

## RESULTS FOR THE 12 MONTHS ENDED 28 FEBRUARY 2023

*Resilient performance, robust underlying cash generation, and enhanced shareholder returns.*

**24 May 2023** | C&C Group plc ('C&C' or the 'Group'), a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits and soft drinks across the UK and Ireland announces results for the twelve months ended 28 February 2023 ('FY2023').

### FY2023 FINANCIAL OVERVIEW

€'m except per share items	FY2023	FY2022	Change
	€'m	€'m	%
Net revenue <sup>(i)</sup>	1,689.0	1,427.1	18.4%
Adjusted EBITDA <sup>(i)(ii)</sup>	116.6	79.5	46.7%
Operating profit <sup>(i)(iii)</sup>	84.1	47.9	75.6%
Operating margin <sup>(i)(iii)</sup>	5.0%	3.4%	1.6ppts
Basic EPS	13.3c	9.9c	34.3%
Adjusted diluted EPS <sup>(iv)</sup>	13.4c	7.5c	78.7%
Exceptional charge/(credit) (pre-tax)	0.9	(11.3)	(108.0%)
Dividend per share	3.79c	-	NM
Free cash flow <sup>(iii)(v)</sup>	75.3	28.4	165.1%
Free cash flow <sup>(iii)(v)</sup> (% conversion)	64.6%	35.6%	29.0ppts
Liquidity <sup>(vi)</sup>	470.3	438.7	7.2%
Net Debt <sup>(vii)</sup>	152.7	271.3	(43.7%)
Net Debt <sup>(vii)</sup> (excluding lease liabilities)	78.9	191.3	(58.8%)

### FINANCIAL SUMMARY

- Net revenue increase of 18.4%<sup>(i)</sup> to €1,689.0m, driven by volume growth of 4.2% and price/mix growth of 14.2%.
- Operating profit increase of 75.6% to €84.1m<sup>(i)(iii)</sup>, in line with guidance, delivered an operating profit margin<sup>(iii)</sup> of 5.0% (FY2022: 3.4%). H2 margins challenged by weakened consumer demand, due to cost of living pressures, various strikes in the UK and latterly Enterprise Resource Planning ('ERP') system implementation disruption in the Group's GB distribution businesses.
- C&C's free cash flow<sup>(iii)(v)</sup> of €75.3m pre-exceptional and cash flow conversion of 64.6% underscore the Group's inherent cash-generating and conversion capabilities.
- Net debt<sup>(vii)</sup> to adjusted EBITDA<sup>(i)(ii)</sup> of 1.3x, represents a significant improvement from 3.4x reported in February 2022. The Group's medium-term leverage ratio target is between 1.5x and 2.0x.
- Reinstatement of dividends; proposed FY2023 dividend of 3.79 cent per share and intention to adopt a progressive dividend policy going forward.

### STRATEGIC & OPERATING HIGHLIGHTS

- Market share for Tennent's and Bulmers improved year-on-year maintaining clear market-leading positions<sup>(viii)</sup>.
- Magners progressing in the off-trade, recording its highest off-trade share of the cider category in 3 years<sup>(ix)</sup>.
- Premium beer brand portfolio delivered on-trade volume growth of 44.1% in the year.
- The on-trade in GB grew its revenue per customer year-on-year by 29.5% and increased the percentage of on-trade outlets stocking a C&C brand from 53% to 58%.

- 4% operating margin<sup>(iii)</sup> for distribution remains the Group's steady state target, having been achieved in H1 FY2023. Distribution operating margin<sup>(iii)</sup> in FY2023 was up 2ppts to 3.1% despite the significant impact on consumer demand, due to cost of living pressures and various strikes.
- Group branded operating margins<sup>(iii)</sup> were flat year-on-year, with volume/mix benefit and price actions being offset by increased marketing investment and inflationary impacts on the cost base.
- Implemented a complex ERP system upgrade, which commenced in February 2023 in our Matthew Clark & Bibendum ('MCB') business. The implementation of this advanced warehousing management technology is a key step in our digital transformation and optimisation of our GB operations, and, is an investment for the future from an infrastructure and customer service perspective.

## ESG & SUSTAINABILITY HIGHLIGHTS

- Continued delivery of the Group's ESG and sustainability agenda, including:
  - In January, the Group's greenhouse gas reduction targets were formally validated by the Science Based Targets initiative (SBTi). The Group achieved its FY2023 target of reducing Scope 1 and 2 emissions by 6%.
  - 91% of the electricity used at our sites is generated from renewable sources.
  - In Clonmel, progress continues on the installation of a heat pump which will be operational in FY2024 and will reduce the site's gas consumption by 40% and reduce our CO<sub>2</sub> emissions by 1,800 tonnes per annum.
- The Group commenced a three-year partnership with the Big Issue Group, focused on mentoring, skills transference, and providing employment opportunities to support marginalised communities across Great Britain (GB).

## DIRECTORATE CHANGES

- The Group announced on 19 May 2023 that David Forde, would be stepping down as Chief Executive Officer. Patrick McMahon, Group CFO, was appointed Group CEO with immediate effect. Ralph Findlay, Chair, has been appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed, the process for which will commence shortly.

## CURRENT TRADING & OUTLOOK

- Macroeconomic conditions continue to impact the trading environment which is expected to remain challenging in the near term, particularly in the GB market.
- During February 2023, the Group implemented a complex ERP system upgrade in our Matthew Clark and Bibendum ('MCB') business. The implementation of this advanced warehousing management technology is a key step in the Group's digital transformation of our GB operations, which will enhance customer service, improve efficiency and maximise capacity utilisation through more automated processes. The implementation process has taken longer than originally envisaged, with a consequent material impact on service and profitability within MCB. As announced on 19 May 2023 the Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however leverage is expected to remain within the Group's stated range of 1.5x to 2.0x.
- Excluding the impact on MCB, the Group is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

## Patrick McMahon, C&C Group Chief Executive Officer, commented:

*"Set against a challenging backdrop in FY2023, C&C delivered an improved performance against all financial measures. Increased balance sheet strength and inherently strong free cash flow characteristics have enabled C&C to return capital to shareholders through the re-instatement of dividends."*

**ENDS**

## OPERATING REVIEW

### GREAT BRITAIN

€m Great Britain Constant currency <sup>(i)</sup>	FY2023	FY2022	Change %
<b>Net revenue</b>	1,410.5	1,203.3	17.2%
<i>of which Branded</i>	192.5	169.2	13.8%
- Price / mix impact			13.2%
- Volume impact			0.6%
<i>of which Distribution</i>	1,190.9	996.2	19.5%
- Price / mix impact			13.1%
- Volume impact			6.4%
<i>of which Co-pack / Other</i>	27.1	37.9	(28.5%)
<b>Operating profit <sup>(iii)</sup></b>	56.0	29.0	93.1%
Operating margin	4.0%	2.4%	1.6ppts
<i>of which Branded</i>	21.5	21.8	(1.4%)
<i>of which Distribution</i>	34.5	7.2	379.2%
<b>Volume – (kHL)</b>	4,479	4,305	4.0%
- of which Tennent's	940	897	4.8%
- of which Magners	567	606	(6.4%)

Our Great Britain division's net revenue increased by 17.2% to €1,410.5m in the year, driven by the full re-opening of the on-trade and strong growth in our distribution business. Operating profit was up 93.1% to €56.0m in the year driven by volume, pricing growth and a more favourable channel mix. Operating margins increased by 1.6ppts with branded margins at 11.2% and distribution margin at 2.9%.

Branded margins reflect €6.1m of increased marketing investment as well as continuing cost pressures, particularly in manufacturing overheads. With a challenging market backdrop, distribution margins in H2 were negatively impacted by a weaker than expected Christmas trading period, various strikes and operational leverage. The Group continues to target 4% distribution margins in the normal course of operations.

#### Operational Highlights

Customer service is core to the Group's success as a brand-led distributor and we were pleased to note that the On Time In Full ('OTIF') rate prior to the ERP system implementation was 92.2%. Unfortunately OTIF has been temporarily impacted as a direct consequence of the system upgrade. Service levels had largely returned to normal levels in March however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April. An improvement through May is being achieved by investing material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

For the market as a whole, customer numbers are down 4.4% in GB with our share of the market in FY2023 down 1.8ppts to 19.2%<sup>(x)</sup>.

We continue to grow the level of business we conduct through our e-commerce platforms and are consistently delivering +70% of our on-trade revenues through online orders, the business remains on track to achieve its near-term target of 80% of on-trade revenue orders to be captured online. Order values online continue to be c.15% higher when compared with traditional contact centre orders.

C&C continues to invest in the sustainability programme at Wellpark, our Glasgow based manufacturing facility, where we are pleased that our environmental initiatives have delivered the Group's carbon reduction objectives for FY2023, resulting in the removal of 1,300 tonnes of carbon. We introduced a lighter weight pint can for FY2023 reducing our aluminium usage. We continue to focus on driving efficiencies at the site to reduce energy usage, where 100% of electricity usage is now generated from renewable sources. Our focus on maximising energy efficiency to reduce both our site usage and overall carbon footprint, will ensure that we have as competitive a manufacturing cost base as possible and ensure we deliver on our sustainability commitments. Wellpark and Clonmel have both also retained the British Retail Consortium AA grade, the highest level of food safety standards in the UK.

## Brands

Tennent's performed strongly, with volumes up 4.8% in the year including 25.8% in the on-trade. Tennent's continued to gain share in the Scottish on-trade during FY2023, with its share of total beer in Scotland up 1.8ppts to 29.6% in the twelve months ended February 2023<sup>(xi)</sup> and in the prior four weeks it gained 3.5ppts (to 32.6%)<sup>(xii)</sup>. Amongst mainstream beer brands, Tennent's represents 2 in every 3 pints poured in the On-Trade (68.9%)<sup>(xiii)</sup>, and across all Beer it represents 1 in every 2 pints poured in the on-trade<sup>(xiv)</sup>. Aided by our focused marketing investment over the key Christmas trading period with the TV campaign 'It's A Wonderful Pint', in the Off-Trade, during the 12 weeks to Christmas 2022, Tennent's volume share increased to 23.8% which is ahead of Christmas 2021<sup>(xv)</sup>. The investment behind the brands also continues to drive positive brand health scores, with Tennent's Lager brand index score reaching 17.8, its highest ever in July 2022<sup>(xvi)</sup>.

Magners volume was down 6.4% in the year. As a category, total Cider volumes in the on and off-trade are down 5.7% compared to pre-COVID-19<sup>(xvii)</sup>; however, consumers are shifting back towards traditional apple cider. Magners was 6.5% of total Cider sold during the 12 weeks to end of February 2023 in GB Off-Trade compared to 6.3% in FY2022<sup>(xviii)</sup>. This is the highest off-trade share in three years<sup>(xix)</sup>, showing the 'always on' activity on the brand during the year to drive reappraisal and penetration, allowed the brand to grow sales during the Christmas trading period. Additionally, Orchard Pig grew volumes by 78.9% in the year, albeit from a low base.

Our Premium beer brands delivered on-trade volume growth of 43.2% in the year, albeit from a low base. Menabrea and Heverlee alongside our agency and equity for growth premium brands, Innis & Gunn, Drygate and Jubel, have continued to grow both volume and penetration within our IFT account base compared to prior year. Heverlee's brand awareness continues to grow and the brand has gained 24.3% in draught HL sold in Scotland during FY2023 vs FY2022, moving it from 6.5% of premium lager pints poured to 10.6%<sup>(xx)</sup>. Menabrea has won a number of national listings and the brand has delivered its first above-the-line media campaign which reached approximately one third of UK adults. Both Heverlee and Menabrea continue to grow ahead of total beer across on and off-trade<sup>(xxi)</sup>, driven by increased brand footprint in the on-trade helping deliver volume into both brands. Heverlee on-trade volumes are up 31.0% compared to last year with Menabrea volumes increasing by 47.3%.

