



FARSONS GROUP

Farsons

Simonds Farsons Cisk Plc

Annual Report

2024/25

For the year ended
31 January 2025





SIMONDS FARSONS CISK PLC

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ended 31 January 2025

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Readers are reminded that the official statutory Annual Financial Report 2024/25, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on the Malta Stock Exchange portal <https://www.borzamalta.com.mt/> and on the Company's website <https://www.farsons.com/en/financial-statements>.

A copy of the Independent auditor's report issued on the official statutory Annual Financial Report 2024/25, is included within this document and comprises the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Capital Markets Rule 5.55.6.



CHAIRMAN'S STATEMENT

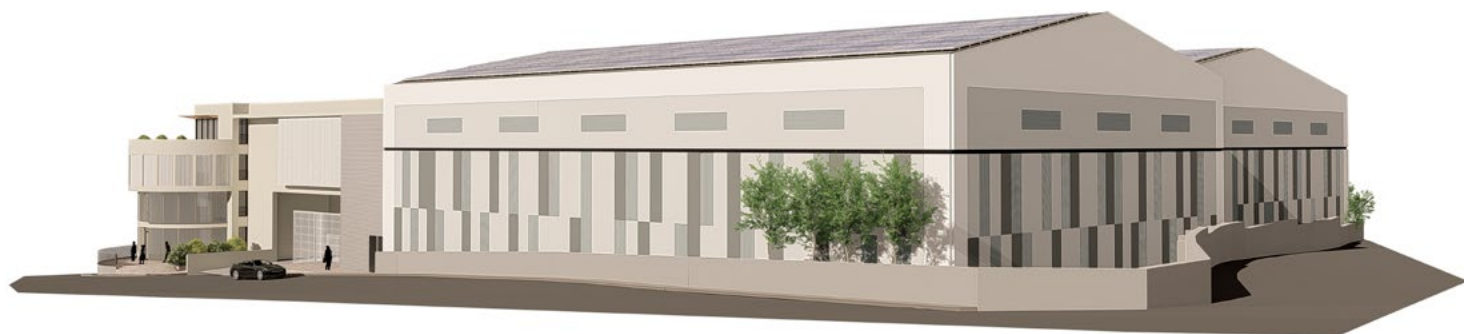
This past financial year ending 31st January 2025 has been an extremely busy period for your Board of Directors, the management team and employees of the Group. I would describe it as a 'year of strategic importance.' During this period your Board considered the findings of a detailed study on the benefits, or otherwise, of 'spinning off' the food businesses we operate, namely, 'Quintano Foods Limited' and 'Food Chain Limited', into a separately publicly listed company. Last year, you were all informed of this study and in November 2024 your Board took the decision to go ahead with the 'Spin-Off' for reasons outlined in a Company announcement issued on 27th November 2024.

Quoting from this announcement, we stated then that 'having carefully considered the outcome of the strategic review the Board concluded that further growth of the food business would be best served through its reorganization by way of a spin-off of the food business as a separately listed legal entity'.

We are now ready to implement this decision and follow this most considered strategic direction. The forthcoming Notice calling for this year's Annual General Meeting will include, under the heading 'Special Business' an item on the agenda concerning the approval, or otherwise, of the payment to our shareholders of a dividend in kind by way of a distribution of the Company's shareholding in Quinco Holdings plc (the prospective owner of the whole of Quintano Foods Limited and Food Chain Limited), on a pro-rata basis, to the shareholding one holds in Simonds Farsons Cisk plc.

Along with the Notice you will receive what is termed an 'Explanatory Circular' with details of the proposed transaction and workings on how the two resulting financial statements of the two businesses will unfold.

Your Board firmly believes that because of the decoupling of these businesses each of the two Boards of Directors will be able to concentrate on their separate agendas and so take



Handaq distribution centre scheduled for completion in mid-2026

decisions in each Company's best interests. This way, we believe opportunities will emerge for each of the businesses which might otherwise not have come our way under the current Board and management structures.

The circular fully explains the reasons for, the benefits of, and the risks associated with the Spin-Off. As you are all aware, in 2018 Simonds Farsons Cisk plc successfully spun off the brewery's property assets and created an independent publicly listed company called 'Trident Estates plc'. Since its inception the venture has been a success story and recently undertook a very substantial investment at Trident Park on property previously owned by Simonds Farsons Cisk plc.

We believe that the road ahead for our food business will follow the example experienced by Trident Estates plc. The first decision for the newly formed Board of Directors of Quinco Holdings plc is to devise an ambitious growth plan for the business. We therefore look forward to following a successful business venture in the years ahead for the benefit of all stakeholders.

"Your Board firmly believes that because of the decoupling of these businesses each of the two Boards of Directors will be able to concentrate on their separate agendas and so take decisions in each Company's best interests."

In accordance with accepted international standards, because of the proposed Spin-Off of our food sector, we are obliged to present our financial statements for the year ended 31st January 2025 under two separate headings namely, 'continued' and 'discontinued' operations. Hence, one will note that we are presenting the comparative figures for last year under the new arrangements.

"You will all be pleased to note that we can report another record year of financial results for the Group."

I shall therefore comment on the results for this year as per this new format. In fact, the financial statements for Simonds Farsons Cisk plc focus on the results of the beverage business whereas the forthcoming 'Explanatory Circular' is expected to provide considerably more information on the food business than has been previously made available.

You will all be pleased to note that we can report another record year of financial results for the Group. Profits for the year for the two businesses amounted to €18.6 million, an increase of €3.3 million on last year's results of €15.3 million, that is an increase of 22%. Net Revenue for the continued operations, that is for the beverage businesses, amounted to €101.8 million, an increase of 5.5% over last year's performance. Revenue for the food business increased from €37.2 million to €39.3 million, an increase of 5.7%.

Details of the performance of both businesses can be found in this Annual Report under Norman Aquilina's CEO report. Overall, we can report a steady state of affairs. It has been another heavy year of capital investment, namely, the on-going construction of a new state-of-the-art logistics centre for the food business as well as a number of capital projects for the brewery business such as a CO₂ recovery plant, the initiation of a new returnable warehouse and various other projects which will help increase our productivity and efficiency.

The Group EBITDA performance continued to improve. At €28.7 million, the two businesses generated an increase of 3% over last year's figure of €27.9 million. Because of these improvements and the increased cash flow performance your Board has decided to declare a final dividend of €0.14 per share which together with the interim dividend of €0.06 results in a total distribution for the year of €0.20 per share. This equates to a distribution of 39% of the profit for the year after tax, a benchmark that your Board of Directors feels comfortable with under the current circumstances.

Our CEO report on the operations of the Group states that 2024 has been a 'year of grit, growth and strategy' full of challenges to which we have responded well. We have held our market position and remain well placed to handle such pressures. Indeed, we represent a formidable selection of world class brands as well as two of Malta's well-known local brands namely our own CISK and KINNIE.

We have invested in and grown these two brands over many years, and this past year I can report with much satisfaction that we started to record some interesting sales of these products in overseas markets. Although they represent a modest percentage of our total beverage revenues, turnover from exports this financial year increased by 22.1%. As reported last year, an important piece of news is that KINNIE was recently launched under franchise nationwide in the Republic of Ghana. We believe we are in business with reliable partners and the prospects are interesting. We intend to continue to concentrate our internationalization efforts in other African countries as well as looking to newly developing markets such as the Middle East and India for our beers and KINNIE.

Clearly much has been achieved over the years. We shall soon be celebrating 100 years of brewing beer and there is much to celebrate but still much more to do! Your Board has also been busy discussing succession issues at all levels of the Group. It has had to handle such issues throughout our long history in business without untoward disruption. We are working hard on this issue, and we hope to continue with this tradition in the coming months and years.

I take this opportunity to thank my fellow Directors for their continuous contribution and understanding. I also wish to show my appreciation to the Management team led by the CEO, Norman Aquilina. They have worked hard and well under considerable pressure to deliver these good results. Furthermore, I thank all the Group employees for their loyalty, dedication and professionalism, without which we would not have managed our business to our satisfaction.

Finally, a word of thanks to our legal advisors Mamo TCV and our newly appointed auditors, Deloitte Audit Limited, for the professional work they undertook during the year.

Louis A. Farrugia
Chairman
28 May 2025



BOARD OF DIRECTORS

SIMONDS FARSONS CISK PLC



From left: Dr Max Ganado, Ms Marina Hogg, Mr Michael Farrugia, Mr Marcantonio Stagno d'Alcontres, Mr Louis A. Farrugia, Mr Roderick Chalmers, Mr Matthew Marshall, Ms Nadine Magro - Company Secretary, Mr Neil Psaila

BOARD OF DIRECTORS

Mr Louis A. Farrugia – *Chairman*

Mr Marcantonio Stagno d'Alcontres – *Vice Chairman*

Mr Roderick Chalmers

Mr Michael Farrugia

Dr Max Ganado

Ms Marina Hogg

Mr Matthew Marshall

Mr Neil Psaila

Ms Nadine Magro – *Company Secretary*

BOARD COMMITTEES

RELATED PARTY TRANSACTIONS COMMITTEE

Dr Max Ganado – *Chairman*

Ms Marina Hogg

Mr Neil Psaila

Mr Marcantonio Stagno d'Alcontres

AUDIT AND RISK COMMITTEE

Mr Roderick Chalmers – *Chairman*

Ms Marina Hogg

Mr Neil Psaila

REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

Mr Marcantonio Stagno d'Alcontres – *Chairman*

Mr Roderick Chalmers

Mr Matthew Marshall

Mr Louis A. Farrugia

ESG COMMITTEE

Mr Michael Farrugia – *Chairman*

Mr Chris Borg Cardona

Mr Eugenio Caruana

Mr Philip Farrugia

Dr Max Ganado

Ms Nadine Magro

Mr Tonio Mifsud Bonnici

Ms Maria Portelli

Mr Etienne Spiteri

Ms Anne Marie Tabone

Ms Rachel Zammit Soler

THE FARSONS FOUNDATION

BOARD OF ADMINISTRATORS

Mr Louis A. Farrugia – *Acting Chairman*

Ms Antoinette Caruana

Mr Michael Farrugia

Mr Franco Masini

Mr Mark Miceli-Farrugia

Mr Arthur Muscat

Mr Mario Spiteri – *Secretary*

SENIOR MANAGEMENT



From left: Mr Pierre Stafrace, Mr John Bonello Ghio, Ms Anne Marie Tabone, Mr Norman Aquilina, Mr Philip Farrugia, Mr Michael Farrugia, Mr Tonio Mifsud Bonnici, Ms Susan Weenink Camillieri, Mr Sean Portelli, Mr Eugenio Caruana, Mr Gordon Naudi, Mr Chris Borg Cardona

Mr Norman Aquilina

- Group Chief Executive

Mr John Bonello Ghio

- Head of The Brewhouse

Mr Chris Borg Cardona

- Head of Logistics & EcoPure Limited

Mr Eugenio Caruana

- Chief Operating Officer

Mr Michael Farrugia

*- Deputy Chief Executive
(Beverage Business)*

Mr Philip Farrugia

- Head of IT and Business Services

Mr Pierre Stafrace

- General Manager FBIC

Ms Anne Marie Tabone

- Group Chief Financial Officer

Ms Susan Weenink Camillieri

- Head of Sales & Marketing

Mr Sean Portelli

*- General Manager
Quintano Food Limited*

Mr Gordon Naudi

*- General Manager
Food Chain Limited*

Mr Tonio Mifsud Bonnici

- Head of HR

AWARDS

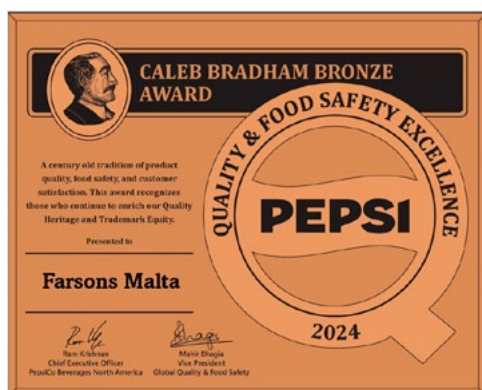
FARSONS' CISK PORTFOLIO WINS PRESTIGIOUS INTERNATIONAL BREWING AWARDS

Simonds Farsons Cisk continues to reinforce its reputation for brewing excellence with a series of prestigious international awards for its Cisk portfolio. Cisk Strong won Gold in the German-style Heller Doppelbock category at the 2024 Women's International Trophy in Mainz, Germany—a unique competition judged exclusively by expert women in the field. Cisk Excel, the low-carbohydrate lager, earned a Silver medal at the 2024 Brussels Beer Challenge in the Speciality Beer category, while Cisk 0.0, the alcohol-free variant, was recognised with a Silver medal at the 2024 International Beer Challenge (IBC) in the UK, standing out in the competitive Low or No Alcohol Beers category. These awards reflect Farsons' ongoing commitment to quality, innovation, and brewing excellence.



THE BREWHOUSE RESTORATION EARNS GLOBAL AWARDS FOR INNOVATION AND SUSTAINABILITY

The Brewhouse & Trident Park project continued to garner multiple prestigious awards for its innovative regeneration of Malta's historic Farsons Brewery. Notably, the joint redevelopment received the 2024 International Project of the Year at the Building Awards held in London for its sustainable retrofit, achieving a 55% reduction in whole life cycle CO₂ emissions. The project also won the Best Use of Colour at the World Architecture Festival 2024 in Singapore, praised for its bold yellow accents that highlight new architectural elements. Additionally, it was honoured with the International Architecture Award® 2024 in the Mixed-Use category by The Chicago Athenaeum and The European Centre for Architecture, Art, Design and Urban Studies.



FARSONS RECOGNISED FOR EXCELLENCE IN QUALITY AND FOOD SAFETY

Simonds Farsons Cisk is proud to have received the Bronze Global Quality and Food Safety Excellence Award, recognising outstanding performance in product and trade quality, as well as food safety. In 2024, Farsons achieved 99.7% product quality and 96.7% trade quality conformity for PepsiCo products, both exceeding targets. The Company also met the AIB Food Safety audit target score of 850 and had no critical findings in the internal QAS audit.



GROUP CHIEF EXECUTIVE'S REVIEW

A YEAR OF GRIT, GROWTH, AND STRATEGY

Navigating through the year has certainly not been short of its challenges. Nevertheless, we responded well. It has been a year of grit, growth, and strategy during which we delivered strong results.

Ongoing competitive pressures, market shifts and changing consumption patterns, along with growing cautious consumer spending, have created an environment where businesses like ours have had to fight harder for every euro of revenue.

Beyond the sectoral developments, one must also factor in the compounding implications brought about by a number of broader economic trends, notable to mention – the rapid technological advancements and tight labour market conditions. Despite the challenging trajectory, market realities have, and continue, to compel us to refine, sometimes even reshape, our strategies, as we can no longer necessarily rely on past or present ways of working to sustain our business. Maintaining a strategically challenging mindset is non-negotiable.

