c&c group plc

RESULTS FOR THE 12 MONTHS ENDED 28 FEBRUARY 2021

C&C Group plc ('C&C' or the 'Group'), a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits and soft drinks across the UK and Ireland announces results for the twelve months ended 28 February 2021 ('FY2021').

FY2021 Financial highlights

€m except per share items	FY2021 €m	FY2020 €m	Change %
Net revenue(i)	736.9	1,678.4	(56.1%)
Adjusted EBITDA(i)(ii)	(28.8)	150.7	NM
Operating (loss)/profit(i)(iii)	(59.6)	118.6	NM
Operating margin(iii)	NM	7.1%	NM
Basic EPS	(33.8c)	2.9c	NM
Adjusted diluted EPS(iv)	(22.9c)	29.6c	NM
Exceptional items (pre-tax)	36.1	92.5	
Dividend per share	-	5.5c	
Free cash (out)/inflow(iii)(v)	(91.2)	155.1	
Free cash (out)/inflow (iii)(v) (% conversion)	NM	101.0%	
Liquidity(vi)	314.6	335.3	
Net Debt(vii)	441.9	326.9	
Net Debt(vii) (excluding lease liabilities)	362.3	233.6	

FINANCIAL SUMMARY

- Net revenue of €736.9 million has decreased 56.1%(i) versus last year, delivering an operating loss of €59.6 million as a direct result of the impact of COVID-19.
- Net revenue growth of 14.2% in off-trade in FY2021 versus last year.
- Free cash outflow(v) was limited to €91.2 million pre-exceptionals as a result of cost control measures implemented; reduction in capital investment and marketing investment; and working capital management.
- Exceptional charges incurred are primarily with respect to the impact of extended COVID-19 restrictions including impairment of equity accounted investments, stock write-off costs, costs relating to covenant waivers and other costs directly relating to the pandemic. Restructuring costs were also incurred. These costs are partially offset by the profit from divestment of a non-core asset.

EFFECTIVE LIQUDITY MANAGEMENT

- The Group maintained effective management of liquidity and net debt, reporting €314.6 million and €441.9 million respectively at the end of FY2021.
- Implemented various working capital initiatives, including the negotiation of temporary extensions to supplier payment terms and agreed temporary deferrals with the UK and Irish tax authorities valued at €77.4 million at the end of February 2021, of which €38.6 million is payable in H1 FY2022.
- Completed a c.€140 million US private placement in March 2020 and subsequently extended the repayment period of a €105 million term loan.

RIGHTS ISSUE

- The Group has separately today announced a fully underwritten Rights Issue to raise approximately £151 million of gross proceeds (the "**Rights Issue**"). The proceed of the Rights Issue will be used to reduce the Group's leverage and provide sufficient liquidity to manage near term trading uncertainty.
- The Rights Issue also ensures that C&C will be positioned to emerge from the pandemic in a position of strength to execute its long-term strategy. This includes further strengthening our brands and optimising our distribution system as the hospitality sector emerges from the pandemic.

- Debt covenants waivers for FY2021 were successfully negotiated and these have been extended up to, but not including, the August 2022 test date. Conditional on the Rights Issue completing, covenants have been renegotiated for 31 August 2022, more detail can be found in the finance review below.
- Post the Rights Issue and following unrestricted trading resuming, the Board believes that a long-term leverage ratio of below 2.0x is an appropriate target for the Group, supported by the Group's medium-term targeted free cash flow conversion rate of 65-75% and a steady state target of mid to high single digit earnings per share growth.

OPERATIONAL HIGHLIGHTS

- The Group returned to profitability and underlying cash generation during the easing of on-trade restrictions in July, August and September 2020, demonstrating the operating leverage in the business to on-trade re-opening.
- Our brand strength was reflected in off-trade volume share growth in FY2021 for Tennent's[ix], Bulmers[x] and Magners[xiv] with all three brands delivering share gains.
- Addressing the growing consumer demand for 'no and low' alcohol alternatives: launching Tennent's Zero and Tennent's Light brand extensions and our own hard seltzer brands in Ireland and Scotland.
- Since the Brexit transition period formally ended on 31 December 2020, we have to date had minimal disruption to our operations and supply chain.

RESPONSE TO COVID-19

- Proactive steps to mitigate, where possible, the negative financial and operational impacts of the COVID-19 pandemic.
- Responded quickly and decisively to ensure we provide a safe and compliant workspace for our essential employees unable to work from home and a supportive working environment for all our team.
- Supporting customers with various initiatives; picking up excess stock; replacing old kegs for new; credit terms and loan moratoriums; order and delivery options, ranging advice and promotions for the reopening of the hospitality sector.
- Securing the short term; maximising available cash flow, ensuring sufficient liquidity to manage through the period and streamlining the cost base. These measures include:
    - Support from lenders with renegotiated covenants providing incremental headroom to the business during the pandemic;
    - Issuing approximately €140 million of US private placement notes in March 2020 diversifying our sources of finance;
    - Implementing a cost streamlining programme to deliver annualised savings of €18 million against the pre COVID-19 cost base, which includes consolidation of the distribution network;
    - Significantly reducing discretionary expenditure, including temporarily reducing salaries for Senior Management and the Board in H1 of FY2021;
    - Postponing the majority of non-committed capital expenditure; and
    - Implementing various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing deferrals with the UK and Irish tax authorities; and suspending the payment of dividends.
- Availing of government support initiatives including the furlough scheme to support 2,000 colleagues' jobs.

STRATEGIC DEVELOPMENTS

- The strength of our final-mile distribution continues to be reflected through new exclusive distribution deals in FY2021 which included: Budweiser in Ireland; Tito's Handmade Vodka in the UK, the #1 selling spirit brand in the USA[xii]; and Innis & Gunn, Scotland's #1 craft beer[xiii], into the IFT ('Independent Free Trade') across the on-trade in the UK and Ireland.
- As part of the Innis & Gunn deal, C&C secured a long-term production contract for our Wellpark Brewery and received an 8% equity stake along with a long-term incentive scheme which will make a number of shares available to the Group based on performance targets.
- Optimisation of the Great Britain, Matthew Clark and Bibendum on-trade distribution networks to drive ongoing efficiencies and enhanced future margins.
- The pandemic has accelerated the adoption of technology and the Group has responded to this by continuing the development of our ecommerce platforms, creating new features to further enhance our customers' journey.
- Ongoing non-core asset disposal programme, including the Tipperary Water Cooler business in October 2020 for an initial consideration of €7.4 million and the Vermont Hard Cider Company in April 2021 for a total consideration of $20 million.

ESG COMMITMENT

- Continued focus on and delivery of ESG strategy despite the challenges of the pandemic.
- ESG board committee formed during FY2021 and the launch of an ESG policy anchored in six pillars.
- Progress on sustainability in FY2021 includes investment at Wellpark in CO_2 recovery; trialling electric vehicles and optimising distribution network to reduce fleet mileage.
- The investment of £7m into Wellpark Brewery will also facilitate the move out of plastics during FY2022.

- Progress on society and workforce related pillars includes introduction of ‘no and low’ alcohol variants, and additional health and wellbeing external support systems for our colleagues.

CURRENT TRADING ENVIRONMENT

- With outdoor as well as restricted indoor hospitality once again reopened in the UK, C&C has been able to respond quickly to rapidly evolving demand with outlets traded with for the week ending 16 May 2021 at 65% of the same week in 2019. In addition, Irish hospitality is due to reopen from early June 2021.
- The Group has completed the consolidation of the on-trade distribution network, moving all of our English distribution in house. In addition, a new 50,000 square foot Edinburgh depot was opened in May 2021 and has resulted in the subsequent closure of 4 depots in the existing Scotland network.
- The Group communicated an IT security incident on 19 April 2021 which was isolated within our Matthew Clark and Bibendum business. The incident has emphasised the need for continued focus on information security and the Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

David Forde, C&C Group Chief Executive Officer, commented:

“FY2021 has presented an extraordinary set of circumstances which have challenged our business, and our industry, at every level. With approximately 80% of C&C’s pre COVID-19 net revenue derived from the hospitality sector, the pandemic has had an unprecedented impact on the Group. Thanks to the prompt and decisive action of our team and our resilient business model, we have successfully navigated these challenges to date. We implemented responses to the near-term challenges to maximise liquidity, support customers, reduce costs and fulfil off-trade demand from the immediate change in consumption dynamics. Our top priority continues to be protecting all our stakeholders. Their health and wellbeing are of paramount importance to the success of C&C. As the hospitality sector recovers from COVID-19, we will continue to be flexible in our approach and work with our customers who will face challenges as trade reopens and support them through collaboration with our suppliers and partners.

Our business model was proven during FY2021 as, during the periods of on-trade restrictions easing, we returned to profit and cash generation. C&C’s brand strength was demonstrated by our core brands growing off-trade share, reflecting their special relationship to the consumers they serve. We will build on this as the hospitality sector reopens, targeting cider share growth and building our share in premium beer which we continue to see as a significant market opportunity. Development and evolution of our branded portfolio will remain key for growth and we will enhance our wider portfolio with new agencies or equity for growth brands. We will continue to optimise our system strength through cost streamlining and infrastructure consolidation, in addition to accelerating the adoption of technology and the efficiencies therein. We believe our brand and system strength will position us to grow market share, which will be delivered by engaged and inspired colleagues, committed to our sustainability agenda.

We are confident in our business model and strategy for growth, the Group continues to face uncertainty with the ongoing impact of COVID-19 across the hospitality sector. Today we have also announced a Rights Issue to raise gross proceeds of approximately £151 million which will strengthen the balance sheet and ensure C&C is in a stronger position to achieve sustained growth and pursue its strategy as the hospitality sector emerges from the pandemic.

We look to FY2022 with optimism and C&C continuing to play an integral role in the UK and Ireland drinks market with our brand and distribution assets appreciated by consumers, customers and brand owners alike. We are confident C&C will emerge from the pandemic stronger, more streamlined, and primed to deliver on our ambition to be the preeminent brand-led, final-mile, drinks distributor across our core markets which will ensure long term value for our shareholders.”

ENDS

OPERATING REVIEW

Great Britain

€m Constant currency[i]	FY2021	FY2020	Change %
Net revenue	206.8	325.2	(36.4%)
- Price / mix impact			(12.8%)
- Volume impact			(23.6%)
Operating (loss)/profit[iii]	(8.4)	43.8	(119.2%)
Operating margin	NM	13.5%	
Volume – (kHL)	2,007	2,626	(23.6%)
- of which Tennent's	690	977	(29.4%)
- of which Magners	480	530	(9.4%)

Our Great Britain division's net revenue decreased 36.4%[i] to €206.8 million in the year driven by the closure of the on-trade and volume moving into the lower margin off-trade channel. As a result, operating profit has reduced by €52.2 million[i] to a loss of €8.4 million[iii]. Despite the trading challenges the division has made considerable steps towards strengthening its portfolio; optimising its cost base and positioning itself for emerging trends.

Tennent's has again performed strongly, with the underlying brand health reflected in Tennent's gaining both volume and value share in the off-trade. Tennent's off-trade volume and value share of 26.5% and 21.6% respectively as at 21 February 2021 represents growth of 1.1% and 0.7% versus FY2020[ix]. We have executed successful new product developments, with the launch of Tennent's Zero and Tennent's Light, reflecting the commitment of the brand to the continuing change in consumer preferences. The Zero and Light variants have secured over 1,500 listings in the off-trade during FY2021, with Tennent's Zero voted as the Scottish Local Retailer Product of the Year 2020, an award chosen by the retailers themselves.

Magners has grown volume share of apple cider in the off-trade to 9.7% as at 21 February 2021 represents growth of +0.4%[xiv]. Overall volumes in the cider category were aided by the sustained period of warm weather through spring and summer in 2020.

In addition, we have further enhanced our portfolio by becoming the exclusive route to market for Innis & Gunn, Scotland's #1 craft beer[xiii], into the IFT ('Independent Free Trade') across the on-trade in the UK and Ireland. As part of the Innis & Gunn deal we secured a long term manufacturing contract for our Wellpark Brewery and received an 8% equity stake at only the cost of nominal share capital along with a long-term incentive scheme which will make a number of additional shares available to the Group based on performance targets.

Wellpark Brewery remained open with minimal levels of disruption from COVID-19. We responded to the immediate switch in consumption dynamics to the off-trade and met the exceptional demand for our off-trade SKUs, which outperformed the market, whilst also maintaining the demand for our contract brewing and private label partners. We have continued our commitment to ESG with £7 million capital investment to remove single use plastic in our products, which will be completed in 2021. In addition, we have installed CO_2 capture and storage facilities, significantly reducing the need to purchase CO_2. Further, we are a founding member of Circularity Scotland, affirming our commitment to the creation of an efficient and well-designed Deposit Return Scheme for Scotland that delivers the recycling and litter objectives and supports the country's ambitions for a more circular economy.

