RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

28 October 2021 | London, Dublin: 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 unaudited results for the six months ended 31 August 2021 ("H1 FY2022").

H1 FY2022 FINANCIAL OVERVIEW

€m except per share items	H1 FY2022	H1 FY2021	H1 FY2020
Net revenue(i)	657.3	398.4	895.9
Adjusted EBITDA(i)(ii)	30.8	3.8	81.8
Operating profit/(loss)(i)(iii)	16.0	(13.2)	66.0
Operating Margin	2.4%	NM	7.4%
Exceptional credit/(costs) (post tax)	3.3	(6.8)	(2.0)
Basic EPS (cent)(iv)	2.5	(9.6)	14.2
Adjusted diluted EPS (cent)(iv)	1.6	(7.6)	14.8
Free cash flow(iii)(v)	26.2	(28.4)	90.9
Net Debt(vi)	245.8	371.6	343.6

- Net revenue increased 65.0%(i) to €657.3m, reflecting the progressive reopening of the hospitality sector during the latter months of the first half.
- In line with the easing of on-trade restrictions, the Group returned to profitability from June onwards.
- Demonstrating the strength and resilience of the business, C&C recorded an operating profit(iii) of €16.0m for the first half despite some restrictions still in place.
- Strong working capital discipline and C&C's inherent cash generation capability resulted in a free cash inflow(v) of €26.2m pre-exceptional and a related free cash flow conversion of 85.1%.
- Operating profit includes furlough income and temporary salary reductions of €5.2m. The Group discontinued the use of furlough in June when the business returned to profit.
- Exceptional profit of €3.3m which primarily relates to the profit from the sale of Vermont Hard Cider Company ("VHCC"), COVID-19 provision release, profit on sale of depot offset by Rights Issue costs and increased finance costs due to covenant waivers.
- Strong balance sheet position with net debt and liquidity of €245.8m(vi) and €474.9m(vii) respectively at end of August.

STRATEGIC & OPERATING HIGHLIGHTS

- Successful execution of the Rights Issue which placed C&C in a position of strength as on-trade restrictions eased.
- Efficiency and cost saving programme on track. Annualised savings of €9.0m generated in first half compared to pre COVID-19 cost base; target to deliver total of €18m annualised savings in FY2022.
- C&C's exposure to increasing input costs has been well managed in H1 FY2022, with modest exposure in H2 FY2022. With cost and capacity pressures evident, we have communicated a price increase across our GB customer base in October 2021.
- C&C has effectively managed the various issues affecting the wider industry including shortage of drivers and CO_2. C&C's significant in-house network and CO_2 recovery systems means the business has been able to broadly meet the needs of customers over the peak summer trading period, ensuring continuity of supply and service.
- Appointment of Andrea Pozzi to lead a streamlining of the GB businesses; and announced that industry veteran Ralph Findlay will succeed Stewart Gilliland as Chairman in July 2022.

BRAND STRENGTH

- The Group invested behind multi-platform and multi-channel advertising campaigns across its core brands over the key summer trading period – with the three brands featuring on TV.
- Our strong performance in the off-trade has continued with Bulmers and Tennent's growing MAT volume share in the data to H1 FY2022(ix)(x).

SYSTEM STRENGTH

- Against a backdrop of industry wide capacity constraints, we have undertaken an optimisation programme in our GB network, this will drive better customer service whilst helping to deliver our ESG commitments through lower miles travelled.
- C&C announced the simplification of our GB businesses under one leadership team and commencement of a significant change programme to improve efficiency and customer experience.
- Continued momentum in our e-commerce business with online ordering in significant growth compared with pre-pandemic levels.

ESG COMMITMENTS

- Eliminated all single-use plastic from our product ranges at Wellpark manufacturing site.
- Alignment of the Group's Executive Director Long Term Incentive Plan (LTIP) to our environmental targets in June 21.
- From 1 April 2021 all of the electricity needs at C&C main sites are from renewable sources.

CURRENT TRADING & OUTLOOK

- In September 2021, C&C served 89% of outlets versus the same period in 2019 and we are pleased to report that rate of sale per outlet has improved with volumes at 93% of the same period in 2019.
- Assuming current trading conditions prevail, we expect to deliver FY2022 Operating Profit in the range of €50-€55m.
- The Group's near-term focus remains on serving customers and meeting demand whilst navigating the industry wide capacity constraints.
- C&C will continue to execute its change programme as we move to our "One C&C" GB model.

David Forde, C&C Group Chief Executive Officer:

"Following the easing of on-trade restrictions over H1 FY2022, we are delighted to be back serving our customers and consumers in both indoor and outdoor hospitality across our core markets of UK and Ireland. We are encouraged by how quickly the on-trade recovered and we are pleased to report that trading in the first half has been ahead of plan and our inherent cash generating strengths are reflected in the return of the business to cash generation from June 2021.

With our well invested manufacturing facilities, close to the markets we serve, we have been able to react to demand and allocate resource accordingly, to maintain our output, notably being self-sufficient in CO_2, navigating the supply issues faced by the industry. Further, we have been partly insulated from the on-going UK capacity constraints due to driver shortages through our network being owned and operated in-house, in addition to the advantages afforded by our leading scale and reach. This has allowed us to broadly meet demand over the peak summer trading period, ensuring we put our brands and our partner's brands in the hands of the consumers who enjoy them. With this backdrop, I would like to personally thank all of our people who played a part in delivering this performance, their commitment, skill and experience is an invaluable asset to our business.

We have continued to progress our strategy, notably building our brand strength through investment in a multi-channel advertising campaign for our Magners, Bulmers and Tennent's brands. This has in part been reflected by a robust performance in the off-trade and encouraging brand health scores. Our system strength has been enhanced by completion of the GB network optimisation, which will in time both improve service whilst drive efficiencies and reduce emissions. In addition, we have begun work on creating a One C&C GB business, aligning our three trading businesses, Tennent's, Matthew Clark and Bibendum under one leadership team. This initiative will simplify our business while improving our overall customer experience. Lastly, we continue to progress our ESG initiatives with a full transition out of single use plastics in our product ranges at our Wellpark brewery and since April 2021, 100% of the electricity for our main sites is from renewable sources.

We entered the second half in a good position and we are focused on continuing to build a better business by developing brand and system strength, while navigating the near-term capacity constraints the industry faces."

ENDS

OPERATING REVIEW

Great Britain

€m constant currency[i]	H1 FY2022	H1 FY2021	Change %
Net revenue	146.3	108.1	35.3%
- Price/Mix impact			*33.0%*
- Volume impact			*2.3%*
Operating profit[iii]	10.8	6.5	66.2%
Operating margin	*7.4%*	*6.0%*	*1.4%*
Volume (kHls)	1,181	1,154	2.3%
- of which Tennent's	*439*	*407*	*7.9%*
- of which Magners	*278*	*300*	*(7.3%)*

Market insight

With the reopening of the on-trade from April 2021 we have seen a shift in consumption dynamics from the off-trade to on-trade, predominately through Q2 FY2022. As a result off-trade value share of Scotland lager has reduced from 76% to 59%[ix], GB cider has reduced from 78% to 55%[ix], between March and August 2021 as on-trade volumes have grown. On the reopening of the on-trade, consumer demand has been particularly strong in the draught products and cocktails (spirits and liqueurs)[viii], driven by consumers seeking an experience that they could not enjoy at home.

As such, we have seen in the market data to 14 August 2021 that lager volume in the Scottish on-trade increased +94% in the last six months[viii]. Conversely, off-trade Scottish lager volumes grew +2.5% for the MAT and decreased 15.5% on the latest six months[ix]. The GB cider market has reflected the same trend, in the six months to 14 August 2021, volumes in the on-trade increased by 135.3% with off-trade volumes decreasing by -18.0% on the same basis[ix].

Operational performance

We are pleased to report that our Tennent's IFT business traded in the month of August 2021 with 88% of the outlets that it traded with in August 2019, correspondingly revenues were at 95% of August 2019.

Despite the well-publicised supply chain issues in the UK, driven by driver shortages, combined with the on-going impact of COVID-19, our Wellpark manufacturing site remained fully operational throughout H1 FY2022. Our well invested site and our skilled and experienced team who have worked closely with our suppliers, have ensured we navigated the challenges of inbound supply chain constraints and CO_2 shortages. Further, we have completed a full transition to out of single use plastics in our product range at Wellpark, ensuring stock availability in the new card packs.

With our logistics network owned and managed in-house, we have been able to take quick and decisive action to minimise the impact to customers due to the UK wide capacity constraints. We are pleased to report that our Scottish network achieved an On Time In Full ("OTIF") of 93.0% in August 2021 compared with 94.7% in August 2019, a figure we view as market leading.

E-Commerce

E-commerce continues to be a focus for the business and pleasingly 56% of August 2021 IFT revenue in Scotland was captured via our Tennent's online platform or via EDI ("Electronic Data Interchange), compared with 38% in August 2019. Before trade reopened in April 2021, we setup all active trading accounts with e-commerce accounts to encourage online ordering with support for customers via online tutorials. In addition, our direct to consumer website has delivered a strong performance with over 36,000 visitors to the site in H1 FY2022 generating c.£0.3m of revenue whilst providing a platform for consumers to engage with our brands and purchase exclusive campaign merchandise.

Tennent's

With the reopening of the on-trade we have seen Tennent's latest six months volume share increase by +1.1% to 48.3%[viii]. This has been driven by the speed at which outlets have come back trading and throughput has recovered as restrictions were removed. Tennent's off-trade volume share of lager in Scotland has been broadly maintained on an MAT basis with an increase of 0.1% to 26.3%[ix].

The brand executed its biggest marketing campaign since T in the Park in 2016 which tied in with the Scottish national team's involvement in the European Football Championship and saw the brand featured on TV. The latest You Gov survey we performed for the brand has seen the Brand Index score stabilise in H1 FY2022 following a dip in Q4 FY2021 which corresponds with the latest campaign[xiii].

Our recent investment into strengthening and innovating our Tennent's brand with Light and Zero extensions, continues to perform strongly. Tennent's Light now has approximately 1,400 distribution points across GB with the brand gaining over 400 listings in England and Wales through national retail. The focus in H2 FY2022 is on building rate of sale supported by trade marketing plans.

Magners and GB cider portfolio
Total Magners cider volume in H1 FY2022 is -7.3% compared with H1 FY2021, with net revenues at -6.4% on the same basis. The latest Magners GB off-trade MAT volume share is 9.1% a decrease of 0.5%[(ix)]. In the on-trade in the latest 6 months volume share is stable at 4.7%[(viii)].

