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# CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 31 MARCH 2023

# 5.1 Consolidated income statement

| *(in € millions)* | Notes | 2023 | 2022 |
|---|---|---|---|
| **Sales** | **15** | **1,548.5** | **1,312.9** |
| Cost of sales | | (444.7) | (411.8) |
| **Gross margin** | | **1,103.8** | **901.1** |
| Distribution and administrative expenses | 16 | (674.2) | (566.7) |
| **Current operating profit/(loss)** | **15** | **429.6** | **334.4** |
| Other non-current income/(expense) | 18 | (3.1) | (14.1) |
| **Operating profit/(loss)** | | **426.5** | **320.3** |
| Net borrowing cost | | (11.7) | (10.4) |
| Other financial income/(expense) | | (5.9) | (2.8) |
| **Financial result** | **19** | **(17.6)** | **(13.2)** |
| **Profit before tax** | | **408.9** | **307.1** |
| Income tax | 20 | (116.3) | (95.6) |
| Share of profit of associates | 5 | 0.9 | 0.8 |
| **Net profit/(loss)** | | **293.5** | **212.3** |
| Non-controlling interests | | 0.3 | 0.2 |
| **Net profit/(loss) - attributable to owners of the parent** | | **293.8** | **212.5** |
| **Net earnings per share – attributable to the owners of the parent** | | | |
| basic | | 5.79 | 4.21 |
| diluted | | 5.70 | 4.11 |
| **Number of shares used for the calculation** | | | |
| basic | 10.2 | 50,720,336 | 50,439,010 |
| diluted | 10.2 | 51,601,087 | 51,727,100 |

# 5.2 Consolidated statement of comprehensive income

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| **Net profit/(loss) for the period** | **293.5** | **212.3** |
| Movement in the value of hedging instruments | 22.4 | (8.8) |
| Actuarial difference on pension commitments | 5.5 | 2.3 |
| Securities at fair value through comprehensive income | (5.9) | (4.3) |
| Related tax effect | (7.0) | 1.0 |
| Movement in translation differences | (2.0) | 9.7 |
| **Comprehensive income recorded in equity** | **13.0** | **(0.2)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **306.5** | **212.1** |
| Of which: | | |
| attributable to owners of the parent | 306.8 | 211.8 |
| attributable to non-controlling interests | (0.3) | 0.2 |

# 5.3 Consolidated statement of financial position

| *(in € millions)* | Notes | 2023 | 2022 |
|---|---|---|---|
| Goodwill and other intangible assets | 2 | 506.4 | 511.9 |
| Rights-of-use, IFRS 16 | 3 | 36.6 | 23.4 |
| Property, plant and equipment | 4 | 412.5 | 368.9 |
| Investments in associates | 5 | 1.5 | 1.7 |
| Other financial assets | 6 | 16.3 | 36.1 |
| Deferred taxation | 20 | 31.2 | 40.4 |
| **Non-current assets** | | **1,004.4** | **982.5** |
| Inventories | 7 | 1,815.8 | 1,615.5 |
| Trade and other receivables | 8 | 268.7 | 253.6 |
| Income tax receivables | 20 | 5.3 | 6.9 |
| Derivatives | 14 | 19.0 | 3.8 |
| Cash and cash equivalents | 9 | 73.7 | 116.3 |
| **Current assets** | | **2,182.5** | **1,996.0** |
| **TOTAL ASSETS** | | **3,187.0** | **2,978.6** |
| Share capital | | 81.3 | 81.8 |
| Share premium | | 773.6 | 857.4 |
| Treasury shares | | (50.9) | (58.7) |
| Consolidated reserves and profit/(loss) for the period | | 920.7 | 748.4 |
| Translation differences | | 29.8 | 31.8 |
| **Equity – attributable to the owners of the parent** | | **1,754.4** | **1,660.7** |
| Non-controlling interests | | 0.7 | 1.0 |
| **Equity** | **10** | **1,755.1** | **1,661.8** |
| Long-term financial debt | 11 | 325.1 | 363.9 |
| Provision for employee benefits | 23 | 19.0 | 26.4 |
| Long-term provisions for liabilities and charges | 12 | 1.1 | 3.3 |
| Deferred taxation | 20 | 51.3 | 56.0 |
| **Non-current liabilities** | | **396.5** | **449.6** |
| Short-term financial debt and accrued interest charge | 11 | 285.3 | 105.7 |
| Trade and other payables | 13 | 717.5 | 683.3 |
| Income tax payables | 20 | 23.0 | 46.6 |
| Short-term provisions for liabilities and charges | 12 | 4.0 | 17.9 |
| Derivatives | 14 | 5.5 | 13.7 |
| **Current liabilities** | | **1,035.3** | **867.2** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,187.0** | **2,978.6** |

# 5.4 Change in consolidated shareholders' equity

| *(in € millions)* | Share capital and premiums | Treasury shares | Reserves and net profit/(loss) | Translation differences | Profit/(loss) recorded in equity | Attributable to: owners of the parent company | Attributable to: non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **At 31 March 2021** | **915.6** | **(25.1)** | **651.0** | **22.6** | **(15.7)** | **1,548.4** | **0.8** | **1,549.2** |
| Profit/(loss) for the period | - | - | 212.5 | - | - | 212.5 | (0.2) | 212.3 |
| Other comprehensive income | - | - | - | 9.2 | (9.9) | (0.6) | 0.4 | (0.2) |
| Expenses related to share-based payments | - | - | 8.3 | - | - | 8.3 | - | 8.3 |
| Transactions on treasury shares | - | (171.8) | - | - | - | (171.8) | - | (171.8) |
| Capital reduction | (130.4) | 130.4 | - | - | - | - | - | - |
| Dividends | - | - | (93.7) | - | - | (93.7) | - | (93.7) |
| Capital increase | 3.1 | - | - | - | - | 3.1 | - | 3.1 |
| OCEANE conversion (note **11**) | 150.9 | 7.8 | (4.0) | - | - | 154.6 | - | 154.6 |
| **At 31 March 2022** | **939.3** | **(58.7)** | **774.0** | **31.8** | **(25.6)** | **1,660.7** | **1.0** | **1,661.8** |
| Profit/(loss) for the period | - | - | 293.8 | - | - | 293.8 | (0.3) | 293.5 |
| Other comprehensive income | - | - | - | (2.0) | 15.0 | 13.0 | 0.0 | 13.0 |
| Expenses related to share-based payments | - | - | 10.1 | - | - | 10.1 | - | 10.1 |
| Transactions on treasury shares | - | (156.8) | (4.8) | - | - | (161.6) | - | (161.6) |
| Capital reduction | (164.5) | 164.5 | - | - | - | - | - | - |
| Dividends | 34.7 | - | (145.7) | - | - | (111.0) | - | (111.0) |
| Capital increase | 1.8 | - | - | - | - | 1.8 | - | 1.8 |
| OCEANE conversion (note **11**) | 43.6 | - | (0.7) | - | - | 42.9 | - | 42.9 |
| Other movements | - | - | 4.6 | - | - | 4.6 | - | 4.6 |
| **AT 31 MARCH 2023** | **854.9** | **(50.9)** | **931.2** | **29.8** | **(10.5)** | **1,754.4** | **0.7** | **1,755.1** |

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# 5.5 Consolidated statement of cash flows

| *(in € millions)* | Notes | 2023 | 2022 |
|---|---|---|---|
| Current operating profit/(loss) | | 429.6 | 334.4 |
| Depreciation and amortisation | | 41.0 | 40.0 |
| Share-based payments | | 10.1 | 8.3 |
| Dividends received from associates | 5 | 0.9 | 0.7 |
| **EBITDA** | | **481.6** | **383.4** |
| Change in inventories | | (202.8) | (118.0) |
| Change in trade receivables | | (16.7) | (38.5) |
| Change in trade payables | | 37.3 | 61.6 |
| Change in other receivables and payables | | (12.5) | (45.4) |
| **Change in working capital requirement** | | **(194.6)** | **(140.4)** |
| **Net cash flow from operations** | | **287.0** | **243.1** |
| Other non-current income/(expense) | | (9.2) | (0.0) |
| Financial result | | (13.3) | (8.7) |
| Income tax | | (140.4) | (89.6) |
| **Other operating cash flows** | | **(162.8)** | **(98.3)** |
| **Net cash flow from operating activities** | | **124.1** | **144.8** |
| Purchase of operating investments | 2/4 | (75.6) | (54.5) |
| Cash flow from other financial assets | | 16.3 | (11.3) |
| **Net cash flow from investment activities** | | **(59.3)** | **(65.7)** |
| Capital increase | | 1.8 | 3.1 |
| Treasury shares | 10 | (161.6) | (171.8) |
| Increase in financial debt | | 172.6 | 114.4 |
| Repayment of financial debt | | (9.0) | (27.1) |
| Dividends paid in cash | | (111.0) | (93.7) |
| **Net cash flow from financing activities** | | **(107.2)** | **(175.1)** |
| Translation differences on cash and cash equivalents | | (0.2) | 11.4 |
| **Change in cash and cash equivalents** | | **(42.6)** | **(84.7)** |
| **Cash and cash equivalents at start of financial year** | **9** | **116.3** | **201.0** |
| **Cash and cash equivalents at end of financial year** | **9** | **73.7** | **116.3** |

# 5.6 Notes to the consolidated financial statements

## Introduction

Rémy Cointreau is a Société anonyme (French limited liability company) with a Board of Directors subject to French legislation and in particular the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The consolidated financial statements presented below were approved by the Board of Directors on 1 June 2023. They will be submitted for shareholder approval at the Shareholders' Meeting on 20 July 2023.

# NOTE 1 ACCOUNTING POLICIES AND PRINCIPLES

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros.

In accordance with European regulation (EC) No. 1606/2002 of 19 July 2002, Rémy Cointreau Group's consolidated financial statements are prepared in accordance with the international accounting standards applicable within the European Union as of 31 March 2023.

The accounting principles applied in the preparation of the consolidated financial statements for the period ended 31 March 2023 comply with the International Financial Reporting Standards, as adopted by the European Union. These standards can be consulted on the European Commission website at:

www.eur-lex.europa.eu

### Changes to the accounting basis compared with the previous financial year

The accounting policies and principles applied in the preparation of the financial statements are the same as those applied in the consolidated financial statements for the financial year ended 31 March 2022, except for mandatory changes to standards at 1 April 2022.

In April 2021, the IFRIC published a decision relating to IAS 38 "Intangible assets" concerning the recognition of configuration and customisation costs for software made available in the "cloud" under "Software as a Service" (SaaS) contracts. The application of this decision has no material impact on the Group's financial statements at 31 March 2023.

## NOTE 1.1 IMPACT OF THE RUSSIAN-UKRAINIAN CONFLICT

During the month of February 2022, the conflict between Russia and Ukraine escalated dramatically into a situation of war. The Rémy Cointreau Group generates approximately 1% of its sales in Russia and Ukraine and does not hold any assets in either country. All activities were suspended and the last shipments to Russia took place in January 2022.

## NOTE 1.2 IMPACT OF CLIMATE CHANGE

The Rémy Cointreau Group's current exposure to the consequences of climate change is limited and the impact on the financial statements for the year is mainly related to expenses incurred to implement the Group's environmental strategy. The Group's activities and results may be impacted in the short, medium and long term by the availability and increase in the price of raw materials, production costs and transport. These potential effects cannot be quantified at this stage but are fully integrated through a cautious approach to the forecasts used in tests to measure the value of intangible assets.

## NOTE 1.3 USE OF ESTIMATES

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of estimates and assumptions that have a bearing on the amounts reported in the financial statements and whose subsequent revision could affect future results. This is particularly the case in respect of the items described below.

### Asset impairment tests

The Group regularly uses discounted future cash flow calculations and/or market values of comparable assets for impairment tests performed on the carrying amount of intangible assets with an indefinite useful life when required by standards or circumstances. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

### Provisions for liabilities and charges

The recognition of provisions, generally intended to cover compensation payable in the event of litigation with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

### Pension commitments and other post-employment benefits

The valuation of these obligations is determined by the use of actuarial methods involving assumptions in respect of the discount rate, expected return on plan assets, salary increases, life expectancy, *etc.* Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

### Derivatives

Derivatives held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the reporting date. These values may fluctuate rapidly due to constant changes in the financial markets.

## NOTE 1.4 CONSOLIDATION METHODS

Rémy Cointreau is the consolidating company.

The financial statements of the companies under the exclusive control of Rémy Cointreau are fully consolidated. An investor controls an issuing entity when it is exposed or has rights to variable returns due to its ties with the issuing entity and it has the ability to influence these returns due to the power that it holds over the entity. Consequently, the investor controls an issuing entity if, and only if, all the items below are present:

- it holds power over the issuing entity;
- it is exposed or has rights to variable returns due to its ties with the issuing entity (special purpose entities, see also note **1.9**);
- it has the ability to exercise power over the issuing entity such as to influence the amount of returns it obtains.

Equity investments in companies in which the Group exercises significant influence (associates) are accounted for using the equity method. A significant influence is presumed to exist, unless it is clearly shown that this is not the case, when the parent company holds, directly or indirectly, 20% or more of the voting rights in the Company.

Consolidated companies prepare their financial statements in accordance with generally accepted accounting principles in their country. Where necessary, adjustments are made to these financial statements to bring their accounting policies and principles in line with those used by the Group.

All significant transactions between consolidated companies as well as intra-Group gains and losses are eliminated on consolidation.

## NOTE 1.5 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The consolidated financial statements of the Rémy Cointreau Group are presented in euros, the functional currency of Rémy Cointreau SA.

The statements of financial position of subsidiaries, whose functional currency is not the euro, are translated at the closing exchange rate. The income statements and statements of cash flows are translated at the average exchange rate for the financial year. Any translation differences are recognised directly in equity under “Translation differences” until the sale or liquidation of the subsidiary concerned.

