receivables not subject to specific write-downs.

The following table shows the distribution of trade receivables by geographic area, which does not take into account the allowance for doubtful receivables:

| Description | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Italy | 46,240,792 | 40,477,932 |
| EU | 24,143,844 | 48,601,210 |
| Outside EU | 46,840,778 | 25,979,466 |
| **Total trade receivables** | **117,225,414** | **115,058,608** |

Trade receivables, net of the allowance for doubtful receivables, are shown in the table below:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Trade receivables | 117,225,414 | 115,058,608 |
| Allowance for doubtful receivables | (6,582,430) | (6,397,497) |
| **TOTAL** | **110,642,984** | **108,661,112** |

## NOTE 21 - CURRENT TAX RECEIVABLES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Current tax receivables | 7,854,106 | 9,421,233 |
| **TOTAL** | **7,854,106** | **9,421,233** |

The item is mainly composed of VAT credit, credit for withholdings paid abroad and credit on investments and R&D of the Parent Company for €2,865.5 thousand.

## NOTE 22 - CURRENT FINANCIAL ASSETS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Other financial receivables | 771,666 | 1,056,213 |
| Derivative financial instruments receivable | 10,430 | 0 |
| Other investments | 17,369,760 | 13,540,029 |
| **Total current financial assets** | **18,151,856** | **14,596,242** |

The item "*Current financial assets*" amounted to €18,151.9 thousand as at 31 December 2025 (€14,596.2 thousand as at 31 December 2024). This item includes €17,369.8 thousand relating to investments of liquid bank assets that are readily convertible to cash carried out by *Experimental Agricola do Brasil Ltda* (€9,112.5 thousand), *illy Sud America comercio, importacao e exportacao Ltda* (€173.3 thousand) and *illycaffè Shanghai Co. Ltd.* (€8,083.9 thousand).

The balance of the item "*Receivable derivative financial instruments*" at 31 December 2025 consists of a positive value of €10.4 thousand relating to certain derivative financial instruments outstanding at that date. The tables below show the receivable derivative financial instruments outstanding at 31 December 2025 (coffee, interest rate, and exchange rate derivatives) and at the end of the previous year (coffee and interest rate derivatives), their main characteristics and the book value corresponding to the *fair value* at those dates, calculated using the elements provided by the Bloomberg Mars application.

## Coffee purchases

As at 31 December 2025, the Group had no outstanding hedging transactions on coffee purchases, as was also the case in December 2024.

## Exchange rate transactions

As at 31 December 2025, the Group had a forward sale transaction in US dollars to hedge its foreign currency receivables exposure. This shows a positive fair value, the main characteristics of which are shown in the table below.

| Contract Type | Start date | Settlement date | Notional in USD | *Fair value* at 31/12/2025 |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | 11/11/2025 | 15/01/2026 | 1,243,294 | 10,430 |
| | | | **1,243,294** | **10,430** |

At 31 December 2024, the Group had no hedging transactions in place on exchange rates that showed a positive *fair value*.

# NOTE 23 - OTHER CURRENT ASSETS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Guarantee deposits | 14,678 | 15,165 |
| Consolidated tax credit | 3,508,346 | 2,845,521 |
| Receivables for advance payments | 903,426 | 789,425 |
| Receivables for reimbursements to be received | 339,655 | 454,099 |
| Employee travel advances | 118,167 | 13,099 |
| Accrued income and prepaid expenses | 2,738,980 | 2,178,214 |
| Other receivables | 511,826 | 392,995 |
| **TOTAL** | **8,135,078** | **6,688,518** |

This item includes "Other current assets" and at year-end consisted mainly of:

- "*Guarantee deposits*" for €14.7 thousand as of 31 December 2025 (€15.2 thousand as of 31 December 2024);
- "*Consolidated tax credit*," representing the tax consolidation credit together with the parent company Gruppo Illy S.p.A. and deriving from the calculation of taxes relating to previous years, net of the debt to the controlling company Holding Illy S.p.A. and advance payments made during the period.
- "*Accrued income and prepaid expenses*" for €2,739.0 thousand as at 31 December 2025 (€2,178.2 thousand as at 31 December 2024), which reflect income and expenses that accrue before or after the receipt of cash. They do not take into account the payment or collection date of the related Accrued income and prepaid expenses that are common to two or more years and divisible over time.
- "*Other receivables*" amounting to €511.8 thousand as at 31 December 2025 (€393.0 thousand as at 31 December 2024), which mainly includes receivables for refunds to be received from the tax authorities for 730 credits, tax relief and adjustments (€93.1 thousand), receivables from the European Union for projects of the Parent Company (€140.4 thousand) and the receivable arising from the transfer of the business unit of Capitani S.r.l. for €114.4 thousand.

# NOTE 24 - CASH AND CASH EQUIVALENTS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Cash and equivalents on hand | 133,602 | 177,226 |
| Bank and post office deposits | 29,070,199 | 52,199,631 |
| **TOTAL** | **29,203,802** | **52,376,856** |

This item consists mainly of the liquidity of Group companies deposited with primary banking institutions and remunerated at market conditions.

Please refer to the cash flow statement for a detailed analysis of the change during the year.

# NOTE 25 - SHAREHOLDERS' EQUITY

At 31 December 2025, the "*Consolidated shareholders' equity*" totalled €182,693.7 thousand (€185,340.0 thousand as at 31 December 2024).

## Share capital

The share capital as at 31 December 2025, fully subscribed and paid in, currently consists of 4,500,000 ordinary shares, with no par value, as per the resolution of the Shareholders' Meeting of 19 February 2021, which cancelled the treasury shares in the portfolio at 31 December 2020 (500,000 shares), equal to 10 % of its share capital, keeping the share capital unchanged.

## Other reserves

These items break down as follows:

| | Balance as at 31/12/2025 | Balance as at 31/12/2024 | Change |
|---|---|---|---|
| Extraordinary reserve | 92,513,610 | 76,260,834 | 16,252,775 |
| Reserve for capital grants | 797,731 | 797,731 | 0 |
| Conversion reserve | (7,923,023) | (1,496,716) | (6,426,307) |
| Consolidation reserve | 1,795,223 | 1,795,223 | 0 |
| Merger surplus | 80,595 | 80,595 | 0 |
| Stock Option Reserve | 1,552,221 | 1,161,835 | 390,386 |
| Benefit plan reserve | (155,394) | (155,734) | 340 |
| Other reserves | | | 0 |
| Legal reserve | 10,000,000 | 9,601,505 | 398,495 |
| Reserve for expected cash flow of hedging transactions | (562,212) | (949,669) | 387,457 |
| **Total Other Reserves** | **98,098,751** | **87,095,605** | **11,003,147** |

The item other reserves includes:

- The extraordinary reserve of €92,513.6 thousand increased by the net value of €16,252.8 thousand following the allocation of the previous year's profit.
- The "Reserve capital grants" pursuant to Art. 55 of Italian Presidential Decree 917 was €797.8 thousand and represents 50% of the grants paid in previous years, in accordance with article 55 of the Consolidated Law on Corporate Income Tax (TUIR) then in force, relating to capital grants.
- The translation reserve, negative for €7,923.0 thousand, is fuelled by the effect of the exchange rates arising from the conversion of the financial statements of foreign companies prepared in local currency. During the financial year, the translation reserve increased by €6,426.3 thousand, mainly as a result of the weakening of the US dollar against the euro during the period.
- The consolidation reserve amounts to €1,795.2 thousand.
- The merger surplus reserve amounts to €80.6 thousand.
- The stock option reserve amounting to €1,552.2 thousand, which includes the effect on net equity resulting from the assignment of the stock option plans promoted in favour of management during the financial year ended 31 December 2025.

- The "Benefit plan reserve," amounted to €155.4 thousand, which includes the effect on shareholders' equity of the application of IAS 19.
- The legal reserve recognised by the Parent Company as at 31 December 2025 was €10,000.0 thousand, which changed during 2025 at the time of the allocation of the profit for the previous year. This reserve is fed by the mandatory allocation of a sum not less than one twentieth of the annual net profits, until reaching an amount equal to one fifth of the share capital.
- The "Reserve for expected cash flow hedging transactions," includes the changes in the fair value of the effective component of financial derivatives hedging financial flows. This reserve is recorded net of the prepaid/deferred tax effect. The following table shows the changes of the reserve in question during the 2025 financial year.

| Description | 31/12/2024 | Increase | Decrease | **31/12/2025** |
|---|---|---|---|---|
| Reserve for expected cash flow hedging transactions | (949,669) | 387,457 | | (562,212) |
| **TOTAL** | **(949,669)** | **387,457** | **0** | **(562,212)** |

## Distributions made and proposed

During the year, based on the Shareholders' Meeting held on 29 April 2025, dividends were distributed for €16,819.1 thousand.

The proposed dividends on ordinary shares for the year ending 31 December 2025 amounted to €13,223.0 thousand. These dividends are subject to approval by the Shareholders' Meeting and are not recognised as a liability as at 31 December.

### Management incentive plan – *Management Equity Plan 2022-2029*

On 2 December 2022, the Parent Company's Board of Directors, after receiving the positive opinion expressed by the Appointments and Remuneration Committee on 29 November 2022, approved the regulations of the incentive plan entitled "Management Equity Plan 2022-2029" with the following characteristics:

- the plan envisages the free assignment of a maximum number of 600,000 options to the beneficiaries – directors and executives of strategic importance of the Parent Company or its subsidiaries – identified by name at the sole discretion of the Board of Directors;
- the vesting of the rights and, consequently, the allotment of the related shares is subject to the beneficiary's minimum term of employment with the company or one of its subsidiaries;
- the options, once vested upon fulfilment of the exercise conditions, entitle the beneficiaries to subscribe class G shares (without voting rights pursuant to the Articles of Association) resulting from a share capital increase with exclusion of option rights approved by the Extraordinary Shareholders' Meeting on 2 December 2022.

The Board of Directors of the Parent Company may make any changes to the regulations that may be necessary and/or appropriate in relation, in particular, to the case of changes in the applicable legislation.

The determination of the *fair value* of the plan, which takes into account the current value of the share on the assignment date, the volatility, the expected dividend flow, the duration of the option and the risk-free rate, was entrusted to an independent external expert and was carried out by applying a closed-form option pricing method such as Black-Scholes (a methodology universally used for the valuation of options).

The costs related to this plan amount to €390.4 thousand in the 2025 financial year.

| | Number of options |
|---|---|
| Options assignable by plan | 600,000 |
| Options assigned in 2022 | 294,996 |
| Options previously assigned and cancelled in 2025 | (26,248) |
| Options to be assigned as at 31 December 2025 | 305,004 |

Through this plan, the company aims to incentivise and retain the beneficiaries according to the company's value growth in the medium to long term, aligning the interests of the beneficiaries with those of the shareholders of the Parent Company over a multi-year time horizon.

Below, we report the reconciliation table between the shareholders' equity and the operating result of the Parent Company with the consolidated financial statements.

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Shareholders' equity** | **Income statement** | Shareholders' equity | Income statement |
| **Parent Company IFRS GAAP** | **158,964,886** | **13,761,755** | **161,239,718** | **29,701,458** |
| - Share of shareholders' equity and profit of consolidated companies, net of the equity investments' carrying value | (2,210,018) | 7,128,704 | 23,336,670 | 4,299,559 |
| - Elimination of write-downs net of revaluations of equity investments and receivables from consolidated companies | | 267,872 | | 952,078 |
| - Effect of put & call options | (3,412,935) | (937,516) | | |
| - Consolidation difference emerging from the reversal of consolidated equity investments | 36,769,932 | | 6,854,495 | |
| -Elimination of intercompany asset sales | (22,603) | | (22,603) | |
| - Elimination of profits on sales to subsidiaries included in inventories, net of the related tax effect | (7,500,189) | (1,355,673) | (6,144,516) | (1,123,194) |
| - Elimination of intercompany receivables/payables | 111,679 | 27,869 | 83,817 | 44,212 |
| - Elimination of intercompany costs and revenues | (7,064) | 941,799 | (7,631) | (235,744) |
| **Shareholders' Equity and net profit as reported in the consolidated financial statements (including minority interests)** | **182,693,689** | **19,834,810** | **185,339,951** | **33,638,369** |
| Minority interests | (1,002) | (327) | (12,390) | (193) |
| **Group share of Shareholders' Equity and net profit** | **182,692,687** | **19,834,484** | **185,327,561** | **33,638,176** |

# NOTE 26 - NON-CURRENT FINANCIAL LIABILITIES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Derivative financial instruments – liabilities | 739,752 | 1,249,564 |
| Financial liability arising from put/call option | 3,412,935 | |
| Amounts due to other lenders | 7,771,663 | 9,088,669 |
| Bank borrowings | 140,512,732 | 100,780,557 |
| Bond loans | 14,000,000 | 28,000,000 |
| **Total** | **166,437,083** | **139,118,790** |

"*Amounts due for bank loans*" amounting to €140,512.7 thousand as at 31 December 2025 (€100,780.6 thousand as at 31 December 2024) express the actual debt for capital, interest and ancillary charges accrued and payable for the non-current portion.

During 2025, the syndicated loan was renegotiated, increasing the amount by €60,000.0 thousand and the duration, in order to meet the greater financial requirements related to the industrial investment plan and the increase in the price of coffee, while the amount of repayments on outstanding loans is €15,464.7 thousand.

The table below summarises the maturity profile of borrowings from other lenders, bank loans and bond loans. For details on the movements in financial liabilities, please refer to Note 31.

| | Maturity in years | | | |
|---|---|---|---|---|
| | From 1 to 5 years | More than 5 years | **Total at 31/12/2025** | Total at 31/12/2024 |
| Amounts due for bank loans | 140,512,732 | | 140,512,732 | 100,780,557 |
| Bond loans | 14,000,000 | | 14,000,000 | 28,000,000 |
| Amounts due for loans to other providers of finance | 3,992,000 | 3,779,663 | 7,771,663 | 9,088,669 |
| **Total** | **158,504,732** | **3,779,663** | **162,284,396** | **137,557,833** |

The content of the Group's loans is specified below:

- Parent Company:

| Medium-/Long-term Loans | Fair Value | Nominal value | Start date | Maturity Date | Pre-amortisation | Instalments |
|---|---|---|---|---|---|---|
| Loan 6 | 1,166,667 | 1,166,667 | 28/07/2010 | 30/06/2028 | 30 months | Half-yearly |
| Loan 21 | 160,000,000 | 160,000,000 | 30/06/2025 | 30/06/2030 | 12 months | Quarterly |
| **TOTAL** | **161,166,667** | **161,166,667** | | | | |

Mortgage 6 is secured by a second mortgage on the Distripark logistics hub property complex, while mortgage 21, was granted in 2025 for €160,000.00 thousand with a 12-month grace period.

- Companies included in the scope of consolidation:

| Medium-/Long-term Loans | Fair Value | Remaining amount | Equivalent value in euros | Start date | Maturity Date | Instalments |
|---|---|---|---|---|---|---|
| Loan 1 | CHF | 250,158 | 268,582 | 27/03/2020 | 27/09/2027 | Half-yearly |

Some loans taken out over the years, include contractual clauses or covenants that set certain economic-financial parameters based on the results of the annual financial statements and/or the consolidated financial statements as at 31 December every year. If these covenants are not respected, the banks have the right to request early repayment of the remaining portion of the loans provided.

Based on the results of the financial statements of the Parent Company and the consolidated financial statements as at 31 December 2025, the balance sheet and income statement ratios envisaged in the loan agreements, which refer to financial statements prepared in accordance with the Italian accounting standards, were respected.

With regard to loans, the financial covenants required by contract and complied with by the group are shown below:

| Ratio | Threshold |
|---|---|
| Net worth ratio (NFP/Equity) | 1.70 |
| Maximum Leverage ratio (NFP/EBITDA) | 4.00 |

The item "Bond loans" included the bond issued on 30 July 2015 by the Parent Company, all of which was bought by the institutional investor Prudential Management Investment, for a total of $140 million, of which €70 million was disbursed during the same year.

The option to reach US $140 million expired during 2018 and no extension was renegotiated.

The bond has the following features:

- maturity on 30 July 2027
- pre-amortisation until 30 July 2023;
- fixed rate of 3.35%;
- interest payments on 30 January and 30 July of each year.

Lastly, the bond loan agreement called for compliance with certain operating and financial covenants based on the figures of the consolidated financial statements as at 30 June and 31 December of each year. Based on the figures of the consolidated financial statements at 31 December 2025, on the basis of the Italian accounting standards, there was full compliance with the balance sheet and income statement ratios specified in the agreement.

The financial covenants for the bond loan provided for in the bond loan regulations and complied with by the Parent Company are set out below:

| Ratio | Threshold |
|---|---|
| Net worth ratio (NFP/Equity) | 1.70 |
| Maximum Leverage ratio (NFP/EBITDA) | 4.00 |

At 31 December 2025, based on management expectations (Group plan until 2030 submitted to the Board of Directors of the Parent Company on 15 December 2025), there are no circumstances expected that would suggest non-compliance with the covenants for the entire period of the plan.

*"Amounts due for loans to other providers of finance":*

Over the course of 2023, "Frie Loan 00050005449" was taken out, stipulated in November 2020 for €9,980.0 thousand with a duration of 10 years, with a pre-amortisation period, secured by a mortgage subsequent to the third on Distripark and a lien on equipment covered by the programme.

| Medium-/long-term loans | Remaining amount | Start date | Maturity Date | Prepayments | Instalments |
|---|---|---|---|---|---|
| FRIE NO. 00050005449* | 7,984,000 | 04/07/2023 | 01/07/2033 | | Half-yearly |
| **TOTAL** | **7,984,000** | | | | |

* of which €998.0 thousand is short-term, as reported in note 31.

This item includes financial payables relating to capital goods subject to financial leases for the non-current portion amounting to €785.7 thousand.

"*Derivative financial instruments payable*" include the negative fair value at 31 December 2025 of the "*Interest Rate Swap*" contract in existence at said date and whose main characteristics and the book value corresponding to the *fair value*, are shown below.

## Interest rate transactions

As at 31 December 2025, the group had an interest rate swap contract in place with a negative *fair value*, as shown in the table below.

| Contract Type | Start date | Settlement date | Currency | Notional at 31/12/2025 | ***Fair Value* at 31/12/2025** | Fixed Rate (Paid) | Variable rate (collected) |
|---|---|---|---|---|---|---|---|
| IRS | 30/04/2024 | 30/09/2027 | EUR | 50,000,000 | (739,752) | 3.148% | Euribor 3M |
| | | | | **50,000,000** | **(739,752)** | | |

At 31 December 2024, the Group had an "*Interest Rate Swap*" contract in place with a *negative fair value*, the main characteristics of which and the carrying amount corresponding to the *fair value* at said date are shown in the following table:

| Contract Type | Start date | Settlement date | Currency | Notional at 31/12/2024 | Fair Value at 31/12/2024 | Fixed Rate (Paid) | Variable rate (collected) |
|---|---|---|---|---|---|---|---|
| IRS | 30/04/2024 | 30/09/2027 | EUR | 50,000,000 | (1,249,563) | 3.148% | Euribor 3M |
| | | | | **50,000,000** | **(1,249,563)** | | |

The item also includes the financial liability of €3,423.0 thousand arising from the measurement, as at 31 December 2025, of the Call-Put agreement provided for under the shareholders' agreements with Capitani S.r.l., applying the pre-acquisition method. As a result, instead of recognising non-controlling interests, this financial liability is presented.

## NOTE 27 - CURRENT AND NON-CURRENT LEASE LIABILITIES

Financial liabilities for current and non-current leases refer to the payable that arose as a result of the application of IFRS 16 as from 1 January 2020 and refer to the contracts in place for the rental of buildings, leasing of equipment and vehicles, used in operating units. The liability recognised corresponds to that arising from the non-cancellable period of the contract, together with the best estimate of the effects related to the extension or early termination clauses the exercise of which was deemed reasonably certain.

In addition, the Group has a number of leases for machinery and vehicles whose duration is equal to or less than 12 months and office equipment whose value is modest. The Group has chosen to apply the exemptions envisaged by IFRS 16 regarding short-term or low-value leases for these contracts.

The following provides information on the financial statement values of lease liabilities and their changes during the period:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **Current lease liabilities** | **6,795,310** | **6,729,445** |
| Stores & buildings | 5,203,466 | 4,956,261 |
| Means of transport | 1,194,377 | 1,236,605 |
| Industrial and commercial equipment | 193,951 | 166,818 |
| Other usage rights | 203,516 | 369,760 |
| **Non-current lease liabilities** | **19,338,061** | **14,381,001** |
| Stores & buildings | 17,758,532 | 12,492,802 |
| Means of transport | 973,400 | 1,230,551 |
| Industrial and commercial equipment | 561,724 | 422,940 |
| Other usage rights | 44,405 | 234,708 |
| **TOTAL** | **26,133,371** | **21,110,446** |

| | Stores & buildings | Means of transport | Industrial and commercial equipment | Other usage rights | Total |
|---|---|---|---|---|---|
| **Opening balance at 01/01/2024** | **19,295,756** | **2,410,514** | **294,017** | **924,369** | **22,924,656** |
| New contracts | 8,458,439 | 1,862,240 | 579,770 | 93,747 | 10,994,196 |
| Interest | 625,091 | 154,405 | 23,945 | 27,909 | 831,350 |
| Payments and contractual changes | (10,951,406) | (1,953,755) | (307,973) | (448,947) | (13,662,081) |
| Exchange differences | 21,183 | (6,248) | | 7,391 | 22,325 |
| **Closing balance at 31/12/2024** | **17,449,063** | **2,467,156** | **589,759** | **604,468** | **21,110,446** |
| New contracts | 10,974,999 | 1,729,070 | 489,186 | 49,777 | 13,243,032 |
| Interest | 620,165 | 130,084 | 27,769 | 16,182 | 794,199 |
| Payments and contractual changes | (5,822,769) | (2,156,060) | (351,039) | (413,402) | (8,743,270) |
| Exchange differences | (259,459) | (2,472) | | (9,104) | (271,036) |
| **Closing balance at 31/12/2025** | **22,961,998** | **2,167,778** | **755,675** | **247,920** | **26,133,371** |

The maturity profile of non-current lease liabilities is shown below.

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **From 1 to 5 years** | **17,094,815** | **12,390,479** |
| Stores & Buildings | 15,515,286 | 10,502,280 |
| Means of transport | 973,400 | 1,230,550 |
| Industrial and commercial equipment | 561,724 | 422,940 |
| Other usage rights | 44,405 | 234,708 |
| **Over 5 years** | **2,243,246** | **1,990,522** |
| Stores & Buildings | 2,243,246 | 1,990,522 |
| Means of transport | | |
| Industrial and commercial equipment | | |
| Other usage rights | | |

Below is a breakdown of the effects recognised in the income statement:

| | 2025 | 2024 |
|---|---|---|
| Amortisation of usage rights | 7,346,101 | 7,364,140 |
| Interest expense on lease agreements | 803,009 | 920,874 |
| **Total amount in income statement** | **8,149,110** | **8,285,013** |

## NOTE 28 – OTHER NON-CURRENT LIABILITIES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Accrued expenses and deferred income | 2,811,161 | 3,253,989 |
| Other non-current liabilities | 69,561 | 83,973 |
| **TOTAL** | **2,880,722** | **3,337,961** |

As of 31 December 2025, deferred income with a duration of more than five years amount to €94.3 thousand and are related to accrued income on grants receivable.

## NOTE 29 - EMPLOYEE BENEFITS

The changes in the item are detailed below:

| FUTURE BENEFIT PLAN | |
|---|---|
| **Obligations for defined benefits as at 1.1.2024** | **2,626,031** |
| Benefits paid | (245,215) |
| Service cost | 28,655 |
| Financial expense | 65,859 |
| Actuarial gains and losses | (19,477) |
| **Obligations for defined benefits as at 31.12.2024** | **2,455,853** |
| Benefits paid | (97,013) |
| Service cost | 68,719 |
| Financial expense | 126,258 |
| Actuarial gains and losses | (46,055) |
| Other changes | 1,012,887 |
| **Obligations for defined benefits as at 31.12.2025** | **3,520,649** |

The item mainly includes the debt for employee severance indemnity of Italian companies and post-employment benefits of subsidiaries. It should be noted that the increase in this item is due to the inclusion of the liability of Capitani S.r.l., while, all other conditions being equal, the change in interest rates has led to a decrease in the present value of the provisions compared to the previous period.

The way in which these benefits are guaranteed varies depending on the legal, fiscal and economic conditions of each country in which the Group operates.

The valuation of the employee severance indemnity (TFR) debt for IAS/IFRS purposes follows the method of projecting the current value of the defined benefit obligation with an estimate of the benefits accrued by employees.

Following the changes introduced by Italian Law No. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing decrees and regulations, the portion of leaving indemnities accrued up to 31 December 2006 will continue to remain with the company, taking on the form of a defined benefit plan (obligation for accrued benefits subject to actuarial valuation), while the portions accruing from 1 January 2007 onwards, as a result of the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS, taking on the form, from the moment the choice is formalised by the employee, of defined contribution plans (no longer subject to actuarial valuation). The determination of the TFR is therefore the result of the application of an actuarial model that is based on various assumptions, both demographic and economic in type.

The table below shows the economic technical bases used:

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Annual discount rate | 3.28% - 3.90% | 3.40% - 3.41% |
| Annual inflation rate | 2.00% | 2.00% |
| Advance rate | 0.00% - 3.96% | 0.93% - 3.06% |
| Staff turnover rate | 5.03% - 14.50% | 6.16% - 17.08% |

In particular, we note that the annual discount rate used to determine the current value of the obligation was inferred, consistently with point 83 of IAS 19, with reference to market yields, at the closing date, of bonds of primary companies referring to Italian and French companies.

## NOTE 30 - NON-CURRENT PROVISION

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Agents' leaving indemnity provision | 2,824,030 | 2,219,557 |
| Provisions for risks and charges | 8,061,379 | 6,184,553 |
| **TOTAL** | **10,885,409** | **8,404,110** |

The "*Provisions for non-current risks and charges*" totalling €10,885.4 thousand are mainly represented by the allocations made by the Parent Company for legal and tax disputes for €2,620.9 thousand, for commercial disputes for €1,462.8 thousand and for early retirement incentives for €1,815.9 thousand.

On 5 February 2020, the FVG Regional Revenue Directorate initiated a general tax audit for the 2017 tax period, which was shortly after suspended due to the Covid-19 emergency. The inspections resumed in February 2023. On 27 July 2023, the Regional Revenue Agency notified a findings report (PVC) through which the Office recalculated higher IRES due for the year 2017 amounting to € 202 thousand and informed the company that certain audits on the documentation provided were still ongoing. The company partially accepted the findings covered by the PVC and paid higher taxes plus penalties and interest. During 2024, the Company proceeded to define the further findings notified by the Office through verification with acceptance and special voluntary settlement. During 2025, the Parent Company released the remaining portion of the risk provision previously allocated, amounting to €136.0 thousand.

The "*Agents' leaving indemnity provision*" amounting to €2,824.0 thousand is set aside to meet indemnities that Group companies are obliged to pay agents in the event that the agency relationship is terminated upon the initiative of the companies of the Group, or in the event of the agent's death, permanent disability or retirement. This indemnity is not however due if the agency relationship is terminated on the agent's initiative, or for just cause. The provision is made in accordance with collective financial agreements and mentioned in agency contracts stipulated with the agents.

The main assumptions used in the actuarial estimate of the "Agents' leaving indemnity provision" are the following:

| | Italy | |
|---|---|---|
| | **2025** | 2024 |
| **Economic assumptions** | | |
| Discount rate | 3.51% | 3.52% |
| **Demographic assumptions** | | |
| Mortality rate | ISTAT 24 mortality tables, differentiated by gender and reduced to 85% | ISTAT 23 mortality tables, differentiated by gender and reduced to 85% |
| Disability rate | INPS tables reduced to 70% | INPS tables reduced to 70% |
| Attrition rate | 0.08% with just cause<br>7.48% without just cause" | 0.10% with just cause<br>7.81% without just cause" |

# NOTE 31 - CURRENT FINANCIAL LIABILITIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Amounts due for bond loans | 14,000,000 | 14,000,000 |
| Amounts due for bank loans | 34,320,825 | 473,641 |
| Amounts due for loans to other providers of finance | 3,171,204 | 1,309,393 |
| Derivative financial instruments payable | 12,607 | 222,362 |
| **TOTAL** | **51,504,636** | **16,005,396** |

The balance of the item in question comprises:

- "*Amounts due for bond loans*" represents the short-term portion of the bond loan explained in Note 26;
- "*Amounts due for bank loans*" for €34,500.1 thousand (€473.6 thousand at 31 December 2024) as the current portion deriving from the debt financing transaction with a pool of leading banks;
- "*Amounts due for loans from other lenders*" for €3,171.2 thousand (€1,309.4 thousand at 31 December 2024), which increased compared to the previous year following the expansion of the scope of consolidation with the inclusion of financial payables of illycafè AG. In addition, short-term finance lease liabilities are included of €319.0 thousand and the short-term portion of the Frie loan of €998.0 thousand.
- "*Derivative financial instruments payable*" amounting to €12.6 thousand (€222.4 thousand at 31 December 2024) represent the *fair value* of currency hedging transactions, in particular on GBP positions. See table below for further details. For additional information, refer to Note 26.