## Distribution

Distribution volumes were up 6.4% in the year with corresponding net revenues up 19.5%. Performance over the key Christmas trading period was negatively impacted by weakened consumer demand and the various strikes in Great Britain. Distribution margins for the full financial year were 2.9%, down from the 4.0% achieved in H1 FY2023. Due to seasonality, distribution margins were always expected to weaken slightly in the second half of the financial year but the softer than expected trading over the Christmas period, combined with our operational leverage, reduced margins significantly. The steady state target of 4% margin for our GB distribution business remains applicable, in the medium term.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in our Matthew Clark and Bibendum ('MCB') business. The implementation process has taken longer than originally envisaged, with a consequent material impact on service and profitability within MCB. The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue.

## International

We were pleased with the performance of our International Business with volumes up 3.1% in the year on a comparative basis. Key markets such as Spain saw volumes return to pre-COVID-19 levels, with volumes year-on-year increasing by 83.5%. Good Drinks Australia Ltd, our new distributor, is already growing distribution in both on and off-trade and in Italy we look forward to improving Tennent's volume back to historic levels via our new partner Bir.com srl. Magners remains the primary brand for our international business accounting for c.80% of volume.

## IRELAND

€m Ireland Constant currency <sup>(i)</sup>	FY2023	FY2022	Change %
<b>Net revenue</b>	278.5	223.8	24.4%
<i>of which Branded</i>	105.9	78.1	35.6%
- Price / mix impact			28.8%
- Volume impact			6.8%
<i>of which Distribution</i>	170.6	139.5	22.3%
- Price / mix impact			19.9%
- Volume impact			2.4%
<i>of which Co-pack / other</i>	2.0	6.2	(67.7%)
<b>Operating profit<sup>(iii)</sup></b>	28.1	18.9	48.7%
Operating margin	10.1%	8.4%	1.7pts
<i>of which Branded</i>	20.8	13.4	55.2%
<i>of which Distribution</i>	7.3	5.5	32.7%
<b>Volume – (kHL)</b>	1,450	1,384	4.8%
- of which Bulmers	360	330	9.1%

Our Ireland division's net revenue increased by 24.4% to €278.5m in the year driven by the re-opening of the on-trade. Ireland's operating profit increased by 48.7% to €28.1m with margins growing to 10.1% from 8.4% last year. A better channel mix as a result of the removal of COVID-19 trade restrictions, the introduction of Minimum Unit Pricing ('MUP') and price increases helped improve margins year-on-year despite the inflationary cost pressures being faced by the business and the increased marketing investment. Branded margins have grown to 19.6% in FY2023 from 17.2% in FY2022 despite the impact of increased marketing investment (72% higher year-on-year) and cost pressures particularly, manufacturing input costs. Distribution margins have grown to 4.3% from 3.9% last year.

## Operational Summary

Focused on delivering market-leading customer service, we are pleased to report that the average OTIF at the end of February 2023 was 98.1% in the Republic of Ireland and 97.5% in Northern Ireland. This, as well as the removal of COVID-19 trade restrictions, was a key cornerstone underpinning the revenue and profit growth in FY2023.

MUP, which was introduced in the Republic of Ireland in January 2022 put in place a minimum sales price for a unit of alcohol. MUP was introduced in Scotland in 2018, and we were able to use the data and learnings from the Tennent's brand and apply them to Bulmers and the rest of our Irish portfolio. We optimised the off-trade portfolio in preparation for MUP by introducing new pack sizes, vessels sizes and ABVs and we are pleased to report, that in the latest MAT volume share data our Bulmers brand has performed well and has increased market share in the off-trade by 5.8%<sup>(xxii)</sup>.

Total on-trade customers are down 0.6% in the IOI (Island of Ireland) market compared to the prior year, however C&C's share of this market has grown by +0.7pp to 40.4%<sup>(xxiii)</sup>. More of our customers are ordering online through

our ecommerce platform with 81% of our on-trade customers now ordering online in February compared to 66% twelve months ago.

Building on the work undertaken in FY2022 to reduce our Clonmel manufacturing site's energy usage, we have commenced work to install a heat pump at the site. The pump will be operational at the end of H1 FY2024 and will reduce the site's gas consumption by 40% and reduce our CO<sub>2</sub> emissions by 1,800 tonnes per annum. This follows the investment last year to eliminate single use plastic for all canned products from January 2022, which removed approximately 150 tonnes of plastics from our products and the investment in the largest rooftop solar panel farm in Ireland which now generates 10% of the site's electricity requirements. Further enhancing our sustainability credentials, we are now the only significant drinks manufacturer to use returnable pint bottles.

## **Brands**

Bulmers volume increased 9.1% in the year, driven by 57.6% growth in the on-trade following the removal of COVID-19 trade restrictions. As anticipated, the introduction of Minimum Unit Pricing, in the off-trade, resulted in a volume decline of 10.5%.

Increased investment behind the Bulmers brand continued and this year we achieved 40 weeks on air with our TV ad campaign, driving awareness and affinity for the brand with Irish consumers. In addition, the brand was showcased in a lighter tone of voice through a new TV campaign for Bulmers Light. To expand beyond our heartland summer occasion, sustainability and Christmas campaigns were launched, and Bulmers was centre stage at many live events in the summer events calendar. Our investments are bearing fruit as the brand finishes the year in strong brand health and market share growth<sup>(xxiv)</sup>.

The Bulmers brand MAT off-trade cider volume share has grown year-on-year to 56.3% which is up significantly on pre-COVID-19 levels (+9.1%) and up 5.8ppts on last year<sup>(xxv)</sup>, aided by the introduction of MUP. In the on-trade, the latest Bulmers MAT cider volume share at 63.9% reflects growth in Bulmers market share of 2.4ppts ahead of pre-COVID-19 levels and 0.9ppts ahead of last year<sup>(xxvi)</sup>. Between the on and off-trade, Bulmers remains the largest and most popular cider brand in Ireland<sup>(xxvii)</sup>.

## **Distribution and Wine**

Distribution volumes increased 2.4% in the year, with net revenue growing ahead of volume at +22.3% aided by both execution of our core agency premium beer brands and pricing actions. We have also grown our wholesale and wine business year-on-year leveraging our key system strength as a "one-stop shop" for our customers as they continue to expand their consumer offerings post-COVID-19 (across both wet and food-led outlets).

C&C took on the distribution of Budweiser in summer 2020 and at the time the brand was in MAT lager volume share decline in the off-trade. We are pleased to report that this has largely stabilised with Budweiser MAT off-trade volume share at 10.0% compared to 9.8% a year ago<sup>(xxii)</sup>. This reflects the focus and investment that has gone into repositioning the brand with retailers and consumers.

## Notes

- i. FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates).
- ii. Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' profit after tax. A reconciliation of the Group's operating profit to adjusted EBITDA is set out on page 11.
- iii. Before exceptional items.
- iv. Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please see note 6 of the Condensed Consolidated Financial Statements.
- v. Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash-generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €94.1m (FY2022: €84.1m reported/€80.6m on a constant currency basis). A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out on page 12.
- vi. Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
- vii. Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16 Leases, comprises borrowings (net of issue costs), lease liabilities capitalised less cash. Please see note 8 of the Condensed Consolidated Financial Statements.
- viii. NI CGA OPM 28.02.23; ROI CGA OPM 28.02.23; NielsonIQ Total Off Trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs 52 weeks to end Feb 2020; CGA OPM 25.02.23 (GB Beer & Cider Database); IRI UK Off Trade Database to 19.02.23.
- ix. IRI UK off-trade DB MAT 36 months to 19.02.23.
- x. CGA GB outlet index Feb 23 vs Feb 22.
- xi. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined.
- xii. Ibid.
- xiii. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); internal analysis.
- xiv. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB).
- xv. IRI UK off-trade DB (all outlets) 12 weeks to 25.12.22 vs one year ago.
- xvi. YouGov Brand Index (Summer 2022).
- xvii. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined vs equivalent for FY20.
- xviii. IRL UK off-trade DB MAT to 19.02.23 vs equivalent for FY22.
- xix. IRL UK off-trade DB MAT 36 months to 19.02.23.
- xx. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB), Scotland only.
- xxi. CGA OPM MAT to 25.02.23 (GB Beer & Cider DB); IRL UK off-trade DB MAT to 19.02.23 combined.
- xxii. NielsonIQ Total off-trade including Dunnes & Discounters 52 wks to w.e. 26.02.23.
- xxiii. CGA IOI Outlet Index Feb 23 vs Feb 22.
- xxiv. YouGov Brand Index Bulmers Feb 23 score of 19.9, ahead of nearest cider rival Orchard Thieves on 14.7; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 wks to w.e. 26.02.23.
- xxv. NielsonIQ Total off-trade including Dunnes & Discounters 52 wks to w.e. 26.02.23 vs equivalent 52 wks to end Feb FY22 and end Feb FY20.
- xxvi. ROI CGA OPM MAT to 28.02.23 vs equivalent 52 wks to end Feb FY22 and end Feb FY20.
- xxvii. ROI CGA OPM to 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 wks to w.e. 26.02.23.

## Conference Call & Webcast Details | Analysts & Institutional Investors

C&C Group plc will host a live conference call and webcast for analysts and institutional investors, today, 24 May, at 08:30 BST. Dial-in details for the conference call are set out below.

### Conference Call:

Ireland: +353 (1) 436 0959

UK: +44 (0) 330 551 0200

USA: +1 786 697 3501

Passcode: Quote 'C&C Group – FY Results' when prompted by the operator.

For conference call replay numbers, please contact FTI Consulting at [candcgroup@fticonsulting.com](mailto:candcgroup@fticonsulting.com)

### Webcast:

The Webcast can be accessed at <https://candcgroupplc.com/investors/> or on [https://brrmedia.news/CCR\\_RESULTS](https://brrmedia.news/CCR_RESULTS). This will be available for playback after the event.

Please join the event 5-10 minutes prior to scheduled start time.

## Contacts

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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, 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 through the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the Group has a market leading range, scale and reach including an intimate understanding of the markets it serves. Together this provides a key route-to-market for major international beverage companies.

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

### **Note regarding forward-looking statements**

This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on page 15 that could cause actual results to differ materially from those anticipated.

## Finance review

A summary of results for the twelve months ended 28 February 2023 is set out in the table below:

	Year ended 28 February 2023 before exceptionals <sup>(i)</sup>	Year ended 28 February 2022 before exceptionals <sup>(i)</sup>	CC <sup>(iv)</sup> year ended 28 February 2022 before exceptionals <sup>(i)</sup>
	€m	€m	€m
<b>Net revenue</b>	<b>1,689.0</b>	1,438.1	1,427.1
<b>Operating profit</b>	<b>84.1</b>	47.9	47.9
Net finance costs	(17.3)	(16.1)	
Share of equity accounted investments' profit/(loss) after tax	-	2.6	
<b>Profit before tax</b>	<b>66.8</b>	34.4	
Income tax expense	(14.2)	(6.2)	
<b>Profit for the financial year</b>	<b>52.6</b>	28.2	
<b>Basic EPS (note 6)</b>	<b>13.3 cent</b>	9.9 cent	
<b>Adjusted diluted EPS<sup>(viii)</sup> (note 6)</b>	<b>13.4 cent</b>	7.5 cent	

FY2023 is the Group's first full financial year without COVID-19 trading restrictions since FY2020. COVID-19 restrictions however gave way to fresh challenges - primarily a high-inflation environment and associated impact on consumers' discretionary spending but also strikes in the UK - which have had an adverse impact on the drinks and hospitality sector during the fiscal year ended 28 February 2023. Despite these challenges, the Group's performance has been resilient and underlying cash generation robust. As a consequence, the Board are proposing the payment of a dividend for the first time since 2019.