## NOTE 1.6 FOREIGN-CURRENCY TRANSACTIONS

In relation to each entity, transactions denominated in currencies other than the functional currency are recorded in the functional currency using the exchange rate applicable on the date of transaction. At the end of each period, monetary assets and liabilities denominated in foreign currencies are revalued at the closing exchange rate. The resulting differences are recognised in either the operating profit/(loss) or financial result depending on the nature of the underlying transactions.

By way of exception, revaluation differences relating to transactions classified as net investment hedges are recognised directly in equity under “Translation differences”.

As a general rule, distribution subsidiaries invoice their customers in the functional currency of the customer and make purchases from production subsidiaries in their own functional currency (not in the functional currency of the production company). The majority of the Group’s production subsidiaries are located in the euro zone, while the euro represents less than 15% of its sales. As a result, production subsidiaries and some distribution subsidiaries are significantly exposed to changes in foreign exchange rates.

The Group manages this risk, and other similar risks associated with the financing of its “non euro” subsidiaries, centrally through the use of derivatives which are recognised in accordance with IFRS 9. The hedging instruments are concluded over a rolling 18-month period. At the end of each period, the Group may retain a portfolio of instruments intended to hedge the cash flows of subsequent years. Over the course of the financial year, the instruments retained at the start of the year reach maturity.

The revaluation effects of foreign currency derivatives at the end of each period are recognised under IFRS 9, mainly in equity (OCI). These revaluations, dependent upon the closing exchange rate for each currency, have no bearing on the income that will actually be generated upon maturity of the instruments.

The income actually generated upon maturity of financial instruments allocated in the financial year is recorded in either gross margin or financial result depending on the type of cash flows hedged (trading or financial).

## NOTE 1.7 BUSINESS COMBINATIONS AND GOODWILL

Goodwill represents the difference between the cost of acquisition of the businesses and the fair value of identifiable assets and liabilities at the date of acquisition.

In accordance with IFRS 3 "Business combinations", goodwill is not amortised but is subject to impairment testing at least annually and as soon as there is any indication of a decrease in value. For the purpose of this testing, goodwill is allocated to Cash Generating Units (CGUs).

Costs related to an acquisition are recognised in profit and loss for the period in which the costs are incurred and the services received. They are classified as "Other operating income/(expense)" in the consolidated income statement and as "Net cash flow from investment activities" in the consolidated statement of cash flows.

## NOTE 1.8 DEFINITION OF CERTAIN INDICATORS

### A) Sales

Sales include wholesale and retail trading of finished goods, corresponding mainly to branded wines and spirits marketed by the Group.

These sales are recognised when control has been transferred to the customer, which generally occurs on shipment.

These amounts are stated net of duties and taxes and net of any provisions for discounts, rebates and other forms of trade agreements when they result in the customer ultimately paying a lower price for the goods.

### B) Current operating profit, operating profit, net profit/(loss) from discontinued operations

Current operating profit/(loss) comprises all elements relating to the Group's activities with the exception of:

- the operating profit/(loss) from operations that were deconsolidated or discontinued during the financial year or for which plans to this effect have been approved by the Board of Directors. The corresponding operating profit/(loss) is reclassified in the item "Net profit/(loss) from discontinued operations" together with other items of income and expense relating to these activities;
- items that, given their nature, frequency and materiality, cannot be considered as part of the Group's ordinary activities and which affect year-on-year comparisons. They include notably impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests (see note **2**), provisions for restructuring and litigation, and significant gains or losses on disposals of assets other than those relating to operations that already have been, or are to be, discontinued.

### C) Earnings before interest, tax, depreciation and amortisation (EBITDA)

This aggregate, which is used in the calculation of certain ratios, is calculated as follows: current operating profit + depreciation and amortisation expenses on intangible assets and property, plant and equipment for the period + expenses relating to stock option and similar plans + dividends paid by associates during the period.

### D) Net debt

This measure is used to calculate certain ratios. It corresponds to: long-term financial debt + short-term financial debt and accrued interest – cash and cash equivalents. Debt includes IFRS 16 lease liabilities and debt relating to commitments to purchase securities from non-controlling shareholders.

## NOTE 1.9 CONSOLIDATION OF COOPERATIVES

Since 1 April 2003, the Rémy Cointreau Group has fully consolidated as a special purpose entity, the Alliance Fine Champagne (AFC) cooperative, in respect of the scope of operations relating to Rémy Cointreau.

This consolidation is reflected by the recognition in the consolidated statement of financial position of the inventories that AFC holds and intends to deliver to Rémy Cointreau. These inventories include inventories held by the distillers in connection with multi-year supply agreements. Corresponding entries are included in financial debt and trade payables. The resulting finance costs are also included in the Rémy Cointreau Group's borrowing cost.

## NOTE 1.10 COMMITMENTS TO PURCHASE MINORITY SECURITIES

The minority shareholders of certain fully consolidated subsidiaries benefit from promises granted by the Group to purchase their securities. Some contracts, due to their clauses, fall within the scope of IFRS 2.

In all cases, the recognition of these contracts leads to the recognition of a liability representing the value of the commitment as of the reporting date. These liabilities are classified as financial debt and the corresponding non-controlling interests are cancelled.

## NOTE 2 GOODWILL AND OTHER INTANGIBLE ASSETS

With the exception of software licences, “Brands and other intangible assets” mainly comprise the value of intangible assets identified when acquisitions are made by the Group: residual goodwill and brands.

For certain brands owned by the Group, the value recorded in the statement of financial position is the result of the acquisition of non-controlling interests or businesses subsequent to the creation of the brand or its inclusion within the scope of consolidation. The amount recorded in the statement of financial position therefore represents only a percentage of the value of the brand.

The values recorded under “Brands” in the Rémy Cointreau Group’s statement of financial position are not amortised as they have the benefit of legal protection, generate higher earnings than those of similar unbranded products and have an indefinite useful life.

Brands are tested for impairment at least once a year at the reporting date and whenever there is any indication of a decrease in value. These tests, described below, also relate to goodwill.

Expenditure incurred to create new brands or to develop existing brands and all expenses relating to the registration and legal protection of brands are systematically recognised in the income statement for the financial year in which they are incurred.

Pursuant to IAS 38 “Intangible assets”, advertising and promotional expenses are recorded as expenses in the period in which they are incurred.

The Rémy Cointreau Group does not capitalise any research and development costs.

Other intangible assets are amortised over a period of three to seven years.

**Impairment tests**

For impairment tests performed on the carrying amount of intangible assets with an indefinite useful life, when required by standards or circumstances, the Group regularly uses discounted future cash flow calculations and/or market values of comparable assets. The underlying parameters of such calculations are subject to assumptions, the future evolution of which may lead to significant changes in subsequent values.

The value in use of assets is tested as soon as there is any indication that it may be impaired, and automatically at each year-end in the case of assets with an indefinite useful life.

When impairment tests indicate that the present value is less than the carrying amount and that this loss is deemed to be permanent, impairment is recognised in the income statement.

For these tests, assets are allocated to Cash Generating Units (CGUs). In Rémy Cointreau Group’s case, the structure of these CGUs is based on the brand portfolio. Each brand or group of brands constitutes a unit when the brand or brands generate cash inflows that are largely independent of those generated by other brands or groups of brands.

These tests consist of comparing the carrying amount of the assets or Group of assets with their present value, the latter being the higher of their value in use and their market value less any costs involved in selling the assets.

The principal method used to estimate value in use is based on the present value of estimated future cash flows (excluding interest) generated by the use of each brand, asset or group of assets. Cash flows are estimated based on medium-term plans, the duration of which is tailored to the individual characteristics of each business. For example, the duration is five years for brands without ageing processes and 12 years for those with ageing processes and recently acquired brands that are the subject of long-term development plans. The terminal value is determined by applying a perpetual growth rate. Different discount rates are used and include a specific risk premium for each business.

When recent transactions involving similar assets have taken place, the multiples for these transactions are used to determine market value.

With respect to operational entities that the Group’s management has decided to sell, the assets concerned are stated at the lower of their carrying amount and estimated market value after transaction costs. If negotiations are in progress, the value is based on the best estimate of their outcome as of the reporting date.

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| *(in € millions)* | Goodwill | Brands | Distribution rights | Other | Total |
|---|---|---|---|---|---|
| **Gross value at 31 March 2022** | **53.3** | **517.1** | **3.9** | **61.7** | **636.0** |
| Acquisitions | - | - | - | 9.0 | 9.0 |
| Disposals, items scrapped | - | - | - | (0.9) | (0.9) |
| Other movements | - | - | - | 0.0 | 0.0 |
| Translation differences | (0.2) | (0.1) | 0.1 | (0.2) | (0.4) |
| **Gross value at 31 March 2023** | **53.1** | **517.1** | **4.0** | **69.6** | **643.8** |
| **Accumulated depreciation, amortisation and impairment at 31 March 2022** | **21.4** | **61.2** | **3.9** | **37.6** | **124.0** |
| Increase | 7.5 | 0.0 | - | 5.8 | 13.4 |
| Disposals, items scrapped | - | - | - | (0.4) | (0.4) |
| Translation differences | 0.1 | 0.2 | 0.1 | (0.1) | 0.3 |
| **Accumulated depreciation, amortisation and impairment at 31 March 2023** | **29.1** | **61.4** | **4;0** | **42.9** | **137.4** |
| **Net carrying amount at 31 March 2022** | **31.9** | **455.9** | **0.0** | **24.1** | **511.9** |
| **Net carrying amount at 31 March 2023** | **24.0** | **455.6** | **0.0** | **26.7** | **506.4** |

*Impairment of goodwill: Westland €26.5 million, Mount Gay €2.1 million and Domaine des Hautes Glaces €0.5 million.*
*Brand impairment: Metaxa €45.0 million, Mount Gay €8.2 million, other secondary brands €8.2 million.*

"Other" mainly includes software acquired and developed internally.

The "Goodwill" item, with a net value of €24.0 million at 31 March 2023, includes the goodwill generated by the acquisitions of Bruichladdich Distillery Company Ltd (September 2012), Domaines des Hautes Glaces (January 2017), The Westland Distillery Company (January 2017), Brillet (April 2020) and Telmont (October 2020).

The "Brands" item, with a net value of €455.6 million at 31 March 2023, includes:

| *(in € millions)* | Carrying amount | |
|---|---|---|
| Historical brands: Rémy Martin and Cointreau | 281.8 | These values come from the recognition of minority interest buybacks and do not therefore represent comprehensive assessment of these brands. |
| Acquired brands of significant importance: Metaxa, Bruichladdich, Westland, Brillet, Telmont. | 170.7 | Metaxa brand acquired in 2000.<br>Bruichladdich (including Port Charlotte and Octomore) brands acquired in 2012.<br>Westland brand acquired in 2017.<br>Brillet and Telmont brands acquired in 2020 |
| Other acquired brands of secondary importance | 3.2 | |
| **TOTAL** | **455.6** | |

## Impairment test of brands and other intangible assets

In accordance with IAS 36, goodwill and brands that are attached or part of various Cash Generating Units (CGUs) are tested each year to measure their net carrying amount against their present value.

What follows is a summary of the tests carried out at 31 March 2023:

| CGU | Discount rate after tax | Perpetual growth rate | Test result | Sensitivity Discount rate +50 basis points | Sensitivity Perpetual growth rate -100 basis points |
|---|---|---|---|---|---|
| Rémy Martin | 7.5% | 1.6% | No impairment | No impairment | No impairment |
| Cointreau | 7.5% | 1.6% | No impairment | No impairment | No impairment |
| Metaxa | 8.9% | 1.8% | No impairment | Impairment of €11.0 million | No impairment |
| Bruichladdich | 10.3% | 2.0% | No impairment | No impairment | No impairment |
| Westland | 9.6% | 2.1% | Impairment of Goodwill of €7.5 million | No impairment | No impairment |
| Brillet | 11.3% | 1.6% | No impairment | No impairment | No impairment |
| Telmont | 8.0% | 1.9% | No impairment | No impairment | No impairment |

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# NOTE 3 RIGHT-OF-USE ASSETS – IFRS 16

IFRS 16 "Leases" is mandatory for financial years beginning on or after 1 January 2019. Rémy Cointreau had opted for the early application of this standard, from 1 April 2018. The chosen transition method was the "simplified retrospective" method, with the implementation of the simplified measures envisaged in the standard (exclusion of contracts of less than one year and exclusion of contracts for low-value assets).

The discount rate used corresponds to each entity's incremental borrowing rate at 1 April 2018 for all contracts outstanding at that date. For new leases, the prevailing rate at the lease commencement date is used. The discount rates range from 1% to 6.5% and are calculated on the basis of the entity's risk profile and the maturity of the restated contract. They include a country risk component.

Restatements apply to operating leases, mainly for offices and warehouses. The period used for the valuation of these rental commitments runs until September 2034 and corresponds to the potentially extended contractual term if the Group intends to exercise a renewal option.

Pursuant to IFRS 16, leases are recognised as right-of-use assets representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments The rights-of-use are depreciated while the liability is reduced in the amount of the rent paid during the financial year. A financial expense records the effect of the accretion of the liability.

## NOTE 3.1 ANALYSIS OF CHANGE

| *(in € millions)* | Gross amount | Depreciation and amortisation | Total |
|---|---|---|---|
| **At 31 March 2022** | **51.0** | **(27.6)** | **23.4** |
| New leases | 23.3 | - | 23.3 |
| Expired leases | (8.2) | 8.2 | - |
| Depreciation and amortisation | - | (9.3) | (9.3) |
| Translation differences | (1.2) | 0.4 | (0.8) |
| **At 31 March 2023** | **64.9** | **(28.3)** | **36.6** |

The rental expense for contracts excluded from IFRS 16 is not significant.

The sharp increase in right-of-use assets for the financial year is mainly due to the signing of a new office lease in the United States.