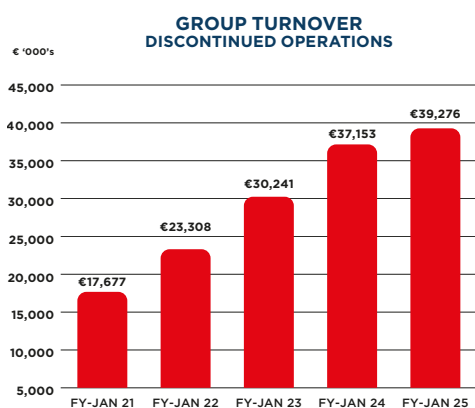
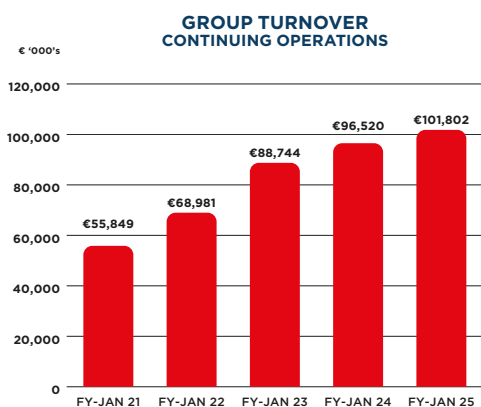
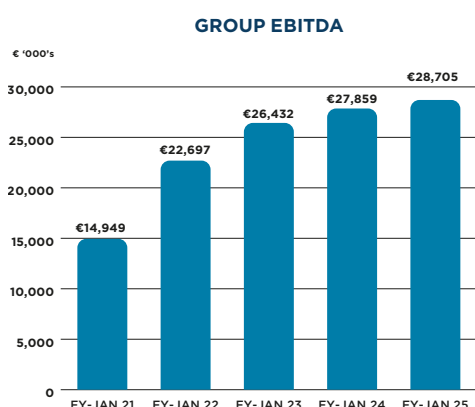
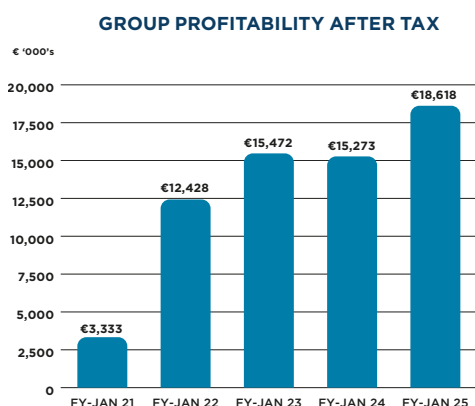
Throughout the year, our performance assessments have served us well in gauging the effectiveness of our ways of working, recognising our achievements and shortfalls, identifying areas for improvement, ensuring we remained aligned with market trends and optimised on our synergies.

These ongoing assessments have also helped us realign our teams, regroup our resources, whenever necessary, and ensure we remained on the right path towards our corporate objectives. Indeed, our assessments have given us the necessary guardrails to venture beyond the necessary financial analysis.

The comprehensive approach adopted has allowed us to encompass our operational efficiency, supply chain optimisation, market presence, amongst other lines of measure, while ensuring our overall strategic alignment. Recognising which metrics and outcomes matter most has helped us uncover valuable insights.

We have firmly held our market position and remain well placed to deal with the competitive pressures. Nonetheless one must underline the growing level of unfair competition, notably through sales taking place outside the fiscal and regulatory radars. This remains an area of concern.

We have maintained a mindset which looks beyond the numbers to better interpret our competitive position and response to the market dynamics, underlining the importance of our strategic planning.



KEY GROUP PERFORMANCE HIGHLIGHTS

ACTUAL VS LAST YEAR

	FY Jan 2025 €'000	Movement vs FY Jan 2024
Continuing Operations		
Turnover	€ 101,802	5%
Operating Profit	€ 15,606	9%
Pre-tax Profit	€ 14,743	10%
Post-tax Profit	€ 16,953	24%
Discontinued Operations		
Turnover	€ 39,726	6%
Operating Profit	€ 3,145	3%
Pre-tax Profit	€ 2,825	5%
Post-tax Profit	€ 1,665	6%
Group		
EBITDA	€ 28,705	3%
Earnings per Ordinary share	€ 0.517	22%
Return on Average Capital Employed	9.1%	
Gearing	9.99%	-1.7

"market realities have, and continue, to compel us to refine, sometimes even reshape, our strategies"

The Group's beverage operations, now classified as continuing operations, continued to deliver steady revenue growth and improved financial performance. Revenue for the period reached €101.8 million, representing an increase of 5.5% over the prior year. Gross profit increased by 7.5%, driven not only by higher revenues but also by effective cost containment measures that partially offset inflationary pressures.

The increase in expenditure was primarily driven by higher selling, distribution, and administrative costs, reflecting the impact of inflationary pressures and persistent challenges in the labour market, particularly in terms of recruitment and retention. Nonetheless, the Group remained focused on operational efficiency and cost discipline, which supported the overall improvement in profitability. These efforts enabled the Group to deliver a 10.2% increase in profit before taxation, reaching €14.74 million – a result that underscores management's continued commitment to sustainable growth and value creation for stakeholders.

The financial performance of the Group's food business, which is now classified under discontinued operations, continues to demonstrate the positive momentum established over recent years. During the FY2025, revenue from this segment amounted to €39.3 million, reflecting a year-on-year increase of 5.7%. This sustained growth in turnover is indicative of the segment's operational resilience. In parallel, profit before taxation also recorded an improvement, increasing by 5.1% to €2.83 million.

This performance provides a strong foundation for the Group's strategic direction aimed at further nurturing the growth of this segment, despite growingly intense competition within this sector. The results reaffirm the business's capacity to deliver value supporting the Group's proposal to spin-off the food segment into a standalone entity to counter market pressures and ultimately be better positioned to pursue its growth ambitions independently.



"The Company continues to focus on fostering a culture of employee engagement, whilst ensuring we remain aligned with our core values and operational goals."

HUMAN RESOURCES

The Company continues to focus on fostering a culture of employee engagement, whilst ensuring we remain aligned with our core values and operational goals. We have also continued to invest in the professional growth of our employees through our multi-skilling programmes, along with supporting managers and supervisors through coaching and mentoring.



Our recruitment efforts have focused on attracting the best possible talent across all levels. We have implemented a new employer branding strategy and we are currently revising our employee value proposition and other policies such as our Code of Conduct and Speak Up Policy. We have also revised our onboarding processes.

Workplace safety has remained a top priority, with a 43% reduction in workplace incidents this year. We have maintained a strong focus on providing continuous safety training and implemented revised risk assessments across all operational processes and across facilities. Additionally, employee wellness programmes such as our mental support agreements with Richmond and Caritas are reaching out more to our employees and the number of employees reaching out to these services have increased over the past months.

Diversity and inclusion continue to be central to our HR strategy. We are proud to be one of the first companies to sign up to the Malta Diversity and Inclusion Charter, joining over 9000 entities across Europe's Platform of Diversity Charters. Our employee resource groups, and diversity initiatives have created a more collaborative and supportive environment, where all employees feel valued and empowered to contribute to our collective success.

OPERATIONS

As part of our drive towards excellence we undertook several investments aimed at improving productivity and energy efficiency such as the installation of a new PET blower ECO oven and introduction of tethered caps, while extending the usage of rPET.

We also continued to reinforce the importance on our quality standards and good food safety practices. We implemented several key initiatives that have contributed to our operational improvements, with plans for further training and communication.

Through various initiatives, we continued to strengthen our commitment to sustainability, regulatory compliance, and ensuring a greener and more responsible approach to manufacturing, whilst always seeking ways how to improve our overall productive efficiency with a value in / cost out mindset.



Quality audits remain a priority as we promote a broader food safety culture.



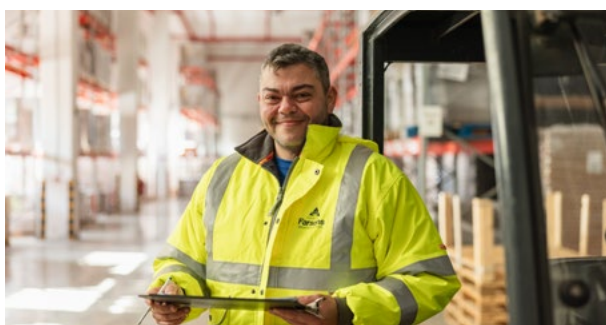


LOGISTICS

Despite the growing challenges and cost increases in the logistics sector, we have managed to deliver increased volumes and orders successfully. To address increased service demands whilst still maintaining our service, we have implemented a new Transport Management System software. This system automatically optimizes delivery routes and resources efficiently, whilst ensuring that delivery orders meet customer demands.

The modernisation of our distribution fleet is ongoing, with an order for truck replacements scheduled for delivery in 2025. Due to increasing traffic and delivery accessibility restrictions, we are sourcing smaller trucks that can ease our fleet's ability to navigate congested areas more efficiently. Consequently, this change is resulting in more trips to maintain the volumes thus impacting costs.

Improved inventory planning and accelerated product turnover have enabled the warehouse to manage storage capacity effectively, even at peak of the pre-stocking period, which at times reached maximum capacity. However, supply chain issues are causing occasional stockouts, necessitating higher stock levels. We are therefore re-evaluating our logistics operations and exploring potential expansions to increase capacity and enhance efficiencies.



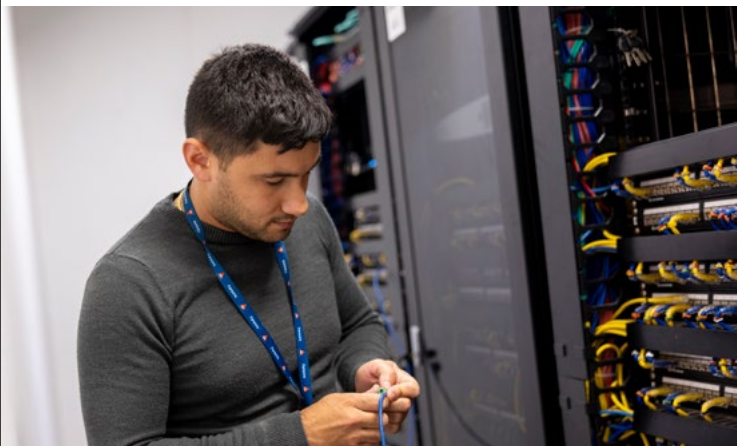
TECHNOLOGY

In an era of rapid technological advancement, the Information Technology (IT) function remains a cornerstone of innovation and efficiency. Our IT strategy continues to evolve accordingly, supporting business growth while enhancing operational capabilities, and ensuring resilience across our technical infrastructure and enterprise systems.

Over the past year, our IT team has worked with internal stakeholders to understand their needs and implement solutions that drive efficiency and scalability. A key focus has been on optimizing our core Enterprise Resource Planning (ERP) system and further advancing digitalisation initiatives, including within the Warehouse Management System (WMS). Additionally, connected to the latter, the implementation of the Transport Management System (TMS) marks the first phase of a broader digital transformation within our Logistics function, designed to improve coordination and streamline distribution processes.

Significant progress has also been made in the deployment of our renewed Customer Relationship Management (CRM) system in collaboration with Salesforce. This upgrade enhances data management, strengthens sales processes, and lays the groundwork for smart e-commerce solutions. Our commitment to leveraging emerging technologies, including artificial intelligence and cloud-based solutions, ensures we remain responsive in an increasingly digital marketplace.

Cybersecurity remains a top priority, with ongoing enhancements to our security measures and protocols to safeguard our digital assets. Compliance with regulatory standards and industry best practices continues to underpin our IT governance framework, ensuring robust data protection and business continuity. Additionally, we are progressing with our comprehensive network and infrastructure upgrade and maintenance, reinforcing our resilience while also providing critical IT support to all subsidiaries too.



FARSONSClick B2B SALES PORTAL

In line with our commitment to enhanced customer collaboration, we have launched FarsonsClick, an advanced B2B portal built on the Salesforce platform. This initiative enhances customer engagement by providing a seamless, self-service interface for order management, real-time inventory visibility, and personalised account insights. Leveraging Salesforce's resilient cloud infrastructure, FarsonsClick ensures scalability, security, and integration with our enterprise systems, streamlining business processes while improving operational efficiency.

Recognising that technology evolves continuously, we are committed to refining the portal further to enhance functionality and user experience. We will continue to incorporate more AI-driven capabilities, such as intelligent order recommendations and predictive analytics, further optimising our B2B interactions. By harnessing AI and data-driven insights, FarsonsClick will continue evolving to deliver greater value while reinforcing our commitment to innovation and superior customer experience.



THE LOCAL BEVERAGE MARKET

Despite economic pressures, changing consumer behaviour, and competitive challenges, Farsons has demonstrated resilience and growth across all beverage categories. By investing in branding, innovation, and quality, the company continues to strengthen its market position, responding effectively to evolving trends and consumer preferences.

Persistent trends in local and proximity markets have presented both opportunities and challenges for the beverage industry, particularly for the Farsons Group portfolio.

On the one hand, economic growth driven by immigration, double-digit tourism increases, and retail sector expansion has boosted beverage consumption. On the other, inflationary pressures have curtailed consumer spending, shifting preference from bars and restaurants to home consumption, especially among locals. Despite tourism recovery and population growth, beverage consumption in the HORECA segment remains below pre-Covid levels, while retail sales continue to grow year-on-year.

Retail competition is fierce, with operators expanding their footprint and driving price-based competition. Retailers increasingly continue to demand better margins, customised promotions, and strict delivery schedules, while illicit trade and parallel imports further strain pricing and margins.

Core consumers prioritize sustainability, convenience, health, wellness, and indulgence. They favour digital innovation, environmental protection, and authenticity. The demand for low/no-sugar, alcohol, salt, and fat products continues to grow, reflecting a global shift toward healthier lifestyles. Additionally, increased awareness of carbon footprints and waste reduction has led consumers to prefer brands that demonstrate sustainable practices in production and packaging.

Despite these challenges, Farsons' brands, particularly flagship labels Cisk and Kinnie, have performed strongly, reinforcing their leading positions in the local beverage market. Investments in branding, innovation, and customer engagement have been instrumental in maintaining consumer loyalty and expanding market share.





BEERS

Following last year's successful rebranding of Cisk Lager and Cisk Excel, the rollout extended to Cisk 0.0, Cisk Chill, and Cisk Strong 9%. A revamped website and the "That Fresh Sound" 360° campaign reinforced the brand's identity, boosting sales despite intense price competition from international premium beers.

Sales volumes and values increased across the Cisk portfolio, reflecting the effectiveness of branding investments, instore displays, signage, and promotional collateral. Notably, Cisk 0.0 has become a leader in the alcohol-free segment, while Cisk Strong 9% has gained traction at the higher-alcohol end.

Cisk 0.0's quality was reaffirmed with a Silver medal at the UK's International Beer Challenge, adding to its previous gold win at the International Brewing and Cider Awards. Additionally, Cisk Excel Low-Carbohydrate Lager secured Silver in the Low Carb - Specialty Beer category at the Brussels Beer Challenge. This multi-award-winning brand variant was also awarded Bronze at the 2024 International Brewing and Cider Awards. Worthy to note also that Cisk Strong was awarded Gold at the 2024 edition of the Women's International Trophy competition for Beers, Wines and Spirits.



"Cisk 0.0 has become a leader in the alcohol-free segment, while Cisk Strong 9% has gained traction at the higher-alcohol end."





"The Farsons Classic Brews range, led by Blue Label, continues to perform well, with all brands reporting sales growth."

The Farsons Classic Brews range, led by Blue Label, continues to perform well, with all brands reporting sales growth. Blue Label won bronze at the 2024 International Brewing and Cider Awards, underscoring Farsons' brewing excellence. Farsons' commitment to craftsmanship and tradition, coupled with modern brewing techniques, ensures that these brands retain their strong market presence.

International brands brewed by Farsons, including Carlsberg and Skol, all registered positive sales performance. The continued partnership with these brands allows Farsons to cater to a diverse consumer base, from those seeking global premium beers to those preferring local heritage brews.

A key milestone was the commissioning of the Red Mill Brewing Co. microbrewery at The Brewhouse. This investment enabled Farsons to enter the craft beer market, launching six locally brewed craft beers under the Red Mill brand. Innovation, variety, and limited-time specialty brews have positioned Red Mill as an exciting player in the emerging craft beer segment. The microbrewery also serves as a hub for beer enthusiasts, fostering appreciation for high-quality, small-batch brewing.

Farsons' beers were showcased at the annual Farsons Beer Festival, a major summer event held at the Malta National Park in Ta' Qali. The 10-day festival attracted large crowds, combining beer selections with live music and entertainment. This festival remains a crucial platform for reinforcing brand presence and engaging directly with consumers in a celebratory environment.