C&C is reporting net revenue of €1,689.0m, operating profit<sup>(i)</sup> of €84.1m, liquidity<sup>(ii)</sup> of €470.3m and net debt<sup>(iii)</sup> of €152.7m. Net debt excluding IFRS 16 Leases was €78.9m. Adjusted diluted EPS<sup>(viii)</sup> for FY2023 is 13.4 cent. The Group's operating profit<sup>(i)</sup> of €84.1m, which is up from an operating profit of €47.9m in the prior year<sup>(iv)</sup>, reflects a number of factors, including a high-inflation environment and associated impact on consumers' discretionary spending and strikes in the UK.

The conflict in Ukraine continues to contribute to heightened uncertainty and inflationary pressures. Geopolitical events continue to cause distortions in supply, and inflationary pressures are negatively impacting input costs. It is not clear to what extent these external factors will continue to impact the Group as supply chains and markets adjust in the medium to long-term, and whether product price increases continue to mitigate input price inflation. The rapid increases in interest rates to counter inflation may cause a longer-term shift in customer purchasing behaviour. In response to this challenging and evolving inflationary backdrop and uncertain macro environment, the Group has implemented a series of price increases which, alongside a series of optimisation measures, the Board believes will protect the medium-term profitability of the Group.

Despite a challenging trading backdrop, the performance of the Group's core brands, Bulmers and Tennent's, has been resilient and brand health scores and market share for both Tennent's and Bulmers improved year-on-year, maintaining clear market-leading positions<sup>(vii)</sup>.

Liquidity<sup>(ii)</sup> and net debt<sup>(iii)</sup> reduction have been a key focus for the Group throughout FY2023, and the Group maintains a robust liquidity position with available liquidity<sup>(ii)</sup> of €470.3m at 28 February 2023 and at year end achieved net debt<sup>(iii)</sup>/adjusted EBITDA<sup>(v)</sup> of 1.3x. The Group's target net debt<sup>(iii)</sup>/adjusted EBITDA<sup>(v)</sup> level is between 1.5x and 2.0x.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in the Matthew Clark and Bibendum ('MCB') business. The implementation is a key step in the Group's digital transformation and optimisation program in GB, designed to enhance the service the Group provides to customers and, in time, improve efficiency and maximise capacity utilisation through more automated processes.

### Post Balance Sheet date comment

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

C&C currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt<sup>(iii)</sup>/adjusted EBITDA<sup>(v)</sup> is expected to remain within the Group's stated range of 1.5x to 2.0x. Excluding the impact on MCB, C&C is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

### Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €17.3m were incurred in the financial year (FY2022: €16.1m). As outlined previously, the Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders and exceptional finance costs of €2.0m (FY2022: €6.7m) were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers. Of the €17.3m net finance cost, €3.5m relates to the Group's debtor securitisation facility, €3.8m relates to USPP notes, €4.2m relates to the Group's main bank lending facilities, €3.1m relates to lease interest, €1.5m relates to amortisation of prepaid issue costs and €1.2m relates to other interest costs.

In FY2023, the UK trading group continued its significant contribution to overall Group profits. Expectedly, this impacts the Group's effective tax rate for FY2023 of 21.2%, as UK-generated profits are taxed a rate of 19% as compared to that of 12.5% in Ireland. Further pressure on the Group's effective tax rate is to be expected with the increase of the UK's corporate tax rate to 25% from 1 April 2023 and the expected implementation of a 15% corporate tax rate in Ireland (for large multi-national corporations) towards the end of FY2023. The Group continues to manage its effective tax rate in line with its published tax strategy. During the year the Group invested in strengthening the central tax function.

Subject to shareholder approval, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. The proposed full year dividend per share will represent a pay-out of 28.3% of the full year reported adjusted diluted earnings per share. The reinstatement of a dividend reflects the Directors' confidence in the cash-generating capability of the business. Using the number of shares in issue at 28 February 2023 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €15.0m. There is no scrip dividend alternative proposed. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

### Exceptional items

A total net exceptional charge, before the impact of taxation, of €0.9m was incurred in the current financial year. In the opinion of the Board the presentation provides more useful analysis of the underlying performance of the Group. Full details of Exceptional Items are set out in detail in note 4 to the condensed consolidated financial statements.

### Balance Sheet Strength and Debt Management

Balance sheet strength provides the Group with the financial flexibility to pursue its strategic objectives. It is the Group's policy to ensure that a medium/long-term debt funding structure is in place to provide the Group with the financial capacity to promote the future development of the business and to achieve its strategic objectives.

The Group manages its borrowing requirements by entering into committed loan facility agreements and also holds USPP notes which diversifies the Group's sources of debt finance.

In July 2018, the Group amended and updated its committed €450m multi-currency five-year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. During FY2023, Ulster Bank left the syndicate, following the sale of their Irish commercial loan book to Allied Irish Bank; however, the facility remained unchanged at €450m. In FY2021, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment was paid on 12 July 2022.

In May 2023, post-FY2023 year end and upon publication of the Group's FY2023 results the Group has completed a refinancing of the current multi-currency facility. The facility is a new five-year committed, sustainability-linked, facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan,

both with a maturity of FY2028. The facility offers optionality of two one-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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. Following the disposal of Admiral Taverns in May 2022 for £55.0m, the first two of three tranches of proceeds of €42.8m (£36.7m) were received in August 2022. A condition of the negotiated waiver agreement (which ceased in October 2022) was that these proceeds were made available to USPP noteholders to divest. With noteholders divesting in November 2022, the subsequent new holdings as at 28 February 2023 is €100.6m (FY2022: €145.4m). This waiver condition ceased with the publication of the Group's Condensed Consolidated Interim Financial Statements in October 2022, and the third and final tranche of Admiral proceeds of €20.8m (£18.3m) received in February 2023 was fully retained by the business.

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, however given strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Group maintains a £150.0m receivables purchase facility (£120.0m committed, £30.0m uncommitted), renewable annually in May. As at 28 February 2023, €94.1m of this facility was drawn (FY2022: €84.1m).

### Cash generation

Summary cash flow for the year ended 28 February 2023 is set out in the table below. Overall liquidity remains robust. The increase in the Group's receivables purchase programme was used to offset the Group's repayment of previously deferred tax payments to the Irish Tax Authorities, in accordance with agreed repayment schedules, of €18.1m. The contribution to year end Group cash from the receivables purchase programme was €94.1m compared to €84.1m (€80.6m on a constant currency basis<sup>(iv)</sup>) at 28 February 2022 - a cash inflow of €13.5m<sup>(iv)</sup>. Owing to the timing of the implementation of a Group technology project in the Group's GB operations (February 2023), usual year end working capital procedures were relaxed in favour of holding increased levels of stock to safeguard against issues of stock availability.

Capital expenditure in FY2023 amounted to €15.2m, with €4.8m relating to the technology project in the Group's GB operations, a key step in the digital transformation and optimisation of the business, and €1.8m directly related to ESG initiatives and investments, including the completion of the Group's Out of Plastics projects for owned alcohol brands in Wellpark and Clonmel and the heat pump project at Clonmel.

### Reconciliation of Adjusted EBITDA<sup>(v)</sup> to Operating profit

	<b>2023</b>	2022
	€m	€m
Operating profit	<b>83.9</b>	58.5
Exceptional items	<b>0.2</b>	(10.6)
Operating profit before exceptional items	<b>84.1</b>	47.9
Amortisation and depreciation charge	<b>32.5</b>	31.8
<b>Adjusted EBITDA<sup>(v)</sup></b>	<b>116.6</b>	79.7
Adjusted EBITDA <sup>(v)</sup>	<b>116.6</b>	79.7
Working capital	<b>1.8</b>	(19.2)
Advances to customers	<b>(3.6)</b>	2.3
Net finance costs excluding exceptional finance costs	<b>(14.2)</b>	(16.7)
Tax paid	<b>(12.0)</b>	(3.2)
Pension contributions paid	<b>(0.5)</b>	(0.4)
Tangible/intangible expenditure	<b>(15.2)</b>	(17.1)
Net proceeds on disposal of property plant & equipment	<b>-</b>	2.3
Exceptional items paid	<b>(4.5)</b>	(12.5)
Other*	<b>2.4</b>	3.0
<b>Free cash flow<sup>(vi)</sup></b>	<b>70.8</b>	18.2
Free cash flow <sup>(vi)</sup>	<b>70.8</b>	18.2
Net exceptional cash outflow	<b>4.5</b>	10.2
<b>Free cash flow<sup>(vi)</sup> excluding net exceptional cash outflow</b>	<b>75.3</b>	28.4

## Reconciliation to Group Condensed Cash Flow Statement

Free cash flow <sup>(vi)</sup>	70.8	18.2
Net proceeds from exercise of share options/equity interests	-	0.7
Drawdown of debt	48.5	49.5
Repayment of debt	(108.5)	(271.7)
Payment of lease liabilities	(22.5)	(21.9)
Proceeds from Rights Issue	-	176.3
Payment of Rights Issue costs	(0.7)	(9.2)
Disposal of asset held for sale	63.6	-
Disposal of subsidiary/equity investment	0.7	12.9
Cash outflow re acquisition of equity accounted investments/financial assets	-	(0.3)
<b>Net increase/(decrease) in cash</b>	<b>51.9</b>	<b>(45.5)</b>

\* Other relates to the add back of share options, pension contributions: adjustments from charge to payment and the add back of intangible asset impairment.

## Retirement Benefits

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

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020. As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 50 active members (less than 10% of total membership) in the ROI staff defined benefit pension scheme and no active members in the executive defined benefit pension scheme.

At 28 February 2023, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €42.2m gross of deferred tax (€29.2m surplus with respect to the Group's staff defined benefit pension scheme, €9.4m surplus with respect to the Group's executive defined benefit pension scheme and a €3.6m surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €36.1m net of deferred tax.

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

	€m
Net surplus at 1 March 2022	37.6
Translation adjustment	(0.3)
Employer contributions paid	0.5
Credit to Other Comprehensive Income	4.3
Charge to Income Statement	0.1
<b>Net surplus at 28 February 2023</b>	<b>42.2</b>

The increase in the surplus from €37.6m at 28 February 2022 to a surplus of €42.2m at 28 February 2023 is primarily due to an actuarial gain of €4.3m over the year. The increase in the net surplus of the Group's defined benefit pension schemes from the 28 February 2022 to 28 February 2023, as computed in accordance with IAS 19 *Employee Benefits*, is primarily due to a decrease in liabilities as a result of the significant increase in bond yields over the year, which also offsets asset value decreases.

## Financial Risk Management

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

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

## Interest Rate Risk Management

With a rising interest rate environment, following recent history of modest or negative interest rates, the Group executed a €60m three-year Euro interest rate hedge against Euro debt facilities exposed to EURIBOR fluctuations. The hedge was executed in line with the Group guardrails and ensures that 82% of the Group's interest-bearing loans and borrowings as at 28 February 2023 are now either hedged or fixed through the USPP notes.

## Currency Risk Management

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

Currency transaction exposures primarily arise on the Sterling, US, Canadian and Australian Dollar denominated sales of the Group's Euro subsidiaries and Euro purchases in the Group's Great Britain (GB) business. The Group seeks to minimise this exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group had €11.5m forward foreign currency cash flow hedges outstanding.

The average rate for the translation of results from Sterling currency operations was €1:£0.8604 (year ended 28 February 2022: €1:£0.8524) and from US Dollar operations was €1:\$1.0438 (year ended 28 February 2022: €1:\$1.1701).