In April 2021, Magners launched a marketing campaign, 'When Time Bears Fruit' this included a six month on-pack summer promotion running in the off-trade on over one million Magners Original packs in key retailers. In addition, this was supported by digital media to drive awareness and rate of sale ("ROS"). The latest You Gov brand index scores for the brand represent a year on year improvement from 13.1 to 14.3[(xiii)].

Premium Beer
Premium beer, driven primarily by Heverlee, Menabrea, Drygate and Innis & Gunn, has grown its penetration of our Scotland IFT outlet base in August 2021 to 31% compared with 28% in August 2019. The rate of sale has improved in August 2021 compared with August 2019, reflecting the move to premiumisation by consumers and that the brands have been targeted into the right outlet demographic. However, with the on-trade closed at the start of H1 FY2022, GB volumes have been materially impacted and are -21% vs H1 FY2021. The latest You Gov survey for our premium Belgian beer brand, Heverlee, has reported an improved brand index score for the last two months and a year on year improvement from 5.5 to 6.4[(xiii)].

Wholesale distribution
With H1 FY2022 volumes materially impacted by restrictions in Q1 FY2022, in addition to supplier product shortages impacting availability. Total volumes are –46% in H1 FY2022 compared with H1 FY2020, improving over the period with Q2 volumes at -24% of Q2 FY2020. Net revenues have performed better than volume in H1, -38% compared with H1 FY2020, improving to -20% for Q2, this has been driven by improved category mix.

Financial performance
Net revenue for the GB division increased by 35.3% to €146.3m in the period, with margins improving on the re-opening of the more profitable on-trade. As a result, operating profit[(iii)] has increased from €6.5m[(i)] to €10.8m.

Ireland

€m constant currency[i]	H1 FY2022	H1 FY2021	Change %
Net revenue	115.1	91.4	25.9%
- Price/Mix impact			*16.9%*
- Volume impact			*9.0%*
Operating profit[iii]	8.3	0.8	937.5%
Operating margin	*7.2%*	*0.9%*	*6.3%*
Volume (kHls)	741	680	9.0%
- of which Bulmers	*184*	*176*	*4.5%*

Market insight
On the 26 July 2021, Ireland reopened indoor hospitality across the country following outdoor hospitality opening at the start of June 2021 although some restrictions still remain in place. This was the first time since March 2020 that many outlets had been able to reopen, especially those that are wet led. Restriction were further eased on the 22 October 2021 when late night establishments were allowed to reopen, however some restrictions remain. It is only in the last five weeks of H1 FY2022 that the hospitality industry has been able to operate at anything close to a pre COVID-19 basis, however based on market intelligence we would estimate that around 15% of outlets have yet to reopen.

As a result we have seen consumption dynamics change over H1 FY2022 with on-trade volume year on year growth accelerating over Q2 FY2022. The off-trade share of total LAD has slowed as a result of the reopening of the on-trade with growth of +9.7% on an MAT basis[x] decreasing to -9.6% in the latest three month data[x].

The Irish Government have now confirmed that Minimum Unit Pricing ("MUP") will be implemented from January 2022 although a date for Northern Ireland has yet to announced. Similar to the legislation introduced in 2018 to Scotland, it will set a minimum price per unit of alcohol sold by retailers with the aim to reduce problem drinking and associated pressures on public health and services.

Operational Performance
We are pleased to report that in the month of August 2021 we were trading with 91% of August 2019 outlets in the Republic of Ireland and 93% on the same basis in Northern Ireland. As a consequence, Q2 FY2022 on-trade net revenue was at 93% of Q2 FY2020 levels, reflecting the speed of recovery in the on-trade.

With our Clonmel manufacturing site, close to the market we serve, we managed to ensure high levels of stock availability as the on-trade reopened to meet customer and consumer demand whilst continuing to meet heightened demand for Bulmers and Magners in the off-trade. Our owned and in-house managed logistics network has delivered leading customer service with August 2021 customer OTIF of 94.6%. In addition, the Irish manufacturing site and network has been more insulated from the widely publicised supply chain constraints being experienced in the UK.

Our e-commerce platform, Bulmers Direct was launched in H2 FY2021 and in August 2021 the Irish business took 32% of its net revenue through online ordering, this will be a focus in H2 as the business looks to build on this momentum.

With MUP being implemented in January 2022, we have been working closely with our customer base through H1 FY2022 and will continue to do so through H2 FY2022 before its implementation. We continue to believe that Bulmers, our core off-trade brand, is well positioned ahead of MUP coming into effect.

Cider
Total cider volumes in H1 FY2022 were +2.7% on H1 FY2021 and -8.0% on H1 FY2020, with corresponding net revenues of +27.7% vs H1 FY2021 and -28.4% vs H1 FY2020. Bulmers has continued to perform strongly with 50.3% MAT volume share in off-trade cider[x], reflecting a 0.5% growth on a year ago[x] and 2.4% growth on two years ago[x] with value outperforming this. In the latest brand heath survey, the brand continues to be ranked the No.1 cider brand in Ireland across all measures, consistently outperforming its nearest competitor[xiv]. In the on-trade, Bulmers volumes in August 2021 returned to 74% of August 2019 levels with corresponding net revenues at 77%, demonstrating how robustly trade has returned.

Beer
From July 2020, C&C took on the exclusive distribution of Budweiser in Ireland, however, due to on-going lockdowns we have not been able to trade the brand properly until H1 FY2022. We have added over 450 Budweiser distribution points which in turn have provided nearly 200 new pouring points for Bulmers Draught. In addition, Corona, which we are exclusive

distributor for in Ireland, has grown MAT off-trade volume share of lager, growing by 0.1%[(x)] and 0.8%[(x)] compared with a year ago and two years ago.

Wholesale distribution and wine
With the on-trade closed for the majority of H1 FY2022, our wholesale channel has been impacted, however with our off-trade supply this has been offset to a degree with H1 FY2022 volumes at 82% of H1 FY2020 and net revenues at 91%.

Our off-trade wine business volumes for H1 FY2022 are +11.2% compared with H1 FY2020 although down 10.2% compared with H1 FY2021 with performance impacted by particularly strong summer trading in FY2021, in addition to some supply issues which have affected our ability to meet customer demand.

Financial performance
Net revenue performance in H1 FY2022 is +25.9% against H1 FY2021[(i)]. With the reopening of the on-trade volume and revenues have begun to rebuild which has resulted in an operating profit of €8.3m[(iii)] in H1 FY2022 against €0.8m in H1 FY2021[(i)].

Matthew Clark and Bibendum

€m constant currency[i]	H1 FY2022	H1 FY2021	Change %
Net revenue	385.2	186.3	106.8%
- Price/Mix impact			*39.7%*
- Volume impact			*67.1%*
Operating loss[iii]	(4.3)	(20.5)	79.0%
Operating margin	*NM*	*NM*	
Volume (cases k 9L)	9,760	5,842	67.1%

Market Insight
The GB on-trade has seen c.10,600 net site closures during the two years to July 2021, equating to a 9.1% contraction in the market[xii]. The value outlet segment has seen the steepest declines -13.3% and accounting for nearly half of all net closures, this is driven by sports/social clubs, restaurants and hotels[xii]. We continue to see city centres return more slowly, with urban areas accounting for 77% of all net closures[xii].

In the 12 weeks to 14 August 2021, drink sales in the GB on-trade recovered to c.86% of 2019 value with spirits outperforming[viii], driven by liqueurs and speciality spirits. PROOF, our inhouse insight team, established through their consumer research that four in ten visitors to the on-trade have consumed cocktails[xi]. Beer remains stable, however draught continues to outperform packaged[viii] with consumers seeking a draught offering following reopening of the on-trade[xi].

Trading Performance
On-trade restrictions have gradually eased from April 2021 in England and Wales with these effectively removed in July 2021. As a consequence, volumes have rebuilt against the comparative month in FY2020 from c.37% in April 2021 to c.81% in August 2021. This was initially driven by strong distribution point recovery, however throughput then improved as indoor hospitality was allowed to reopen. During August 2021, volume throughput per outlet recovered to broadly FY2020 levels, with a robust operational performance and stock availability enabling Matthew Clark to broadly meet demand despite a backdrop of capacity constraints in the industry driven by a shortage of drivers.

Recovery was aided by the European Football Championship and further helped by England's run to the final which supported mid-week trading. Further, warm weather and 'staycations' led to strong performances across traditional domestic holiday destinations, particularly coastal areas. The casual dining category has rebounded strongly with volumes in June 2021 at c.90% of FY2020, despite social distancing rules still being in place, and by the end of August 2021 they were broadly in line with FY2020. Conversely, hotel recovery, particularly in urban centres, has been slower with volume recovery at c.57% of FY2020 in June 2021 but we have been encouraged over the summer as trade has rebuilt to 74% of August 2020.

Net revenue per case has performed strongly with higher value categories such as spirits performing well, supported by premiumisation and consumer readiness to pay more as part of a drinking occasion. Matthew Clark was profitable in Q2 FY2022.

E-commerce
We continue to see growth in the use of our Matthew Clark Live, e-commerce platform, with 59% of our total IFT revenue in the month of August 2021 captured via Matthew Clark Live and EDI orders compared with 34% in H1 FY2020. To further advance the use of this more efficient order capture method all promotional activity was moved to online only. In addition, our Bibendum e-commerce platform is intended to go live in H2 FY2022.

Operations
As result of the widely publicised capacity constraints, driven by driver shortages, our customer service levels have been impacted. On Time In Full ("OTIF"), one of our key delivery metrics, was c.75% for August 2021 in comparison to 96% in August 2019, the impact driven by suppliers ability to deliver and restock our network with inbound supplier OTIF at c.39% for August 2021. We have been able to continue to deliver much higher levels of customer OTIF by: utilising the scale and reach afforded by our network and the flexibility of managing our own logistics operation. During H1 FY2022 we have undertaken a number of initiatives to create capacity in the network, including: delivery day changes; increasing minimum order value to improve efficiency and simplification of our offering.

Continuity of supply has been the key focus in H1 FY2022 and will continue to be in H2 FY2022. Where availability of supplier stock is limited due to production or logistical challenges, we are fully engaged with our supplier base to work on solutions to ensure we optimise our allocation of stock. To maximise our stock capacity and improve efficiency within our depot network we are undertaking range reviews to ensure we can best serve our customers.

Financial Performance

Net revenue of €385.2m in H1 FY2022 is +106.8% on H1 FY2021[i], principally driven by volume, following the easing of COVID-19 trading restrictions, resulting in an operating loss of €4.3m[iii].