"Innovation, variety, and limited-time specialty brews have positioned Red Mill as an exciting player in the emerging craft beer segment."





SOFT DRINKS

Home consumption growth continued to shape the carbonated soft drinks category. Competition remains intense, with brands vying for shelf space through promotions and price-based strategies. Retail fragmentation demands constant marketing innovation to capture consumer attention.

Health-conscious trends persist, influencing sugar reduction, calorie control, sustainability, and climate awareness. Inflation has made value and affordability key consumer considerations. To remain competitive, brands must continuously adapt their product offerings, ensuring they meet evolving consumer preferences while maintaining profitability.



Kinnie, Malta's beloved soft drink, outperformed expectations. The launch of **Kinnie Zero** sugar before peak summer proved successful, appealing to health-conscious millennials and Gen Z consumers who seek full flavour without sugar. By broadening Kinnie's appeal to a wider audience, Farsons has strengthened the brand's long-term viability and reinforced its status as a household favourite.

Building on the success of **Kinnie Spritz**, Farsons has recently launched **Kinnie Rumba**, a 4% spiced rum aperitivo, expanding Kinnie's Ready-to-Drink range and reinforcing its mixability. The growth of the aperitivo segment aligns with evolving drinking habits, where consumers increasingly seek convenient, pre-mixed beverages for social occasions.

The PepsiCo portfolio, including **Pepsi**, **7-Up**, and **Mirinda**, alongside zero-sugar variants, delivered strong results. In line with global trends, Malta rebranded **Pepsi** and **Pepsi Zero** with a bold, modern identity. The refreshed logo



and design emphasize Pepsi's heritage while appealing to contemporary consumers. Ongoing investments in high-visibility assets, promotions, and marketing campaigns helped drive growth. The strategic positioning of PepsiCo products in retail and HORECA channels has further solidified their market presence.

TASTE THE RHYTHM OF RUMBA!

A REFRESHING ALCOHOLIC APERITIVO
WITH SPICED RUM FLAVOURINGS
ALC. 4.0% VOL.





Other soft drinks in Farsons' portfolio, including **Lipton Ice Tea**, **Gatorade**, and **Britvic** mixers, also performed well and are well-positioned for future category shifts. The increasing demand for functional beverages, such as hydration-focused and performance-enhancing drinks, presents new opportunities for growth within this segment.

WATER

The surge in Malta's population and retail expansion have driven significant demand for bottled water. Despite tight price pressures, Farsons' San Michel and Elan Sparkling Water brands posted strong results. Investment in quality and brand positioning continues to ensure competitiveness against both local and imported alternatives.

The bottled water segment is witnessing increased consumer scrutiny regarding environmental impact, with a growing preference for sustainable packaging solutions. Farsons remains committed to reducing plastic waste and exploring eco-friendly alternatives to align with consumer expectations and environmental concerns.

Strategic market positioning, a deep understanding of consumer needs, and ongoing product innovation remain key drivers of success. Looking ahead, we will continue leveraging our strengths while embracing new opportunities to further solidify our position in Malta's beverage industry.

MALTA MARATHON 2024
Official Water

LifeStar
Malta
Marathon
2024

www.sanmichel.com

MAXIMUM TASTE ZERO SUGAR
SMALL DECISION
EPIC
CHOICE





Range of Farsons products available internationally.



INTERNATIONALISATION

2024 saw steady growth in traditional European markets, namely Italy which registered growth both in terms of volume and new product penetration via a list of new clients being added to our portfolio. Poland too rebounded with some buoyant numbers across its Kinnie range while the UK managed a relatively small but always welcome volume increase between its two importers.

An improved uptake in sales was registered in most key markets outside Europe, with exports to the Middle East registering the fastest growth during the past year. Of note is that beer volumes destined to non-European markets today represent more than half of the company's total beer exports and it is anticipated that this growth trend will continue as new importers are secured in the region, where Cisk Excel and Cisk Strong account for the lion share of sales.

Moreover, exports of Cisk 0.0 to the Indian sub-continent remained stable throughout 2024 and this is expected to continue in the coming year.



Kinnie and Kinnie Light produced under licence in Australia.



Signing of Franchise Agreement between Simonds Farsons Cisk plc and Acadia Industries Ltd. for production of Kinzie in Ghana.



Engaging with global stakeholders by showcasing our products at leading international fairs.

During 2024 greater strategic and management focus was given to the development of the Kinzie franchise model within new target markets in Europe, the Middle East and Africa. Especially noteworthy was the signing of a Kinzie franchise agreement with a reputable and well-established bottler and distributor within the Ghanaian market.

Concurrently with these developments, the successful transfer and consolidation of the Kinzie franchise operation with a new bottler and national distributor in Australia continued throughout 2024, with encouraging new sales growth in South Australia and Queensland.

This year's showing is also the result of the Company's increased focus and intensification of its promotional activities, including greater presence and visibility at leading food and beverage trade shows in Europe and the Middle East, which are key occasions for the Company to continue to widen and deepen its international drive.





FARSONS BEVERAGE IMPORTS COMPANY LIMITED

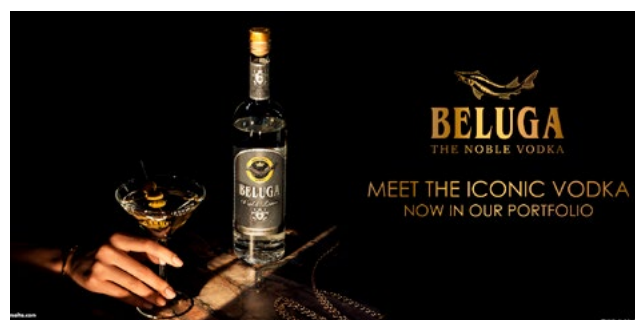
Our coordinated sales and marketing efforts have contributed to a successful outcome. Despite the increasing competition from a growing number of importers, resulting in added margin compression, our team's creativity and dedication have ensured a positive overall performance.

Throughout the year, we have been highly proactive, running special trade and consumer offers targeted at different brands, generating sales across various outlets. In addition to our ongoing activations in the on-trade sector, our presence in the off-trade sector has seen considerable growth. We expanded our sales and distribution network to retail shops, helping to meet the rising domestic demand for beverages.

While our focus remains on the consistent organic growth of our sales, we continually explore market opportunities and potential innovations. This year, we achieved several significant milestones in our brand portfolio. We became the representatives for two prominent global brands – Peroni beer and Beluga vodka – which significantly enhance our premium and super-premium beverage offerings. Further development in our beer portfolio was the introduction of Guinness O.O, the non-alcoholic version of this increasingly popular brand.

We are also incredibly proud to have been appointed the exclusive representatives in Malta for three iconic Italian wine brands – Biondi-Santi, Bibi Graetz, and Tua Rita. This further solidifies the international recognition of our established wine strategy, which has yielded positive results throughout the year.





As part of our efforts to promote these exceptional wines, we organised a series of successful wine-tasting events in various restaurants, often accompanied by winemakers or representatives from our winery partners, helping to deepen consumer knowledge and awareness of our brands.

FBIC has also played a key role as a brand sponsor in several high-profile events, including the incredibly popular concert by English singer-songwriter Ed Sheeran, as well as music festivals such as Glitch, Earth-Garden, Boomerang, and Elrow. These sponsorships were an integral part of our creative marketing campaigns, which aimed to further strengthen the brands in our portfolio and attract more consumers. Most of our advertising was carried out through digital and social media channels in line with global brand marketing trends, although we also ran campaigns through traditional mediums such as bus shelters and billboards.

Following the restructuring and strengthening of our marketing team in 2023, we have now implemented a succession plan to ensure the continued growth and long-term success of FBIC.





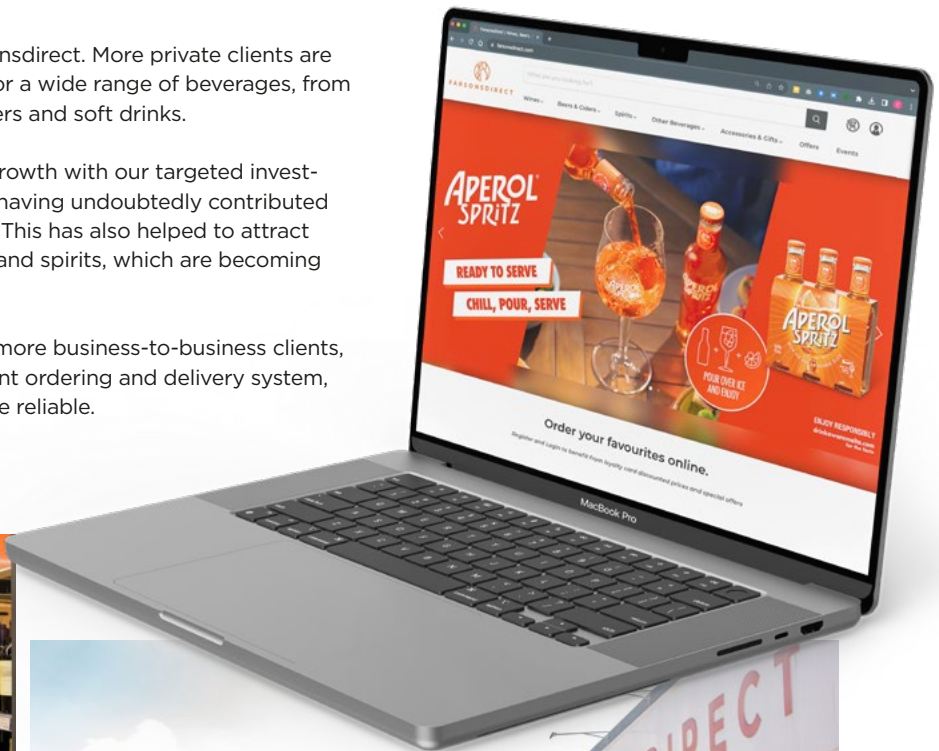
FARSONSDIRECT

FARSONSDIRECT

2024 was another successful year for Farsonsdirect. More private clients are recognising us as their preferred provider for a wide range of beverages, from premium spirits and wines to refreshing beers and soft drinks.

Our e-commerce platform saw continued growth with our targeted investment in digital and social media marketing having undoubtedly contributed to the rising engagement with our website. This has also helped to attract more clients to our tasting events of wines and spirits, which are becoming increasingly popular.

In addition, we have successfully attracted more business-to-business clients, who have praised our adaptable and efficient ordering and delivery system, making their experience smoother and more reliable.





THE BREWHOUSE COMPANY LIMITED

This year marked the second full year of operations for The Brewhouse. Since opening, we have seen steady growth in all three F&B outlets with an encouraging outlook for the future.

The Kettles Bistro is the main meeting and dining location on campus for tenants and popular with the locals in the evenings and on weekends.

Like the Kettles Bistro, the Chapels Gastrobrewpub, is also leased out on a management agreement. The Chapels offers a vast area of indoor and outdoor dining spaces which encompasses an 800 sqm beer garden on the terrace which is adapted for various other activities and events.

On the penthouse floor, one finds The Cisk Tap, offering a 360-degree panoramic view of the island, ranging from Mdina to Valletta. The Cisk Tap, which is operated by The Brewhouse has grown popular for private events.

In complementing these three outlets we continue to work closely with the tourism industry to place The Farsons Brewery Experience on the tourist map. Together with The Farsons Brandstore, it remains an area of focus.

The Brewhouse also provides two unique event spaces, built around in-situ industrial machinery, unlike anything else in Malta, namely the Redler Room – a full-fledged meeting and boardroom, along with a large multi-purpose space called The Grist that has been embraced by corporate and art communities alike.



THE
FARSONS
— BREWERY —
EXPERIENCE

STORJA TA' VERU

Fil-birrerija l-antika ta' Farsons





ECOPURE

The significant growth we experienced in previous years, mainly driven by clients shifting towards our returnable bottle due the introduction of the compulsory container deposit scheme, has now plateaued and competition is on the increase.

To address the ongoing issue of driver shortages and increase our competitiveness, we are exploring ways to optimize our operations and maximize resource utilisation through an integrated approach incorporating advance technology.

The software upgrade implemented during the review year was a pivotal first step towards our objective, providing enhanced live visibility and control over operations.

The growth in the returnable bottled water segment, driven by delivery convenience, and sustainability, presents a significant opportunity. By implementing tech-driven systems, revising our distribution methods, and launching a focused marketing campaign, we can effectively capitalize on this growing demand, thereby improving our results.



"The growth in the returnable bottled water segment, driven by delivery convenience, and sustainability, presents a significant opportunity."





QUINTANO FOODS LIMITED

Notwithstanding the various challenges faced last year, Quintano foods managed to remain steadfast in maintaining its market position as a strong player in the FMCG industry. Amidst continued rising costs, shortage of skilled labour and ever-increasing competition, the company still managed to navigate its way towards further growth.

Inflation, growth and increased tourist arrivals have contributed towards higher sales. On the other hand, the increased cost of living and transport costs coupled with the entry of aggressive international discounters and a generic push to mitigate price increases, made it more challenging to retain similar growth on profit margins.

The Maltese FMCG market has witnessed an increased presence of parallel trade and private

label products that have heightened pressure on the bottom line.

Last year there were more supermarket and retail outlet openings, whilst an increased number of smaller outlets joined grocery store franchises to consolidate their position in the market.

Quintano Foods is working towards strengthening its brand portfolio in anticipation of the move to the new distribution centre.

Apart from some new additions, established brands such as: Danone, Walkers, Star, Mevgal, Tropicana and Solo Italia gave positive growth results. These developments, in conjunction with strategic marketing activations focused at targeting specific market segments which have all contributed towards a steady performance in retail sales.

The resulting consumer population increase and spend also contributed towards boosting performance in the HORECA sector and sales to Food Chain. Increased efforts on sales of brands such as: Kraft Heinz, Evian, Bayernland and Elpozo together with a growing client base of restaurants, hotels, and on-the-go outlets, all contributed towards achieving growth in this sector.





"Quintano Foods is working towards strengthening its brand portfolio in anticipation of the move to the new distribution centre."

Our growth plans further justify the Group's decision to invest in the food business. Works on the development of the new state-of-the-art warehouse and logistics centre in Handaq are moving at a steady pace with the business transition planned to happen by mid-2026.

This facility will be equipped with the latest in technological, environmental and sustainability standards. These factors in conjunction with the increased storage capabilities and transformation in operations will ensure that we strengthen our position in the FMCG sector.





FOOD CHAIN LIMITED

We are making steady progress within Food Chain, transforming our business as a result of some bold decisions that have better positioned us for long-term success.

In our commitment to delivering excellence, we made the difficult decision to close some outlets, a move that was necessary to reposition us. While these closures marked an end to an era, they paved the way for new opportunities.

We invested significantly in the renovation and refurbishment of key locations, giving them a fresh, modern feel while maintaining the values and quality that our customers know and love.

"We are making steady progress within Food Chain, transforming our business..."



BURGER KING

Burger King has had a strong year, surpassing sales in all areas and solidifying its position as one of the leading brands in the local market. We have exceeded expectations in our collaboration with aggregators, ensuring a seamless and efficient service for our customers.

One of our proudest achievements was the launch of Malta's first-ever BK Café,

bringing our guests a new and exciting experience. We re-opened our flagship store, Burger King Qormi, with the latest designs and digital innovations, elevating the in-store experience. Our record-breaking LTOs (Limited-Time Offers) proved to be a massive hit and introducing the premium King Selection line enhanced our menu with high-quality offerings. We also kept our Burger King App fresh, interactive,

and engaging, ensuring our customers always had the best deals at their fingertips.

As we reflect on the past year, we are incredibly proud of how far the brand has come and the milestones we have achieved. Burger King Malta continues to grow, innovate, and deliver excellence, and we are more excited than ever for what's ahead!