We ensured support for our on-trade customers putting in place measures that included: flexibility on credit terms; collection of old kegs and replacing them with new kegs; back to trade planning including, ranging, promotions and moratoriums on capital loan book repayments. As a response to the trend in customers moving towards ordering online, we continued the development of our ecommerce offering for the Tennent's business in Scotland, enhancing our customer experience with the introduction of a new ordering platform. This platform provides improved functionality including an optimised ordering journey, a direct link to online support via web chat and the ability for the customer to self-manage their trading account, including the option to pay open invoices and apply credit notes. We believe orders will continue to move online as we further enhance our ecommerce offering. We forecast by the end of FY2022 that on-trade online orders will make up 70% of the revenue for the business in Scotland.

Significant work has been completed on the secondary distribution network in Scotland, rationalising its footprint and associated cost base. As a result, a new 50,000 square foot depot has been established in Edinburgh, Scotland's second largest city where Tennent's had no presence before. On the opening of the Edinburgh depot, we will close four existing depots in Scotland, including Matthew Clark's Glasgow depot, creating one final-mile logistics solution which will be fully operational by June 2021. This will yield ongoing efficiencies, improve customer service and optimise working capital by lowering overall stock levels. Our convenience direct to store model utilises this network, established in part following minimum unit pricing, and has performed strongly with overall volume growth of 70% versus FY2020. The growth has been aided by the development of an online platform and retailer loyalty scheme which also provides trade information, point of sale and incentives.

Ireland

€m Constant currency[(i)]	FY2021	FY2020	Change %
Net revenue	166.1	226.3	(26.6%)
- Price / mix impact			(15.4%)
- Volume impact			(11.2%)
Operating (loss)/profit[(iii)]	(4.9)	40.2	(112.2%)
Operating margin	NM	17.8%	
Volume – (kHL)	1,257	1,416	(11.2%)
- of which Bulmers	300	366	(18.0%)

Our Ireland division's net revenue decreased by 26.6%[(i)] to €166.1 million in the year driven by the continued lockdowns with Ireland experiencing one of the longest hospitality sector lockdowns in the world. There was a shift in consumption dynamics with off-trade volumes +21.2% versus FY2020. While this provided a welcome revenue stream, the lower margin and pack mix pressures were not sufficient to offset the impact of the on-trade closures. As a result, operating profit[(iii)] has reduced by €45.1 million[(i)] to a loss of €4.9 million.

Bulmers off-trade volume and value share of Irish cider of 50.5% and 50.8% respectively as at February 2021 represents growth of 3.7% and 4.3%[(x)] which, in part, was supported by the exceptionally good weather during spring and summer 2020. The Bulmers brand, despite sustained competitive pressure over the last few years, has performed strongly, aided by an exceptionally warm spring and early summer weather and consumers' desire for brands with provenance which they know and trust. As a consequence Bulmers off-trade volumes were +37.7% versus FY2020, with the brand taking both volume and value share in off-trade long alcoholic drinks ("LAD")[(x)].

During the year we extended our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser. Budweiser Brewing Group and Bulmers Ireland have committed to investment in the brand, notably with new branding, packaging and a TV campaign with the new branding trialled in Ireland as one of the first worldwide territories. The introduction of Budweiser into our portfolio, strengthens our position as the third biggest supplier of LAD to the off-trade[(xi)].

Our Clonmel manufacturing site and distribution network remained fully operational over the last twelve months with minimal impact to our supply chain. We quickly established a safe and compliant environment for our colleagues who did not have the ability to work from home.

The business has ensured support for our customer base with measures including; providing flexibility with delivery days and order sizes; a 'new for old keg' replacement process; and C&C Hygiene, an initiative providing funding for pre-opening / start-up costs for our customers which is helping 500 on-trade customers. C&C Hygiene offers a central hub with safety standards and certification for the hospitality sector. The initiative also offers items to facilitate the safe opening and continuing operation including divider screens, hand sanitisers, signage and foot handles for doors.

We have continued to enhance our customer proposition and service by launching a new online ordering platform and customer portal system, 'Bulmers Direct'.

During the year we rebranded our Irish wine business Gilbeys to Bibendum Ireland. Bibendum Ireland which is the largest independent wine business in Ireland performed strongly, capitalising on a change in consumption dynamics, with total volumes up 7.9% in FY2021 versus 878k cases sold in FY2020.

Matthew Clark and Bibendum

€m **Constant currency[i]**	**FY2021**	**FY2020**	**Change %**
Net revenue	337.8	1,089.9	(69.0%)
- Price / mix impact			(5.7%)
- Volume impact			(63.3%)
Operating (loss)/profit[iii]	(44.5)	28.2	(257.8%)
Operating margin	NM	2.6%	
Volume - (Cases k 9L)	11,122	30,344	
(kHL)	1,001	2,731	(63.3%)

Net revenues for the combined Matthew Clark and Bibendum Division in FY2021 were €337.8m, a decrease of 69.0%[i] versus FY2020 with the business almost exclusively an on-trade business. Operational gearing has generated a loss of €44.5 million[iii] in FY2021, however action has been taken on cost reduction during FY2021 and network optimisation due to complete by the end of June 2021, both of which will deliver ongoing savings against the pre-COVID cost base.

Matthew Clark and Bibendum demonstrated that, on the easing of restrictions in July to September, it was able to respond quickly and capitalise on customer and consumer demand with distribution points in the on-trade peaking at 82% of FY2020 levels for the equivalent period. In addition, we have been encouraged by our levels of new business and the value and security that customers place in us.

Our depot network has remained fully operational throughout the pandemic, servicing the increased demand of the off-trade and ensuring that we are positioned to react quickly as and when restrictions ease. The business generated alternative revenue streams during on-trade restrictions, deploying some of its fleet to support brand owners with delivery into the convenience channel.

We accelerated our network optimisation, transitioning the Bibendum's supply chain operations from a third-party logistics provider into the Matthew Clark network. We also closed the Matthew Clark depots in Scotland, transitioning this volume into the Tennent's depot network in Scotland. These initiatives will drive ongoing efficiencies through a lower cost to serve, delivering enhanced margins.

During FY2021, our Bibendum off-trade business performed strongly with net revenue growth of 19.3% versus FY2020. Walker and Wodehouse, our business which supplies independent wine retailers, also performed strongly with sales and gross profit increasing 25% and 43% respectively versus last year.

Matthew Clark and Bibendum have continued to support the hospitality industry through the lockdowns and trading restrictions with increased flexibility in delivery days and times; 'new for old keg' replacement process; availability of key lines secured with supply partners; new 'guest checkout' facility on our ecommerce platform and a simplified online process for new account openings.

Matthew Clark has seen an increase in ecommerce activity, with Matthew Clark Live, our ecommerce platform, showing an increase in orders with 18% of total sales versus 13% in FY2020 and an increase of 73% in users versus prior year. The successful launch of 'Guest Checkout', has enabled first time customers to order and receive stock without first setting up an account, 28% of guest users have subsequently gone on to setup a trading account with Matthew Clark. The business is well placed to meet the change in customer behaviour with our Matthew Clark Live ecommerce platform awarded, 'Best Business to Business' and 'Best Food & Drinks' ecommerce sites at the UK ecommerce Awards 2020.

Our Matthew Clark and Bibendum businesses have been encouraged with the resilience of our customer base, with over 95% of the March 2020 closing debtor ledger of €110 million collected from customers as of the end of FY2021.

International

€m Constant currency[i]	FY2021	FY2020	Change %
Net revenue	26.2	37.0	(29.2%)
- Price / mix impact			4.3%
- Volume impact			(33.5%)
Operating (loss)/profit[iii]	(1.8)	6.4	(128.1%)
Operating margin	NM	17.3%	
Volume – (kHL)	159	239	(33.5%)

Net revenues of €26.2 million in FY2021 have decreased by 29.2% against FY2020[i], this has been driven by reduced volumes and has resulted in an operating loss of €1.8 million versus a profit of €6.4 million on a constant currency in the prior year.

The effect of COVID-19 was noted in almost every market in APAC and EMEA, however each market responded differently to the pandemic and the impact on the International business has been varied as a result. Overall volume has declined, driven by on-trade closures in Central Europe and the reduced levels of tourism in the peak summer trading period. This has been mitigated somewhat through growth in Asia, and solid performances in the Nordics and ANZ (Australia and New Zealand).

Europe, Middle East and Africa
In the first wave of the pandemic Central Europe recorded a drop in volume, with most markets implementing social distancing restrictions and limiting access to the on-trade where the International business is most active. Secondary to this was an increased level of uncertainty as we moved into the summer when demand would usually be highest. The biggest challenge was the reduction in the number of British and Irish tourists travelling overseas to Spain and the Mediterranean region, which directly impacted performance. The changing restrictions, often implemented at short notice, added to the uncertainty and adversely impacted on willingness to place orders, with many of the on-trade premises in this region heavily reliant on overseas tourism.

As the year progressed there was some upside in 'winter sun' destinations' such as the UAE, but not enough to offset the declines elsewhere, and in the final quarter of the year the closure of the European ski resorts further reduced demand. Lockdowns across Central and Eastern Europe, combined with the introduction of a mass vaccination programme, resulted in a level of optimism in the final month, the benefit of which will be reflected in Q1 FY2022. Overall EMEA volumes were 48.7khl, -55.6%.

Asia Pacific
Following the easing of trade restrictions during FY2021, the region performed strongly for the remainder of the year, driven by the new distribution agreement for Magners in South Korea and growth in China (Magners and Tennent's). These two markets accounted for 64% of the total APAC volume, and have recorded combined growth of 125% year on year.

Australia and New Zealand volume was robust throughout the year, largely due to the relative success in containing the spread of COVID-19, but overall is down -30% compared to the prior year. Elsewhere, volume across the rest of Asia declined but this was driven by an ongoing decision to focus on larger markets that can deliver sustainable brand growth. Overall APAC volumes were 29.5khl, -2.9%.

North America
Total volumes in FY2021 were down 18.3% as a consequence of COVID-19 restrictions which varied in degree across the region. Woodchuck volumes, which historically over-index in the off-trade, were broadly insulated from these restrictions and volumes finished the year in growth +9.3%. The Magners brand however, felt the full effect of hospitality lockdown measures with volumes finishing -42.0% versus FY2020.

In March 2021, the Group announced the sale of its wholly owned US subsidiary, Vermont Hard Cider Company, to Northeast Kingdom Drink Group LLC for a total consideration of USD 20 million. This transaction completed in April 2021.

Notes to Operating Review are set out below.

(i) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).

(ii) Adjusted EBITDA is (loss)/earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' (loss)/profit after tax. A reconciliation of the Group's operating (loss)/profit to adjusted EBITDA is set out on page 13.

(iii) Before exceptional items.

(iv) Adjusted basic/diluted (loss)/earnings per share ('EPS') excludes exceptional items. Please see note 6 of the Condensed Consolidated Financial Statements.

(v) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €45.0m (FY2020: €131.4m reported/€129.0m on a constant currency basis) inflow in the year. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 13.

(vi) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.

(vii) Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash. Please see note 8 of the Condensed Consolidated Financial Statements.

(viii) Minimum Equity Raise means the receipt by the Company of at least £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company.

(ix) IRI, Beer Category, Volume Sales, Client defined price benchmark, MAT to week ended 21 February 2021, Total Scotland.

(x) NielsenIQ, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021.

(xi) NielsenIQ, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.

(xii) Tito's number 1 spirit in USA (IRI Period Ended 04 October 2020).

(xiii) I&G Scotland's number 1 craft beer (CGA Scotland MAT week ended 21.03.20).

(xiv) IRI, Cider Category, Volume Sales, MAT to week ended 21 February 2021, Total GB.

Conference Call and Webcast details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast, for analysts and institutional investors, today, **26 May 2021, at 08:30 BST (03:30 ET)**. Dial in details are below for the conference call. The webcast can be accessed on the Group's website: www.candcgroupplc.com.

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For all conference call replay numbers, please contact FTI Consulting

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About C&C Group plc
C&C Group plc is a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland.

- C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig. C&C exports its Magners and Tennent's brands to over 40 countries worldwide.
- C&C Group has owned brand and contract manufacturing/packing operations in Co.Tipperary, Ireland and Glasgow, Scotland.
- C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the Group supplies over 34,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.
- C&C Group also has a minority investment in the Admiral Taverns tenanted pub group, which owns approximately 1,000 pubs across England & Wales.

C&C Group is a FTSE 250 company headquartered in Dublin and is listed on the London Stock Exchange.

Note regarding forward-looking statements
This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on page 17 that could cause actual results to differ materially from those anticipated.