## NOTE 3.2 BREAKDOWN BY ASSET CATEGORY

| | Carrying amount | | Depreciation and amortisation expense | |
|---|---|---|---|---|
| *(in € millions)* | 2023 | 2022 | 2023 | 2022 |
| Offices | 32.2 | 20.9 | (7.3) | (7.7) |
| Warehouses and production sites | 1.0 | 1.7 | (0.8) | (0.9) |
| Other | 3.4 | 0.9 | (1.2) | (0.5) |
| **TOTAL** | **36.6** | **23.4** | **(9.3)** | **(9.0)** |

## NOTE 4 PROPERTY, PLANT AND EQUIPMENT

**Gross amount**

In accordance with IAS 16 "Property, plant and equipment", the gross value of items of property, plant and equipment corresponds to their acquisition or production cost. These assets are not revalued subsequently.

Their value does not include any finance costs.

Capital grants are deducted from the gross amount of the property, plant or equipment to which they relate.

Maintenance and repair costs are recognised in the income statement when incurred, except when intended to increase productivity and/or to extend the useful life of an asset.

The assets concerned are depreciated using the methods and useful lives described below.

**Depreciation**

Depreciation is calculated using the straight-line method applied to the acquisition cost less any estimated residual value.

The Rémy Cointreau Group's property, plant and equipment are predominantly used in production. Given that they are used until the end of their estimated useful lives, it is deemed that they have no material residual value.

Depreciation is based on the estimated useful lives of the different categories of property, plant and equipment, being the periods during which it is estimated that the Group will derive economic benefits from these assets.

| | |
|---|---|
| ● Buildings, depending on the components | 10 to 75 years |
| ● Stills, casks, vats | 35 to 50 years |
| ● Technical plant, machinery and equipment | 3 to 15 years |
| ● IT equipment | 3 to 5 years |
| ● Other non-current assets | 5 to 10 years |

| *(in € millions)* | Land | Buildings | Other | In progress | Total |
|---|---|---|---|---|---|
| **Gross value at 31 March 2022** | **29.5** | **215.5** | **359.0** | **40.9** | **644.9** |
| Acquisitions | 0.4 | 6.3 | 24.8 | 41.4 | 72.9 |
| Disposals, items scrapped | (0.3) | (3.2) | (8.9) | - | (12.5) |
| Other movements | 0.3 | 6.4 | 7.5 | (14.5) | (0.3) |
| Translation differences | 0.1 | (0.9) | (0.5) | (0.1) | (1.4) |
| **Gross value at 31 March 2023** | **29.9** | **224.0** | **381.9** | **67.7** | **703.5** |
| **Accumulated depreciation, amortisation and impairment at 31 March 2022** | **3.7** | **71.7** | **200.6** | **-** | **276.0** |
| Increase | 0.5 | 6.7 | 18.8 | - | 25.9 |
| Disposals, items scrapped | (0.3) | (1.9) | (8.3) | - | (10.5) |
| Translation differences | (0.0) | (0.0) | (0.2) | - | (0.3) |
| **Accumulated depreciation, amortisation and impairment at 31 March 2023** | **3.8** | **76.5** | **210.8** | **-** | **291.1** |
| **Net carrying amount at 31 March 2022** | **25.8** | **143.7** | **158.4** | **40.9** | **368.9** |
| **Net carrying amount at 31 March 2023** | **26.1** | **147.5** | **171.1** | **67.7** | **412.5** |

As of 31 March 2023, none of these assets were subject to provisions for impairment. These non-current assets are unencumbered.

During the financial year ended 31 March 2023, acquisitions mainly concerned major investment programmes at the Cognac, Saint-Barthélemy-d'Anjou, Islay, Barbados, Seattle and St-Jean-d'Hérans production sites.

## NOTE 5 INVESTMENTS IN ASSOCIATES

Investments in associates represent equity investments in companies meeting the principle described in note **1.4**.

| *(in € millions)* | Spirits Platform | Total |
|---|---|---|
| **At 31 March 2022** | **1.7** | **1.7** |
| Dividend paid | (0.9) | (0.9) |
| Profit/(loss) of the period | 0.9 | 0.9 |
| Translation differences | (0.1) | (0.1) |
| **AT 31 MARCH 2023** | **1.5** | **1.5** |

On 31 July 2015, Rémy Cointreau Group acquired a 37% stake in Spirits Platform Pty Ltd for €0.7 million. Spirits Platform Pty Ltd., consolidated using the equity method, distributes Rémy Cointreau's brand portfolio in the Australian market.

Its financial year-end is 30 September. Its sales for the Rémy Cointreau financial year ended 31 March 2023 totalled €56.6 million (2022: €52.9 million). Its total assets amounted to €24.7 million at 31 March 2023 (2022: €22.9 million).

In the financial year ended 31 March 2023, the Rémy Cointreau Group generated sales of €12.5 million with Spirits Platform (2022: €12.5 million).

# NOTE 6 OTHER FINANCIAL ASSETS

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Non-consolidated equity investments (note **6.1**) | 9.9 | 15.2 |
| Sub-leasing assets IFRS 16 (note **6.2**) | 0.5 | 1.0 |
| Liquidity account excluding Rémy Cointreau shares (note **6.3**) | - | 2.7 |
| Other (note **6.4**) | 5.9 | 17.1 |
| **TOTAL** | **16.3** | **36.1** |

## NOTE 6.1 NON-CONSOLIDATED EQUITY INVESTMENTS

| *(in € millions)* | % held | 2023 | % held | 2022 |
|---|---|---|---|---|
| Dynasty Fine Wines Group Ltd (China) | 27.0% | 9.4 | 27.0% | 14.7 |
| Bacalhôa-Vinhos de Portugal (Portugal) | 0.8% | 0.5 | 0.8% | 0.5 |
| **TOTAL** | | **9.9** | | **15.2** |

This item mainly includes the valuation of the investment in the Chinese Dynasty Fine Wines Group, a major wine player in China, listed on the Hong Kong Stock Exchange. Said equity investment is recognised at fair value through other comprehensive income, in accordance with IFRS 9. With a closing share price of HKD 0.24, the valuation of the investment was €9.4 million at 31 March 2023, representing a decrease of €5.3 million (decrease of €5.9 million before the currency effect) compared to the financial year ended 31 March 2022 with a corresponding entry in equity.

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## NOTE 6.2 SUB-LEASING ASSETS – IFRS 16

This sub-leasing asset is linked to the application of IFRS 16 (note **3**) and relates to an office lease in the United States.

## NOTE 6.3 LIQUIDITY ACCOUNT

During the financial year ended 31 March 2006, Rémy Cointreau signed a liquidity agreement with a financial intermediary. The Rémy Cointreau Group terminated this contract on 6 January 2023 after market close.

## NOTE 6.4 OTHER FINANCIAL ASSETS

The “Other” item includes loans to non-fully consolidated subsidiaries and security deposits relating to commercial leases or customs procedures.

# NOTE 7 INVENTORIES

Inventories are recognised when the risks and rewards of their ownership have passed to the Rémy Cointreau Group. The application of this principle which is part of the IFRS conceptual framework, results in the recognition of inventories that are held physically and legally by third parties. A corresponding entry is generally recorded in trade payables.

Inventories are stated at the lower of cost and net realisable value.

A substantial part of the inventories held by the Rémy Cointreau Group consists of *eaux-de-vie* (cognac, brandy, rum, malt scotch whisky) that are undergoing ageing. These inventories may be held for periods ranging from three to more than 70 years. They remain classified within current assets in accordance with industry practice.

Inventories originating from agricultural assets owned or operated directly by the Group are not material.

The inventories undergoing ageing are recognised at cost, excluding interest, which is recorded in financial expenses in the period during which it is incurred. The cost price comprises the purchase price plus incidental costs and is increased each year by including costs directly attributable to the ageing process as well as to reflect evaporation.

The approach used to determine realisable value takes into account the sale price of the finished goods developed using these inventories.

Finished goods inventories are stated at the lower of the cost price calculated using the weighted average cost method and net realisable value.

## NOTE 7.1 BREAKDOWN BY CATEGORY

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Raw materials | 55.4 | 59.1 |
| Ageing wines and *eaux-de-vie*(1) | 1,572.1 | 1,400.5 |
| Goods for resale and finished goods | 192.9 | 160.8 |
| **Gross amount** | **1,820.4** | **1,620.5** |
| Provision for impairment | (4.6) | (5.0) |
| **Carrying amount** | **1,815.8** | **1,615.5** |

*(1) Of which Alliance Fine Champagne inventories (March 2023: €359.7 million, March 2022: €343.9 million).*

As of 31 March 2023, some *eaux-de-vie* inventories were subject to agricultural warrants for €55.0 million (2022: €60.0 million).

## NOTE 7.2 ANALYSIS OF CHANGE

| *(in € millions)* | Gross amount | Impairment | Carrying amount |
|---|---|---|---|
| **Balance at 31 March 2022** | **1,620.5** | **(5.0)** | **1,615.5** |
| Movement | 202.8 | 0.4 | 203.1 |
| Translation differences | (2.8) | 0.0 | (2.8) |
| **Balance at 31 March 2023** | **1,820.4** | **(4.6)** | **1,815.8** |

## NOTE 8 TRADE AND OTHER RECEIVABLES

Trade receivables, which are generally collected within three months, are stated at nominal value.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Trade receivables | 138.8 | 123.8 |
| Receivables related to taxes and social charges (excl. income tax) | 35.3 | 43.4 |
| Sundry prepaid expenses | 15.7 | 14.8 |
| Advances paid | 73.3 | 65.6 |
| Other receivables | 5.5 | 5.9 |
| **TOTAL** | **268.7** | **253.6** |
| of which provision for doubtful debts | (0.4) | (0.4) |

At 31 March 2023, the breakdown of trade receivables by maturity was as follows:

| | | | Due | |
|---|---|---|---|---|
| *(in € millions)* | Total | Not yet due | Less than 3 months | More than 3 months |
| **Trade receivables gross** | **139.2** | **136.5** | **2.5** | **0.2** |

The Group is engaged in factoring programmes in Europe, the United States and Asia-Pacific (excluding China) with specialised companies, top-tier bank subsidiaries.

Through these programmes, the Group is able to transfer to the factor all credit and carrying risks related to the accounts receivable of certain customers, up to a certain credit limit.

These programmes meet the conditions set forth by IFRS 9 enabling the Group to deconsolidate its receivables once they are transferred to the factor.

Factoring programmes put in place at 31 March 2023 have accelerated €81.2 million in customer payments (2022: €14.7 million).

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## NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short-term investments that are considered highly liquid, can be converted into a known amount of cash and involve immaterial risk of loss in value in relation to the criteria specified in IAS 7.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Short-term deposits | 1.0 | 0.2 |
| Cash at bank | 72.7 | 116.2 |
| **TOTAL** | **73.7** | **116.3** |

# NOTE 10 EQUITY

## NOTE 10.1 SHARE CAPITAL, SHARE PREMIUMS AND TREASURY SHARES

| | Number of shares | Treasury shares | Total number of shares | Share capital | Share premiums | Treasury shares |
|---|---|---|---|---|---|---|
| **At 31 March 2022** | **51,152,502** | **(414,118)** | **50,738,384** | **81.8** | **857.4** | **(58.7)** |
| Share Buyback Plan | - | (1,000,0000) | (1,000,000) | - | - | (164.5) |
| Capital reduction | (1,000,000) | 1,000,000 | - | (1.6) | (162.9) | 164.5 |
| Partial payment of dividend in shares | 223,147 | - | 223,147 | 0.4 | 34.4 | - |
| Liquidity account | - | 17,417 | 17,417 | - | - | 3.0 |
| Employee shareholding plan | 12,054 | - | 12,054 | 0.0 | 1.8 | - |
| Allocation of the 2019 bonus share plan | - | 48,762 | 48,762 | - | - | 4.8 |
| OCEANE conversion | 397,993 | - | 397,993 | 0.6 | 42.9 | - |
| **At 31 March 2023** | **50,785,696** | **(347,939)** | **50,437,757** | **81.3** | **773.6** | **(50.9)** |

### Share capital and premiums

At 31 March 2023, the share capital consisted of 50,785,696 shares with a par value of €1.60.

#### SHARE BUYBACK PLAN

Pursuant to the 18th and 19th resolutions of the Combined Shareholders' Meeting of 21 July 2022, Rémy Cointreau's Board of Directors decided to authorise the Company's Chief Executive Officer to implement a share buyback programme. This programme covered a maximum of one million shares under the price conditions authorised by the Shareholders' Meeting.

The share buyback programme is designed to achieve the following, in order of decreasing priority:

(i) to reduce the share capital through the cancellation of treasury shares;
    to hold all or part of the shares acquired with a view to their subsequent exchange or use as payment in relation to acquisitions, contributions, mergers and/or share splits;

(ii) to meet the obligations arising from bonus share programmes for employees and/or corporate officers of the Company and/or its related companies;
    to meet the obligations in respect of marketable securities giving access to capital.

This programme was fully completed on 19 December 2022.

Between 8 September 2022 and 19 December 2022, the Company acquired, under this buyback programme, 1,000,000 treasury shares (representing 1.93% of share capital) at an average price of €164.53, representing a total purchase price of €164.5 million.

#### EMPLOYEE SHAREHOLDING PLAN

On 22 August 2022, Rémy Cointreau announced the launch of its first international employee shareholding plan. One in two eligible employees subscribed to this transaction, resulting in the issue of 12,054 new shares on 27 October 2022, *i.e.* a capital increase of €1.8 million.

#### OCEANE CONVERSION

During the financial year ended 31 March 2023, a request was made to convert 393,667 OCEANEs into Rémy Cointreau shares, bringing the total amount of OCEANEs converted to date to 73.7%. Taking the conversion ratio into account, 397,993 shares were thus created. The transaction resulted in an impact of €42.9 million on consolidated shareholders' equity.

### Treasury shares

Treasury shares: Group investments in Rémy Cointreau shares are deducted from consolidated shareholders' equity at their acquisition cost. These shares are generally held with the aim of serving bonus share plans or as part of a liquidity contract.

At 31 March 2023, Rémy Cointreau held 347,939 of its own shares intended to cover current or future bonus share plans.