PIZZA HUT

In 2024, **Pizza Hut** Malta experienced a year of transformation, marking the closure of Pizza Hut Bugibba after years of serving loyal customers. In line with our commitment to growth and customer convenience, we also relocated our St. Julian's outlet to Baystreet, offering an enhanced dining experience in a prime location.

With the recent opening of Pizza Hut Zejtun, we have expanded our presence, bringing our beloved pizza closer to more customers. These changes reflect our dedication to evolving with the market while maintaining the high standards and flavours our customers love.

We continued to innovate throughout the year, providing exciting new menu options and value-driven deals that reinforced our commitment to quality

and satisfaction. As we step into the future, these strategic moves position us for further success, ensuring Pizza Hut remains a leading choice for pizza lovers across Malta.



KFC

KFC maintained its strong brand presence and continued to delight customers with its unique taste, featuring the iconic 11 herbs and spices. The brand operated in four locations, opening the fourth store in St Julian's in June.

Marketing activities included social media campaigns and influencer collaborations, which helped maintain a strong connection with our audience. KFC is dedicated to delivering its signature flavours and looks forward to strengthening its market presence in the coming year.





Handaq distribution centre scheduled for completion in mid-2026

WHY THE PROPOSED FOOD BUSINESS SPIN-OFF?

On June 26th, during our forthcoming annual general meeting, we will be seeking shareholder approval on the proposed Spin-Off of our food business, comprising of our two subsidiaries, Quintano Foods and Food Chain. This will be done through the newly registered company Quinco Holdings plc which will be the dedicated corporate vehicle used for the floating on The Malta Stock Exchange.

In FY2025, the Group's two food subsidiaries continued to deliver satisfactory financial results. On a consolidated basis, the segment generated total revenue of €39.3 million, reflecting equally sustained demand and market presence, despite the challenging competitive pressures. Pre-tax profit for the entities amounted to €2.83 million, further demonstrating the subsidiaries' operational stability, sound cost management, and ability to convert revenue growth into meaningful profitability.

While the Farsons group holds on to a strong market share within the beverage category, the same cannot be said about the food. The food category remains excessively fragmented with growing signs of expected market consolidation, many recognising this inevitability to hold on to a competitive position. This clearly emerging direction is further exacerbated by the fact that, unlike within the importation/supply side of the market, there is a more pronounced and accelerated drive within the retail sector with several retailers continuing to extend their operations

"Having a dedicated corporate structure will ensure we are fully focused and better resourced to counter the competitive pressures whilst adopting the right strategies, for us to deliver the desired sustainable growth."

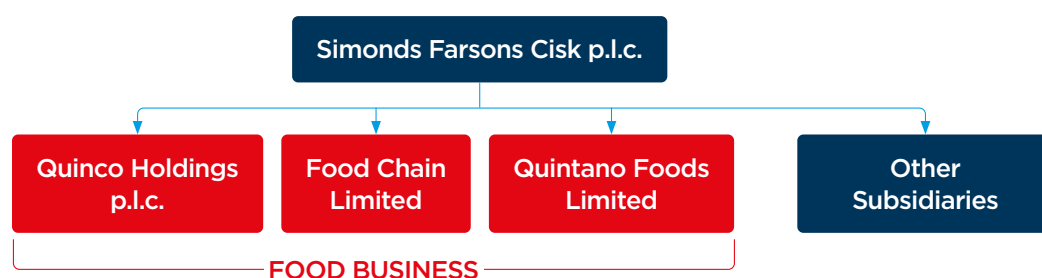
by importing directly, this taking the form of both private label and parallel importation.

In recognising the potential setbacks arising from these changes, so must we recognise the opportunities abound. As the Fast-Moving Consumer Goods (FMCG) category undergoes a transformation, it is crucial to adapt and equip ourselves with the right structures and resources to counter the competitive pressures. Given the dynamic realms of this sector, this demands an unparalleled focus.

In seeking to ride out this volatility, we will need to brace ourselves for the expected pressures. Nevertheless, despite the challenges, we will be focussing on the opportunities for growth by restructuring our corporate set-up, revisiting our brand / franchise portfolios and related market presence to better strategically position ourselves, considering the changing retail landscape and mushrooming of eateries.

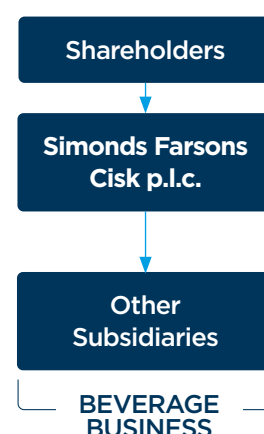
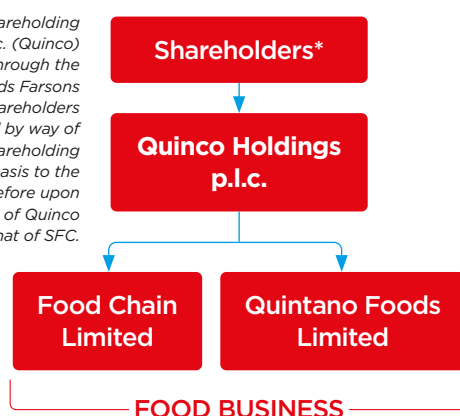
These emerging circumstances underline the significance of our response to the prevailing and foreseeable market shifts. Having a dedicated corporate structure will ensure we are fully focused and better resourced to counter the competitive pressures whilst adopting the right strategies, for us to deliver the desired sustainable growth.

CURRENT GROUP STRUCTURE



POST SPIN-OFF STRUCTURES

**The Spin-Off of the shareholding in Quinco Holdings p.l.c. (Quinco) shall be undertaken through the payment, by Simonds Farsons Cisk p.l.c. (SFC) to its shareholders through a dividend in kind by way of a distribution of SFC's shareholding in Quinco on a pro-rata basis to the SFC shareholders. Therefore upon Spin-Off the shareholding of Quinco will be identical to that of SFC.*



Quinco Holdings p.l.c. is a newly incorporated company (8 May 2025) and has been set-up to facilitate the proposed Spin-Off.

THE ROAD AHEAD

We need to ensure we are always well placed and prepared to promptly tackle the challenges and deal with the arising changes. Staying strategically focused remains key as we navigate the road ahead, with the Spin-Off of our food businesses being an important step in this direction.

Businesses that are slow to respond or fail to anticipate market changes risk losing revenue and profitability and market conditions continue to underline the fact that generating the same level of revenue requires far more effort than that in previous years. Apart from grit and hard work, along with investing in strategic planning and operational discipline, we need to continue to stay updated and prepared.

Seeing the opportunities within the challenges with a clear-eyed understanding and proactive approach, we stand well-placed in dealing with both the expected headwinds and tailwinds. We need to ensure that adaptation, innovation, and resilience remain cornerstones of our business outlook, solidifying our position along with cultivating a mindset prepared for the future is essential.

As I close off my fourteenth year as Group Chief Executive, I continue to take great pride in our collective achievements. We continue to build value in our business not only through our financial results, but also in maintaining our supportive and inclusive culture across the group and beyond. This has, and continues, to give us a distinctive strength.

"We need to ensure that adaptation, innovation, and resilience remain cornerstones of our business outlook."

It is thanks to our continued perseverance that we are managing to deliver these desired results; we cannot take this as a given. And here, I cannot fail from giving credit to all #teamfarsons, particularly management who continue to form the basis of all our achievements. Of course, recognition is also due to the board for their confidence and support, especially our chairman, Louis A. Farrugia whose guidance remains fundamental.

In conclusion, apart from the lessons learnt in overcoming past hurdles within a growingly complex and competitive market, with added effort and unwavering resilience, I remain confident that by maintaining a firm hand on the right strategic direction, we will continue to make steady progress in pursuit of our ambitions both in terms of purpose and profit within our set goals and objectives.

Norman Aquilina
Group Chief Executive
28 May 2025



SIMONDS FARSONS CISK PLC
**FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED 31 JANUARY 2025

DIRECTORS' REPORT

The Board of Directors present their annual report and the audited consolidated financial statements for the year ended 31 January 2025 (FY2025).

Principal activities

The Group's principal activities remained consistent with previous years, reflecting its established position in the market. The SFC Group is actively engaged in the brewing, production, and distribution of a diverse portfolio of branded beers and beverages. Through its subsidiary companies the Group also oversees the importation, wholesale, and retail of food and beverage products, including an extensive range of wines and spirits.

In addition, the Group operates franchised food retail establishments and manages the revitalised, iconic Old Brewhouse — a landmark destination that now features multiple catering outlets, a dedicated events space, a state-of-the-art micro-brewery, and an engaging visitor centre that showcases the rich heritage of Simonds Farsons Cisk. This flagship venue also houses a retail area offering branded merchandise linked to the Group's renowned portfolio.

Strategic review of principal activities

The Group has evolved over the past decades embracing the long-established beverages segment, comprising the brewing, production and importation of beer and branded alcoholic and non-alcoholic beverages. Simultaneously, it has strategically invested in and cultivated growth within both the property and food segments for over 30 years. The Group's former property interests were spun off into Trident Estates p.l.c., the shares of which were listed on the MSE in January 2018.

The Group's investments in the Food Business have continued to yield year-on-year growth in terms of revenue and

profitability. The Group's Food Business has demonstrated resilience in the face of market and economic challenges over the years. As stated in the Company Announcement issued on 27 November 2024, and as noted in the Group Annual Reports issued for the years ended 31 January 2023 and 2024, the Board has conducted a strategic review of opportunities for the further expansion of the Food Business.

Having carefully considered the outcome of the strategic review, the Board has concluded that the further growth of the Food Business would be best served through its reorganisation by way of a Spin-Off of that business as a separate legal entity that would be listed on the MSE.

The Board believes that the Spin-Off will deliver greater focus through a dedicated executive management team and new board of directors that are essential to growing the scale of the business and will provide the best opportunity to grow the business both organically and inorganically. Furthermore, the Board concluded that the Spin-Off option would also best serve the interests of the Group, its shareholders and other stakeholders.

At the forthcoming Annual General Meeting to be held on 26 June 2025, Shareholders are being invited to approve the Board's recommendation of the Spin-Off which would be implemented in the second half of 2025.

In the light of this recommendation of the Board of Directors, the financial statements being presented for FY 2025 re-classify the principal activities of the Group into Continued (Beverage segment) and discontinued Operations (Food segment) as required by International Financial Reporting Standards. Comparative figures, where appropriate and as noted in the Annual Financial Statements have been re-stated on the same basis.

Review of the business

TRADING PERFORMANCE

The Board of Directors notes a solid financial performance for the year, marked by growth in turnover and profitability in both the Beverage and Food segments. This performance was driven by increased revenues in both Segments resulting from strategic initiatives and enhanced operational efficiencies. The improved results underscore the Group's resilient business model and its continued commitment to delivering value to shareholders.

While benefitting from a stable domestic market, the Group's performance remains exposed to broader European economic and geopolitical developments. Inflation in Malta eased to around 2% during 2024, down from previous highs, contributing to a more predictable cost environment. However, persistent global disruptions continue to impact the Group's operations. The Russia-Ukraine conflict and tensions in the Middle East have dislocated supply chains and elevated freight and import costs, particularly due to bottlenecks in key shipping routes like the Red Sea. In the island economy of Malta, these factors have directly impacted the Group's cost base and placed pressure on inventory management. Labour market constraints—driven by full employment and resource scarcity both in Malta and across the EU—have further increased operating costs. Over the past year Malta's labour market remained exceptionally tight, characterized by low unemployment and persistent skills shortages across multiple sectors, causing wage cost inflation in certain categories. Workforce shortages remain a critical challenge in sustaining service levels across the Group's nationwide client base.

The global retail beverage market in (calendar) 2024 experienced significant shifts across both alcoholic and non-alcoholic segments, driven by evolving consumer preferences, health consciousness, and socio-economic factors. In 2024, the alcoholic beverage sector faced challenges globally, with overall declines in volume and value sales. Beer experienced a 2.9% drop in volume and a 0.7% decrease in value, while wines saw a 5.3% decline in volume. Spirits also faced moderate declines, with a 2.3% decrease in volume. 2024 marked a transformative year for the retail beverage market, with a notable shift towards health-conscious consumption and innovative product offerings in both alcoholic and non-alcoholic segments.

In FY2025, the Group recorded another year of solid performance across its core segments. Turnover from the Beverage segment—classified as continuing operations—increased by 5.5% to reach €101.8 million. Similarly, the Food segment achieved a 5.7% uplift in revenue, with total turnover amounting to €39.3 million.

These gains were achieved in a highly competitive market environment, marked by new entrants and subdued consumer spending. Despite these external pressures and persistent supply chain disruptions, the Beverage segment achieved a marginal improvement in gross profit margins, rising from 41.8% to 42.5%. This was largely driven by ongoing cost containment and efficiency efforts, particularly within the brewing and bottling operations.

In the Food segment, the operating profit margin remained stable at 8%. This performance reflects the benefits of the Group's refined strategy in its franchised restaurant operations, which included the reassessment and optimisation of outlet locations to align with evolving consumer behaviour.

However, downward pressure on margins was more pronounced in the importation and wholesale sectors across both the Food and Beverage segments, highlighting the continued challenges posed by inflationary input costs and pricing volatility as well as a sometimes-uneven competitive landscape.

Despite considerable upward pressure on selling, distribution, and administrative expenses within the Beverage sector, the growth in turnover outpaced these cost increases. Operating efficiencies and prudent cost management enabled the Group to absorb an 8% increase in these overheads, while still achieving an 8.9% improvement in operating profit. This positive variance reflects the Group's ability to maintain strong operational leverage and effectively align revenue growth with cost containment efforts.

As noted, the Group reported solid financial results across its core segments. Profit before tax from the Beverage segment increased to €14.7 million (2024: €13.4 million), representing a 10% year-on-year improvement. The sector's return on turnover (before finance costs) edged up from 14.8% to 15.3%, supported by effective cost control and improved operating performance.

In the Food segment, profitability remained steady, with a return before finance costs and tax maintained at 8%, amounting to €3.1 million.

During the year, the Group took credit for another portion of the unrecognised deferred tax asset in accordance with its accounting policies. This contributed to an uplift in net profit after tax, which reached €18.6 million (2024: €15.3 million), an increase of 21.9% over the previous year.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) for the year amounted to €28.7 million, compared to €27.9 million in FY2024, reflecting a 3% year-on-year increase and highlighting the Group's continued operational resilience.

As at the end of FY2025, the Group's net borrowings stood at €16.1 million (2024: €14.4 million), resulting in a debt-to-equity ratio of 9.7%, consistent with the previous year. This modest gearing level reflects the Group's prudent financial management and cautious approach to leverage.

Throughout the year, the Group sustained a strong liquidity position, supported by effective working capital management. Emphasis was placed on maintaining robust credit control procedures to safeguard cash flow, while simultaneously upholding the Group's commitment to the timely settlement of obligations with suppliers.

Total equity at year-end increased to €165.2 million (2024: €148.2 million), primarily driven by the retention of current year profits. This further reinforces the Group's solid capital base and provides a sound platform for continued investment and sustainable growth.

INVESTMENTS

Over the years, the Farsons Group has demonstrated a strong commitment to reinvesting in its operations, consistently maintaining high levels of capital expenditure to sustain state-of-the-art production and logistics capabilities. In the Food segment, the Group has continued to pursue strategic investments through a combination of new outlet openings and regular upgrading of existing locations to ensure alignment with evolving consumer expectations and operational standards.

A key focus for the Food segment remains the development of a modern, efficient holistic logistics (including warehousing) solution. In FY2025, the Group commenced work on a state-of-the-art warehousing and office complex in Handaq,

specifically dedicated to supporting the Food business. Scheduled for completion by mid-2026, this project is expected to significantly enhance storage capacity, streamline operational workflows, and introduce a digitalised inventory management system. This investment is strategically positioned to strengthen the segment's market reach and improve service delivery to a broader customer base. The development is being carried out on land that has been held in the Group's portfolio for a number of years.