Finance review

A summary of results for the twelve months ended 28 February 2021 is set out in the table below:

	Year ended 28 February 2021 before exceptionals[i]	**Year ended 29 February 2020 before exceptionals[i]**	**CC[ii] year ended 29 February 2020**
	€m	**€m**	**€m**
Net revenue	**736.9**	1,719.3	1,678.4
Operating (loss)/profit	**(59.6)**	120.8	118.6
Net finance costs	**(19.5)**	(19.8)	
Share of equity accounted investments' (loss)/profit after tax	**(6.1)**	3.1	
(Loss)/profit before tax	**(85.2)**	104.1	
Income tax credit/(expense)	**14.4**	(12.3)	
(Loss)/profit for the financial year	**(70.8)**	91.8	
Basic EPS	**(33.8) cent**	2.9 cent	
Adjusted diluted EPS[iii]	**(22.9) cent**	29.6 cent	

COVID-19 and related restrictions have had an unprecedented impact on the drinks and hospitality sector, impacting all of the Group's stakeholders and it has had a material impact on our results for the year ended 28 February 2021.

C&C is reporting net revenue of €736.9 million, operating loss[i] of €59.6 million, liquidity[iv] of €314.6 million and net debt[v] excluding IFRS 16 *Leases,* of €362.3 million. Net debt[v] including IFRS 16 *Leases* was €441.9 million. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020. Our core brands performed strongly in FY2021, with Bulmers, Magners and Tennent's each gaining market share[vi] in the off-trade channel.

The Group's performance in FY2021 has been profoundly impacted by COVID-19 and the associated on-trade restrictions in our core markets. As a direct result, and on a constant currency basis[ii], net revenue for the Group of €736.9 million was down 56.1%.

Our core brands performed strongly in the off-trade channel with Bulmers, Magners and Tennent's all gaining market share[vi] however, the impact of the lockdowns and restrictions in the on-trade resulted in the Group reporting an operating loss for the year of €59.6 million[i], down from a profit of €118.6 million in the prior year[i][ii]. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020.

Cash and liquidity have been a key focus for the Group throughout FY2021. In March 2020, the Group announced the successful issue of approximately €140 million of US Private Placement notes ("USPP"). The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. Today, the Group announced a Rights Issue as outlined in further detail below, thus ensuring the business has the optimum capital structure and financing to emerge from COVID-19 in a position of strength to pursue its strategy.

As a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021 and these have been extended as outlined in detail below.

During the current financial year, the Group extended the repayment period of its term loan and implemented various working capital initiatives, including the negotiation of temporary extensions to suppliers, and UK and Irish tax authorities' payments terms. Payment of dividends were paused and the Group availed of Government

furlough schemes across the UK and Ireland to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector.

Post year end, the Group has also announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18 million against its pre COVID-19 cost base.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €19.5 million were incurred in the financial year (FY2020: €19.8 million). The Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders. Exceptional finance costs of €7.9 million were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

Income tax credit for the year was €14.4 million (FY2020: charge €12.3 million) excluding exceptional items and equity accounted investments' tax credit/charge. The credit primarily arises due to the recognition of a deferred tax asset on the losses incurred by the Group in the financial year.

Due to the emergence of COVID-19, no final dividend is being declared and no interim dividend was paid. In the current financial year, a payment of €0.4 million was made to recipients of dividend accruing share-based payment awards. A credit of €0.2 million was recognised in the Income Statement as a consequence of dividend accruing share-based payment awards now deemed to be not capable of achieving their performance conditions, and hence both the share-based payment award and related dividend accrual were deemed to have lapsed. In the prior financial year, total dividends to ordinary shareholders amounted to €48.1 million, of which €29.7 million was paid in cash, €18.1 million or 37.6% was settled by the issue of new shares and €0.3 million was accrued with respect to LTIP dividend entitlements.

Exceptional items

Total exceptional items, before the impact of taxation, of €36.1 million were incurred in the current financial year.

COVID-19

The Group has continued to account for the ongoing COVID-19 pandemic as an exceptional item and has incurred an exceptional charge of €4.6 million from operating activities at 28 February 2021 in this regard. The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €6.1 million with respect to its provision against trade debtors and a charge of €1.2 million with respect to its provision for advances to customers. The Group incurred exceptional charges of €5.8 million with respect to inventory, this related to inventory that became obsolete, all as a consequence of the COVID-19 restrictions. The Group incurred costs of €1.7 million with respect to a provision for lost kegs, €0.3 million with respect to the write off of an IT intangible asset where the project will now not be completed, due to COVID-19 and a net credit of €0.6 million with respect to the release of a trade provision. Other costs of €2.3 million were incurred, which included site improvement costs, impairment of brand dispense equipment and an excess holiday accrual all directly linked to the pandemic.

Restructuring costs

Restructuring costs of €8.1 million were incurred in the current financial year. These included severance costs of €6.8 million, of which €4.9 million was incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic and €1.9 million arose as a consequence of the optimisation of the delivery networks in England and Scotland. The Group also incurred additional costs of €2.0 million with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7 million relating to the profit on disposal of a property as a direct consequence of the optimisation project.

Equity accounted investments' exceptional items

The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investments at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9 million with respect to its carrying value of its investment in Admiral Taverns and €0.2 million with respect to the carrying value of its investment in Drygate Brewing Company Limited.

The Group also incurred €8.8 million with respect to its share of Admiral Taverns' exceptional items. These included a charge of €7.0 million with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4 million with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income. The Group also recognised €1.8 million with respect to its share of Admiral's other exceptional items for the year, including €0.8 million with respect to a provision against trade debtors as a consequence of COVID-19, €0.5 million with respect to an Asbestos provision and €0.5 million in relation to other charges directly attributable to COVID-19.

Impairment of property, plant & equipment
Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated Balance Sheet and reviewed for impairment on an annual basis. During the current financial year, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation loss of €1.2 million accounted for in the Consolidated Income Statement and a gain of €0.9 million accounted for within Other Comprehensive Income.

Other
Other exceptional costs of €2.2 million were incurred by the Group in the year with respect to provision against legal disputes.

Profit on disposal
During the current financial year, as outlined in further detail in note 7, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4 million, realising a profit of €5.8 million on disposal.

Exceptional finance charges
As outlined previously, during the current financial year, the Group successfully negotiated covenant waivers due to the impact of COVID-19 with its lenders. Costs of €7.9 million were incurred in the year directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

Balance Sheet Strength and Debt Management
Balance sheet strength provides the Group with the financial flexibility to pursue its strategic objectives. It is our policy to ensure that a medium/long-term debt funding structure is in place to provide us with the financial capacity to promote the future development of the business and to achieve its strategic objectives. To ensure the business is equipped with the optimum capital structure and financing to emerge from the COVID-19 pandemic in a position of strength, we announced today a Rights Issue as outlined in more detail below.

The Group manages its borrowing requirements by entering into committed loan facility agreements. In July 2018, the Group amended and updated its committed €450 million multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. In FY2020 the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. During the current financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

In March 2020, the Group completed the successful issue of new USPP notes. The unsecured notes, denominated in both Euro and Sterling, have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments however a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment, as a consequence of COVID-19, which now becomes payable with the last instalment in July 2022.

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date whether or not the Rights Issue is achieved. Conditional on a Minimum Equity Raise[vii] being achieved, the debt covenants for 31 August 2022 were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. Where the Minimum Equity Raise[vii] is not achieved, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120 million, June 2022 when the minimum amount of liquidity is €80 million and July 2022 when the minimum amount of liquidity is €100 million). A monthly gross debt cap of €750 million in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise[vii] is achieved, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28

February 2023 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month. A monthly gross debt cap of €750 million in the current financial year also applied which will continue during FY2022 but will reduce to €700 million post a Minimum Equity Raise[vii] being achieved. The minimum liquidity requirement and a gross debt restriction can be lifted earlier in certain circumstances.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

The Group maintains a £200 million receivables purchase facility.

Cash generation

Summary cash flow for the year ended 28 February 2021 is set out in the table below. Overall liquidity remains robust. The reduction in the Group's receivables purchase programme, as a direct consequence of reduced trading, is a primary driver of the working capital outflow in the year. The contribution to year end Group cash from the receivables purchase programme was €45.0 million compared to €131.4 million (€129.0 million on a constant currency basis[ii]) at 29 February 2020 - a cash outflow of €84.0 million[ii]. Partly offsetting the impact of the receivables purchase programme, during the year the Group engaged with the UK and Irish tax authorities to secure deferrals on certain tax payments due, and as at 28 February 2021 this amounted to €77.4 million.

Reconciliation of Adjusted EBITDA[viii] to Operating (loss)/profit

	2021 €m	2020 €m
Operating (loss)/profit	**(84.8)**	29.8
Exceptional items	**25.2**	91.0
Operating (loss)/profit before exceptional items	**(59.6)**	120.8
Amortisation and depreciation charge	**30.8**	32.8
Adjusted EBITDA[viii]	**(28.8)**	153.6
Adjusted EBITDA[viii]	**(28.8)**	153.6
Working capital	**(44.7)**	47.9
Advances to customers	**1.2**	(4.2)
Net finance costs excluding exceptional finance costs	**(18.0)**	(17.4)
Tax refunded/(paid)	**7.2**	(8.0)
Pension contributions paid	**(0.4)**	(0.4)
Tangible/intangible expenditure	**(10.0)**	(19.8)
Net proceeds on disposal of property plant & equipment	**1.0**	0.4
Exceptional items paid	**(12.4)**	(9.5)
Other*	**1.3**	3.0
Free cash flow[ix]	**(103.6)**	145.6
Free cash flow[ix]	**(103.6)**	145.6
Exceptional cash outflow	**12.4**	9.5
Free cash flow[ix] excluding exceptional cash outflow	**(91.2)**	155.1
Reconciliation to Group Condensed Cash Flow Statement		
Free cash flow[ix]	**(103.6)**	145.6
Net proceeds from exercise of share options/equity interests	**0.3**	0.4
Shares purchased under share buyback programme	**-**	(23.0)
Drawdown of debt	**570.9**	192.6
Repayment of debt	**(464.0)**	(280.7)
Payment of lease liabilities	**(19.0)**	(18.6)
Payment of issue costs	**(1.4)**	(0.5)
Disposal of subsidiary/equity investment	**6.7**	5.1
Cash outflow re acquisition of equity accounted investments/financial assets	**(6.9)**	(11.2)
Dividends paid	**(0.4)**	(29.7)
Net decrease in cash	**(17.4)**	(20.0)

* Other relates to share options add back, pension contributions: adjustment from charge to payment and net profit on disposal of property, plant & equipment.

Retirement Benefits

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by the Group companies, computed in accordance with IAS 19 *Employee Benefits*, are included on the face of the Consolidated Balance Sheet as retirement benefits.

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 52 active members (less than 10% of total membership) in the ROI staff defined benefit pension scheme and no active members in the executive defined benefit pension scheme.

At 28 February 2021, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €4.9 million gross of deferred tax (€5.5 million deficit with respect to the Group's staff defined benefit pension scheme, €5.1 million surplus with respect to the Group's executive defined benefit pension scheme and a €5.3 million surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €3.1 million net of deferred tax.

The key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations gross of deferred tax are as outlined below:

	€m
Net deficit at 1 March 2020	**(7.9)**
Translation adjustment	**(0.1)**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**13.4**
Charge to Income Statement	**(0.9)**
Net surplus at 28 February 2021	**4.9**

The decrease in the deficit from €7.9 million at 29 February 2020 to a surplus of €4.9 million at 28 February 2021 is primarily due to an actuarial gain of €13.4 million over the year. The actuarial gain was driven by the increase in the discount rates used to value the pension benefit obligation. The impact of the increase in discount rates was partially offset by the increase in the inflation-related assumptions.

Financial Risk Management

The main financial market risks facing the Group continue to include foreign currency exchange rate risk, commodity price fluctuations, interest rate risk, creditworthiness and liquidity risk in relation to its counterparties.

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee.

Foreign currency and comparative reporting

The reporting currency and the currency used for all planning and budgetary purposes is Euro. However, as the Group transacts in foreign currencies and consolidates the results of non-Euro reporting foreign operations, it is exposed to both transaction and translation currency risk.

Currency transaction exposures primarily arise on the Sterling, US, Canadian and Australian Dollar denominated sales of our Euro subsidiaries and Euro purchases in the Group's Matthew Clark and Bibendum business. We seek to minimise this exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net exposure is material, we manage it by hedging an appropriate portion for a period of up to two years ahead. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group hedged a portion of its Euro payables exposure in Matthew Clark and Bibendum however the Group had no hedges in place at 28 February 2021.

The average rate for the translation of results from Sterling currency operations was €1:£0.8959 (year ended 29 February 2020: €1:£0.8721) and from US Dollar operations was €1:$1.1602 (year ended 29 February 2020: €1:$1.1132).

Comparisons for revenue, net revenue and operating profit before exceptional items for each of the Group's reporting segments are shown at constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's Sterling and US Dollar denominated subsidiaries by restating the prior year at current year average rates.