The movements in current and non-current financial liabilities are presented below.

| Non-current financial liabilities | Bank borrowings | Bond loans | Amounts due to other lenders | Total |
|---|---|---|---|---|
| **Balance as at 01/01/2025 – non-current portion** | **(100,780,557)** | **(28,000,000)** | **(9,088,669)** | **(137,869,226)** |
| New loan disbursements | (160,000,000) | | | (160,000,000) |
| Changes in consolidation scope | (179,282) | | | (179,282) |
| Repayment of principal | 100,000,000 | | | 100,000,000 |
| Reclassification from current to non-current | 20,466,667 | 14,000,000 | 1,317,006 | 35,783,672 |
| Changes in amortised cost | (19,560) | | | (19,560) |
| **Balance as at 31/12/2025 – non-current portion** | **(140,512,732)** | **(14,000,000)** | **(7,771,663)** | **(162,284,395)** |

| Current financial liabilities | Bank borrowings | Bond loans | Amounts due to other lenders | Total |
|---|---|---|---|---|
| **Balance as at 01/01/2025 – current portion** | **(473,641)** | **(14,000,000)** | **(1,309,393)** | **(15,783,034)** |
| New loan disbursements | (10,000,000) | | | (10,000,000) |
| Changes in consolidation scope | (4,061,815) | | (1,854,198) | (5,916,013) |
| Repayment of principal | 466,667 | 14,000,000 | 1,309,393 | 15,776,060 |
| Reclassification from non-current to current | (20,466,667) | (14,000,000) | (1,317,006) | (35,783,672) |
| Changes in amortised cost | 208,979 | | | 208,979 |
| Changes in short-term current account | 5,651 | | | 5,651 |
| **Balance as at 31/12/2025 – current portion** | **(34,320,825)** | **(14,000,000)** | **(3,171,204)** | **(51,492,029)** |

## Exchange rate transaction

At 31 December 2025, the group had outstanding foreign exchange transactions with a negative fair value, the main characteristics of which are shown in the following table:

| Contract Type | Start date | Settlement date | Notional in Euro | ***Fair Value* at 31/12/2025** |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | 11/11/2025 | 15/01/2026 | 965,364 | (12,607) |
| | | | **965,364** | **(12,607)** |

At 31 December 2024, the group had outstanding foreign exchange transactions with a negative fair value, as shown in the table below:

| Contract Type | Start date | Settlement date | Notional in Euro | *Fair Value* at 31/12/2024 |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | Oct-24/Nov -24/Dec-24 | Jan-25 | 4,169,518 | (111,127) |
| AVERAGE RATE FORWARD | Nov-24/Dec-24 | Feb-25 | 6,675,660 | (90,952) |
| AVERAGE RATE FORWARD | Dec-24 | Mar-25 | 2,660,906 | (20,283) |
| | | | **13,506,085** | **(222,362)** |

# NOTE 32 - TRADE PAYABLES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Trade payables | 127,857,257 | 126,901,160 |
| **TOTAL** | **127,857,257** | **126,901,160** |

"*Payables to suppliers*" are recorded net of trade discounts, do not include the payment of interest and are on average settled within 60 days.

# NOTE 33 - OTHER CURRENT LIABILITIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Indirect tax payables | 899,162 | 812,234 |
| Other current tax payables | 2,453,280 | 2,044,858 |
| Payables to social security and pension organisations | 6,627,380 | 6,196,395 |
| Amounts due to employees and directors | 11,606,810 | 13,326,167 |
| Other current liabilities | 3,639,146 | 9,969,251 |
| **TOTAL** | **25,225,778** | **32,348,904** |

"*Indirect tax payables*" consist mainly of VAT payables for €865.7 thousand.

"Other current tax payables" mainly consist of withholding tax payables on salaries amounting to €2,314.4 thousand and coffee tax liabilities of the German permanent establishment amounting to €138.9 thousand.

The item "*Amounts due to welfare and social security institutions*" refers to payables due at year-end to these institutions for the portion borne by Group companies and employees relating to salaries and wages for the month of December 2025, as well as the payables for social security contributions relating to the Parent Company's sales network.

"*Amounts due to employees and directors*" are inherent to the remuneration accrued as of the year end date, as well as holiday entitlement accrued and not taken as of the same date.

The item "*Other current liabilities*" includes current accrued liabilities and deferred income of €2,281.0 thousand and payables for goods to be delivered of €500.5 thousand.

## NOTE 34 - CURRENT PROVISION

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Product warranty provision | 325,604 | 326,554 |
| **TOTAL** | **325,604** | **326,554** |

The "*Product warranty provision*" amounting to €325.6 thousand represents the amount set aside for this purpose for sales of espresso machines under warranty. The amount of the provision reflects the best estimate of possible work to be carried out over the years of the duration of the warranty and was increased during the year by €272.2 thousand and utilised for €271.2 thousand for work performed.

## NOTE 35 - CONTRACT LIABILITIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Provision for returned goods | 67,528 | 67,328 |
| Prize transactions provision | 425,007 | 540,482 |
| **TOTAL** | **492,535** | **607,810** |

The "*Provision for returned goods*" of €67.5 thousand represents the best estimate of returns of products delivered during 2025.

The "*Prize transaction provision*" amounting to €425.0 thousand is linked to loyalty programmes outstanding, which allow customers to accumulate points that can be redeemed for free with products, discounts or promotional codes. Loyalty points entail an separate obligation to perform with respect to the sales of products made in the meantime to customers as they provide an additional material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers on the basis of the related stand-alone sales price and recognised as an obligation to perform as long as the points are used. Consequently, a reduction in sales revenue is estimated in the presence of a current contractual liability. Revenue is recognised when the products are redeemed by the customer.

In assessing the stand-alone price of loyalty points, the Group considers the probability that the customer will redeem the points. The Group updates its estimates of points that will be redeemed quarterly and any adjustments to the balance of contractual liabilities are booked to revenues.

The decrease compared to the previous year is a consequence of the closure of the programme at the end of the year.

## NOTE 36 - CURRENT TAX PAYABLES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Current tax payables | 2,323,831 | 2,701,525 |
| **TOTAL** | **2,323,831** | **2,701,525** |

"*Current tax liabilities*" include tax liabilities of the Parent Company and its permanent establishments, including IRAP [regional business tax] liabilities of €79.8 million for the Parent Company. It also includes income tax payables of other companies included in the scope of consolidation for €1,742.1 thousand.

# NOTE 37 - FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table shows the breakdown of the Group's assets and liabilities as at 31 December 2025 measured at fair value (positive/negative in euro) and their hierarchical level is indicated.

| Derivative contracts | Level 1 (prices quoted on an active market) | Level 2 (observable significant inputs) | Level 3 (unobservable significant inputs) |
|---|---|---|---|
| Interest rate swap | | (739,753) | |
| Foreign currency forward sales agreements | | (2,177) | |
| Commodity swap transaction on raw materials | | | |
| Call options on raw materials | | | |
| **Total** | | **(741,930)** | |

The Group's assets and liabilities as at 31 December 2024 measured at fair value and their hierarchical level were as follows:

| Derivative contracts | Level 1 (prices quoted on an active market) | Level 2 (observable significant inputs) | Level 3 (unobservable significant inputs) |
|---|---|---|---|
| Interest rate swap | | (1,249,563) | |
| Foreign currency forward sales agreements | | (222,362) | |
| Commodity swap transaction on raw materials | | | |
| Call options on raw materials | | | |
| **Total** | | **(1,471,925)** | |

During 2025, there were no transfers between levels.

# NOTE 38 – COMMITMENTS, GUARANTEES AND POTENTIAL LIABILITIES

## Guarantees

At the end of the year, the group had the following direct and indirect sureties given to third parties for a total of € 1,421.4 thousand:

| Guarantor | Party guaranteed | Amount |
|---|---|---|
| Unicredit Banca | Ministry of Economic Development – cumulative guarantees | 250,000 |
| BNL | illy Shop Porta Nuova, Milan | 201,910 |
| BNL | Trieste Chamber of Commerce - illy Shop Trieste | 40,147 |
| Unicredit | Porta di Roma shopping gallery | 127,000 |
| BNL | Albergo Nazionale Srl - illy Montecitorio | 10,950 |
| BNL | Bloomfleet - Telepass | 39,000 |
| BNL | Reale Immobile SpA - Milan Offices | 80,000 |
| BNL | Venice Gardens Foundation non-profit - illy Venice | 220,000 |
| BNL | Generali Reale Estate - Ponterosso | 20,000 |
| BNL | Finnapo Srl - illy Montenapoleone | 314,989 |
| Unicredit Banca | Generali Reale Estate - Citylife | 28,019 |
| BNL | Singapore Airlines Ltd Singapore | 31,299 |
| DEU | New offices Sucursal en Espana | 58,128 |
| **TOTAL** | | **1,421,441** |

## Commitments

At 31 December 2025, there are no commitments not represented in the financial statements.

## Potential liabilities

The Group is not currently subject to particular risks, uncertainties or legal disputes exceeding the amounts already set aside in the financial statements. Usual tax audits are reported as part of periodic monitoring activities and, at the moment, no particularly relevant findings have emerged and in any case the Group is confident in the correctness of its conduct.

# NOTE 39 - RELATED PARTIES DISCLOSURE

Transactions carried out with related parties, including intra-group transactions, cannot be classified as either atypical or unusual and fall within the ordinary course of business of the Group companies. Such transactions are regulated under market conditions, taking into account the characteristics of the goods and services provided.

The relationships with the parent company and other related parties are shown below:

| | Trade receivables | Other current assets | Trade payables | Revenues from sales and services | Cost of production |
|---|---|---|---|---|---|
| **Dealings with Parent Company** | | | | | |
| Gruppo Illy S.p.A. | 19,093 | 2,822,256 | | 42,300 | |
| Holding Illy S.p.A. | | 661,391 | | | |
| **Dealings with associates** | | | | | |
| Kafea Terra Food & Drinks S.A. | 9,637,945 | | | 32,600,605 | |
| **Dealings with other related parties** | | | | | |
| Ernesto Illy Foundation | 1,903 | | | 1,903 | 475,000 |
| Blitz Srl | | | 740 | | 6,787 |
| Amarey Srl | | | | | 975 |
| **TOTAL** | **9,658,941** | **3,483,647** | **740** | **32,644,808** | **482,762** |

Receivable and payable positions with respect to the parent company Gruppo Illy S.p.A. and Holding Illy S.p.A. mainly arise from membership in the national tax consolidation.

Relations with other related parties mainly refer to commercial relationships for the sale and purchase of goods.

## OTHER INFORMATION

The Company has not issued financial instruments on the basis of Art. 2346, paragraph 6 or dedicated assets to individual businesses as provided for by Articles. 2447-bis et seq. of the Italian Civil Code.

## SUBSEQUENT EVENTS

There are no significant events reported after the balance sheet date.

illycaffè S.p.A.

Chairman of the Board of Directors

Andrea Illy

# Independent auditors' report

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# illycaffè Group

**Consolidated financial statements as at 31 December 2025**

(with independent auditors' report thereon)

KPMG S.p.A.

14 April 2026

KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the shareholders of*
*illycaffè S.p.A.*

## Report on the audit of the consolidated financial statements

### *Opinion*

We have audited the consolidated financial statements of the illycaffè Group (the "group"), which comprise the statement of financial position as at 31 December 2025, the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the illycaffè Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union.

### *Basis for opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the parent ("illycaffè S.p.A.") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements*

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

## *Auditors' responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### *Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10*

The parent's directors are responsible for the preparation of the group's management report at 31 December 2025 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the management report with the consolidated financial statements;
- express an opinion on the consistency of the management report with the applicable law;
- issue a statement of any material misstatements in the management report.

In our opinion, the management report is consistent with the group's consolidated financial statements at 31 December 2025.

Moreover, in our opinion, the management report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 14 April 2026

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit



# Financial statements

# Financial statements

## INCOME STATEMENT

| | 2025 | 2024 | Notes |
|---|---|---|---|
| Revenues | 595,234,986 | 538,654,542 | 1 |
| Other operating income | 15,135,414 | 11,987,103 | 2 |
| **Total net revenues** | **610,370,400** | **550,641,645** | |
| Changes in inventories of finished and semi-finished products | 9,464,765 | 5,556,137 | 3 |
| Costs for purchase of raw, ancillary and consumable materials and finished goods | (341,640,363) | (265,715,805) | 4 |
| Costs for employee benefits | (84,526,903) | (80,824,215) | 5 |
| Cost of services | (99,572,346) | (92,493,804) | 6 |
| Amortisation/depreciation | (35,267,477) | (34,114,021) | 7 |
| Impairment losses on non-current assets | (50,538) | (156,259) | 8 |
| Other operating costs | (29,927,996) | (28,840,665) | 9 |
| **Total costs** | **(581,520,857)** | **(496,588,633)** | |
| **Operating result (EBIT)** | **28,849,543** | **54,053,012** | |
| Financial expense | (17,456,126) | (12,710,808) | 10 |
| Financial income | 9,482,618 | 5,800,307 | 11 |
| Other income (expenses) on financial activities | (5,431) | (5,452,078) | 12 |
| **Pre-tax profit/(loss)** | **20,870,604** | **41,690,433** | |
| Income taxes | (7,108,849) | (11,988,975) | 13 |
| **Profit/(loss) deriving from assets held for disposal net of taxation** | | | |
| **Profit / (loss) for the year** | **13,761,755** | **29,701,458** | |

# STATEMENT OF COMPREHENSIVE INCOME

| | 31/12/2025 | 31/12/2024 | Notes |
|---|---|---|---|
| **Profit / (loss) for the year (A)** | **13,761,755** | **29,701,458** | |
| **Components of comprehensive income that will subsequently be reclassified under profit/(loss) for the year:** | | | |
| Net gain/(loss) on cash flow hedges | 499,812 | (3,482,139) | 26 |
| Tax impact | (112,355) | 835,713 | |
| **Subtotal (B1)** | **387,457** | **(2,646,425)** | |
| **Components of comprehensive income that will not be reclassified to profit/(loss) in subsequent periods:** | | | |
| Actuarial profits/(losses) recognised in the statement of comprehensive income | 6,130 | (33,085) | 30 |
| Tax impact | (1,471) | 7,940 | |
| **Subtotal (B2)** | **4,659** | **(25,144)** | |
| **Total other components of the statement of comprehensive income for the year, net of taxation (B1+B2)** | **392,116** | **(2,671,570)** | |
| **Comprehensive net profit/(loss) for the year (A+B1+B2)** | **14,153,871** | **27,029,889** | |

# STATEMENT OF FINANCIAL POSITION

| | 31/12/2025 | 31/12/2024 | Notes |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 116,656,749 | 108,314,552 | 14 |
| Goodwill | 6,092,493 | 6,092,493 | 15 |
| Intangible assets | 32,455,302 | 29,545,036 | 16 |
| Right-of-use assets | 20,847,646 | 16,380,087 | 17 |
| Equity investments and other non-current financial assets | 75,375,799 | 58,822,353 | 18 |
| Other non-current assets | 382,147 | 408,107 | 19 |
| Deferred tax assets | 7,911,805 | 7,626,799 | 13 |
| **Total non-current assets** | **259,721,941** | **227,189,425** | |
| **Current assets** | | | |
| Inventories | 145,082,093 | 107,558,236 | 20 |
| Trade receivables | 91,449,437 | 93,619,452 | 21 |
| Current tax receivables | 4,175,378 | 6,792,329 | 22 |
| Current financial assets | 7,332,240 | 5,489,562 | 23 |
| Other current assets | 6,316,614 | 5,502,059 | 24 |
| Cash and cash equivalents | 23,979,014 | 46,576,549 | 25 |
| **Total current assets** | **278,334,776** | **265,538,187** | |
| Assets held for sale | | | |
| **Total assets** | **538,056,716** | **492,727,612** | |
| **Shareholders' equity** | | | |
| Share capital | 50,000,000 | 50,000,000 | |
| Other reserves | 104,231,756 | 86,797,984 | |
| Retained earnings and result for the period | 4,733,131 | 24,441,734 | |
| **Total shareholders' equity** | **158,964,886** | **161,239,718** | 26 |
| Non-current financial liabilities | 162,844,865 | 139,118,790 | 27 |
| Non-current lease liabilities | 14,606,859 | 10,258,898 | 28 |
| Other non-current liabilities | 2,811,161 | 3,253,989 | 29 |
| Employee benefits | 2,210,086 | 2,224,062 | 30 |
| Non-current provisions | 8,723,525 | 7,119,058 | 31 |
| Non-current contractual liabilities | | | |
| Deferred tax liabilities | 657,047 | 596,641 | 13 |
| **Total non-current liabilities** | **191,853,543** | **162,571,438** | |
| Current financial liabilities | 45,588,623 | 16,005,396 | 32 |
| Current lease liabilities | 4,468,108 | 3,964,601 | 28 |
| Trade payables | 116,872,505 | 120,940,010 | 33 |
| Other current liabilities | 19,036,153 | 25,825,322 | 34 |
| Current provisions | 325,604 | 326,554 | 35 |
| Contract liabilities | 365,565 | 603,479 | 36 |
| Current tax payables | 581,728 | 1,251,095 | 37 |
| **Total current liabilities** | **187,238,287** | **168,916,456** | |
| Liabilities relating to assets held for sale | | | |
| **Total liabilities** | **379,091,830** | **331,487,894** | |
| **Total Liabilities and Shareholders' equity** | **538,056,716** | **492,727,612** | |



# CASH FLOW STATEMENT

| | 2025 | 2024 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit (loss) for the year** | **13,761,755** | **29,701,458** |
| Income taxes | 7,108,849 | 11,988,975 |
| Financial income and expense | 6,354,884 | 6,639,540 |
| (Dividends) | (234,136) | (297,625) |
| Profit (loss) on the disposal of property, plant and machinery | (85,431) | (138,694) |
| **1) Profit (loss) for the year before income taxes, interest, dividends and gains/losses on disposals** | **26,905,921** | **47,893,654** |
| Net appropriations for provisions | 1,603,517 | (211,281) |
| Depreciation of property, plant and equipment | 23,280,726 | 21,504,620 |
| Amortisation of intangible assets | 7,395,061 | 7,810,120 |
| Amortisation of right-of-use assets | 4,591,690 | 4,799,281 |
| Write-downs for permanent impairment losses | 50,538 | 155,844 |
| Write-down of equity investments | 5,431 | 5,452,078 |
| Net change in employee benefits | (13,976) | (149,100) |
| Share-based payment transactions settled with equity instruments | 390,386 | 518,089 |
| Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve monetary movements | 387,457 | (2,646,425) |
| Other adjustments increase/(decrease) for non-monetary items | (1,549,475) | 3,877,685 |
| **2) Financial flow before changes to the NWC** | **63,047,276** | **89,004,565** |
| (Increase)/decrease in inventories | (37,523,857) | (14,283,452) |
| (Increase)/decrease in trade receivables | 2,170,015 | (13,275,798) |
| (Increase)/decrease in other non-financial assets | 2,740,778 | 324,296 |
| (Increase)/decrease in trade payables | (4,067,505) | 25,344,744 |
| (Increase)/decrease in other current assets | 3,565,323 | 98,984 |
| (Increase)/decrease in other current liabilities | (3,862,198) | (6,634,806) |
| Other decreases/(Other increases) in NWC | (416,868) | (432,188) |
| **3) Financial flow after changes to the NWC** | **25,652,964** | **80,146,346** |
| Interest received/(Interest paid) | (6,354,884) | (6,639,540) |
| Income taxes paid | (13,716,941) | (2,247,323) |
| Dividends collected | 321,540 | 218,933 |

| | 2025 | 2024 |
|---|---|---|
| **NET CASH FLOW GENERATED/(ABSORBED) FROM OPERATING ACTIVITIES (A)** | **5,902,679** | **71,478,416** |
| Investments in tangible assets | (31,708,214) | (29,834,693) |
| Disposals of tangible assets | 500,685 | 499,414 |
| Investments in intangible assets | (10,419,957) | (11,850,028) |
| Divestments of intangible assets | | 125,579 |
| (Investments in short-term financial assets) | (1,917,683) | 635,031 |
| Disposal of short-term financial assets | (15,623,331) | (856,330) |
| **NET CASH FLOW ABSORBED FROM INVESTMENT ACTIVITIES (B)** | **(59,168,500)** | **(41,281,027)** |
| **Cash flows from financing activities** | | |
| Net increase/(decrease) in other financial liabilities | (208,979) | (385,583) |
| Undertaking of non-current and current financial liabilities | 170,000,000 | 100,000,000 |
| Repayment of non-current and current financial liabilities | (115,762,151) | (90,193,632) |
| Repayment of principal portion of lease agreements | (4,591,690) | (4,822,385) |
| Dividends paid to shareholders of the Parent Company | (18,773,553) | (11,852,324) |
| **NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)** | **30,663,627** | **(7,253,925)** |
| Other changes in shareholders' equity | 4,659 | (25,144) |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D = A + B + C)** | **(22,597,535)** | **22,918,320** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (E)** | **46,576,549** | **23,658,229** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (F=D+E)** | **23,979,015** | **46,576,549** |

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| Amounts in euros | Share capital | Legal reserve | FTA reserve | Stock Option Reserve | Reserve for employee benefits |
|---|---|---|---|---|---|
| **Opening balance at 01/01/2025** | **50,000,000** | **9,601,505** | **(9,028,624)** | **1,161,835** | **(154,848)** |
| Net result for the year | | | | | |
| Net gain/(loss) on expected cash flow hedging transactions | | | | | |
| Actuarial gains/(losses) | | | | | 4,659 |
| **Total comprehensive income/(loss)** | **0** | **0** | **0** | **0** | **4,659** |
| Allocation of the result | | 398,495 | | | |
| Payment of dividends | | | | | |
| Increase | | | | 390,386 | |
| Reclassifications | | | | | |
| **Closing balance at 31/12/2025** | **50,000,000** | **10,000,000** | **(9,028,624)** | **1,552,221** | **(150,189)** |

| Amounts in euros | Share capital | Legal reserve | FTA reserve | Stock Option Reserve | Reserve for employee benefits |
|---|---|---|---|---|---|
| **Opening balance at 01/01/2024** | **50,000,000** | **8,979,381** | **(9,028,624)** | **643,745** | **(129,703)** |
| Net result for the year | | | | | |
| Net gain/(loss) on expected cash flow hedging transactions | | | | | |
| Actuarial gains/(losses) | | | | | (25,144) |
| **Total comprehensive income/(loss)** | **0** | **0** | **0** | **0** | **(25,144)** |
| Allocation of the result | | 622,124 | | | |
| Payment of dividends | | | | | |
| Increase | | | | 518,089 | |
| **Closing balance at 31/12/2024** | **50,000,000** | **9,601,505** | **(9,028,624)** | **1,161,835** | **(154,848)** |

| | Reserve for expected cash flow of hedging transactions | Other reserves | Profit carried forward | Net result for the year | Total shareholders' equity |
|---|---|---|---|---|---|
| | **(949,669)** | **77,139,160** | **3,768,900** | **29,701,458** | **161,239,718** |
| | | | | 13,761,755 | 13,761,755 |
| | 387,457 | | | | 387,457 |
| | | | | | 4,659 |
| | **387,457** | **0** | **0** | **13,761,755** | **14,153,871** |
| | | 12,483,875 | | (12,882,370) | 0 |
| | | | | (16,819,088) | (16,819,088) |
| | | | | | 390,386 |
| | | 3,768,900 | (3,768,900) | | 0 |
| | **(562,212)** | **93,391,935** | **0** | **13,761,755** | **158,964,886** |

| | Reserve for expected cash flow of hedging transactions | Other reserves | Profit carried forward | Net result for the year | Total shareholders' equity |
|---|---|---|---|---|---|
| | **1,696,757** | **77,171,119** | **4,869** | **16,206,519** | **145,544,064** |
| | | | | 29,701,458 | 29,701,458 |
| | (2,646,425) | | | | (2,646,425) |
| | | | | | (25,144) |
| | **(2,646,425)** | **0** | **0** | **29,701,458** | **27,029,889** |
| | | (31,959) | 15,616,354 | (16,206,519) | 0 |
| | | | (11,852,324) | | (11,852,324) |
| | | | | | 518,089 |
| | **(949,669)** | **77,139,160** | **3,768,900** | **29,701,458** | **161,239,718** |

# Basis of preparation

## INTRODUCTION

### Activities performed

The core businesses of the company are the production and distribution of coffee and derivative, and complementary products, as well as food and ancillary products, in Italy and abroad, and the corresponding industrial activities.

The company also carries out activities of research, design, sale of machines and equipment related to the production and use of the aforementioned materials and products and the relative after-sales assistance.

Business is also carried out through permanent organisations in Spain, Germany, the Netherlands, Austria and in the Asia Pacific area.

It should be noted that, as from 2019, illycaffè adopted the status of Benefit Corporation and this constituted a step towards crystallising its guiding principle of doing business: operating as a stakeholder company based on a model of sustainable development that, through the sharing of the value generated (economic sustainability), harmoniously pursues its own growth and a positive impact (social sustainability, environmental sustainability) on the communities it operates in. Crystallising this process, in 2021 the company became the first Italian coffee company to achieve B Corp® certification.

### Group membership

The company is directly controlled by Gruppo illy S.p.A. (69% as at 31 December 2025), which in turn is wholly owned by Holding Illy S.p.A., with registered office in Milan, Corso Europa 12, which prepares the consolidated financial statements of the larger group of companies to which the illycaffè Group belongs. Pursuant to and for the purposes of Article 2497 et seq. of the Italian Civil Code, the aforementioned company does not exercise management and coordination activities, and therefore it is not considered necessary to proceed with the disclosure required by law.

Pursuant to Art. 2427 of the Italian Civil Code No. 22-quinquies, the following information is provided by the company that prepares the Consolidated Financial Statements of the Group that includes the company.

| | |
|---|---|
| Company name | **HOLDING ILLY S.p.A.** |
| City (if in Italy) or Country | **Milan (Italy)** |
| Tax Code (for Italian companies) | **12582660960** |
| Place of filing of the consolidated financial statements | **Milan (Italy)** |

Information on relationships with subsidiaries, associates and with the parent company and companies subject to its control is provided in this note below.

### Consolidated financial statements

The Company holds controlling interests and therefore, by way of supplement to the annual financial statements, has prepared the Group's consolidated financial statements to which reference should be made for more complete disclosure.

Pursuant to Italian Legislative Decree No. 127/1991, the Company - although directly controlled by Gruppo illy S.p.A., in turn controlled by Holding Illy S.p.A. - prepares the Group consolidated financial statements without using the exemption option envisaged by Article 27, paragraph 3 of Italian Legislative Decree No. 127/1991. The consolidated financial statements as of 31 December 2025 were prepared on the basis of the IAS/IFRS international accounting standards.

### Form and content of the financial statements

The financial statements for the year ended at 31 December 2025, prepared on a going concern basis, have been prepared pursuant to Articles 2 and 3 of Legislative Decree no. 38/2005, in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and approved by the European Commission, which include the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as well as the previous International Accounting Standards (IAS) and the interpretations of the Standard Interpretations Committee (SIC) still in force.

For the sake of simplicity, the set of all principles and interpretations is hereinafter referred to as "IFRS."

The financial statements consists of the following accounting statements:

- the income statement, in which income and expenses are classified by nature;
- the comprehensive income statement that includes income and expense items that are not recognised in the income statement for the period as required or permitted by IFRS, such as changes in the reserve for actuarial income and expenses on employee benefits and changes in the conversion reserve;
- the statement of financial position, in which assets and liabilities are classified separately into current and non-current;
- the cash flow statement in accordance with the indirect method format, whereby the pre-tax profit for the year has been stripped of the effects of transactions of a non-cash nature, of any deferrals or accruals of previous or future operating cash receipts or payments, and of elements of income or expense associated with cash flows from investing or financing activities;
- the statement of changes in the shareholders' equity with separate evidence of the operating result and of each revenue, income, charge and expense not passed through the profit /(loss) of the financial year, but charged directly to shareholders' equity on the basis of the IFRS.