During the year, the Group also advanced its sustainability agenda with targeted investments in renewable energy, including the deployment of high-efficiency photovoltaic panels. Concurrently, it began the phased replacement of its fleet and delivery vehicles with environmentally compliant alternatives as part of its broader commitment to reduce emissions and enhance energy efficiency.

FY2025 also marked the implementation of a CO₂ recovery plant investment. Once operational in the second half of 2025, this facility is expected to generate significant cost savings, secure the Group's CO₂ supply, and further contribute to its portfolio of environmentally conscious initiatives.

In addition, the Group launched a major logistics project on its operational site in Mrieħel — the development of an automated returnable packaging facility. This modern facility will centralise the handling of returnable and refillable containers, optimising the sorting and inspection processes and enabling greater efficiencies within the manufacturing and distribution cycles.

Looking ahead, the Group's investment strategy will remain centred on optimising efficiency across its manufacturing, warehousing, and distribution operations. Future capital expenditure will continue to reflect a dual focus: enhancing operational effectiveness while reinforcing the Group's environmental responsibility. And we will continue to invest in and build our brands. Efforts will be directed towards ensuring the optimal utilisation of all assets within the Group, with a clear emphasis on sustainability, energy efficiency, and long-term value creation. These initiatives form part of the Group's broader commitment to operational excellence and responsible resource management.

**OUTLOOK FOR FINANCIAL YEAR
ENDING 31 JANUARY 2026**

The financial year ending January 2026 is expected to mark another milestone for the Group's loyal shareholder base through the proposed distribution of an in kind dividend, comprising shares in Quinco Holdings plc – which will become the holding company of the Food segment. As announced by the Board in November 2024—and subject to shareholder approval at the forthcoming Annual General Meeting in June 2025—the Group intends to establish Quinco Holdings plc as a separately listed entity, with a strategic focus on the Food segment, which represents the second core pillar of the Group's current operations.

Following the successful spin-off of the Group's real estate arm into Trident Estates plc in early 2018, the Board believes that this latest initiative represents a natural evolution in the Group's long-term strategy to unlock shareholder value and foster focused growth. The decision to proceed with the Spin-Off follows a comprehensive evaluation of the proposal and is expected to generate added value for the Group's diverse customer base, employees within the Food segment, shareholders and all other stakeholders.

The business outlook for the Group's continuing operations—specifically the Beverage segment—for financial year 2026 remains broadly encouraging, with expectations of sustained positive momentum. Growth in the tourism sector, a key driver of local consumption, is anticipated to persist, and is likely to support further increases in sales volumes. However, the operating environment remains highly competitive across all market segments, exerting continual pressure on pricing strategies and market share.

In parallel, the labour market continues to experience supply constraints, contributing to sustained upward pressure on employment and distribution costs. Additionally, the regulatory landscape within the European Union is becoming increasingly complex, particularly for the Beverage industry. Adhering to these evolving requirements imposes further compliance and administrative costs on the business. As a result, the combined impact of heightened competition, rising input costs, and growing regulatory obligations is expected to contribute to ongoing margin compression,

underscoring the need for continued operational efficiency and strategic cost management.

The Board of Directors, together with management, remains firmly committed to steering the Group's growth within the Beverage segment by actively responding to evolving macroeconomic and geopolitical dynamics, as well as shifting market behaviours and consumer preferences. Looking ahead, the Group will maintain its focus on responsible and prudent management of its operations and financial resources, with the objective of delivering sustainable revenue growth and long-term profitability. Through strategic agility and operational discipline, the Group is well-positioned to navigate challenges and capitalise on emerging opportunities in the years to come.

FINANCIAL RISK MANAGEMENT

The Group and Company are exposed to a variety of financial risks, including market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. Refer to note 2 in these financial statements for further details.

DIVIDENDS AND BONUS SHARES

The statements of financial position and the income statements are set out on pages 80 to 82. As at 31 January 2025 retained earnings amounted to €100.5 million (2024: €88 million).

The Board will be proposing to the forthcoming Annual General Meeting (AGM) the payment of a final net dividend for the year under review of €5.04 million (equivalent to €0.14 per share). If approved at the AGM, this dividend will be paid to shareholders on the 27 June 2025. Subject to this AGM approval, the total dividends paid in respect of FY 2025 would amount to €7.2 million, equivalent to €0.20 per share. (2024 €5.76 million, equivalent to €0.16 per share).

DIRECTORS

The Directors who held office during the year were:

Mr Louis A. Farrugia F.C.A. - *Chairman*
 Mr Marcantonio Stagno d'Alcontres - *Vice-Chairman*
 Mr Matthew Marshall
 Dr Max Ganado LL.D.
 Mr Roderick Chalmers M.A. Div. (Edin.) F.C.A., A.T.I.I., F.C.P.A., M.I.A.
 Ms Marina Hogg
 Mr Michael Farrugia M.A. (Edin.), MBA (Warwick)
 Mr Neil Psaila

Mr Roderick Chalmers, and Dr Max Ganado whose terms of appointment expire, retire from the Board and are eligible for re-election.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the Group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Simonds Farsons Cisk plc for the year ended 31 January 2025 are included in the Annual Report 2025, which is published on the parent company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the parent company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the parent company as at 31 January 2025, and of the financial performance and the cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and the parent company, together with a description of the principal risks and uncertainties that the Group and the parent company face.

GOING CONCERN BASIS

After making enquiries, the directors at the time of approving the financial statements have determined that there is a reasonable expectation that the Group and the parent company have adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

**SHAREHOLDER REGISTER INFORMATION
PURSUANT TO CAPITAL MARKETS RULE 5.64**

Share capital information of the Company is disclosed in note 12 of the financial statements.

The issued share capital consists of one class of ordinary shares with equal voting rights attached and freely transferable.

The list of shareholders holding 5% or more of the equity share capital is disclosed in this Annual Report.

Every shareholder owning twelve and a half per cent (12.5%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve and a half per cent (12.5%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Any appointment, removal, withdrawal or replacement of a director to or from the Board of directors shall take effect upon receipt by the Board of directors or the company secretary of a notice in writing to that effect from the shareholder owning twelve and a half per cent (12.5%) of the ordinary issued share capital of the Company or more. Any remaining fractions will be disregarded in the appointment of the said directors but may be used in the election of further directors at an Annual General Meeting. The chairman is appointed by the directors from amongst the directors appointed or elected to the Board.

The rules governing the appointment, election or removal of directors are contained in the Company's Articles of Association, Articles 93 to 101. An extraordinary resolution approved by the shareholders in the general meeting is required to amend the Articles of Association.

The powers and duties of directors are outlined in Articles 84 to 91 of the Company's Articles of Association. In terms of Article 12 of the said Articles of Association, the Company may, subject to the provisions of the Maltese Companies Act, 1995 acquire or hold any of its shares.

The Collective Agreement regulates redundancies, early retirement, resignation or termination of employment of employees. No employment contracts are in place between the Company and its directors, except as disclosed in the Remuneration report.

It is hereby declared that, as at 31 January 2025, the Company is not party to any significant agreement pursuant to Capital Markets Rule 5.64.10.

Furthermore, the Board declares that the information required under Capital Markets Rules 5.64.5 and 5.64.7 are not applicable to the Company.

REMUNERATION REPORT

The Remuneration Report is set out on pages 75 to 79 of this Annual Report and sets out details of the terms of reference and membership of the Remuneration Committee and the Remuneration strategy and policy of the Farsons Group. The Remuneration Report also sets out the required details of the remuneration paid to directors and the Group Chief Executive and of senior management. In accordance with Capital Market Rules 12.26L and 12.26M, the Remuneration Report will be subject to an advisory vote by the Shareholders at the forthcoming Annual General Meeting and will be made available on the Company's website for a period of 10 years thereafter. The contents of the Remuneration Report have been reviewed by the external auditors to ensure that it conforms with the requirements of the Capital Market Rules.

AUDITORS

The auditors, Deloitte Audit Limited, have indicated their willingness to continue in office, and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Signed on behalf of the Company's Board of Directors on 28 May 2025 by Louis A. Farrugia (Chairman) and Marcantonio Stagno d'Alcontres (Vice-Chairman) as per the Directors Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report 2024/5.

Registered address:

The Brewery
Mdina Road
Zone 2, Central Business District
Birkirkara CBD 2010
Malta

Telephone (+356) 2381 4293

Nadine Magro
Company Secretary

28 May 2025

STATEMENT BY THE DIRECTORS ON NON-FINANCIAL INFORMATION

MESSAGE FROM THE CHAIRMAN OF THE ESG COMMITTEE

Over the last year, the Farsons Group continued to embrace the ambitious objectives of the much-anticipated EU Corporate Sustainability Reporting Directive which was due to be transposed into Maltese law by end of 2024. As a listed company, Farsons was first in line along with all other listed European companies to be subjected to the comprehensive regulatory framework which aims to scrutinize companies' ESG performance by requiring extensive and detailed disclosures as outlined in the European Sustainability Reporting Standards (ESRS). Notwithstanding the delay in transposition of the new directive and the EU's drive towards simplification of the new regulation, Farsons has continued to make steady progress across its efforts to not just ensure compliance with the new regulation but to also fundamentally improve its ESG's credentials in the belief that it is the right thing to do for people, planet and profit.

"Farsons has continued to make steady progress across its efforts to not just ensure compliance with the new regulation but to also fundamentally improve its ESG's credentials in the belief that it is the right thing to do for people, planet and profit."



Mr Michael Farrugia - Chairman of the ESG committee

OUR BUSINESS MODEL

The Farsons Group is located in Malta and traces its origins to 1928. The Group comprises Simonds Farsons Cisk plc (SFC) as the holding Company, and is engaged in the brewing, production, selling and distribution of local and international beers and beverages. Farsons Beverage Imports Company Limited (FBIC) is engaged in the importation and distribution of wines and spirits, whilst EcoPure Limited distributes dispensed bottled water directly to door. The Brewhouse Company Limited manages the mixed-use operations of The Brewhouse, which include food and beverage outlets, a visitor attraction and retail, offices and events spaces. Quintano Foods Limited operates a food importation and distribution business and represents a range of renowned international brands, whilst Food Chain Limited represents and operates several global franchised food outlets across the island. All the Group's subsidiaries are wholly owned.

The Board of Directors shall be proposing the Spin-Off of the latter two entities at the forthcoming Annual General Meeting of the Company following the strategic review undertaken, whereby it was concluded that the further growth of the Food Business would be best served through such reorganisation as a separate legal entity listed on the Malta Stock Exchange.

SFC is a public company with its registered address being The Brewery, Mdina Road, Zone 2, Central Business District, CBD 2010, Birkirkara, Malta. SFC's issued share capital is made up of 36,000,000 ordinary shares of €0.30 each in nominal value. All shares carry equal voting rights and are listed on the Malta

Stock Exchange. As at the year-end 79.3% of the issued shares were owned by the three major shareholders, with the balance being held by the general public.

A description of the corporate governance structure deployed across the Group, including matters relating to the role and responsibilities of the Board, are set out in the Corporate Governance Statement which forms part of this Annual Report. Inter-alia, the Board assumes responsibility for identifying the principal business risks for the Group and overseeing the implementation and monitoring of appropriate risk management systems. The principal risks would include those that could cause a materially adverse impact to the Farsons Group's operations, products, reputation and business performance, its business relationships and/or the safety and well-being of its customers and employees. A comprehensive risk management review is conducted on a yearly basis, with the assistance of external consultants. This exercise entails a review of previously identified risks and the controls in place while identifying emerging risks, following which enhanced risk management protocols are put in place.

The Group generated a turnover of €101.8 million during the year ended 31 January 2025 and employed an average of 553 (full time equivalent) employees during the year under review. The Group has long recognised its responsibility towards all stakeholders and remains committed to the highest standards of corporate ethics, good governance and transparency in all that it does.

MATERIALITY AND KEY SUSTAINABILITY TOPICS

During FY2025, the Group conducted a series of internal workshops involving ESG consultants, senior management, and key representatives from the production, operations, human resources and corporate teams. The objective was to systematically identify the most material and relevant sustainability issues affecting the Group's business activities and stakeholders in line with the scope of the double materiality assessment and gap analysis as defined within EU's CSRD. This process was guided by the ESRS framework and informed by both sector-specific considerations and emerging European regulatory expectations. Future assessments will incorporate direct stakeholder feedback through surveys or consultations.

Each potential Impact, Risk, and Opportunity (IRO) was evaluated using qualitative criteria and were prioritised using a score system that took the scale, severity and likelihood of each IRO into account.

- Potential positive or negative environmental and social impact.
- Relevance to business performance and operational continuity.
- Regulatory importance and stakeholder expectations.
- Degree of control or influence Farsons has over the issue.

The outcome of this exercise led to the identification of five core topical areas deemed material for this reporting period:

ESRS E1: Climate Change – reflecting the Group's energy use, emissions profile, and climate-related capital investments.

ESRS E3: Water and Marine Resources – due to Malta's water scarcity and the significance of water use in production processes.

ESRS E5: Resource Use and Circular Economy – driven by packaging materials, BCRS participation, and compliance with EU directives.

ESRS S1: Own Workforce – reflecting health, safety, inclusion, and human capital development priorities.

ESRS S4: Consumers and End-users – with a focus on food safety, quality standards, and responsible consumption.

Although the CSRD has not yet been formally transposed into Maltese law, Farsons recognises the importance of ESG and is proactively working to enhance its data collection, internal processes, and sustainability-related targets, actions and policies. This report reflects our current stage in that journey, while laying the foundation for more structured disclosures in future years.

ENVIRONMENT

Environmental sustainability is a fundamental pillar of Farsons Group's long-term strategy and an essential area of focus in the context of global climate action and resource management. As a company operating in the beverage production industry—a sector that is inherently resource-intensive and emissions-linked—Farsons recognises its responsibility to minimise environmental impacts across all stages of its operations and value chain.

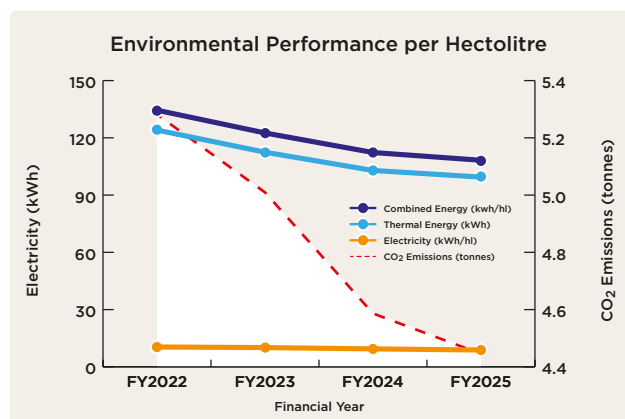
Food and beverage production, importation and distribution typically carries significant environmental footprints, including high water consumption, energy use and packaging waste. These impacts are compounded by global challenges such as climate change, increasing regulatory pressure, and

specific geographic constraints tied to small island economies which are typically scarce of natural resources and highly dependent upon imports and complex supply chains.

Farsons is committed to actively addressing these challenges and environmental pressures through a structured programme of investment, innovation, and accountability. This includes transitioning to renewable energy, adopting more sustainable packaging solutions, improving water efficiency, and strengthening data systems to better measure and manage environmental performance. The initiatives outlined in this section reflect both the progress made in FY2025 and the Group's continued ambition to drive meaningful environmental improvements in the years ahead.

CLIMATE CHANGE (ESRS E1)

As indicated in the chart below, Farsons has made consistent and considerable improvements in environmental performance over the last four years through a combination of equipment efficiency, improvement in energy consumption and decarbonisation best practices and investments.