Applying the realised FY2021 foreign currency rates to the reported FY2020 revenue, net revenue and operating profit(i) is shown in the table below:

	Year ended 29 February 2020 €m	FX transaction €m	FX translation €m	Year ended 29 February 2020 €m
Revenue				
Matthew Clark and Bibendum	1,262.7	-	(33.5)	1,229.2
Ireland	327.1	-	(1.8)	325.3
Great Britain	516.9	-	(13.7)	503.2
International	38.8	-	(0.9)	37.9
Total	**2,145.5**	**-**	**(49.9)**	**2,095.6**
Net revenue				
Matthew Clark and Bibendum	1,119.6	-	(29.7)	1,089.9
Ireland	227.7	-	(1.4)	226.3
Great Britain	334.1	-	(8.9)	325.2
International	37.9	-	(0.9)	37.0
Total	**1,719.3**	**-**	**(40.9)**	**1,678.4**
Operating profit(i)				
Matthew Clark and Bibendum	29.0	-	(0.8)	28.2
Ireland	40.5	-	(0.3)	40.2
Great Britain	44.9	0.1	(1.2)	43.8
International	6.4	-	-	6.4
Total	**120.8**	**0.1**	**(2.3)**	**118.6**

Commodity Price and Other Risk Management

The Group is exposed to commodity price fluctuations, and manages this risk, where economically viable, by entering into fixed price supply contracts with suppliers. We do not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. Our policy is to fix the cost of a certain level of energy requirement through fixed price contractual arrangements directly with our energy suppliers.

The Group seeks to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing trade relationships with key suppliers. We have long-term apple supply contracts with farmers in the west of England and have an agreement with malt farmers in Scotland for the supply of barley.

In addition, the Group enters into insurance arrangements to cover certain insurable risks where external insurance is considered by management to be an economic means of mitigating these risks.

Rights Issue

Today, the Group has announced a Rights Issue. The Rights Issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy as normalised trading conditions return.

The Board has considered a number of different scenarios and assumptions and the impact these might have on the Group's financial position in deciding on the appropriate quantum. These included the potential length of the current lockdown, the impact of ongoing restrictions, the unwinding of temporary working capital supports from government and tax authorities, potential economic impact on demand through the recovery and the likelihood of any further waves of lockdown. Taking these into consideration, the Board believes that a Rights Issue will not only reduce the Group's leverage but allow it to continue to deliver upon its strategy.

Efficient capital allocation is a central pillar of the Group's strategy. The Board continues to believe that financial strength and balance sheet flexibility is a source of competitive advantage for the Group in the long-term and that a leverage profile of less than 2.0 times Net Debt/Adjusted EBITDA is appropriate for the Group as normalised trading conditions return.

Notes to the Group Chief Financial Officer's Review

(i) Before exceptional items.

(ii) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).

(iii) Adjusted basic/diluted (loss)/earnings per share ('EPS') excludes exceptional items. Please see note 6 of the Condensed Consolidated Financial Statements.

(iv) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.

(v) Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash. Please see note 8 of the Condensed Consolidated Financial Statements.

(vi) IRI, MAT to week ending 21.02.21, Nielsen, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021, Nielsen, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.

(vii) Minimum Equity Raise means the receipt by the Company of at lease £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company.

(viii) Adjusted EBITDA is (loss)/earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' (loss)/profit after tax. A reconciliation of the Group's operating (loss)/profit to adjusted EBITDA is set out on page 13.

(ix) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €45.0m (FY2020: €131.4m reported/€129.0m on a constant currency basis) inflow in the year. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 13.

Principal Risks and Uncertainties

During the year, the Audit Committee and the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The register of risks includes the impact of COVID-19. The list does not include all risks that the Group faces and it does not list the risks in any order of priority. The actions taken to mitigate the risks cannot provide assurance that other risks will not materialise and adversely affect the operating results and financial position of the Group. These principal risks are incorporated into the modelling activity performed to assess the ability of the Group to continue in operation and meet its liabilities as they fall due for the purposes of the Viability Statement.

COVID-19

Prior to the start of FY2021 on 1 March 2020, COVID-19 began to have an impact on global economies and on businesses generally. This impact has increased significantly since then. Similar to businesses across many sectors and specifically the drinks industry, government imposed restrictions, while necessary to slow the spread of COVID-19, have had a significant impact on many of the Group's outcomes, principally the on-trade, as well as the Group's employees, many of whom have been furloughed. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations.

The Audit Committee and the Board have assessed the potential impact of COVID-19 on the business and worked closely with the executive team to put in place measures to protect the business and its prospects, in the best interests of all stakeholders. The Board continues to closely monitor the impact of, and developments in respect of, COVID-19 and the guidance of governments and health authorities; and is overseeing all business continuity actions being undertaken by the Group's management team.

As the pandemic continues into FY2022, it drives increasing risk trends which are detailed below.

One principal risk category was split into two standalone principal risks – Information Technology, Cyber Security and Data Protection reflecting the increase in online trade and increased frequency of cyber-attacks in the sector.

Risk & Uncertainties

Impact	Mitigation
COVID-19	
The Group is exposed both to the immediate impact of the COVID-19 pandemic and the uncertainty created by the continuing measures taken by governments to minimise the spread and mitigate the impact of coronavirus on society. The Group's business units have been significantly disrupted by the Irish and UK governments passing legislation to close pubs, bars, restaurants and clubs, there is a significant risk to our on-trade business and the overall viability of the hospitality industry. Operations may be impacted as staff self-isolate if they or anyone within their homes develop symptoms. In addition, employees may be required to be temporarily or permanently furloughed during the period. Where there is a COVID-19 impact on the other principal risks contained within this table, we have provided an explanation of what the impact is and the mitigations.	The Group acted quickly to respond to the emergence of the COVID-19 virus to protect the health and wellbeing of employees and the interests of all stakeholders; and ensure, as a minimum, it is in compliance with local government and health authority guidelines. The Group has implemented its business continuity planning and restricted all unnecessary access to its operations in line with government and health service guidelines and consistent with industry best-practice. All travel has been suspended unless business critical, gatherings (such as customer tastings) are suspended and visitors are no longer allowed on site. Staff are also not allowed to move between production facilities to minimise exposure risk. The Group is ensuring that all employees who can work from home are doing so safely. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group has strengthened its financial position through renegotiating the timing of term loan repayment, securing covenant waivers from lenders and diversifying our sources of funding through the successful issue of approximately €140 million of US private placement notes. In May 2021, the Group announced an equity raise to strengthen the balance sheet and reduce leverage to deal with the challenging environment and ensure the Group remains resilient in the event of further negative developments in the pandemic. The Group has suspended all unnecessary capital expenditure, reduced marketing spend, reduced other operating costs and implemented a range of

	working capital controls to protect liquidity including furloughing all non-essential employees. The Group has put in place measures to help affected customers including in the course of the pandemic, a three month holiday on capital and interest repayments to loan customers, full credit or 'new for old' on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them, as well as assistance and advice in relation to hygiene measures. The Group will continue to monitor guidance from governments and health authorities and implement measures in line with best practice.
Regulatory and Social Attitude Changes to Alcohol	
The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty), sponsorship or advertising.	The Group and business units continue to engage with trade bodies to ensure any proposed changes to legislation and restrictions are appropriate within the industry. The Group is actively involved in BBPA and also complies with all Portman Group guidance. Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government. The Group has developed low, and zero, alcohol options for brands in order to address legislation and possible duty increases as well as appeal to those consumers looking for a healthier choice.
Economic and Political	
Our business, financial results and operations may be adversely affected by economic or political instability and/or uncertainty, in particular relating to the impact of the COVID-19 pandemic. The Group may also be impacted by the UK's exit from the European Union. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest. The full extent of the financial impacts of COVID-19 on economies is as yet unknown. The stress placed on political systems to combat the social and economic impacts of COVID-19 may result in increased political instability in some countries.	The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the UK, Irish and Scottish governments to help ensure a manageable outcome for our businesses. The Group took a number of immediate measures to respond to the impact of the emergence of COVID-19, some of which continue to be in operation to mitigate its ongoing impact. Group businesses are active members in respected industry trade bodies including being a steering committee member of the all-party UK Parliamentary Beer Group. On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets. We have implemented action plans to protect the profitability and liquidity of the Group and mitigate a significant proportion of our cost base. We continue to review our cost base for additional savings. We remain vigilant to changes in local jurisdictions and retain the flexibility to take appropriate mitigating action as necessary.

Sustainability and Climate Change	
Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.	The Group seeks to operate as efficiently and sustainably as possible. There are objectives in place to continually reduce emissions in line with the Paris Agreement. The Group is seeking to continually reduce waste levels and also the use of single use plastics. The Group continues to be proactive in conserving water usage and minimising energy usage. Both Clonmel and Wellpark sites continue to be ISO 14001 accredited for an effective environmental management system. The Group ensures strong overall corporate social responsibility of suppliers is reviewed and assessed both on an ongoing basis and as part of new tenders to ensure sustainability and ethical practices are a fundamental part of the supply chain.
Customer and Consumer Dynamics and Group Performance	
Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on sales, profits and cash flow within the Group. COVID-19 may have an impact on the viability of a certain cohort of the Group's customers and on underlying consumer behaviour and preferences.	Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low and non-alcoholic variants of our brands. The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market. The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs. In order to specifically assist customers manage the impact of COVID-19, the Group has given a 'holiday' on capital and interest repayments to loan customers, full credit or 'new for old' on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that have been introduced and how to access them as well and assistance and advice in relation to hygiene measures.
People and Culture	
The Group's performance is dependent on the skills and experience of its high-performing colleagues throughout the business, which could be affected by their loss or the inability to recruit or retain them. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy. The closure of the on-trade and substantial parts of the business during the year has had a significant impact on the Company's workforce.	The Group seeks to mitigate this risk through appropriate training, remuneration policies and succession planning. The Group also seeks to ensure good employee relations through engagement and dialogue. In respect of the impact of COVID-19 on employees, the Group has implemented an extensive range of measures to provide the safest working environment possible for our people. These measures include reducing all unnecessary access to the Group's operating facilities and ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group employed a number of measures to retain as many members of the workforce as possible including through the use of government furlough schemes.
Health and Safety	

A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in reputational damage, criminal prosecution, civil litigation and damage to the reputation of the Group and its brands. The continuing COVID-19 pandemic presents a specific risk to the health and welfare of the Group's employees, as measures required to be adopted by societies and businesses to help prevent the spread of the virus adversely effect our employees.	The Group has a Safety, Health and Environmental ('HSE') team who are responsible for ensuring that the Group complies with all environmental, health and safety laws and regulations with ongoing monitoring, reporting and training. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover. The Group has specific business continuity plans and a range of measures to protect the business and the health and wellbeing of employees including strict safety, hygiene and two metre social distancing measures. The safety and well-being of our employees has been, and continues to be, our overriding priority. Executive Management are monitoring events closely with regular Board oversight evaluating the impact and designing appropriate response strategies.
Product Quality and Safety	
The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability. The COVID-19 virus continues to present additional risk to the safe production of the Group's products.	The Group has implemented quality control and technical guidelines which are adhered to across all sites. Group Technical continually monitor quality standards and compliance with technical guidelines. The Group also has quality agreements with all raw material suppliers, setting out our minimum acceptable standards. Any supplies which do not meet the defined standards are rejected and returned. The Group has enacted specific business continuity plans and a range of measures to protect the business in line with the advice of governments and local health authorities; and ensure the safe production and distribution of the Group's products.
Supply Chain Operations and Costs	
Circumstances such as the prolonged loss of a production or storage facility, disruptions to its supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation. COVID-19 also poses the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities. Also, there is a risk of increased input costs due to poor harvests and price of inputs.	The Group seeks to mitigate the operational impact of such an event through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers. The Group has enacted specific business continuity plans including a range of measures to protect the integrity of production and distribution facilities and increased packaging capacity to meet increased take home demand. To date we have maintained strong levels of service into our customer base. We have taken action to ensure our facilities are staffed sufficiently, that our production plans optimise the capacity available at each of our sites and that we prioritise the SKUs that current consumer demand requires. The Group is also working closely with its suppliers to protect the integrity and consistency of supply of raw materials. The Group seeks to minimise input risks through long-term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.
Information Technology	
The Group relies on IT systems and supporting infrastructure to manufacture and trade effectively. Any significant disruption or failure of key systems could result in business disruption and revenue loss, accident or	The Group has continued to focus on modern cloud-based assets which are naturally more resilient to failure. Business and IT continuity has been maintained during the coronavirus pandemic by updating operating models to ensure the safety of our workforce

misappropriation of confidential information. Failure to properly manage existing systems, or the implementation of new IT systems may result in increased costs and/or lost revenue, and reputational damage.	and customers. Nevertheless, the risk of disruption or failure of critical IT infrastructure, as well as process failure remains a significant risk.
Cyber and Information Security and Data Protection	
Failure of our IT infrastructure or key IT systems may result in loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and negatively impact our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cybersecurity) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business. COVID-19 also poses specific IT risks including the potential for key personnel to contract the virus, the Group's IT support services being unable to discharge their obligations due to the impact of the virus on their own operations or an increase in the number of malicious emails sent to colleagues working from home. The risk level continues to rise as more employees work from home and this has led to an increase in the risk of malware and phishing attacks across all organisations.	The Group's IT security controls including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning have, where appropriate, been reviewed, tested and updated during the year. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working and phishing emails. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment. The Group also has a suite of information security policies in place including data protection (GDPR) and electronic information and communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel. We have implemented configuration changes to block phishing emails, increased awareness campaigns to help our people identify these types of attacks, and increased frequency of penetration testing. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.
Business Growth, Integration and Change Management	
As the Group reacts to the effects of the COVID-19 pandemic, it is necessary to adjust to change and assimilate new business models. The breadth and pace of change can present strategic and operational challenges. Business integration and change that are not managed effectively could result in unrealised synergies, poor project governance, poor project delivery, increased staff turnover, erosion of value and failure to deliver growth.	Significant projects and acquisitions have formal leadership and project management teams to deliver integration. Regular Group communications ensure effective information, engagement and feedback flow to support cultural change. The Executive Management team oversees change management and integration risks through regular meetings.
Compliance with Laws and Regulations	

The Group operates in an environment governed by strict and extensive regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders. These laws and regulations include hygiene, health and safety, the rules of the London Stock Exchange and competition law. Changing laws and regulation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business. Moreover, breach of our internal global policies and standards could result in severe damage to our corporate reputation and/or significant financial penalty.