International

€m constant currency(i)	H1 FY2022	H1 FY2021	Change %
Net revenue	10.7	12.6	(15.1%)
- Price/Mix impact			*(13.9%)*
- Volume impact			*(1.2%)*
Operating profit(iii)	1.2	-	100.0%
Operating margin	*11.2%*	-	*11.2%*
Volume (kHls)	82	83	(1.2%)

Operational performance

The markets that performed relatively well in FY2021, notably the Nordics, Russia, the Middle East and across Asia Pacific ("APAC") have continued to do so through H1 FY2022. These markets have benefitted from a stronger off-trade position, an established domestic customer base and from lower levels of hospitality restrictions. We have been pleased with the performance and resilience of our Magners brand in Australia and New Zealand markets.

In our tourist markets, a return to international travel resulted in a volume boost across Spain, Portugal and the Mediterranean during Q2 FY2022 although with tourist numbers still impaired we have not yet seen demand return to pre COVID-19 levels. Overall Q2 FY2022 volumes were at 56% of Q2 FY2020 levels in the tourist markets of Spain, Portugal, Malta, Greece, Gibraltar and Cyprus. We remain encouraged by how quickly the tourist markets have returned as restrictions have eased and the clear underlying demand for our brands in these markets. We are well positioned to capitalise on the demand for our brands as travel restrictions ease and the potential boost for 'winter sun' destinations through H2 FY2022.

As previously communicated, C&C disposed of VHCC operations and associated brands, notably Woodchuck and Wyders, in April 2021. VHCC continues to be our distributor in this market notably for our Magners and Blackthorn brands. Total North American volumes in H1 FY2022 were -27.4% compared with H1 FY2021.

Financial performance

Net revenues of €10.7m in H1 FY2022 are -15.1% against H1 FY2021(i), this has in part been impacted by the sale of VHCC. Our international business has returned to profit in H1 FY2022, delivering €1.2m operating profit(iii).

Notes

Footnotes included at the bottom of each operating section

- (i) H1 FY2021 and H1 FY2020 comparative adjusted for constant currency (H1 FY2021 and H1 FY2020 translated at H1 FY2022 F/X rates) see H1 FY2021 calculation on page 15.
- (ii) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, share of equity accounted investments profit/loss after tax, tax, depreciation and amortisation charges. A reconciliation of the Groups operating profit/(loss) to adjusted EBITDA is set out on page 13.
- (iii) Excluding exceptional items.
- (iv) Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items. As outlined in detail in note 5 of the Condensed Consolidated Interim Financial Statements, in both Basic and Adjusted EPS, the current period and comparative periods EPS calculations include an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and to ensure both the current period calculation and the prior periods calculation are on a comparable basis.
- (v) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows/inflows 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 €115.6m (28 February 2021: €45.0m; 31 August 2020: €89.4m) to cash in the period. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 13.
- (vi) Net debt, including the impact of IFRS 16 Leases, comprises borrowings (net of issue costs), lease liabilities capitalised less cash. Refer to note 9 of the Condensed Consolidated Interim Financial Statements.
- (vii) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
- (viii) GB on-trade: CGA OPMS Data to P08 2021 (14 August 2021).
- (ix) GB Off-trade: IRI data to 05 September 2021.
- (x) Nielsen IQ, Off-trade including Dunnes and Discounters (ex. Independents), Volume Share of Cider, August 2021.
- (xi) POURTRAITS consumer research October 2021 and March 2021.
- (xii) OUTLET.GB (PROOF's on-trade market model).
- (xiii) YouGov Brand Index. 1 September 2020 – 31 August 2021.
- (xiv) YouGov Brand Index, ROI total population, Period to 26 August 2021.

Conference call details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast, for analysts and institutional investors, today, 28 October 2022, 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 C&C Gleeson brands, the Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.
- C&C Group also has an investment in the Admiral Taverns tenanted pub group, which owns c.1,600 pubs across England & Wales.

C&C Group is 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 16 that could cause actual results to differ materially from those anticipated.

Financial review

A summary of results for the six months ended 31 August 2021 is set out in the table below:

	Period ended 31 August 2021(i) €m	Period ended 31 August 2020(i) €m	CC Period ended 31 August 2020(i)(ii) €m
Net revenue	**657.3**	386.7	398.4
Operating profit/(loss)	**16.0**	(11.7)	(13.2)
Net finance costs	**(8.5)**	(10.3)	
Share of equity accounted investments' loss after tax	**(0.4)**	(3.4)	
Profit/(loss) before tax	**7.1**	(25.4)	
Income tax expense	**(1.3)**	-	
Profit/(loss) for the financial period	**5.8**	(25.4)	
Basic EPS(iii)	**2.5 cent**	(9.6) cent	
Adjusted diluted EPS(iii)	**1.6 cent**	(7.6) cent	

Net revenue increased 70.0% on a reported basis or 65.0% on a constant currency basis to €657.3m reflecting the progressive reopening of the hospitality sector during the latter months of the six-month period ended 31 August 2021. The Operating profit of the Group, before exceptional items, for the six-month period to 31 August 2021 was €16.0m and in line with the easing of on-trade restrictions, the Group returned to profitability in June.

The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). Attributable costs of €8.6m were incurred. The Group maintains a robust liquidity position with available liquidity of €474.9m at the end of August 2021. Covenant waivers remain in place as outlined in Note 8 of the Group's Condensed Consolidated Interim Financial Statements.

Finance costs, income tax and shareholder returns

Net finance charges before exceptional items of €8.5m (31 August 2020: €10.3m) were incurred in the six months ended 31 August 2021. Exceptional finance charges of €4.1m (31 August 2020: €2.9m) were also incurred in the current financial period directly associated with the Covenant waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers. The Group also recorded €0.1m of exceptional finance income with respect to interest earned on the promissory notes which were a component of the consideration on disposal of the Group's US subsidiary, Vermont Hard Cider Company.

Income tax charge for the period, excluding the impact of exceptional items, was €1.3m. The income tax charge with respect to exceptional items was €0.1m (31 August 2020: credit €0.2m). In line with IAS 34 *Interim Financial Reporting* the effective tax rate for the period ended 31 August 2021 was 17.3% excluding share of equity accounted investments loss after tax. The effective tax rate is influenced by several factors including the mix of profits and losses generated across the main geographic locations and carried forward losses on which no deferred tax has been recognised.

Due to the ongoing impact of COVID-19, no final dividend was paid with respect FY2021 and no interim dividend is being declared with respect to FY2022. In the prior financial period, due to the emergence of COVID-19 no final dividend was paid with respect FY2020 and no interim dividend was declared with respect to FY2021.

Exceptional items

The Group has incurred an exceptional credit on a before tax basis of €3.4m in the current financial period. This includes €4.1m of exceptional finance charges as outlined above. Also included is a credit of €3.0m directly related to the COVID-19 pandemic. The Group reviewed the recoverability of its debtor book and booked a credit of €1.8m with respect to its provision against trade debtors. The Group also recognised a credit of €1.2m relating to the disposal of inventory, which had been previously been deemed obsolete in FY2021, as a consequence of the COVID-19 restrictions.

The Group also recognised a credit of €2.0m in the current financial period as a direct consequence of the optimisation of the delivery networks in England and Scotland, primarily relating to a profit of €1.8m arising from the disposal of a property.

Costs attributable to the Rights Issue completed in June 2021 of €8.6m were incurred of which €6.6m was debited directly to Equity and €2.0m was recorded as an exceptional charge in the Group's Condensed Income Statement.

The disposal of the Group's wholly owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on the 2 April 2021 for a total consideration of €17.1m (USD 20.0m) realised a profit of €4.5m. Also included within exceptional items is €0.1m of exceptional finance income with respect to interest earned on the promissory notes which were a component of the consideration on disposal.

The Group incurred a charge of €0.1m with respect to its share of Admiral Taverns' exceptional items, the Group's equity accounted investment.

Cashflow

Summary cash flow for the six months ended 31 August 2021 is set out in the table below. Strong working capital discipline and the Group's inherent cash generation capability resulted in a free cash inflow of €26.2m pre-exceptional and a related free cash flow conversion of 85.1%.

The increase in the Group's receivables purchase programme, as a direct consequence of increased trading, is a key driver of the working capital inflow in the period. The contribution to period end Group cash from the receivables purchase programme was €115.6m compared to €45.0m at 28 February 2021 (this represents a cash inflow of €70.1 m on a constant currency basis in the six month period to 31 August 2021).

	Six months ended 31 August 2021	Six months ended 31 August 2020
	€m	€m
Operating profit/(loss)	**19.0**	(14.5)
Exceptional items	**(3.0)**	2.8
Operating profit/(loss) before exceptional items	**16.0**	(11.7)
Amortisation and depreciation charge	**14.8**	16.6
Adjusted EBITDA(iv)	**30.8**	4.9
Cash flow summary		
Adjusted EBITDA	**30.8**	4.9
Tangible / intangible net expenditure	**(11.4)**	(5.5)
Exceptional net proceeds on disposal of tangible assets	**2.3**	-
Advances to customers	**1.5**	(0.4)
Working capital movement	**10.9**	(25.7)
Income taxes (paid)/received	**(0.8)**	5.7
Exceptional items paid	**(4.0)**	(2.8)
Net finance costs paid	**(8.8)**	(7.6)
Exceptional finance costs paid	**(4.8)**	(1.2)
Pension contributions paid	**(0.2)**	(0.2)
Other*	**4.2**	0.4
Free Cash Flow(v) (FCF)	**19.7**	(32.4)
FCF exceptional cash outflow	***6.5***	*4.0*
FCF excluding exceptional cash outflow	**26.2**	(28.4)
Reconciliation to Condensed Consolidated Cash Flow Statement		
Free Cash Flow	***19.7***	*(32.4)*
Cash outflow re acquisition of equity accounted investments /financial asset	***-***	*(6.8)*
Proceeds from sale of business	***12.9***	-
Proceeds from exercise of share options/sale of equity interests	***0.7***	-
Payment of debt issue costs	***-***	*(1.4)*
Proceeds from Rights Issue	***176.3***	-
Payment of Rights Issue costs	***(8.6)***	-
Payment of lease liabilities	***(9.8)***	*(9.6)*
Drawdown of debt	***9.5***	*351.6*
Repayment of debt	***(220.1)***	*(216.7)*
Net (decrease)/increase in cash	***(19.4)***	*84.7*

* Other primarily relates to the add back of share options, pensions debited to operating profit/(loss), exceptional rights issue costs and net profit on disposal of property, plant and equipment.