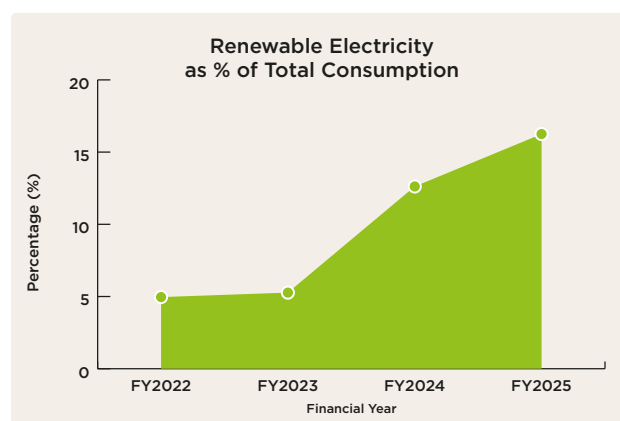
Key trends include:

- Thermal energy use per hl dropped from 124.07 kWh/hl in FY2022 to 99.43 kWh/hl in FY2025 — a 20% improvement.
- Electricity use per hl also declined from 10.41 kWh/hl to 8.81 kWh/hl, highlighting greater energy optimisation across operations.
- Combined energy per hl fell from 134.48 kWh/hl to 108.24 kWh/hl, showing overall efficiency gains.
- CO₂ emissions per hl decreased from 5.28 kg/hl to 4.45 kg/hl, demonstrating the environmental benefit of cleaner energy sources and system upgrades.

These metrics collectively indicate that Farsons is producing more with less, strengthening its ESG profile through targeted efficiency measures and a clear commitment to a decarbonisation strategy and commitment to continuous improvement.

SOLAR PANELS

Farsons has made significant progress in its shift toward renewable energy. The percentage of electricity sourced from renewable energy rose from just 4.96% in FY2022 to over 16% by FY2025 and targeted to exceed 25% by end of FY2026. This significant improvement is a result of series of investments which aimed to utilise the full footprint of the brewery site and operation. Last year Farsons successfully commissioned its largest and most complex PV system on the roof of its Logistics Centre in Q3, which covers a total available area of approximately 5,600 m² and has an output power of 835 kWp. This PV system alone will be capable of generating approximately 1.2million kWh of clean electricity per year which will contribute substantially to its decarbonisation strategy and broader sustainable goals.





CO₂ RECOVERY PLANT

Several substantial investments are currently underway to reduce the brewery's carbon footprint and most significantly the installation of a 275kg/h CO₂ recovery plant, which is now well underway. Several challenges had to be dealt with on this project and completion and commissioning is planned for Q2 2025. The two-million-euro investment and plant will capture the CO₂ produced during the beer fermentation process, allowing it to be reused in the brewing and filtration process. Apart from providing additional security of supply, the recovery plant will reduce the need for at least 500 tonnes of CO₂ to be shipped from overseas, thereby also reducing the Group's carbon footprint in the process.

LPG STORAGE & DISTRIBUTION

The work on the implementation of a liquefied petroleum gas (LPG) storage and distribution system is also underway and completion is planned for Q3 2025. Two tender packages were prepared and issued for both the civil works required and for the LPG pipework itself. The custom-built LPG Storage Tank has already been delivered to our site. This system which powers the steam generating boilers has the potential to replace around 80% of the current diesel/gasoil usage. Whilst the switch to LPG will result in a relatively small reduction in greenhouse gases (GHG), it will significantly reduce emissions of other pollutants such as sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter.

ESSENTIAL SWITCHBOARD

The new Essential Switchboard has been installed within the Energy Centre, this supplies emergency standby power to the Engine Room, Boiler Room and Workshop. This helps not only supply Essential Projects but also to optimise the use of Electrical Energy within the premises. Commissioning was completed in Q2 2024.



ELECTRIC VEHICLES

As part of our environmental projects, towards the end of the year under review, Ecopure introduced its second electric delivery vehicle. This truck, which is a first of its kind within Malta's beverage delivery sector, will serve the cities of Sliema and St Julians. Passenger vehicles purchased during the year for the company's personnel were mostly electric, increasing the company fleet's percentage of electric cars from 14% to 17%. Further investments in electric vehicles are also being studied as national and company infrastructure improvements make this shift to electrification of transport and logistics more feasible.

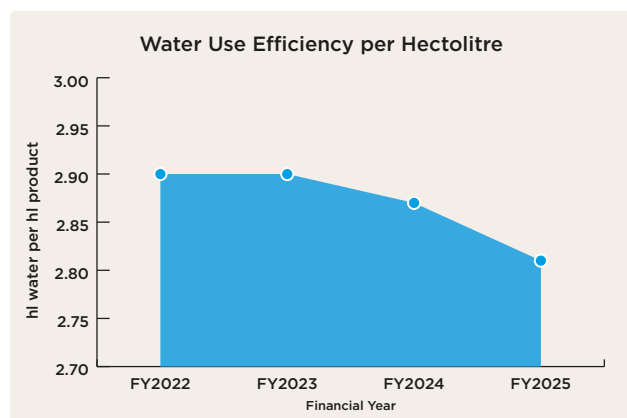
WATER AND MARINE RESOURCES (ESRS E3)

At Farsons Group, water management is ingrained in its operational culture, heightened by the strong awareness and knowledge that water is not only a main raw material for the production of its beverages but also a scarce resource, especially within the specific context of the Maltese Islands. This belief is shared by employees at all levels. The Group strives to ensure and guarantee the efficient use of water in all its processes, while the recovery of water is a daily responsibility and forms part of the Group's water resource management programme.

It is important to highlight that all the water used in Farsons-finished products is potable municipal water purchased from the Water Services Corporation. All purchased and supplied water goes through an extensive filtering, purification, and treatment regime to meet the strict product water specifications necessary to meet the Group's premium quality standards. This water portion represents approximately 99% of the water used in our production processes, with the remaining 1% supplied as recycled water which is sourced from our water capture and storage capabilities. The latter water sources are typically reserved for cleaning requirements and maintaining equipment. The Group also recovers water from several processes, including its aluminium can and PET bottle rinsing and filtration processes.



An important aspect of water management at Farsons relates to the recovery of condensate water generated during production and the use of steam in its various processes. This is in turn re-used to generate more steam. With regards to groundwater sourced from boreholes, it is important to note that Farsons does not utilise any of these reserves. This is a strict company policy that supports our consideration for Malta's scarce natural water availability and is a practice that has been in place for many years.



Water consumption across all divisions is measured and analysed on a weekly basis and such data is used to calculate the water Key Performance Indicator for each production process. The overall Water Consumption Index for the entire operation is calculated and distributed internally monthly and Farsons has demonstrated consistent progress over the years in reducing water intensity across its operations. Between FY2022 and FY2025, water use per hectolitre of product fell from 2.914 hl to 2.801 hl, reflecting an improvement of nearly 4%. This improvement is the result of ongoing recovery efforts — including reuse of rinse water, filtration streams, and condensate from steam generation - which reaffirms Farsons' commitment to water efficiency and continuous improvement.

RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

PACKAGING WASTE

The Group remains intensely aware of the environmental impact of packaging and the growing concerns raised by stakeholders. Addressing this issue remains a priority, with the upcoming implementation of the EU Packaging and Packaging Waste Regulation (PPWR) marking a crucial step toward a more circular economy. This regulation is designed to encourage sustainable packaging practices, cut down on unnecessary packaging, reduce waste, and improve recycling rates.

To this end, the Group has continued several initiatives to actively contribute to a circular economy, most notably through its ongoing commitment to the Beverage Container Refund Scheme (BCRS), which was launched nationwide in November 2022. As one of the founding members of the Malta Beverage Producers Association (MBPA)—which, together with the Retailers and Importers Association, forms BCRS Malta Ltd—the Group remains steadfast in ensuring that all environmental targets are met within the established business model, which upholds 'not-for-profit' as a key principle.

Following its second full year of operation, and despite ongoing operational challenges, BCRS has continued to surpass both collection and recycling targets. Under the BCRS, consumers are incentivised to return empty beverage containers, such as bottles and cans, to designated collection points in exchange for a deposit refund. The model is contributing significantly to improving national recycling efforts while extensively reducing irresponsible littering on a national scale.



Caption

"During 2024, BCRS has collected an impressive 236 million beverage containers, representing 84% of the in-scope beverage containers"

During 2024, BCRS has collected an impressive 236 million beverage containers, representing 84% of the in-scope beverage containers registered as placed on the local market.

This result represents a 4-percentage points improvement on the 80% target specified within the relevant regulations for 2024. By weight and per type of material, BCRS collected 86% of both PET/plastic beverage bottles and aluminium/metal cans, and 80% of beverage glass bottles registered to have been placed on the market.

The scheme has established a nation-wide infrastructure for the collection, processing, and recycling of beverage containers made of PET, Aluminium, Steel, and Glass. These materials are then shipped to European-licensed recycling plants and backed by official recycling certificates. From a wider perspective, the BCRS contributes to the overarching goal of waste reduction, resource conservation and higher recycling rates. By diverting various beverage containers from landfills, the scheme helps minimise environmental pollution and maximises the recovery of valuable raw materials in line with circular economy principles.

The Group has taken further measures to promote a circular economy and comply with local and EU directives and regulations on packaging waste reuse, recycling, and recovery.

In 2024, the Group successfully launched all PET bottles with tethered caps, in line with regulatory requirements aimed at reducing cap waste and improving recyclability. Furthermore, during 2025 the Group is set to surpass the minimum regulatory requirement of 25% recycled PET (rPET) content in its bottles, further reinforcing its commitment to sustainability and innovation. Looking ahead, the Group remains dedicated to expanding its use of recycled materials and continuously enhancing its environmental impact reduction initiatives.

NEW LOGISTICS FACILITY

Over the last year, the Group continued to make steady progress on the development of a new, state-of-the-art automated Logistics Facility, which will centralise the storage of the Group's returnable and refillable products. Designed to house up to approximately 7,500 pallet positions, the facility will improve the sorting and inspection process of its returnable products by automating the process and feeding production lines through a series of conveyors and pallet lifts. As part of the project, the Group is investing in an array of solar panels which will be installed across the facility, offsetting the operation's carbon emissions and further increasing the Group's decarbonisation drive and switch to clean renewable energy.

In preparation of the project, the Switch Gear Room and Sub Station was successfully relocated from the former bottling site while the contract for the fabrication and assembly of the facility was awarded at the end of 2024 with civil works expected to commence in late 2025 and the project to be completed by mid-2027.

WASTE MANAGEMENT

Farsons Group continues to manage its waste streams with a strong focus on environmental responsibility and circularity. In FY2025, the Group processed almost 30 tons of Waste Electrical and Electronic Equipment (WEEE)—the highest ever volume recorded in recent years—ensuring proper disposal of electronic components and operational equipment that are destined to effective recycling.

Waste destined to landfill was reduced significantly by 20% compared to FY24, thereby continuing a downward trend observed since FY2023. These figures demonstrate a decisive and ongoing commitment to minimise waste sent to landfill and improve internal waste segregation practices. A particularly notable improvement was observed in the recovery and recycling of waste oils, which increased exponentially in FY2025. This significant rise is a result of enhanced collection systems and improved process controls across production facilities.

Farsons' waste management approach reflects its broader environmental commitment: diverting waste from landfill wherever technically possible, strengthening internal accountability for waste separation, and investing in responsible disposal practices across all operational units.

SOCIAL

At Farsons Group, people are central to everything we do — from the employees who power our operations to the consumers who trust our products every day. Our long-standing values of integrity, responsibility, and community are reflected in the way we support our workforce, engage with customers, and contribute to Maltese society at large.

We recognise that the success of our business depends on the well-being, engagement, and development of our employees. As a leading employer in the local manufacturing and beverage sector, we are committed to providing a safe, inclusive, and empowering environment where people can thrive. This includes continuous investment in workplace health and safety, professional training and development, diversity and inclusion, and open communication at all levels.

Equally important is our responsibility to the people who consume our products. Farsons takes great pride in producing high-quality beverage products that meet rigorous safety and quality standards. We are also mindful of our influence in promoting responsible consumption — especially in relation to alcoholic beverages — and we continue to evolve our communications, partnerships, and innovations to reflect this responsibility.

As we look ahead, we are deepening our focus on both social performance and transparency. This includes expanding our internal reporting systems, improving social data collection, and embedding ESG principles more deeply into decision-making across the business.

OWN WORKFORCE (ESRS S1)

WORKPLACE SAFETY

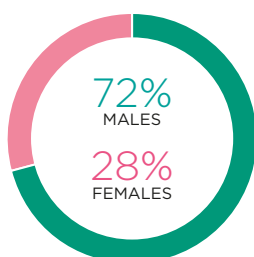
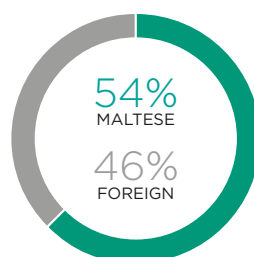
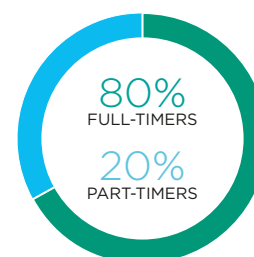
Workplace safety in FMCG (Fast-Moving Consumer Goods) organisations is crucial due to the nature of the industry, where products are produced in high volumes, and workers are exposed to various hazards. At Farsons Group, ensuring a safe working environment not only helps protect employees but also increases productivity, reduces downtime, and enhances the reputation of the Company. Over the past years Farsons has invested heavily to ensure that we have the right safety measures in place, but the Company has also invested in employee training and a culture of continuous improvement so that these risks can be minimised.

The "Safety Management System" is aligned with international standards to ensure consistent, high-quality safety practices across various operations, while the "Vision Zero" objective for the coming years signals an ambitious goal of zero accidents or harm. In addition to physical safety, employee mental and physical well-being has become a priority in our Risk Assessments, taking into consideration high-pressure environments which can lead to mental stress while at the same time the Company continues to offer programmes like counselling, stress-relief breaks, or wellness initiatives which can improve worker health. This is also complimented with health

assessments, especially for workers exposed to hazardous substances, which help in early detection of health issues. During financial year 2025, the number of incidents persisted, recording 25 incidents within Simonds Farsons Cisk plc and 31 incidents across the Group, with most relating to slips, trips and falls. However, lost days for the whole Group decreased by 40% from the previous year. It is envisaged that for the next financial year the Group will increase safety inspections conducted internally, but it will also strengthen communication with management and employees so that we all learn from incidents and improve our safety protocols.



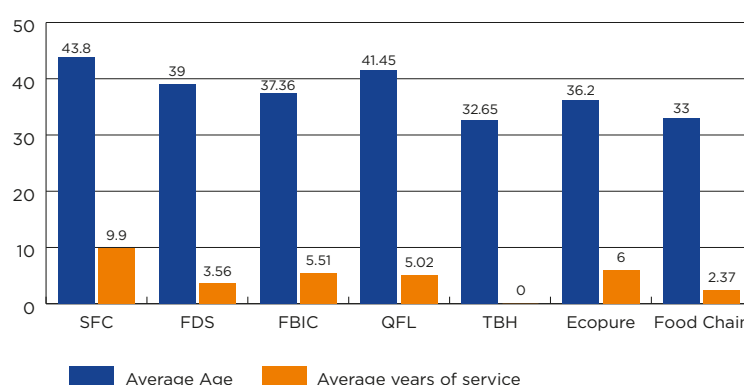
People Management Skills training course

EMPLOYEES OF
THE FARSONS GROUP
BY GENDEREMPLOYEES OF
THE FARSONS GROUP
BY NATIONALITYEMPLOYEES OF
THE FARSONS GROUP
BY TYPE OF ENGAGEMENT

DIVERSITY, INCLUSION AND EQUALITY

Farsons Group is committed to creating a workplace culture where diversity, equity, and inclusion are celebrated. Employees are encouraged to participate in events and initiatives that reinforce these principles, fostering a more engaged workforce and a supportive environment.