Companies face increased risk of fraud and corruption, both internally and externally, due to financial pressures and changes to ways of working as a consequence of COVID-19.

The Group has in place permanent legal and compliance functions that ensure the Group is aware of all new regulations and legislation, providing updated documentation, training and communication across the Group.

The Group has a code of conduct, which is approved by the Board and supported by a wide range of policies, including modern slavery, anti-bribery and corruption and diversity.

The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.

As part of our ongoing process of continuous improvement, we have expanded our web-based learning platform to provide increased engagement on key regulatory and compliance topics for our employees and to communicate our standards and expectations clearly. Internal Audit regularly reviews internal controls and analyses financial transactions to mitigate the risk of error or fraud.

Brand and Reputation

The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain, attract key associates and sponsorships for our brands and inadequate marketing investment to support our brands.

Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth.

The closure of on-trade outlets and a reduction in the Group’s marketing and brand advertising due to COVID-19 may impact the Group’s brand health scores.

To mitigate this risk, C&C has defined values and goals for all our brands. These form the foundation of our product and brand communication strategies.

Central to all our brand image initiatives is ensuring clear and consistent messaging to our targeted consumer audience.

Executive Management, Group Legal and internal/external PR consultants work together to ensure that all sponsorship and affiliations are appropriate and protect the position of our brands.

The Group is monitoring the impact of the rapidly changing trading environment on the Group’s brands and will make necessary investment decisions to protect the Group’s brand health scores and reputation.

Financial and Credit

The Group is subject to a number of financial and credit risks such as adverse exchange and interest rate fluctuations, availability of supplier credit, credit management of customers and possible increase to pension funds deficits and cash contributions.

COVID-19 may have a further impact on the Group’s liquidity, due to lower on-trade revenues; customers’ ability to honour their obligations, and the Group’s ability to access supplier credit.

Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal

The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions.

In relation to pensions, continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives.

A range of credit management controls are in place which are regularly monitored by management to minimise the risk and exposure.

The Group is working with all customers and suppliers to minimise the adverse impact of COVID-19 on the business.
Contracts may be renegotiated. We continue to focus on retention and new sales opportunities as customers move to more resilient and “best in class” operations.

reporting, decision-making and external communication.	A range of key internal financial controls, such as segregation of duties, authorisations and detailed reviews are in place with regular monitoring by management to ensure the accuracy of the data for reporting purposes

Condensed Consolidated Income Statement
For the financial year ended 28 February 2021

	Notes	**Year ended 28 February 2021**			Year ended 29 February 2020		
		Before exceptional items €m	**Exceptional items (note 4) €m**	**Total €m**	Before exceptional items €m	Exceptional items (note 4) €m	Total €m
Revenue	2	**1,022.8**	**-**	**1,022.8**	2,145.5	-	2,145.5
Excise duties		**(285.9)**	**-**	**(285.9)**	(426.2)	-	(426.2)
Net revenue	2	**736.9**	**-**	**736.9**	1,719.3	-	1,719.3
Operating costs		**(796.5)**	**(25.2)**	**(821.7)**	(1,598.5)	(91.0)	(1,689.5)
Group operating (loss)/profit	2	**(59.6)**	**(25.2)**	**(84.8)**	120.8	(91.0)	29.8
Profit on disposal	4	**-**	**5.8**	**5.8**	-	0.9	0.9
Finance income		**-**	**-**	**-**	0.5	-	0.5
Finance expense		**(19.5)**	**(7.9)**	**(27.4)**	(20.3)	-	(20.3)
Share of equity accounted investments' (loss)/profit after tax		**(6.1)**	**(8.8)**	**(14.9)**	3.1	(2.4)	0.7
(Loss)/profit before tax		**(85.2)**	**(36.1)**	**(121.3)**	104.1	(92.5)	11.6
Income tax credit/ (expense)		**14.4**	**2.4**	**16.8**	(12.3)	9.8	(2.5)
Group (loss)/profit for the financial year		**(70.8)**	**(33.7)**	**(104.5)**	91.8	(82.7)	9.1
Basic (loss)/ earnings per share (cent)	**6**			**(33.8)**			2.9
Diluted (loss)/earnings per share (cent)	**6**			**(33.8)**			2.9

All of the results are related to continuing operations.

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Condensed Consolidated Statement of Comprehensive Income
For the financial year ended 28 February 2021

	Notes	2021 €m	2020 €m
Other comprehensive income:			
Items that may be reclassified to Income Statement in subsequent years:			
Foreign currency translation differences arising on the net investment in foreign operations		**(17.4)**	1.4
Gain relating to cash flow hedges		**0.3**	1.7
Deferred tax relating to cash flow hedges		**-**	(0.3)
Items that will not be reclassified to Income Statement in subsequent years:			
Revaluation of property, plant & equipment		**0.9**	1.1
Deferred tax on revaluation of property, plant and equipment		**(0.2)**	(0.1)
Actuarial gain/(loss) on retirement benefits	**9**	**13.4**	(4.4)
Deferred tax (charge)/credit on actuarial gain/(loss) on retirement benefits		**(1.6)**	0.7
Share of equity accounted investments' Other Comprehensive Income		**(0.4)**	3.7
Net (loss)/profit recognised directly within Other Comprehensive Income		**(5.0)**	3.8
Group (loss)/profit for the financial year		**(104.5)**	9.1
Comprehensive income for the financial year		**(109.5)**	12.9

Condensed Consolidated Balance Sheet
As at 28 February 2021

	Notes	2021 €m	2020 €m
ASSETS			
Non-current assets			
Property, plant & equipment		**204.0**	223.4
Goodwill & intangible assets		**646.0**	652.9
Equity accounted investments/financial assets		**63.1**	83.9
Retirement benefits	**9**	**10.4**	8.8
Deferred tax assets		**24.6**	11.9
Trade & other receivables		**41.8**	25.8
		989.9	1,006.7
Current assets			
Inventories		**121.3**	145.8
Trade & other receivables		**102.8**	166.0
Cash		**107.7**	123.4
		331.8	435.2
Assets held for sale		**13.9**	-
		345.7	435.2
TOTAL ASSETS		**1,335.6**	1,441.9
EQUITY			
Capital and reserves			
Equity share capital		**3.2**	3.2
Share premium		**171.3**	171.0
Treasury shares		**(36.5)**	(36.6)
Other reserves		**83.1**	102.4
Retained income		**225.0**	315.4
Total Equity		**446.1**	555.4
LIABILITIES			
Non-current liabilities			
Lease liabilities		**60.7**	74.4
Interest bearing loans & borrowings		**420.3**	323.8
Retirement benefits	**9**	**5.5**	16.7
Provisions		**6.5**	5.1
Deferred tax liabilities		**17.3**	16.5
		510.3	436.5
Current liabilities			
Lease liabilities		**18.9**	18.9
Derivative financial liabilities		**-**	0.3
Trade & other payables		**296.2**	390.7
Interest bearing loans & borrowings		**49.7**	33.2
Provisions		**6.2**	4.1
Current income tax liabilities		**5.8**	2.8
		376.8	450.0
Liabilities directly associated with the assets held for sale		**2.4**	-
		379.2	450.0
Total liabilities		**889.5**	886.5
TOTAL EQUITY & LIABILITIES		**1,335.6**	**1,441.9**

Condensed Consolidated Cash Flow Statement
For the financial year ended 28 February 2021

CASH FLOWS FROM OPERATING ACTIVITIES	**Notes**	**2021**	2020
		€m	€m
Group (loss)/profit for the year		**(104.5)**	9.1
Finance income		**-**	(0.5)
Finance expense		**27.4**	20.3
Income tax (credit)/expense		**(16.8)**	2.5
Loss/(profit) on share of equity accounted investments		**14.9**	(0.7)
Impairment of intangible asset	**4**	**0.3**	36.6
Impairment of equity accounted investments	**4**	**9.1**	-
Impairment of property, plant & equipment	**4**	**1.2**	1.0
Depreciation of property, plant & equipment		**28.2**	30.3
Amortisation of intangible assets		**2.6**	2.5
Profit on disposal	**4**	**(5.8)**	(0.9)
Net profit on disposal of property, plant & equipment		**(0.4)**	(0.2)
Charge for equity settled share-based payments		**0.8**	2.5
Pension contributions: adjustment from charge to payment	**9**	**0.5**	0.3
		(42.5)	102.8
Decrease in inventories		**18.2**	38.6
Decrease/(increase) in trade & other receivables		**39.6**	(4.8)
(Decrease)/increase in trade & other payables		**(97.2)**	51.9
Increase in provisions		**3.5**	1.9
		(78.4)	190.4
Interest received		**-**	0.5
Interest and similar costs paid		**(23.4)**	(17.9)
Income taxes refunded/(paid)		**7.2**	(8.0)
Net cash (outflow)/inflow from operating activities		**(94.6)**	165.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		**(8.4)**	(15.3)
Purchase of intangible assets		**(1.6)**	(4.5)
Net proceeds on disposal of property, plant & equipment		**1.0**	0.4
Proceeds from sale of equity accounted investment		**-**	6.1
Sale of business	**7**	**6.7**	(1.0)
Cash outflow re acquisition of equity accounted investments / financial assets		**(6.9)**	(11.2)
Net cash outflow from investing activities		**(9.2)**	(25.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/equity interests		**0.3**	0.9
Drawdown of debt		**570.9**	192.6
Repayment of debt		**(464.0)**	(280.7)
Payment of lease liabilities		**(19.0)**	(18.6)
Payment of issue costs		**(1.4)**	(0.5)
Shares purchased to satisfy share options entitlements		**-**	(0.5)
Shares purchased under share buyback programme		**-**	(23.0)
Dividends paid	**5**	**(0.4)**	(29.7)
Net cash inflow/(outflow) from financing activities		**86.4**	(159.5)
Decrease in cash		**(17.4)**	(20.0)
Reconciliation of opening to closing cash			
Cash at beginning of year		**123.4**	144.4
Translation adjustment		**1.7**	(1.0)
Net decrease in cash		**(17.4)**	(20.0)
Cash at end of financial year		**107.7**	123.4

A reconciliation of cash to net debt is presented in note 8 to the condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity
For the financial year ended 28 February 2021

	Equity share capital	Share premium	Other capital reserves*	Cash flow hedge reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 29 February 2020	3.2	171.0	25.8	0.3	5.8	59.0	11.5	(36.6)	315.4	555.4
Loss for the financial year	-	-	-	-	-	-	-	-	(104.5)	(104.5)
Other comprehensive income/(expense)	-	-	-	0.3	-	(17.4)	0.9	-	11.2	(5.0)
Total comprehensive income/(expense)	-	-	-	0.3	-	(17.4)	0.9	-	(93.3)	(109.5)
Dividend on ordinary shares (note 5)	-	-	-	-	-	-	-	-	0.2	0.2
Exercised share options	-	0.3	-	-	-	-	-	-	-	0.3
Reclassification of share-based payments reserve	-	-	-	-	(3.3)	-	-	-	3.3	-
Reclassification of cash flow hedge reserve	-	-	-	(0.6)	-	-	-	-	0.6	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.1	(0.1)	-
Equity accounted investment adjustment	-	-	-	-	-	-	-	-	(1.1)	(1.1)
Equity settled share-based payments	-	-	-	-	0.8	-	-	-	-	0.8
Total transactions with owners	-	0.3	-	(0.6)	(2.5)	-	-	0.1	2.9	0.2
At 28 February 2021	3.2	171.3	25.8	-	3.3	41.6	12.4	(36.5)	225.0	446.1

* Other capital reserves includes Other undenominated reserve of €0.9m and the capital reserve of €24.9m.