## NOTE 10.2 NUMBER OF SHARES USED TO CALCULATE EARNINGS PER SHARE

Basic earnings per share are calculated according to the weighted average number of shares in issue during the financial year, less the average number of treasury shares held over the period.

Diluted earnings per share are calculated based on the weighted average number of shares in issue during the reporting period after deduction of the average number of treasury shares held over the period and plus the weighted average number of shares that would result from the settlement of the bonus share plans outstanding at the reporting date and of any potential conversion of convertible bonds (OCEANE). These calculations are in line with IAS 33.

In the event that diluted earnings per share are higher than basic earnings per share, diluted earnings per share are adjusted to the level of basic earnings per share.

| | 2023 | 2022 |
|---|---|---|
| **Average number of shares (basic):** | | |
| Average number of shares | 51,340,129 | 51,114,281 |
| Average number of treasury shares | (619,793) | (675,271) |
| **TOTAL USED TO CALCULATE BASIC EARNINGS PER SHARE** | **50,720,336** | **50,439,010** |
| **Average number of shares (diluted):** | | |
| Average number of shares (basic) | 50,720,336 | 50,439,010 |
| Dilution effect of bonus share plans | 215,986 | 229,899 |
| Dilution effect on OCEANE | 664,765 | 1,058,191 |
| **TOTAL USED TO CALCULATE DILUTED EARNINGS PER SHARE** | **51,601,087** | **51,727,100** |

## NOTE 10.3 BONUS SHARE PLANS

| Date of allocation[1] | Plan No. | Vesting period | Rights initially granted | Value per right at grant date | Lapsed rights | Rights granted at the end of the vesting period | Rights outstanding at 31 March 2023 |
|---|---|---|---|---|---|---|---|
| 17 January 2019 | 2019 | 4 years | 57,450 | 101.00 | 14,875 | 48,762 | - |
| 24 November 2020 | 2020 | 3 years | 42,479 | 153.00 | 9,368 | - | 33,111 |
| 14 January 2021 | 2021 | 4 years | 39,602 | 149.20 | 5,590 | - | 34,012 |
| 31 March 2021 | 2021/2025 | 4.25 years | 72,500 | 159.40 | 16,950 | - | 55,550 |
| 31 March 2021 | 2021/2030 | 9.25 years | 72,500 | 159.40 | 20,750 | - | 51,750 |
| 13 January 2022 | 2022 | 4 years | 35,310 | 199.20 | 2,420 | - | 32,890 |
| 12 January 2023 | 2023 | 4 years | 40,913 | 167.00 | 330 | - | 40,583 |
| **TOTAL** | | | **360,754** | | **70,283** | **48,762** | **247,896** |

*(1) The grant date is the date of the Board of Directors' meeting which decided the allocations under each plan.*

All plans are indexed plans (AGAI). The shares issued to beneficiaries at the end of the vesting period are subject to their continued employment with the Group. The number of shares will depend on the achievement of external and/or internal criteria.

2019 Plan: This plan expired on 17 January 2023. At that time, 42,575 rights remained outstanding, all of which were granted, as well as 6,187 additional shares linked to the overachievement of performance assumptions, i.e. a total of 48,762 shares granted. In accordance with the rules of this plan, 50% of the number of shares actually acquired was calculated on the basis of the overall performance of Rémy Cointreau stock (TSR – Total Shareholder Return), measured at the end of the vesting period against a panel of ten companies in the Luxury Goods and/or Spirits sector and 50% according to the level of achievement of the current operating profit target defined for financial years 19/20 to 22/23. The achievement rate of the performance criteria was 114.5%. This plan was fully funded by the delivery of shares held by Rémy Cointreau.

2020 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2019/2020 to 2022/2023). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's $CO_2$ emissions, calculated according to scope 1+2 of the GHG (Greenhouse Gas) Protocol and taking into account the 1.5°C scenario, is achieved. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2020/2021 to 2023/2024). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's $CO_2$ emissions, calculated according to scope 1+2 of the GHG (Greenhouse Gas) Protocol and taking into account the 1.5°C scenario, is achieved. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021/2025 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set for the 2024/2025 financial year. 50% of the maximum number of shares will be granted if the gross margin has reached the target set for the 2024/2025 financial year. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2021/2030 Plan: one-third of the maximum number of shares will be granted if the current operating profit has reached the target set for the 2029/2030 financial year. One-third of the maximum number of shares will be granted if the gross margin has reached the target set for the 2029/2030 financial year. One-third of the maximum number of shares will be granted if Rémy Cointreau's target percentage reduction in intensity of $CO_2$ emissions, calculated according to scopes 1+2+3 of the GHG (Greenhouse Gas) Protocol applying the "WB2C" and "1.5 °C" scenarios, is achieved for the 2029/2030 financial year. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2022 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2021/2022 to 2024/2025). 50% of the maximum number of shares will be granted if the target set for Rémy Cointreau's $CO_2$ emissions, calculated according to scope 1+2 of the GHG (Greenhouse Gas) Protocol and taking into account the 1.5°C scenario, is achieved for the 2024/2025 financial year. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

2023 Plan: 50% of the maximum number of shares will be granted if the current operating profit has reached the target set (target values defined for financial years 2022/2023 to 2025/2026). 50% of the maximum number of shares will be granted, if the $CO_2$ emission reduction target/standard bottle for the 2025/2026 fiscal year, of between -14% and -16% $CO_2$ equivalent compared to the 2020/2021 financial year, has been achieved. This target includes the entire carbon footprint of the Group (scopes 1, 2 and 3) according to the GHG Protocol and is measured by an independent firm. As at the reporting date, the plan was expected to be serviced in full by the delivery of shares held by Rémy Cointreau.

### Calculation of the expense for the year

In accordance with IFRS 2, an expense representing the value of the benefit granted to the beneficiaries of these plans is recognised as operating profit, spread over the vesting period.

The fair value of the rights granted was calculated by independent actuaries.

| *(in € millions)* | Fair value of the right *(in €)* | Total value | 2023 expense |
|---|---|---|---|
| 2019 Plan | 82.58 | 4.0 | 0.9 |
| 2020 Plan | 147.68 | 5.5 | 1.8 |
| 2021 Plan | 143.87 | 5.5 | 1.4 |
| 2021/2025 Plan | 151.63 | 8.4 | 2.0 |
| 2021/2030 Plan | 138.98 | 7.2 | 0.8 |
| 2022 Plan | 191.31 | 7.1 | 1.8 |
| 2023 Plan | 156.35 | 6.3 | 0.3 |
| **TOTAL** | | **44.1** | **9.0** |

## NOTE 10.4 DIVIDENDS

The Shareholders' Meeting of 21 July 2022 approved the payment of an ordinary dividend in cash of €1.85 per share in respect of the financial year ended 31 March 2022. It also approved the payment of an exceptional dividend of €1.00 per share with the option to be paid in cash or shares. This transaction resulted in the creation of 223,147 new shares and the payment in October 2022 of a cash dividend of €111.0 million.

## NOTE 10.5 NON-CONTROLLING INTERESTS

Equity related to non-controlling interests amounts to €0.7 million (March 2022: €1.0 million) and mainly corresponds to the non-controlling interests of Mount Gay Distilleries Ltd.

# NOTE 11 FINANCIAL DEBT

Financial resources are stated at their par value net of costs incurred when arranging this financing. These costs are recognised in the income statement as financial result using an actuarial calculation (the effective interest rate method), except for costs relating to the syndicated loan, which are amortised using the straight-line method over the term of the contract.

## NOTE 11.1 NET FINANCIAL DEBT

NET FINANCIAL DEBT

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | **Long term** | **Short term** | **Total** | Long term | Short term | Total |
| Gross financial debt | 325.1 | 285.3 | 610.4 | 363.9 | 105.7 | 469.6 |
| Cash and cash equivalents (note **9**) | - | (73.7) | (73.7) | - | (116.3) | (116.3) |
| **NET FINANCIAL DEBT** | **325.1** | **211.6** | **536.6** | **363.9** | **(10.6)** | **353.3** |

THE CHANGE IN NET FINANCIAL DEBT OVER THE FINANCIAL YEAR BREAKS DOWN AS FOLLOWS:

| | 2022 | Change in cash | Change due to exchange rates | Change IFRS 16 | Transaction on Telmont minority interests | Amortisation of issue costs and premium | OCEANE conversion | Amortisation of OCEANE equity component | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Financial debt of more than one year | 363.9 | (5.0) | (0.8) | 12.4 | (4.1) | 0.6 | (42.9) | 0.9 | 325.1 |
| Financial debt of less than one year | 105.7 | 179.7 | (0.9) | 0.9 | - | - | - | - | 285.3 |
| Gross financial debt | 469.6 | 174.7 | (1.7) | 13.3 | (4.1) | 0.6 | (42.9) | 0.9 | 610.4 |
| Cash and cash equivalents | (116.3) | 42.4 | 0.2 | - | - | - | - | - | (73.7) |
| Net financial debt | 353.3 | 217.0 | (1.5) | 13.3 | (4.1) | 0.6 | (42.9) | 0.9 | 536.6 |

## NOTE 11.2 GROSS FINANCIAL DEBT BY TYPE

| *(in € millions)* | 2023 Long term | 2023 Short term | 2023 Total | 2022 Long term | 2022 Short term | 2022 Total |
|---|---|---|---|---|---|---|
| Private bond placement | 79.9 | - | 79.9 | 79.9 | - | 79.9 |
| Convertible bonds (OCEANE) | 71.7 | - | 71.7 | 113.5 | - | 113.5 |
| Drawdown on syndicated loan | 60.0 | - | 60.0 | - | - | - |
| Upfront fees on syndicated loan | (0.2) | - | (0.2) | (0.3) | - | (0.3) |
| Bank loan | 79.9 | - | 79.9 | 79.9 | - | 79.9 |
| Partner current account | - | - | - | - | - | - |
| Other financial debt and overdrafts | - | 0.1 | 0.1 | - | - | - |
| Accrued interest | - | 0.5 | 0.5 | - | 0.5 | 0.5 |
| **Total Rémy Cointreau SA** | **291.4** | **0.6** | **292.0** | **273.1** | **0.5** | **273.6** |
| Bonds | - | 64.9 | 64.9 | 64.7 | - | 64.7 |
| Other financial debt and overdrafts | 0.1 | 152.2 | 152.3 | 0.1 | 44.4 | 44.5 |
| Commitments to purchase securities of non-controlling shareholders | 4.9 | - | 4.9 | 9.0 | - | 9.0 |
| Accrued interest | - | 2.9 | 2.9 | - | 1.7 | 1.7 |
| Financial debt by special purpose entities | - | 55.1 | 55.1 | - | 50.3 | 50.3 |
| Lease liabilities IFRS 16 (note **3**) | 28.6 | 9.7 | 38.3 | 17.0 | 8.8 | 25.8 |
| **Total subsidiaries** | **33.6** | **284.7** | **318.4** | **90.9** | **105.2** | **196.1** |
| **GROSS FINANCIAL DEBT** | **325.1** | **285.3** | **610.4** | **363.9** | **105.7** | **469.6** |

The total amount of confirmed resources available and their utilisation rate is detailed in the note on liquidity risk (note **14.6**).

## NOTE 11.3 GROSS FINANCIAL DEBT BY MATURITY

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| <1 year | 285.3 | 105.7 |
| 1 to 5 years | 228.9 | 273.0 |
| >5 years | 96.2 | 90.9 |
| **TOTAL** | **610.4** | **469.6** |

## NOTE 11.4 GROSS FINANCIAL DEBT BY TYPE OF RATE

| *(in € millions)* | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Long term | Short term | Total | Long term | Short term | Total |
| Fixed interest rate | 265.3 | 129.7 | 394.9 | 364.2 | 59.1 | 423.3 |
| Variable interest rate | 59.8 | 152.3 | 212.1 | (0.3) | 44.4 | 44.1 |
| Accrued interest | - | 3.4 | 3.4 | - | 2.2 | 2.2 |
| **GROSS FINANCIAL DEBT** | **325.1** | **285.3** | **610.4** | **363.9** | **105.7** | **469.6** |

## NOTE 11.5 GROSS FINANCIAL DEBT BY CURRENCY

| *(in € millions)* | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Long term | Short term | Total | Long term | Short term | Total |
| Euro | 305.3 | 277.9 | 583.2 | 357.1 | 99.4 | 456.6 |
| US dollar | 16.3 | 3.8 | 20.0 | 3.1 | 3.2 | 6.3 |
| Chinese yuan | 2.1 | 2.8 | 4.9 | 2.1 | 1.9 | 4.0 |
| Hong Kong dollar | 0.2 | 0.1 | 0.3 | 0.3 | 0.1 | 0.4 |
| Other | 1.3 | 0.6 | 2.0 | 1.3 | 1.1 | 2.4 |
| **GROSS FINANCIAL DEBT** | **325.1** | **285.3** | **610.4** | **363.9** | **105.7** | **469.6** |



## NOTE 11.6 BONDS

### Private bond placement

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. The bonds, which have a maturity of ten years, bear interest at a nominal annual rate of 2.945%. At 31 March 2023, the corresponding debt amounted to €79.9 million after taking into account the issue costs of €0.1 million.

This contract is unsecured. Availability of the funds is subject to the A ratio (see Syndicated loan) remaining below 3.5 at each half-year end for the duration of the contract.

### Convertible bonds (OCEANE)

On 7 September 2016, as part of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares (OCEANE), with a maturity date of 7 September 2026 and a nominal amount of €275.0 million, or 2,484,191 OCEANEs with a par value of €110.70 each.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

At the date of issue, the unit par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. Pursuant to the split accounting required by IAS 32, the OCEANE was initially recognised in financial debt for €250.1 million and in equity for €24.9 million.