The Group believes that a diverse and inclusive workforce fuels creativity and innovation. To this end, leadership is expected to actively promote inclusivity, while policies are in place to support a fair and balanced workplace. Flexible work arrangements and parental leave are offered to help employees manage both professional and personal responsibilities. Furthermore, remote work opportunities where possible, have contributed to improved employee retention and empowerment.

EMPLOYEES OF THE FARSONS GROUP
AVERAGE AGE & AVERAGE YEARS OF SERVICE

Recognising the contributions of employees is an integral part of the Company's culture. The annual Cause for Applause event highlights individuals who exemplify the Group's values, while social gatherings organised by the HR team bring together employees,

their families, and retirees, fostering a sense of belonging and camaraderie. We are proud to be one of the first companies to sign off the Malta Diversity and Inclusion Charter, joining over 9000 entities across Europe's Platform of Diversity Charters.

INVESTING IN EMPLOYEE TRAINING AND DEVELOPMENT

Employee growth and professional development remain a top priority at Farsons Group. Through a range of initiatives, the Company ensures that its workforce is equipped with the necessary skills and knowledge to excel in their roles. Given the evolving job market, particularly in the post-pandemic landscape, the focus on upskilling and development has become even more crucial.

During the year, employees had access to various learning opportunities, including in-house and external training programmes, workshops, and leadership seminars. These covered a spectrum of competencies, from technical skills to management and

personal development. A particular focus during 2024 was Mental Health First Aid for all people managers. The training framework applies to all employees within the Group, except for the Food Chain Limited team, which training is in line with the specialised training protocols required by our franchise partners. Another area of focus is individual coaching, in response to individual training needs as well as to skills development requirements related to succession in key roles.

In 2024, the introduction of the Learning module within SuccessFactors - the Group's Human Resources Information System (HRIS)

continued to provide employees with direct access to training programmes and learning history. Additionally, the Company continues to support employees pursuing further education by funding courses leading to recognised qualifications. These sponsorships also include study-leave provisions, reinforcing the Group's commitment to continuous learning. This year the average number of training hours received per each employee (excluding Food Chain since they follow their own training programme) was 15.54 hours. By investing in professional development, Farsons not only enhances individual growth but also strengthens the Company's overall performance and competitiveness.



In support of Pink October, a Breast Cancer Awareness Session was delivered to employees by the Health Promotion and Disease Prevention Department, promoting education and early detection.



Christmas party for employees' children, celebrating the festive season with games, entertainment, and community spirit.



Chairman Mr Louis A. Farrugia is presented with a special award recognising 50 years of dedicated service to the company during the 2024 'Cause for Applause' Annual recognition event.

CONSUMERS AND END-USERS (ESRS S4)

CORPORATE AND COMMUNITY ENGAGEMENT

Farsons Group takes pride in its role as a responsible corporate and community member, a principle that is firmly embedded in its mission and longstanding values. This dedication is reflected in the strong connections the Group has established with the community through a variety of Corporate Social Responsibility (CSR) initiatives.

Beyond the initiatives driven by the Farsons Foundation, employees are actively encouraged to engage in several altruistic efforts. These range from personal contributions, such as participating in blood donation drives, to collective

initiatives in partnership with local NGOs, including events like CSR Day.

The Group also prioritises employee well-being by running an Employee Assistance Programme in collaboration with the Richmond Foundation, maintaining a partnership with Caritas, and contributing to an Employee Welfare Fund. These efforts not only provide direct support but also help raise awareness of mental health and overall well-being in the workplace.

FOOD SAFETY

In 2024, Farsons' Quality and Food Safety programme underwent a number of comprehensive third-party audits, which were assessed against three standards (ISO9001:2015; AIBI; BRCGS). These audits were conducted through the services of a certification body, British Standards International (BSI), and the support of AIB International, a food industry specialist that conducts inspections on behalf of PepsiCo. The company is delighted to announce that the certification has been successfully maintained.

The findings raised in these audits were successfully addressed as is required for the certification to be reissued. As expected, these audits are very productive exercises that support our ongoing pursuit for continuous improvement and operational excellence. The ongoing audits conducted internally have once again proven to be instrumental in uncovering systemic gaps and addressing them, leading to this satisfactory result.



RESPONSIBLE DRINKING

As a founding member of the non-profit organisation The Sense Group, established in 1997, Farsons endeavours to promote responsible and moderate alcohol consumption. It has financially and resourcefully backed The Sense Group's annual campaigns whose objectives are those of educating consumers about the dangers of excessive drinking and the serious risks associated with alcohol abuse.

In 2024 we sought to align with the ROADPOL Safety Days, giving Drink Driving issues a stronger focus in 2024, which started in mid-summer and culminated at the same time as the European Commission's European Mobility Week in September 2024.

During this time ROADPOL carried out numerous road traffic enforcement activities and European wide campaigns supported at every level

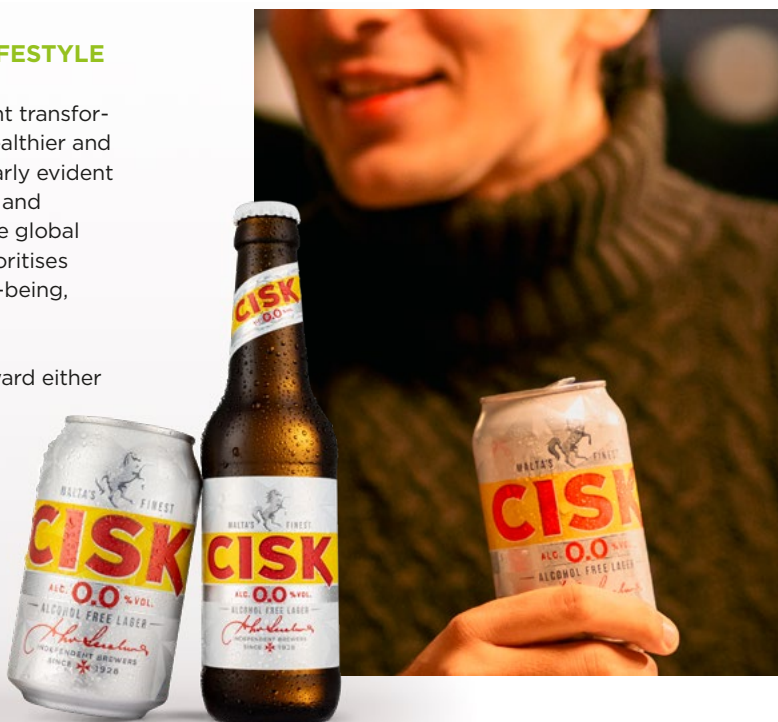
by local country authorities. The key message of the programme "Arrive Alive. Don't drink and drive" was directed at a very broad audience, and focused on raising awareness about the loss of life due to incidents, to speak out clearly to friends about their misuse of alcohol and to encourage the use of taxis and the designation of drivers.

THE RISE OF THE LOW/NO ALCOHOL LIFESTYLE

The beverage industry is undergoing a significant transformation as consumer preferences shift toward healthier and more functional options. This change is particularly evident among Generation Z—those born between 1997 and 2012—who account for approximately 32% of the global population and 25% of the workforce. Gen Z prioritises work-life balance, sustainability, health, and well-being, while also valuing moments of indulgence.

A key trend gaining momentum is the move toward either total abstinence from alcohol or a substantial reduction in alcohol intake. Far from being a passing trend, this shift is now widely recognised as a lasting change, reinforced by social media platforms that continue to normalise and promote mindful drinking habits.

At Farsons Group, we take our role in promoting responsible drinking seriously. We are committed to leading the industry in fostering positive attitudes toward alcohol-free alternatives. The launch of Cisk 0.0 in 2021 was a pivotal moment in this journey, with the brand achieving double-digit year-on-year growth since its introduction. Marketed under the tagline 100% Cisk, 0% Alcohol, our latest campaign highlights the key benefits of Cisk 0.0—allowing consumers to enjoy the signature full-bodied flavour of Cisk Lager without the presence of alcohol.



Looking ahead, we have a number of product development initiatives in progress, aimed at expanding our offerings in the low- and no-alcohol category. Our focus remains on delivering high-quality beverages that provide consumers with diverse choices while ensuring taste, flavour, and overall satisfaction remain uncompromised.

REDUCING SUGAR CONSUMPTION

Farsons Group remains committed to promoting healthier beverage choices through an ongoing sugar reduction programme. As a member of UNESDA, we have fully endorsed the renewed pledge from the Union of European Soft Drinks Association (UNESDA) to reduce sugar content in soft drinks by an additional 10% across the EU-27 and the UK between 2019 and 2025.

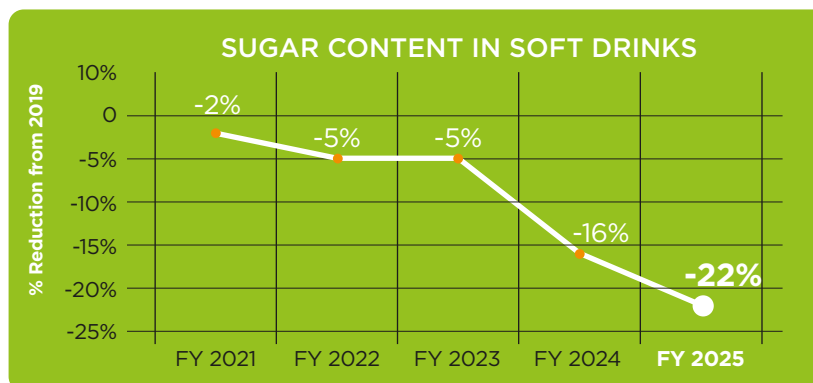
Building on the progress achieved in previous years, we are proud to report that we have not only met but exceeded this target. As of the latest review, we have achieved a 22% reduction in sugar content across our soft drinks portfolio since 2019. This achievement is the result of a series of strategic initiatives, including product reformulation, innovation, and targeted marketing campaigns that highlight zero-sugar alternatives.

A major milestone in our efforts was the successful launch of Kinnie Zero in the summer of 2024. Alongside our existing zero-sugar offerings—Pepsi Zero and 7up Zero—this addition has played a crucial role in shifting consumer preferences toward healthier options. Notably, sales

of zero-sugar beverages have outpaced those of full-sugar variants, with a significant 11% increase compared to just a 1% growth in traditional soft drinks.

The graph below shows the year-on-year reduction in sugar content per litre sales of our soft drinks portfolio.

Looking forward, we will continue to invest in product innovation and consumer education, ensuring that our beverage portfolio aligns with evolving 'better-for-you' preferences while maintaining the exceptional quality and taste our customers expect.





The Chapel Hop Project with New Victorians: A special Christmas Concert for Farsons Group employees and their families, as part of the celebrations of Mr Louis A. Farrugia's 50 years of service.

THE FARSONS FOUNDATION

The Farsons Foundation was established in 1995 by the Board of Directors of Simonds Farsons Cisk plc as a non-profit social purpose organisation. Over the years, it has targeted numerous well serving initiatives, which amongst others, support the local community and the conservation of Malta's heritage and built environment.

The Farsons Foundation has established strong links both with the University of Malta and MCAST and has been a long-term supporter of JAYE with the aim of strengthening the links between the world of work and academia, as well as entrepreneurship. The Foundation has a collaboration agreement with the University of Malta which provides support in the fields of Engineering, Built Heritage, Arts, Economics, Management, Accountancy, Social Wellbeing and Labour Studies. Initiatives relate to collaborative research including publications, providing input to the development of university courses, actively supporting the Deans' Awards and supporting projects as may be proposed.

Significant progress has been achieved following the agreement concluded between the Farsons Foundation and The University of Malta Research, Innovation and Development Trust (RIDT) as a result of the fortunate discovery of a collection of scenery that belonged to the Royal Opera House. This serendipitous discovery presented an important aspect of Maltese theatre history of which very little is known. The Farsons Foundation agreed to sponsor the publication, authored by Professor Vicki Ann Cremona, which delves deeply into the history of the Royal Opera House, which the Farrugia family was closely linked to during the same period of study.

Throughout financial year 2025, the Farsons Foundation also pledged to support the Heritage Parks Foundation through its project inside the Majjistral Heritage and Nature Park where it is carrying out the conversion of several British military structures into short stay accommodation for students and school children. Another recipient of support



Ms Rayner Josephine Vella accompanied by her tutor Ms Annabel Cutajar, is awarded the Farsons Foundation Prize for the best History Honours dissertation, presented by Mr Michael Farrugia.

was the Archdiocese of Malta through its delegate for Culture in aid of its Chapel Hop Project consisting of a series of concerts performed by the New Victorians. One of the concerts was organised exclusively for Farsons employees and their relatives.

The Farsons Foundation also continues to support initiatives related to physical and mental well-being, including responsible drinking and sensible eating. The Foundation has also continued to support individual philanthropic requests, and social solidarity causes whilst being a strong and ongoing supporter of L-Istrina, Hospice Malta and Caritas Malta, amongst other organisations.

The Farsons Group has indeed long recognised its corporate responsibilities towards all shareholders and the wider community. The Foundation is led by a Board of voluntary administrators and is supported by an administrative official. It met five times over the last financial year and contributed to a number of requests of which 28% were related to Social Solidarity, 48% of which were cultural and historical focused, and 24% related to educational and environmental projects.

GOVERNANCE AND ETHICAL BUSINESS CONDUCT (ESRS G1)

In addition to the disclosures presented in the Corporate Governance Statement within this Annual Report, the Group has proactively enhanced its reporting mechanisms through the adoption of various tools and software solutions. An annual risk assessment is conducted to identify and prioritise key focus areas, which are then addressed throughout the year. Internal audit provides independent advisory support, offering insights and recommendations to strengthen ethical and compliance practices.

ETHICS

Farsons Group firmly believes that its reputation is built upon the ethical conduct of its directors and employees, both individually and collectively. To reinforce this commitment, the Group upholds a robust Code of Conduct that outlines the ethical principles and behaviours expected across all levels of the organisation, whether acting within or beyond the workplace.

While the Code of Conduct may not address every possible scenario, it serves as a vital reference point—complemented by existing policies and procedures—to guide directors, leaders, and employees in making responsible, values-driven decisions. It encourages all members of the Group to “do the right thing” and to act with honesty, respect, and integrity in every interaction.

The Code explicitly promotes respect for colleagues, customers, business partners, the community, and the environment. It also reaffirms the Group’s zero-tolerance policy towards bribery, corruption, money laundering, fraud, violence, discrimination, intimidation, and harassment.

In line with the Group’s commitment to continuous improvement and responsible governance, the Code of Conduct—along with related processes and practices—is currently being reviewed and updated to reflect evolving standards, regulatory expectations, and stakeholder needs. By holding ourselves accountable to these principles, the Group ensures that third parties engaging with Farsons can consistently expect a standard of conduct that reflects the highest levels of ethical behaviour and corporate integrity.

BUSINESS RISK ASSESSMENTS

The Group is committed towards the implementation of an effective Risk Management framework that ensures an enterprise-wide approach to managing potential risks and opportunities that may impact the achievement of the Group’s objectives.

The Audit and Risk Committee serves as a primary champion of risk management at a strategic and operational level to ensure that a sound system is in place which identifies, assesses, manages, and monitors risk.

By way of alignment with the Code of Principles of Good Corporate Governance, the Group Internal Auditor coordinates a risk assessment process during which senior managers and their respective teams update their respective business unit’s risk register in line with the evolving risk environment. This process supports the establishment of formal and transparent arrangements for risk management and the maintenance of an effective system of internal control, as encouraged by the Code. It also helps ensure that mechanisms are in place to identify, evaluate, and manage key risks across the Group. Group management is in fact responsible for building a risk-aware culture within each business unit, updating the Risk Profile and performing a Risk Assessment for each business unit, agreeing Risk Management action plans, ensuring implementation of such risk treatment/mitigation measures, and identifying and reporting changed circumstances/risks. The Group Internal Auditor and a team of external consultants analyse, review, and challenge such updates, following which the revised risk register is presented to the Audit and Risk Committee.