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

Applying the realised FY2023 foreign currency rates to the reported FY2022 revenue, net revenue and operating profit<sup>(i)</sup> are shown in the table below:

	Year ended 28 February 2022 €m	FX transaction €m	FX translation €m	Year ended 28 February 2022 €m
<b>Revenue</b>				
<b>Ireland</b>	338.3	-	(0.5)	337.8
<i>Branded</i>	126.5	-	(0.3)	126.2
<i>Distribution</i>	202.1	-	(0.3)	201.8
<i>Co-pack/Other</i>	9.7		0.1	9.8
<b>Great Britain</b>	1,457.8	0.3	(13.2)	1,444.9
<i>Branded</i>	285.8	0.3	(2.3)	283.8
<i>Distribution</i>	1,131.6	-	(10.5)	1,121.1
<i>Co-pack/Other</i>	40.4		(0.4)	40.0
<b>Total</b>	<b>1,796.1</b>	<b>0.3</b>	<b>(13.7)</b>	<b>1,782.7</b>
<b>Net revenue</b>				
<b>Ireland</b>	224.3	-	(0.5)	223.8
<i>Branded</i>	78.3	-	(0.2)	78.1
<i>Distribution</i>	139.8	-	(0.3)	139.5
<i>Co-pack/Other</i>	6.2		-	6.2
<b>Great Britain</b>	1,213.8	0.3	(10.8)	1,203.3
<i>Branded</i>	170.1	0.3	(1.2)	169.2
<i>Distribution</i>	1,005.5	-	(9.3)	996.2
<i>Co-pack/Other</i>	38.2		(0.3)	37.9
<b>Total</b>	<b>1,438.1</b>	<b>0.3</b>	<b>(11.3)</b>	<b>1,427.1</b>
<b>Operating profit<sup>(i)</sup></b>				
<b>Ireland</b>	16.7	2.2	-	18.9
<i>Branded</i>	13.6	(0.2)	-	13.4
<i>Distribution</i>	3.1	2.4	-	5.5
<b>Great Britain</b>	31.2	(2.0)	(0.2)	29.0
<i>Branded</i>	21.7	0.2	(0.1)	21.8
<i>Distribution</i>	9.5	(2.2)	(0.1)	7.2
<b>Total</b>	<b>47.9</b>	<b>0.2</b>	<b>(0.2)</b>	<b>47.9</b>

## Commodity Price and Other Risk Management

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

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

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

- (i) Before exceptional items.
- (ii) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
- (iii) Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*.
- (iv) FY2022 comparative adjusted for constant currency (FY2022 translated at FY2023 F/X rates).
- (v) Adjusted EBITDA is earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit to EBITDA is set out on page 11.
- (vi) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. FCF highlights the underlying cash-generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €94.1m (FY2022: €84.1m reported/€80.6m on a constant currency basis) of cash as at 28 February 2023. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set on page 12.
- (vii) NI CGA OPM 28.02.23; ROI CGA OPM 28.02.23; NielsonIQ Total off-trade including Dunnes & Discounters 52 weeks to week ending 26.02.23 vs 52 weeks to end Feb 2020; CGA OPM 25.02.23 (GB Beer & Cider database); IRI UK off-trade database to 19.02.23.
- (viii) Adjusted basic/diluted earnings per share ('EPS') excludes exceptional items. Please see note 6 of the Condensed Consolidated Financial Statements.

## Principal Risks and Uncertainties

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

### Changes to the Principal Risks

The FY2023 overall risk assessment process identified a number of risks that have increased since the prior year and as a result have an impact on the overall risk profile of the Group. These include:

*Financial and Credit.* Economic instability is increasing the risk of bad debt/default and cost of capital pressures. The profitability of some of our customers and suppliers is being adversely affected by the macro environment and consumer spending;

*Change in Customer Dynamics and Group Performance.* In addition to the profitability of some of our suppliers and customers being adversely affected by the macro environment and consumer spending, the rapid increase in interest rates to counter inflation might adversely affect customer behaviour and reduce profitability. Likewise, the introduction of the deposit return scheme ('DRS') in Scotland and in Ireland in 2024, and other legislation developments such as the introduction of Minimum Unit Pricing in Scotland and Ireland, may influence customer behaviour;

*Economic and Geopolitical.* The continued industrial action in the UK is increasing uncertainty and the speed of change across markets. Moreover, geopolitical changes could impact negatively upon commodity pricing (such as oil and gas, and raw materials); and

*Cyber Security and Data Protection.* There is an increased threat of state-sponsored cyber-attacks.

In addition, the Group implemented a complex Enterprise Resource Planning ('ERP') transformation in February 2023 in the Matthew Clark and Bibendum ('MCB') business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

We currently expect a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt / adjusted EBITDA is expected to remain within our stated range of 1.5x to 2.0x. Excluding the impact on MCB, the Group is currently performing in line with expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

### Risk & Uncertainties

Impact	Mitigation
<b>Regulatory and Social Attitude Changes to Alcohol</b>	
The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty, and potential alignment of cider and beer duties and extended producer responsibility), sponsorship or advertising.	<p>The Group and business units continue to engage with trade bodies, NGOs and UK, Irish and Scottish governments to ensure any proposed changes to legislation and restrictions are appropriate within the industry.</p> <p>The Group is actively involved with key trade bodies in UK and Ireland and has participated in Government consultations and round table sessions with Ministers and officials on topics including UK Alcohol Duty Review, Minimum Unit Pricing (Scotland), DRS (Scotland and Republic of Ireland) and Alcohol Marketing Restrictions (Scotland).</p>

Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government. C&C also adheres to the responsible promotion of alcohol and all legislation, and the self- and co-regulatory codes in the UK and Ireland (Portman, CAP/BPAC and CopyClear). C&C are also members of Drinkaware and Drinkaware.ie, the alcohol education charities.

The Group has developed low and zero alcohol variants of our brands. This combined with our ability to distribute the broadest range of third-party low and zero alcohol options allows C&C to address legislation and possible duty increases as well as meet the needs of consumers looking to moderate their drinking.

## Economic and Geo-Political

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Our business, financial results and operations may be adversely affected by economic or geo-political instability and/or uncertainty, such as the continuing conflict and humanitarian crisis in Ukraine.

The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest.

The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the British, Irish and Scottish governments to help ensure a manageable outcome for our businesses.

Group businesses are active members in respected industry trade bodies in the UK and Ireland including being a steering committee member of the UK all-party Parliamentary Beer Group.

On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets.

We have implemented action plans to protect the profitability and liquidity of the Group and mitigate a significant proportion of our cost base. We continue to review our cost base for additional savings.

We remain vigilant to changes in local jurisdictions and retain the flexibility to take appropriate mitigating action as necessary.

## Sustainability and Climate Change

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The Group recognises the significant environmental challenges the world faces due to a changing climate and the implications that this can have for our business and supply chains.

Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our products.

Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.

The Group has established a strong governance model which includes an ESG Committee responsible for the delivery of our ESG strategy. Ambitious targets are in place with regard to reducing the carbon footprint of our operations, our water usage, waste and also the use of single use plastics. Our Clonmel and Bristol sites continue to be ISO 14001 accredited for an effective environmental management system.

A materiality assessment exercise, in line with the Global Reporting Initiative, was started during the year to ensure that the Group's ESG priorities remain aligned with the views of our key stakeholders.

C&C Group plc has pledged to be a carbon-neutral business by 2050 at the latest. We have set our emissions reduction targets which are grounded in climate science and validated by the Science Based Targets initiative ('SBTi') in February 2023. We are committed to reduce our absolute Scope 1 and Scope 2 greenhouse gas emissions by 35% by 2030 (versus a FY2020 base year). To achieve our target of reducing our Scope 3 emissions by 25% (versus a FY2020 base year) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions, will have science-based targets in place by 2026. The Group is working with the Carbon Disclosure Project ('CDP') on their supplier screening process to support and encourage suppliers and customers to set and share science-based targets for their own emissions.

A cross functional team has been established to continue our alignment with the Task Force on Climate-Related Financial Disclosures ('TCFD') guidance. An external party has been engaged to support this process. For FY2023, the team has carried out a scenario scoping exercise for five climate risks and two opportunities to provide a quantitative assessment

of the potential range of outcomes and associated financial impact for C&C.

We continue to embed climate considerations into our overall strategic planning and investment appraisal process.

Sustainability and climate related metrics were included as part of the Long-Term Incentive Plan ('LTIP') for Executive Directors in FY2022 and again in FY2023. We have established a Risk and Compliance Committee which is responsible for monitoring the Sustainability and Climate Change risk. This committee is composed of executives and various levels of management from across the Group. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting to the ESG Committee twice a year in order to improve our oversight of climate-related risks and opportunities.

The Group has established an Ethical and Sustainable Procurement Steering Committee to ensure that suppliers adopt a strong approach to corporate social responsibility. Suppliers are reviewed and assessed both on an ongoing basis and as part of new tenders to ensure they adhere to C&C's Code of Conduct and Modern Slavery policies and that sustainability and ethical practices are a fundamental part of their operations.

## Customer and Consumer Dynamics and Group Performance

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Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on sales, profits and cash flow within the Group.

In the post pandemic environment there is a smaller on-trade universe and possible reduced value pool for the on-trade.

The rapid increase in interest rates to counter inflation may adversely affect customer behaviour and reduce profitability. Deposit return schemes are planned to come into force in Scotland in March 2024 and in Ireland in February 2024, impacting consumer behaviour.

Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low alcohol and non-alcoholic variants of our brands.

The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market.

Brand health surveys, which provide an understanding of consumer and customer perception of our brands, are used to inform and enhance our market offerings.

Contracts may be renegotiated. We continue to focus on retention and new sales opportunities as customers move to more resilient and "best in class" operations.

The Group has established cross-functional working groups to engage with all stakeholders to plan effectively for the implementation of the DRS in Scotland and Ireland.

## People and Culture

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The Group's ability to attract, develop, engage and retain a diverse, talented and capable workforce is critical if the Group is to continue to compete and grow effectively.

Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy.

The Group seeks to mitigate this risk through employment policies and procedures, as well as ongoing enhancements of pay and conditions, including benchmarking remuneration packages to ensure market competitiveness, broadening the scope of variable elements of remuneration and the development of retention and succession plans for critical roles.

The Group's approach to talent management and executive succession planning is regularly reviewed by the Group Executive Committee and is overseen by the ESG, Nomination Committee and the Board.

The Board and the Executive team have a vital role in shaping and embedding a healthy corporate culture, which continues to be a focus.

Culture is monitored and assessed by the ESG Committee and the Board.

A key focus of the Group's sustainability agenda is to build a purpose led, culturally diverse, engaged and inclusive workforce, where our people can be at their best, contribute to the Group's success and realise their career ambitions. Progress is monitored through KPIs and a six monthly Group wide employee engagement survey. Our Employee Representative Groups ('ERGs') remain key in evolving our culture, with each group having an executive sponsor. Our Diversity, Equity and Inclusivity group continues to champion greater diversity throughout the Group.

The Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. This is a key step in our digital transformation and optimisation of the business which will enable further automation and simplification of our business processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB, which in turn has put employees working on the project under significant pressure.

## Health and Safety

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A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in criminal prosecution, civil litigation and damage to the reputation of the Group and its brands.

The Group has a Health, Safety and Environmental ('HSE') team who work closely with management to ensure that the Group complies with all health, safety and environmental laws and regulations with ongoing monitoring, reporting and training.

The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover.

Management meetings throughout the Group feature a health and safety update as one of their first substantive agenda items. The Group has policies, procedures and standards in place to ensure compliance with legal obligations and industry standards.

Our support for mental health and wellbeing has further increased this year, with a significant further expansion of our Mental Health First Aider population and investment in a range of resources.

## Product Quality and Safety

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The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability.

The Group has implemented quality control and technical guidelines which are adhered to across all sites. Group Technical continually monitor quality standards and compliance with technical guidelines.