Holders of OCEANEs have a right to the allocation of new and/or existing Rémy Cointreau shares, at an initial conversion ratio of one share for one OCEANE. In accordance with the terms and conditions of the OCEANE bonds, this ratio was subsequently adjusted. As at 31 March 2023, it was 1.018 share for one bond. This right to the allocation of shares is exercisable from 7 September 2023, or in the event of an early conversion condition being met.

During the financial year ended 31 March 2023, a request was made to convert 393,667 outstanding bonds into Rémy Cointreau shares, bringing the total amount of OCEANE bonds converted to date to 73.7%. Taking the conversion ratio into account, 397,993 shares were thus created. The transaction resulted in an impact of €42.9 million on consolidated shareholders' equity.

At 31 March 2023, the balance of OCEANE bonds amounted to 653,011 bonds, *i.e.* a nominal value of €72.3 million.

### Bonds with a par value of €65 million

On 13 August 2013, Financière Rémy Cointreau SA/NV issued a ten-year bond for the amount of €65 million, guaranteed by Rémy Cointreau SA. At 31 March 2023, this bond stood at €64.9 million, taking into account €(0.1) million of issue premiums and costs.

The bonds, with a par value of €250,000 each, were issued at 97.977% of par (issue premium of 2.023%) and bear interest at an annual nominal rate of 4% payable annually. They will be redeemed at par at maturity on 13 August 2023.

After taking the issue premium and expenses into account, the net proceeds from the bond were €63.2 million, putting the effective interest rate at 4.35%.

This bond is not secured.

## NOTE 11.7 SYNDICATED LOAN

On 2 July 2018, Rémy Cointreau signed a new syndicated loan of €100 million with a pool of banking groups, which will now mature on 2 July 2025.

Amounts drawn down bear interest at EURIBOR plus a margin of 35 bps to 125 bps, depending on the Group's debt rating.

The availability of the facility is contingent on "Average net debt/ EBITDA" (the A ratio) being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 31 March 2023, the A ratio was 0.84 (September 2022: 0.65; March 2022: 0.79).

## NOTE 11.8 OTHER BORROWINGS

### Bilateral loan agreement

On 4 November 2021, Rémy Cointreau signed a bilateral loan agreement for €80 million. This seven-year loan, repayable at maturity, bears interest at a nominal annual rate of 0.60%, payable annually in arrears on 10 November each year.

The availability of this loan is subject to compliance with the A ratio (see Syndicated loan) at a level less than or equal to 4 on 30 September and on 31 March of each financial year until maturity.

### Bilateral credit line

On 28 January 2022, Financière Rémy Cointreau obtained a €40 million confirmed bilateral credit facility, the maturity date of which is now 31 March 2024.

The drawdowns bear interest at €STER plus a margin of 30 bps.

This facility is unsecured.

## NOTE 11.9 COMMITMENTS TO PURCHASE SECURITIES OF NON-CONTROLLING SHAREHOLDERS

As part of the acquisition of Champagnes J. de Telmont, followed by a capital increase carried out in February 2023, the Rémy Cointreau Group granted to non-controlling shareholders a promise to purchase their securities under various conditions not exercisable before July 2026. The liability relating to these commitments was valued at €4.9 million at 31 March 2023.

## NOTE 12 PROVISIONS FOR LIABILITIES AND CHARGES

The recognition of provisions, generally intended to cover compensation payable in the event of litigation with third parties, requires the Group's management to estimate the level of probability associated with this risk and also the outcome of negotiations, transactions and legal proceedings that are or may be conducted with the third parties concerned.

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognised when the Group has an obligation towards a third party and it is certain or highly probable that it will result in an outflow of resources for the benefit of the third party, without receipt of an at least equivalent consideration from said third party. Provisions for restructuring are recognised only when restructuring has been announced and detailed measures drawn up.

When the time value of money is material, the amount of the provision corresponds to the present value of expected expenditure that the Company believes to be necessary to meet the liability. In practice, when the liability is expected to be settled in more than 12 months, the amount of the provision is discounted to its present value, with the effects being recognised in net financial result.

### NOTE 12.1 ANALYSIS OF CHANGE

| *(in € millions)* | Restructuring | Customs risk | Litigation | Total |
|---|---|---|---|---|
| **At 31 March 2022** | **1.0** | **13.6** | **6.6** | **21.1** |
| Increase | (0.9) | - | 3.6 | 2.7 |
| Reversals – Used | - | (5.9) | (5.0) | (10.9) |
| Reversals – Unused | - | (7.7) | (0.1) | (7.8) |
| Translation differences | - | - | (0.0) | (0.0) |
| **At 31 March 2023** | **0.1** | **-** | **5.0** | **5.1** |

"Provisions for liabilities and charges" mainly consist of provisions recognised to cover trade and employee-related litigation, as well as a provision for international customs risks relating to prior periods.

### NOTE 12.2 MATURITY

These provisions are intended to cover probable items of expenditure payable as follows:

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Long-term provisions (or unknown maturity) | 1.1 | 3.3 |
| Short-term provisions | 4.0 | 17.9 |
| **TOTAL** | **5.1** | **21.1** |

## NOTE 13 TRADE AND OTHER PAYABLES

Trade payables, which are generally settled within three months, are stated at nominal value.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Trade payables – *eaux-de-vie* | 296.6 | 271.7 |
| Other trade payables | 312.6 | 300.3 |
| Advances from customers | 3.3 | 3.5 |
| Payables related to tax and social charges (excl. income tax) | 80.1 | 71.0 |
| Excise duties | 1.4 | 6.0 |
| Miscellaneous deferred revenue | 1.5 | 1.4 |
| Other liabilities | 22.0 | 29.4 |
| **TOTAL** | **717.5** | **683.3** |

# NOTE 14 FINANCIAL INSTRUMENTS AND MARKET RISKS

Derivatives held by the Group in connection with its ordinary activities, mainly in the form of options, are valued using the methods prevailing in the financial markets. Note that these valuations are based on market data as at the reporting date. These values may fluctuate rapidly due to constant changes in the financial markets.

Financial assets and liabilities are measured in accordance with IFRS 9 "Financial instruments: recognition and measurement".

The Group makes extensive use of derivatives as part of its policy of hedging exposure to foreign exchange and interest rate risks. The Group has implemented the procedures and maintains the documentation needed to justify the application of hedge accounting as defined by IFRS 9.

Derivatives are recognised in the statement of financial position at market value as at the reporting date. Market values are calculated using an external valuation model, and compared with those obtained from counterparty banks. Changes in the value of currency derivatives are recognised in the manner described in note **1.6**. When used to hedge interest rate risk, changes in the value of exchange rate risk hedging instruments (mainly caps and interest swaps) are recorded in recyclable equity in respect of the change in the intrinsic value of the hedging instruments when these options are active and in financial result for any residual change in fair value of the hedging instruments and the change in fair value of the non-hedging instruments.

## NOTE 14.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial instruments recorded in the statement of financial position, analysed by the measurement categories defined in IFRS 9.

AT 31 MARCH 2023

| *(in € millions)* | Notes | Carrying amount | Fair value | Loans and receivables at amortised cost | Fair value through profit or loss[(1)] | Fair value through OCI |
|---|---|---|---|---|---|---|
| Non-current financial assets | 6 | 16.3 | 16.3 | 6.3 | - | 9.9 |
| Derivatives | 14 | 19.0 | 19.0 | - | 0.3 | 18.7 |
| Cash and cash equivalents | 9 | 73.7 | 73.7 | - | 73.7 | - |
| **ASSETS** | | **109.0** | **109.0** | **6.3** | **74.0** | **28.6** |
| Long-term financial debt | 11 | 325.1 | 325.1 | 325.1 | - | - |
| Short-term financial debt and accrued interest charge | 11 | 285.3 | 285.3 | 285.3 | - | - |
| Derivatives | 14 | 5.5 | 5.5 | - | 0.1 | 5.4 |
| **LIABILITIES** | | **615.9** | **615.9** | **610.4** | **0.1** | **5.4** |

*(1) These financial instruments belong to the "held for trading" category.*

AT 31 MARCH 2022

| *(in € millions)* | Notes | Carrying amount | Fair value | Loans and receivables at amortised cost | Fair value through profit or loss[(1)] | Fair value through OCI |
|---|---|---|---|---|---|---|
| Non-current financial assets | 6 | 36.1 | 36.1 | 18.2 | 2.7 | 15.2 |
| Derivatives | 14 | 3.8 | 3.8 | - | 0.2 | 3.6 |
| Cash and cash equivalents | 9 | 116.3 | 116.3 | - | 116.3 | - |
| **ASSETS** | | **156.3** | **156.3** | **18.2** | **119.3** | **18.8** |
| Long-term financial debt | 11 | 363.9 | 363.9 | 363.9 | - | - |
| Short-term financial debt and accrued interest charge | 11 | 105.7 | 105.7 | 105.7 | - | - |
| Derivatives | 14 | 13.7 | 13.7 | - | 0.6 | 13.1 |
| **LIABILITIES** | | **483.4** | **483.4** | **469.6** | **0.6** | **13.1** |

*(1) These financial instruments belong to the "held for trading" category.*

## NOTE 14.2 MARKET RISK MANAGEMENT POLICY

The Group uses financial instruments to manage its interest rate and foreign exchange risk exposure. The market risk management policy complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to foreign exchange risk, the Group endeavours to hedge its budgeted net commercial exposure over maximum rolling period of 36 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the foreign exchange risk arising from the translation into euros of the financial statements of companies that use a currency other than the euro.

The Group's hedging policy only allows for the hedging of short-term foreign exchange risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's sales and margins.

## NOTE 14.3 BREAKDOWN OF FINANCIAL INSTRUMENTS (INTEREST RATE AND FOREIGN EXCHANGE RATES)

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Interest rate derivatives | - | - |
| Exchange rate derivatives | 19.0 | 3.8 |
| **TOTAL** | **19.0** | **3.8** |
| **Liabilities** | | |
| Interest rate derivatives | - | - |
| Exchange rate derivatives | 5.5 | 13.7 |
| **TOTAL** | **5.5** | **13.7** |

## NOTE 14.4 INTEREST RATE DERIVATIVES

At 31 March 2023, the Group had no interest rate derivatives in its portfolio.

## NOTE 14.5 EXCHANGE RATE DERIVATIVES

The Group uses options and forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the financial year for which payment has not been received as of the reporting date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centralises the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

BREAKDOWN OF ALL FOREIGN EXCHANGE HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2023

| *(in € millions)* | Nominal(1) | Initial value | Market value | of which FVH(2) | of which CFH(2) | of which Trading(2) |
|---|---|---|---|---|---|---|
| **Put options and tunnel options** | | | | | | |
| Seller USD (*vs.* EUR) | 211.7 | - | 5.0 | - | 5.0 | - |
| Other currencies (*vs.* EUR) | 99.4 | - | 2.2 | - | 2.2 | - |
| | **311.1** | **-** | **7.2** | **-** | **7.2** | **-** |
| **Forward sales** | | | | | | |
| Seller USD (*vs.* EUR) | 276.1 | - | 3.6 | - | 3.6 | - |
| Other currencies (*vs.* EUR) | 105.5 | - | 2.4 | - | 2.4 | - |
| | **381.6** | **-** | **6.1** | **-** | **6.1** | **-** |
| **Purchase/(sale) of currency swaps (operating activities)(3)** | | | | | | |
| Seller USD (*vs.* EUR) | (65.2) | - | 0.2 | - | - | 0.2 |
| Other currencies (*vs.* EUR) | (4.0) | - | (0.1) | - | - | (0.1) |
| | **(69.2)** | **-** | **0.1** | **-** | **-** | **0.1** |
| **Purchase/(sale) of currency swaps (financing activities)(3)** | | | | | | |
| Seller USD (*vs.* EUR) | (1.7) | - | 0.0 | - | - | 0.0 |
| Other currencies (*vs.* EUR) | (65.2) | - | 0.0 | - | - | 0.0 |
| | **(66.9)** | **-** | **0.1** | **-** | **-** | **0.1** |
| **TOTAL** | **556.5** | **-** | **13.5** | **-** | **13.3** | **0.2** |

*(1) Nominal amount in foreign currency translated at the closing rate.*
*(2) FVH: Fair Value Hedge; CFH: Cash Flow Hedge; Trading: assets held-for-trading.*
*(3) Difference between closing rate and forward rate.*

BREAKDOWN OF ALL FOREIGN EXCHANGE RISK HEDGING INSTRUMENTS IN THE PORTFOLIO AT 31 MARCH 2022

| *(in € millions)* | Nominal(1) | Initial value | Market value | of which CFH(2) | of which Trading(2) |
|---|---|---|---|---|---|
| **Put options and tunnel options** | | | | | |
| Seller USD (*vs.* EUR) | 216.2 | - | 0.9 | 0.9 | - |
| Other currencies (*vs.* EUR) | 98.1 | - | 0.4 | 0.4 | - |
| | **314.3** | **-** | **1.3** | **1.3** | **-** |
| **Forward sales** | | | | | |
| Seller USD (*vs.* EUR) | 265.7 | - | (7.5) | (7.5) | - |
| Other currencies (*vs.* EUR) | 141.1 | - | (3.3) | (3.3) | - |
| | **406.8** | **-** | **(10.8)** | **(10.8)** | **-** |
| **Purchase/(sale) of currency swaps (operating activities)(3)** | | | | | |
| Seller USD (*vs.* EUR) | (89.1) | - | 0.0 | - | 0.0 |
| Other currencies (*vs.* EUR) | (24.7) | - | (0.1) | - | (0.1) |
| | **(113.8)** | **-** | **(0.0)** | **-** | **(0.0)** |
| **Purchase/(sale) of currency swaps (financing activities)(3)** | | | | | |
| Seller USD (*vs.* EUR) | 29.2 | - | (0.4) | - | (0.4) |
| Other currencies (*vs.* EUR) | (80.2) | - | 0.0 | - | 0.0 |
| | **(51.0)** | **-** | **(0.3)** | **-** | **(0.3)** |
| **TOTAL** | **556.4** | **-** | **(9.9)** | **(9.5)** | **(0.4)** |

*(1) Nominal amount in foreign currency translated at the closing rate.*
*(2) FVH: Fair Value Hedge; CFH: Cash Flow Hedge; Trading: assets held-for-trading.*
*(3) Difference between closing rate and forward rate.*

## Sensitivity to foreign exchange risk

Taking into account the hedges in place, a 10% increase or decrease in the EUR/USD exchange rate would have the following impact, with the impact on net profit/(loss) for the period arising mainly from the ineffective portion hedging future flows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | EUR/USD sensitivity | | EUR/USD sensitivity | |
| Benchmark value | 1.0867 | | 1.1102 | |
| | +10% | -10% | +10% | -10% |
| EUR/USD rate | 1.20 | 0.98 | 1.22 | 1.00 |
| Profit/(loss) for the period | (0.8) | 2.7 | (2.6) | 0.2 |
| Equity excluding net profit/(loss) | 29.1 | (27.2) | 21.4 | (21.2) |
| Change in value of financial instruments | 46.0 | (42.7) | 35.8 | (40.9) |
| Nominal amount at reporting date: | | | | |
| • USD instruments in the portfolio | 364.8 | 445.9 | 357.1 | 436.5 |
| • USD receivables potentially exposed | 78.7 | 96.2 | 95.2 | 116.3 |

## NOTE 14.6 LIQUIDITY RISK

In accordance with IFRS 7, liabilities are stated at their carrying amount at the reporting date excluding discounting effects. The amounts drawn down on credit lines in the year ended 31 March 2023 are assumed to be carried forward until the maturity of each of the corresponding facilities. The corresponding interest expense is calculated using the parameters known at the reporting date.