	Equity share capital	Share premium	Other capital reserves*	Cash flow hedge reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income	Total	Non-controlling interest	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
At 28 February 2019	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	383.7	598.8	(0.8)	598.0
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	-	(6.2)	(6.2)	-	(6.2)
At 1 March 2019 (adjusted)	3.2	152.6	25.7	(1.1)	3.8	57.6	10.4	(37.1)	377.5	592.6	(0.8)	591.8
Profit for the financial year	-	-	-	-	-	-	-	-	9.1	9.1	-	9.1
Other comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	(0.1)	3.8	-	3.8
Total comprehensive income/(expense)	-	-	-	1.4	-	1.4	1.1	-	9.0	12.9	-	12.9
Dividend on ordinary shares (note 5)	0.1	18.0	-	-	-	-	-	-	(48.1)	(30.0)	-	(30.0)
Exercised share options	-	0.4	-	-	-	-	-	-	-	0.4	-	0.4
Reclassification of share-based payments reserve	-	-	-	-	(0.5)	-	-	-	0.5	-	-	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.5	(0.5)	-	-	-
Shares purchased under share buyback programme and subsequently cancelled	(0.1)	-	0.1	-	-	-	-	-	(23.0)	(23.0)	-	(23.0)
Disposal of Non-controlling interests (note 7)	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Equity settled share-based payments	-	-	-	-	2.5	-	-	-	-	2.5	-	2.5
Total transactions with owners	-	18.4	0.1	-	2.0	-	-	0.5	(71.1)	(50.1)	0.8	(49.3)
At 29 February 2020	3.2	171.0	25.8	0.3	5.8	59.0	11.5	(36.6)	315.4	555.4	-	555.4

* Other capital reserves includes Other undenominated reserve of €0.9m and the capital reserve of €24.9m.

Notes to the Condensed Consolidated Financial Statements
For the year ended 28 February 2021

1. BASIS OF PREPARATON

The financial information presented in this report has been prepared in accordance with the listing rules of the London Stock Exchange and the accounting policies that the Group has adopted under International Financial Reporting Standards (IFRS) as approved by the EU Commission for the financial year ended 28 February 2021.

Going concern basis

The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks including the risks arising from COVID-19. In assessing the impact of the COVID-19 pandemic, the Directors considered a base case scenario, along with a reasonable worst case scenario, both of which exclude any upside from the potential Rights Issue. The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2022 (the going concern "assessment period"). They also assessed the assumptions relating to the profitability and cash generation of the business. The key assumption in the assessment is the phased reopening of the on-trade business in the Company's main markets of England, Scotland and Ireland based on available Government advice and roadmaps.

The Group's scenarios are outlined below:

- The base case projection assumes on-trade recovery in England and Scotland continuing from April and May 2021 respectively, Ireland's on-trade recovery commencing from June 2021.
- The pace of recovery is assumed to be similar across each territory once on-trade restrictions are eased, with gradual improvement to volumes.
- In aggregate on-trade volumes over the assessment period are projected to be approximately 79% of FY2020 in the base case scenario over the assessment period.
- The reasonable worst case projection assumes the same timeline for re-opening of on-trade as the base case; however volumes are projected to hold flat at modest levels for the remainder of the summer as many on-trade restrictions are assumed to remain in place over that period and then build more gradually from that point.
- The reasonable worse case projection contains linked working capital assumptions reflecting a more challenged supplier credit environment.

The going concern base case and reasonable worse case scenarios also consider the achievement of cost saving measures, the Group's financing facilities, the use of temporary government supports and projected dividend payments. The Group benchmarked the impacts of both scenarios against the monthly liquidity and gross debt covenant waiver tests through the going concern assessment period. The Group has obtained waivers on its original covenant requirements up to, but not including, the August 2022 test date whether or not the Rights Issue is successful. The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Refinancing activities, including the extension of facilities, and the covenant waivers obtained on the Group's debt, have been reviewed by the Directors, in addition to the projected revenue and profitability and the related impact on projected cash flows.

Overall conclusion

Having considered these factors, the Directors have concluded that monthly liquidity and gross debt covenant waiver tests will be satisfied under both the base case and reasonable worse cast scenarios (without any benefit of the proposed Rights Issue) and therefore consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so. In making this assessment, the Directors considered the continued impact of COVID-19 and in particular the assumptions in respect of forecasted level of the on-trade business in each of the Group's main trading locations. While it was recognised that COVID-19 continues to have a negative impact on the on-trade business, given the actions available to management, the Directors do not expect any reasonably anticipated deterioration in the forecasted revenues to impact the Group's ability to continue as a going concern.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations

The following new standards, interpretations and standard amendments became effective for the Group as of 1 March 2020:

- Amendments to IFRS 3 *Definition of a Business*
- Amendments to IFRS 7, IFRS 9 and IAS 39 *Interest Rate Benchmark Reform*
- Amendments to IAS 1 and IAS 8 *Definition of Material*
- Conceptual Framework for Financial Reporting issued on 29 March 2018
- Amendments to IFRS 16 *COVID-19 Related Rent Concessions*

The new standards, interpretations and standard amendments did not result in a material impact on the Group's results.

Statutory accounts
The financial information prepared in accordance with IFRS as adopted by the European Union included in this report does not constitute the statutory financial statements for the purposes of Chapter 4 of Part 6 of the Companies Act 2014. Full statutory accounts for the year ended 28 February 2021 prepared in accordance with IFRS, upon which the auditor has given an unqualified report, have not yet been filed with the Registrar of Companies but are available on the Group's website. Full accounts for the year ended 29 February 2020, prepared in accordance with IFRS and containing an unqualified audit report have been delivered to the Registrar of Companies. The information included has been extracted from the Group's financial statements, which have been approved by the Board of Directors on 26 May 2021.

Reporting Currency
The financial information is presented in Euro millions, rounded to one decimal place. The exchange rates used in translating Balance Sheet and Income Statement amounts were as follows:

	2021	2020
Balance Sheet (Euro : Sterling closing rate)	**0.8705**	0.8532
Income Statement (Euro : Sterling average rate)	**0.8959**	0.8721
Balance Sheet (Euro : USD closing rate)	**1.2121**	1.0977
Income Statement (Euro : USD average rate)	**1.1602**	1.1132

2. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits and soft drinks. Four operating segments have been identified in the current and prior financial year; Ireland, Great Britain, Matthew Clark and Bibendum ("MCB") and International.

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in which information is classified and reported to the Chief Operating Decision Maker ("CODM"). The CODM, identified as the Executive Directors, assesses and monitors the operating results of segments separately via internal management reports in order to effectively manage the business and allocate resources.

The identified business segments are as follows:

(i) Ireland
This segment includes the financial results from sale of the Group's own branded products across the Island of Ireland, principally Bulmers, Magners, Tennent's, Five Lamps, Clonmel 1650, Heverlee, Dowd's Lane, Seven Summits hard seltzer, Roundstone Irish Ale, Linden Village, Finches and Tipperary Water. The Group also operates the Bulmers Ireland drinks distribution business, a leading distributor of third party drinks to the licensed on and off-trade in Ireland. The Group distributes San Miguel, Tsingtao and Budweiser Brewing Group beer brands across the Island of Ireland. Since July 2020, the Group has also distributed the Budweiser brand on an exclusive basis. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

(ii) Great Britain (GB)
This segment includes the financial results from sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the main brands. This division includes the sale of the Group's portfolio of owned cider brands across the rest of GB, including Magners, Orchard Pig, K Cider and Blackthorn which are distributed in partnership with Budweiser Brewing Group. In addition, the division includes the Tennent's drinks distribution business in Scotland. The Group also distributes selected Budweiser Brewing Group brands in Scotland and the Tsingtao and Menabrea international beer brands across the UK. Our primary manufacturing plant and administration centre is located at the Wellpark Brewery in Glasgow.

(iii) Matthew Clark and Bibendum (MCB)
This segment includes the financial results from the Matthew Clark and Bibendum businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 13,000 products, including beers, wines, spirits, cider and soft drinks. Matthew Clark and Bibendum also have a number of exclusive distribution agreements for third party products (mainly wines but also including spirits) into the UK market and also has a limited range of own brand wines. It has a nationwide distribution network serving the independent free trade and national accounts. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine.

(iv) International
This segment includes the financial results from the sale and distribution of the Group's own branded products, principally Magners and Tennent's outside of the UK and Ireland. The Group exports to over 40 countries globally, notably in continental Europe, Asia and Australia. The Group operates mainly through local distributors

in these markets and regions. This division includes the sale of the Group's cider and beer products in the US and Canada. In April 2021, the business divested our wholly-owned US subsidiary, Vermont Hard Cider Company and its Woodchuck suite of brands.

The analysis by segment includes both items directly attributable to a segment and those, including central overheads, which are allocated on a reasonable basis in presenting information to the CODM.

Inter-segmental revenue is not material and thus not subject to separate disclosure.

(a) Analysis by reporting segment

		2021			2020	
	Revenue €m	**Net revenue €m**	**Operating loss €m**	Revenue €m	Net revenue €m	Operating profit €m
Ireland	**269.8**	**166.1**	**(4.9)**	327.1	227.7	40.5
Great Britain	**347.8**	**206.8**	**(8.4)**	516.9	334.1	44.9
Matthew Clark and Bibendum (MCB)	**378.3**	**337.8**	**(44.5)**	1,262.7	1,119.6	29.0
International	**26.9**	**26.2**	**(1.8)**	38.8	37.9	6.4
Total before exceptional items	**1,022.8**	**736.9**	**(59.6)**	2,145.5	1,719.3	120.8
Exceptional items (note 4)	**-**	**-**	**(25.2)**	-	-	(91.0)
Group operating (loss)/profit	**-**	**-**	**(84.8)**	-	-	29.8
Profit on disposal (note 4)	**-**	**-**	**5.8**	-	-	0.9
Finance income	**-**	**-**	**-**	-	-	0.5
Finance expense	**-**	**-**	**(19.5)**	-	-	(20.3)
Finance expense exceptional items (note 4)	**-**	**-**	**(7.9)**	-	-	-
Share of equity accounted investments' (loss)/profit after tax before exceptional items	**-**	**-**	**(6.1)**	-	-	3.1
Share of equity accounted investments' exceptional items (note 4)	**-**	**-**	**(8.8)**	-	-	(2.4)
Total	**1,022.8**	**736.9**	**(121.3)**	2,145.5	1,719.3	11.6

Of the exceptional items in the current financial year of €25.2m, €8.3m loss relates to Ireland, €14.7m loss relates to Great Britain, €2.9m loss relates to MCB and €0.7m credit relates to International. Of the exceptional items in the prior financial year of €91.0m, €7.2m related to Ireland, €27.7m related to Great Britain, €16.2m related to MCB, €39.8m related to International and €0.1m was unallocated as it did not relate to any particular segment.

Profit on disposal of €5.8m in the current financial year relates to Ireland. Profit on disposal of €0.9m in the prior financial year related to a €2.6m profit on disposal included within International offset by a loss with respect to the sale of Peppermint within MCB of €1.7m.

The share of equity accounted investments' loss after tax before exceptional items of €6.1m (FY2020: profit €3.1m) relates to Great Britain. The share of equity accounted investments' exceptional items of €8.8m (FY2020: €2.4m) relates to Great Britain.

Total assets for the year ended 28 February 2021 amounted to €1,335.6m (FY2020: €1,441.9m).

(b) Other operating segment information

		2021			2020	
	Tangible and intangible expenditure €m	**Lease additions €m**	**Depreciation /amortisation /impairment /revaluation €m**	Tangible and intangible expenditure €m	Lease additions €m	Depreciation /amortisation /impairment/ revaluation €m
Ireland	**1.9**	**0.9**	**6.1**	8.5	1.1	5.4
Great Britain	**10.5**	**6.1**	**14.1**	6.7	4.6	12.2
Matthew Clark and Bibendum	**1.3**	**4.9**	**10.4**	3.4	6.4	13.3
International	**0.4**	**-**	**1.7**	1.2	-	39.5
Total	**14.1**	**11.9**	**32.3**	19.8	12.1	70.4

(c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2021	2020	**2021**	2020
	€m	€m	**€m**	€m
Ireland	**269.8**	327.1	**166.1**	227.7
Great Britain	**726.1**	1,779.6	**544.6**	1,453.7
International	**26.9**	38.8	**26.2**	37.9
Total	**1,022.8**	2,145.5	**736.9**	1,719.3

The geographical analysis of revenue and net revenue is based on the location of the third party customers.