Pensions

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

At 31 August 2021, the Group is reporting a retirement benefit surplus of €18.8m (31 August 2020 net surplus: €6.8m, 28 February 2021 net surplus: €4.9m). All schemes are closed to new entrants. There are 2 active members in the Northern Ireland ('NI') scheme and 52 active members (less than 10% of total membership) in the Republic of Ireland ('ROI') schemes. The Group has an approved funding plan in place, the details of which are disclosed in note 11 of the Condensed Consolidated Interim Financial Statements. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021. An actuarial valuation of the NI defined benefit pension scheme is currently in progress.

Arising from the formal actuarial valuations of the Group's staff defined benefit pension scheme, the Group has committed to contributions of €418,000 per annum commencing in 2021 and increasing at a rate of 1.4% each year thereafter. This will be reviewed at the next actuarial valuation, which is due in the normal course of events at 1 January 2024. 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 key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations are as outlined below:

	€m
Net surplus at 1 March 2021	**4.9**
Employer contributions paid	**0.2**
Current service cost	**(0.4)**
Net interest cost on scheme liabilities/assets	**0.1**
Experience gains and losses on scheme liabilities	**11.2**
Effect of changes in financial assumptions	**(12.3)**
Actual return less Interest income on scheme assets	**15.0**
Translation adjustment	**0.1**
Pension surplus at 31 August 2021	**18.8**

The increase in the net surplus of the Group's defined benefit pension schemes from the 28 February 2021, to the 31 August 2021, as computed in accordance with IAS 19(R) *Employee Benefits* is primarily due to an increase in asset values over the six-month period. The liability values have remained relatively stable over the six-month period as the increase in the liability, due to the changes in financial assumptions, have been largely offset by experience gains, which incorporated the membership data update that was factored into the actuarial funding valuation on 1 January 2021.

Foreign currency and comparative reporting

		Six month period ended 31 August 2021	Six month period ended 31 August 2020
Translation exposure	Euro:Stg£	0.859	0.894
	Euro:US$	1.194	1.124

Comparisons for revenue, net revenue and operating profit/(loss) 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 period at current period effective rates.

The impact of restating currency exchange rates on the results for the period ended 31 August 2020 is as follows:

	Period ended 31 August 2020 €m	FX Transaction €m	FX Translation €m	Period ended 31 August 2020 Constant currency comparative €m
Revenue				
Ireland	144.0	-	0.9	**144.9**
Great Britain	185.5	-	7.5	**193.0**
International	13.5	-	(0.5)	**13.0**
Matthew Clark and Bibendum	198.4	-	8.1	**206.5**
Total	**541.4**	**-**	**16.0**	**557.4**
Net revenue				
Ireland	90.7	-	0.7	**91.4**
Great Britain	103.9	-	4.2	**108.1**
International	13.1	-	(0.5)	**12.6**
Matthew Clark and Bibendum	179.0	-	7.3	**186.3**
Total	**386.7**	**-**	**11.7**	**398.4**
Operating profit/(loss)(i)				
Ireland	1.6	(0.8)	-	0.8
Great Britain	6.2	-	0.3	6.5
International	-	-	-	-
Matthew Clark and Bibendum	(19.5)	(0.2)	(0.8)	(20.5)
Total	**(11.7)**	**(1.0)**	**(0.5)**	**(13.2)**

Notes to the Finance Review are set out below.

(i) Before exceptional items.
(ii) H1'21 comparative adjusted for constant currency (H1 FY2021 translated at H1 FY2022 F/X rates) as outlined on page 15.
(iii) Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items. As outlined in detail in note 5 of the Group's Condensed Consolidated Interim Financial Statements, both the current period and comparative period EPS calculations include an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and to ensure both the current period calculation and the prior period calculation are on a comparable basis.
(iv) Adjusted EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' (loss)/profit after tax. A reconciliation of the Group's operating profit/(loss) to EBITDA is set out on page 13.
(v) Free Cash Flow ("FCF") that comprises cash flow from operating activities net of tangible and intangible cash outflows/inflows 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 €115.6m (28 February 2021: €45.0m; 31 August 2020: €89.4m) to cash in the period. 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

We have an established risk management process to identify, assess and monitor the principal risks that we face as a business. We have performed a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining 26 weeks of the financial year, other than those noted below, remain substantially the same as those stated on pages 32 to 40 of the Group's Annual Financial Statements for the year ended 28 February 2021, which are available on our website, http://www.candcgroupplc.com.

COVID-19 continues to be a significant risk for the Group. Like 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 the Group's outcomes, principally the on-trade, as well as the Group's employees, many of whom were furloughed for a period. While restrictions have eased in the Group's primary geographies, in the latter half of current financial period, the situation continues to evolve and the Board continues to closely monitor the impact of COVID-19 and the guidance of governments and health authorities.

Our Matthew Clark and Bibendum ("MCB") business was impacted by an IT incident in April 2021, this was isolated within this business and the rest of the Group was unaffected. We managed to maintain service during this period, ensuring that the business was fully operational again for the full re-opening of the on-trade in the United Kingdom in May 2021. The incident has emphasised the need for continued focus on information security and the Group has subsequently conducted a review of its IT security processes and is implementing its findings where appropriate.

Directors' responsibility statement in respect of the half-yearly financial report for the six months ended 31 August 2021

We confirm our responsibility for the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules ("**DTR**") of the Financial Conduct Authority ('**FCA**') and with IAS 34 *Interim Financial Reporting* as adopted by the EU, and that to the best of our knowledge:

- the condensed set of financial statements comprising the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and the related notes have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R,
    - being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and,
    - a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R,
    - being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and,
    - any changes in the related party transactions described in the last Annual Report that could do so.

The directors of C&C Group plc, and their functions, are listed in the Group's Annual Financial Statements for the year ended 28 February 2021, with the exception of the following changes during the period:

- Vineet Bhalla was appointed a non-executive Director on 27 April 2021;
- Andrea Pozzi resigned as a Director on 1 September 2021; and,
- Jim Clerkin resigned as a non-executive Director on 27 October 2021.

The Group's auditor has not audited or reviewed the Condensed Consolidated Interim Financial Statements or the remainder of the half-yearly financial report.

On behalf of the Board

S. Gilliland
Chair
28 October 2021

D. Forde
Chief Executive Officer

Condensed Consolidated Income Statement
for the six months ended 31 August 2021

		Six months ended 31 August 2021 (unaudited)			Six months ended 31 August 2020 (unaudited)		
	Notes	**Before exceptional items €m**	**Exceptional items (note 4) €m**	**Total €m**	Before exceptional items €m	Exceptional items (note 4) €m	Total €m
Revenue	2	**831.8**	**-**	**831.8**	541.4	-	541.4
Excise duties		**(174.5)**	**-**	**(174.5)**	(154.7)	-	(154.7)
Net revenue	2	**657.3**	**-**	**657.3**	386.7	-	386.7
Operating costs		**(641.3)**	**3.0**	**(638.3)**	(398.4)	(2.8)	(401.2)
Group operating profit/(loss)	2	**16.0**	**3.0**	**19.0**	(11.7)	(2.8)	(14.5)
Profit on disposal	4	**-**	**4.5**	**4.5**	-	-	-
Finance income		**-**	**0.1**	**0.1**	-	-	-
Finance expense		**(8.5)**	**(4.1)**	**(12.6)**	(10.3)	(2.9)	(13.2)
Share of equity accounted investments' loss after tax		**(0.4)**	**(0.1)**	**(0.5)**	(3.4)	(1.3)	(4.7)
Profit/(loss) before tax		**7.1**	**3.4**	**10.5**	(25.4)	(7.0)	(32.4)
Income tax (expense)/credit	3	**(1.3)**	**(0.1)**	**(1.4)**	-	0.2	0.2
Group profit/(loss) for the financial period attributable to equity shareholders		**5.8**	**3.3**	**9.1**	(25.4)	(6.8)	(32.2)
Basic earnings/(loss) per share (cent)	5			**2.5c**			(9.6c)
Diluted earnings/(loss) per share (cent)	5			**2.5c**			(9.6c)

All of the results are related to continuing operations.

Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 August 2021

	Notes	**Six months ended 31 August 2021 (unaudited)**	Six months ended 31 August 2020 (unaudited)
		€m	€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		**2.3**	(20.7)
Foreign currency recycled on disposal of subsidiary		**(0.2)**	-
Gain relating to cash flow hedges		-	0.5
Deferred tax liability relating to cash flow hedges		-	(0.1)
Items that will not be reclassified to Income Statement in subsequent years:			
Actuarial gain on retirement benefits	11	**13.9**	15.2
Deferred tax charge on actuarial gain on retirement benefits		**(1.9)**	(2.0)
Net gain/(loss) recognised directly within Other Comprehensive Income		**14.1**	(7.1)
Group profit/(loss) for the financial period		**9.1**	(32.2)
Total comprehensive income/(expense) for the financial period		**23.2**	(39.3)

Condensed Consolidated Balance Sheet
as at 31 August 2021

	Notes	As at 31 August 2021 (unaudited) €m	As at 31 August 2020 (unaudited) €m	As at 28 February 2021 (audited) €m
ASSETS				
Non-current assets				
Property, plant & equipment	6	**197.9**	210.4	204.0
Goodwill & intangible assets	7	**648.5**	638.4	646.0
Equity accounted investments/financial assets		**67.5**	82.0	63.1
Retirement benefits	11	**18.8**	11.0	10.4
Deferred tax assets		**22.2**	10.0	24.6
Trade & other receivables		**39.0**	44.5	41.8
		993.9	996.3	989.9
Current assets				
Inventories		**149.2**	123.7	121.3
Trade & other receivables		**266.0**	206.3	102.8
Derivative financial asset		-	0.3	-
Cash		**89.0**	201.6	107.7
		504.2	531.9	331.8
Assets held for sale		-	-	13.9
		504.2	531.9	345.7
TOTAL ASSETS		**1,498.1**	1,528.2	1,335.6
EQUITY				
Equity share capital		**4.0**	3.2	3.2
Share premium		**347.2**	171.0	171.3
Other reserves		**86.8**	79.5	83.1
Treasury shares		**(36.3)**	(36.6)	(36.5)
Retained income		**239.5**	299.0	225.0
Total Equity		**641.2**	516.1	446.1
LIABILITIES				
Non-current liabilities				
Lease liabilities		**52.1**	66.2	60.7
Interest bearing loans & borrowings	8	**205.1**	373.6	420.3
Retirement benefits	11	-	4.2	5.5
Provisions		**6.6**	3.5	6.5
Deferred tax liabilities		**17.5**	16.1	17.3
		281.3	463.6	510.3
Current liabilities				
Lease liabilities		**18.5**	18.4	18.9
Trade & other payables		**487.5**	403.1	296.2
Interest bearing loans & borrowings	8	**59.1**	115.0	49.7
Provisions		**4.8**	3.8	6.2
Current income tax liabilities		**5.7**	8.2	5.8
		575.6	548.5	376.8
Liabilities directly associated with the assets held for sale		-	-	2.4
		575.6	548.5	379.2
Total liabilities		**856.9**	1,012.1	889.5
TOTAL EQUITY & LIABILITIES		**1,498.1**	**1,528.2**	1,335.6