The Group also has quality agreements with all raw material suppliers, setting out our minimum acceptable standards. Any supplies which do not meet the defined standards are rejected and returned.

The Group has enacted specific business continuity plans and a range of measures to protect the business in line with the advice of governments and local health authorities to ensure the safe production and distribution of the Group's products.

Our Clonmel and Bristol sites continue to be ISO14001 accredited for an effective environmental management system. Our Clonmel and Wellpark manufacturing sites have the highest standard of BRC accreditation of AA+ achieved in October 2022 and March 2023 respectively.

## Supply Chain Operations, Costs and Inflation

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Circumstances such as the prolonged loss of a production or storage facility, disruptions to supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation.

An increased number of disruptive events have posed the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities.

Also, there is a risk of increased input costs due to poor harvests and price of inputs. The continuing conflict in Ukraine has contributed to heightened uncertainty and inflationary pressures.

The Group seeks to mitigate the operational impact of such events through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers.

Enhancement of business continuity planning launched to enhance the visibility of our key dependencies, our key threats and solution design. The Group works closely with its suppliers to protect the integrity and consistency of supply of raw materials. The Group seeks to minimise input risks through sustainable sourcing and long-term or fixed price supply agreements, where applicable. The Group continues to assess inflationary and other supply chain pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to improve supply chain resilience and to selectively pre-purchase products in order to ensure continuity of supply.

The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.

During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged.

## Information Technology

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The Group relies on robust IT systems and supporting infrastructure to manufacture and trade effectively. Any significant disruption or failure of key systems could result in business disruption and revenue loss, accident or misappropriation of confidential information.

Failure to properly manage existing systems, or the implementation of new IT systems may result in increased costs and/or lost revenue, and reputational damage.

Monitoring and alerting of availability of critical technologies and their inter-dependencies.

IT change management process is embedded to assess risk of all changes to technology including changes made by third-party providers. Critical IT Technologies are either cloud-hosted, hosted across two data centres or at third party provider locations with necessary fall over protocols and security perimeters in place.

Incident management teams are in place 24/7 to manage low level IT incidents. If there is a major incident or an escalation of an incident that has a wider impact on other parts of the business and stakeholders, then it can be escalated into the IT major incident management team to respond rapidly, with defined escalation and communication with the crisis management framework, via the network duty manager.

During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged.

## Cyber Security and Data Protection

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Failure or compromise of our IT infrastructure or key IT systems may result in theft, loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and a negative impact on our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cyber security) or data privacy in the course of our business

The Group undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third-party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Group's risk management programme. The Board and Audit Committee is presented with regular detailed Information Security Reports by the Group Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further

activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business.

There is a constant threat of significant and sophisticated cyber-attacks including phishing, ransom ware, malware and social engineering.

Using personal data in a non-compliant manner (whether deliberately or inadvertently) may exacerbate the impact of security incidents.

risk reduction. As a demonstration of our commitment to tackling cyber security we are currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre.

A data and cyber risk governance structure exists including an IT and data protection risk committee to regularly review the data and cyber risk landscape and determine required action to take place to manage risk effectively. Cyber security is a major focus area for the Board and Audit Committee who receive regular updates from the Group Transformation and Technology Director.

A specialist external IT security team undertake a 24/7 security monitoring service, a vulnerability management programme, a software review process, supply chain partner audits, a data loss prevention programme and identity governance controls amongst other initiatives including asset management, a comprehensive patching schedule and consolidation of our IT Infrastructure.

During FY2023 we continued our ongoing programme of investment in cyber security controls which included Endpoint Detect and Respond, Cloud Access Security Broker, Domain based Message authentication, Reporting and Conformance, email authentication and enhanced data loss prevention controls.

Business continuity, disaster recovery and crisis management plans are in place and tested on a regular basis.

We continue to prioritise several initiatives to further minimise the risk profile, including employees receiving regular online cyber security training and ongoing awareness is promoted through monthly phishing training and other initiatives to keep employees abreast of new and emerging threats.

Policies are in place regarding the protection of both business and personal information, with support from the Group Data Protection Officer.

During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged.

## Business Growth, Integration and Change Management

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Business integration and change that are not managed effectively could result in unrealised synergies, poor project governance, poor project delivery, increased staff turnover, erosion of value and failure to deliver growth.

Significant projects and acquisitions have formal leadership and project management teams to deliver integration.

Regular Group communications ensure effective information, engagement and feedback flow to support cultural change. The Executive Management team oversees change management and integration risks through regular meetings.

During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged.

## Compliance with Laws and Regulations

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The Group operates in an environment governed by strict and extensive regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders. These laws and regulations include hygiene, health and safety, the rules of

The Company Secretary and Group General Counsel is a member of the Executive Committee and is supported by appropriately skilled in-house legal, data protection and company secretarial resource, with further support provided by external lawyers and advisors.

Changes in laws and regulations are monitored, with policies and procedures being updated as required to ensure compliance with

the London Stock Exchange and competition law. Changing laws and regulation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business. Moreover, breach of our internal global policies and standards could result in severe damage to our corporate reputation and/or significant financial penalties.

regulations and legislation, providing updated documentation, training and communication across the Group.

The Group's Code of Conduct and supporting policies, clearly define the standards and expectations for all employees and third parties.

A mandatory online employee compliance programme is in place to embed employees' understanding of key compliance risks.

The Group's Vault whistleblowing service, managed and facilitated by an independent third-party, is available to all employees to raise concerns regarding suspected wrongdoings or unethical behaviours. All calls are followed up and investigated fully with all findings reported to the Board.

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

## Brand and Reputation

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

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

Capability in digital marketing means there is a risk of losing voice and ultimately brand awareness/advocacy with target consumers and trade customers.

The introduction of DRS in Scotland and Ireland in 2024 presents a reputational risk if not implemented correctly.

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

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

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

The Group is monitoring the impact of the rapidly changing trading environment on the Group's brands and will make necessary investment decisions to protect the Group's brand health scores and reputation. During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged.

On time in full rates are tracked weekly as a measure of customer service in our distribution business.

## Financial and Credit

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

Government and central bank policy can also adversely impact Group results and re-financing. Economic instability may increase the risk of bad debts.

Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal reporting, decision-making and external communication.

The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions. The Group manages pension risk through continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives.

A range of credit management controls are in place which are regularly monitored by management to minimise the risk and exposure. Credit limits are regularly reviewed in response to changing market conditions. A range of key internal financial controls, such as segregation of duties, authorisations and detailed reviews are in place with regular monitoring by management to ensure the accuracy of the data for reporting purposes.

During February 2023, the Group implemented a complex ERP transformation in February 2023 in the MCB business, further aligning and streamlining our technology infrastructure across the Group. The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB.

**Condensed Consolidated Income Statement**  
For the financial year ended 28 February 2023

	Notes	Year ended 28 February 2023			Year ended 28 February 2022		
		Before exceptional items €m	Exceptional items (note 4) €m	Total €m	Before exceptional items €m	Exceptional items (note 4) €m	Total €m
<b>Revenue</b>	2	<b>2,060.7</b>	-	<b>2,060.7</b>	1,796.1	-	1,796.1
Excise duties		(371.7)	-	(371.7)	(358.0)	-	(358.0)
<b>Net revenue</b>	2	<b>1,689.0</b>	-	<b>1,689.0</b>	1,438.1	-	1,438.1
Operating costs		(1,604.9)	(0.2)	(1,605.1)	(1,390.2)	10.6	(1,379.6)
<b>Group operating profit</b>	2	<b>84.1</b>	<b>(0.2)</b>	<b>83.9</b>	47.9	10.6	58.5
Profit on disposal	4	-	1.1	1.1	-	4.5	4.5
Finance income		-	0.2	0.2	-	0.2	0.2
Finance expense		(17.3)	(2.0)	(19.3)	(16.1)	(6.7)	(22.8)
Share of equity accounted investments' profit after tax		-	-	-	2.6	2.7	5.3
<b>Profit before tax</b>		<b>66.8</b>	<b>(0.9)</b>	<b>65.9</b>	34.4	11.3	45.7
Income tax expense		(14.2)	0.2	(14.0)	(6.2)	(2.4)	(8.6)
<b>Group profit for the financial year</b>		<b>52.6</b>	<b>(0.7)</b>	<b>51.9</b>	28.2	8.9	37.1
<b>Basic earnings per share (cent)</b>	6			<b>13.3</b>			9.9
<b>Diluted earnings per share (cent)</b>	6			<b>13.2</b>			9.9

All of the results are related to continuing operations.

**Condensed Consolidated Statement of Comprehensive Income**  
For the financial year ended 28 February 2023

	Notes	2023 €m	2022 €m
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified to Income Statement in subsequent years:</b>			
Foreign currency translation differences arising on the net investment in foreign operations		(19.8)	11.9
Foreign currency recycled on disposal of asset held for sale		0.4	-
Foreign currency recycled on disposal of subsidiary		-	(0.2)
Gain/(loss) relating to cash flow hedges		1.2	(0.1)
<b>Items that will not be reclassified to Income Statement in subsequent years:</b>			
Revaluation of property, plant & equipment		(0.7)	2.5
Deferred tax on revaluation of property, plant and equipment		0.3	(0.6)
Actuarial gain on retirement benefits	9	4.3	32.8
Deferred tax charge on actuarial gain on retirement benefits		0.1	(4.3)
Share of equity accounted investments' Other Comprehensive Income		-	2.2
<b>Net (loss)/gain recognised directly within Other Comprehensive Income</b>		<b>(14.2)</b>	<b>44.2</b>
Group profit for the financial year		<b>51.9</b>	<b>37.1</b>
<b>Total comprehensive income for the financial year</b>		<b>37.7</b>	<b>81.3</b>

**Condensed Consolidated Balance Sheet**  
As at 28 February 2023

	Notes	2023 €m	2022 €m
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		210.3	214.0
Goodwill & intangible assets		645.5	656.5
Equity accounted investments/financial assets		1.3	1.3
Retirement benefits	9	42.2	37.6
Deferred tax assets		25.0	27.0
Derivative financial assets		5.6	4.3
Trade & other receivables		38.0	43.0
		<u>967.9</u>	<u>983.7</u>
<b>Current assets</b>			
Inventories		174.9	168.2
Trade & other receivables		164.1	186.3
Current income tax assets		0.7	-
Cash		115.3	64.7
		<u>455.0</u>	<u>419.2</u>
Assets held for sale		-	65.8
		<u>455.0</u>	<u>485.0</u>
<b>TOTAL ASSETS</b>		<u>1,422.9</u>	<u>1,468.7</u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Equity share capital		4.0	4.0
Share premium		347.2	347.2
Treasury shares		(34.1)	(36.0)
Other reserves		80.3	98.3
Retained income		341.8	285.5
<b>Total Equity</b>		<u>739.2</u>	<u>699.0</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		57.1	59.8
Interest bearing loans & borrowings		100.0	219.4
Provisions		4.9	3.9
Deferred tax liabilities		34.2	30.2
		<u>196.2</u>	<u>313.3</u>
<b>Current liabilities</b>			
Lease liabilities		16.7	20.2
Derivative financial liabilities		-	0.1
Trade & other payables		370.7	386.1
Interest bearing loans & borrowings		94.2	36.6
Provisions		5.4	8.2
Current income tax liabilities		0.5	5.2
		<u>487.5</u>	<u>456.4</u>
<b>Total liabilities</b>		<u>683.7</u>	<u>769.7</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>1,422.9</u>	<u>1,468.7</u>