Liquidity risk stems mainly from the availability of financial resources.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing. Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The following table shows the contractual maturity profile of disbursements relating to financial liabilities recognised as of 31 March 2023.

| *(in € millions)* | Before 31 March 2024 | Before 31 March 2025 | Before 31 March 2026 | Before 31 March 2027 | Beyond | Total |
|---|---|---|---|---|---|---|
| Financial debt and accrued interest | 275.7 | 80.0 | 60.0 | 72.3 | 84.9 | 572.9 |
| Trade and other payables | 717.5 | - | - | - | - | 717.5 |
| **Liabilities recognised at 31 March 2023** | **993.3** | **80.0** | **60.0** | **72.3** | **84.9** | **1,290.4** |
| Future interest on financial debt | 10.4 | 4.6 | 1.0 | 0.5 | 0.8 | 17.3 |
| **TOTAL DISBURSEMENTS** | **1,003.7** | **84.6** | **61.0** | **72.8** | **85.7** | **1,307.8** |

The confirmed resources and their availability are as follows (see also note **11** for the description of financial debt):

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Fixed-rate resources | 297.3 | 340.9 |
| Variable-rate resources | 140.0 | 140.0 |
| **TOTAL** | **437.3** | **480.9** |
| Long-term | 332.3 | 440.9 |
| Short-term | 105.0 | 40.0 |
| **TOTAL** | **437.3** | **480.9** |
| Availability subject to compliance with the A ratio | 260.0 | 260.0 |
| Available with no ratio restrictions | 177.3 | 220.9 |
| **TOTAL** | **437.3** | **480.9** |
| Unused at 31 March | 40.0 | 140.0 |
| Unused at 31 March as % of available resources | 9% | 29% |

The availability of some financing is contingent upon achieving the "A ratio" (average net debt/EBITDA). This is calculated every six months and must be below 3.5 for the private bond placement (note **11.6**) and below 4.0 for the syndicated loan and the new bilateral loan (notes **11.7** and **11.8**). The A ratio was 0.84 at 31 March 2023. The Group is confident in its ability to maintain this ratio in the short, medium and long term, and in its ability to renew financing that is due to reach maturity in the coming years.

In addition, the Rémy Cointreau Group had €230 million in unconfirmed bilateral lines at 31 March 2023.

The Group's rating is reviewed annually. At 31 March 2023, Moody's had assigned the rating of Baa3, with a stable outlook.

# NOTE 15 SEGMENT INFORMATION

**BREAKDOWN BY SEGMENT**

As required by IFRS 8, the Rémy Cointreau Group provides an analysis of certain elements of its consolidated financial statements by business segment and by geographic area.

**a) Business segment**

The segments to be presented are those operating segments for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performances and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these businesses as the operating segments to be presented. In addition, a holding segment includes the central expenses that are not allocated to the various divisions.

The main brands in the "Liqueurs & Spirits" segment are Cointreau, Metaxa, St-Rémy, Mount Gay, Bruichladdich, The Botanist, Westland, Domaine des Hautes Glaces, Belle de Brillet and Telmont.

The "Partner Brands" business includes brands which are not controlled by the Group and those whose production is not carried out wholly by the Group. These brands are distributed using the Group's distribution network in the framework of fixed-term agreements.

Information given by business segment is identical to that presented to the Executive Committee.

**b) Geographic area**

Sales by geographic area are analysed based on the destination of the goods sold. Items in the statement of financial position are analysed based on the geographic area of the entities reporting them.

The geographic areas covered are: Europe, Middle/East and Africa; Americas; Asia-Pacific. The Asia-Pacific area includes Asia, Australia and New Zealand.

## NOTE 15.1 BUSINESSES

### Note 15.1.1 Breakdown of sales and current operating profit/(loss)

| | Sales | | Current operating profit/(loss) | |
|---|---|---|---|---|
| *(in € millions)* | 2023 | 2022 | 2023 | 2022 |
| Cognac | 1,100.0 | 948.3 | 405.2 | 323.0 |
| Liqueurs & Spirits | 418.9 | 333.2 | 48.1 | 35.5 |
| **Group Brands subtotal** | **1,518.9** | **1,281.5** | **453.3** | **358.4** |
| Partner Brands | 29.6 | 31.3 | 0.1 | (0.0) |
| Holding | - | - | (23.7) | (24.0) |
| **TOTAL** | **1,548.5** | **1,312.9** | **429.6** | **334.4** |

There are no intra-segment sales.

## Note 15.1.2 Breakdown of the statement of financial position

AT 31 MARCH 2023

| *(in € millions)* | Cognac | Liqueurs and Spirits | Partner Brands | Unallocated | Total |
|---|---|---|---|---|---|
| Non-current assets | 529.2 | 425.3 | 1.0 | 49.0 | 1,004.4 |
| Current assets | 1,770.6 | 270.4 | 6.2 | 42.6 | 2,089.8 |
| Derivatives | 0.0 | 0.0 | 0.0 | 19.0 | 19.0 |
| Assets held for sale | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalents | 0.0 | 0.0 | 0.0 | 73.7 | 73.7 |
| **TOTAL ASSETS** | **2,299.7** | **695.7** | **7.2** | **184.3** | **3,187.0** |
| Equity | 0.0 | 0.0 | 0.0 | 1,755.1 | 1,755.1 |
| Financial debt and accrued interest | 0.0 | 0.0 | 0.0 | 610.4 | 610.4 |
| Provisions for liabilities and charges | 18.1 | 5.6 | 0.4 | 0.0 | 24.1 |
| Deferred and current taxation | 0.0 | 0.0 | 0.0 | 74.3 | 74.3 |
| Trade and other payables | 597.3 | 98.3 | 4.9 | 17.0 | 717.5 |
| Derivatives | 0.0 | 0.0 | 0.0 | 5.5 | 5.5 |
| Liabilities held for sale | | | | | 0.0 |
| **TOTAL EQUITY AND LIABILITIES** | **615.4** | **103.9** | **5.3** | **2,462.3** | **3,187.0** |
| Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE) | 262.7 | 252.9 | 0.6 | 0.0 | 516.3 |
| **ROCE basis of calculation** | **1,421.6** | **339.0** | **1.3** | | **1,761.8** |

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AT 31 MARCH 2022

| *(in € millions)* | Cognac | Liqueurs & Spirits | Partner Brands | Unallocated | Total |
|---|---|---|---|---|---|
| Non-current assets | 485.5 | 418.5 | 0.3 | 78.2 | 982.5 |
| Current assets | 1,577.3 | 237.6 | 9.9 | 51.2 | 1,875.9 |
| Derivatives | 0.0 | 0.0 | 0.0 | 3.8 | 3.8 |
| Cash and cash equivalents | 0.0 | 0.0 | 0.0 | 116.3 | 116.3 |
| **TOTAL ASSETS** | **2,062.8** | **656.1** | **10.2** | **249.5** | **2,978.6** |
| Equity | 0.0 | 0.0 | 0.0 | 1,661.8 | 1,661.8 |
| Financial debt and accrued interest | 0.0 | 0.0 | 0.0 | 469.6 | 469.6 |
| Provisions for liabilities and charges | 35.8 | 10.9 | 0.8 | 0.0 | 47.5 |
| Deferred and current taxation | 0.0 | 0.0 | 0.0 | 102.6 | 102.6 |
| Trade and other payables | 564.7 | 93.0 | 6.3 | 19.3 | 683.3 |
| Derivatives | 0.0 | 0.0 | 0.0 | 13.7 | 13.7 |
| **TOTAL EQUITY AND LIABILITIES** | **600.5** | **103.9** | **7.1** | **2,267.0** | **2,978.6** |
| Right of use, brands and other intangible assets not included in the basis of calculation of "return on capital employed" (ROCE) | 252.5 | 258.6 | 0.2 | 0.0 | 511.3 |
| **ROCE basis of calculation** | **1,209.8** | **293.5** | **2.9** | | **1,506.2** |

### Note 15.1.3 Return on Capital Employed (ROCE)

Return on capital employed is measured using the following indicators:

- current operating profit/(loss) by activity (note **15.1.1**);
- breakdown of the statement of financial position by activity, excluding certain intangible assets (note **15.1.2**).

Current operating profit/(loss) and capital employed are identified by business on an analytical basis. Profit and capital employed of the distribution network and holding businesses are allocated on a pro-rata basis according to net sales and current inventory.

Return on capital employed is a key indicator for the Group's management. It is one of the key performance indicators for each business.

AT 31 MARCH 2023

| *(in € millions)* | Capital employed | Current operating profit/(loss) | % |
|---|---|---|---|
| Cognac | 1,421.6 | 405.2 | 28.5% |
| Liqueurs & Spirits | 339.0 | 48.1 | 14.2% |
| **Group Brands subtotal** | **1,760.5** | **453.3** | **25.7%** |
| Partner Brands | 1.3 | 0.1 | 6.2% |
| Holding | - | (23.7) | - |
| **TOTAL** | **1,761.8** | **429.6** | **24.4%** |

AT 31 MARCH 2022

| *(in € millions)* | Capital employed | Current operating profit/(loss) | % |
|---|---|---|---|
| Cognac | 1,209.8 | 323.0 | 26.7% |
| Liqueurs & Spirits | 293.5 | 35.5 | 12.1% |
| **Group Brands subtotal** | **1,503.3** | **358.4** | **23.8%** |
| Partner Brands | 2.9 | (0.0) | -1.4% |
| Holding | - | (24.0) | - |
| **TOTAL** | **1,506.2** | **334.4** | **22.2%** |

### Note 15.1.4 Capital expenditure and depreciation and amortisation expense

| | Capital expenditure and acquisition of property, plant and equipment and intangible assets | | Depreciation and amortisation of property, plant and equipment and intangible assets | |
|---|---|---|---|---|
| *(in € millions)* | **2023** | 2022 | **2023** | 2022 |
| Cognac | 55.9 | 37.2 | 20.3 | 20.4 |
| Liqueurs & Spirits | 25.7 | 23.2 | 18.9 | 11.0 |
| Partner Brands | 0.4 | 0.0 | 0.1 | 0.1 |
| **TOTAL** | **81.9** | **60.5** | **39.3** | **31.5** |

## NOTE 15.2 GEOGRAPHIC AREAS

### Sales

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Europe-Middle East-Africa[1] | 259.5 | 234.1 |
| Americas | 780.0 | 683.3 |
| Asia-Pacific | 509.0 | 395.5 |
| **TOTAL** | **1,548.5** | **1,312.9** |

*(1) Sales in France totalled €18 million at 31 March 2023 (March 2022: €14.1 million).*

### Statement of financial position

**AT 31 MARCH 2023**

| *(in € millions)* | Europe-Middle East-Africa | Americas | Asia-Pacific | Unallocated | Total |
|---|---|---|---|---|---|
| Non-current assets | 854.1 | 106.6 | 43.8 | 0.0 | 1,004.4 |
| Current assets | 1,741.0 | 167.2 | 181.6 | 0.0 | 2,089.8 |
| Derivatives | | | | 19.0 | 19.0 |
| Cash and cash equivalents | | | | 73.7 | 73.7 |
| **TOTAL ASSETS** | **2,595.1** | **273.7** | **225.4** | **92.7** | **3,187.0** |
| Equity | | | | 1,755.1 | 1,755.1 |
| Financial debt and accrued interest | | | | 610.4 | 610.4 |
| Provisions for liabilities and charges | 23.5 | 0.0 | 0.7 | | 24.1 |
| Deferred and current taxation | 51.8 | 0.4 | 22.1 | | 74.3 |
| Trade and other payables | 467.4 | 69.3 | 180.8 | | 717.5 |
| Derivatives | | | | 5.5 | 5.5 |
| **TOTAL EQUITY AND LIABILITIES** | **542.6** | **69.6** | **203.7** | **2,371.0** | **3,187.0** |