Condensed Consolidated Cash Flow Statement
for the six months ended 31 August 2021

	Notes	**Six months ended 31 August 2021 (unaudited) €m**	Six months ended 31 August 2020 (unaudited) €m
CASH FLOWS FROM OPERATING ACTIVITIES			
Group profit/(loss) for the financial period		**9.1**	(32.2)
Finance income		**(0.1)**	-
Finance expense		**12.6**	13.2
Income tax expense/(credit)	**3**	**1.4**	(0.2)
Loss on share of equity accounted investment		**0.5**	4.7
Depreciation of property, plant & equipment	**6**	**13.5**	15.4
Amortisation of intangible assets	**7**	**1.3**	1.2
Profit on disposal of a subsidiary	**4**	**(4.5)**	-
Net profit on disposal of property, plant & equipment	**6**	**(1.8)**	-
Rights issue costs recorded as exceptional	**4**	**2.0**	-
Charge for equity settled share-based payments		**1.9**	-
Pension charged to Income Statement less contributions paid	**11**	**0.1**	0.2
		36.0	2.3
(Increase)/decrease in inventories		**(26.9)**	17.4
Increase in trade & other receivables		**(159.1)**	(65.9)
Increase in trade & other payables		**195.5**	24.0
Decrease in provisions		**(2.3)**	(1.6)
		43.2	(23.8)
Interest and similar costs paid		**(13.6)**	(8.8)
Income taxes (paid)/ received		**(0.8)**	5.7
Net cash inflow/(outflow) from operating activities		**28.8**	(26.9)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment	**6**	**(11.4)**	(5.3)
Purchase of intangible assets		-	(0.2)
Net proceeds on disposal of property, plant & equipment	**6**	**2.3**	-
Sale of business	**4**	**12.9**	-
Cash outflow re acquisition of equity accounted investments/financial assets		-	(6.8)
Net cash inflow/(outflow) from investing activities		**3.8**	(12.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options/sale of equity Interests		**0.7**	-
Proceeds from Rights Issue		**176.3**	-
Drawdown of debt		**9.5**	351.6
Repayment of debt		**(220.1)**	(216.7)
Payment of lease liabilities		**(9.8)**	(9.6)
Payment of debt issue costs		-	(1.4)
Payment of Rights Issue costs		**(8.6)**	-
Net cash (outflow)/inflow from financing activities		**(52.0)**	123.9
Net (decrease)/increase in cash		**(19.4)**	84.7
Reconciliation of opening to closing cash			
Cash at beginning of year		**107.7**	123.4
Translation adjustments		**0.7**	(6.5)
Net (decrease)/increase in cash		**(19.4)**	84.7
Cash at end of period		**89.0**	201.6

A reconciliation of Net Debt is presented in note 9.

Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 August 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 28 February 2021	**3.2**	**171.3**	**25.8**	**-**	**3.3**	**41.6**	**12.4**	**(36.5)**	**225.0**	**446.1**
Profit for the financial period	-	-	-	-	-	-	-	-	9.1	9.1
Other comprehensive income	-	-	-	-	-	2.1	-	-	12.0	14.1
Total comprehensive income	-	-	-	-	-	2.1	-	-	21.1	23.2
Ordinary Share Capital Issued (note 12)	0.8	175.5	-	-	-	-	-	-	-	176.3
Share issue costs (note 4)	-	-	-	-	-	-	-	-	(6.6)	(6.6)
Exercised share options	-	0.4	-	-	-	-	-	-	-	0.4
Reclassification of share-based payments reserve	-	-		-	(0.2)	-	-	-	0.2	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.2	(0.2)	-
Equity settled share-based payments	-	-	-	-	1.8	-	-	-	-	1.8
Total transactions with owners	0.8	175.9	-	-	1.6	-	-	0.2	(6.6)	171.9
At 31 August 2021	4.0	347.2	25.8	-	4.9	43.7	12.4	(36.3)	239.5	641.2

* Other capital reserves include the Other undenominated reserve of €0.9m and the Capital reserve of €24.9m, as explained in note 12.

Condensed Consolidated Statement of Changes in Equity - continued
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 1 March 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 period	-	-	-	-	-	-	-	-	(32.2)	(32.2)
Other comprehensive income/(expense)	-	-	-	0.4	-	(20.7)	-	-	13.2	(7.1)
Total comprehensive income/(expense)	-	-	-	0.4	-	(20.7)	-	-	(19.0)	(39.3)
Reclassification of share-based payments reserve	-	-	-	-	(2.6)	-	-	-	2.6	-
Total transactions with owners	-	-	-	-	(2.6)	-	-	-	2.6	-
At 31 August 2020	3.2	171.0	25.8	0.7	3.2	38.3	11.5	(36.6)	299.0	516.1
Loss for the financial period	-	-	-	-	-	-	-	-	(72.3)	(72.3)
Other comprehensive (expense)/income	-	-	-	(0.1)	-	3.3	0.9	-	(2.0)	2.1
Total comprehensive income	-	-	-	(0.1)	-	3.3	0.9	-	(74.3)	(70.2)
Dividend on ordinary shares	-	-	-	-	-	-	-	-	0.2	0.2
Exercised share options	-	0.3	-	-	-	-	-	-	-	0.3
Reclassification of share-based payments reserve	-	-	-	-	(0.7)	-	-	-	0.7	-
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)	0.1	-	-	0.1	0.3	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 the Other undenominated reserve of €0.9m and the Capital reserve of €24.9m, as explained in note 12.

Notes to the Condensed Consolidated Interim Financial Statements
for the six months ended 31 August 2021

1. Basis of preparation and Accounting policies

The interim financial information presented in this report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU. The accounting policies and methods of computation adopted in preparation of the Condensed Consolidated Interim Financial Statements are consistent with recognition and measurement requirements of IFRS as endorsed by the EU Commission and those set out in the Consolidated Financial Statements for the year ended 28 February 2021 and as described in those Financial Statements on pages 151 to 166, except for the adoption of new standards, interpretations and standard amendments effective as of 1 March 2021.

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 2021:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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

Basis of preparation
The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These Condensed Consolidated Interim Financial Statements should be read in conjunction with the Group's Annual Report for the year ended 28 February 2021 as they do not include all the information and disclosures required by International Financial Reporting Standards (IFRS). The accounting policies and methods of computation and presentation adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those described and applied in the Annual Report for the financial year ended 28 February 2021.

The interim financial information for both the six months ended 31 August 2021 and the comparative six months ended 31 August 2020 are unaudited and have not been reviewed by the auditors. The financial information for the year ended 28 February 2021 represents an abbreviated version of the Group's financial statements for that year. Those financial statements contained an unqualified audit report and have been filed w
ith the Registrar of Companies.

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:

	Six months to 31 August 2021	Six months to 31 August 2020	Year ended 28 February 2021
Balance Sheet (Euro:Sterling closing rate)	**0.859**	**0.896**	0.871
Income Statement (Euro:Sterling average rate)	**0.859**	**0.894**	0.896
Balance Sheet (Euro:USD closing rate)	**1.183**	**1.194**	1.212
Income Statement (Euro:USD average rate)	**1.194**	**1.124**	1.160

Going concern
The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. Liquidity of the Group, defined as cash and undrawn credit facilities, as at 31 August 2021 was €474.9m. The Group completed a successful Rights Issue in June 2021 which raised gross proceeds of £151.2m (€176.3m). On-trade restrictions in the Group's primary geographies have eased and as trading resumed in the on-trade channel, the Group returned to profitability.

The Group's traditional covenants have been waived and are replaced by a minimum liquidity requirement and a gross debt restriction as outlined in Note 8 of the Condensed Consolidated Interim Financial Statements.

The Going Concern assessment indicated that the Group has sufficient access to liquidly over the assessment period to satisfy the Group's minimum liquidity and gross debt covenant requirements. Accordingly, we continue to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements.

2. Segmental analysis

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

The Group continually reviews and updates the manner in which it monitors and controls its financial operations resulting in changes in the manner 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. As of 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

	Six months to 31 August 2021			Six months to 31 August 2020		
	Revenue	**Net revenue**	**Operating profit/(loss)**	Revenue	Net revenue	Operating profit/(loss)
	€m	**€m**	**€m**	€m	€m	€m
Ireland	**177.0**	**115.1**	**8.3**	144.0	90.7	1.6
Great Britain	**222.4**	**146.3**	**10.8**	185.5	103.9	6.2
International	**10.8**	**10.7**	**1.2**	13.5	13.1	-
Matthew Clark and Bibendum (MCB)	**421.6**	**385.2**	**(4.3)**	198.4	179.0	(19.5)
Total before exceptional items	**831.8**	**657.3**	**16.0**	541.4	386.7	(11.7)
Exceptional items (note 4)	**-**	**-**	**3.0**	-	-	(2.8)
Group operating profit/(loss)	-	-	**19.0**	-	-	(14.5)
Profit on disposal	-	-	**4.5**	-	-	-
Finance income	-	-	**0.1**	-	-	-
Finance expense	-	-	**(8.5)**	-	-	(10.3)
Finance expense exceptional items	-	-	**(4.1)**	-	-	(2.9)
Share of equity accounted investments' loss after tax before exceptional items	-	-	**(0.4)**	-	-	(3.4)
Share of equity accounted investments' exceptional items	**-**	**-**	**(0.1)**	-	-	(1.3)
	831.8	**657.3**	**10.5**	541.4	386.7	(32.4)

Of the exceptional items in the current financial period, €1.2m credit relates to Ireland (31 August 2020: charge of €1.1m), €1.7m credit relates to Great Britain (31 August 2020: charge of €1.0m), €2.1m credit relates to MCB (31 August 2020: charge of €0.7m) and a €2.0m charge is unallocated.

The profit on disposal of €4.5m in the current financial period (31 August 2020: €nil) relates to International.

The share of equity accounted investments' loss after tax before exceptional items of €0.4m (31 August 2020: €3.4m) and its share of exceptional loss of €0.1m (31 August 2020: €1.3m) relates to Great Britain.

Total assets for the period ended 31 August 2021 amounted to €1,498.1m (31 August 2020: €1,528.2m, 28 February 2021: €1,335.6m).