## Condensed Consolidated Cash Flow Statement

For the financial year ended 28 February 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>€m</b>	<b>€m</b>
Group profit for the year		51.9	37.1
Finance income		(0.2)	(0.2)
Finance expense		19.3	22.8
Income tax expense		14.0	8.6
Profit on share of equity accounted investments		-	(5.3)
Impairment of intangible asset	4	-	0.6
Impairment of equity accounted investments	4	-	6.4
Revaluation of property, plant & equipment	4	-	(0.6)
Depreciation of property, plant & equipment		30.0	29.2
Amortisation of intangible assets		2.5	2.6
Profit on disposal	4	(1.1)	(4.5)
Net profit on disposal of property, plant & equipment		-	(1.6)
Rights Issue costs recorded as exceptional		0.7	2.6
Charge for equity settled share-based payments		2.5	1.5
Pension contributions: adjustment from (credit)/charge to payment	9	(0.6)	0.3
		<b>119.0</b>	<b>99.5</b>
Increase in inventories		(12.2)	(43.6)
Decrease/(increase) in trade & other receivables		18.5	(84.0)
(Decrease)/increase in trade & other payables		(6.6)	89.6
Decrease in provisions		(1.3)	(0.9)
		<b>117.4</b>	<b>60.6</b>
Interest and similar costs paid		(19.4)	(24.4)
Income taxes paid		(12.0)	(3.2)
<b>Net cash inflow from operating activities</b>		<b>86.0</b>	<b>33.0</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(10.1)	(14.9)
Purchase of intangible assets		(5.1)	(2.2)
Net proceeds on disposal of property, plant & equipment		-	2.3
Sale of asset held for sale		63.6	-
Sale of business – net of cash disposed		0.7	12.9
Cash outflow re acquisition of equity accounted investments/financial assets		-	(0.3)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>49.1</b>	<b>(2.2)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options/equity interests		-	0.7
Proceeds from Rights Issue		-	176.3
Drawdown of debt	8	48.5	49.5
Repayment of debt	8	(108.5)	(271.7)
Payment of lease liabilities		(22.5)	(21.9)
Payment of Rights Issue costs		(0.7)	(9.2)
<b>Net cash outflow from financing activities</b>		<b>(83.2)</b>	<b>(76.3)</b>
<b>Net increase/(decrease) in cash</b>		<b>51.9</b>	<b>(45.5)</b>
<b>Reconciliation of opening to closing cash</b>			
Cash at beginning of year		64.7	107.7
Translation adjustment		(1.3)	2.5
Net increase/(decrease) in cash		51.9	(45.5)
<b>Cash at end of financial year</b>		<b>115.3</b>	<b>64.7</b>

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

## Condensed Consolidated Statement of Changes in Equity

For the financial year ended 28 February 2023

	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
<b>At 28 February 2022</b>	<b>4.0</b>	<b>347.2</b>	<b>25.8</b>	<b>(0.1)</b>	<b>4.4</b>	<b>53.3</b>	<b>14.9</b>	<b>(36.0)</b>	<b>285.5</b>	<b>699.0</b>
Profit for the financial year	-	-	-	-	-	-	-	-	51.9	51.9
Other comprehensive income/(expense)	-	-	-	1.2	-	(19.4)	(0.7)	-	4.7	(14.2)
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>(19.4)</b>	<b>(0.7)</b>	<b>-</b>	<b>56.6</b>	<b>37.7</b>
Reclassification of share-based payments reserve	-	-	-	-	(1.6)	-	-	-	1.6	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	1.9	(1.9)	-
Equity settled share-based payments	-	-	-	-	2.5	-	-	-	-	2.5
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>1.9</b>	<b>(0.3)</b>	<b>2.5</b>
<b>At 28 February 2023</b>	<b>4.0</b>	<b>347.2</b>	<b>25.8</b>	<b>1.1</b>	<b>5.3</b>	<b>33.9</b>	<b>14.2</b>	<b>(34.1)</b>	<b>341.8</b>	<b>739.2</b>

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

	Equity share capital	Share premium	Other capital reserves*	Cash flow hedge reserve	Share-based payments reserve	Currency translation reserve	Revaluation reserve	Treasury shares	Retained income	Total
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
<b>At 28 February 2021</b>	3.2	171.3	25.8	-	3.3	41.6	12.4	(36.5)	225.0	446.1
Profit for the financial year	-	-	-	-	-	-	-	-	37.1	37.1
Other comprehensive income/(expense)	-	-	-	(0.1)	-	11.7	2.5	-	30.1	44.2
<b>Total comprehensive income/(expense)</b>	-	-	-	(0.1)	-	11.7	2.5	-	67.2	81.3
Ordinary Share Capital Issued	0.8	175.5	-	-	-	-	-	-	-	176.3
Share Issue costs	-	-	-	-	-	-	-	-	(6.6)	(6.6)
Exercised share options	-	0.4	-	-	-	-	-	-	-	0.4
Reclassification of share-based payments reserve	-	-	-	-	(0.4)	-	-	-	0.4	-
Sale of treasury shares/purchases of shares to satisfy employee share entitlements	-	-	-	-	-	-	-	0.5	(0.5)	-
Equity settled share-based payments	-	-	-	-	1.5	-	-	-	-	1.5
<b>Total transactions with owners</b>	0.8	175.9	-	-	1.1	-	-	0.5	(6.7)	171.6
<b>At 28 February 2022</b>	4.0	347.2	25.8	(0.1)	4.4	53.3	14.9	(36.0)	285.5	699.0

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

## Notes to the Condensed Consolidated Financial Statements For the year ended 28 February 2023

### 1. BASIS OF PREPARATION

The financial information presented in this report has been prepared in accordance with the listing rules of the London Stock Exchange and the accounting policies that the Group has adopted under International Financial Reporting Standards ('IFRS') as approved by the EU Commission for the financial year ended 28 February 2023.

#### Going concern basis

The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks.

Liquidity and net debt reduction have been a key focus for the Group throughout FY2023, and disciplined balance sheet management has led to net debt excluding leases and liquidity of €78.9m and €470.3m respectively at year end compared with €191.3m and €438.7m respectively in FY2022. The Group delivered a leverage of 1.3x Net Debt/EBITDA as at 28 February 2023.

The Group has successfully negotiated and completed a refinancing of the current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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; however, given the strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2024 (the going concern "assessment period"). The cash flow projections included various stress testing scenarios involving higher costs, an evolving inflationary environment, reduced volumes impacted by consumer confidence and capital returns to shareholders. In each scenario, the Group demonstrated sufficient headroom in relation to covenants.

#### Overall conclusion

The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Given the return to unrestricted trading, revenue and volume growth in the Group's core markets, the implemented price increases, and cost hedge positions taken; the cash flow forecasts demonstrate significant headroom on the covenants within the financing facilities. Given the quantum of headroom, the Directors have concluded that the covenants will be satisfied and therefore consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so.

#### 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 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3;
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16;
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37;
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter;
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities; and
- AIP IAS 41 Agriculture – Taxation in fair value measurements.

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

#### Statutory accounts

The financial information prepared in accordance with IFRS as adopted by the European Union included in this report does not constitute the statutory financial statements for the purposes of Chapter 4 of Part 6 of the Companies Act 2014. Full statutory accounts for the year ended 28 February 2023, prepared in accordance with IFRS, upon which the auditors have given an unqualified report, have not yet been filed with the Registrar of

Companies but are available on the Group's website. Full accounts for the year ended 28 February 2022, prepared in accordance with IFRS and containing an unqualified audit report have been delivered to the Registrar of Companies. The information included has been extracted from the Group's financial statements, which have been approved by the Board of Directors on 24 May 2022.

### Reporting Currency

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

	<b>2023</b>	<b>2022</b>
Balance Sheet (Euro : Sterling closing rate)	<b>0.8770</b>	0.8355
Income Statement (Euro : Sterling average rate)	<b>0.8604</b>	0.8524
Balance Sheet (Euro : USD closing rate)	<b>1.0619</b>	1.1199
Income Statement (Euro : USD average rate)	<b>1.0438</b>	1.1701

## 2. SEGMENTAL REPORTING

The Group's business activity is the manufacturing, marketing and distribution of branded beer, cider, wine, spirits and soft drinks. Two operating segments have been identified in the current financial year; Ireland and Great Britain.

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

The identified business segments are as follows:

### (i) Ireland

This segment includes the financial results from sale of the Group's own branded products across the island of Ireland, principally Bulmers, Magners, Tennent's, Five Lamps, Clonmel 1650, Heverlee, Dowd's Lane, Finches and Tipperary Water. The Group also operates the Bulmers Ireland drinks distribution business, a leading distributor of third-party drinks to the licenced On and Off-trades in Ireland. The Group distributes San Miguel and Budweiser Brewing Group's portfolio of beer brands across the island of Ireland on an exclusive basis. The Group's primary manufacturing plant in this segment 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 the sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners being 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. The Group's primary manufacturing plant in this segment is the Wellpark Brewery in Glasgow, with major distribution and administration centres in Glasgow, Bristol and London.

The division includes Tennent's Direct, Scotland's leading drinks distributor which serves the Scottish On-Trade with an unrivalled range of drinks led by beer and cider, and includes exclusive distribution of Moët Hennessy products, such as Moët and Glenmorangie, and UK distribution of international brands Tsingtao and Menabrea.

The segment includes the financial results from Matthew Clark, the largest independent distributor to the GB On-trade drinks sector. Matthew Clark delivers a market leading composite drinks range across Wine, Spirits, beer, cider, and softs including a number of exclusive distribution agreements with wine producers and third-party brands.

In addition, it includes Bibendum, the UK's leading independent wine specialist servicing customer across the On-trade, independent retail (through Walker & Wodehouse) and Off-trade nationwide. Delivering a market leading range of premium wine, a selection of exclusive globally recognised artisan and innovative wine producers.

The Group's Tennent's Direct, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade, national accounts, independent retail and Off-trade customers.

This segment also 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, North America, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This segment also includes the sale of the Group's cider and beer

products in the US and Canada. In April 2021, the Group divested its wholly-owned US subsidiary, Vermont Hard Cider Company and its Woodchuck suite of brands.

The Group's 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

	2023			2022		
	Revenue €m	Net revenue €m	Operating profit €m	Revenue €m	Net revenue €m	Operating profit €m
Ireland	388.0	278.5	28.1	338.3	224.3	16.7
Great Britain	1,672.7	1,410.5	56.0	1,457.8	1,213.8	31.2
<b>Total before exceptional items</b>	<b>2,060.7</b>	<b>1,689.0</b>	<b>84.1</b>	<b>1,796.1</b>	<b>1,438.1</b>	<b>47.9</b>
Exceptional items (note 4)	-	-	(0.2)	-	-	10.6
<b>Total</b>	<b>2,060.7</b>	<b>1,689.0</b>	<b>83.9</b>	<b>1,796.1</b>	<b>1,438.1</b>	<b>58.5</b>
Profit on disposal (note 4)			1.1			4.5
Finance income			0.2			0.2
Finance expense			(17.3)			(16.1)
Finance expense exceptional items (note 4)			(2.0)			(6.7)
Share of equity accounted investments' profit/(loss) after tax before exceptional items			-			2.6
Share of equity accounted investments' exceptional items (note 4)			-			2.7
<b>Profit before tax</b>			<b>65.9</b>			<b>45.7</b>

The exceptional items in the current financial year are €0.2m, of which €0.4m relates to Ireland and a credit of €0.2m relates to Great Britain. The exceptional items in the prior financial year are a €10.6m credit, of which €9.2m relates to Ireland and €1.4m relates to Great Britain.

Profit on disposal of €0.4m in the current financial year relates to Great Britain and €0.7m relates to Ireland. Profit on disposal of €4.5m in the prior financial year related to Great Britain.

The prior year share of equity accounted investments' profit after tax before exceptional items of €2.6m relates to Great Britain. The prior year share of equity accounted investments' exceptional items of €2.7m relates to Great Britain.