All values are stated in thousands of euros, unless otherwise indicated.

The Euro represents the functional currency of the Company.

## Use of estimates in preparing the financial statements

The preparation of the financial statements requires the Directors to apply accounting standards and methods which, in certain circumstances, are based on valuations and estimates based on historical experience and assumptions that are considered reasonable and realistic from time to time in relation to the related circumstances.

The application of these estimates and assumptions has an effect on the values of the assets and liabilities, of the costs and revenues recognised in the financial statements and on the disclosure relating to contingent assets and liabilities at the year-end date.

The final results could differ from these estimates.

Below is a brief description of the financial statement items that require more subjectivity on the part of the Directors in preparing the estimates than others and for which a change in the conditions underlying the assumptions used could have a significant impact on the financial data.

- Measurement of receivables: trade receivables are adjusted by the related allowance for doubtful receivables to take into account their actual recoverable value. Determining the amount of the write-downs made requires the Directors to exercise subjective judgement based on the documentation and information available also regarding the customer's solvency, as well as on experience and historical trends.
- Measurement of goodwill and intangible assets with an indefinite useful life: in accordance with the international accounting standards, goodwill and intangible assets with an indefinite useful life are subject to an impairment test at least annually in order to ascertain whether there is any indication of impairment. This test requires the Directors to make subjective assessments based on the information available within the Company and from the market, as well as on historical experience; they also depend on factors that may vary over time, influencing the valuations and estimates made by the Directors. In addition, if it is determined that a potential impairment may have been generated, the Company proceeds to determine it using valuation techniques deemed appropriate.
- Provisions for risks: the identification of the existence or otherwise of a current obligation (legal or implicit) is not easy to determine in some circumstances. The Directors assess these phenomena on a case-by-case basis, together with the estimate of the amount of economic resources required to fulfil the obligation. When the Directors believe that the occurrence of a liability is only possible, the risks are indicated in the specific disclosure section on commitments and risks, without giving rise to any allocation.
- Valuation of closing inventories: the closing inventories of products with obsolescence or slow turnover characteristics are periodically subjected to valuation tests and written down if their recoverable value is lower than the book value. The write-downs made are based on assumptions and estimates by management deriving from its experience and from the historical results achieved.
- Pension plans and other post-employment benefits: The Company participates in pension plans and other post-employment benefits. Management uses multiple statistical assumptions and valuation factors with the aim of anticipating future events to calculate the charges, liabilities and assets relating to these plans. The assumptions concern the discount rate, the expected return on assets servicing the plan and rates of future salary increases.

In addition, the Company's consulting actuaries also use subjective factors, such as mortality and resignation rates.

- Lease term: determined on the basis of the individual agreement and consisting of the "non-cancellable" period together with the effects of any extensions or early terminations the exercise of which was deemed reasonably certain and considering the terms of the contract itself. Specifically, for properties, this valuation considered the specific circumstances of each asset on a consistent basis with the Company's long-term plans. With regard to other categories of assets, the Company has generally considered it unlikely that any extension or early termination clauses would be exercised in consideration of the approach usually followed.
- Actualisation rate of leases falling under IFRS 16 (incremental borrowing rate): the Company cannot easily determine the implicit interest rate of the operating lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate that the lessee would have to pay for a loan, with a similar duration and with similar collateral, required to obtain an asset of similar value to the right-of-use asset in a similar economic context. The Company has estimated the incremental borrowing rate using observable data, such as, for example, market interest rates for the various durations of the lease agreements.
- Depreciation and amortisation of tangible and intangible assets and right-of-use assets, recognised on the basis of the estimate of their residual useful life and their recoverable value: the estimate of the useful lives, also with reference to any capital gains allocated at the time of business combinations, is made by management on the basis of generally applicable valuation practices, based on industry experience and knowledge, and is critically reviewed at each period end.
- Taxes: income taxes are recognised on the basis of the best estimate of the rate expected for the entire year. Deferred tax assets are recognised to the extent that it is probable that there will be a taxable profit in the future that will allow the utilisation of the losses. Significant estimation by management is required to determine the amount of tax assets that can be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

## Measurement of the fair value

Various accounting standards and some disclosure obligations require the Company to measure the fair value of financial and non-financial assets and liabilities.

In measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The fair values are divided into various hierarchical levels based on the input data used in the valuation techniques, as illustrated below.

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- Level 2: input data other than the quoted prices referred to in Level 1 that are observable for the asset or liability, both directly (prices) and indirectly (derived from prices);
- Level 3: input data relating to the asset or liability that are not based on observable market data.

If the input data used to measure the fair value of an asset or liability can be classified in the different levels of the fair value hierarchy, the entire measurement is included in the same hierarchy level as the lowest level input that it is significant for the entire assessment. The Company recognises the transfers between the various levels of the fair value hierarchy at the end of the period in which the transfer took place.

# ACCOUNTING STANDARDS AND VALUATION CRITERIA APPLIED

## Revenues

The Company is active in the market involved in the production and distribution of coffee and derivative, similar and complementary products, coffee machines, and food and ancillary products, in Italy and abroad, and the corresponding industrial activities.

Revenues from contracts with customers are recognised in accordance with IFRS 15.

Based on the five-step model introduced by IFRS 15, the Companies recognises revenues after identifying the contracts with its customers and the related services to be fulfilled (transfer of goods and/or services), determining the consideration to which it believes it is entitled in exchange for the fulfilment of each of these services, and evaluating the manner in which these services will be fulfilled.

The Company recognises revenues only when the requirements for identifying the "contract" with the customer are met and the parties have committed to fulfil their respective obligations and it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Revenues from sales of coffee are recognised when the control of the goods passes to the customer, generally at the time of delivery, for an amount that reflects the consideration that the Company expects to receive in exchange for the sale.

The Company considers whether there are other promises in the contract that represent obligations to perform on which a portion of the transaction consideration is to be allocated, such as in relation to customer loyalty programmes. In determining the price of the coffee sales transaction, the Company considers the effects of variable consideration and consideration to be paid to the customer.

If the consideration promised in the contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in return for transferring the goods to the customer.

The Company applies either the most probable amount method or the expected value method to estimate the variable consideration of the contract. The choice of the best method to use to predict the amount of variable consideration depends on the number of thresholds in the contract.

The measurement of consideration is adjusted for volume discounts on quantities sold, early payments with respect to normal payment terms, fees to be acknowledged to customers and customer loyalty programmes.

In particular, the Company recognises volume discounts on quantities sold to certain customers when the quantities of coffee purchased during the period exceed specific contractually defined thresholds, which adjust the related revenues; the Company also grants its customers discounts for early payment, with respect to the normal payment terms. These discounts, even when already contractualised and shown on the invoice, are not considered representative of a significant financial component and are accounted for as a reduction of the related revenues by applying the practical expedient of not taking financial components into account for short-term advances received from customers.

Revenues from the sale of coffee are also adjusted for fees to be paid to customers, including, for example, the conditional premiums for promotional services, contributions for dealing with their own contacts or contributions for marketing support and visibility activities, since the fair value of the service received from customers cannot be reliably estimated.

The Company has loyalty programmes that allow customers to accumulate points that can be redeemed for free with products, discounts or promotional codes. Loyalty points entail a separate obligation to perform as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers on the basis of the related stand-alone sales price and recognised as an obligation to perform as long as the points are used. Consequently, a reduction in sales revenue is estimated in the presence of a current contractual liability. Revenue is recognised when the products are redeemed by the customer.

In assessing the stand-alone price of loyalty points, the Company considers the probability that the customer will redeem the points. The Company updates its estimates of points that will be redeemed quarterly and any adjustments to the balance of contractual liabilities are posted to revenues.

## Contractual liabilities

A contractual liability is an obligation to transfer to the customer goods or services for which the Company has already received payment (or for which a portion of the payment is due). If the customer pays the consideration before the Company has transferred control of the goods or services, the liability deriving from the contract is recognised when the payment is made or (if prior) when it is due.

## Public grants

Public grants are recognised when it is reasonably certain that they will be received and that all conditions referring to them have been met.

Grants related to cost components are recognised as a reduction of the relevant cost item or are shown as income where not directly attributable to a specific cost item and are systematically allocated between periods so as to be commensurate with the recognition of the costs they are intended to offset. Grants related to an asset are spread on a straight-line basis over the expected useful life of the relevant asset.

## Recognition of costs

Costs are recognised when related to goods and services purchased or consumed during the year or when no utility beyond the reporting period can be recognised.

Costs directly attributable to capital transactions are recognised as a direct reduction of shareholders' equity.

Commercial costs relating to the acquisition of new customers are charged to the income statement when incurred.

## Financial income and expense

Financial income and expenses are recognised in the income statement on an accrual basis. Interest income and expense are recognised using the effective interest rate method. Dividend income is recognised when the Company's right to receive payment is established.

## Income taxes and indirect taxes

The tax expense for the year includes current and deferred taxes recognised in profit/(loss) for the year, and the other revenue elements, with the exception of those relating to business combinations or items recognised directly in equity or other comprehensive income.

Interest and penalties relating to income taxes are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets as they do not meet the definition of income taxes governed by IAS 12.

Current tax assets and liabilities for the year are measured at the amount that is expected to be recovered or paid to the tax authorities by applying the rates and tax regulations in force or substantially approved at the reporting date in the countries where the Company operates and generates its taxable income.

Current taxes relating to items recognised directly under shareholders' equity are also recognised under shareholders' equity and not in the profit and loss statement for the year. Management periodically assesses the position adopted in the tax return in cases where tax rules are subject to interpretation in accordance with IFRIC 23 and, where appropriate, makes relative provisions.

Starting from 2005, the Company, acting as the consolidated company, together with Gruppo illy S.p.A. as consolidating company, implemented the national tax consolidation scheme option that enables IRES to be determined on a taxable base corresponding to the algebraic sum of the positive and negative taxable bases of the individual participating companies. Following the reorganisation of the Company illy S.p.A. in 2023, the option for the national tax consolidation regime was renewed with Holding Illy S.p.A., which took over from the Gruppo Illy S.p.A. as consolidating company for the 2023-2026 three-year period.

Financial transactions, as well as the mutual responsibilities and obligations between the consolidating company and the consolidated companies are defined in the "Consolidation Regulation" for the Company. In the statement of financial position, current tax payables or receivables are posted respectively to the item "Other current liabilities" or "Other current assets," net of payments on account, taxes withheld and, in general, tax receivables, while in the income statement, current taxes are booked under the item "Income taxes for the year," for the portion due from the consolidated companies.

Any consolidation adjustments that generate benefits in the consolidated statement are recorded in the income statement under the item "Tax revenues from consolidated taxation," classified under the item "Income taxes for the year" with an offsetting entry in the balance sheet under "Other current assets." With regard to the transfer of

withholding taxes, IRES surpluses, as well as the advances autonomously paid by the consolidated companies, since this is a real sale of assets to the consolidated company, the companies of the Company recognise a receivable from the consolidating company.

Deferred and prepaid income taxes are calculated on the temporary differences between the values of the assets and liabilities (liability method) recognised in the financial statements and the corresponding values recognised for tax purposes, as well as in relation to the tax losses of previous years deductible from taxable income.

Deferred taxes are recognised on all taxable timing differences, with the following exceptions:

- deferred taxes arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit/loss nor the taxable income;
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse;
- the taxable temporary differences relating to the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and tax receivables, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which these assets can be used.

The value of deferred tax assets is reviewed at each period end and is reduced to the extent that it is no longer probable that sufficient tax profits will become available in the future for the use of all or part of said asset.

Unrecognised deferred tax assets are reviewed at each year-end date and are recognised to the extent that it becomes probable that future taxable income will be sufficient to allow recovery of these deferred tax assets.

Prepaid and deferred taxes are measured on the basis of the tax rates that are expected to be applied in the year in which those assets will be realised or those liabilities will be settled, considering the rates in force and those already issued, or essentially in force, at the balance sheet date in the various countries in which the Company operates.

Current and deferred taxes are charged or credited directly to equity if they relate to items charged directly to equity. Deferred tax assets and liabilities are not discounted.

Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement;
- the trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered or paid to the tax authorities is recorded in the financial statements under the item "Other current assets" or under "Other current liabilities."

## Property, plant and equipment

Property, plant and equipment are recognised at purchase cost (including ancillary charges), if acquired separately, or at production cost (including direct and indirect production costs), if produced internally, or at fair value at the acquisition date if acquired through business combinations.

Property, plant and equipment are systematically depreciated (with the exception of the component relating to land and assets held for sale). The depreciation process takes place on a straight-line basis on the basis of rates deemed representative of the estimated useful life. The useful life and the depreciation criterion are periodically reviewed and if there are significant changes with respect to the assumptions adopted previously, the depreciation charge is adjusted on a prospective basis.

If an asset is composed of several components with different useful lives, these components (when significant) are accounted for separately and depreciated independently (so-called "component approach," in accordance with IAS 16).

Costs incurred for improvements, modernisation and transformation of an incremental nature of property, plant and equipment are recognised as assets only if they can be recovered through expected future economic benefits and can be reliably estimated. Ordinary maintenance expenses are charged to the income statement in the year in which they are incurred. Any decommissioning costs are estimated and added to the asset as a contra-entry to a provision for decommissioning costs. They are then depreciated over the residual duration of the useful life of the asset of reference.

The Company grants professional coffee equipment free of charge to its customers.
This equipment is recognised at purchase cost and systematically depreciated on a straight-line basis at rates deemed representative of its useful life.

The amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Description | Depreciation rate | Years of amortisation |
|---|---|---|
| **Properties:** | | |
| Industrial buildings | 3.00% | 34 |
| **Plant and machinery:** | | |
| - Generic and specific plants | 12.50% | 9 |
| Specific spare parts for plant and machinery | based on the useful life of the main asset | based on the useful life of the main asset |
| **Industrial and commercial equipment:** | | |
| Coffee equipment | 25.00%-20.00% | 5-6 |
| -Internal means of transport | 20.00% | 6 |
| Printing equipment | 40.00%-20.00% | 3-6 |
| **Other assets:** | | |
| Electronic equipment | 20.00% | 6 |
| -"Concept Bar" furniture | 12.00% | 9 |
| -Ordinary office equipment | 12.00% | 9 |
| Motor vehicles | 25.00% | 5 |
| Light constructions | 10.00% | 11 |
| -Staging for trade shows and events | 27.00% | 5 |
| Laboratory fittings | 40.00%-20.00% | 3-6 |
| -Equipment of modest value | 100.00% | 1 |
| -Packaging | 40.00% | 3 |

Assets held for sale (in accordance with the provisions of IFRS 5) are classified separately under non-current assets held for sale and are no longer depreciated, but written down if their fair value is lower than the cost recognised in the financial statements.

The book value of an asset is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. The gain/loss that emerges at the time of derecognition of the asset (calculated as the difference between the net book value of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

Assets are assessed for impairment indicators to identify any impairment losses.

## Leases

At the time of signing a contract, the Company assesses whether it is, or contains, a lease. In other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for a fee.
The Company adopts a single recognition and measurement model for all leases, except for short-term leases and leases involving low-value assets.

At the commencement date of a lease agreement, the Company recognises an asset consisting of the right of use of the underlying asset (right-of-use asset) and a liability relating to the lease payments. Specifically:

- it accounts for a right of use on the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made at the commencement date or prior to commencement net of any incentives received. Right-of-use assets are amortised on a straight-line basis from the commencement date to the end of the useful life of the asset consisting of the right of use. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease or if the cost of the right-of-use asset reflects the fact that the lessee will exercise the purchase option, the lessee shall amortise the right-of-use asset from the commencement date until the end of the useful life of the underlying asset. Right-of-use assets are subject to impairment. Leasing activities are presented under

the item "Right-of-use assets";

- a financial liability is accounted on the commencement date of the lease. The Company recognises lease liabilities by measuring them at the current value of the lease payments due but not yet paid at that date. Lease payments due include fixed payments (including fixed payments in essence) net of any lease incentives receivable, floating lease payments that depend on an index or rate, and amounts expected to be paid as security for the residual value. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that such an option will be exercised by the Company, and lease termination penalty payments, if the lease duration takes into account the Company's exercise of its lease termination option. Floating lease payments that are not index- or rate-dependent are recognised as costs in the period in which the event or condition giving rise to the payment occurs. In calculating the present value of payments due, the Company uses the marginal borrowing rate at the start date if the implied interest rate cannot be easily determined. After the commencement date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the book value of the lease liability is restated in the event of any changes to the lease or for the review of the contractual terms for the change in payments; it is also restated for changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine those payments. Liabilities for operating leases are presented separately, distinguishing between current and non-current; liabilities for financial leases are presented under financial liabilities - payables for loans due to other providers of finance. The Company applies the exemption for the recognition of leases relating to low-value assets such as computers, telephones and tablets, printers and electronic equipment, and to contracts with a duration of 12 months or less that do not contain purchase options (short-term leases). Fees relating to short-term leases and leases of low-value assets are recognised as costs on a straight-line basis over the lease duration.
  As required by the standard, the Company has adopted certain elements of professional judgement and the use of assumptions and estimates in relation to lease terms, and the definition of the incremental borrowing rate. The main ones are summarised below:
- renewal clauses, extension options and early termination of contracts are taken into account in determining the term of the contract when their exercise is deemed reasonably certain, i.e. when the Company has the right to exercise them without the need to obtain the consent of the counterparty;
- incremental borrowing rate: the Company has decided to use the incremental borrowing rate as the discount rate for discounting lease payments. This rate consists of the risk free rate adjusted on the basis of three different credit spreads of the Company, determined on the basis of three different loans taken out by the same, at different times and with different durations.

## Intangible assets and goodwill

Intangible assets are resources that are clearly identifiable and controllable by the Company, from which future economic benefits are expected for the Company. They are recognised at purchase cost if acquired separately, and are capitalised at fair value at the acquisition date if acquired through business combinations. Internally generated intangible assets, with the exception of development costs that meet specific requirements as defined in IAS 38, are not capitalised and are recognised in the income statement for the year in which they are incurred.

Both the useful life and the amortisation criterion are reviewed periodically and, if significant changes are found with respect to the assumptions previously adopted, the amortisation charge for the year and subsequent years is adjusted.

Intangible assets with a definite useful life are amortised over their useful life and are tested for impairment whenever there are indications of possible impairment. Amortisation begins when the asset is available for use and ceases when its useful life ends or it is classified as held for sale (or included in a disposal group classified as held for sale). Both the useful life and the amortisation criterion of an intangible asset with a finite useful life are reviewed periodically (at least at the end of each year) and, if significant changes are found with respect to the assumptions previously adopted, the amortisation charge for the year and subsequent years is adjusted.

Amortisation charges for intangible assets with a finite useful life are recognised in the statement of profit or loss for the year in the cost category consistent with the function of the intangible asset.

The amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Description | Depreciation rate | Years of amortisation |
|---|---|---|
| Development costs | 20.00%-33.334% | 5-3 |
| Patent rights | 10.00%-20.00% | 10-5 |
| Rights of use of intellectual property, designs and Internet domains | 50.00%-10.00%-20.00% | 2-5-10 |
| Concessions, licences, trademarks and similar rights | 20.00%-10.00% | 5-10 |
| Other intangible fixed assets | 50.00%-33.33%-25.00% | 2-3-4 |
| | 20.00%-16.66%-14.28%-12.5% | 5-6-7-8 |
| | 11.12%-10.00%-8.34%-7.69% | 9-10-12-13 |
| | 9.09%-7.14%-6.66%-3.03% | 11-14-15-33 |

Goodwill and fixed assets with an indefinite useful life are not subject to amortisation, but rather to periodic tests (at least annually) to identify any impairment losses (so-called "impairment test").

If the recoverable value is lower than the carrying amount, the recognised asset is appropriately written down.

The assessment of the indefinite useful life is reviewed annually to determine whether this designation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a forward-looking basis.

## Costs for research activities

Costs for research activities are charged to the income statement for the year in which they are incurred. Development costs incurred in connection with a specific project are recognised as intangible assets only if:

- the project is clearly identified and the related costs are identifiable and reliably measurable;
- the technical feasibility of the project is demonstrated;
- the intention to complete the project and to sell the assets generated by the project has been demonstrated;
- there is a potential market or, in the case of internal use, the usefulness of the intangible asset for the production of the assets generated by the project is demonstrated;
- the technical and financial resources necessary for the completion of the project are available;
- the intangible asset will generate probable future economic benefits.

After initial recognition, the development activities are measured at cost reduced by the amortisation or the accumulated impairment losses. The amortization of assets begins when development is complete and the asset is available for use. Development activities are amortised over the period of the expected benefits, normally identified as a period of up to 5 years. During the development period, the asset is subject to an annual impairment test.

## Loss in value (impairment) on non-financial assets

At each reporting date, the Company assesses whether there are any indicators of impairment of non-financial assets.

In the case of goodwill, other intangible assets with an indefinite useful life and intangible assets not yet available for use, this assessment is made at least annually, even in the absence of impairment indicators. In the case of tangible fixed assets as well as equity investments and intangible assets with a finite useful life, the measurement of the recoverable value is carried out whenever the periodic analysis carried out at each reporting date shows trigger events.

The recoverability of the values recorded is verified by comparing the book value recorded in the financial statements with the higher of the fair value of the asset or cash-generating unit, net of disposal costs, and its value in use. If the book value of an asset is greater than its recoverable value, that asset has suffered an impairment loss and is consequently written down to its recoverable value.

Fair value is the price that could be received to sell an asset or pay to transfer a liability in an ordinary transaction between market participants at the measurement date. Therefore, recent transactions on the market are taken into account. If it is not possible to identify such transactions, an appropriate valuation model is used.

The value in use is determined with reference to the present value of estimated future cash flows, which are assumed to result from the continuous use of an asset and its disposal at the end of its useful life, discounted by applying a post-tax discount rate that reflects the current market valuations of the present value of money and the specific risks associated with the asset. If an individual asset does not produce independent cash flows, it is not possible to determine its value in use: in this case, it will be estimated with reference to the cash-generating unit to which the asset belongs.

The Company bases its impairment test on the most recent and up-to-date forecast estimates drawn up and approved by the Finance Department. These forecast estimates generally cover a period of four to five years. To project future cash flows beyond the fourth or fifth year, a long-term growth rate is calculated (so-called "g rate"). The expected future cash flows are therefore discounted (Discounted Cash Flows method) at the Weighted Average Cost of Capital (WACC).

Impairment losses are recognised in the income statement when the book value of the asset is higher than the recoverable value.

With the exception of goodwill, for which impairment losses cannot be reversed, the book value of the asset is increased to the recoverable value when an impairment loss is reversed or is reduced. The value of a previously impaired asset may be reinstated only if there have been changes in the assumptions on which the calculation of the determined recoverable value was based, subsequent to the recognition of the last impairment loss. However, the increased book value of an asset due to a reversal of an impairment loss does not exceed the book value that would have been determined, net of amortisation, had no impairment loss been recognised in prior years. Reversals of an asset's value are recognised immediately as income in the income statement unless the asset is recorded at revalued value, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least annually, or more frequently if circumstances indicate that the book value may be impaired.

Goodwill impairment is determined by assessing the recoverable value of the cash-generating unit or of the Company of cash-generating units (CGUs) to which the goodwill relates. If the recoverable value of the cash-generating unit is lower than the book value of the cash-generating unit to which the goodwill was allocated, an impairment loss is recognised. Impairment losses of a cash-generating unit or group of cash-generating units are charged firstly as a reduction in the book value of any goodwill allocated to it and then as a reduction in the book values of other assets, in proportion to their book value.

## Equity investments in subsidiaries

Subsidiary entities are companies over which the Company has the right to exercise, directly or indirectly, control, as defined by IFRS 10 "Consolidated Financial Statements." In particular, control exists when the controlling entity simultaneously:

- holds decision-making power over the investee entity;
- has the right to participate or is exposed to variable results (positive and negative) from the investee;
- has the ability to exercise power over the investee in a way that affects the amount of its economic returns.

Evidence of control must be subject to continuous verification by the Company, aimed at identifying all facts or circumstances that may imply a variation in one or more elements on which the existence of a control relationship over an investee depends.

Investments in subsidiaries, joint ventures and associates are valued at purchase cost; in the event of acquisition of control in successive phases of an investment in an associate or joint venture, the carrying amount of the investment is determined as the sum of the cost incurred in each purchase tranche.

In the presence of objective evidence of impairment, the recoverability of the carrying amount is verified by comparing the carrying amount with the recoverable amount, represented by the higher of the fair value (net of disposal costs) and the value in use. The share of any losses of the investee company attributable to the investor, exceeding the carrying amount of the investment, is recorded in a specific provision to the extent that the investor is committed to fulfilling legal or implicit obligations of the investee company, or in any case, to covering its losses. When the reasons for the write-downs made no longer exist, the carrying value of the investments valued at cost is restored within the limits of the write-downs made with the effect being charged to the income statement under the item "*Other income (expenses) on financial assets*."

Dividends are recognised on the date of the resolution by the Shareholders' Meeting, unless the sale of the shares before the ex-dividend date is reasonably certain. Dividends declared by subsidiaries or joint ventures are charged to the income statement when approved by resolution, even if they derive from the distribution of profit reserves generated prior to the acquisition of the shareholding.

The distribution of such profit reserves represents an event that gives rise to the presumption of a loss of value and, therefore, entails the need to verify the recoverability of the carrying amount of the investment. Conversely, the distribution of a capital reserve represents a repayment of capital, without any economic effects.

## Financial instruments

A financial instrument is any contract which gives rise to a financial asset for an entity and to a financial liability or to an instrument representative of capital for another entity.

The financial instruments held by the Company are included in the following financial statements items:

- "Non-current financial assets": these include non-current receivables and loans and investments other companies;
- "Current financial assets": these include trade receivables, receivables from loan activities, current securities and other current financial assets (including the positive fair value of derivative financial instruments);
- "Cash and cash equivalents": these include bank deposits, units of liquidity funds and other highly marketable securities that can be readily converted into cash and are subject to an insignificant risk of change in value;
- "Financial liabilities": these refer to financial payables, other financial liabilities, the negative fair value of derivative financial instruments, trade payables and other payables.

## Financial assets

### Recognition, initial measurement and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at fair value in the other components of comprehensive income (OCI) and at fair value in the income statement.

The classification of financial assets at the time of initial recognition depends not only on the nature of the instrument, but also on the contractual cash flow characteristics of the financial assets and the business model the Company uses to manage them. With the exception of trade receivables, the Company initially values a financial asset at its fair value plus any transaction costs.

Upon initial recognition, trade receivables, which do not contain a significant financing component, are measured at the transaction price determined in accordance with IFRS 15.

For the purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets measured at fair value through other comprehensive income;
- Financial assets measured at fair value through profit or loss.

## Financial assets at amortised cost (debt instruments)

The Company measures the financial assets at amortised cost if both the following requirements are met:

- the financial asset is held as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset envisage cash flows at certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

## Financial assets measured at fair value through other comprehensive income

A financial asset must be measured at fair value through other comprehensive income if it is not designated at fair value through profit or loss and both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets; and
- the contractual terms of the financial asset envisage cash flows at certain dates consisting solely of payments of principal and interest on the principal amount to be repaid.

These assets are initially recognised in the financial statements at their fair value plus any ancillary costs directly attributable to the transactions that generated them. At the time of subsequent measurement, the valuation carried out at the time of recognition is updated and any changes in fair value are recognised in the statement of comprehensive income.

## Financial assets measured at fair value recognised in the income statement

Financial assets that are not classified in any of the previous categories are classified in this category.

Assets falling into this category are recognised at fair value through profit or loss both at the time of their initial recognition and at the time of subsequent measurement as profits or losses deriving from the change in fair value.

## Removal from the financial statements

A financial asset or, where applicable, part of a financial asset or part of a group of similar financial assets, is derecognised in the first instance, i.e. removed from the Company's statement of financial position, when:

- the rights to receive cash flows from the asset are extinguished;
- the Company has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has essentially transferred all risks and benefits of ownership of the financial asset, or (b) has neither transferred nor retained essentially all risks and benefits of the asset, but has transferred control of it.