**AT 31 MARCH 2022**

| *(in € millions)* | Europe-Middle East-Africa | Americas | Asia-Pacific | Unallocated | Total |
|---|---|---|---|---|---|
| Non-current assets | 807.6 | 85.7 | 12.6 | 0.0 | 982.5 |
| Current assets | 1,577.6 | 145.9 | 152.5 | 0.0 | 1,875.9 |
| Derivatives | 0.0 | 0.0 | 0.0 | 3.8 | 3.8 |
| Cash and cash equivalents | 0.0 | 0.0 | 0.0 | 116.3 | 116.3 |
| **TOTAL ASSETS** | **2,385,2** | **231.6** | **165.1** | **120.1** | **2,978.6** |
| Equity | 0.0 | 0.0 | 0.0 | 1,661.8 | 1,661.8 |
| Financial debt and accrued interest | 0.0 | 0.0 | 0.0 | 469.6 | 469.6 |
| Provisions for liabilities and charges | 33.4 | 0.0 | 14.1 | 0.0 | 47.5 |
| Deferred and current taxation | 69.4 | 0.4 | 32.8 | 0.0 | 102.6 |
| Trade and other payables | 433.3 | 73.7 | 176.3 | 0.0 | 683.3 |
| Derivatives | 0.0 | 0.0 | 0.0 | 13.7 | 13.7 |
| **TOTAL EQUITY AND LIABILITIES** | **536.1** | **74.1** | **223.3** | **2,145.1** | **2,978.6** |

CAPITAL EXPENDITURE AND DEPRECIATION AND AMORTISATION EXPENSE

| | Capital expenditure and acquisition of property, plant and equipment and intangible assets | | Depreciation and amortisation of property, plant and equipment and intangible assets | |
|---|---|---|---|---|
| *(in € millions)* | 2023 | 2022 | 2023 | 2022 |
| Europe-Middle East-Africa | 64.5 | 49.0 | 24.7 | 24.9 |
| Americas | 10.2 | 8.2 | 12.0 | 4.1 |
| Asia-Pacific | 7.3 | 3.3 | 2.6 | 2.5 |
| **TOTAL** | **81.9** | **60.5** | **39.3** | **31.5** |

## NOTE 16 ANALYSIS OF OPERATING EXPENSES BY TYPE

Distribution costs comprise advertising and promotion expenses, commission income or expenses, general provisions for impairment of inventories and trade receivables and the overheads of the Group distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

Other income and expenses are generated by peripheral activities.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Employee benefit expenses | (275.7) | (243.9) |
| Advertising and promotion expenses | (335.2) | (268.8) |
| Depreciation, amortisation and impairment of non-current assets | (40.2) | (40.0) |
| Other expenses | (100.3) | (85.8) |
| Expenses allocated to inventories and production costs | 77.2 | 71.9 |
| **TOTAL** | **(674.2)** | **(566.7)** |
| of which: | | |
| Distribution costs | (521.6) | (433.2) |
| Administrative expenses | (152.6) | (133.5) |
| **TOTAL** | **(674.2)** | **(566.7)** |

Employee benefit expenses included in particular salaries and social charges, pension plan costs, bonus share plan expenses and benefits in kind.

## NOTE 17 NUMBER OF EMPLOYEES

The number of employees is stated at the reporting date and covers all fully consolidated companies.

| | 2023 | 2022 |
|---|---|---|
| France | 815 | 794 |
| Europe (outside France) – Africa | 322 | 315 |
| Americas | 369 | 340 |
| Asia-Pacific | 515 | 475 |
| **TOTAL** | **2,021** | **1,924** |

## NOTE 18 OTHER NON-CURRENT INCOME/(EXPENSE)

“Other non-current income/(expense)” includes items that, given their nature, frequency and materiality, cannot be considered as part of the Group’s ordinary activities and which affect year-on-year comparisons. They notably include impairment provisions in respect of brands and other non-current assets recognised as a result of impairment tests, provisions for restructuring and litigation, and significant gains or losses on disposals of assets other than those relating to operations that have already been, or are to be, discontinued (note **1.8**).

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| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Loss on foreign exchange hedges not applicable in rubbles | (4.1) | - |
| Provisions for international customs risks relating to prior periods | 7.7 | (13.6) |
| Tax adjustments excluding income tax | 1.0 | - |
| Goodwill impairment | (7.5) | (0.5) |
| Other | (0.1) | 0.1 |
| **TOTAL** | **(3.1)** | **(14.1)** |

# NOTE 19 FINANCIAL RESULT

## NOTE 19.1 NET BORROWING COST BY TYPE OF FINANCING

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Bonds | (2.8) | (2.8) |
| OCEANE | (1.2) | (2.9) |
| Private bond placement | (2.4) | (2.4) |
| Other loans | (0.5) | (0.2) |
| Syndicated loan and unconfirmed lines | (3.6) | (0.6) |
| Finance costs of special purpose entities | (0.7) | (0.9) |
| Accretion of lease liabilities – IFRS 16 | (0.8) | (0.8) |
| **Gross borrowing cost** | **(12.0)** | **(10.5)** |
| Interest income | 0.3 | 0.1 |
| **Net borrowing cost** | **(11.7)** | **(10.4)** |

Financial debt is described in note **11**.

## NOTE 19.2 OTHER FINANCIAL INCOME/(EXPENSE)

The amount presented in currency gains and losses mainly includes the impact of IFRS 9 on the portfolio of foreign currency derivatives, for the so-called “ineffective” portion, and the currency gains and losses from financing transactions. Currency gains/(losses) from operations are recognised in gross profit (note **1.6**).

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Currency losses | (2.5) | (0.7) |
| Other financial expenses of special purpose entities | (1.6) | (1.5) |
| Other | (1.8) | (0.6) |
| **Other financial income/(expense)** | **(5.9)** | **(2.8)** |

## NOTE 20 INCOME TAX

In accordance with IAS 12, deferred taxation is recognised by the Group on all timing differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding values used for taxation purposes in the financial statements of the consolidated entities.

The tax rate used is the statutory tax rate in effect on the date on which the timing difference is reversed, which is generally that of the current financial year or that of the following financial year, when it is certain. The effects of changes in tax rates are included in the income tax expense for the financial year in which they become known.

The main source of deferred taxation for the Rémy Cointreau Group arises from the difference in the value of the brands in the consolidated financial statements, most often resulting from goodwill on acquisition, and their value for taxation purposes, which is generally nil.

As required by IAS 12, a deferred taxation is recognised on the difference between the carrying amount and the tax value of shares in associates. In the case of fully consolidated entities, the deferred taxation is recognised only in respect of dividends that are certain at the reporting date.

Tax savings from tax losses carried forward are recognised as deferred tax assets and written down according to the probability of these losses later being utilised.

### NOTE 20.1 NET INCOME TAX EXPENSE

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Current tax (expense)/income | (114.8) | (103.0) |
| Deferred taxation (expense)/income | (1.6) | 7.4 |
| **Income tax** | **(116.3)** | **(95.6)** |
| Effective published tax rate | -28.4% | -31.1% |
| Effective tax rate excl. non-recurring items | -28.3% | -29.3% |



### NOTE 20.2 TAX REGIME

Rémy Cointreau has opted to use the Group tax regime for certain of its subsidiaries that are at least 95% directly or indirectly controlled. This regime entitles the Group to offset, within certain limits, the income tax expenses of the beneficiary companies by means of the other companies' deficits. The resulting tax saving is recognised in the financial year of offset.

## NOTE 20.3 ANALYSIS OF ORIGIN AND BREAKDOWN OF DEFERRED TAXATION

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| **Breakdown by type** | | |
| Pension provisions | 4.1 | 5.7 |
| Regulated provisions | (25.2) | (24.6) |
| Other provisions | 6.8 | 11.3 |
| Brands | (75.7) | (75.8) |
| Non-current assets | (5.7) | (4.0) |
| Convertible bonds (OCEANE) | (1.3) | (1.5) |
| Margins on inventories | 41.9 | 33.0 |
| Losses carried forward | 5.6 | 4.6 |
| Financial instruments | (1.8) | 4.0 |
| Other timing differences | 31.2 | 31.9 |
| **Net position – asset (liability)** | **(20.1)** | **(15.5)** |
| **Breakdown by tax group** | | |
| Tax group France | (36.7) | (42.7) |
| Tax group United States | 6.0 | 6.2 |
| Other companies | 10.6 | 21.0 |
| **Net position – asset (liability)** | **(20.1)** | **(15.5)** |
| Deferred tax assets | 31.2 | 40.4 |
| Deferred tax liabilities | (51.3) | (56.0) |
| **Net position – asset (liability)** | **(20.1)** | **(15.5)** |

## NOTE 20.4 TAX LOSSES AND CAPITAL LOSSES CARRIED FORWARD

At 31 March 2023, tax losses carried forward totalled €63.7 million (2022: €55.2 million). The potential tax saving arising from the use of these losses is €13.3 million (2022: €11.4 million). On these losses, the Group recognised a net asset of €5.6 million, which it plans to recover by March 2026.

## NOTE 20.5 TAX RECONCILIATION

At 31 March 2023, income tax expense amounted to €116.3 million. The difference compared to the theoretical income tax expense based on the French statutory rate (25.83% for 2023 and 28.41% for 2022) breaks down as follows:

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Theoretical income tax | (105.6) | (87.2) |
| Actual income tax | (116.3) | (95.6) |
| **Difference** | **(10.7)** | **(8.3)** |
| Permanent differences between consolidated profit and taxable profit | (6.9) | (5.2) |
| Use of tax losses or timing differences not previously recognised | 1.2 | 0.7 |
| Unused losses from subsidiaries that are loss-making from tax point of view | (1.8) | (1.5) |
| Difference in tax rates applicable to foreign subsidiaries | (1.7) | 2.8 |
| Adjustment to the income tax expense for prior years | (1.5) | (0.2) |
| Effect of tax rate changes on deferred taxation (France, Greece, United Kingdom) | - | (4.9) |
| **TOTAL** | **(10.7)** | **(8.3)** |

## NOTE 21 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS

Net profit/(loss) excluding non-recurring items corresponds to the net profit/(loss) for the period adjusted to reflect the other operating income and expenses described in note **18**, the related tax effects, the profit/(loss) from discontinued operations and the contribution on the distribution of cash dividends.

### NOTE 21.1 RECONCILIATION WITH NET PROFIT/(LOSS)

Net profit/(loss) excluding non-recurring items attributable to owners of the parent is reconciled with net profit/(loss) attributable to owners of the parent as follows:

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| **Net profit/(loss) – attributable to owners of the parent** | **293.8** | **212.5** |
| Profit/(loss) recorded under “Other non-current income/(expense)” (note **18**) | 3.1 | 14.1 |
| Tax on “Other non-current income/(expense)” | (0.4) | (3.4) |
| Effect of tax rate changes on deferred taxation in France, United Kingdom and Greece | - | 4.9 |
| **Net profit/(loss) excluding non-recurring items – attributable to owners of the parent** | **296.6** | **228.1** |

### NOTE 21.2 NET PROFIT/(LOSS) EXCLUDING NON-RECURRING ITEMS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

| *(in € millions)* | Notes | 2023 | 2022 |
|---|---|---|---|
| **Net profit/loss excluding non-recurring items - attributable to owners of the parent** | | **296.6** | **228.1** |
| Number of shares | | | |
| • basic | 10.2 | 50,720,336 | 50,439,010 |
| • diluted | 10.2 | 51,601,087 | 51,727,100 |
| **Per share** *(in €)* | | | |
| • basic | | 5.85 | 4.52 |
| • diluted | | 5.75 | 4.41 |

## NOTE 22 CHANGE IN WORKING CAPITAL REQUIREMENT

| | | Change in WCR on | | | | | |
|---|---|---|---|---|---|---|---|
| *(in € millions)* | 2022 | Operational items | Investment flows | Financial flows | Non-cash changes | Translation differences | 2023 |
| Inventories (note 7) | 1,615.5 | 202.8 | - | - | 0.4 | (2.8) | 1,815.8 |
| Trade receivables (note 8) | 123.8 | 16.7 | - | - | - | (1.7) | 138.8 |
| Trade payables (note 13) | (572.0) | (37.3) | (6.4) | (1.6) | 0.3 | 7.8 | (609.2) |
| Other receivables and other payables (note 8 and 13) | 18.4 | 9.1 | - | - | (0.8) | (5.0) | 21.6 |
| **Subtotal** | **1,185.7** | **191.2** | **(6.4)** | **(1.6)** | **(0.2)** | **(1.7)** | **1,367.0** |
| Reintegration of non-cash EBITDA items | | 3.5 | | | | | |
| **Change in working capital requirement** | | **194.6** | | | | | |

## NOTE 23 PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The valuation of pension commitments and other post-employment benefits is determined using actuarial methods that involve assumptions in respect of the discount rate, expected rate of return of plan assets, salary increases, life expectancy, *etc.* Given the long-term nature of these obligations, any changes to these assumptions may have a material impact on the valuation.

In accordance with the laws and practices in each country, Rémy Cointreau offers employee benefit plans providing pensions and other post-employment benefits through defined-contribution or defined-benefit plans. The assets of pre-financed pension plans are managed as separate funds by independent asset managers or insurance companies.

The Group's commitments are determined and recognised in accordance with the requirements of IAS 19R.

Accordingly:

- charges relating to defined-contribution recognised as expenses when paid;
- commitments in respect of defined-benefit determined by actuaries using the projected unit credit method. These calculations are based on assumptions regarding life expectancy, staff turnover and future salary increases. They also take into account the economic situation in each country. For Group companies located in the euro zone, the discount rate used is based on the iBoxx index for bonds with a maturity close to that of the corresponding liabilities.

Actuarial gains and losses calculated for the valuation of post-employment defined-benefit plans (experience adjustments and the effects of changes in actuarial assumptions) are recognised directly in equity.

## NOTE 23.1 DEFINED-BENEFIT PENSION PLANS

At 31 March 2023, defined-benefit plans, which are subject to an actuarial valuation, predominantly pertained to:

- retirement indemnities and long-service awards under collective bargaining agreements in France affecting a workforce of 764 people;
- defined-benefit supplementary pension plans sponsored by the Group in France, Germany, Belgium and Switzerland affecting 252 people of whom 87 current employees and 165 retired employees or deferred plans;
- a post-employment healthcare scheme in France affecting a closed population of 24 retirees.