(d) Geographical analysis of non-current assets

	Ireland	**Great Britain**	**International**	**Total**
	€m	**€m**	**€m**	**€m**
28 February 2021				
Property, plant & equipment	**68.5**	**130.2**	**5.3**	**204.0**
Goodwill & intangible assets	**158.1**	**462.7**	**25.2**	**646.0**
Equity accounted investments/financial assets	**0.4**	**62.5**	**0.2**	**63.1**
Total	**227.0**	**655.4**	**30.7**	**913.1**

	Ireland	Great Britain	International	Total
	€m	€m	€m	€m
29 February 2020				
Property, plant & equipment	73.6	136.5	13.3	223.4
Goodwill & intangible assets	158.5	469.2	25.2	652.9
Equity accounted investments	0.4	83.3	0.2	83.9
Total	232.5	689.0	38.7	960.2

The geographical analysis of non-current assets, with the exception of goodwill & intangible assets, is based on the geographical location of the assets. The geographical analysis of goodwill & intangible assets is allocated based on the country of destination of sales at the date of acquisition.

(e) Disaggregated net revenue

In the following table, net revenue is disaggregated by primary geographic market and by principal activities and products. Geography is the primary basis on which management reviews its businesses across the Group.

Principal activities and products		**2021**		
Net revenue	**Ireland**	**Great Britain**	**International**	**Total**
	€m	**€m**	**€m**	**€m**
Own brand alcohol	**41.2**	**107.3**	**22.7**	**171.2**
Matthew Clark and Bibendum	**-**	**337.8**	**-**	**337.8**
Other sources*	**124.9**	**99.5**	**3.5**	**227.9**
Total Group from continuing operations	**166.1**	**544.6**	**26.2**	**736.9**

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

Principal activities and products		2020		
Net revenue	Ireland	Great Britain	International	Total
	€m	€m	€m	€m
Own brand alcohol	85.1	161.9	34.5	281.5
Matthew Clark and Bibendum	-	1,119.6	-	1,119.6
Other sources*	142.6	172.2	3.4	318.2
Total Group from continuing operations	227.7	1,453.7	37.9	1,719.3

* Other sources include wholesale (excluding MCB), own label, contracts and non-alcoholic beverages (NABs) revenues.

3. CYCLICALITY OF OPERATIONS

In the current environment, COVID-19 is having a material impact on the results of the Group. Under a normal trading environment, C&C (excluding Matthew Clark and Bibendum) brands within our portfolio, particularly our cider brands, tend to have higher consumption during the summer months, which fall within the first half of our financial year. In addition, external factors such as weather and significant sporting events, which traditionally take place in the summer months, will have a greater impact on our first half trading. Accordingly, trading profit is usually higher in the first half of the Group's financial year.

For Matthew Clark and Bibendum, the most important trading period in terms of sales, profitability and cash flow has been the Christmas season, in which case the second half of the year will have a greater impact on our distribution business.

4. EXCEPTIONAL ITEMS

	2021 €m	2020 €m
Operating costs		
COVID-19 (a)	**(4.6)**	(47.6)
Restructuring costs (b)	**(8.1)**	(3.0)
Impairment of equity accounted investment (c)	**(9.1)**	-
Impairment of property, plant & equipment (d)	**(1.2)**	(1.0)
Impairment of intangible assets (e)	**-**	(34.2)
Contract termination (f)	**-**	(4.4)
Other (g)	**(2.2)**	(0.8)
Operating (loss)/profit exceptional items	**(25.2)**	(91.0)
Profit on disposal (h)	**5.8**	0.9
Finance expense (i)	**(7.9)**	-
Share of equity accounted investments' exceptional items (c)	**(8.8)**	(2.4)
Included in loss before tax	**(36.1)**	(92.5)
Income tax credit (j)	**2.4**	9.8
Included in loss after tax	**(33.7)**	(82.7)

(a) COVID-19

The Group has continued to account for the ongoing COVID-19 pandemic as an exceptional item and has incurred an exceptional charge of €4.6m from operating activities at 28 February 2021 in this regard (FY2020: €47.6m). The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €6.1m with respect to its provision against trade debtors (FY2020: charge of €19.4m) and a charge of €1.2m with respect to its provision for advances to customers (FY2020: €5.8m). The Group incurred exceptional charges of €5.8m with respect to inventory (FY2020: €10.6m), this related to inventory that became obsolete, all as a consequence of the COVID-19 restrictions. The Group incurred costs of €1.7m with respect to a provision for lost kegs, €0.3m with respect to the write off of an IT intangible asset where the project will now not be completed (FY2020: €2.4m), due to COVID-19 and a net credit of €0.6m (FY2020: charge €9.4m) with respect to the release of a trade provision. Other costs of €2.3m were incurred, which included site improvement costs, impairment of brand dispense equipment and an excess holiday accrual all directly linked to the pandemic.

(b) Restructuring costs

Restructuring costs of €8.1m were incurred in the current financial year. These included severance costs of €6.8m, of which €4.9m was incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic and €1.9m arose as a consequence of the optimisation of the delivery networks in England and Scotland. The Group also incurred additional costs of €2.0m with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7m relating to the profit on disposal of a property as a direct consequence of the optimisation project.

Restructuring costs of €3.0m were incurred in the prior financial year. These costs primarily related to severance costs arising from the acquisition and subsequent integration of Matthew Clark and Bibendum of €2.3m. Restructuring costs of €0.5m related to the centralisation of accounting services. Other restructuring initiatives across the Group in the prior financial year resulted in a further charge of €0.2m.

(c) Equity accounted investments' exceptional items

The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investments at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9m with respect to its carrying value of its investment

in Admiral Taverns and €0.2m with respect to the carrying value of its investment in Drygate Brewing Company Limited.

The Group also incurred €8.8m with respect to its share of Admiral Taverns' exceptional items. These included a charge of €7.0m (FY2020: €2.7m) with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4m (FY2020: a gain of €3.7m) with respect to the Group's share of the revaluation, was recognised in Other Comprehensive Income. The Group also recognised €1.8m with respect to its share of Admiral's other exceptional items for the year, including €0.8m with respect to a provision against trade debtors as a consequence of COVID-19, €0.5m with respect to an Asbestos provision with the remaining €0.5m in relation to other charges directly attributable to COVID-19.

In the prior financial year, the Group invested €10.7m which gave rise to capital duties to be expensed in relation to the acquisition (the Group's share of this expense was €2.9m). This was offset by recognition of the Group's share of an adjustment made by the investee to recognise a higher deferred tax asset in respect of timing differences on fixed assets in respect of prior years (the Group's share of this gain was €3.2m).

(d) Impairment of property, plant & equipment
Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated Balance Sheet and reviewed for impairment on an annual basis. During the current financial year, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation loss of €1.2m (FY2020: €1.0m) accounted for in the Consolidated Income Statement and a gain of €0.9m (FY2020: €1.1m) accounted for within Other Comprehensive Income.

(e) Impairment of intangible assets
To ensure that goodwill and brands considered to have an indefinite useful economic life are not carried at above their recoverable amount, impairment reviews are performed annually or more frequently if there is an indication that their carrying amount(s) may not be recoverable, comparing the carrying value of the assets with their recoverable amount using value in use computations. The Group performed an impairment review at 28 February 2021 and all assets were deemed to be recoverable.

In the prior financial year, the Group recorded an impairment charge of €34.1m with respect to the Group's North America segment and in particular the Woodchuck suite of brands. An impairment of €0.1m was also taken with respect to the Group's Matthew Clark Bibendum cash generating unit directly attributable to a discontinued brand.

(f) Contract termination
In the prior financial year, the Group terminated a number of its long-term apple contracts, which were deemed surplus to requirements, incurring a cost of €4.4m.

(g) Other
Other exceptional costs of €2.2m were incurred by the Group in the year with respect to a provision against legal disputes. In the prior financial year, the Group incurred costs of €0.2m associated with a previous acquisition and incurred €0.6m with respect to incremental costs associated with the dual running of warehouse management systems in Scotland due to system implementation delays.

(h) Profit on disposal
During the current financial year, as outlined in further detail in note 7, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4m, realising a profit of €5.8m on disposal.

During the prior financial year, the Group disposed of its equity accounted investment in a Canadian company for cash proceeds of €6.1m, realising a profit of €2.6m on disposal. The Group also disposed of its investment and non-controlling interest in Peppermint Events Limited at a loss of €1.7m.

(i) Exceptional finance charges
During the current financial year, the Group successfully negotiated covenant waivers due to the impact of COVID-19 with its lenders. Costs of €7.9m were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

(j) Income tax credit
The tax credit in the current financial year, with respect to exceptional items amounted to €2.4m (FY2020: €9.8m).

5. DIVIDENDS

	2021 €m	2020 €m
Dividends charged to Income Statement:		
Final: €nil dividend paid (FY2020: 9.98c paid in July 2019)	**-**	30.8
Interim: €nil dividend paid (FY2020: 5.50c paid in December 2019)	**-**	17.3
Credit with respect to share-based payments dividend entitlements	**(0.2)**	-
Total equity dividends	**(0.2)**	48.1
Settled as follows:		
Paid in cash	**-**	29.7
Scrip dividend	**-**	18.1
(Credit)/charge with respect to share-based payments dividend entitlements	**(0.2)**	0.3
	(0.2)	48.1

In order to achieve better alignment of the interest of share-based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. The Deferred Bonus Plan and the Buy-Out Awards also accrue dividends during the vesting period. A credit of €0.2m (FY2020: €0.3m charge) in the current financial year is a consequence of dividend accruing share-based payment awards deemed to have lapsed and their related dividend accrual being released.

A payment of €0.4m was made in the current financial year to recipients of dividend accruing share based payment awards, where the award was exercised in the current financial year and the resulting dividends accrued over the vesting period were paid (FY2020: €nil).

Due to COVID-19, no interim dividend was paid and no final dividend is being declared with respect to FY2021. Total dividend for the prior financial year was 5.50 cent. Total dividends of €nil (final dividend with respect to FY2020 and interim dividend with respect to FY2021) were recognised as a deduction from the retained income reserve in the year ended 28 February 2021 (FY2020: 15.48 cent). A credit of €0.2m was recorded in the current financial year as a consequence of dividend accruing share-based payment awards deemed to have lapsed and their related dividend accrual being released.

Final dividends on ordinary shares are recognised as a liability in the financial statements only after they have been approved at an Annual General Meeting of the Company. Interim dividends on ordinary shares are recognised when they are paid.

6. EARNINGS PER ORDINARY SHARE

Denominator computations

	2021 Number '000	2020 Number '000
Number of shares at beginning of year	**319,495**	320,354
Shares issued in lieu of dividend	**-**	4,624
Shares issued in respect of options exercised	**985**	142
Share repurchased and subsequently cancelled	**-**	(5,625)
Number of shares at end of year	**320,480**	319,495
Weighted average number of ordinary shares (basic)*	**309,149**	308,906
Adjustment for the effect of conversion of options	**-**	1,690
Weighted average number of ordinary shares, including options (diluted)	**309,149**	310,596

* Excludes 10.8m treasury shares (FY2020: 10.8m).

(Loss)/profit attributable to ordinary shareholders	**2021 €m**	2020 €m
Group (loss)/profit for the financial year	**(104.5)**	9.1
Adjustment for exceptional items, net of tax (note 4)	**33.7**	82.7
(Loss)/earnings as adjusted for exceptional items, net of tax	**(70.8)**	91.8

	Cent	Cent
Basic (loss)/earnings per share		
Basic (loss)/earnings per share	**(33.8)**	2.9
Adjusted basic (loss)/earnings per share	**(22.9)**	29.7
Diluted (loss)/earnings per share		
Diluted (loss)/earnings per share	**(33.8)**	2.9
Adjusted diluted (loss)/earnings per share	**(22.9)**	29.6

Basic (loss)/earnings per share is calculated by dividing the Group (loss)/profit for the financial year by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Group and accounted for as treasury shares (at 28 February 2021: 10.8m shares; at 29 February 2020: 10.8m shares).

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period of the year that the options were outstanding.

Employee share awards (excluding awards which were granted under plans where the rules stipulate that obligations must be satisfied by the purchase of existing shares), which are performance-based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period (1,930,864 at 28 February 2021 and 175,492 at 29 February 2020). If dilutive other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

7. BUSINESS COMBINATIONS/DIVESTMENTS AND NON-CONTROLLING INTERESTS

As part of a strategic review in the current financial year, the Group disposed of €1.3m of net assets with respect to its non-core Tipperary Water Cooler business for an initial consideration of €7.4m. Further consideration may be payable dependent on further revenue targets being achieved. Transaction costs of €0.3m were also incurred (included in the cash flows from operating activities) resulting in a profit on disposal of €5.8m (note 4).