In cases where the Company has transferred the rights to receive cash flows from an asset or has entered into an agreement whereby it retains the contractual rights to receive the cash flows from the financial asset, but undertakes a contractual obligation to pay the cash flows to one or more recipients (so-called pass-through), it assesses whether and to what extent it has retained the risks and benefits inherent in ownership. If it has neither transferred nor retained essentially all of the risks and benefits or has not lost control over it, the asset continues to be recognised in the Company's financial statements to the extent of its continuing involvement in the asset. In this case, the Company also recognises an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Company.

When the entity's residual involvement is a guarantee on the transferred asset, the involvement is measured at the amount of the asset or the maximum amount of consideration received that the entity could be required to repay, whichever is the lower.

### Impairment of financial assets

The Company recognises a write-down for expected losses (so-called expected credit loss) for all financial assets represented by debt instruments not held at fair value recognised in the income statement. Expected losses are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Company expects to receive, discounted back to an approximation of the original effective interest rate. Expected cash flows include cash flows arising from the enforcement of secured guarantees held or other credit guarantees that are an integral part of the contractual terms.

With regard to trade receivables and assets, the Company applies a simplified approach in the calculation of the expected losses, therefore it does not monitor changes in credit risk, but recognises the expected loss in full at each balance sheet date. The Company has defined a matrix system based on historical and market information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as an instrument for determining expected losses.

## Financial liabilities

### Recognition, initial and subsequent measurement

The Company's financial liabilities include mortgages, loans, derivative financial instruments, and bond loans. Financial liabilities are classified, at the time of initial recognition, under mortgages and loans, or as derivative instruments designated as hedging instruments. There are no financial liabilities at fair value recognised in the income statement, including therein derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedging relationship as defined by IFRS 9.

All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and payables, directly attributable transaction costs. Subsequently, since they are loans and financing, they are measured at amortised cost. The value of the payables is subsequently reduced for the amounts paid, both as principal and interest.

### Financial liabilities at amortised cost (loans and financing)

After initial recognition, loans are measured using the amortised cost approach, applying the effective interest rate method.

With regard to the change in the contractual terms of a financial liability, the Company assesses when such a change can be considered "substantial," thus giving rise to an accounting derecognition of the financial liability. If the change is not substantial in nature ("modification"), the financial liability is not extinguished and the Company recognises the profit or loss deriving from this change in the income statement. In the case of instruments maturing within twelve months, the nominal value is used as an approximation of the amortised cost.

It follows that if the interest rate of the transaction is not significantly different from the market rate, the payable is initially recorded at a nominal value net of all transaction costs and all premiums, discounts and rebates directly derived from the transaction that generated the payable. These transaction costs, as ancillary costs for obtaining the loans, any commission and any difference between the initial value and the nominal value at maturity are spread over the duration of the payables using the effective interest approach.

On the other hand, when it appears that the interest rate of the transaction based on contractual conditions is significantly different from the market rate, the payables (in addition to the corresponding cost in the case of commercial transactions) is initially recognised at a value equal to the present value of future cash flows taking into account any transaction costs. The rate used to discount future flows is the market rate.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expense in the statement of profit/loss.

### Removal from the financial statements

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or discharged. Where an existing financial liability is exchanged for another financial liability of the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability from the accounts, accompanied by the recognition of a new liability, with any differences between the book values recognised in the income statement.

# Derivative financial instruments and hedge accounting

## Recognition, initial and subsequent measurement

The Company uses derivative financial instruments including currency forwards, interest rate swaps, commodity swap transactions and options to purchase commodities to hedge its exchange rate risks, interest rate risks and the price risks in relation to the raw material green coffee or washed coffee, respectively. The Company's policy is to use these instruments within the limits defined by the needs of ordinary operations, and not to take on positions for speculative purposes.

For the purposes of accounting for these derivative financial instruments, the Company adopts the provisions of IFRS 9.

The documentation that formalises the hedging relationship to which hedge accounting is to be applied includes the identification of:

- the hedging instrument;
- the hedged item or transaction;
- the nature of the risk;
- the methods with which the company intends to assess the effectiveness of the hedge in offsetting the exposure to changes in fair value of the hedged item or the cash flows attributable to the hedged risk.

The hedging relationship meets the eligibility criteria for hedge accounting if:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of the credit risk does not override the changes in value resulting from the aforementioned economic relationship;
- a ratio of coverage is determined equal to the ratio between the quantities of derivative financial instruments used and the quantity of items hedged to an extent that does not entail ex ante the ineffectiveness of the hedge.

The verification of the economic relationship is carried out qualitatively, verifying that the supporting elements of the covering instrument and the covered element are corresponding or closely aligned, and in a quantitative manner.

On initial recognition, these instruments are measured at fair value. At subsequent reporting dates, the fair value of derivatives must be remeasured and:

(i) if these instruments do not meet the requirements for hedge accounting, the changes in fair value that arise after initial recognition are charged to the income statement;

(ii) if these instruments meet the requirements of a fair value hedge, from that date the changes in fair value of the derivative are recognised in the income statement; at the same time, changes in fair value due to the hedged risk are recognised as an adjustment to the book value of the hedged item and, as a balancing entry, to the income statement; any ineffectiveness of the hedge is recognised in the income statement, in a separate item from that in which the changes in fair value of the hedging instrument and the hedged item are classified;

(iii) if these instruments meet the requirements of a cash flow hedge, starting from that date, the changes in fair value of the derivative are recognised in equity limited to the effective portion of the hedge and in the income statement for the ineffective portion; the changes in fair value of the derivative recognised in equity are reclassified to the income statement in the period in which the hedged transaction affects the income statement; when the object of the hedge is the purchase of a non-financial asset, the changes in fair value of the derivative recognised in equity are reclassified as an adjustment to the purchase cost of the hedged asset;

(iv) if these instruments meet the requirements of a hedge of a net investment of a foreign operation, starting from that date the changes in fair value of the derivative adjust the "translation difference" limited to the effective portion of the hedge and are allocated to the income statement for the ineffective portion;

(v) hedging is carried out by the designated instrument, considered as a unit. In the case of options or forward contracts, however, only a part of the derivative is designated as a hedging instrument; the residual component is charged to the income statement. In particular, in the case of options, only changes in fair value due to changes in intrinsic value are designated as hedging instruments; on the other hand, changes in fair value of the option due to changes in time value are recognised in the income statement and are not considered in the measurement of the effectiveness of the hedge. In the case of forward contracts, only changes in fair value due to changes in the spot rate are designated as a hedging instrument; on the other hand, changes in fair value due to changes in forward points are recognised in the income statement and are not considered in the measurement of the effectiveness of the hedge.

If the hedge becomes ineffective or if there is a change in the Company's hedging strategies, hedge accounting is discontinued. Specifically, hedge accounting stops, with prospective effects, when hedging becomes ineffective or when the change in hedging strategies occurs.

If, in a fair value hedge, the hedged item is a financial instrument measured using the effective interest rate method, the adjustments made to the book value of the hedged item are amortised starting from the date on which the fair value hedge accounting is discontinued and therefore the hedged item ceases to be adjusted for changes in fair value attributable to the hedged risk.

Transactions hedging exchange rate risk due to forecasted transactions and firm commitments are recognised in the financial statements according to the cash-flow hedge accounting model.

Derivatives are recognised as assets if the fair value is positive and as liabilities if negative. These balances are shown under current assets or liabilities if they relate to derivatives that do not meet the hedging requirements, while they are classified in line with the hedged item in the other cases.

In particular, if the hedged item is classified under current assets or liabilities, the positive or negative fair value of the hedging instrument is shown under current assets or liabilities; if the hedged item is classified under non-current assets or liabilities, the positive or negative fair value of the hedging instrument is shown under non-current assets or liabilities.

## Inventories

Inventories are measured at the lower of purchase or production cost and the net estimated realisable value based on market trends. For raw materials, the acquisition cost is determined using the weighted average cost.

For finished products and goods, the purchase or production cost is determined on the basis of the weighted average costs for the year, including ancillary purchase costs and direct and indirect production costs for the reasonably attributable part.

Obsolete and slow-moving stocks are written down in relation to their possibility of use or sale.

## Cash and cash equivalents

Cash and cash equivalents includes liquid financial assets and financial investments with a residual maturity at the date of purchase of less than three months and subject to an insignificant risk of change in their value.
The aforementioned financial assets are recognised at their nominal value.

## Provisions for risks and charges

Provisions for risks and charges concern costs and charges of a determined nature and of certain or probable existence that at the year-end date cannot be determined with certainty in terms of amount or date of occurrence.

Provisions are recognised when the following conditions are met:

(i) the Company has a current legal or implied obligation arising from a past event;

(ii) it is probable that the fulfilment of the obligation will require the use of resources likely to produce economic benefits;

(iii) the amount of the obligation can be reliably estimated.

The amount allocated in the financial statements represents the best estimate of the amount that the company would rationally pay to settle the obligation or to transfer it to third parties at the reporting date.

When the financial effect of time is significant and the settlement dates of obligations can be reliably estimated, the provision is discounted; when the provision is discounted, the increase in the provision related to the passage of time is charged to the income statement as a financial expense.

## Employee benefits

Short-term employee benefits are recognised as an expense when the service that gives rise to these benefits is provided.

The Company recognises a liability for the amount that is expected to be paid when it has a current, legal or implied obligation to make such payments as a result of past events and it is possible to make a reliable estimate of the obligation.

Post-employment benefits are defined on the basis of plans, albeit not formalised, which according to their characteristics are divided into defined contribution plans and defined benefit plans.

In defined contribution plans, the obligation of the company is limited to the payment of the contributions agreed with the employees and is determined on the basis of the contributions due at the end of the period, less any amounts already paid.

In defined benefit plans, the amount recognised as a liability is equal to:

(a) the present value of the defined benefit obligation at the reporting date;

(b) plus any actuarial gains (less any actuarial losses);

(c) less any social security costs relating to past service not yet recognised;

(d) less the fair value at the reporting date of the assets serving the plan (if any) outside of which the obligations must be extinguished directly.

In defined benefit plans, the cost charged to the income statement is equal to the algebraic sum of the following elements:

(a) the social security cost relating to current services;

(b) financial expense deriving from the increase in liabilities as a result of the passage of time;

(c) the expected return on any assets serving the plan;

(d) the social security cost relating to past services;

(e) the effect of any reductions or terminations of the programme.

Actuarial gains and losses are recognised in other comprehensive income.

All net financial expenses on defined benefit plans are recognised under financial income (expense) in the income statement.

## Share-based payments

The Company pays some members of senior management and other beneficiaries who hold key positions in the Company incentives consisting of share capital plans.

The value of these share-based payments is measured by reference to the fair value at the assignment date (so-called "grant date"). Fair value is determined using an appropriate valuation model.

The cost of transactions settled with securities, together with the corresponding increase in shareholders' equity, is recognised in the period starting from the moment in which the conditions relating to the achievement of objectives and/or the provision of the service are met and ends on the date on which the employees concerned have fully accrued the right to receive the remuneration ("vesting date").

The cumulative costs recognised for these transactions at each year-end date until the vesting date are commensurate with the expiry of the vesting period and the best available estimate of the number of equity instruments that will actually vest. The cost or revenue in the income statement represents the change in the cumulative cost recognised at the beginning and end of the period.

## Assets and liabilities held for sale

Assets and liabilities held for sale include, respectively, non-current assets (or groups of assets held for sale) and the associated liabilities, the sale of which is highly probable within one year according to a specific plan and the book value of which will therefore be recovered primarily through a sale transaction rather than through continued use. These items are measured at the lower of the net book value at which these assets and liabilities were recognised and the fair value less foreseeable costs of disposal. From the date on which these assets are classified in the category of non-current assets held for sale, the related amortisation/depreciation is suspended. Any losses deriving from this valuation are recognised in a specific item of the income statement.

# CHANGE IN ACCOUNTING STANDARDS AND DISCLOSURE

## New accounting standards, interpretations and amendments adopted by the Company

The Company has not adopted any other standards, interpretations or amendments in advance that have been issued but are not yet effective.

## IFRS standards/Interpretations approved by the IASB and endorsed by the European Union

The following table shows the IFRS/Interpretations approved by the IASB and endorsed for adoption in the European Union and applied for the first time in the current year.

| Document title | Issue date | Date of entry into force | Approval date | EU Regulation and publication date |
|---|---|---|---|---|
| Effects of changes in foreign exchange rates (Lack of convertibility) - Amendment to IAS 21 | August 2023 | 1 January 2025 | 12/11/2023 | (EU) 2024/2862<br>13/11/2024 |

The amendments to IAS 21 aim to clarify when a currency is exchangeable for another currency and how to estimate the spot exchange rate of a currency when there is a lack of exchangeability.

With reference to the standards and interpretations detailed above, the adoption did not have a material impact on the measurement of the Company's assets, liabilities, costs and revenues.

The following table shows the IFRS/Interpretations approved by the IASB and endorsed for adoption in the European Union the mandatory effective date of which is after 31 December 2025.

| Document title | Issue date | Date of entry into force | Approval date | EU Regulation and publication date |
|---|---|---|---|---|
| IFRS 18 Presentation and Disclosure in Financial Statements | 09/04/2024 | 1 January 2027 | 13/02/2025 | (EU) 2026/338<br>16 February 2026 |
| Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7) | 30/05/2024 | 1 January 2026 | 28/05/2025 | (EU) 2025/1047<br>27 May 2025 |
| Contracts Referencing Nature-dependent Electricity (IFRS 9 and IFRS 7) | 18/12/2024 | 1 January 2026 | 1 July 2025 | (EU) 2025/1266<br>30 June 2025 |
| Annual cycle of improvements to IFRS accounting standards - Volume 11 (IAS 7 and IFRS 1,7,9,10) | 18/07/2024 | 1 January 2026 | 10/07/2025 | (EU) 2025/1311<br>09 July 2025 |

The introduction of IFRS 18 aims to improve the transparency and comparability of the income statement, replacing IAS 1. Its main objectives are to standardise subtotals (e.g. operating profit), regulate management-defined performance measures (MPMs) and strengthen disclosure on data aggregation/disaggregation.

The amendments to IFRS 9 and IFRS 7 aim to clarify the accounting treatment of financial instruments with specific characteristics, including "own use" energy contracts and instruments linked to ESG objectives, improving information on cash settlement and structured instruments.

The amendments, which are the result of the Annual Improvements to IFRS Standards - Volume 11, published by the International Accounting Standards Board (IASB) in July 2024, are mandatory for financial statements for periods beginning on or after 1 January 2026. Early application is permitted, but must be explicitly stated by the company in its financial statements. The EU Regulation directly amends the previous Reg. EU 2023/1803, amending various standards with the aim of rationalising, clarifying and improving the quality of companies' financial reporting.

With reference to the standards and interpretations detailed above, the adoption is not expected to have a material impact on the measurement of the Company's assets, liabilities, costs and revenues. However, based on a preliminary analysis of the new requirements contained in IFRS 18, the Company expects that its implementation will mainly determine changes to the classification methods of certain cost and revenue components as well as to the presentation method of the income statement and the cash flow statement. These impacts are still being analysed by the Company.

# Forthcoming accounting standards and interpretations

## IFRS standards/Interpretations approved by the IASB and not endorsed by the European Union

Below are the international accounting standards, interpretations, amendments to existing accounting standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB that have not yet been endorsed for adoption in the European Union at 31 December 2025.

| Description | Issue date by the IASB | Date of entry into force of the IASB document | Envisaged approval date by the EU |
|---|---|---|---|
| Standards | | | |
| IFRS 19 Subsidiaries without public accountability: disclosures | 09 May 2024<br>21 August 2025 | 1 January 2027 | to be defined |
| Amendments | | | |
| Translation to a hyperinflation presentation currency (Amendment IAS 21) | 13/11/2025 | 1 January 2027 | to be defined |

With reference to the standards and interpretations detailed above, the adoption is not expected to have a material impact on the measurement of the Company's assets, liabilities, costs and revenues.

## Foreign currency transactions, assets and liabilities

The assets and liabilities deriving from a foreign currency transaction are initially recognised in euros, applying to the amount in foreign currency the spot exchange rate between the Euro and the foreign currency in force as of the transaction date.

The foreign currency monetary items, including provisions for risks and charges associated with foreign currency liabilities, are converted in the financial statements at the spot exchange rate as of the year end date. The related exchange gains and losses are booked to the income statement for the year.

The foreign currency assets and liabilities of a non-monetary nature remain recorded in the balance sheet at the exchange rate as of the time of their acquisition and therefore the positive or negative exchange differences do not give rise to autonomous and separate recognition.

Any net gain deriving from the exchange adjustment of the foreign currency monetary items contributes towards the formation of the result for the year and, at the time of the approval of the financial statements and consequent allocation of the result to the legal reserve, is recorded in a specific restricted reserve. If the net result for the year is less than the unrealised gain on foreign currency items, the amount entered in the restricted reserve is equal to the economic result for the year.

If foreign currency-denominated items are designated as hedged items or hedging instruments in a hedging relationship, the accounting models described under "Derivative financial instruments" apply.

## Commitments, guarantees, potential liabilities and potential assets

The total amount of the commitments, guarantees and potential liabilities not appearing on the balance sheet is shown in the specific sections of these notes.

Commitments represent obligations undertaken by the Company vis-à-vis third parties that originate from legal transactions with certain binding effects, but which are not yet performed by either party. The category commitments includes both commitments of which the execution and amount are certain and commitments of which the execution is certain but not the related amount. The amount of the commitments is the nominal value which is inferred from the related documentation. If the commitment cannot be quantified, this is disclosed in the notes to the accounts.

The guarantees include both secured and unsecured guarantees provided by the Company. These guarantees are those given by the Company with reference to an obligation of its own or of others. The related value corresponds to the value of the guarantee given or, if not determined, to the best estimate of the risk undertaken in light of the situation existing at that time.

Potential liabilities not shown on the balance sheet include those considered probable, but whose amount cannot be determined except on a random and arbitrary basis, and those considered possible. Likewise, the appropriate section indicates the potential assets and profits deemed probable that have not been recognised in the financial statements for the sake of prudence

### Use of estimates

The preparation of the financial statements requires that estimates be made that affect the values of assets and liabilities and the related financial statement disclosures. The final results may differ from such estimates. Estimates are reviewed periodically as well as the effects of the changes in estimates, when not resulting from erroneous estimates, are recognised in the income statement for the year in which the changes occur, should the same have effects only on such year, and also in following years should the changes influence both the current and following years.

### Events after the end of the year

Events occurring after the end of the year that highlight conditions that already existed at the balance sheet date and that require changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis of accounting, to reflect the effect that these events have on the balance sheet and financial position and on the results of operations at the end of the year.

Events occurring after the end of the year that indicate situations arising after the date of the financial statements, which do not require a change in the financial statement values, in accordance with the reference accounting standard, as they pertain to the following financial year, are not recognised in the financial statements but are illustrated in the notes to the accounts, if they are considered relevant for a more complete understanding of the company's situation.

The deadline by which the event must occur for it to be taken into account is the date on which the Directors prepared the draft financial statements, except in cases where events occur between that date and the date scheduled for the approval of the financial statements by the shareholders' meeting that are likely to have a material effect on the financial statements.

### Market and competition law (Italian Law no. 124, art. 1, paragraph 125 of 4 August 2017)

In compliance with the reporting obligation as per paragraph 125 of art. 1 of Italian Law 124/2017, the grants and subsidies received are summarized below:

| Name and Tax Number of the Recipient | Name of the Granting Body | Sum Received | Date Received | Reason |
|---|---|---|---|---|
| illycaffè S.p.A. - 00055180327 | European Commission | 49,881 | 30.01.25 | Project: 101135764 — EVOQUE — HORIZON-CL4-2023-DIGITAL-EMERGING-01 |
| illycaffè S.p.A. - 00055180327 | European Commission | 25,801 | 27/11/2025 | Project: 101135764 — EVOQUE — HORIZON-CL4-2023-DIGITAL-EMERGING-01 |
| illycaffè S.p.A. - 00055180327 | Autonomous Region of Friuli Venezia Giulia | 35,496 | 27/11/2025 | TOWARDS A NEW GENERATION OF SUSTAINABLE QUALITY COFFEE PRODUCERS IN SOUTHERN TANZANIA - Letter of intent dated 06.06.2024 and subsequent Partnership Agreement dated 04.03.2025 |
| illycaffè S.p.A. - 00055180327 | Fondimpresa | 21,039 | 18/09/25 | Training plan no. 407376 |
| illycaffè S.p.A. - 00055180327 | Fondirigenti | 28,000 | 19/06/25 | Training plan no. FDIR 2024/31750 |
| **TOTAL** | | **160,217** | | |

## FINANCIAL RISK MANAGEMENT CRITERIA AND OBJECTIVES

The Company constantly monitors its exposure to financial risks with the aim of stabilizing cash flows and ensuring the alignment of the operating result with what was planned in the *budget*.

These risks are managed centrally by the Administration, Finance and Control Department, based on the guidelines agreed with senior management. In particular, market risk management with regard to raw materials, exchange

rates and interest rates is regulated by a Company policy approved in February 2017 and updated at the end of 2021, which defines the perimeter of exposure, the time horizon, the roles and responsibilities as well as the derivative instruments allowed for hedging for said risks.

## Commodity price risk

The Company is exposed to the risk of changes in commodity prices, given the extremely volatile nature of the coffee market, which is influenced by macroeconomic factors (supply and demand) and financial factors (e.g. *index funds, hedge funds, etc.*).

The objective of commodity risk management is to reduce the risk and volatility associated with the purchase cost of raw materials. In addition to establishing fixed-price agreements with producers over a multi-year horizon, derivative financial instruments are used with banking counterparties specialising in the agricultural sector, with a time horizon equal to that of the multi-year plan, always following the guidelines set out in the Financial Risk Policy.

During 2025, the Company did not enter into any new derivative hedging contracts for the purchase of coffee, nor did it negotiate multi-year agreements with predefined prices with green-coffee producers.

## Exchange rate risk

The Company operates in an international context in which transactions are also conducted in currencies other than the euro, essentially US dollars, exposing it to the risk of fluctuating exchange rates. The exchange rate risk is managed (deriving from changes in the euro values of cash flows in foreign currencies due to an exchange rate that is different from what was defined in the budget) and partly also the accounting exchange risk to reduce the impact of changes in the exchange rate between the date of invoicing and the date of collection. The centralisation in the Company of activities related to the management of such risk allows – where possible - *natural* hedging between the incoming and outgoing forecast flows. If the net balance is higher than five hundred thousand euros per annum, any hedging transactions are decided in accordance with the provisions of the budget/multi-year plan and using the financial instruments defined in the Financial Risk Policy.

The translation risk associated with the translation of the assets/liabilities of consolidated companies that prepare their financial statements in currencies other than the euro is not managed.

Foreign exchange derivative transactions outstanding at 31 December 2025 are described in Note 22.

The following table shows the sensitivity to a reasonably possible change in the exchange rate of the US dollar and the Brazilian real, with all other variables held constant. The effect on the Company's pre-tax result is due to changes in the *fair value* of monetary assets and liabilities outstanding at the end of the financial year, including foreign currency derivatives. The Company's exposure to exchange rate changes for all other foreign currencies is not significant.

| Appreciation/depreciation of the exchange rate | Increase/decrease in the pre-tax profit | Increase/decrease pre-taxation on the shareholders' equity |
|---|---|---|
| 5% EUR vs. USD | (398,857) | (1,936,441) |
| -5% EUR vs. USD | 468,889 | 2,168,324 |
| 5% EUR vs. BRL | (186,388) | (380,719) |
| -5% EUR vs. BRL | 206,008 | 420,795 |

## Interest rate risk

Borrowing from banks exposes the Company to the risk of changes in interest rates. Specifically, loans at floating rates determine the risk of an increase in financial expenses, whereas fixed-rate loans (including the bond loan issued in 2015) entail a potential change in the *fair value* of the loans.

Interest rate risk, in terms of increase in financial expense, is managed by the Financial Risk Policy where the use of financial hedging instruments is envisaged.

At 31 December, there were two Interest Rate Swap agreements in place, the characteristics of which are more fully described in Note 17, where the Company agrees to exchange, at defined intervals, the difference in amount between the fixed rate and the floating rate calculated making reference to an agreed notional principal amount. These swaps are designated to hedge the underlying debt. At 31 December 2025, after taking into account the effect of the IRSs, approximately 40% of the Company's loans are fixed-rate (2024: 60%).

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of debt and loans, after the effects of hedge accounting. With all other variables held constant, and thus based on the value of the financial debt/credit at the end of the year, the Company's profit before of taxes is affected by the impact on floating-rate loans as follows:

| Increase/decrease in the basis points | Increase/decrease in the pre-tax profit |
|---:|---:|
| +100BPS | (2,166,100) |
| -100BPS | 2,166,100 |

## Credit risk

Credit exposure is divided among a high number of counterparties and customers. The Company strives to reduce the risk resulting from the insolvency of customers through rules ensuring that sales are made to reliable and solvent customers, especially in Italy. These rules, based on the available information on customer solvency and historic data statistical series, combined with exposure limits per individual customer, reduce credit concentration and minimise the relative risk. In the event of changes in the payment terms, guarantee measures are put in place to protect payments. Positions involving significant amounts for which the Company identifies situations of objective, total or partial, non-recoverability, taking into consideration any guarantees obtained and the costs and expenses of recovery, are written down individually.

Also, the Company makes appropriate provisions for receivables that have not been written down individually on the basis of the expected losses. The write-down percentages are determined on the basis of that which the reference standard suggests, estimating the probability of default on the historical basis of past losses and collection experience in the previous twenty-four months.

In particular, the write-down percentages in the previous twenty-four months are based on the days past due for each class of customers grouped in the various segments that show similar historical loss trends (by geographical area and by past due class).

Disclosure on the credit risk exposure on the trade receivables is illustrated in note 20.

## Liquidity risk

This risk could be manifested in inability on the part of the Company to find, at optimal financing conditions, the financial resources needed to sustain operations. The Company's cash flows, borrowing requirements and liquidity are constantly monitored centrally by the Finance and Treasury function in order to ensure the effective and efficient management of financial resources; these include bank overdrafts, medium/long-term bank loans, a bond loan and financial lease agreements.

The Company's capacity for generating operating cash flows, structuring its financial debt maturities and the confidence that the banking system has in it, with the consequent availability to access sources of funding, mean that the liquidity risk is regarded as well-controlled.

# CAPITAL MANAGEMENT

For the purpose of the Company's capital management, it has been defined to include the issued share capital, the share premium reserve and all other reserves, including retained earnings (Company shareholders' equity).

The main objective of capital management is chiefly related to obtaining a strong credit rating, in order to support operations and maximise shareholder value.

The Company monitors capital by following the trend of the debt ratio, which is derived from the comparison between the value of the net financial position and the shareholders' equity. In the net financial position the Company includes loans and funding, including financial lease payables (but not operating lease payables), derivative contracts, liquid funds and cash equivalents.

| | **31.12 2025** | 31.12 2024 |
|---|---|---|
| Short and medium-term net financial debt | 226,756,096 | 167,875,758 |
| Net value of derivative contracts | 741,929 | 1,471,926 |
| Liquid funds and other current financial assets | (23,979,014) | (46,576,549) |
| **Net financial position** | **203,519,011** | **122,771,135** |
| **Shareholders' equity** | **158,964,886** | **161,239,718** |
| **NFP/Shareholders' equity ratio** | **128%** | **76%** |

The Company's capital management aims, among other things, to ensure that covenants related to interest-bearing loans and the like (excluding operating leases), which define capital structure requirements, are met. Breaches of the covenants would allow banks to demand immediate repayment of loans and financing. In the current year, there were no breaches of covenants related to interest-bearing loans and the like.

There were no changes to objectives, policies or processes during the years ending 31 December 2025 and 31 December 2024, nor were there any significant capital transactions during the two periods, with the exception of the distribution of dividends.

# Explanatory notes

## NOTE 1 - REVENUES

Revenues as at 31 December 2025 amounted to €595,235.0 thousand and mainly refer to the sales of coffee products.

A more detailed table is provided below:

Amounts in thousands of euros

| Revenues by Geographical Area | **2025** | **%** | 2024 | % |
|---|---|---|---|---|
| Italy | 219,199 | 36.8% | 192,725 | 35.8% |
| EMEA (excluding Italy) | 242,064 | 40.7% | 218,013 | 40.5% |
| Americas | 79,934 | 13.4% | 70,895 | 13.2% |
| Asia and Rest of the World | 54,039 | 9.1% | 57,021 | 10.6% |
| **TOTAL** | **595,235** | **100%** | **538,655** | **100%** |

The Company's revenue performance was characterised by a continued growth trend, recording an increase of 10.5% compared with the previous financial year, driven by solid performances across the key markets in which it operates.