Total assets for the year ended 28 February 2023 amounted to €1,422.9m (FY2022: €1,468.7m).

#### (b) Other operating segment information

	2023			2022		
	Tangible and intangible expenditure €m	Lease additions €m	Depreciation /amortisation /impairment /revaluation €m	Tangible and intangible expenditure €m	Lease additions €m	Depreciation /amortisation /impairment/ revaluation €m
Ireland	6.0	2.3	6.3	7.3	4.1	6.2
Great Britain	13.5	24.6	26.2	5.9	19.0	25.6
<b>Total</b>	<b>19.5</b>	<b>26.9</b>	<b>32.5</b>	<b>13.2</b>	<b>23.1</b>	<b>31.8</b>

### (c) Geographical analysis of revenue and net revenue

	Revenue		Net revenue	
	2023	2022	2023	2022
	€m	€m	€m	€m
Ireland	388.0	338.3	278.5	224.3
Great Britain	1,648.5	1,439.0	1,386.3	1,195.1
International*	24.2	18.8	24.2	18.7
<b>Total</b>	<b>2,060.7</b>	<b>1,796.1</b>	<b>1,689.0</b>	<b>1,438.1</b>

\* International as a geographic region consists of multiple countries that in aggregate represent 1% of Group revenue.

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

### (d) Geographical analysis of non-current assets

	Ireland	Great Britain	International	Total
	€m	€m	€m	€m
<b>28 February 2023</b>				
Property, plant & equipment	74.6	130.7	5.0	210.3
Goodwill & intangible assets	157.1	463.2	25.2	645.5
Equity accounted investments/financial assets	0.4	0.7	0.2	1.3
<b>Total</b>	<b>232.1</b>	<b>594.6</b>	<b>30.4</b>	<b>857.1</b>
	Ireland	Great Britain	International	Total
	€m	€m	€m	€m
<b>28 February 2022</b>				
Property, plant & equipment	73.4	135.9	4.7	214.0
Goodwill & intangible assets	157.6	473.7	25.2	656.5
Equity accounted investments	0.4	0.7	0.2	1.3
<b>Total</b>	<b>231.4</b>	<b>610.3</b>	<b>30.1</b>	<b>871.8</b>

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

### (e) Disaggregated net revenue

In the following table, net revenue is disaggregated by principal activities and products. Principal activities and products is the primary basis on which management reviews its businesses across the Group. To aid in more useful analysis of the Group's business performance, the Group has introduced Branded and Distribution in the prior year to better reflect how the business is managed commercially and the distinct revenue sources which drive its performance as a brand-led distributor in the UK and Ireland.

Principal activities and products Net revenue	2023		
	Ireland	Great Britain	Total
	€m	€m	€m
Branded*	105.9	192.5	298.4
Distribution**	170.6	1,190.9	1,361.5
Co pack/Other	2.0	27.1	29.1
<b>Total Group from continuing operations</b>	<b>278.5</b>	<b>1,410.5</b>	<b>1,689.0</b>

\* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

\*\* Distribution defined as third-party brands sold through the Group's distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

Principal activities and products	2022		
	Ireland	Great Britain	Total
Net revenue	€m	€m	€m
Branded*	78.3	170.1	248.4
Distribution**	139.8	1,005.5	1,145.3
Co pack/Other	6.2	38.2	44.4
Total Group from continuing operations	224.3	1,213.8	1,438.1

\* Branded defined as being brands either fully owned by C&C or sold by C&C as part of a long-term distribution deal, whereby C&C are responsible for the marketing as well as sale of the brand in the associated geography.

\*\* Distribution defined as third-party brands sold through the Group's distribution businesses and brands where C&C act as an exclusive agent for a brand in a specific geography.

### 3. SEASONALITY OF OPERATIONS

For C&C (excluding Matthew Clark and Bibendum) brands within the Group's portfolio, particularly the Group's cider brands, tend to have higher consumption during the summer months, which fall within the first half of the Group's 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 the Group's first half trading. Accordingly, trading profit is usually higher in the first half of the Group's financial year.

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

### 4. EXCEPTIONAL ITEMS

	2023 €m	2022 €m
<b>Operating costs</b>		
COVID-19 (a)	1.5	17.5
Restructuring (costs)/credits (b)	(1.1)	1.2
Impairment of equity accounted investment (c)	-	(6.4)
Reversal of impairment of property, plant and equipment (d)	-	0.6
Rights Issue costs (e)	(0.7)	(2.6)
Other (f)	0.1	0.3
<b>Operating profit/(loss) exceptional items</b>	<b>(0.2)</b>	10.6
Profit on disposal (g)	1.1	4.5
Finance income (h)	0.2	0.2
Finance expense (i)	(2.0)	(6.7)
Share of equity accounted investments' exceptional items (c)	-	2.7
<b>Included in profit before tax</b>	<b>(0.9)</b>	11.3
Income tax credit/(charge) (j)	0.2	(2.4)
<b>Included in profit after tax</b>	<b>(0.7)</b>	8.9

#### (a) COVID-19

The Group has accounted for the COVID-19 pandemic as an exceptional item and realised an exceptional credit of €1.5m from operating activities in FY2023 (FY2022: credit of €17.5m), broken down as follows: in FY2023 the Group reviewed the recoverability of its trade debtor and advances to customers and realised a credit of €0.9m with respect to its provision against trade debtors (FY2022: credit of €7.9m) and a credit of €0.4m with respect to its provision for advances to customers (FY2022: credit of €5.5m). Also, during the current financial year, the Group released €0.2m in relation to a provision for lost kegs (FY2022: €nil). In the prior year the Group released a credit of €4.1m with respect to inventory that had previously been deemed at risk of obsolescence as a consequence of the COVID-19 restrictions.

#### (b) Restructuring costs

A cost of €1.1m relating to restructuring costs was incurred in the current financial year in relation to severance costs which arose as a consequence of the ongoing optimisation of the delivery networks and operations in England and Scotland (FY2022: credit of €1.2m).

#### (c) Equity accounted investments' exceptional items

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners, for a total consideration of €65.8m (£55.0m). Admiral Taverns was classified as an asset held for sale as at 24 February 2022 and the sale of the shares was completed in three tranches during FY2023.

The net impact of exceptional items in relation to Admiral was a charge of €3.7m in FY2022. The Group continued to equity account for this investment up until this date, with the Group recognising a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items. This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets. The Group also in FY2022 recognised an exceptional charge of €1.4m in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items in FY2022 of €0.5m, primarily relating to restructuring costs. This was offset by 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.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income in FY2022.

Also in the prior financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reversed previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of £55.0m (€65.9m at date of classification as held for sale, €65.8m at the prior year end rate).

#### **(d) Reversal of impairment of property, plant & equipment**

Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated Balance Sheet and reviewed for impairment on an annual basis. During the current and prior financial years, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites. Using the valuation methodologies, no change in value was recorded through the Consolidated Income Statement (FY2022: gain of €0.6m) and a loss of €0.7m accounted for within Other Comprehensive Income (FY2022: gain of €2.5m).

#### **(e) Rights Issue costs**

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). During FY2022, attributable costs of €9.2m were incurred, of which €6.6m was debited directly to Equity and €2.6m was recorded as an exceptional charge in the Group's Consolidated Income Statement. In FY2023, additional costs of €0.7m were incurred as a result of the Rights Issue – this cost was in respect of a clarification of VAT treatment by the European Court of Justice on 8 September 2022.

#### **(f) Other**

In the current financial year €0.1m was released in relation to a provision for legal disputes (FY2022: €0.3m release).

#### **(g) Profit on disposal**

During the current financial year, as described in c) above, the Group completed the sale of its asset held for sale, Admiral Taverns, to Proprium Capital Partners for a total consideration of €63.6m (£55.0m), realising a profit of €0.4m on disposal.

Also, during the current financial year, the Group received contingent consideration of €0.7m in relation to the sale of its Tipperary Water Cooler business, the sale of which was completed in FY2021.

During the prior financial year, the Group completed the sale of its wholly-owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on 2 April 2021 for a total consideration of €17.5m (USD 20.5m) (comprised of cash proceeds of €13.4m (€12.9m net cash impact on disposal) and promissory notes of €4.1m at the date of transaction), realising a profit of €4.5m on disposal.

#### **(h) Finance income**

The Group earned finance income of €0.2m in both the current and prior financial years relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company in FY2022.

#### **(i) Finance Expense**

The Group incurred costs of €2.0m (FY2022: €6.7m) during the current financial year directly associated with covenant waivers due to the impact of COVID-19. These costs included waiver fees, increased margins payable and other professional fees associated with covenant waivers.

#### **(j) Income tax credit/(charge)**

The tax credit in the current financial year, with respect to exceptional items, amounted to €0.2m (FY2022: €2.4m charge).

## 5. DIVIDENDS

In order to achieve better alignment of the interest of share-based remuneration award recipients with the interests of shareholders, shareholder approval was given at the 2012 AGM to a proposal that awards made and that vest under the LTIP incentive programme should reflect the equivalent value to that which accrues to shareholders by way of dividends during the vesting period. The Deferred Bonus Plan and the Buy-Out Awards also accrue dividends during the vesting period.

Subject to shareholder approval at the Annual General Meeting, the Directors have proposed a final dividend of 3.79 cent per share to be paid on 21 July 2023 to ordinary shareholders registered at the close of business on 9 June 2023. No interim dividend was paid with respect to FY2023; therefore, the Group's full year dividend will amount to 3.79 cent per share. Using the number of shares in issue at 28 February 2023 and excluding those shares for which it is assumed that the right to dividend will be waived, this would equate to a distribution of €15.0m. There is no scrip dividend alternative proposed. Due to the impact of COVID-19, total dividends for the prior financial year were €nil.

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

## 6. EARNINGS PER ORDINARY SHARE

### Denominator computations

	<b>2023</b>	2022
	<b>Number</b>	Number
	<b>'000</b>	'000
Number of shares at beginning of year	<b>401,914</b>	320,480
Shares issued in respect of options exercised	<b>93</b>	147
Shares issued in respect of Rights Issue	<b>-</b>	81,287
<b>Number of shares at end of year</b>	<b>402,007</b>	401,914
Weighted average number of ordinary shares (basic)*	<b>391,269</b>	374,560
Adjustment for the effect of conversion of options	<b>1,697</b>	1,374
Weighted average number of ordinary shares, including options (diluted)	<b>392,966</b>	375,934

\* Excludes 10.2m treasury shares (FY2022: 10.7m).

### Profit attributable to ordinary shareholders

	<b>2023</b>	2022
	<b>€m</b>	€m
Group profit for the financial year	<b>51.9</b>	37.1
Adjustment for exceptional items, net of tax	<b>0.7</b>	(8.9)
Earnings as adjusted for exceptional items, net of tax	<b>52.6</b>	28.2

### Basic earnings per share

	<b>Cent</b>	Cent
Basic earnings per share	<b>13.3</b>	9.9
Adjusted basic earnings per share	<b>13.4</b>	7.5

### Diluted earnings per share

Diluted earnings per share	<b>13.2</b>	9.9
Adjusted diluted earnings per share	<b>13.4</b>	7.5

Basic earnings per share is calculated by dividing the Group profit for the financial year by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Group and accounted for as treasury shares (FY2023: 10.2m shares, FY2022: 10.7m shares).

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

Employee share awards (excluding awards which were granted under plans where the rules stipulate that obligations must be satisfied by the purchase of existing shares), which are performance-based are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. In accordance with IAS 33 *Earnings per Share*, these contingently issuable shares are excluded from the computation of diluted earnings per share where the vesting conditions would not have been satisfied as at the end of the reporting period (FY2023: 445,410; FY2022: 499,828). If dilutive

other contingently issuable ordinary shares are included in diluted EPS based on the number of shares that would be issuable if the end of the reporting period was the end of the contingency period.