(b) Geographical analysis of non-current assets

	Ireland	**Great Britain**	**International**	**Total**
	€m	**€m**	**€m**	**€m**
31 August 2021				
Property, plant & equipment	**70.2**	**122.9**	**4.8**	**197.9**
Goodwill & intangible assets	**157.7**	**465.6**	**25.2**	**648.5**
Equity accounted investments/financial asset	**0.4**	**62.9**	**4.2**	**67.5**
Total	**228.3**	**651.4**	**34.2**	**913.9**

	Ireland	Great Britain	International	Total
	€m	€m	€m	€m
31 August 2020				
Property, plant & equipment	72.8	125.6	12.0	210.4
Goodwill & intangible assets	158.2	455.0	25.2	638.4
Equity accounted investments	0.4	81.4	0.2	82.0
Total	231.4	662.0	37.4	930.8

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 date of acquisition.

(c) 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 – Net revenue

31 August 2021	**Ireland €m**	**Great Britain €m**	**International €m**	**Total €m**
Own brand alcohol	**35.1**	**74.7**	**9.0**	**118.8**
Matthew Clark and Bibendum	**-**	**385.2**	**-**	**385.2**
Other sources*	**80.0**	**71.6**	**1.7**	**153.3**
Net revenue	**115.1**	**531.5**	**10.7**	**657.3**

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

31 August 2020	Ireland €m	Great Britain €m	International €m	Total €m
Own brand alcohol	24.3	63.6	11.5	99.4
Matthew Clark and Bibendum	-	179.0	-	179.0
Other sources*	66.4	40.3	1.6	108.3
Net revenue	90.7	282.9	13.1	386.7

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

Cyclicality of interim results

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 than in the second. 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.

In the current financial period, COVID-19 continued to have a material impact on the results of the Group while restrictions were in place. On-trade restrictions only eased in the United Kingdom from April 2021 and the Irish hospitality sector only reopened through June and July 2021. Given the restrictions only eased in the second quarter of the first six months of our current financial year, the second half of the year is expected to be more profitable than the first half.

3. Income tax charge

Income tax charge for the period, excluding the impact of exceptional items, was €1.3m (31 August 2020: €nil). The income tax charge with respect to exceptional items was €0.1m (31 August 2020: credit €0.2m).

In line with IAS 34 *Interim Financial Reporting,* the effective tax rate for the period ended 31 August 2021 was 17.3% excluding the Group's share of equity accounted investments. The effective tax rate is influenced by several factors including the mix of profits and losses generated across the main geographic locations and carried forward losses on which no deferred tax has been recognised.

4. Exceptional items

	Six months to 31 August 2021 €m	Six months to 31 August 2020 €m
Operating costs		
COVID-19 (a)	**3.0**	(2.6)
Restructuring costs (b)	**2.0**	-
Costs associated with Rights Issue (c)	**(2.0)**	-
Acquisition-related expenditure (d)	**-**	(0.2)
Operating profit/(loss) exceptional items	**3.0**	(2.8)
Profit on disposal (e)	**4.5**	-
Finance income (f)	**0.1**	-
Finance charges (g)	**(4.1)**	(2.9)
Share of equity accounted investments' exceptional items (h)	**(0.1)**	(1.3)
Profit/(loss) before tax	**3.4**	(7.0)
Income tax (charge)/credit (i)	**(0.1)**	0.2
Total profit/(loss) after tax	**3.3**	(6.8)

(a) COVID-19
The Group has continued to account for the ongoing effect of COVID-19 as an exceptional item and in that regard, has incurred an exceptional credit of €3.0m from operating activities at 31 August 2021 (31 August 2020: a charge of €2.6m). The Group reviewed the recoverability of its debtor book and booked a credit of €1.8m with respect to its provision against trade debtors (31 August 2020: €nil). The Group also recognised a credit of €1.2m relating to the disposal of inventory, which had been previously been deemed obsolete in FY2021, as a consequence of the COVID-19 restrictions.

In the prior financial period, the Group incurred costs of €2.6m directly related to the COVID-19 pandemic. These costs primarily related to keg repatriation costs in light of the closure of on-trade premises and the write off of an IT intangible asset where the project was not completed, as a direct consequence of COVID-19.

(b) Restructuring costs
The Group recognised a credit of €2.0m in the current financial period as a direct consequence of the optimisation of the delivery networks in England and Scotland, primarily relating to a profit of €1.8m arising from the disposal of a property and a release of €0.2m on revision of expected spend of the project.

(c) Costs associated with Rights Issue
The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). Attributable costs of €8.6m were incurred, of which €6.6m was debited directly to Equity and €2.0m was recorded as an exceptional charge in the Group's Condensed Consolidated Income Statement.

(d) Acquisition & integration costs
During the prior financial period, the Group incurred €0.2m of costs associated with a previous acquisition.

(e) Profit on disposal
The Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on the 2 April 2021 for a total consideration of €17.1m (USD 20.0m) (comprised of cash proceeds of €13.0m (€12.9m net cash impact on disposal) and promissory notes of €4.1m), realising a profit of €4.5m on disposal.

(f) Finance income exceptional items
The Group earned finance income of €0.1m (31 August 2020: nil) relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company.

(g) Finance expense exceptional items
The Group incurred costs of €4.1m (31 August 2020: €2.9m) directly associated with the covenant waivers secured due to the impact of COVID-19. These costs included waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

(h) Share of equity accounted investments' exceptional items
The Group incurred a charge of €0.1m with respect to its share of Admiral Taverns' exceptional items, the Group's equity accounted investment. The Group recognised an exceptional credit in relation to its share of a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m. This was offset by the Group's share of acquisition costs of €0.6m incurred with respect to Admiral Taverns' acquisition of Hawthorn.

In the prior financial period, the Group recognised its share of Admiral Taverns' exceptional costs in relation to COVID-19 amounting to €1.3m. These costs primarily related to an expected loss provision with respect to the recoverability of its debtor book as a consequence of COVID-19 and a charge with respect to credits to licensees for beer that needed to be destroyed as a direct consequence of COVID-19.

(i) Income tax (charge)/credit
The tax charge in the current financial period with respect to exceptional items was €0.1m (31 August 2020: €0.2m credit).

5. Earnings per ordinary share

Denominator computations

	31 August 2021 Number '000	31 August 2020 Number '000
Number of shares at beginning of period	**320,480**	319,495
Shares issued in respect of options exercised	**147**	722
Shares issued in Rights Issue	**81,287**	-
Number of shares at end of period	**401,914**	320,217
Weighted average number of ordinary shares, excluding treasury shares (basic) restated*	**357,646**	335,870*
Adjustment for the effect of conversion of options	**879**	250
Weighted average number of ordinary shares, including options (diluted)	**358,524**	336,120*

Profit/(loss) for the period attributable to ordinary shareholders

	Six months to 31 August 2021 €m	Six months to 31 August 2020 €m
Profit/(loss) attributable to equity holders of the parent	**9.1**	(32.2)
Adjustments for exceptional items, net of tax (note 4)	**(3.3)**	6.8
Earnings/(loss) as adjusted for exceptional items, net of tax	**5.8**	(25.4)

Basic earnings/(loss) per share restated*	**Cent**	Cent
Basic earnings/(loss) per share	**2.5**	(9.6)*
Adjusted basic earnings/(loss) per share	**1.6**	(7.6)*
Diluted earnings/(loss) per share restated*		
Diluted earnings/(loss) per share	**2.5**	(9.6)*
Adjusted diluted earnings/(loss) per share	**1.6**	(7.6)*

*During the current financial period, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* ("IAS 33") requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result.

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased/issued by the Company and accounted for as treasury shares (31 August 2021: 10.8m shares; 31 August 2020: 10.8m shares, 28 February 2021: 10.8m shares).

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all 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, these contingently issuable shares are excluded from the computation of diluted earnings/(loss) per share where the vesting conditions would not have been satisfied at the end of the reporting period. 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. Contingently issuable shares excluded from the calculation of diluted earnings/(loss) per share totalled 997,323 at 31 August 2021 (1,637,820: 31 August 2020).

6. Property, plant & equipment

Acquisitions and disposals
During the current financial period, the Group acquired assets of €6.4m (31 August 2020 total additions: €4.8m). Total cash outflow in the period in relation to the purchase of property, plant & equipment amounted to €11.4m (31 August 2020 total cash outflow: €5.3m) as a result of a reduction in capital accruals.

In the current financial period, the Group disposed of assets, with a net book value of €5.4m, as part of the sale of its wholly owned US subsidiary, Vermont Hard Cider Company ("VHCC"). The Group also disposed of other assets with a net book value of €0.5m and realised a profit of €1.8m on the disposal.

The Group's depreciation charge for six months to 31 August 2021 amounted to €13.5m (31 August 2020: €15.4m).

Impairment
The carrying value of items of land & buildings and plant & machinery are reviewed and tested for impairment at each financial year end date or more frequently if events or changes in circumstances indicate that their carrying value may not be recoverable. There was no impairment during the current period.

7. Goodwill & intangible assets

	Goodwill €m	Brands €m	Other intangible assets €m	Total €m
Cost				
At 1 March 2020	602.9	324.1	39.2	966.2
Additions	-	-	0.2	0.2
Translation adjustment	(7.7)	(5.2)	(0.6)	(13.5)
At 31 August 2020	595.2	318.9	38.8	952.9
Additions	-	-	1.4	1.4
Translation adjustment	4.6	3.0	0.3	7.9
At 28 February 2021	599.8	321.9	40.5	962.2
Translation adjustment	**2.1**	**1.5**	**0.2**	**3.8**
At 31 August 2021	**601.9**	**323.4**	**40.7**	**966.0**
Amortisation and impairment				
At 1 March 2020	(76.2)	(214.6)	(22.5)	(313.3)
Charge for the period ended 31 August 2020	-	-	(1.2)	(1.2)
At 31 August 2020	(76.2)	(214.6)	(23.7)	(314.5)
Impairment charge for the year	-	-	(0.3)	(0.3)
Charge for the period ended 28 February 2021	-	-	(1.4)	(1.4)
At 28 February 2021	(76.2)	(214.6)	(25.4)	(316.2)
Charge for the period ended 31 August 2021	**-**	**-**	**(1.3)**	**(1.3)**
At 31 August 2021	**(76.2)**	**(214.6)**	**(26.7)**	**(317.5)**
Net Book Value at 31 August 2021	**525.7**	**108.8**	**14.0**	**648.5**
Net Book Value at 28 February 2021	523.6	107.3	15.1	646.0
Net Book Value at 31 August 2020	519.0	104.3	15.1	638.4

Goodwill consists both of goodwill capitalised under Irish GAAP which at the transition date to IFRS was treated as deemed cost and goodwill that arose on the acquisition of businesses since that date which was capitalised at fair value and represents the synergies arising from cost savings and the opportunity to utilise the extended distribution network of the Group to leverage the marketing of acquired products. All goodwill is regarded as having an indefinite life and is not subject to amortisation under IFRS but is subject to annual impairment testing.