The Company strengthened its leadership position in Italy within the premium segment of the market, achieving a 13.7% increase compared with 2024.

In EMEA (excluding Italy), revenues recorded double-digit growth, supported by the positive performance of the principal reference markets, including Germany, Austria, Switzerland, France, Spain and the United Kingdom.

The American market reported growth of 12.7% compared with 2024, driven by all main distribution channels, particularly Modern Trade and online.

The Asian market grew by 5.2% year-on-year, benefiting from excellent performances in Japan and Australia.

It should be noted that, in the current financial year, adjustments related to transfer pricing regulations (*Transfer Price Compensating Adjustments*) were reclassified under operating income or expenses to provide a more accurate representation in line with national and international standards. For comparability purposes, the same reclassification was applied to the previous financial year.

Amounts in thousands of euros

| Revenues by product | **2025** | **%** | 2024 | % |
|---|---|---|---|---|
| Coffee products | 546,811 | 91.9% | 486,071 | 90.2% |
| Espresso machines | 14,564 | 2.4% | 17,565 | 3.3% |
| Other products | 33,860 | 5.7% | 35,019 | 6.5% |
| **TOTAL** | **595,235** | **100%** | **538,655** | **100%** |

All core coffee products contributed to growth, while coffee machines declined compared with the previous financial year, mainly due to lower volumes in South Korea, affected by a general slowdown in the market.

The 3.3% decrease in sales recognised under Other Products is primarily attributable to the termination of a royalties agreement with a commercial partner, while sales of coffee-based products (illycrema, instant coffee, cold brew) remained broadly stable.

# NOTE 2 - OTHER OPERATING INCOME

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Net capital gains on disposal of tangible and intangible assets | 307,621 | 301,757 | 5,864 |
| Public grants | 1,177,973 | 1,358,581 | (180,608) |
| Contract termination penalties | 253,889 | 257,555 | (3,666) |
| Reimbursement of transport costs | 4,856,724 | 4,272,220 | 584,504 |
| Release of provisions | 535,213 | 903,474 | (368,261) |
| Services to group companies | 2,343,562 | 2,606,976 | (263,413) |
| Company canteen revenues | 212,388 | 177,534 | 34,853 |
| Compensation for damages | 110,366 | 229,374 | (119,008) |
| Other operating income | 1,188,260 | 1,793,076 | (604,816) |
| Transfer Price Compensating Adjustment | 4,149,418 | 86,558 | 4,062,860 |
| **TOTAL** | **15,135,414** | **11,987,103** | **3,148,311** |

The item "*Other operating income*" amounted to €15,135.4 thousand in 2025 (€11,987.1 thousand in 2024) broken down as follows:

- "*Public grants*" amounting to €1,178.0 thousand (€1,358.6 thousand in the previous financial year), includes the operating contributions received by the Company as indicated below:
  - Grant by Italian Law 26/86 Fondo Trieste includes the portion of the capital grant related to the depreciation rate of the assets subject to the grants received, in compliance with the provisions of the accounting standards.
  - Grant by Italian Law 488/92 includes the portion of the plant grant related to the depreciation of the investments already made as of the balance sheet date and relating to the investment plan approved by the Ministry of Economic Development.
  - Grant on restructuring of a commercial centre and a property for office use recognised by the lessor company.
  - The "Bolero" Horizon Grant includes the portion of the operating grant related to a Research & Development project.
  - The "ZDZW" Horizon Grant includes the portion of the operating grant related to an Innovation project.
  - The "Evoque" Horizon Grant includes the portion of the operating grant related to a Research & Development project.
  - Grant for training plans including the portion of grants for current expenses related to employee training.
  - Grant envisaged by Italian Law 160/19 art. 1, paragraphs 198-209 (2020 Budget Law), as amended by Italian Law No. 178/2020, art. 1, paragraph 1064 (2021 Budget Law): it includes the share of the operating grant relating to Research, Development, Innovation & Design activities, incurred in 2021, recognised in the form of a tax credit.
  - Capital grants for 4.0 capital goods, Italian Law No. 178 of 30 December 2020, Art. 1, paragraphs 1056 - 1057-bis (2021 Budget Law) and subsequent amendments, this includes the portion of tax credit related to investments falling under the Industry 4.0 benefits;
- The remaining portion of grants proportionally chargeable to the income statement, relating to the remaining life of assets, and the amount of the grants relating to investments to be completed have been suspended and deferred to future years through deferred income.
- "*Transport expense reimbursement*" equal to €4,856.7 thousand (€4,272.2 thousand in the previous financial year) represents the reimbursement of transport expenses invoiced mainly to subsidiaries;
- The item "*Compensation for damages*" comprises both differences due to weight losses, recognised by our suppliers on batches of green coffee purchased during the year and by reimbursements for damages related to local distribution of our finished products.
- "*Contract termination penalties*" amounting to €253.9 thousand (€257.6 thousand in the previous year), includes the amounts charged to customers as penalties in the event of early termination of the contract;
- "*Net capital gains on the disposal of tangible and intangible assets*" amounting to €307.6 thousand (€301.8 thousand in the previous financial year) includes the capital gains recorded in the financial year following the disposal of some tangible and intangible assets.

- "*Other operating income*" amounting to €1,188.3 thousand (€1,793.1 thousand in the previous year) which mainly relate to other income of €782.0 thousand, mainly related to collaborations with commercial partners, rental income of €73.3 thousand, the recovery of legal fees of €18.1 thousand and contingent assets of €148.3 thousand.

## NOTE 3 - CHANGE IN INVENTORIES OF FINISHED AND SEMI-FINISHED PRODUCTS

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Changes in inventories of finished and semi-finished products | 9,464,765 | 5,556,137 | 3,908,629 |
| **TOTAL** | **9,464,765** | **5,556,137** | **3,908,629** |

A change in inventories of work in progress, finished and semi-finished products had a positive effect on the income statement amounting to €9,464.8 thousand in 2025 (positive for €5,556.1 thousand in 2024). The change in the period reflects a higher production compared to the previous year which had not yet been placed on the market at the end of the year, in addition to the effect of the increase in the price of raw materials. Please refer to Note 20 for an analysis of the change in inventories.

## NOTE 4 – COSTS FOR PURCHASE OF RAW MATERIALS, SUBSIDIARY MATERIALS, CONSUMABLES AND FINISHED GOODS

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Change in inventories of raw, ancillary and consumable materials and goods for resale | (29,659,950) | (10,002,533) | (19,657,417) |
| Raw materials and sundry items | 278,209,873 | 180,203,248 | 98,006,625 |
| Charges on purchases of coffee | 3,484,757 | 3,204,992 | 279,765 |
| Espresso machines, packaging, advertising materials | 85,051,705 | 87,645,331 | (2,593,626) |
| Sundry and other purchases | 4,553,978 | 4,664,767 | (110,789) |
| **TOTAL** | **341,640,363** | **265,715,805** | **75,924,558** |

"*Costs for the purchase of raw, ancillary and consumable materials and goods for resale*" amounted to €341,640.4 thousand in 2025 (€265,715.8 thousand in 2024), disclosing an increase of €75,924.6 thousand compared to the previous year. The increase is mainly attributable to the item "*Purchases of raw materials and miscellaneous items*" for €98,006.6 thousand, offset by the item "*Espresso machines, packaging, advertising materials*" for €2,593.6 thousand and the consumption of raw materials in stock, as shown in the item "*Change in inventories of raw materials, consumables and goods*" for €19,657.4 thousand.

During the financial year, no hedging transactions were recorded by the Company on the coffee commodity for purchases made during the financial year (€1,745.3 thousand in the 2024 financial year included in the item "*Purchases of raw materials and miscellaneous items*").

## NOTE 5 - COSTS FOR EMPLOYEE BENEFITS

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Salaries and wages | 52,322,801 | 51,853,764 | 469,037 |
| Social security contributions | 17,855,051 | 16,763,972 | 1,091,079 |
| Benefits subsequent to the termination of the employment relationship | 3,159,917 | 3,110,486 | 49,431 |
| Other personnel costs | 1,298,383 | 939,228 | 359,155 |
| Temporary employment | 2,864,643 | 2,630,500 | 234,143 |
| Directors' remuneration | 7,026,107 | 5,526,265 | 1,499,842 |
| **TOTAL** | **84,526,903** | **80,824,215** | **3,702,687** |

The item "*Costs for employee benefits*" amounted to €84,526.9 thousand in 2025 (€80,824.2 thousand in 2024), disclosing an increase of €3,702.7 thousand compared to the previous year.

The item includes all personnel costs, including promotions, changes of category, paid holidays accrued but not taken and provisions required by law and collective employment contracts. This item also includes "*Other personnel costs*" relating, directly or indirectly, to employees for €1,298.4 thousand in 2025 (€939.2 thousand in 2024), as well as costs for "*Temporary employment*" for €2,864.6 thousand in 2025 (€2,630.5 thousand in 2024).

This item also includes non-recurring costs related to reorganisation plan for €1,059.7 thousand.

The following table shows the number of employees of the company by category, broken down between those in force as of 31 December 2025 and 31 December 2024 and the average number over the two years:

| | **2025** | 2024 | Changes | Average |
|---|---|---|---|---|
| Senior managers | 37 | 41 | (4) | 37 |
| Middle managers | 96 | 101 | (5) | 76 |
| Clerical staff | 492 | 496 | (4) | 419 |
| Manual workers | 391 | 299 | 92 | 341 |
| **TOTAL** | **1,016** | **937** | **79** | **873** |

There are 26 employees in the German permanent establishment, 26 in the Spanish permanent establishment, 19 in the Dutch permanent establishment and 14 in the Austrian permanent establishment. It should also be noted that 1 employee is seconded to another group company.

The national labour contracts applied to the Company are as follows: CCNL Industria Alimentare (Food Industry), CCNL Turismo–Pubblici Esercizi (Tourism and Public Establishments) and CCNL Dirigenti di Aziende Produttrici di Beni e Servizi (Executives of Companies Producing Goods and Services). The permanent organisations apply the national labour contracts provided for by the legislation in force in their countries.

## NOTE 6 - COSTS FOR SERVICES

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Maintenance and repair costs | 3,152,987 | 2,892,436 | 260,551 |
| Consultancy fees | 2,820,580 | 3,179,238 | (358,658) |
| Insurance costs | 1,143,382 | 1,138,055 | 5,327 |
| Energy, similar and telephone costs | 6,060,601 | 6,259,957 | (199,356) |
| Marketing and communication expenses | 15,885,164 | 18,398,538 | (2,513,374) |
| Sales organization expenses | 11,733,334 | 11,083,662 | 649,672 |
| Travel expenses | 2,015,751 | 2,467,242 | (451,491) |
| Transport and shuttle expenses | 20,904,204 | 18,510,325 | 2,393,879 |
| External processing | 16,322,882 | 9,369,861 | 6,953,020 |
| Storage costs | 2,460,192 | 1,346,192 | 1,114,000 |
| Statutory Auditors' fees | 202,485 | 205,432 | (2,947) |
| Industrial costs | 5,174,642 | 5,919,069 | (744,427) |
| Supervisory body fee | 71,127 | 71,004 | 122 |
| Canteen management costs | 844,473 | 830,669 | 13,804 |
| Staff training | 297,475 | 238,606 | 58,869 |
| Cleaning and reception services | 1,803,537 | 1,729,590 | 73,946 |
| Other costs for services | 8,679,531 | 8,853,926 | (174,396) |
| **TOTAL** | **99,572,346** | **92,493,804** | **7,078,542** |

The item "*Costs for services*" amounted to €99,572.3 thousand in 2025 (€92,493.8 thousand in 2024). This item shows an overall increase of approximately 7.7% compared to the previous year, mainly due to higher external processing costs, transport costs and storage costs.

The "*Marketing and communication expenses*" include the advertising and marketing activities devised and developed for the year.

The costs for "*Travel expenses*" decreased by 18.3% in value, as did their impact on turnover compared to the previous financial year, as a result of better cost management. "Energy and similar and telephone costs" show a decrease mainly attributable to greater control of these expense items jointly with improved contracting with mobile phone and energy providers.

The increase in "*Transport and shuttle expenses*" increased by €2,393.9 thousand as a consequence of the increase in sales volumes.

The "*External processing*" expenses relate to subcontracted processing activities. The item increased compared with the previous year following a new co-packing services agreement for capsules and pods.

The item "*Other service costs*" includes, among other things, non-recurring service costs related to consultancy on extraordinary projects for €1.1 million, in particular related to M&A transactions managed by the Company during the financial year.

The table shows the total remuneration payable to directors and statutory auditors for the performance of their duties, both at the Company and at companies included in the scope of consolidation, as well as the remuneration payable to the independent auditors (KPMG S.p.A.) appointed to audit the separate and consolidated financial statements (the latter including fees for the audit of subsidiaries carried out by the same auditing firm, by the Company's auditor network or by other auditing firms not belonging to the KPMG S.p.A. network, as well as fees for services other than auditing).

| Remuneration | |
|---|---|
| Directors' remuneration | 6,969,126 |
| Board of Statutory Auditors | 197,600 |
| Official audit of the Parent Company | 111,200 |
| Branch audit | 44,200 |
| Other services provided by the external auditor | 155,960 |

## NOTE 7 - AMORTISATION AND DEPRECIATION

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Depreciation of property, plant and machinery | 23,280,726 | 21,504,620 | 1,776,106 |
| Amortisation of intangible assets | 7,395,061 | 7,810,120 | (415,059) |
| Amortisation of usage rights | 4,591,690 | 4,799,281 | (207,591) |
| **TOTAL** | **35,267,477** | **34,114,021** | **1,153,456** |

Depreciation of fixed assets amounted to €35,267.5 thousand in 2025 (€34,114.0 thousand in 2024).

The increase in depreciation of property, plant and machinery, amounting to €1,776.1 thousand, was mainly generated by the entry into operation of investments made during the year, as commented in note 14.

Amortisation of intangible fixed assets amounted to €7,395.1 thousand in 2025 (€7,810.1 thousand in 2024).

Amortisation of right-of-use assets amounted to €4,591.7 thousand (€4,799.3 thousand in 2024).

# NOTE 8 - IMPAIRMENT LOSS ON NON-CURRENT ASSETS

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Finite useful life | 50,538 | 156,259 | (105,722) |
| **TOTAL** | **50,538** | **156,259** | **(105,722)** |

The item "*Impairment of non-current assets*" amounted to €50.5 thousand in 2025 (€156.3 thousand in 2024).
The item "*Finite useful life*" includes write-downs of tangible fixed assets relating to the dismantling of a building previously acquired for the ongoing construction of the new roasting plant.

# NOTE 9 - OTHER OPERATING EXPENSES

| Description | 2025 | 2024 | Change |
|---|---|---|---|
| Costs for leases and rentals | 5,932,560 | 5,560,446 | 372,114 |
| Losses on receivables | 869,811 | 825,878 | 43,933 |
| Provisions for risks | 2,070,475 | 2,574,958 | (504,482) |
| Net capital losses on disposal of tangible and intangible assets | 222,190 | 163,063 | 59,127 |
| Indirect taxes and levies | 4,121,247 | 3,900,380 | 220,867 |
| Entertainment expenses and external relations | 1,849,298 | 2,725,562 | (876,264) |
| Annuity and patent management | 430,835 | 348,735 | 82,100 |
| Royalty payments | 403,504 | 586,996 | (183,492) |
| Membership fees | 498,534 | 641,727 | (143,193) |
| Environmental contributions (CONAI and WEEE) | 895,942 | 887,252 | 8,689 |
| Other operating costs | 3,448,121 | 1,858,946 | 1,589,175 |
| Transfer Price Compensation Adjustment | 8,014,100 | 7,741,796 | 272,304 |
| Fidelity program | 1,171,380 | 1,024,926 | 146,454 |
| **TOTAL** | **29,927,996** | **28,840,665** | **1,087,331** |

The overall item is essentially unchanged compared to the previous financial year (€29,928.0 thousand in 2025 and €28,840.7 thousand in 2024). It is noted that there was an increase in expenses for the use of leaseholds and other operating expenses.

The item "*Entertainment and external relations expenses*" and the item "*Membership fees*" show a reduction compared to the previous year due to better management of company expenses given the volatility of raw material prices.

The residual item "*Other operating costs*" mainly consists of other operating expenses of €943.1 thousand, such as costs for exemption contributions of €291.7 thousand, social utility expenses of €700.3 thousand and contingent liabilities of €190.0 thousand. In addition, the item includes non-recurring operating expenses of €1.5 million mainly related to a settlement agreement with a supplier.

# NOTE 10 - FINANCIAL EXPENSES

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Interest on bank loans and charged by other providers of finance | 6,350,565 | 6,080,973 | 269,591 |
| Interest on other amounts due to banks | 903,047 | 1,033,060 | (130,013) |
| Realised exchange losses | 6,947,991 | 2,253,891 | 4,694,100 |
| Unrealised exchange losses | 211,236 | 624,532 | (413,296) |
| Financial instruments charges | 1,595,861 | 1,071,194 | 524,667 |
| Interest expense on lease agreements | 572,445 | 635,300 | (62,855) |
| Write-down of derivatives and other financial assets | 12,607 | 222,362 | (209,755) |
| Financial charges with subsidiaries | 133,370 | 126,759 | 6,611 |
| Interest expense employee severance indemnity (TFR) | 89,166 | 57,174 | 31,992 |
| Bank charges and commissions | 639,501 | 605,562 | 33,939 |
| Other expense | 336 | | 336 |
| **TOTAL** | **17,456,126** | **12,710,808** | **4,745,318** |

"*Financial expenses*" for the period amounted to €17,456.1 thousand, an increase of €4,745.3 thousand compared to the previous year, mainly due to the negative effect of realised foreign exchange losses (€4,694.1 thousand).

The item "*Financial charges with subsidiaries*" is made up of interest expense on cash pooling relationships with group companies for €133.4 thousand (€126.8 thousand in 2024).

The item "*Write-down of derivatives and other financial assets*" includes the write-down of currency derivatives amounting to €12.6 thousand (€222.4 thousand in the previous year).

# NOTE 11 - FINANCIAL INCOME

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Unrealised exchange gains | 110,967 | 733,643 | (622,676) |
| Realised exchange gains | 6,453,052 | 2,309,713 | 4,143,340 |
| Interest income on loans | 88,393 | 68,627 | 19,766 |
| Revaluation of derivatives | 947,946 | | 947,946 |
| Income from subsidiaries | 346,278 | 699,449 | (353,171) |
| Income from other companies | 234,136 | 297,625 | (63,489) |
| Interest income miscellaneous receivables | 28,670 | 23,469 | 5,201 |
| Bank interest income | 119,669 | 134,446 | (14,777) |
| Other income | 11,931 | 26,387 | (14,456) |
| Financial instruments income | 1,141,576 | 1,506,948 | (365,372) |
| **TOTAL** | **9,482,618** | **5,800,307** | **3,682,311** |

The item "*Financial income*" amounting to €9,482.6 thousand in 2025, recorded an increase of €3,682.3 thousand compared to the previous year (€5,800.3 thousand), mainly attributable to the positive effect on foreign exchange gains and the positive fair value of the call option on the subsidiary Capitani S.r.l. for €937.5 thousand, included within the "*Income from financial instruments*" item.

"*Income from subsidiaries*" are related to interest income accrued from pooling relationships with group companies.

The item "*Income from other companies*" consists of dividends approved by Kafea Terra Food & Drink SA for €210.2 thousand and by OCM S.r.l. for €23.9 thousand.

# NOTE 12 – OTHER INCOME (EXPENSES) ON FINANCIAL ASSETS

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Other income (expenses) on financial activities | (5,431) | (5,452,078) | 5,446,647 |
| **TOTAL** | **(5,431)** | **(5,452,078)** | **5,446,647** |

During the year, the investment in Bar Finance International S.p.A. was written down by €5.4 thousand.

In the previous financial year, this item included the write-down of the investment in illycafè AG for €4.5 million and the write-down of the investment in illycaffè South America for €952.1 thousand.

# NOTE 13 - INCOME TAXES

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| Current taxes for the year | 7,153,080 | 12,653,179 | (5,500,099) |
| Current taxes relating to previous years | 304,196 | (1,460,539) | 1,764,736 |
| Deferred taxes | (348,427) | 796,335 | (1,144,763) |
| **TOTAL** | **7,108,849** | **11,988,975** | **(4,880,126)** |

The tax burden for the 2025 financial year amounts to a total of €7,108.8 thousand, as a consequence of the net effect of:

- current taxes of €7,153.1 thousand;
- the positive effect of deferred taxation of €348.4 thousand;
- current taxes relating to previous years, which generated a negative impact of €304.2 thousand, deriving from the tax burden recalculated on the basis of the tax returns submitted with respect to the settlement of taxes made when preparing the previous year's financial statements

With reference to current taxes, the tax burden is determined on the basis of the taxable income deriving from the result of the financial year, applying the nominal tax rates in force (24% for IRES and 3.9% for IRAP).

The breakdown of income taxes is as follows:

| Description | **2025** | 2024 | Change |
|---|---|---|---|
| IRES | 5,846,634 | 10,615,977 | (4,769,343) |
| IRAP | 1,306,446 | 2,037,202 | (730,756) |
| **Current taxes** | **7,153,080** | **12,653,179** | **(5,500,099)** |
| IRES | (360,450) | 702,463 | (1,062,913) |
| IRAP | 12,022 | 93,872 | (81,850) |
| **Deferred (prepaid) taxes** | **(348,427)** | **796,335** | **(1,144,763)** |
| Taxes from previous years | 304,196 | (1,460,539) | 1,764,736 |
| **Taxes from previous years** | **304,196** | **(1,460,539)** | **1,764,736** |
| **TOTAL INCOME TAXES** | **7,108,849** | **11,988,975** | **(4,880,126)** |

The overall tax burden compared to the pre-tax result stands at 34.1% compared to 28.8% in the previous financial year, with an increase of 5.3 p.p previous financial year.

The tax trend was driven by a decline in Pre-tax profit (-50% compared to 2024) and a reduction in non-recurring items relating to taxes from previous years.

The following table shows the reconciliation between the current tax burden resulting from the financial statements and the theoretical tax burden, limited to IRES.

| Description | Value | Taxes |
|---|---|---|
| Pre-tax result | 20,870,604 | |
| Theoretical tax burden (%) | 24% | 5,008,945 |
| **Timing differences taxable in subsequent years** | | |
| Dividends | (210,220) | |
| **Timing differences deductible in subsequent years** | | |
| Allocation to different provisions | 5,062,397 | |
| Other | 2,354,780 | |
| **Reversal of timing differences from previous years and other reductions of the taxable income** | | |
| Use of different provisions | (3,211,624) | |
| Other | (1,736,912) | |
| **Differences that will not be reversed in subsequent years** | | |
| Entertainment expenses | 53,426 | |
| Write-down of investments | 5,431 | |
| Non-deductible taxes | 860,938 | |
| Other | 312,157 | |
| Taxable income | 24,360,976 | |
| Current income taxes for the year | | 5,846,634 |
| Current effective rate | | 28.01% |

## Deferred and prepaid taxes

Deferred taxes are shown by the provision made in the deferred tax provision and in receivables for prepaid taxes.

The main timing differences which led to the recognition of deferred and prepaid taxes are shown in the tables below together with the related effects.

## Deferred tax assets

| | **2025** | | 2024 | |
|---|---|---|---|---|
| Prepaid Taxes | Amount of temporary differences | Tax impact | Amount of temporary differences | Tax impact |
| Write-down of receivables | 3,632,410 | 871,779 | 3,911,913 | 938,859 |
| Other provisions | 23,353,846 | 6,421,349 | 22,013,735 | 6,093,130 |
| Financial derivative hedging instruments | 739,754 | 177,541 | 1,249,563 | 299,895 |
| Directors' remuneration | 1,838,066 | 441,136 | 1,228,806 | 294,914 |
| **Total Prepaid taxes** | **29,564,076** | **7,911,805** | **28,404,018** | **7,626,798** |

It should be noted that the change in the provision for deferred prepaid taxes relating to derivative financial instruments, totalling €122.4 thousand, did not affect the deferred tax expense of the Income Statement, since it is linked to derivative financial instruments qualified as hedging.

## Deferred tax liabilities

| | 2025 | | 2024 | |
|---|---|---|---|---|
| Deferred taxes | Amount of temporary differences | Tax impact | Amount of temporary differences | Tax impact |
| Dividends recorded on an accruals basis | 10,511 | 2,523 | 300,575 | 72,138 |
| Other provisions | 2,365,774 | 654,524 | 1,901,731 | 524,503 |
| **Total deferred tax** | **2,376,285** | **657,047** | **2,202,305** | **596,641** |



# Information on the branches

The values – expressed in euros – of the branches contributions are reported.

| illycaffè S.p.A. Sucursal en España | Amount |
|---|---|
| Net revenues | 36,637,174 |
| Cost of sales | (24,193,765) |
| Service costs | (6,027,180) |
| Leased assets | 26,191 |
| Costs for employee benefits | (2,336,725) |
| Amortisation, depreciation, write-down and provisions | (1,728,611) |
| Other operating costs | (992,557) |
| Financial charges and income | (312,824) |
| Income taxes | (470,253) |
| **Profit/(loss) for the year** | **601,449** |

| illycaffè S.p.A. vestiging Nederland | Amount |
|---|---|
| Revenues from sales and others | 28,930,174 |
| Cost of sales | (24,494,451) |
| Service costs | (1,234,188) |
| Leased assets | (17,501) |
| Costs for employee benefits | (1,379,833) |
| Amortisation, depreciation, write-down and provisions | (518,042) |
| Other operating costs | (155,316) |
| Financial charges and income | 160,403 |
| Income taxes | (321,157) |
| **Profit/(loss) for the year** | **970,090** |

| illycaffè S.p.A. Niederlassung Deutschland | Amount |
|---|---|
| Net revenues | 26,006,863 |
| Cost of sales | (17,462,490) |
| Service costs | (2,096,928) |
| Leased assets | (176,924) |
| Costs for employee benefits | (2,314,793) |
| Amortisation, depreciation, write-down and provisions | (812,056) |
| Other operating costs | (2,166,025) |
| Financial charges and income | (106,090) |
| Income taxes | (287,252) |
| **Profit/(loss) for the year** | **584,305** |

| illycaffè S.p.A. Asia Pacific Branch | Amount |
|---|---|
| Net revenues | |
| Cost of sales | |
| Service costs | (60,837) |
| Leased assets | |
| Costs for employee benefits | (386,994) |
| Amortisation, depreciation, write-down and provisions | |
| Other operating costs | (11) |
| Financial charges and income | (1,675) |
| Income taxes | |
| **Profit/(loss) for the year** | **(449,518)** |

| illycaffè S.p.A. Niederlassung Österreich | Amount |
|---|---|
| Net revenues | 15,479,218 |
| Cost of sales | (10,749,580) |
| Service costs | (1,315,459) |
| Leased assets | (164,514) |
| Costs for employee benefits | (1,808,095) |
| Amortisation, depreciation, write-down and provisions | (516,821) |
| Other operating costs | (183,211) |
| Financial charges and income | (22,057) |
| Income taxes | (141,139) |
| **Profit/(loss) for the year** | **578,341** |

## Proposal for allocation of the result

In submitting the *illycaffè S.p.A.* financial statements to the Shareholders' Meeting for approval, the Board of Directors proposes to allocate the profit for the year as follows:

| **Profit for the year 2025** | **13,761,755** |
|---|---|
| adjustment to unrealised exchange gains reserve | 110,967 |
| dividends - (equal to €2.938442 for each ordinary share) | 13,222,989 |
| extraordinary reserve | 427,799 |

The Reserve for unrealised exchange gains established with the distribution of the previous year's profit will be reclassified to Other Reserves distributable in paragraph of Art. 2426, number 8-bis of the Italian Civil Code due to the value of the unrealised exchange differences outstanding at the end of 2025.

The reserve for gains generated by the transition to IFRS has been reclassified to the Extraordinary Reserve.

## NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

| Description | **31/12/2025** | 31/12/2024 | Change |
|---|---|---|---|
| Land and buildings | 35,237,869 | 36,160,730 | (922,861) |
| Plant and equipment | 35,270,514 | 32,793,121 | 2,477,393 |
| Industrial and commercial equipment | 24,777,581 | 23,828,058 | 949,523 |
| Leasehold improvements | 1,286,692 | 1,489,239 | (202,546) |
| Other tangible assets | 6,885,205 | 6,320,059 | 565,147 |
| Tangible assets in progress and advance payments | 13,198,887 | 7,723,346 | 5,475,542 |
| **TOTAL** | **116,656,749** | **108,314,552** | **8,342,197** |

The item "*Tangible assets*" amounted to €116,656.8 thousand as at 31 December 2025 (€108,314.6 thousand as at 31 December 2024) and is made up as follows:

- "*Land and buildings*," equal to €35,237.9 thousand as of 31 December 2025, with a decrease of €922.9 thousand compared to the previous financial year. The change in the financial year is mainly attributable to the depreciation of the period partially offset by the increases of the year.
- "*Plant and machinery*," equal to €35,270.5 thousand as of 31 December 2025, with a increase of €2,477.4 thousand. The change for the period is mainly attributable to the effect of depreciation of €7,770.5 thousand, in addition to disposals for a net value of €128.0 thousand and investments for the year of €10,375.9 thousand, the latter mainly relating to costs incurred by the Company for the construction of new production facilities. In particular, investments were made to innovate and improve the efficiency of production lines through upgrades and improvements.
- "*Industrial and commercial equipment*," which amount to €24,777.6 thousand at 31 December 2025, with an increase of €949.5 thousand, mainly attributable to the purchase of professional coffee equipment granted on loan and/or lease to customers and for the acquisition and innovation of printing systems used for the production of products of the Iperespresso system.
- The item "*Leasehold improvements*" for €1,286.7 thousand as at 31 December 2025 (€1,489.2 thousand as at 31 December 2024) is mainly attributable to the renovation of a car park and the creation of green areas near the headquarters;
- "*Other tangible assets*," amounting to €6,885.2 thousand (€6,320.1 thousand at 31 December 2024), refer to investments made by the Company mainly for electronic equipment, light construction, furniture for trade fairs and events, laboratory equipment, office furniture and furnishings, and illy concept bar furnishings;
- "*Tangible assets in progress and advance payments*" amounting to €13,198.9 thousand at 31 December 2025 (€7,723.3 thousand at 31 December 2024) refers to the construction of works not yet completed, with particular reference to research and innovation in the field of cutting-edge professional machines and the creation of sustainable products that meet the requirements of the circular economy, such as the reduction of packaging and complete recyclability.

The decreases reflect reclassification applied during the year for specific relevant tangible fixed assets.

The table below shows the details of the changes, highlighting the reduction in both the historical cost and the related depreciation and write-down provision, if any.

| | Land and buildings | Plant and equipment | Equipment | Other assets | Leasehold improvements | Fixed assets in progress and advance payments | Total property, plant and machinery |
|---|---|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **62,023,246** | **110,191,144** | **110,904,207** | **29,103,228** | **5,113,990** | **7,023,488** | **324,359,303** |
| Increase | 943,508 | 7,112,558 | 12,604,088 | 1,838,490 | 284,736 | 7,051,313 | 29,834,693 |
| Decrease | | (414,889) | (3,025,641) | (410,741) | (246,995) | (938,224) | (5,036,490) |
| Other changes | 106,527 | 4,527,070 | 4,431 | 234,140 | (27,400) | (4,878,231) | (33,463) |
| **Historical cost 31/12/2024** | **63,073,280** | **121,415,884** | **120,487,085** | **30,765,116** | **5,124,331** | **8,258,346** | **349,124,042** |
| **Provision for Write-downs 01/01/2024** | **(25,404,435)** | **(81,247,384)** | **(88,703,359)** | **(23,165,654)** | **(3,428,706)** | | **(221,949,538)** |
| Increase | (1,508,116) | (7,320,440) | (10,691,014) | (1,520,467) | (464,584) | | (21,504,620) |
| Decrease | | 350,814 | 2,848,566 | 298,335 | 230,915 | | 3,728,630 |
| Other changes | | 14,936 | 3,240 | (21,280) | 27,283 | | 24,179 |
| **Provision for Write-downs 31/12/2024** | **(26,912,551)** | **(88,202,074)** | **(96,542,567)** | **(24,409,065)** | **(3,635,092)** | | **(239,701,350)** |
| **Write-down provision** | | **(420,688)** | **(135,660)** | | | **(1,472,224)** | **(2,028,573)** |
| Decrease | | | 19,200 | | | 937,224 | 956,424 |
| Write-downs | | | | (35,992) | | | (35,992) |
| **Write-down provision** | | **(420,688)** | **(116,460)** | **(35,992)** | | **(535,000)** | **(1,108,141)** |
| **Net book value 31/12/2024** | **36,160,730** | **32,793,121** | **23,828,058** | **6,320,059** | **1,489,239** | **7,723,346** | **108,314,552** |
| **Historical cost 01/01/2025** | **63,073,280** | **121,415,884** | **120,487,085** | **30,765,116** | **5,124,331** | **8,258,346** | **349,124,042** |
| Increase | 351,638 | 6,118,117 | 12,827,298 | 2,038,996 | 407,135 | 10,348,939 | 32,092,124 |
| Decrease | (148,228) | (1,357,853) | (5,829,481) | (626,698) | (86,555) | | (8,048,814) |
| Other changes | 241,091 | 4,257,710 | 89,517 | 285,080 | | (4,873,398) | |
| **Historical cost 31/12/2025** | **63,517,782** | **130,433,858** | **127,574,419** | **32,462,494** | **5,444,911** | **13,733,887** | **373,167,352** |
| **Provision for Write-downs 01/01/2025** | **(26,912,551)** | **(88,202,074)** | **(96,542,567)** | **(24,409,065)** | **(3,635,092)** | | **(239,701,350)** |
| Increase | (1,475,296) | (7,770,488) | (11,722,336) | (1,728,595) | (584,011) | | (23,280,726) |
| Decrease | 107,933 | 1,229,907 | 5,584,525 | 596,364 | 60,885 | | 7,579,614 |
| **Provision for Write-downs 31/12/2025** | **(28,279,913)** | **(94,742,655)** | **(102,680,378)** | **(25,541,296)** | **(4,158,218)** | | **(255,402,462)** |
| **Write-down provision** | | **(420,688)** | **(116,460)** | **(35,992)** | | **(535,000)** | **(1,108,141)** |
| **Write-down provision** | | **(420,688)** | **(116,460)** | **(35,992)** | | **(535,000)** | **(1,108,141)** |
| **Net book value 31/12/2025** | **35,237,869** | **35,270,514** | **24,777,581** | **6,885,205** | **1,286,692** | **13,198,887** | **116,656,749** |

# NOTE 15 - GOODWILL

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| Goodwill | 6,092,493 | 6,092,493 | 0 |
| **Total** | **6,092,493** | **6,092,493** | **0** |

The item mainly refers to the values determined at the time of acquisition of the *Mitaca S.r.l.* business for €5,295.6 thousand and the purchase of the Austrian business from the previous distributor for €796.9 thousand.

Goodwill is considered to be an asset with an indefinite useful life and is therefore not subject to amortisation, but is at least annually subjected to an impairment test as at the balance sheet date.

The Company has, therefore, subjected the Net Invested Capital (NIC), including goodwill, to an impairment test, for each cash-generating unit (CGU), understood as an entity with respect to which management monitors its flows.

With reference to the goodwill deriving from the acquisition of the Mitaca business, which was merged into illycaffè S.p.A during 2022, therefore for the purposes of the impairment test, illycaffè S.p.A. was considered as the reference CGU.
The recoverable amount of the CGUs was determined through the value in use, calculated by applying the discounted future cash flow model (*so-called discounted cash flows*), considering the cash flows forecast by management in the multi-year plan up to 2030 (submitted to the Board of Directors at its meeting on 15 December 2025), in addition to the *terminal value*, calculated as the present value of the perpetual annuity.
For the purposes of calculating the *terminal value*, the normalised cash flow for the last year of the explicit forecast period was considered, based on a growth rate ("g") consistent with the CGU's reference market equal to 1.9% (0.8% in 2024).

For discounting purposes, management has identified a WACC rate equal to 9.1% (8.9% in 2024) which weights the cost of debt with that of shareholders' equity, considering the characteristics of the markets in which the CGU operates.
The following considerations were made to determine the WACC:

- the cost of equity capital considering a risk-free rate;
- a market share risk premium and an additional risk premium;
- an unlevered beta coefficient;
- the cost of gross debt, including the spread;
- the reference tax rate of the individual CGU;
- the debt to equity ratio.

Based on the impairment test carried out, the Directors believe that there are no elements to consider permanent losses of value relating to said goodwill.

# NOTE 16 - INTANGIBLE ASSETS

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| Development costs | 3,585,634 | 4,457,444 | (871,810) |
| Concessions, licences, software, trademarks and similar rights | 2,063,405 | 2,400,140 | (336,735) |
| Other intangible assets | 10,441,273 | 9,872,753 | 568,520 |
| Intangible assets in progress and advance payments | 16,364,990 | 12,814,698 | 3,550,292 |
| **Total intangible assets** | **32,455,302** | **29,545,036** | **2,910,266** |

The item "*Intangible assets*" amounted to €32,455.3 thousand as at 31 December 2025 (€29,545.0 thousand as at 31 December 2024) and is made up as follows:

- "*Development costs*" amount to €3,585.6 thousand as at 31 December 2025 (€4,457.4 thousand as at 31 December 2024) and include the capitalisation of development costs for innovation projects focused on espresso machines and new types of compostable, aluminium and compatible capsules designed to satisfy end customers.
- "*Concessions, licences, software, trademarks and similar rights*" amounted to €2,063.4 thousand (€2,400.1 thousand at 31 December 2024) and includes software licences for the use of the current information system, industrial patents and rights purchased from artists for decorations used on illy Art Collection cups and designs for espresso machines.

- "*Other intangible assets*" mainly refers to the implementation of information systems and the right to create a global site. The first item increased during the 2025 financial year mainly in relation to the constant investment in the implementation of information systems to support the multiple innovative and technological projects necessary for the business.

The table with a breakdown of the changes is presented below:

| | Development costs | Concessions, licences, software, trademarks and similar rights | Other intangible assets | Intangible assets in progress and advance payments | Total other intangible assets |
|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **20,974,149** | **24,020,027** | **65,270,930** | **12,055,728** | **122,320,835** |
| Increase | 1,785,976 | 772,014 | 5,291,472 | 4,000,566 | 11,850,028 |
| Decrease | (34,715) | (48,660) | (114,242) | (1,104,771) | (1,302,388) |
| Other changes | 329,810 | | 1,034,467 | (1,364,277) | |
| **Historical cost 31/12/2024** | **23,055,220** | **24,743,382** | **71,480,383** | **13,587,246** | **132,866,231** |
| **Provision for Write-downs 01/01/2024** | **(16,810,846)** | **(21,176,848)** | **(56,451,158)** | | **(94,438,852)** |
| Increase | (1,800,899) | (1,170,992) | (4,838,228) | | (7,810,120) |
| Decrease | 13,969 | 4,599 | 55,714 | | 74,282 |
| **Provision for Write-downs 31/12/2024** | **(18,597,777)** | **(22,343,241)** | **(61,233,672)** | | **(102,174,689)** |
| **Write-down provision 01/01/2024** | | | **(373,958)** | **(1,757,467)** | **(2,131,425)** |
| Decrease | | | | 1,104,771 | 1,104,771 |
| Write-downs | | | | (119,852) | (119,852) |
| **Write-down provision 31/12/2024** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Net book value 31/12/2024** | **4,457,444** | **2,400,140** | **9,872,753** | **12,814,698** | **29,545,036** |
| **Historical cost 01/01/2025** | **23,055,220** | **24,743,382** | **71,480,383** | **13,587,246** | **132,866,231** |
| Increase | 718,528 | 643,433 | 4,721,003 | 4,336,993 | 10,419,957 |
| Decrease | (295,795) | (28,939) | (37,899) | | (362,633) |
| Other changes | 8,423 | | 778,278 | (786,701) | |
| **Historical cost 31/12/2025** | **23,486,376** | **25,357,876** | **76,941,765** | **17,137,538** | **142,923,555** |
| **Provision for Write-downs 01/01/2025** | **(18,597,777)** | **(22,343,241)** | **(61,233,672)** | | **(102,174,689)** |
| Increase | (1,535,323) | (966,875) | (4,892,863) | | (7,395,061) |
| Decrease | 232,357 | 15,646 | | | 248,003 |
| **Provision for Write-downs 31/12/2025** | **(19,900,742)** | **(23,294,470)** | **(66,126,534)** | | **(109,321,747)** |
| **Write-down provision 01/01/2025** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Write-down provision 31/12/2025** | | | **(373,958)** | **(772,548)** | **(1,146,506)** |
| **Net book value 31/12/2025** | **3,585,634** | **2,063,405** | **10,441,273** | **16,364,990** | **32,455,302** |

The increase in the item "*Fixed assets in progress and advance payments*" mainly represents costs relating to projects on technological innovations on espresso machines still in progress.

# NOTE 17 - RIGHT-OF-USE ASSETS

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| Stores & buildings | 18,420,135 | 13,340,319 | 5,079,816 |
| Means of transport | 1,514,345 | 1,955,759 | (441,414) |
| Industrial and commercial equipment | 714,604 | 595,099 | 119,505 |
| Other usage rights | 198,562 | 488,910 | (290,348) |
| **Total rights-of-use** | **20,847,646** | **16,380,087** | **4,467,559** |

The table below shows details of changes in rights of use from operating leases:

| | Stores & Buildings | Means of transport | Industrial and commercial equipment | Other usage rights | Total |
|---|---|---|---|---|---|
| **Historical cost 01/01/2024** | **30,219,269** | **4,450,867** | **1,035,962** | **1,777,002** | **37,483,100** |
| Increase | 6,726,097 | 2,489,174 | 579,770 | 93,747 | 9,888,788 |
| Decrease | (6,846,878) | (2,349,504) | (359,278) | (508,886) | (10,064,545) |
| **Historical cost 31/12/2024** | **30,098,489** | **4,590,537** | **1,256,455** | **1,361,863** | **37,307,343** |
| Increase | 8,149,277 | 1,672,990 | 446,895 | 49,777 | 10,318,939 |
| Decrease | (221,906) | (1,868,292) | (296,923) | (434,880) | (2,822,000) |
| **Historical cost 31/12/2025** | **38,025,860** | **4,395,235** | **1,406,427** | **976,760** | **44,804,282** |
| **Provision for Write-downs 01/01/2024** | **(15,345,307)** | **(2,464,154)** | **(756,747)** | **(1,010,740)** | **(19,576,948)** |
| Increase | (2,935,673) | (1,244,318) | (248,191) | (371,098) | (4,799,281) |
| Decrease | 1,522,810 | 1,073,694 | 343,582 | 508,886 | 3,448,972 |
| **Provision for Write-downs 31/12/2024** | **(16,758,170)** | **(2,634,778)** | **(661,356)** | **(872,953)** | **(20,927,257)** |
| Increase | (3,026,413) | (1,068,725) | (206,841) | (289,711) | (4,591,690) |
| Decrease | 178,858 | 822,613 | 176,374 | 384,466 | 1,562,310 |
| **Provision for Write-downs 31/12/2025** | **(19,605,725)** | **(2,880,890)** | **(691,823)** | **(778,198)** | **(23,956,636)** |
| **NET BOOK VALUE 31/12/2024** | **13,340,319** | **1,955,759** | **595,099** | **488,910** | **16,380,087** |
| **NET BOOK VALUE 31/12/2025** | **18,420,135** | **1,514,345** | **714,604** | **198,562** | **20,847,646** |

The increases in assets for rights-of-use of leased assets acquired during the financial year relate to the renewal of existing lease agreements, in particular leases of directly managed stores.

The decreases relate to the reduction in the duration of certain *leases*.

# NOTE 18 – EQUITY INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Other financial receivables | 6,025 | 7,994 |
| Equity investments in subsidiaries | 72,444,411 | 45,645,761 |
| Other equity investments | 1,987,847 | 13,168,598 |
| Derivative financial instruments receivable | 937,516 | |
| **Total non-current financial assets** | **75,375,799** | **58,822,353** |

The item "*Non-current financial assets*" amounted to €75,375.8 thousand as at 31 December 2025 (€58,822.4 thousand as at 31 December 2024) and is made up as follows:

- "*Other financial receivables*" for €6.0 thousand, which include the financial receivables of the financing activities set up by the Company.

- The change in the "*Investments in subsidiaries*" item is due to the acquisition of an 80% interest in Capitani S.r.l. for €14,200.0 thousand (October 2025) and to the reclassification from the "Investments in other companies" item of the investment in illycafé AG, following the payment of an additional amount of €1,144.1 thousand for the acquisition of control.

Information is provided on shareholdings in directly owned subsidiaries:

| Name | City or Country | Currency | Share capital | Shareholders' equity | Profit/(Loss) | % Ownership | Balance sheet value in euros |
|---|---|---|---|---|---|---|---|
| illy caffè North America Inc. | United States | USD | 4,970 | 38,011,716 | 2,209,622 | 100 | 18,025,697 |
| illycaffè France S.A.S. | France | EUR | 1,064,000 | 6,455,310 | 1,197,676 | 100 | 1,702,413 |
| Magic L'Espresso S.L. | Spain | EUR | 285,475 | 1,903,785 | 182,528 | 100 | 2,183,964 |
| Bar Finance International S.p.A. | Italy | EUR | 4,700,000 | 4,520,414 | (7,292) | 100 | 4,520,414 |
| Experimental Agricola Do Brasil Ltda | Brazil | BRL | 5,360,653 | 60,798,584 | 20,611,749 | 100 | 943,688 |
| illycaffè Sud America Comercio, Importaçao e Exportaçao Ltda | Brazil | BRL | 28,274,037 | 29,403,019 | 1,280,472 | 100 | 4,372,473 |
| illycaffè Shanghai Co. Ltd. | China | CNY | 16,081,854 | 112,807,515 | 1,619,650 | 100 | 3,991,023 |
| Illycafè AG | Switzerland | CHF | 100,000 | 172,743 | (224,848) | 100 | 12,604,081 |
| illycaffè UK Ltd. | Great Britain | GBP | 101 | 2,178,180 | 541,335 | 100 | 9,900,657 |
| Capitani S.r.l. | Italy | EUR | 20,000 | 2,475,787 | 36,668 | 80 | 14,200,000 |
| **TOTAL** | | | | | | | **72,444,411** |

Furthermore, the Company indirectly holds control the following companies:

| Name | City or country | Currency | Share capital | Shareholders' equity | Profit/ (Loss) | % Ownership | Parent Company |
|---|---|---|---|---|---|---|---|
| Illy espresso Canada Inc. | Canada | CAD | 2,000,100 | 690,331 | (340,339) | 100 | illy caffè North America Inc. |

- "*Other Investments*" for €1,987.8 thousand, reflecting the reduction in the net book value of illycafè AG following the acquisition of control during the year, reclassified under "Investments in subsidiaries" and the acquisition of the investment in the newly established *Data Science & Artificial Intelligence Foundation ETS and Agorai Innovation HUB S.p.A.*

The changes in investments in other companies during the year are shown below:

| Name | City or Country | Purchase cost 31/12/2024 | Write-down provision 31/12/2024 | Net opening balance 31/12/2024 | Increase | Decrease | Purchase cost 31/12/2025 | Write-down provision 31/12/2025 | Ending net amount 31/12/2025 |
|---|---|---|---|---|---|---|---|---|---|
| CAAF Interreg. Dipendenti S.r.l. | Italy | 5 | | 5 | | | 5 | | 5 |
| Kafea Terra Food & Drinks S.A. | Greece | 247,000 | | 247,000 | | | 247,000 | | 247,000 |
| OCM S.r.l. | Italy | 748,499 | | 748,499 | | | 748,499 | | 748,499 |
| CONAI | Italy | 1,605 | | 1,605 | | | 1,605 | | 1,605 |
| ERP Italia Srl - WEEE | Italy | 4,010 | | 4,010 | | | 4,010 | | 4,010 |
| Illycafè AG | Switzerland | 15,959,946 | (4,500,000) | 11,459,946 | | (11,459,946) | | | |
| Consorzio E.S.E. | Italy | 3,533 | | 3,533 | | | 3,533 | | 3,533 |
| Trieste Convention Center | Italy | 704,000 | | 704,000 | | | 704,000 | | 704,000 |
| Agorai Innovation HUB S.p.A. | Italy | | | | 254,195 | | 254,195 | | 254,195 |
| Data Science & Artificial Intelligence Foundation ETS | Italy | | | | 25,000 | | 25,000 | | 25,000 |
| **Total** | | **17,668,598** | **(4,500,000)** | **13,168,598** | **279,195** | **(11,459,946)** | **1,987,847** | **0** | **1,987,847** |

At 31 December 2024, the Company had no "*Interest Rate Swap*" contracts, with a positive *fair value*.

For the investments in other companies there were no other cases of write-back of value.

- "Derivative financial assets" includes the fair value measurement of the financial asset relating to the Capitani Call-Put agreement at 31 December 2025, calculated on the basis of the company's business plan.

## NOTE 19 - OTHER NON-CURRENT ASSETS

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Prepaid expenses | 117,621 | 118,861 |
| Guarantee deposits | 264,526 | 289,246 |
| **Total other non-current assets** | **382,147** | **408,107** |

The item " *Other non-current assets*" amounted to €382.1 thousand as of 31 December 2025 and is made up of €264.5 thousand in "*Security deposits*" and €117.6 thousand in the portion beyond one year of accrued income and prepaid expenses (€118.9 thousand as of 31 December 2024).

Prepaid expenses with a duration of more than 5 years amounts to €117.6 thousand and mainly relates to a bank commission for opening a credit line.

## NOTE 20 - INVENTORIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Raw, ancillary and consumable materials | 95,436,612 | 66,229,523 |
| Work in progress | 3,413,258 | 1,591,344 |
| Finished products | 46,003,652 | 39,217,644 |
| Payments on account | 228,571 | 519,725 |
| **Total inventories** | **145,082,093** | **107,558,236** |

The item "*Inventories*" amounted to €145,082.1 thousand as at 31 December 2025 (€107,558.2 thousand as at 31 December 2024). The increase compared to the previous year of €37,523.9 thousand is mainly attributable to the increase in raw material and finished product inventories in stock at the end of the year and to the cost of the raw material.

Inventories are stated net of the write-down allowance amounting to €6,212.6.

The changes in the write-down allowance are shown below:

| | 2025 | 2024 |
|---|---|---|
| **Starting balance** | **(4,975,896)** | **(5,238,021)** |
| Provision | (2,421,517) | (1,129,542) |
| Uses and releases | 1,184,817 | 1,391,668 |
| **Closing balance** | **(6,212,596)** | **(4,975,896)** |

## NOTE 21 - TRADE RECEIVABLES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Trade receivables | 67,401,170 | 68,756,691 |
| Amounts due from parent companies | 19,093 | 25,981 |
| Amounts due from subsidiaries | 28,105,631 | 29,198,156 |
| **Total gross trade receivables** | **95,525,894** | **97,980,827** |

The item "*Trade receivables*," gross of the allowance for doubtful receivables, amounted to €95,525.9 thousand as at 31 December 2024 (€97,980.8 thousand as at 31 December 2024) and is made up as follows:

- "*Trade receivables*," whose decrease compared to the previous year is mainly related to improved credit monitoring and management during the year;
- "*Amounts due from the parent company*," which includes trade receivables due from Gruppo illy S.p.A.;
- "*Receivables from subsidiaries*" includes trade receivables from the following subsidiaries:

| Name | 31/12/2025 | Within 12 months | Beyond 12 months | Beyond five years | 31/12/2024 |
|---|---|---|---|---|---|
| illy caffè North America Inc. | 22,054,940 | 22,054,940 | | | 19,382,598 |
| illycaffè France S.A.S. | 4,873,064 | 4,873,064 | | | 5,108,997 |
| illy espresso Canada Inc. | 43,808 | 43,808 | | | |
| Magic L'Espresso S.L. | (501,414) | (501,414) | | | (169,912) |
| Bar Finance International S.p.A. | 23,331 | 23,331 | | | 26,683 |
| Experimental Agricola Do Brasil Ltda | 79,206 | 79,206 | | | |
| illycaffè Sud America Comercio, Importaçao e Exportaçao Ltda | 1,736,985 | 1,736,985 | | | 816,157 |
| illycaffè Shanghai Co. Ltd. | (1,908,219) | (1,908,219) | | | 71,332 |
| Illycafè AG | 289,837 | 289,837 | | | |
| illycaffè UK Ltd. | 1,388,565 | 1,388,565 | | | 3,962,300 |
| Capitani S.r.l. | 25,529 | 25,529 | | | |
| **Total** | **28,105,631** | **28,105,631** | **0** | **0** | **29,198,156** |

Trade receivables are shown in the financial statements net of an allowance for doubtful receivables amounting to €4,076.5 thousand as at 31 December 2025 (€4,361.4 thousand as at 31 December 2024), allocated in relation to an estimation model that takes into account not only the estimated loss on impaired receivables, but also the expected losses on currently performing receivables.

The changes in the allowance for doubtful receivables are shown below:

| | **2025** | 2024 | Change |
|---|---|---|---|
| **Balance at the start of the year** | **(4,361,375)** | **(5,210,292)** | **848,917** |
| Provisions | (573,906) | (744,367) | 170,460 |
| Uses and releases | 858,825 | 1,593,283 | (734,458) |
| **Balance at the end of the year** | **(4,076,457)** | **(4,361,375)** | **284,919** |

During the year, the allowance for doubtful receivables increased by €573.9 thousand by way of a provision and decreased by €858.8 thousand due to use or release.

The credit quality of customers is assessed on the basis of an assessment of the creditworthiness of the customers, for whom individual credit limits are established. Open customer receivables and assets deriving from contracts are regularly monitored. At each balance sheet date, an impairment analysis is performed on receivables, using a matrix to measure the expected losses. Write-down percentages are determined on the basis of days past due and by grouping together customer receivables that are characterised by similar causes of impairment (geographic area and past due dates).

The calculation is based both on the probability of recovery of the receivable and on a historical analysis of losses on receivables, which have never been significant.

In addition, impaired trade receivables are subject to a specific write-down if legal action is taken.

The provision made during the financial year is affected by the allocation on specific positions, the adjustment of expected losses on receivables still performing and on the various bands of past due receivables not subject to a specific write-down.

The following table shows the distribution of trade receivables by geographic area, which does not take into account the allowance for doubtful receivables:

| Receivables by Geographic Area | From Customers | From Subsidiaries | To Parent Companies | **Total at 31/12/2025** | Total at 31/12/2024 |
|---|---|---|---|---|---|
| Brazil | | 1,816,191 | | 1,816,191 | 816,157 |
| France | 11,329 | 4,873,064 | | 4,884,393 | 5,167,421 |
| Italy | 26,144,012 | 48,859 | 19,093 | 26,211,964 | 23,523,804 |
| Hong Kong | 429,008 | | | 429,008 | 879,126 |
| United States | 231 | 22,098,748 | | 22,098,979 | 19,382,598 |
| Spain | 5,928,549 | (501,414) | | 5,427,135 | 4,450,718 |
| Great Britain | 2,250 | 1,388,565 | | 1,390,815 | 3,964,550 |
| China | 8,552 | (1,908,219) | | -1,899,667 | 77,075 |
| Austria | 2,385,660 | | | 2,385,660 | 1,977,955 |
| Netherlands | 3,125,350 | | | 3,125,350 | 3,119,912 |
| Germany | 4,291,396 | | | 4,291,396 | 3,306,125 |
| Switzerland | 158,536 | 289,837 | | 448,373 | 414,681 |
| Republic of Korea | 8,020,574 | | | 8,020,574 | 5,314,605 |
| Greece | 2,118,135 | | | 2,118,135 | 10,166,109 |
| Other countries | 14,777,588 | | | 14,777,588 | 15,419,989 |
| **TOTAL** | **67,401,170** | **28,105,631** | **19,093** | **95,525,894** | **97,980,827** |

Trade receivables, net of the allowance for doubtful receivables, are shown in the table below:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Trade receivables | 95,525,894 | 97,980,827 |
| Allowance for doubtful receivables | (4,076,457) | (4,361,375) |
| **TOTAL** | **91,449,437** | **93,619,452** |

# NOTE 22 - CURRENT TAX RECEIVABLES

The comparison of these credits with those of the previous financial year is shown in the following table:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Current tax receivables | 4,175,378 | 6,792,329 |
| **TOTAL** | **4,175,378** | **6,792,329** |

The item includes tax credits for investments and R&D amounting to €2,865.5 thousand, tax credits for withholding taxes paid abroad of €1,173.9 thousand, and the VAT credit balance of €136.0 thousand.