The net identifiable assets disposed were as follows:

	Asset value on disposal €m
Non-current assets	
Property, plant & equipment	**0.9**
Leased right-of-use assets	**0.4**
Total non-current assets	**1.3**
Current assets	
Cash	**0.5**
Inventories	**0.1**
Trade & other receivables	**0.3**
Current income tax asset	**0.1**
Current assets	**1.0**
Non-current liabilities	
Lease liabilities	**(0.2)**
Non-current liabilities	**(0.2)**
Current liabilities	
Lease liabilities	**(0.2)**
Trade & other payables	**(0.6)**
Current liabilities	**(0.8)**
Total net identifiable assets disposed	**1.3**
Total consideration	**7.4**
Net identifiable assets disposed	**(1.3)**
Transaction costs incurred	**(0.3)**
Profit on disposal	**5.8**
Satisfied by:	
Cash consideration received	**7.2**
Deferred consideration	**0.2**
Total consideration	**7.4**
Analysis of cash flows on disposal:	
Cash consideration received	**7.2**
Cash and cash equivalents disposed of	**(0.5)**
Net cash inflow	**6.7**

Year ended 29 February 2020

In the prior financial year, the Group disposed of its investment and non-controlling interest in Peppermint Events Limited which it acquired in FY2019 as part of the acquisition of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiaries (together "Matthew Clark and Bibendum"). A loss of €1.7m was incurred on disposal.

On disposal of Peppermint Events Limited the Group reversed the adjustment to Goodwill amounting to €0.6m for non-controlling interest.

8. ANALYSIS OF NET DEBT

	1 March 2020 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non-cash changes €m	28 February 2021 €m
Interest bearing loans & borrowings	**(357.0)**	**(6.3)**	**-**	**(105.5)**	**(1.2)**	**(470.0)***
Cash	**123.4**	**1.7**	**-**	**(17.4)**	**-**	**107.7**
Net debt excluding leases	**(233.6)**	**(4.6)**	**-**	**(122.9)**	**(1.2)**	**(362.3)**
Lease liabilities	**(93.3)**	**2.0**	**(7.3)**	**22.5**	**(3.5)**	**(79.6)**
Net debt including leases	**(326.9)**	**(2.6)**	**(7.3)**	**(100.4)**	**(4.7)**	**(441.9)**

* Interest bearing loans & borrowings at 28 February 2021 are net of unamortised issue costs of €3.9m.

	1 March 2019 €m	Translation adjustment €m	Additions/ Disposals €m	Cash Flow, net €m	Non-cash changes €m	29 February 2020 €m
Interest bearing loans & borrowings	(446.0)	1.8	-	88.6	(1.4)	(357.0)*
Cash	144.4	(1.0)	-	(20.0)	-	123.4
Net debt excluding leases	(301.6)	0.8	-	68.6	(1.4)	(233.6)
Lease liabilities	(99.6)	(0.5)	(11.6)	22.0	(3.6)	(93.3)
Net debt including leases	(401.2)	0.3	(11.6)	90.6	(5.0)	(326.9)

* Interest bearing loans & borrowings at 29 February 2020 are net of unamortised issue costs of €3.7m.

The non-cash change to the Group's interest bearing loans and borrowings in the current financial year relates to the amortisation of issue costs of €1.2m (FY2020: €1.4m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding of €3.5m (FY2020: €3.6m).

Borrowing facilities

Group
The Group manages its borrowing requirements by entering into committed loan facility agreements and in the current financial year also completed the successful issue of new USPP notes which diversifies the Group's sources of debt finance.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. In FY2020 the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. During the current financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

In March 2020, the Group completed the successful issue of new USPP notes. The unsecured notes, denominated in both Euro and Sterling, have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments however a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment, as a consequence of COVID-19, which now becomes payable with the last instalment in July 2022.

Under the terms of the multi-currency facility and the Euro term loan, the Group must pay a commitment fee based on 35% of the applicable margin on undrawn committed amounts and variable interest on drawn amounts based on variable Euribor/Libor interest rates plus a margin, the level of which is dependent on the Net Debt: EBITDA ratio, plus a utilisation fee, the level of which is dependent on percentage utilisation. The Group may select an interest period of one, two, three or six months.

Under the terms of the USPP, the Group pays a margin of 1.6% with respect to €19.0m USPP notes with a 10 year tenure; 1.73% with respect to €57.0m USPP notes with a 12 year tenure and 2.74% with respect to £58.0m

notes with a 10 year tenure. A waiver fee was payable with respect to the covenant waivers secured during the current financial year, a reduced EBITDA fee is also payable while EBITDA is below €120.0m and a below investment grade fee is payable when the Group's credit rating is below investment grade. The maximum payable under the three components is 1.5%. A further fee of 1.5% is payable due to the Group not completing a right's Issue within a pre-determined timeframe specified by the note holders.

The Group has further financial indebtedness of €5.7m at 28 February 2021 (FY2020: €17.6m), which is repayable by instalments with the last instalment paid on 3 April 2021. The Group paid variable interest on these drawn amounts based on a variable Libor interest rate plus a margin of 2%.

The Euro term loan and multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility.

All bank loans drawn are unsecured and rank pari passu. All borrowings of the Group are guaranteed by a number of the Group's subsidiary undertakings. The Euro term loan and multi-currency facilities agreement allows the early repayment of debt without incurring additional charges or penalties. The USPP allows the early prepayment of the notes at any time subject to the payment of a make whole amount to compensate the note holders for the interest that would have been received on the notes had they not been prepaid early.

All borrowings of the Group at 28 February 2021 are repayable in full on change of control of the Group.

Covenants
As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date whether or not the Rights Issue, announced by the Group on 26 May 2021, is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. The Minimum Equity Raise is defined as the receipt of at least £125.0m of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. Where the Minimum Equity Raise is not achieved, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120.0m, June 2022 when the minimum amount of liquidity is €80.0m and July 2022 when the minimum amount of liquidity is €100.0m). A monthly gross debt cap of €750.0m in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise is achieved, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month. A monthly gross debt cap of €750.0m in the current financial year also applied which will continue during FY2022 but will reduce to €700.0m post a Minimum Equity Raise being achieved. The minimum liquidity requirement and a gross debt restriction can be lifted earlier in certain circumstances.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants for the prior year (before the current waivers were secured):
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

The Group also had covenants with respect to its non-bank financial indebtedness for the prior year (before the current waivers were secured), this debt was repaid in full on 3 April 2021.
- Interest cover: The ratio of EBITDA to net interest for a period of 12 months ending on each half-year date will not be less than 3.5:1
- Net debt: EBITDA: The ratio of net debt on each half-year date to EBITDA for a period of 12 months ending on a half-year date will not exceed 3.5:1

There is no effect on the Group's covenants as a result of implementing IFRS 16 *Leases* in the prior financial year as all covenants are calculated on a pre IFRS 16 *Leases* adoption basis.

9. RETIREMENT BENEFITS

The Group operates a number of defined benefit pension schemes for certain employees, past and present, in the Republic of Ireland (ROI) and in Northern Ireland (NI), all of which provide pension benefits based on final salary and the assets of which are held in separate trustee administered funds. The Group closed its defined benefit pension schemes to new members in March 2006 and provides only defined contribution pension schemes for employees joining the Group since that date. The Group provides permanent health insurance cover for the benefit of certain employees and separately charges this to the Income Statement.

The defined benefit pension scheme assets are held in separate trustee administered funds to meet long-term pension liabilities to past and present employees. The trustees of the funds are required to act in the best interest of the funds' beneficiaries. The appointment of trustees to the funds is determined by the schemes' trust documentation. The Group has a policy in relation to its principal staff pension fund that members of the fund should nominate half of all fund trustees.

There are no active members remaining in the executive defined benefit pension scheme (FY2020: no active members). There are 52 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (FY2020: 55 active members) and 2 active members in the NI defined benefit pension scheme (FY2020: 2 active members). The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2015 and thereafter for all future pension increases to be awarded on a discretionary basis.

Actuarial valuations – funding requirements

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. The actuarial valuations are not available for public inspection; however the results of the valuations are advised to members of the various schemes.

The funding requirements in relation to the Group's ROI staff defined benefit pension schemes are assessed at each valuation date and are implemented in accordance with the advice of the actuaries. Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of 27.5% of pensionable salaries. There is no funding requirement with respect to the Group's ROI executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to any surplus remaining in these schemes in the event the scheme concludes.

The key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations gross of deferred tax are as outlined below:

	€m
Net deficit at 1 March 2020	**(7.9)**
Translation adjustment	**(0.1)**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**13.4**
Charge to Income Statement	**(0.9)**
Net surplus at 28 February 2021	**4.9**

The decrease in the deficit from €7.9m at 29 February 2020 to a surplus of €4.9m at 28 February 2021 is primarily due to an actuarial gain of €13.4m over the year. The actuarial gain was driven by the increase in the discount rates used to value the pension benefit obligation. The impact of the increase in discount rates was partially offset by the increase in the inflation-related assumptions.

10. RELATED PARTY TRANSACTIONS

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* pertain to the existence of subsidiary undertakings and equity accounted investments, transactions entered into by the Group with these subsidiary undertakings and equity accounted investments and the identification and compensation of and transactions with key management personnel.

(a) Group

Transactions

Transactions between the Group and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

Subsidiary undertakings

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Sales to and purchases from subsidiary undertakings, together with outstanding payables and receivables, are eliminated in the preparation of the consolidated financial statements in accordance with IFRS 10 *Consolidated Financial Statements*.

Loans extended by the Group to equity accounted investments are considered trading in nature and are included within advances to customers in trade & other receivables.

Details of transactions with equity accounted investments during the year and related outstanding balances at the year end are as follows:

	Joint ventures		**Associates**	
	2021	2020	**2021**	2020
	€m	€m	**€m**	€m
Net revenue	**0.9**	1.7	**0.1**	0.5
Trade & other receivables	**0.2**	0.4	**-**	-
Purchases	**0.3**	0.7	**0.2**	0.8
Trade & other payables	**-**	-	**-**	0.3
Loans	**1.5**	1.6	**1.0**	1.1

All outstanding trading balances with equity accounted investments, which arose from arm's length transactions, are to be settled in cash within 60 days of the reporting date.

Key management personnel

For the purposes of the disclosure requirements of IAS 24 Related Party Disclosures, the Group has defined the term 'key management personnel', as its Executive and Non-Executive Directors. Executive Directors participate in the Group's equity share award schemes, permanent health insurance (or reimbursement of premiums paid into a personal policy) and death in service insurance programme. Executive Directors may also benefit from medical insurance under a Group policy (or the Group will reimburse premiums). No other non-cash benefits are provided. Non-Executive Directors do not receive share-based payments nor post employment benefits.

Details of key management remuneration, charged to the Income Statement, are as follows:

	2021	2020
	Number	Number
Number of individuals	**10**	10
	€m	€m
Salaries and other short-term employee benefits	**1.9**	2.8
Post employment benefits	**0.2**	0.4
Equity settled share-based payment (credit)/charge and related dividend accrual	**(0.7)**	1.2
Pay in lieu of notice	**0.6**	0.7
Total	**2.0**	5.1

During the current and prior financial year, there were no transactions or balances between the Group and its key management personnel or members of their close family apart from:

- The Group sells stock to Tesco plc, of which Stewart Gilliland is a Non-Executive Director;
- The Group purchases stock from St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- In the prior financial year the Group was provided with consultancy services from Advanced Boardroom Excellence Limited, of which Helen Pitcher is a Non-Executive Director.

All transactions with related parties involve the normal supply of goods or services and are priced on an arm's length basis.

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2021 was €0.6m (FY2020: €nil).

11. POST BALANCE SHEET EVENTS

On 26 May 2021, the Group announced a Rights Issue. The Rights Issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy as normalised trading conditions return.

As a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date whether or not the Rights Issue is successful. Conditional on a Minimum Equity Raise being achieved, the debt covenants for 31 August 2022 were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place, both in the scenario of a Minimum Equity Raise being achieved and a Minimum Equity Raise not being achieved. Please see Note 8 for further details.

Post year end the Group announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18m against its pre COVID-19 cost base.

On 2 April 2021, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC") to Northeast Kingdom Drinks Group, LLC for a total consideration of USD 20.0m. VHCC was classified as a disposal group, held for sale, as at 28 February 2021.

In April 2021, the Group's wholly owned subsidiary, Matthew Clark Bibendum Limited ("MCB"), was the subject of a cybersecurity incident, which impacted both Matthew Clark and Bibendum. MCB responded quickly, enacting its cybersecurity response plan, and taking steps to protect its IT systems. Additionally, C&C engaged a leading forensic information technology firm and legal counsel to assist the Group in investigating the incident and restoring the IT systems as quickly and as safely as possible. As part of the cybersecurity response plan, the Group contacted all stakeholders on the actions the Group had taken and notified the relevant authorities, including the Information Commissioner's Office. This incident did not affect the IT systems of the wider C&C Group, which continued to operate as normal. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

There were no other events affecting the Group that have occurred since the year end which would require disclosure or amendment of the consolidated financial statements.

12. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 26 May 2021.