## 7. BUSINESS COMBINATIONS/DIVESTMENTS AND NON-CONTROLLING INTERESTS

The Group had no new business combinations or divestments during the current financial year.

The Group continues to hold the non-cash consideration from the sale of Vermont Hard Cider Company (VHCC) of the promissory notes issued of USD 4.8m as a derivative financial asset. This has been revalued to €4.5m in the current financial year (FY2022: €4.3m).

### Year ended 28 February 2022

In the prior financial year, the Group disposed of €12.1m of net assets with respect to VHCC for an initial consideration of €17.5m. Transaction costs of €0.5m were also incurred (included in the cash flows from operating activities) resulting in a profit on disposal of €4.5m (note 4).

## 8. ANALYSIS OF NET DEBT

	1 March 2022 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non- cash changes €m	28 February 2023 €m
Interest bearing loans & borrowings	(256.0)	3.3	-	60.0	(1.5)	(194.2)*
Cash	64.7	(1.3)	-	51.9	-	115.3
<b>Net debt excluding leases</b>	<b>(191.3)</b>	<b>2.0</b>	<b>-</b>	<b>111.9</b>	<b>(1.5)</b>	<b>(78.9)</b>
Lease liabilities	(80.0)	3.6	(19.9)	25.6	(3.1)	(73.8)
<b>Net debt including leases</b>	<b>(271.3)</b>	<b>5.6</b>	<b>(19.9)</b>	<b>137.5</b>	<b>(4.6)</b>	<b>(152.7)</b>

\* Interest bearing loans & borrowings at 28 February 2023 are net of unamortised issue costs of €1.4m.

	1 March 2021 €m	Translation adjustment €m	Additions/ disposals/ remeasurement €m	Cash Flow, net €m	Non- cash changes €m	28 February 2022 €m
Interest bearing loans & borrowings	(470.0)	(7.2)	-	222.2	(1.0)	(256.0)*
Cash	107.7	2.5	-	(45.5)	-	64.7
<b>Net debt excluding leases</b>	<b>(362.3)</b>	<b>(4.7)</b>	<b>-</b>	<b>176.7</b>	<b>(1.0)</b>	<b>(191.3)</b>
Lease liabilities	(79.6)	(3.2)	(19.1)	25.2	(3.3)	(80.0)
<b>Net debt including leases</b>	<b>(441.9)</b>	<b>(7.9)</b>	<b>(19.1)</b>	<b>201.9</b>	<b>(4.3)</b>	<b>(271.3)</b>

\* Interest bearing loans & borrowings at 28 February 2022 are net of unamortised issue costs of €2.9 m.

The non-cash change to the Company and Group's interest-bearing loans and borrowings in the current financial year relates to the amortisation of issue costs of €1.5m (FY2022: €1.0m). The non-cash changes for the Group's lease liabilities in the current financial year relate to discount unwinding of €3.1m (FY2022: €3.3m).

The Company, together with a number of its subsidiaries, gave a letter of guarantee to secure its obligations in respect of all debt drawn by the Company and Group at 28 February 2023.

### Borrowing facilities

#### Group

The Group manages its borrowing requirements by entering into committed loan facility agreements. It also holds USPP notes which diversifies the Group's sources of debt finance.

In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. During FY2023, Ulster Bank left the syndicate, following the sale of their Irish commercial loan book to Allied Irish Bank; however the facility remains unchanged at €450m. In FY2021, the

Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment was paid on 12 July 2022.

The Group has successfully negotiated and completed a refinancing of the current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively. Both the multi-currency facility and the Euro term loan were negotiated with six banks - namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Barclays Bank, HSBC and Rabobank.

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. Following the disposal of Admiral Taverns in May 2022 for £55.0m, the first two of three tranches of proceeds of €42.8m (£36.7m) were received in August 2022. A condition of the negotiated waiver agreement (which ceased in October 2022) was that these proceeds were made available to USPP noteholders to divest. With noteholders divesting in November 2022, the subsequent new holding as at 28 February 2023 is €100.6m (FY2022: €145.4m). This waiver condition ceased with the publication of the Group's Condensed Consolidated Interim Financial Statements in October 2022, and the third and final tranche of Admiral proceeds of €20.8m (£18.3m) received in February 2023 was fully retained by the business.

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/Sonia 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. These conditions are mirrored in the new multi-currency facility and the Euro term loan, which will go live in FY2024.

Under the terms of the USPP, the Group pays a margin of 1.6% with respect to €13.4m FY2023 (FY2022: €19.0m) USPP notes with a 10-year tenure; 1.73% with respect to €40.4m (FY2022: €57.0m) USPP notes with a 12 year tenure and 2.74% with respect to £41.1m (FY2022: £58.0m) notes with a 10 year tenure. A fee is payable where Group EBITDA is below €120.0m and a below investment grade fee payable when the Group's credit rating is below investment grade. These fees will remain applicable until the conditions are met and total 1.50%.

The current and future multi-currency revolving facilities agreement provides for a further €100m in the form of an uncommitted accordion facility upon approval from the Group's banking syndicate.

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 USPP allows the early prepayment of the notes at any time subject to the payment of a make whole amount to compensate the note holders for the interest that would have been received on the notes had they not been prepaid early.

All borrowings of the Group at 28 February 2023 are repayable in full on change of control of the Group.

The Group considers the refinancing of its multi-currency facility to be a post balance sheet event, as described in Note 11.

#### *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; however, given strong return of trading on re-opening, the Group successfully exited waivers early with its bank syndicate in June 2022, returning to normal covenants at pre-COVID-19 levels. With regard to the new facility, which will go live in FY2024, the Group has agreed the same covenants as the previous agreement with the Group's lending group.

The Group's Euro term loan and multi-currency debt facility incorporates the following financial covenants (before the current waivers were secured):

- Interest cover: The ratio of EBITDA to net interest for a period of twelve 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 twelve months ending on a half-year date will not exceed 3.5:1

The Company and Group also had covenants with respect to its non-bank financial indebtedness (before the current waivers were secured).

- Interest cover: The ratio of EBITDA to net interest for a period of twelve 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 twelve months ending on a half-year date will not exceed 3.5:1

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

## 9. RETIREMENT BENEFITS

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

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

There are no active members remaining in the executive defined benefit pension scheme (FY2022: no active members). There are 50 active members, representing less than 10% of total membership, in the ROI Staff defined benefit pension scheme (FY2022: 51 active members) and 2 active members in the NI defined benefit pension scheme (FY2022: 2 active members). The Group's ROI defined benefit pension reform programme concluded during the financial year ended 29 February 2012 with the Pensions Board issuing a directive under Section 50 of the Pensions Act 1990 to remove the mandatory pension increase rule, which guaranteed 3% per annum increase to certain pensions in payment, and to replace it with guaranteed pension increases of 2% per annum for each year 2012 to 2015 and thereafter for all future pension increases to be awarded on a discretionary basis.

### Actuarial valuations – funding requirements

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020. 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 key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations gross of deferred tax are as outlined below:

	€m
Net surplus at 1 March 2022	37.6
Translation adjustment	(0.3)
Employer contributions paid	0.5
Credit to Other Comprehensive Income	4.3
Charge to Income Statement	0.1
<b>Net surplus at 28 February 2023</b>	<b>42.2</b>

The increase in the surplus from €37.6m at 28 February 2022 to a surplus of €42.2m at 28 February 2023 is primarily due to an actuarial gain of €4.3m over the year. The increase in the net surplus of the Group's defined benefit pension schemes from the 28 February 2022 to 28 February 2023, as computed in accordance with IAS 19 *Employee Benefits*, is primarily due to a decrease in liabilities as a result of the significant increase in bond yields over the year, which also offsets asset value decreases.

## 10. RELATED PARTY TRANSACTIONS

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

### (a) Group

#### Transactions

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

#### Subsidiary undertakings

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

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

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

	Joint ventures		Associates	
	2023	2022	2023	2022
	€m	€m	€m	€m
Net revenue	0.4	1.3	0.3	0.5
Trade & other receivables	0.5	0.5	-	-
Purchases	0.7	0.9	0.6	0.5
Trade & other payables	0.1	0.1	0.1	-
Loans	1.3	1.5	0.7	0.9

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

### Key management personnel

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures*, the Group has defined the term 'key management personnel', as its Executive and Non-Executive Directors. Executive Directors participate in the Group's equity share award schemes and are covered for death in service by an insurance policy. Executive Directors may also benefit from medical insurance under a Group policy (or the Group offers a cash alternative). No other non-cash benefits are provided. Non-Executive Directors do not receive share-based payments nor post-employment benefits.

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

	2023	2022
	Number	Number
Number of individuals	9	10
	€m	€m
Salaries and other short-term employee benefits	2.0	2.3
Post-employment benefits	0.1	0.1
Equity settled share-based payment charge/(credit) and related dividend accrual	1.6	1.7
<b>Total</b>	<b>3.7</b>	<b>4.1</b>

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

- The Group sells stock to Tesco plc, of which Stewart Gilliland - who was the Group's Chair until 7 July 2022 - is a Non-Executive Director;
- The Group purchases from and sells stock to St Austell Brewery Company Limited, of which Jill Caseberry is a Non-Executive Director; and
- The Group purchases from and sells stock to Britvic plc, of which Emer Finnan - who was a Non-Executive Director of the Group until 8 February 2023 - is a Non-Executive Director.

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

For the purposes of the Section 305 of the Companies Act 2014, the aggregate gains by Directors on the exercise of share options during FY2023 was €nil (FY2022: €nil).

## **11. POST BALANCE SHEET EVENTS**

The Group has successfully negotiated and completed a refinancing of its current multi-currency facility agreement which will be repayable in a single instalment following the publication of the Group's FY2023 Results, at which point the new facility will begin. The Group will enter into a new five-year committed sustainability-linked facility comprised of a €250m multi-currency revolving loan facility and a €100m non-amortising Euro term loan, both with a maturity of FY2028. The facility offers optionality of two 1-year extensions to the maturity date callable within 12 months and 24 months of initial drawdown respectively.

During February 2023, the Group implemented a complex Enterprise Resource Planning ('ERP') system upgrade in the Matthew Clark and Bibendum ('MCB') business. The implementation is a key step in the Group's digital transformation and optimisation program in GB, designed to enhance the service the Group provides to customers and, in time, improve efficiency and maximise capacity utilisation through more automated processes.

The implementation of the ERP has taken longer and has been significantly more challenging and disruptive than originally envisaged, with a consequent material impact on service and profitability within MCB. Service levels had largely returned to normal levels by the end of March 2023, however continuing system implementation challenges, impacted by greater seasonal trading volume, saw a deterioration in service levels in April 2023. An improvement through May 2023 is being achieved by investing in material additional cost and resources, ahead of a system fix being implemented to restore service to normal levels permanently.

The Group currently expects a one-off impact of c.€25 million associated with the ERP system disruption in FY2024, reflecting the cost associated with restoring service levels and lost revenue. There is expected to be a consequential increase in working capital in FY2024, however net debt/EBITDA is expected to remain within the Group's stated range of 1.5x to 2.0x. Excluding the impact on MCB, C&C is currently performing in line with management expectations for FY2024 and the Board is confident in the Group's medium and long-term strategy and prospects.

On 18 May 2023, David Forde resigned as the Group's Chief Executive Officer ('CEO') and Director with immediate effect, and consequently Patrick McMahon, Chief Financial Officer ('CFO'), was appointed CEO with immediate effect and Ralph Findlay, Chair, was appointed Executive Chair to support the management transition as Patrick McMahon will also retain his responsibilities as CFO until a new CFO is appointed.

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

## **12. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Directors on 24 May 2023.