# NOTE 23 - CURRENT FINANCIAL ASSETS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Financial receivables from subsidiaries | 7,096,574 | 5,164,757 |
| Other financial receivables | 225,236 | 324,805 |
| Derivative financial instruments receivable | 10,430 | |
| **Total current financial assets** | **7,332,240** | **5,489,562** |

The item "*Current financial assets*" amounted to €7,332.2 thousand as at 31 December 2025 (€5,489.6 thousand as at 31 December 2024). This item includes €2,184.1 thousand in financing granted during the financial year by the Company to the subsidiary illycaffè Sud America. Furthermore, the item includes the credit balances of the centralised treasury management (cash pooling) for €4,912.5 thousand.

The balance of the item "*Current financial assets*" at 31 December 2025 consists of a positive value of €10.4 thousand relating to certain derivative financial instruments outstanding at that date. The tables below show the receivable derivative financial instruments outstanding at 31 December 2025 (coffee, interest rate, and exchange rate derivatives) and at the end of the previous year (coffee and interest rate derivatives), their main characteristics and the book value corresponding to the *fair value* at those dates, calculated using the elements provided by the Bloomberg Mars application. At the end of the previous financial year, there were no short-term derivative financial instruments

## Coffee purchases

As at 31 December 2025, the company had no outstanding hedging transactions on coffee purchases, as was also the case as at 31 December 2024.

## Exchange rate transactions

As at 31 December 2025, there was a forward sale transaction in US dollars to hedge the accounting exchange rate on foreign receivables, which showed a positive *fair value*, the main characteristics of which are shown in the table below.

| Contract Type | Start date | Settlement date | Notional in USD | **Fair Value at 31/12/2025** |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | 11/11/2025 | 15/01/2026 | 1,243,294 | 10,430 |
| | | | **1,243,294** | **10,430** |

At 31 December 2024, the company had no hedging transactions in place on exchange rates that showed a positive *fair value*.

# NOTE 24 - OTHER CURRENT ASSETS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Consolidated tax credit | 3,483,647 | 2,845,521 |
| Receivables for advance payments | 634,119 | 487,261 |
| Receivables for reimbursements to be received | 328,836 | 394,327 |
| Employee travel advances | 5,607 | (9,120) |
| Accrued income and prepaid expenses | 1,552,426 | 1,413,468 |
| Other receivables | 311,978 | 370,602 |
| **TOTAL** | **6,316,614** | **5,502,059** |

This item includes "*Other current assets*" and at year-end consisted mainly of:

- "*Consolidated tax credit*," for €3,483.6 thousand represents the tax credit from consolidation with the parent company Gruppo Illy S.p.A. and derives from the calculation of taxes relating to previous years, net of the debt to the parent company Holding Illy S.p.A. and advance payments made during the period.
- "*Accrued income and prepaid expenses*" for €1,552.4 thousand as at 31 December 2025 (€1,413.5 thousand as at 31 December 2024), which reflect income and expenses that accrue before or after the receipt of cash. They do not take into account the payment or collection date of the related Accrued income and prepaid expenses that are common to two or more years and divisible over time. The item mainly includes prepaid expenses relating to membership fees and software assistance services.
- "*Other receivables*" for €312.0 thousand as at 31 December 2025 (€370.6 thousand as at 31 December 2024), which mainly includes receivables for reimbursements to be received from the Treasury from 730 (for €93.1 thousand), concessions and adjustments and receivables from the European Union for projects of the Company (for €140.4 thousand).

# NOTE 25 - CASH AND CASH EQUIVALENTS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Cash and equivalents on hand | 109,707 | 145,662 |
| Bank and post office deposits | 23,869,307 | 46,430,887 |
| **TOTAL** | **23,979,014** | **46,576,549** |

This item consists mainly of the liquidity of Group companies deposited with primary banking institutions and remunerated at market conditions.

Please refer to the cash flow statement for a detailed analysis of the change during the year.

# NOTE 26 - SHAREHOLDERS' EQUITY

At 31 December 2025, the "*Shareholders' equity*" totalled €158,964.9 thousand (€161,239.7 thousand as at 31 December 2024).

## Share capital

The share capital as at 31 December 2025, fully subscribed and paid in, currently consists of 4,500,000 ordinary shares, with no par value, as per the resolution of the Shareholders' Meeting of 19 February 2021, which cancelled the treasury shares in the portfolio at 31 December 2020 (500,000 shares), equal to 10 % of its share capital, keeping the share capital unchanged.

# Other reserves

These items break down as follows:

| | **Balance as at 31/12/2025** | Balance as at 31/12/2024 | Change |
|---|---|---|---|
| Extraordinary reserve | 92,513,610 | 76,260,834 | 16,252,775 |
| Reserve for capital grants | 797,731 | 797,731 | |
| Merger surplus | 80,595 | 80,595 | |
| Stock Option Reserve | 1,552,221 | 1,161,835 | 390,386 |
| Benefit plan reserve | (150,189) | (154,848) | 4,659 |
| Legal reserve | 10,000,000 | 9,601,505 | 398,495 |
| Reserve for expected cash flow of hedging transactions | (562,212) | (949,669) | 387,457 |
| **Total Other Reserves** | **104,231,756** | **86,797,984** | **17,433,772** |

The item other reserves includes:

- The extraordinary reserve of €92,513.6 thousand increased by €16,252.8 thousand following the allocation of the previous year's profit and the allocation of retained earnings arising from the transition to IFRS;
- The "Reserve capital grants" pursuant to Art. 55 of Italian Presidential Decree 917 was €797.8 thousand and represents 50% of the grants paid in previous years, in accordance with article 55 of the Consolidated Law on Corporate Income Tax (TUIR) then in force, relating to capital grants.
- The merger surplus reserve amounts to €80.6 thousand.
- The stock option reserve amounting to €1,552.2 thousand, which includes the effect on net equity resulting from the assignment of the stock option plans promoted in favour of management during the financial year ended 31 December 2025.
- The "Benefit plan reserve," amounted to €150.2 thousand, which includes the effect on shareholders' equity of the application of IAS 19.
- The legal reserve recognised by the Company as at 31 December 2025 was €10,000.0 thousand, which changed during 2025 at the time of the allocation of the profit for the previous year. This reserve is fed by the mandatory allocation of a sum not less than one twentieth of the annual net profits, until reaching an amount equal to one fifth of the share capital.
- The "Reserve for expected cash flow hedging transactions," includes the changes in the *fair value* of the effective component of financial derivatives hedging financial flows. This reserve is recorded net of the prepaid/deferred tax effect. The following table shows the changes of the reserve in question during the 2025 financial year.

| Description | 31/12/2024 | Increase | Decrease | **31/12/2025** |
|---|---|---|---|---|
| Reserve for expected cash flow hedging transactions | (949,669) | 387,457 | | (562,212) |
| **TOTAL** | **(949,669)** | **387,457** | **0** | **(562,212)** |

The shareholders' equity items are broken down according to origin, possibility of use, distribution and use in the previous three years:

| Nature/Description | Amount | Possibility of use (*) | Portion available | Uses in the 3 prev. yrs to cover Losses | Uses in the 3 prev. yrs for other reasons |
|---|---|---|---|---|---|
| **Share capital** | **50,000,000** | | | | |
| Legal reserve | 10,000,000 | B | | | |
| Other reserves | 93,391,935 | A, B, C | 93,391,935 | | 42,677 |
| Benefit plan reserve | (150,189) | | | | |
| Stock option reserve | 1,552,221 | | | | |
| Reserve expected cash flow hedging transactions | (562,212) | | (562,212) | | |
| **Total Reserves** | **104,231,756** | | **92,829,724** | | |
| Profit carried forward (including FTA reserve) | (9,028,624) | | | | |
| Net result for the year | 13,761,755 | | | | |
| **Retained earnings and result for the period** | **4,733,131** | **A, B, C** | **4,733,131** | | |
| **Total Company shareholders' equity** | **158,964,886** | | **97,562,855** | | |
| Non-distributable portion | | | | | |
| Non-amortised development costs (art. 2426, no. 5 of the Italian Civil Code) | | | (3,585,634) | | |
| **Residual distributable share** | | | **93,977,221** | | |
| (*) A: for capital increase; B: to cover losses; C: for distribution to shareholders | | | | | |

## Distributions made and proposed

During the year, based on the Shareholders' Meeting held on 29 April 2025, dividends were distributed for €16,819.1 thousand.

The proposed dividends on ordinary shares for the year ending 31 December 2025 amounted to €13,223.0 thousand. These dividends are subject to approval by the Shareholders' Meeting and are not recognised as a liability as at 31 December 2025.

## Management incentive plan – Management Equity Plan 2022-2029

On 2 December 2022, the Board of Directors, after receiving the positive opinion expressed by the Appointments and Remuneration Committee on 29 November 2022, approved the regulations of the incentive plan entitled "Management Equity Plan 2022-2029" with the following characteristics:

- the plan envisages the free assignment of a maximum number of 600,000 options to the beneficiaries – directors and executives of strategic importance of the Parent Company or its subsidiaries – identified by name at the sole discretion of the Board of Directors;
- the vesting of the rights and, consequently, the allotment of the related shares is subject to the beneficiary's minimum term of employment with the company or one of its subsidiaries;
- the options, once vested upon fulfilment of the exercise conditions, entitle the beneficiaries to subscribe class G shares (without voting rights pursuant to the Articles of Association) resulting from a share capital increase with exclusion of option rights approved by the Extraordinary Shareholders' Meeting on 2 December 2022.

The Board of Directors of the Company may make any changes to the regulations that may be necessary and/or appropriate in relation, in particular, to the case of changes in the applicable legislation.

The determination of the fair value of the plan, which takes into account the current value of the share on the assignment date, the volatility, the expected dividend flow, the duration of the option and the risk-free rate, was entrusted to an independent external expert and was carried out by applying a closed-form option pricing method such as Black-Scholes (a methodology universally used for the valuation of options).

The costs related to this plan amount to €390.4 thousand in the 2025 financial year.

| | Number of options |
|---|---|
| Options assignable by plan | 600,000 |
| Options assigned in 2022 | 294,996 |
| Options previously assigned and cancelled in 2025 | (26,248) |
| Options to be assigned as at 31 December 2025 | 305,004 |

Through this plan, the Company aims to incentivise and retain the beneficiaries according to the company's value growth in the medium to long term, aligning the interests of the beneficiaries with those of the shareholders of the Company over a multi-year time horizon.

## NOTE 27 - NON-CURRENT FINANCIAL LIABILITIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Derivative financial instruments payable | 739,752 | 1,249,564 |
| Amounts due for loans to other providers of finance | 7,771,663 | 9,088,669 |
| Amounts due for bank loans | 140,333,450 | 100,780,557 |
| Bond loans | 14,000,000 | 28,000,000 |
| **TOTAL** | **162,844,865** | **139,118,790** |

"*Amounts due for bank loans*" amounting to €140,124.5 thousand as at 31 December 2025 (€100,780.6 thousand as at 31 December 2024) express the actual debt for capital, interest and ancillary charges accrued and payable for the non-current portion. The movements in non-current financial liabilities are presented below.

| Non-current financial liabilities | Bank borrowings | Bond loans | Amounts due to other lenders | Total |
|---|---|---|---|---|
| **Balance as at 01/01/2025 – non-current portion** | **(100,780,557)** | **(28,000,000)** | **(9,088,669)** | **(137,869,226)** |
| New loan disbursements | (160,000,000) | | | (160,000,000) |
| Repayment of principal | 100,000,000 | | | 100,000,000 |
| Reclassification from current to non-current | 20,466,667 | 14,000,000 | 1,317,006 | 35,783,672 |
| Changes in amortised cost | (19,560) | | | (19,560) |
| **Balance as at 31/12/2025 – non-current portion** | **(140,333,450)** | **(14,000,000)** | **(7,771,663)** | **(162,105,113)** |

The table below summarises the maturity profile of payables for loans to other lenders, payables for bank loans and bond loans

| | Maturity in years | | | |
|---|---|---|---|---|
| | From 1 to 5 years | More than 5 years | **Total at 31/12/2025** | Total at 31/12/2024 |
| Amounts due for bank loans | 140,333,450 | | 140,333,450 | 100,780,557 |
| Bond loans | 14,000,000 | | 14,000,000 | 28,000,000 |
| Amounts due for loans to other providers of finance | 3,992,000 | 3,779,663 | 7,771,663 | 9,088,669 |
| **Total** | **158,325,450** | **3,779,663** | **162,105,113** | **137,869,226** |

The content of the Company's loans is specified below:

| Medium-/Long-term Loans | Nominal Residual Amount | Start date | Maturity date | Prepayments | Instalments |
|---|---|---|---|---|---|
| Loan 6 | 1,166,667 | 28/07/2010 | 30/06/2028 | 30 months | Half-yearly |
| Loan 21 | 160,000,000 | 30/06/2025 | 30/06/2030 | 12 months | Quarterly |
| **TOTAL** | **161,166,667** | | | | |

Mortgage 6 is secured by a second mortgage on the Distripark logistics hub property complex, while mortgage 21, was granted in 2025 for €160,000.0 thousand with a 12-month grace period.

During the financial year, the Company renegotiated the syndicated loan, increasing the amount by €60,000.0 thousand and the duration, in order to meet the greater financial requirements linked to the industrial investment plan and the increase in the price of coffee, while the amount of repayments on outstanding loans is €15,464.7 thousand.

Some loans taken out over the years, include contractual clauses or covenants that set certain economic-financial parameters based on the results of the annual financial statements and/or the consolidated financial statements as at 31 December every year. If these covenants are not respected, the banks have the right to request early repayment of the remaining portion of the loans provided.

Based on the results of the financial statements of the Company and the consolidated financial statements as at 31 December 2025, the balance sheet and income statements ratios envisaged in the loan agreements, which refer to financial statements prepared in accordance with the Italian accounting standards, were respected.

With reference to loans, the ratio financial covenants respected by the Group are reported below:

| Ratio | Threshold |
|---|---|
| NFP/NP Ratio | 1.70 |
| NFP/EBITDA Ratio | 4.00 |

The item "*Bond loans*" included the bond issued on 30 July 2015 by the Company, all of which was bought by the institutional investor Prudential Management Investment, for a total of $140 million, of which €70 million was disbursed during the same year.

The option to reach US $140 million expired during 2018 and no extension was renegotiated.

- The bond has the following features:
- maturity on 30 July 2027
- pre-amortisation until 30 July 2023;
- fixed rate of 3.35%;
- interest payments on 30 January and 30 July of each year.

Lastly, the bond loan agreement called for compliance with certain operating and financial covenants based on the figures of the consolidated financial statements as at 30 June and 31 December of each year. Based on the figures of the consolidated financial statements at 31 December 2025, on the basis of the Italian accounting standards, there was full compliance with the balance sheet and income statement ratios specified in the agreement.

The *financial covenants* for the bond loan complied with by the Company are shown below:

| Ratio | Maximum threshold |
|---|---|
| Net worth ratio (NFP/Equity) | 1.70 |
| Maximum Leverage ratio (NFP/EBITDA) | 4.00 |

As at 31 December 2025, based on management expectations (the Group's multi-year plan until 2030 submitted to the Company's Board of Directors on 15 December 2025), there are no circumstances that would suggest non-compliance with the covenants for the entire period of the plan.

*"Amounts due for loans to other providers of finance"*:

This item includes the Frie Loan 00050005449, taken out in November 2020 and disbursed in 2023, for €9,980.0 thousand with a 10-year term and a grace period, secured by a third-rank mortgage on Distripark and a lien on the equipment covered by the programme.

| Payables to other Lenders | Nominal Residual Amount | Start date | Maturity Date | Prepayments | Instalments |
|---|---|---|---|---|---|
| Frie loan 00050005449* | 7,984,000 | 04/07/2023 | 01/07/2033 | | Half-yearly |
| **TOTAL** | **7,984,000** | | | | |

* of which €998.0 thousand is short-term, as reported in note 32.

This item includes financial payables relating to capital goods subject to financial leases for the non-current portion amounting to €785.7 thousand.

## Interest rate transactions

As at 31 December 2025, the Company had an outstanding *Interest Rate Swap* contract with a negative *fair value* as shown in the following table:

| Contract Type | Start date | Settlement date | Currency | Notional at 31/12/2025 | **Fair Value at 31/12/2025** | Fixed Rate (Paid) | Variable rate (collected) |
|---|---|---|---|---|---|---|---|
| IRS | 30/04/2024 | 30/09/2027 | EUR | 50,000,000 | (739,752) | 3.148% | Euribor 3M |
| | | | | **50,000,000** | **(739,752)** | | |

At 31 December 2024, the Company had an "Interest Rate Swap" contract with negative fair value, the main characteristics of which and the carrying amount corresponding to the fair value at said date, are shown on the following table:

| Contract Type | Start date | Settlement date | Currency | Notional at 31/12/2024 | Fair Value at 31/12/2024 | Fixed Rate (Paid) | Variable rate (collected) |
|---|---|---|---|---|---|---|---|
| IRS | 30/04/2024 | 30/09/2027 | EUR | 50,000,000 | (1,249.563) | 3.148% | Euribor 3M |
| | | | | **50,000,000** | **(1,249.563)** | | |

## Coffee purchases

At 31 December 2025, the Company has no hedging transactions in place for coffee purchases that show a negative *fair value*, just as at 31 December 2024.

# NOTE 28 - CURRENT AND NON-CURRENT LEASE LIABILITIES

Financial liabilities for current and non-current leases refer to the payable that arose as a result of the application of IFRS 16 as from 1 January 2023 and refer to the contracts in place for the rental of buildings, leasing of equipment and vehicles, used in operating units. The liability recognised corresponds to that arising from the non-cancellable period of the contract, together with the best estimate of the effects related to the extension or early termination clauses the exercise of which was deemed reasonably certain.

In addition, the Company has a number of leases for machinery and vehicles whose duration is equal to or less than 12 months and low-value office equipment. The Company has chosen to apply the exemptions envisaged by IFRS 16 regarding short-term or low-value leases for these contracts.

The following provides information on the financial statement values of lease liabilities and their changes during the period:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **Current lease liabilities** | **4,468,108** | **3,964,601** |
| Stores & buildings | 3,238,155 | 2,451,323 |
| Means of transport | 877,151 | 1,032,664 |
| Industrial and commercial equipment | 181,126 | 166,818 |
| Other usage rights | 171,676 | 313,796 |
| | | |
| **Non-current lease liabilities** | **14,606,859** | **10,258,898** |
| Stores & buildings | 13,354,041 | 8,665,036 |
| Means of transport | 671,854 | 973,660 |
| Industrial and commercial equipment | 538,409 | 422,940 |
| Other usage rights | 42,555 | 197,262 |
| **Total** | **19,074,967** | **14,223,498** |

| | Stores & buildings | Means of transport | Industrial and commercial equipment | Other usage rights | Total |
|---|---|---|---|---|---|
| **Opening balance at 01/01/2024** | **12,388,604** | **2,002,220** | **294,017** | **783,864** | **15,468,706** |
| New contracts | 6,726,097 | 1,513,293 | 579,770 | 93,747 | 8,912,907 |
| Interest | 373,988 | 127,720 | 23,945 | 24,701 | 550,353 |
| Payments | (8,372,331) | (1,636,910) | (307,973) | (391,254) | (10,708,468) |
| **Closing balance at 31/12/2024** | **11,116,359** | **2,006,323** | **589,759** | **511,057** | **14,223,498** |
| New contracts | 8,149,277 | 1,254,627 | 446,895 | 49,777 | 9,900,576 |
| Interest | 406,425 | 93,855 | 26,699 | 14,626 | 541,605 |
| Payments | (3,079,864) | (1,805,801) | (343,818) | (353,377) | (5,582,860) |
| Reclassifications | 0 | 0 | 0 | (7,852) | (7,852) |
| **Closing balance at 31/12/2025** | **16,592,197** | **1,549,005** | **719,535** | **214,231** | **19,074,967** |

The maturity profile of non-current lease liabilities is shown below.

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **From 1 to 5 years** | **12,833,113** | **8,268,195** |
| Non-current store and building leasing | 11,580,295 | 6,674,334 |
| Non-current transport equipment leasing | 671,854 | 973,659 |
| Industrial and commercial equipment non-current leasing | 538,409 | 422,940 |
| Other non-current leasing rights-of-use | 42,555 | 197,262 |
| **Over 5 years** | **1,773,746** | **1,990,702** |
| Non-current store and building leasing | 1,773,746 | 1,990,702 |
| Non-current transport equipment leasing | | |
| Industrial and commercial equipment non-current leasing | | |
| Other non-current leasing rights-of-use | | |

Below is a breakdown of the effects recognised in the income statement:

| | 2025 | 2024 |
|---|---|---|
| Amortisation of usage rights | 4,591,690 | 4,799,281 |
| Interest expense on lease agreements | 541,605 | 635,300 |
| **Total amount in income statement** | **5,133,295** | **5,434,581** |

# NOTE 29 – OTHER NON-CURRENT LIABILITIES

| | 2025 | 2024 |
|---|---|---|
| Accrued expenses and deferred income | 2,811,161 | 3,253,989 |
| **TOTAL** | **2,811,161** | **3,253,989** |

The item includes the following:

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| **Accrued expenses** | | | |
| Other | 175,202 | | 175,202 |
| *Total Accruals* | *175,202* | | *175,202* |
| | | | |
| **Deferred Income** | | | |
| Grants receivable | 2,125,395 | 2,654,511 | (529,116) |
| Rent | | | 0 |
| Other | 510,564 | 599,478 | (88,914) |
| Total Deferred Income | *2,635,959* | *3,253,989* | *(618,029)* |
| | | | |
| **Total accrued expenses and deferred income** | **2,811,161** | 3,253,989 | (442,828) |

At 31 December 2025, there were no accruals or deferrals with a duration of more than five years.

# NOTE 30 - EMPLOYEE BENEFITS

The item mainly includes the debt for employee severance indemnity and post-employment benefits of Company. It should be noted that the increase in interest rates has caused a decrease in the current value of the funds compared to the previous period.

The changes in the item are detailed below:

| | |
|---|---|
| **Obligations for defined benefits as at 1.1.2024** | **2,373,162** |
| Benefits paid | (245,215) |
| Service cost | 5,856 |
| Financial expense | 57,174 |
| Actuarial gains and losses | 33,085 |
| **Obligations for defined benefits as at 31.12.2024** | **2,224,062** |
| Benefits paid | (97,013) |
| Financial expense | 89,166 |
| Actuarial gains and losses | (6,130) |
| **Obligations for defined benefits as at 31.12.2025** | **2,210,086** |

The way in which these benefits are guaranteed varies depending on the legal, fiscal and economic conditions of each country in which operates.

The valuation of the employee severance indemnity (TFR) debt for IAS/IFRS purposes follows the method of projecting the current value of the defined benefit obligation with an estimate of the benefits accrued by employees.

Following the changes introduced by Italian Law No. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing decrees and regulations, the portion of leaving indemnities accrued up to 31 December 2006 will continue to remain with the company, taking on the form of a defined benefit plan (obligation for accrued benefits subject to actuarial valuation), while the portions accruing from 1 January 2007 onwards, as a result of the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS, taking on the form, from the moment the choice is formalised by the employee, of defined contribution plans (no longer subject to actuarial valuation). The determination of the TFR is therefore the result of the application of an actuarial model that is based on various assumptions, both demographic and economic in type.

The table below shows the economic technical bases used:

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Annual discount rate | 3.28% | 3.41% |
| Annual inflation rate | 2.00% | 2.00% |
| Advance rate | 0.00% - 3.96% | 0.93% - 3.06% |
| Staff turnover rate | 5.03% - 14.50% | 6.16% - 17.08% |

In particular, we note that the annual discount rate used to determine the current value of the obligation was inferred, consistently with point 83 of IAS 19, with reference to market yields, at the closing year-end date, of bonds of primary companies referring to Italian companies.

## NOTE 31 - NON-CURRENT PROVISIONS

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Agents' leaving indemnity provision | 2,824,030 | 2,219,557 |
| Provisions for risks and charges | 5,899,495 | 4,899,501 |
| **TOTAL** | **8,723,525** | **7,119,058** |

The "Provisions for risks and charges" totalling €5.899,5 thousand are represented by the allocations made for legal and tax disputes for €2,620.9 thousand, for commercial disputes for €1,462.8 thousand and for early retirement incentives for €1,815.9 thousand.

On 5 February 2020, the FVG Regional Revenue Directorate initiated a general tax audit for the 2017 tax period, which was shortly after suspended due to the Covid-19 emergency. The inspections resumed in February 2023. On 27 July 2023, the Regional Revenue Agency notified a findings report (PVC) through which the Office recalculated higher IRES due for the year 2017 amounting to € 202 thousand and informed the company that certain audits on the documentation provided were still ongoing. The Company partially accepted the findings covered by the PVC and paid higher taxes plus penalties and interest. During 2024, the Company proceeded to define the further findings notified by the Office through verification with acceptance and special voluntary settlement. During 2025, the Company released the remaining portion of the risk provision previously allocated, amounting to €136 thousand.

The movements in the Provisions for risks and charges are presented below.

| Description | Balance as at 31/12/2024 | Additions | Utilisations | Releases | **Balance as at 31/12/2025** |
|---|---|---|---|---|---|
| Commercial risks | 1,015,777 | 476,000 | | (29,000) | 1,462,777 |
| Legal risks | 430,541 | 160,336 | (428) | | 590,450 |
| Tax risks | 2,168,144 | 250,000 | | (387,730) | 2,030,414 |
| Restructuring incentives | 1,285,039 | 850,000 | (319,184) | | 1,815,855 |
| **Total** | **4,899,501** | **1,736,336** | **(319,612)** | **(416,730)** | **5,899,495** |

The "Agents' leaving indemnity provision" amounting to €2,824.0 thousand is set aside to meet indemnities that the Company is obliged to pay agents in the event that the agency relationship is terminated upon the initiative of the Company, or in the event of the agent's death, permanent disability or retirement. This indemnity is not however due if the agency relationship is terminated on the agent's initiative, or for just cause. The provision is made in accordance with collective financial agreements and mentioned in agency contracts stipulated with the agents.

The main assumptions used in the actuarial estimate of the "Agents' leaving indemnity provision" are the following:

| | Italy | |
|---|---|---|
| | **2025** | 2024 |
| **Economic assumptions** | | |
| Discount rate | 3.51% | 3.52% |
| **Demographic assumptions** | | |
| Probability of mortality | ISTAT 24 mortality tables broken down by gender and reduced to 85% | ISTAT 23 mortality tables broken down by gender and reduced to 85% |
| Probability of disability | INPS tables reduced to 70% | INPS tables reduced to 70% |
| Probability of outgoing personnel | 0.08% with just cause<br>7.48% without just cause | 0.10% with just cause<br>7.81% without just cause |

# NOTE 32 - CURRENT FINANCIAL LIABILITIES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Amounts due for bond loans | 14,000,000 | 14,000,000 |
| Amounts due for bank loans | 30,259,010 | 473,641 |
| Amounts due for loans to other providers of finance | 1,317,006 | 1,309,393 |
| Derivative financial instruments payable | 12,607 | 222,362 |
| **TOTAL** | **45,588,623** | **16,005,396** |

The balance of the item in question comprises:

- "*Amounts due for bond loans*" represents the short-term portion of the bond loan explained in Note 27;
- "*Bank loan payables*" amounting to €30,259.0 thousand (€473.6 thousand at 31 December 2024), increased as a result of the renegotiation of bank debt with a pool of leading banks, as described in more detail in Note 27.
- "*Amounts due for loans to other lenders*" for €1,317.0 thousand (€1,309.4 thousand as of 31 December 2024) which represent the short-term debt of financial leases for €319.0 thousand and the short-term portion of the Frie Loan for €998.0 thousand.