Capitalised brands are regarded as having indefinite useful economic lives and therefore have not been amortised. The brands are protected by trademarks, which are renewable indefinitely in all major markets where they are sold and it is the Group's policy to support them with the appropriate level of brand advertising. In addition, there are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. Accordingly, the Directors believe that it is appropriate that the brands be treated as having indefinite lives for accounting purposes.

Other intangible assets comprise of software, licenses and the fair value of trade relationships acquired as part of the acquisition of Matthew Clark and Bibendum in FY2019, TCB Wholesale in FY2015, Gleeson trade relationships acquired in FY2014 and distribution rights for third party beer products acquired as part of the acquisition of the Tennent's business during FY2010. These were valued at fair value on the date of acquisition in accordance with the requirements of IFRS 3 (2008) *Business Combinations* by independent professional valuers. The intangible assets have a finite life and are subject to amortisation on a straight line basis.

Other intangible asset additions for the period was €nil (31 August 2020: €0.2m; year ended 28 February 2021 €1.6m) and the amortisation charge for the period ended 31 August 2021 was €1.3m (31 August 2020: €1.2m; year ended 28 February 2021 €2.6m). In FY2021, the Group wrote off an IT intangible asset where the project was not completed, as a direct consequence of COVID-19 of €0.3m.

Brands and goodwill assets considered to have an indefinite life, are reviewed for indicators of impairment regularly and are subject to impairment testing on an annual basis unless events or changes in circumstances indicated that the carrying values may not be recoverable and impairment testing is required earlier.

The value of brands and goodwill considered to have an indefinite life were assessed for impairment at 28 February 2021 and given no material changes in circumstances since that date, they will be formally assessed again at 28 February 2022.

8. Interest bearing loans & borrowings

	31 August 2021	31 August 2020	28 February 2021
	€m	€m	€m
Current liabilities			
Unsecured loans repayable by one repayment on maturity	**0.7**	0.8	0.8
Unsecured loans repayable by instalment	**(59.9)**	(115.9)	(50.6)
Private Placement notes repayable by one repayment on maturity	**0.1**	0.1	0.1
	(59.1)	(115.0)	(49.7)
Non-current liabilities			
Unsecured loans repayable by one repayment on maturity	**(62.7)**	(234.1)	(241.3)
Unsecured loans repayable by instalment	-	-	(37.5)
Private Placement notes repayable by one repayment on maturity	**(142.4)**	(139.5)	(141.5)
	(205.1)	(373.6)	(420.3)
Total borrowings	**(264.2)**	(488.6)	(470.0)

Borrowing facilities

Outstanding borrowings of the Group are net of unamortised issue costs. In March 2020, the Group completed the successful issue of new US Private Placement ("USPP") notes and incurred additional issue costs of €1.4m in this regard. All unamortised issue costs are being amortised to the Income Statement over the remaining life of the multi-currency revolving facilities agreement, the Euro term loan and the USPP notes to which they relate. The value of unamortised issue costs at 31 August 2021 is €3.4m (28 February 2021: €3.9m, 31 August 2020: €4.5m) of which €0.9m (28 February 2021: €1.0m, 31 August 2020: €1.1m) is netted against current liabilities and €2.5m is netted against non-current liabilities (28 February 2021: €2.9m, 31 August 2020: €3.4m).

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 FY2021, 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, as outlined below, 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%.

The Group had further financial indebtedness of €5.7m at 28 February 2021 (31 August 2020: €11.2m), which was fully repaid in the current financial period 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 31 August 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, the debt covenants for 31 August 2022 were also renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant (which excludes the impact of IFRS 16 *Leases* for banking covenant purposes) 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. Following the successful Rights Issue, 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 FY2021 was also applied which will continue through FY2022 but was reduced to €700.0m in June 2021 post the successful Rights Issue. 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 current and prior financial periods.

The Group's Euro term loan and multi-currency debt facility incorporates the following original financial covenants (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

9. Analysis of net debt

	1 March 2021 €m	Translation adjustment €m	Net Disposal €m	Cash flow, net €m	Non-cash changes €m	31 August 2021 €m
Interest bearing loans & borrowings	**(470.0)**	**(4.3)**	-	**210.6**	**(0.5)**	**(264.2)***
Cash	**107.7**	**0.7**	-	**(19.4)**	-	**89.0**
Net debt excluding leases	**(362.3)**	**(3.6)**	-	**191.2**	**(0.5)**	**(175.2)**
Lease liabilities	**(79.6)**	**(1.1)**	**0.3**	**11.3****	**(1.5)**	**(70.6)**
Net debt including leases	**(441.9)**	**(4.7)**	**0.3**	**202.5**	**(2.0)**	**(245.8)**

**Interest bearing loans & borrowings as at 31 August 2021 are net of unamortised issue costs of €3.4m.*
*** Payments are apportioned between Finance charges €1.5m and payment of lease liabilities €9.8m in the Condensed Consolidated Cash Flow Statement.*

	1 September 2020 €m	Translation adjustment €m	Additions €m	Cash flow, net €m	Non-cash changes €m	28 February 2021 €m
Interest bearing loans & borrowings	(488.6)	(8.8)	-	28.0	(0.6)	(470.0)
Cash	201.6	8.2	-	(102.1)	-	107.7
Net debt excluding leases	(287.0)	(0.6)	-	(74.1)	(0.6)	(362.3)
Lease liabilities	(84.6)	(2.4)	(2.3)	11.1**	(1.4)	(79.6)
Net debt including leases	(371.6)	(3.0)	(2.3)	(63.0)	(2.0)	(441.9)

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

	1 March 2020 €m	Translation adjustment €m	Additions €m	Cash flow, net €m	Non-cash changes €m	31 August 2020 €m
Interest bearing loans & borrowings	(357.0)	2.5	-	(133.5)	(0.6)	(488.6)*
Cash	123.4	(6.5)	-	84.7	-	201.6
Net debt excluding leases	(233.6)	(4.0)	-	(48.8)	(0.6)	(287.0)
Lease liabilities	(93.3)	4.4	(5.0)	11.4**	(2.1)	(84.6)
Net debt including leases	(326.9)	0.4	(5.0)	(37.4)	(2.7)	(371.6)

** Interest bearing loans & borrowings at 31 August 2020 are net of unamortised issue costs of €4.5m.*
*** Payments are apportioned between Finance charges €1.8m and payment of lease liabilities €9.6m in the Condensed Consolidated Cash Flow Statement.*

The non-cash changes for interest bearing loans & borrowings in the current and prior periods relate to the amortisation of issue costs. The non-cash changes for lease liabilities in the current and prior periods relate to discount unwinding.

10. Financial assets and liabilities

The carrying and fair values of financial assets and liabilities at 31 August 2021 and 31 August 2020 were as follows:

31 August 2021	**Derivative financial instruments €m**	**Other financial assets €m**	**Other financial liabilities €m**	**Carrying Value €m**	**Fair value €m**
Financial assets:					
Cash	**-**	**89.0**	**-**	**89.0**	**89.0**
Trade receivables	**-**	**219.8**	**-**	**219.8**	**219.8**
Advances to customers	**-**	**41.1**	**-**	**41.1**	**41.1**
Financial liabilities:					
Interest bearing loans & borrowings	**-**	**-**	**(264.2)**	**(264.2)**	**(267.6)**
Trade & other payables	**-**	**-**	**(487.5)**	**(487.5)**	**(487.5)**
	-	**349.9**	**(751.7)**	**(401.8)**	**(405.2)**

31 August 2020	Derivative financial instruments €m	Other financial assets €m	Other financial liabilities €m	Carrying value €m	Fair value €m
Financial assets:					
Cash	-	201.6	-	201.6	201.6
Trade receivables	-	162.2	-	162.2	162.2
Advances to customers	-	42.4	-	42.4	42.4
Derivative contracts	0.3	-	-	0.3	0.3
Financial liabilities:					
Interest bearing loans & borrowings	-	-	(488.6)	(488.6)	(493.1)
Trade & other payables	-	-	(403.1)	(403.1)	(403.1)
	0.3	406.2	(891.7)	(485.2)	(489.7)

Short term bank deposits and cash
The nominal amount of all short-term bank deposits and cash is deemed to reflect fair value at the balance sheet date.

Advances to customers
Advances to customers, adjusted for advances of discount prepaid, is considered to reflect fair value.

Trade receivables/trade & other payables
The nominal amount of all trade receivables/trade & other payables after provision for impairment is deemed to reflect fair value at the balance sheet date.

Interest bearing loans & borrowings
The fair value of all interest bearing loans & borrowings has been calculated by discounting all future cash flows to their present value using a market rate reflecting the Group's cost of borrowing at the balance sheet date.

Derivatives (forward currency contracts)
The fair value of forward currency contracts are based on market price calculations using financial models.

The Group has adopted the following fair value measurement hierarchy for financial instruments that are measured in the balance sheet at fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying values of all forward currency contracts held by the Group at 31 August 2020 were based on fair values arrived at using Level 2 inputs.

11. Retirement benefits

As disclosed in the Annual Report for the year ended 28 February 2021, 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.

There are no active members remaining in the Group's executive defined benefit pension scheme (31 August 2020: no active members) while there are 52 active members (31 August 2020: 55 active members), representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme and 2 active members in the NI defined benefit pension scheme (31 August 2020: 2 active members).

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recent actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021. The most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017, with the next valuation in progress but not yet finalised. 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 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 €418,000 per annum commencing in 2021 and increasing at a rate of 1.4% each year thereafter. This will be reviewed at the next actuarial valuation, which is due in the normal course of events at 1 January 2024. 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 Balance Sheet valuation of the Group's defined benefit pension schemes' assets and liabilities have been marked-to-market as at 31 August 2021 to reflect movements in the fair value of assets and changes in the assumptions used by the schemes' actuaries to value the liabilities.