The breakdown by plan type of the liabilities recorded in the consolidated financial statements is as follows:

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Retirement indemnities | 7.9 | 9.5 |
| Supplementary pension plans | 10.2 | 15.9 |
| Long-service awards | 0.6 | 0.7 |
| Post-employment healthcare benefits | 0.3 | 0.3 |
| **TOTAL** | **19.0** | **26.4** |

The liability related to these plans is in France for €15.8 million, of which €7.9 million for retirement indemnities, €7.0 million for supplementary pension plans and €0.9 million for the other benefits.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| **Present value of obligation at start of year** | **36.7** | **38.6** |
| Service cost | 2.2 | 2.6 |
| Interest cost | 0.4 | 0.2 |
| Impact of changes to schemes | - | - |
| Contributions received | 0.3 | 1.1 |
| Benefits paid | (4.5) | (2.9) |
| Actuarial gains and losses[1] | (6.8) | (2.8) |
| Translation differences/Change in scope | 0.2 | - |
| **Present value of obligation at end of year** | **28.4** | **36.7** |
| not funded | 14.6 | 16.7 |
| partly funded | 13.7 | 19.9 |
| **Carrying amount of plan assets at start of year** | **11.1** | **10.0** |
| Expected return | 0.1 | 0.1 |
| Contributions received | 3.3 | 2.2 |
| Impact of changes to schemes | - | - |
| Benefits paid | (3.4) | (1.2) |
| Actuarial gain (losses) | (0.8) | 0.1 |
| Translation differences | 0.1 | (0.0) |
| **Carrying amount of plan assets at end of year** | **10.4** | **11.1** |
| **Pension commitments** | **18.0** | **25.6** |
| **LIABILITIES** | **19.0** | **26.4** |
| **ASSETS** | **1.1** | **0.8** |

*(1) Of which (1.0) relates to the application of the IFRIC IC interpretation of April 2022.*

The assets underlying the liabilities are held by insurance companies who invest these assets together with their general assets. They are located in France for €1.9 million.

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### NOTE 23.2 COST FOR THE PERIOD

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Service cost | (2.2) | (2.6) |
| Interest cost | (0.4) | (0.2) |
| Expected return | 0.1 | 0.1 |
| Impact of changes to scheme | - | - |
| **Total income (expense)** | **(2.5)** | **(2.7)** |
| Benefits paid | 1.0 | 1.7 |
| Employer's contribution | 3.1 | 1.1 |
| **Total net income (expense)** | **1.7** | **0.0** |
| **Assumptions** | | |
| Average discount rate | 3.29% | 1.31% |
| Average salary increase | 2.00% | 1.69% |
| Expected working life | 10 years | 9 years |
| Return on assets | 3.20% | 1.04% |
| Estimated payments for the next five years: | 11.0 | 10.0 |
| Sensitivity to an increase of 0.50% in the discount rate on the gross actuarial debt | (1.1) | (1.2) |
| Sensitivity to an increase of 0.50% in the discount rate on the service cost | (0.1) | (0.1) |

## NOTE 24 OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

### NOTE 24.1 OPERATING ACTIVITY COMMITMENTS

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Purchase commitments – non-current assets | 52.6 | 56.1 |
| Purchase commitments – *eaux-de-vie* | 552.6 | 243.7 |
| Purchase commitments – other spirits | 62.7 | 28.9 |
| Other purchase commitments | 70.9 | 25.3 |

"Purchase commitments – non-current assets" mainly concern the acquisition of ageing casks at the Cognac site, and real estate projects for Rémy Martin and Telmont.

These commitments are valued based on the prices known at the reporting date. *Eaux-de-vie* purchasing commitments mainly relate to multi-year contracts in place with distillers.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

#### BREAKDOWN OF COMMITMENTS BY MATURITY AS OF 31 MARCH 2023

| *(in € millions)* | Total | 2023 | Beyond |
|---|---|---|---|
| Purchase commitments – non-current assets | 52.6 | 34.9 | 17.7 |
| Purchase commitments – *eaux-de-vie* | 552.6 | 158.4 | 394.1 |
| Purchase commitments – other wines and spirits | 62.7 | 13.6 | 49.1 |
| Other purchase commitments | 70.9 | 29.9 | 40.9 |

## NOTE 24.2 FINANCING COMMITMENTS, DEPOSITS AND SIMILAR GUARANTEES

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Customs deposits | 38.9 | 38.7 |
| Environmental deposits | 2.8 | 2.8 |
| Agricultural warrants on AFC inventories | 55.0 | 60.0 |
| Other guarantees | 7.1 | 5.2 |

#### BREAKDOWN OF COMMITMENTS BY MATURITY AS OF 31 MARCH 2023

| *(in € millions)* | Total | 2023 | Beyond |
|---|---|---|---|
| Customs deposits | 38.9 | 38.3 | 0.6 |
| Environmental deposits | 2.8 | - | 2.8 |
| Agricultural warrants on AFC inventories | 55.0 | - | 55.0 |
| Other guarantees | 7.1 | 2.0 | 5.1 |



## NOTE 24.3 CONTINGENT ASSETS AND LIABILITIES RELATED TO DISPOSAL TRANSACTIONS

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for defined periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally included until such liabilities lapse under the statute of limitations.

At 31 March 2023, no guarantees were outstanding.

## NOTE 24.4 OTHER CONTINGENT LIABILITIES

At the reporting date, various Group companies, in France and abroad, were subject to tax audits relating to previous financial years. No provision has been recognised in this respect given the absence of notifications received to date.

At 31 March 2023, Rémy Cointreau was involved in various other litigation proceedings. Following a review of each case within each subsidiary involved, and based on the advice of the legal counsels, the provisions deemed necessary were recognised to cover the estimated risks.

Rémy Cointreau certifies that it has not omitted to report any significant off-balance sheet items in its consolidated financial statements.

# NOTE 25 RELATED PARTIES

## NOTE 25.1 TRANSACTIONS WITH ASSOCIATES

At 31 March 2023, the Rémy Cointreau Group's main associate was Spirits Platform Pty Ltd.

The transactions with this company are described in note **5**.

## NOTE 25.2 TRANSACTIONS WITH ORPAR AND ANDROMÈDE

Andromède is Rémy Cointreau's main shareholder, through Orpar. Transactions between Rémy Cointreau and these companies are as follows:

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Service fees paid | 2.6 | 2.6 |
| Trade and other receivables | 0.4 | 0.6 |

## NOTE 25.3 TRANSACTIONS WITH COMPANIES WITH A COMMON SHAREHOLDER OR BOARD MEMBER

Andromède, shareholder of Orpar, is also a shareholder of Oeneo Group, which is listed on Euronext Paris and is a market leader in the cooperage and corking business. As such, various Oeneo Group subsidiaries are suppliers to the Rémy Cointreau Group.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Purchases of non-current assets | 7.8 | 5.3 |
| Other purchases | 0.8 | 2.0 |
| Trade payables | 0.3 | 0.8 |

## NOTE 25.4 MANAGEMENT BODIES

The Group's management bodies comprise the members of the Board of Directors and the Executive Committee.

The Executive Committee is comprised of the Chief Executive Officer and 11 members.

The data below includes the compensation due to members of the management bodies during their term of office with these bodies.

Short-term benefits include fixed and variable compensation, benefits in kind and all social security charges directly linked to these compensations.

| *(in € millions)* | 2023 | 2022 |
|---|---|---|
| Short-term benefits | 9.8 | 9.3 |
| End-of-contract indemnities | 0.8 | - |
| Post-employment benefits | 2.3 | 2.2 |
| Expenses related to stock option and similar plans | 6.6 | 5.5 |
| Directors' fees paid to members of the Board of Directors | 0.6 | 0.6 |
| **TOTAL** | **20.0** | **17.6** |

## NOTE 26 STATUTORY AUDITORS' FEES

The fees paid to the Statutory Auditors and the members of their network for the financial year ended 31 March 2023 amounted to €1.6 million for financial statement certification work and €25 thousand for other services.

| | PricewaterhouseCoopers[1] | | | | Mazars[2] | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount | | % | | Amount | | % | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Certification of financial statements** | **981** | **816** | **98%** | **93%** | **608** | **553** | **100%** | **100%** |
| • Rémy Cointreau SA | 229 | 203 | | | 194 | 177 | | |
| • Fully consolidated subsidiaries | 752 | 613 | | | 414 | 376 | | |
| **Services other than the certification of financial statement[3]** | **23** | **66** | **2%** | **7%** | **2** | **1** | **0%** | **0%** |
| • Rémy Cointreau SA | 0 | 0 | | | 0 | 1 | | |
| • Fully consolidated subsidiaries | 23 | 66 | | | 2 | 0 | | |
| **TOTAL** | **1,004** | **882** | **100%** | **100%** | **610** | **554** | **100%** | **100%** |

*(1) Of which France €517 thousand for the certification of the financial statements.*
*(2) Of which France €236 thousand for the certification of the financial statements.*
*(3) Services other than the certification of financial statements mainly concern work as the independent third party on environmental and labour-related information and compliance consultations.*

## NOTE 27 EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the reporting period.

# NOTE 28 LIST OF CONSOLIDATED COMPANIES

At 31 March 2023, the scope of consolidation included 47 companies (47 at 31 March 2022). 46 companies were fully consolidated, and one was accounted for using the equity method. All companies have a 31 March year-end, except Spirits Platform Pty Ltd., which has a 30 September year-end.

| | | % holding (in capital and voting rights) | |
|---|---|---|---|
| Company | Activity | 2023 | 2022 |
| **EUROPE** | | | |
| **France** | | | |
| Rémy Cointreau SA[1] | Holding/Finance | 100.0 | 100.0 |
| Rémy Cointreau Services[1] | Holding/Finance | 100.0 | 100.0 |
| CLS Rémy Cointreau[1] | Production/ Distribution | 100.0 | 100.0 |
| Domaines Rémy Martin[1] | Agricultural production | 100.0 | 100.0 |
| E. Rémy Martin & C°[1] | Production | 100.0 | 100.0 |
| Cointreau[1] | Production | 100.0 | 100.0 |
| Alliance Fine Champagne[2] | Special purpose entity | 100.0 | 100.0 |
| Domaine des Hautes Glaces[1] | Production | 99.2 | 99.2 |
| Rémy Cointreau International Marketing Services[1] | Other | 100.0 | 100.0 |
| Rémy Cointreau Libra | Holding/Finance | 100.0 | 100.0 |
| Storeco[1] | Production | 100.0 | 100.0 |
| Maison J.R. Brillet | Production/ Distribution | 100.0 | 100.0 |
| SCE Brillet des Aireaux | Production | 100.0 | 100.0 |
| Champagne de Telmont | Production/ Distribution | 88.0 | 88.0 |
| Rémy Cointreau France Distribution | Distribution | 100.0 | 100.0 |
| Maison Psyche | Holding/Finance | 95.0 | 95.0 |
| **Other countries** | | | |
| Rémy Cointreau Nederland Holding NV (Netherlands) | Holding/Finance | 100.0 | 100.0 |
| Cointreau Holding GmbH (Germany) | Holding/Finance | 100.0 | 100.0 |
| S. & E. & A. Metaxa ABE (Greece) | Production | 100.0 | 100.0 |
| Financière Rémy Cointreau SA (Belgium) | Holding/Finance | 100.0 | 100.0 |
| Rémy Cointreau Belgium (Belgium) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau Europe & MEA SA (Switzerland) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau Luxembourg SA (Luxembourg) | Distribution | 100.0 | 100.0 |
| Bruichladdich Distillery Company Ltd (United Kingdom) | Production | 100.0 | 100.0 |
| Rémy Cointreau UK Ltd (United Kingdom) | Holding/Finance | 100.0 | 100.0 |
| Rémy Cointreau UK Distribution Ltd (United Kingdom) | Distribution | 100.0 | 100.0 |

| Company | Activity | % holding (in capital and voting rights) 2023 | 2022 |
|---|---|---|---|
| **AMERICAS** | | | |
| **United States** | | | |
| Rémy Cointreau USA Inc | Distribution | 100.0 | 100.0 |
| Rémy Cointreau Amérique Inc | Holding/Finance | 100.0 | 100.0 |
| Rémy Cointreau Travel Retail Americas Inc | Distribution | 100.0 | 100.0 |
| The Westland Distillery Company | Production | 100.0 | 100.0 |
| **Barbados** | | | |
| Mount Gay Distilleries Ltd | Production | 95.2 | 95.2 |
| Mount Gay Holding Ltd | Holding/Finance | 100.0 | 100.0 |
| **Other countries** | | | |
| Cointreau Do Brazil (licores) Ltda (Brazil) | Other | 100.0 | 100.0 |
| **ASIA/PACIFIC/AFRICA** | | | |
| **China/Hong Kong** | | | |
| Rémy Cointreau Shanghai Ltd | Distribution | 100.0 | 100.0 |
| E. Rémy Rentouma Trading Ltd | Distribution | 100.0 | 100.0 |
| Shanghai RC Trading Ltd | Distribution | 100.0 | 100.0 |
| Rémy Concord Ltd | Distribution | 100.0 | 100.0 |
| Rémy Pacifique Ltd | Holding/Finance | 100.0 | 100.0 |
| Caves de France | Holding/Finance | 100.0 | 100.0 |
| Shanghai Rémy Cointreau I&E Ltd (SRCIEL) | Distribution | 100.0 | 100.0 |
| Shanghai Rémy Cointreau Trading Ltd (SRCTL) | Distribution | 100.0 | 100.0 |
| **Other countries** | | | |
| Rémy Cointreau Taiwan Pte Ltd (Taiwan) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau Japan KK (Japan) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau International Pte Ltd (Singapore) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau South Africa Pty Ltd (South Africa) | Distribution | 100.0 | 100.0 |
| Rémy Cointreau Malaysia (Malaysia) | Distribution | 100.0 | 100.0 |
| Spirits Platform Pty Ltd (Australia)(3) | Distribution | 37.0 | 37.0 |

*(1) Company included in the French tax consolidation group.*
*(2) Special purpose entity.*
*(3) Equity-accounted company.*

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