The movements in current financial liabilities are presented below.

| Current financial liabilities | Bank borrowings | Bond loans | Amounts due to other lenders | Total |
|---|---|---|---|---|
| **Balance as at 01/01/2025 – current portion** | **(473,641)** | **(14,000,000)** | **(1,309,393)** | **(15,783,034)** |
| New loan disbursements | (10,000,000) | | | (10,000,000) |
| Repayment of principal | 466,667 | 14,000,000 | 1,309,393 | 15,776,060 |
| Reclassification from non-current to current | (20,466,667) | (14,000,000) | (1,317,006) | (35,783,672) |
| Changes in amortised cost | 208,979 | | | 208,979 |
| Changes in short-term current account | 5,651 | | | 5,651 |
| **Balance as at 31/12/2025 – current portion** | **(30,259,010)** | **(14,000,000)** | **(1,317,006)** | **(45,576,016)** |

- "*Derivative financial instruments payable*" amounting to €12.6 thousand represent derivative liabilities hedging foreign exchange positions on trade transactions in British pounds (€222.4 thousand in the previous year). For further details, please refer to the information provided in Note 27.

## Exchange rate transactions

At 31 December 2025, the Company had outstanding foreign exchange transactions with a negative *fair value*, the main characteristics of which are shown in the table below.

| Contract Type | Start date | Settlement date | Notional in Euro | **Fair Value at 31/12/2025** |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | 11/11/2025 | 15/01/2026 | 965,364 | (12,607) |
| | | | **965,364** | **(12,607)** |

At 31 December 2024, the outstanding foreign exchange transactions showed a negative fair value, as reported in the following table:

| Contract Type | Start date | Settlement date | Notional in Euro | Fair Value at 31/12/2024 |
|---|---|---|---|---|
| AVERAGE RATE FORWARD | Oct-24/Nov-24/Dec-24 | Jan-25 | 4,169,518 | (111,127) |
| AVERAGE RATE FORWARD | Nov-24/Dec-24 | Feb-25 | 6,675,660 | (90,952) |
| AVERAGE RATE FORWARD | Dec-24 | Mar-25 | 2,660,906 | (20,283) |
| | | | **13,506,085** | **(222,362)** |

# NOTE 33 - TRADE PAYABLES

| | **31/12/2025** | 31/12/2024 |
|---|---|---|
| Trade payables | 109,734,884 | 106,652,240 |
| Payables due to subsidiaries | 7,137,622 | 14,287,770 |
| **TOTAL** | **116,872,505** | **120,940,010** |

"*Payables to suppliers*" are recorded net of trade discounts, do not include the payment of interest and are on average settled within 60 days.

The following is the breakdown of trade payables as of 31 December 2025 by geographic area:

| Payables by Geographic Area | To Suppliers | Total to subsidiaries | To Parent Companies | **Total at 31/12/2025** | Total at 31/12/2024 |
|---|---|---|---|---|---|
| Italy | 163,514,018 | 3,419,282 | | 166,933,301 | 87,920,416 |
| Netherlands | (201,666,344) | | | (201,666,344) | 7,560,377 |
| Spain | 2,874,587 | (141,006) | | 2,733,581 | 1,930,771 |
| France | (25,848,963) | 1,178,240 | | (24,670,722) | 1,051,342 |
| United States | 60,123,808 | 2,161,246 | | 62,285,054 | 8,807,440 |
| Austria | 537,893 | | | 537,893 | 464,111 |
| Germany | 1,235,937 | | | 1,235,937 | 1,078,124 |
| Brazil | | | | | 1,922,001 |
| China | 299,678 | 218,886 | | 518,564 | 536,743 |
| Great Britain | 176,159 | 71,566 | | 247,725 | 324,208 |
| Switzerland | 23,441,033 | 229,407 | | 23,670,440 | 7,480,388 |
| Other countries | 85,047,077 | | | 85,047,077 | 1,864,089 |
| **TOTAL** | **109,734,884** | **7,137,622** | **0** | **116,872,505** | **120,940,010** |

Payables due to subsidiaries consist of the following:

| Name | 31/12/2025 | Within 12 months | Beyond 12 months | Beyond five years | 31/12/2024 |
|---|---|---|---|---|---|
| illy caffè North America Inc. | 2,161,247 | 2,161,247 | | | 8,432,161 |
| illycaffè France S.A.S. | 1,178,240 | 1,178,240 | | | 916,227 |
| Magic L'Espresso S.L. | (141,006) | (141,006) | | | (85,954) |
| Bar Finance International S.p.A. | 2,837,480 | 2,837,480 | | | 2,737,919 |
| Experimental Agricola do Brasil | | | | | 1,922,001 |
| illycaffè Shanghai Co. Ltd. | 218,886 | 218,886 | | | 253,843 |
| Capitani S.r.l. | 581,802 | 581,802 | | | |
| illycafè AG | 229,407 | 229,407 | | | |
| illycaffè UK Ltd. | 71,566 | 71,566 | | | 111,573 |
| **Total** | **7,137,622** | **7,137,622** | **0** | **0** | **14,287,770** |

# NOTE 34 - OTHER CURRENT LIABILITIES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Indirect tax payables | 268,197 | 22,738 |
| Other current tax payables | 2,265,104 | 1,930,954 |
| Payables to social security and pension organisations | 5,570,588 | 5,374,257 |
| Amounts due to employees and directors | 7,831,676 | 8,502,125 |
| Payables to parent company | | 5,098,478 |
| Accrued expenses and deferred income | 2,022,572 | 2,234,928 |
| Other current liabilities | 1,078,016 | 2,661,842 |
| **TOTAL** | **19,036,153** | **25,825,322** |

In the previous financial year, the balance of the item "*Payables to parent company*" amounting to €5,098.1 thousand represented the Company's liability for participation in the tax consolidation together with the parent company Holding Illy S.p.A. resulting from the calculation of taxes for the previous year, net of advance payments made during the period, while for the current financial year, the Company recognises a receivable as detailed in Note 24.

"*Other current tax payables*" mainly consist of withholding tax payables for withholding taxes on salaries and wages for €2,126.3 thousand and of "Coffee tax payables" of the German branch for €138.9 thousand.

The item "*Amounts due to welfare and social security institutions*" refers to payables due at year-end to these organisations for the portion borne by the Company and employees relating to salaries and wages for the month of December 2025, as well as the payables for social security contributions relating to the Company's sales network.

"*Amounts due to employees and directors*" are inherent to the remuneration accrued as of the year end date, as well as holiday entitlement accrued and not taken as of the same date.

The composition of the item "Accrued liabilities and deferred income" is shown below:

| Description | 31/12/2025 | 31/12/2024 | Change |
|---|---|---|---|
| **Accrued expenses** | | | |
| Interest payable | 547,969 | 817,222 | (269,254) |
| Other | 37,258 | 1,989 | 35,269 |
| *Total Accruals* | *585,227* | *819,211* | *(233,984)* |
| **Deferred Income** | | | |
| Grants receivable | 1,030,999 | 1,116,439 | (85,441) |
| Rent | 1,622 | 2,568 | (946) |
| Other | 404,724 | 296,710 | 108,015 |
| *Total Deferred Income* | *1,437,345* | *1,415,717* | *21,629* |
| **Total accrued expenses and deferred income** | **2,022,572** | **2,234,928** | **(212,356)** |

The item "*Interest expense*" mainly comprises the portion of interest accrued on the bond loan, whose semi-annual instalment falls due on 30 January of the following year.

The item "*Grants receivable*" of Deferred Income includes the portions of grants for equipment relating to investments falling under the benefits of Industry 4.0.

## NOTE 35 - CURRENT PROVISIONS

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Product warranty provision | 325,604 | 326,554 |
| **TOTAL** | **325,604** | **326,554** |

The "*Product warranty provision*" amounting to €325.6 thousand represents the amount set aside for this purpose for sales of espresso machines under warranty. The amount of the provision reflects the best estimate of possible work to be carried out over the years of the duration of the warranty and was increased during the year by €272.2 thousand and utilised for €271.2 thousand for work performed.

## NOTE 36 - CONTRACT LIABILITIES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Provision for returned goods | 67,528 | 67,328 |
| Prize transactions provision | 298,037 | 536,151 |
| **TOTAL** | **365,565** | **603,479** |

The "Provision for returns" amounting to €67.5 thousand represents the best estimate of product returns made in 2025.

The "Prize transaction provision" amounting to €298.0 thousand is linked to loyalty programmes outstanding, which allow customers to accumulate points that can be redeemed for free with products, discounts or promotional codes. Loyalty points entail an separate obligation to perform with respect to the sales of products made in the meantime to customers as they provide an additional material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers on the basis of the related stand-alone sales price and recognised as an obligation to perform as long as the points are used. Consequently, a reduction in sales revenue is estimated in the presence of a current contractual liability. Revenue is recognised when the products are redeemed by the customer.

In assessing the stand-alone price of loyalty points, the Company considers the probability that the customer will redeem the points. The Company updates its estimates of points that will be redeemed quarterly and any adjustments to the balance of contractual liabilities are posted to revenues.

## NOTE 37 - CURRENT TAX PAYABLES

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Current tax payables | 581,728 | 1,251,095 |
| **TOTAL** | **581,728** | **1,251,095** |

"*Current tax payables*" include IRAP liabilities for €79.8 thousand of the Company and the tax liabilities of European permanent organisations for the reamaining amount.

# NOTE 38 - FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The following table shows the breakdown of the assets and liabilities as at 31 December 2025 measured at *fair value* (positive/negative in euros) and their hierarchical level is indicated.

| Derivative contracts | Level 1 (prices quoted on an active market) | Level 2 (observable significant inputs) | Level 3 (unobservable significant inputs) |
|---|---|---|---|
| Interest rate swap | | (739,752) | |
| Foreign currency forward sales agreements | | (2,177) | |
| Commodity swap transaction on raw materials | | | |
| Call options on equity investments | | 937,516 | |
| Call options on raw materials | | | |
| **Total** | | **195,587** | |

The assets and liabilities as at 31 December 2024 measured at *fair value* and their hierarchical level were as follows:

| Derivative contracts | Level 1 (prices quoted on an active market) | Level 2 (observable significant inputs) | Level 3 (unobservable significant inputs) |
|---|---|---|---|
| Interest rate swap | | (1,249,563) | |
| Foreign currency forward sales agreements | | (222,362) | |
| Commodity swap transaction on raw materials | | | |
| Call options on raw materials | | | |
| **Total** | | **(1,471,925)** | |

During 2025, there were no transfers between levels.

# NOTE 39 – COMMITMENTS, GUARANTEES AND POTENTIAL LIABILITIES

## Guarantees

At the year-end date, the Company had the following direct and indirect guarantees given to third parties for a total of €1,421.4 thousand:

| Guarantor | Party guaranteed | Amount |
|---|---|---|
| Unicredit Banca | Ministry of Economic Development – cumulative guarantees | 250,000 |
| BNL | illy Shop Porta Nuova, Milan | 201,910 |
| BNL | Trieste Chamber of Commerce - illy Shop Trieste | 40,147 |
| Unicredit | Porta di Roma shopping gallery | 127,000 |
| BNL | Albergo Nazionale Srl - illy Montecitorio | 10,950 |
| BNL | Bloomfleet - Telepass | 39,000 |
| BNL | Reale Immobile SpA - Milan Offices | 80,000 |
| BNL | Venice Gardens Foundation non-profit - illy Venice | 220,000 |
| BNL | Generali Reale Estate - Ponterosso | 20,000 |
| BNL | Finnapo Srl - illy Montenapoleone | 314,989 |
| Unicredit Banca | Generali Reale Estate - Citylife | 28,019 |
| BNL | Singapore Airlines Ltd Singapore | 31,299 |
| DEU | New offices Sucursal en Espana | 58,128 |
| **TOTAL** | | **1,421,441** |

## Commitments

At 31 December 2025, there are no commitments not represented in the financial statements.

## Potential liabilities

The Company is not currently subject to particular risks, uncertainties or legal disputes exceeding the amounts already set aside in the financial statements. Usual tax audits are reported as part of periodic monitoring activities and, at the moment, no particularly relevant findings have emerged and in any case the Company is confident in the correctness of its conduct.



# NOTE 40 - RELATED PARTIES DISCLOSURE

As part of its ordinary business management, the company has commercial and financial relationships with other related companies of the Group. Relations between companies are carried out at market conditions, taking into account the quality of the goods and services provided. The Company also provides centralised cash management services for most of the subsidiaries and information system services for most of the subsidiaries and for the parent company. These services are governed by specific service framework agreements. It should also be noted that the credit and debit relationships with the parent company derive mainly from adherence to national tax consolidation.

The following are the relationships with parent companies, directly or indirectly controlled companies, associates and other related parties.

| | Trade receivables | Current financial assets | Other current assets | Trade payables | |
|---|---|---|---|---|---|
| **Dealings with Parent Company** | | | | | |
| Gruppo Illy S.p.A. | 19,093 | | 2,822,256 | | |
| Holding Illy S.p.A. | | | 661,391 | | |
| **Direct subsidiaries** | | | | | |
| illy caffè North America Inc. | 22,054,940 | | | 21,280 | |
| illycaffè France S.A.S. | 4,873,064 | | | 184,224 | |
| Magic L'Espresso S.L. | (501,414) | | | (141,006) | |
| Bar Finance International S.p.A. | 23,331 | | | | |
| Experimental Agricola do Brasil Ltda | 79,206 | | | | |
| illycaffè Sud America Comercio, Importaçao e Exportaçao Ltda | 1,736,985 | 2,184,065 | | | |
| illycaffè Shanghai Co. Ltd. | (1,908,219) | | | 218,886 | |
| illycafè AG | 575,796 | | | 229,407 | |
| illycaffè UK Ltd. | 1,388,565 | 4,912,509 | | 71,566 | |
| Capitani S.r.l. | 25,529 | | | 582,166 | |
| **Indirect subsidiaries** | | | | | |
| illy espresso Canada Inc. | 43,808 | | | | |
| **Investments in affiliates** | | | | | |
| Kafea Terra Food & Drinks S.A. | 9,637,945 | | | | |
| **Other related parties** | | | | | |
| Ernesto Illy Foundation | 1,903 | | | | |
| Blitz Srl | | | | 740 | |
| Amarey S.r.l. | | | | | |
| **TOTAL** | **38,050,531** | **7,096,574** | **3,483,647** | **1,167,264** | |

| | Current financial liabilities | Revenues from sales and others revenues | Cost of production | Interest income and other financial income | Interest payable and other financial charges |
|---|---|---|---|---|---|
| | | | | | |
| | | 42,300 | | | |
| | | | | | |
| | | | | | |
| | 2,139,966 | 81,118,384 | 17,021 | 97,780 | 48,079 |
| | 994,016 | 29,210,991 | 4,116,189 | 18,434 | 5,666 |
| | | 181,640 | 5,480,486 | | |
| | 2,837,480 | 21,792 | | 100 | 79,625 |
| | | 79,817 | 122,657,246 | | |
| | | 4,755,168 | | 98,274 | |
| | | 1,209,114 | 1,850,383 | | |
| | | 1,085,230 | 619,644 | | |
| | | 18,658,746 | 3,205,028 | 220,082 | |
| | | 13,635 | 473,342 | | |
| | | | | | |
| | | 48,920 | | | |
| | | | | | |
| | | 32,600,605 | | | |
| | | | | | |
| | | 1,903 | 475,000 | | |
| | | | 6,787 | | |
| | | | 975 | | |
| | **5,971,462** | **169,028,246** | **138,902,101** | **434,671** | **133,370** |

# SUBSEQUENT EVENTS

There are no significant events reported after the balance sheet date.

illycaffè S.p.A.

Chairman of the Board of Directors

Andrea Illy

# Report of the Board of Statutory Auditors

**ILLYCAFFÈ S.P.A.**

Financial statements as at 31 December 2025

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ILLYCAFFÈ S.p.A. CALLED TO APPROVE THE FINANCIAL STATEMENTS PURSUANT TO ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE**

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ILLYCAFFÈ S.p.A.**
**CALLED TO APPROVE THE FINANCIAL STATEMENTS AS AT 31 December 2025**
**PURSUANT TO ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE**

Dear Shareholders,
In compliance with the provision of Article 2429, paragraph 2 of the Italian Civil Code and the principles of conduct recommended by the National Council of Chartered Accountants and Accounting Experts, the Board of Statutory Auditors illustrates below the activity carried out during the financial year ended on 31 December 2025.

**Supervisory Activity**

This report was approved collectively and in time for its filing at the company's registered office in the 15 days preceding the date of the meeting called to approve the financial statements in question.
The Board of Directors has thus made available the following documents approved on 30 March 2026, relating to the financial year ended 31 December 2025, consisting of the income statement, statement of financial position and other components of the comprehensive income statement, statement of changes in shareholders' equity and the cash flow statement for the year ended on said date, and the explanatory notes to the financial statements which include relevant information on the accounting policies applied.
The latter is accompanied by the Management Report pursuant to Art. 2428 of the Italian Civil Code.
As an introduction to this report, it is appropriate to note that, since the 2024 financial year, for the preparation of financial statements illycaffè S.p.A. has started to use the International Accounting Standards (IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB) and the IFRS interpretations of the Interpretations Committee (IFRSIC) and of the Standing Interpretations Committee (SIC), which are recognised in the European Union in accordance with Regulation (EC) No. 1606/2002 and in force at the end of the financial year. For the sake of completeness, it should be noted that the Board in its current composition was appointed for the first financial year on 24 April 2024.
The approach of this report refers to the provisions of the law and to Standard No. 7.1. of the *"Standards of conduct of the board of statutory auditors – Principles of conduct of the board of statutory auditors of unlisted companies"*, issued by CNDCEC (National Board of Accountants and Chartered Accountants) and in force since 30 September 2015.[1]

**Knowledge of the company, risk assessment and report on the appointments made**
The well-established knowledge that the board of statutory auditors declares to have regarding the company can be acknowledged with regard to:
i) type of activity performed;
ii) its organisational and accounting structure;
also taking into account the size and problems of the company, it is reiterated that the "planning" phase of the supervisory activity - in which the inherent risks and critical issues must be assessed against the two parameters mentioned above - was implemented through the positive feedback regarding that already known based on the information acquired over time.
It was therefore possible to confirm that:
- the typical activity carried out by the company did not change during the year under review and is consistent with the provisions of the business purpose;
- the organizational structure and the IT facilities, within the scope of their natural corporate dynamics, remained largely unchanged;
- human resources constituting the "workforce", within the scope of their natural dynamics, did not substantially change;
- the above-stated findings can be indirectly confirmed by comparing the results of the values expressed in the income statement for the last two financial years, namely the one under review (1 January 2025 – 31 December 2025) and the previous one (1 January 2024 – 31 December 2024), keeping in mind however that 2024 is the FTA financial year in reference to the IFRS.[2]

It is also possible to see how the company operated in 2025 on comparable terms with the previous year and, consequently, our audits were carried out on these assumptions, having verified the substantial comparability of values and results with those of the previous year. This report therefore summarises the activity concerning the disclosure required by Article 2429, paragraph 2 of the Italian Civil Code, i.e.:
- on the results of the financial year;
- on the activity carried out in fulfilling the duties provided for by the legislation;
- on comments and proposals regarding the financial statements, with particular reference to possible use by the Board of Directors of the derogation pursuant to Article 2423, paragraph 4 of the Italian Civil Code;
- - on any receipt of reports from shareholders pursuant to Article 2408 of the Italian Civil Code.

In any case, we remain at the complete disposal of the shareholders' meeting should it be necessary to provide details on any further aspects.
The activities carried out by the Board, in terms of time, covered the entire financial year, and during the financial year itself, the meetings referred to in Article 2404 of the Italian Civil Code were regularly held, and appropriate minutes of these meetings were duly signed for unanimous approval.

[1] Updated with the release of the version as at 18 March 2026
[2] To this end, reference should be made to the annex: Change in accounting standards and disclosure pages 220-221 of the Annual report

**Activities performed**

During the periodic audits, the board became aware of the development of the company's activities, paying special attention to issues of a contingent and/or extraordinary nature in order to identify their economic and financial impact on the operating results and equity structure, as well as any risks, which are monitored on a regular basis.

The board therefore periodically assessed the adequacy of the company's organizational and functional structure and any changes in the same with respect to the minimum requirements postulated by the operating performance.

Relations with the people working in the aforementioned structure - directors, employees and external consultants-were based on mutual cooperation while respecting the roles entrusted to each, having clarified those of the board of statutory auditors.

Throughout the financial year, we found that:

- internal administrative personnel in charge of recording business events did not substantially change from the previous year;
- the level of their technical background remains adequate in relation to the type of ordinary business facts to be recorded, and they have sufficient knowledge of business issues;
- external consultants and professionals appointed for accounting, tax, corporate, and labour law assistance did change and therefore they have historical knowledge of the business conducted and of the management issues, also of an extraordinary nature, that affected the results of the financial statements.

In accordance with the structure of the management organisation chart, the information required by Article 2381, paragraph 5 of the Italian Civil Code, was provided by the Chairman and the Chief Executive Officer even more frequently than the fixed minimum of 6 months, and thus both during scheduled meetings and during individual accesses of members of the board of statutory auditors to the company's premises and also through telephone and IT contacts/information flows with members of the board of directors: from all the above, it emerges that the executive directors, in essence and form, complied with that imposed on them by the aforementioned legislation.

During the year, the Board had meetings and encounters to exchange information, both with the *Internal Auditing* structure and the Supervisory Board.

Moreover, the board took part, either in whole or through a representative, in all meetings of board of directors' committees such as the Audit and Risk Committee, the Appointments and Remuneration Committee, and the Sustainability Committee.

In conclusion, as far as it was possible to ascertain during its activities during the year, the board of statutory auditors can affirm that:

- the decisions taken by the shareholders and the board of directors were in accordance with the law and the articles of association and were not manifestly imprudent or such as to permanently compromise the integrity of the company's assets;
- sufficient information was acquired regarding the general performance of operations and their foreseeable development, as well as the most significant transactions, in terms of size or characteristics carried out by the company, the general performance of operations and their foreseeable development with particular attention to the geo-political situation of the Euro/Russian area, the Middle East as well as international tensions regarding tariffs. Furthermore, the Board assessed the risks associated with the trend in raw material prices which have undergone a violent surge during 2025, still present at the international market level;
- the transactions put in place [including intra-group] were also in accordance with the law and the company's articles of association and not in potential conflict with the resolutions passed by the shareholders' meeting or such as to compromise the integrity of the company's assets;
- no specific observations are made regarding the adequacy of the company's organizational structure, nor regarding the adequacy of the administrative and accounting system, as well as the latter's reliability in correctly representing operating events;
- there was no need to take action due to omissions of the board of directors pursuant to Article 2406 of the Italian Civil Code;
- no reports were received pursuant to Article 2408 of the Italian Civil Code;
- no reports were made pursuant to Article 2409, paragraph 7 of the Italian Civil Code;
- we did not make any reports to the Board of Directors pursuant to and for the purposes of Art. 25-*octies* of Italian Legislative Decree No. 14 of 12 January 2019.
- we did not receive any reports by the appointed party pursuant to and for the purposes of Art. 25-*octies* of Italian Legislative Decree No. 14 of 12 January 2019.
- we did not receive any reports by public creditors pursuant to and for the purposes of Art. 25-*octies* of Italian Legislative Decree No. 14 of 12 January 2019.
- during the financial year, the Board of Statutory Auditors issued the reasoned proposal for the assignment of the statutory audit responsibility for the financial years 2025-2027;
- during the course of supervisory activities, as described above, no additional significant facts emerged worthy of mention in this report;

**Comments and proposals regarding the annual financial statements and their approval**

The draft financial statements for the year ended 31 December 2025 have been approved by the board of directors and consist of the balance sheet, income statement, explanatory notes and cash flow statement.

In addition:

- the board of directors also prepared the [sole] management report pursuant to Article 2428 of the Italian Civil Code;
- these documents were delivered to the board of statutory auditors in sufficient time for them to be filed at the company's registered office accompanied by this report, and this is regardless of the deadline envisaged by Article 2429, paragraph 1 of the Italian Civil Code;
- with resolution of the Shareholders' Meeting of 29 April 2025, the statutory audit for the three-year period 2025-2027 was assigned to the independent auditors KPMG S.p.A., which prepared its report pursuant to Article 14 of Italian Legislative Decree 39 of 27 January 2010, on 14 April 2026, a report not highlighting any findings for significant deviations or negative opinions or impossibility to form an opinion or disclosure deficiencies and therefore the opinion issued is positive.

The draft financial statements were then examined, on which the following additional information is provided:

- the valuation criteria for asset and liability items subject to this mandatory requirement were checked and found not to be substantially different from those adopted in previous years, complying with the provisions of Art. 2426 of the Italian Civil Code;
- attention was paid to the approach given to the draft financial statements, on their general compliance with the law concerning their formation and structure, and in this regard there are no observations worthy of mention in this report;
- compliance with the legal requirements inherent in the preparation of the management report were verified, and in this regard there are no observations worthy of mention in this report;
- the Board of Directors, in preparing the financial statements, did not deviate from legislation pursuant to Article 2423, paragraph 5 of the Italian Civil Code;
- the correspondence of the financial statements with the facts and information that came to our attention as a result of the fulfilment of the typical duties of the Board of Statutory Auditors was verified, and no further observations are highlighted in this regard;
- pursuant to Article 2426, par. 5, of the Italian Civil Code, the significant value entered in item B) I - 2) of the assets of the balance sheet was subject to our specific control with consequent consent to its entry; it should be noted, by way of a mere reminder, that it will not be possible to distribute dividends affecting the profit reserves beyond the net amount of this item capitalized in the assets[3];
- pursuant to Article 2426, No. 6, of the Italian Civil Code, the Board of Statutory Auditors acknowledges the existence of the item "goodwill" which is not amortised as it is considered an asset with an indefinite useful life, but is subjected to an annual impairment test and recorded under item B-I-5) of the balance sheet assets.[4];
- the financial statements indicate specifically in the Management Report[5] and in the Explanatory Notes the analysis of the reasons underlying the formation of the operating result;
- information on the supervisory body was acquired and no critical issues with respect to the organizational model emerged that are worthy of mention in this report;
- regarding the proposal of the Board of Directors on the allocation of the net profit for the year set out at the end of the management report, the Board has no observations, pointing out, however, that the decision on this matter is up to the shareholders' meeting.

**Result of the financial year**

The net result ascertained by the Board of Directors for the year ended 31 December 2025, as also evident from the financial statements is a profit of €13,761,755. The Board agrees with the proposed allocation of the operating result made by the directors in the explanatory notes[6].

**Conclusions**

On the basis of the foregoing and as far as has been brought to the attention of the Board of Statutory Auditors and ascertained from the periodic audits carried out, it is unanimously considered that there are no reasons to prevent your approval of the draft financial statements for the year ending 31 December 2025 as prepared and proposed to you by the Board of Directors.

Trieste/Milan, 14 April 2026

***

**THE STATUTORY AUDITORS**

| | |
|---|---|
| *Joram Bassan, Chairman* | *[Illegible signature]* |
| *Prof. Alessandra Stabilini, Standing Statutory Auditor* | *[Illegible signature]* |
| *Professor, Dr. Carlo Bellavite Pellegrini, Standing Statutory Auditor* | *[Illegible signature]* |

[3] Pages 239-240 of the Explanatory Notes is known for detailed tables and pages 211-212 for a summary description of the principles of the financial statements given

[4] Page 239 of the Explanatory Notes for the detailed table and description of the item

[5] In particular, reference is made to pages 38-41 of the Annual Report (Individual Management Report)

[6] As indicated on page 237 of the Annual Report (Explanatory Notes)

# Independent auditors' report

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# illycaffè S.p.A.

**Separate financial statements as at 31 December 2025**

(with independent auditors' report thereon)

KPMG S.p.A.

14 April 2026

KPMG S.p.A.
Revisione e organizzazione contabile
Via Giovanni Battista Pirelli, 38
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

**(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)**

# Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the shareholders of*
*illycaffè S.p.A.*

## Report on the audit of the separate financial statements

### *Opinion*

We have audited the separate financial statements of illycaffè S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2025, the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of illycaffè S.p.A. as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union.

### *Basis for opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements*

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Pescara Roma Torino Treviso
Trieste Varese Verona

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Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

## *Auditors' responsibilities for the audit of the separate financial statements*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### *Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10*

The company's directors are responsible for the preparation of the management report at 31 December 2025 and for the consistency of such report with the related separate financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the management report with the separate financial statements;
- express an opinion on the consistency of the management report with the applicable law;
- issue a statement of any material misstatements in the management report.

In our opinion, the management report is consistent with the company's financial statements at 31 December 2025.

Moreover, in our opinion, the management report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 14 April 2026

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit

PRODUCED BY
illycaffè S.p.A.

GRAPHIC DESIGN
Message S.p.A.

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VAT Registration Number, Tax Code and Companies Register No. 00055180327
Economic and Administrative Index (REA) No. 21080
Date of incorporation of the company 24 July 1933



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