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

	Period ended 31 August 2021 €m	Period ended 31 August 2020 €m	Year ended 28 February 2021 €m
Retirement benefit deficit at beginning of period (ROI schemes)	**(5.5)**	(16.7)	(16.7)
Retirement benefit surplus at beginning of period (ROI schemes)	**5.1**	3.3	3.3
Retirement benefit surplus at beginning of period (NI scheme)	**5.3**	5.5	5.5
Current service cost	**(0.4)**	(0.4)	(0.8)
Net interest cost on scheme liabilities/assets	**0.1**	-	(0.1)
Experience gains and losses on scheme liabilities	**11.2**	0.9	2.7
Effect of changes in financial assumptions	**(12.3)**	14.5	6.6
Actual return less Interest income on scheme assets	**15.0**	(0.2)	4.1
Employer contributions	**0.2**	0.2	0.4
Translation adjustment	**0.1**	(0.3)	(0.1)
Net pension surplus before deferred tax	**18.8**	6.8	4.9
Retirement benefit deficit at end of period (ROI schemes)	**-**	(4.2)	(5.5)
Retirement benefit surplus at end of period (ROI schemes)	**12.9**	5.2	5.1
Retirement benefit surplus at end of period (NI scheme)	**5.9**	5.8	5.3
Related deferred income tax asset	**-**	0.5	0.7
Related deferred income tax liability	**(3.7)**	(2.6)	(2.5)
Net pension surplus	**15.1**	4.7	3.1

The increase in the net surplus of the Group's defined benefit pension schemes from the 28 February 2021 to the 31 August 2021, as computed in accordance with IAS 19(R) *Employee Benefits* is primarily due to an increase in asset values over the six-month period. The liability values have remained relatively stable over the six-month period as the increase in the liability, due to the changes in financial assumptions, have been largely offset by experience gains, which incorporated the membership data update that was factored into the actuarial funding valuation on 1 January 2021.

12. Other reserves

Share capital
The current financial period movement relates to the completion of the Rights Issue which the Group announced on the 26 May 2021. The Group issued 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, which was completed in June 2021 raising gross proceeds of £151.2m. This led to an increase in the Group's share capital of €0.8m.

Share premium
The current financial period movement also primarily relates to the completion of the Rights Issue. This led to an increase in the Group's share premium of €175.5m. Also during the current financial period there was the exercise of share options equating to €0.4m (31 August 2020: €nil, 28 February 2021: €0.3m).

Other reserves – other undenominated reserve and capital reserve
Other capital reserve includes the Other undenominated reserve of €0.9m and the Capital reserve of €24.9m. These reserves initially arose on the conversion of preference shares into share capital of the Company and other changes and reorganisations of the Group's capital structure.

Cash flow hedging reserve
The hedging reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedging transactions that have not yet occurred.

Share-based payment reserve
The reserve relates to amounts expensed in the Income Statement in connection with share option grants falling within the scope of IFRS 2 *Share-based Payment,* less reclassifications to retained income following exercise/forfeit post vesting or lapse of such share options and Interests.

Currency translation reserve
The translation reserve comprises all foreign exchange differences from 1 March 2004, arising from the translation of the Group's net investment in its non-Euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the Balance Sheet date, as adjusted for the translation of foreign currency borrowings designated as net investment hedges and long-term intra group loans for which settlement is neither planned nor likely to happen in the foreseeable future, and as a consequence are deemed quasi-equity in nature and are therefore part of the Group's net investment in foreign operations.

Revaluation reserve
Since 2009 the Group has completed a number of external and internal valuations on its property, plant and equipment. Gains arising from such revaluations are posted to the Group's revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, where it is first credited to the Income Statement to the extent of the write down. Any decreases in the value of the Group's property, plant and equipment as a result of external or internal valuations are recognised in the Income Statement except where there had been a previously recognised gain in the revaluation reserve as a result of the same asset, in which case, the gain is eliminated from the revaluation reserve to offset the loss in the first instance.

Treasury shares
Included in this reserve is where the Company issued equity share capital under its Joint Share Ownership Plan, which was held in trust by the Group's Employee Trust. All interests have now vested or lapsed and all vested Interests have now been exercised. Remaining in the Trust are shares that lapsed and shares that were withheld by the Trust in lieu of some, or all, of the consideration due with respect to exercised Interests. Also included in the reserve is the purchase of 9,025,000 of the Company's own shares in the financial year ended 28 February 2015 at an average price of €3.29 per share under the Group's share buyback programme.

The current and prior period movement in the reserve relates to the sale of excess shares by the Trust to satisfy other share entitlements.

13. Dividend

No final dividend was paid with respect FY2021 (FY2020: €nil) and no interim dividend is being declared with respect to FY2022 (FY2021: €nil).

14. Related parties

The principal related party relationships requiring disclosure 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.

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 Condensed Consolidated Interim 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 Condensed Consolidated Interim Financial Statements in accordance with IFRS 10 *Consolidated Financial Statements*.

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.

Compensation with respect to key management personnel included in the Income Statement was €2.1m for the six months ended 31 August 2021 (31 August 2020: €0.8m) of which €1.3m pertains to non share-based payment compensation and €0.8m is with respect to share-based payment compensation (31 August 2020: €0.9m pertains to non share-based payment compensation, €0.6m is with respect to a payment in lieu of notice offset by a credit of €0.7m with respect to share-based compensation).

Equity accounted investments

Admiral Taverns

On 6 December 2017, the Group entered into a joint venture arrangement for a 49.9% share in Brady P&C Limited (“Admiral Taverns”), a UK incorporated entity with Proprium Capital Partners (50.1%). Brady P&C Limited subsequently incorporated a UK company, Brady Midco Limited where Admiral management acquired 6.5% of the shares. Brady Midco Limited incorporated Brady Bidco Limited which acted as the acquisition vehicle to acquire the entire share capital of AT Brit Holdings Limited (trading as Admiral Taverns) on 6 December 2017. The equity investment by the Group was £37.4m (€42.4m euro equivalent on date of investment) representing 46.65% of the issued share capital of Admiral Taverns. The Group has 50% representation on the board and no decision can be made without 100% agreement by all Directors. The Group determined that Admiral Taverns was to be accounted for as a joint venture. Admiral management disposed of 2% of their shareholding in FY2020 and a further 2.4% of their shareholding in FY2021. In FY 2020 and FY2021 the Group made an equity investment in Admiral Taverns of €10.7m and €6.7m respectively. C&C’s shareholding increased as a result of the equity investments and the management disposal of shares and now equates to 48.85%.

In FY2021, the Group also recorded an impairment charge of €8.9m with respect to the carrying value of its investment in Admiral Taverns at 28 February 2021. The hospitality and pub industry in the United Kingdom was significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investment in Admiral Taverns 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 in this regard.

Drygate Brewing Company Limited

During FY2015, the Group entered into a joint venture arrangement with Heather Ale Limited, run by the Williams brothers who are recognised as leading family craft brewers in Scotland, to form a new entity Drygate Brewing Company Limited. The joint venture, which is run independently of the joint venture partners existing businesses, operates a craft brewing and retail facility adjacent to Wellpark brewery.

During the prior financial year, as a result of the impact of COVID-19 on the hospitality and pub industry the Group assessed the carrying value of its investment in Drygate Brewing Company Limited at 28 February 2021 and recorded an impairment charge of €0.2m (£0.2m) within exceptional operating costs.

Whitewater Brewing Co. Limited

In FY2017, the Group acquired 25% of the equity share capital of Whitewater Brewing Company Limited, an Irish Craft brewer for £0.3m (€0.3m).

Other

In FY2021, the Group made a 50% investment in 3 Counties Spirits Limited for €nil consideration.

In FY2020, the Group made an additional investment in CVBA Braxatorium Parcensis of €0.2m following on from a less than €0.1m investment in FY2019. The Group has a 33% investment in the Belgium entity.

The Group also has equity investments in Shanter Inns Limited, Beck & Scott (Services) Limited (Northern Ireland) and the Irish Brewing Company (Ireland). The value of each of these investments is less than €0.1m in the current and prior financial periods.

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.

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.

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

	Joint ventures		Associates	
	31 August 2021	31 August 2020	**31 August 2021**	31 August 2020
	€m	€m	**€m**	€m
Net revenue	**0.5**	0.3	**0.2**	-
Trade & other receivables	**0.4**	0.2	**-**	0.1
Purchases	**0.4**	0.2	**0.3**	0.1
Trade & other payables	**0.1**	0.1	**-**	0.1
Loans	**1.5**	1.5	**0.9**	1.0

The Group also provided a contribution of €0.1m to Whitewater Brewing Co. Limited during the financial period to support the launch of an internal project.

There have been no other related party transactions that could have a material impact on the financial position or performance of the Group for the first six months of the financial year.

15. Events after the balance sheet date

There were no material events subsequent to the balance sheet date of 31 August 2021 which would require disclosure in this report.

16. Board approval

The Board approved the financial report for the six months ended 31 August 2021 on 28 October 2021.

17. Distribution of interim report

This report and further information on C&C is available on the Group's website (www.candcgroupplc.com).

Supplementary financial information

Alternative performance measures

The Directors have adopted various alternative performance measures ("APMs") to provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for performance analysis. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures. These measures are not intended to be a substitute for, or superior to, IFRS measurements. The key Alternative Performance Measures ("APMs") of the Group are set out below:

- **Operating profit/(loss) before exceptional items:** Operating profit/(loss) for the period as adjusted for exceptional items.

- **Adjusted EBITDA or EBITDA:** Adjusted EBITDA or EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' (loss)/profit after tax.

- **Constant currency:** Prior period revenue, net revenue and operating profit 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 non-Euro denominated subsidiaries by restating the prior period at current period effective rates. Refer to page 15 for constant currency table.

- **Exceptional items:** Significant items of income and expense within the Group results for the period which by virtue of their scale and nature are disclosed in the Income Statement and related notes as exceptional items.

- **Free Cash flow:** Free Cash Flow ("FCF") that comprises cash flow from operating activities net of tangible and intangible cash outflows/inflows 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 €115.6m (28 February 2021: €45.0m; 31 August 2020: €89.4m) to cash in the period (this represents a cash inflow of €70.1m on a constant currency basis in the six-month period to 31 August 2021). A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 13.

- **Net debt:** Net debt including leases comprises of borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*. Refer to note 9 of the Condensed Consolidated Interim Financial Statements.

- **Net revenue:** Net revenue is defined by the Group as revenue less excise duty. The duty number disclosed represents the cash cost of duty paid on the Group's products. Where goods are bought duty paid and subsequently sold, the duty element is not included in the duty line but within the cost of goods sold. Net revenue therefore excludes duty relating to the brewing and packaging of certain products. Excise duties, which represent a significant proportion of revenue, are set by external regulators over which the Group has no control and are generally passed on to the consumer.

- **Operating margin:** Operating margin is based on operating profit/(loss) before exceptional items and is calculated as a percentage of net revenue. Refer to the operating review for operating margin calculations.