INTERNAL AUDIT FUNCTION

The Group Internal Auditor operates on the basis of an audit plan, which targets high risk/priority areas as determined by the above-mentioned business risk assessment approach. The Audit and Risk Committee reviews and approves this audit plan and any subsequent revisions to accommodate ad hoc assignments arising throughout the year. Internal Audit assesses the risk processes across the Group; provides independent assurance on risk management, and reports on the efficiency and effectiveness of internal controls.

COMPLIANCE WITH INTERNATIONAL SANCTIONS

The global landscape of international sanctions continues to evolve, with an increasing number of restrictive measures being imposed by the EU, UN, and national authorities. These sanctions must be observed thoroughly, regardless of whether an entity operates in a regulated sector or not.

Farsons Group recognises the critical importance of maintaining full compliance with all applicable sanction regimes. Non-adherence, even unintentional, can result in serious legal, financial, and reputational consequences. As such, the Group is committed to ensuring that appropriate screening measures including adverse media checks. These are carried out diligently in relation to customers, suppliers, and third parties on a case-by-case basis. In line with this commitment, an Anti-Financial Crime Policy shall also be introduced across the Group to reinforce the governance framework and mitigate associated risks.

OUTLOOK AND CSRD ROADMAP

As we conclude this year’s sustainability report, it is evident that Farsons Group has made meaningful progress across a broad spectrum of environmental and social priorities. From carbon reduction and water efficiency to safety culture and responsible consumption, the Group continues to evolve in response to global challenges, local realities, and stakeholder expectations.

Strengthening our governance frameworks has been equally pivotal - ensuring transparency, ethical conduct, and accountability across all levels of the organisation, while aligning strategic decision-making with long-term sustainability goals.

Over the course of FY2025, we advanced several key initiatives. These included the installation of a new rooftop solar PV system, the commissioning of a CO₂ recovery plant, and the roll-out of tethered caps across PET bottles in alignment with EU regulations. We also strengthened our digital HR capabilities, broadened employee learning opportunities, and deepened our consumer engagement through health-focused innovation and responsible drinking campaigns.

Crucially, this transitional report marks a further step in our journey toward structured ESG reporting. Farsons is proactively aligning its internal processes with the European Sustainability Reporting Standards (ESRS). This includes conducting internal stakeholder workshops, identifying material Impact, Risk, and Opportunity (IRO) areas, and enhancing our sustainability data collection and governance systems.

Looking ahead, we intend to:

- Expand our ESG reporting boundaries, particularly across the value chain
- Continue enhancing the quality and granularity of our sustainability data
- Establish more formal targets in environmental and social areas, including energy, emissions, packaging, and workforce diversity

We recognise that sustainability is not a destination but an ongoing process of improvement, collaboration, and accountability. Farsons is committed to making responsible business a cornerstone of its long-term strategy—one that not only supports regulatory alignment but creates real value for people, planet, and profit.

SFC BEVERAGE MANUFACTURING - ENERGY, CARBON AND WATER	FY2022	FY2023	FY2024	FY2025
Environmental performance data (beer and soft drinks production)				
Total thermal energy consumption (kWh)	94,385,300	94,286,675	90,436,554	93,777,498
Total electricity consumption (kWh)	7,922,840	8,461,640	8,269,897	8,308,426
Total CO ₂ emissions (from direct and indirect fuel consumption) (t) (market-based)	4,638	4,922	4,942	5,224
Municipal water (m ³)	221,672	244,019	252,933	264,215
Own boreholes (m ³)	0	0	0	0
Total water use (m³)	221,672	244,019	252,933	264,215
Total water consumption (m ³)	221,672	244,019	252,933	264,215
Solid waste & by-products				
Waste Oils (ltrs)	1,900	875	1,000	4,642
WEEE (kgs)	17,650	9,880	4,720	29,420
Recycled (kgs)	103,081	173,255	107,640	81,408
Disposed of solid waste for landfill applications (kgs)	634,336	745,235	551,369	441,014
Relative figures for beer and soft drinks production				
Thermal energy (kWh/hl)	124.07	112.47	102.90	99.43
Electricity (kWh/hl)	10.41	10.09	9.41	8.81
Combined energy (thermal and electricity) (kWh/hl)	134.48	122.56	112.31	108.24
CO ₂ emissions (kg CO ₂ /hl)	5.28	5.01	4.59	4.45
Water (hl/hl)	2.91	2.91	2.88	2.80
Other figures				
Customer Complaints	57	67	55	36
Thermal energy mix				
Heavy fuel	0	0	0	0
Renewable energy	0	0	0	0
Light fuel	100	100	100	100
Renewable electricity				
Percentage of electricity from renewable sources	4.96	5.27	12.62	16.25

GROUP LABOUR, HUMAN RIGHTS, DIVERSITY, EQUITY AND INCLUSION	FY2022	FY2023	FY2024	FY2025
Group total workforce	1033	1165	1158	1291
Number of employees by Company				
Simonds Farsons Cisk p.l.c.	382	389	395	415
Farsons Distribution Services Limited	55	69	71	61
Farsons Beverage Imports Company Limited	48	57	60	64
Quintano Foods Limited	51	50	53	59
The Brewhouse Company Limited	0	0	24	23
EcoPure Limited	18	22	21	22
Food Chain Limited	479	578	534	647
Percentage of group employees by employment type				
Full-time	64%	64%	67%	80%
Part-time	36%	36%	33%	20%
Percentage of group employees by gender				
Men	70%	70%	71%	72%
Women	30%	30%	29%	28%
Percentage of group employees by nationality				
Maltese	72%	57%	59%	54%
Foreign	28%	43%	41%	46%
Percentage of group senior management roles level by gender				
Men	73%	73%	83%	83%
Women	27%	27%	17%	17%
Group employee turnover				
Employees' Average Years of Service		5.8 Years	4.73 Years	5.39 Years

CONSOLIDATED DISCLOSURES PURSUANT TO ARTICLE 8 OF THE TAXONOMY REGULATION

INTRODUCTION

In order to achieve the targets established by the European Union ('EU') of reaching net zero greenhouse gas ('GHG') emissions by 2050, with an interim target of reducing GHG emissions by 55%, compared to 1990 levels, by 2030, the EU has developed a classification system, by virtue of the EU Taxonomy Regulation, or ('the EU Taxonomy') which establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable.

The EU Taxonomy establishes criteria in terms of six environmental objectives, against which entities will be able to assess whether economic activities qualify as environmentally sustainable.

In order to qualify as such, an economic activity must be assessed to substantially contribute to at least one of these environmental objectives, whilst doing no significant harm ('DNSH') to the remaining objectives. This is achieved by reference to technical screening criteria established in delegated acts to the EU Taxonomy. The economic activity is also required to meet minimum safeguards established in the EU Taxonomy.

The six environmental objectives considered by the EU Taxonomy are the following, where climate-related environmental objectives (i-ii below) are established in the Climate Delegated Act ('CDA'), whilst non-climate environmental objectives (iii-vi below) are established in the Environmental Delegated Act ('EDA'). This financial year is the first reporting period in which the Group is required to report in the context of the EDA, which was formally adopted in 2023, following its initial eligibility disclosure in the prior reporting period.

- i. Climate change mitigation ('CCM');
- ii. Climate change adaptation ('CCA');
- iii. Sustainable use and protection of water and marine resources ('WTR');
- iv. Transition to a circular economy ('CE');
- v. Pollution prevention and control ('PPC'); and
- vi. Protection and restoration of biodiversity and ecosystems ('BIO').

A Delegated Act to the EU Taxonomy was issued in 2021, supplementing Article 8 of the Taxonomy Regulation ('the Disclosures Delegated Act'), which establishes the disclosure requirements of entities within the scope of the Taxonomy Regulation.

This currently comprises entities subject to an obligation to publish non-financial information pursuant to the Non-Financial Reporting Directive ('NFRD'), emanating from Article 19a or 29a of the Accounting Directive.

The Disclosures Delegated Act was further updated in 2023 by the Complementary Climate Delegated Act to include certain energy activities relating to fossil gas and nuclear energy.

In the following section, the Group, as a non-financial parent undertaking, presents the share of its turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period ended 31 January 2025, which are associated with the following, in accordance with the Disclosures Delegated Act.

- Taxonomy-eligible and Taxonomy-aligned economic activities in respect of climate-related environmental objectives; and
- Taxonomy-eligible economic activities in respect of non-climate environmental objectives.

This does not include subsidiary level Taxonomy KPIs in the contextual information, which are only required where the parent undertaking identifies significant differences between the risks or impacts of the Group and those of the subsidiaries, in line with FAQ 12 in the Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (second Commission Notice). The Group is currently still in the process of identifying such risks and impacts as part of its preparation for CSRD reporting.

The Group does not identify any significant differences between the risks or impacts of the Group and those of its subsidiaries. In addition, none of the Group's subsidiaries are currently obliged to publish non-financial information pursuant to the NFRD. Neither do they avail of the subsidiary exemption emanating from paragraph (9) of Article 19a, or paragraph (8) of Article 29a, of the Accounting Directive, respectively.

OUR ACTIVITIES

OVERVIEW

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities (continuing operations) in total turnover, CapEx and OpEx in FY 2025

FY 2025	Total (€000)	Proportion of Taxonomy-eligible (non-aligned) economic activities	Proportion of Taxonomy-aligned economic activities	Proportion of Taxonomy non-eligible economic activities
Turnover	101,802	0.8%	0.0%	99.2%
CapEx	6,969	33.2%	0.0%	66.8%
OpEx	27,703	9.0%	0.0%	91.0%

The Group also provides comparatives for the Financial Year ended 31 January 2024.

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities (continuing operations) in total turnover, CapEx and OpEx in FY 2024

FY 2024	Total (€000)	Proportion of Taxonomy-eligible (non-aligned) economic activities	Proportion of Taxonomy-aligned economic activities	Proportion of Taxonomy non-eligible economic activities
Turnover	96,520	0.7%	0.0%	99.3%
CapEx	4,224	36.0%	0.0%	64.0%
OpEx	25,970	9.0%	0.0%	91.0%

DEFINITIONS

‘Taxonomy-eligible economic activity’ means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (that is, either the Climate Delegated Act or the Environmental Delegated Act), irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

The Climate Delegated Act is structured such that Annex I contains a list of activities and the respective technical screening criteria in relation to the Climate Change Mitigation objective, whereas Annex II relates to the Climate Change Adaptation objective, with potentially different activities being considered in the different annexes.

The Environmental Delegated Act similarly comprises respective lists of activities and technical screening criteria in relation to the non-climate environmental objectives therein.

‘Taxonomy-aligned economic activity’ refers to a Taxonomy-eligible activity which complies with the technical screening criteria as defined in the Climate Delegated Act or Environmental Delegated Act and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity must contribute substantially to one or more environmental objectives while ‘doing no significant harm’ to any of the other environmental objectives. Furthermore, the activity must be performed in a manner that meets minimum safeguards in relation to human rights, bribery & corruption, fair competition and taxation.

‘Taxonomy non-eligible economic activity’ means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

The Group has examined all economic activities carried out to see which of these are Taxonomy-eligible in accordance with Annexes I and II to the Climate Delegated Act and Annexes I to IV to the Environmental Delegated Act. The table below indicates the activities performed by the Group which have been identified as Taxonomy-eligible and the environmental objective with which the activity may be associated. Information on the extent to which the economic activities are also Taxonomy-aligned is provided in the KPI templates further below.

Taxonomy-eligible activities were identified by extracting the total turnover, CapEx and OpEx required to be captured in the denominators of the respective KPIs and assessing the NACE code of the activities to which the amounts relate. The Group then assessed which of the identified NACE codes relate to activities included within the annexes to the Climate or Environmental Delegated Act. For the identified eligible activities, the Group then began the process to assess them against the technical screening criteria.

Through the activities highlighted in the following table, the Group generates turnover, and generally incurs both CapEx and OpEx for these activities.

Taxonomy-eligible economic activities (continuing operations)

Economic activity	Description	Turnover (%)*	CapEx (%)*	OpEx (%)*	NACE code
7.7 Acquisition and Ownership of buildings	The generation of rental income through investment property held by the Group	0.8%	0.0%	0.0%	L68

*% of the total turnover, CapEx and OpEx included in the denominator of the respective KPI

Economic activities classified under activity 7.7 'Acquisition and ownership of buildings' relate to the generation of rental income through property owned by the Group leased to third parties.

The CapEx classified as Taxonomy-eligible entails capital investments which relate to necessary components to execute the respective turnover-generating economic activity.

Other turnover generating activities performed by the Group classified as Taxonomy non-eligible

The Group's taxonomy non-eligible economic activities (continuing operations) relate to the brewing, production, importation and sale of branded beers and beverages as well as the management of the restored old brewery which includes, lease of property, independent food and beverage retail outlets, retail of branded merchandise and hosting of a visitors' centre.

Taxonomy eligibility of investment activities not directly related to turnover-generating activities

Further to the activities from which the Group generates turnover, and generally incurs both CapEx and OpEx, the Group also engages in investment activities not directly related to its turnover-generating activities as highlighted below.

Individually Taxonomy-eligible CapEx/OpEx and the corresponding economic activities (continuing operations)

Economic activity	Description of the taxonomy-eligible purchased output or individual measure	CapEx (%)*	OpEx (%)*	Environmental objective(s)	NACE code
6.6 Freight transport services by road	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.	1.9%	3.2%	CCM, CCA	H49
7.1 Construction of new building	Construction of new offices and warehousing facilities	0.0%	0.0%	CCM, CCA	F41
7.2 Renovation of existing buildings	All major renovation measures of existing buildings	0.0%	5.8%	CCM, CCA	F43
7.6 Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on site	4.3%	0.0%	CCM, CCA	F43
7.7 Acquisition and ownership of buildings	Acquisition of new leased premises	26.9%	0.0%	CCM, CCA	L68

*% of the total CapEx and OpEx included in the denominator of the respective KPI

The largest change in the Group's CapEx from eligible activities, vis-à-vis the prior period relates to activity 7.7, which increased from 0.0% to 26.9% of CapEx. Such an increase in Taxonomy-eligibility is largely driven by the acquisition of new leased premises for warehousing facilities.

TAXONOMY ALIGNMENT

Determining whether an activity meets the requirements to be classified as Taxonomy-aligned requires considerable detailed information about the activity in order to properly assess it against the established technical screening criteria.

The Group is currently still in the process of gathering the necessary information in order to conclude that activities may be considered as Taxonomy-aligned and verifying its accuracy. As a result of the ongoing process, the Group has not been able to substantiate the alignment of any of its activities in the current year.

As further progress is made in the Group's internal assessment process, certain activities may be identified as Taxonomy-aligned without the need for further capital investments.

Further to meeting technical screening criteria, economic activities must meet minimum safeguards relating to human and consumer rights, anti-corruption and bribery, taxation, and fair competition in order to be Taxonomy-aligned. Such assessment must be carried out in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as outlined in the Platform on Sustainable Finance's Report on Minimum Safeguards published in October 2022. The Group is currently still in the process of establishing a framework to comply with minimum safeguards.

However, as a result of no activities being considered as Taxonomy-aligned in the current year, disclosure requirements surrounding the assessment of Taxonomy-alignment in accordance with section 1.2.2.1 of the Disclosures Delegated Act are not deemed applicable to the Group.

OUR KPIs AND ACCOUNTING POLICIES

The key performance indicators ('KPIs') comprise the turnover KPI, the CapEx KPI and the OpEx KPI. In presenting the Taxonomy KPIs, the Group uses the templates provided in Annex II to the Disclosures Delegated Act. The Group also presents comparative figures on Taxonomy-alignment.

Moreover, since the Group is not performing any of the activities related to fossil gas and nuclear energy (activities 4.26-4.31), the Group only publishes Template 1 of Annex XII of the Disclosures Delegated Act as regards activities in certain energy sectors.

In section A.1 'Environmentally sustainable activities (Taxonomy-aligned)' of respective Turnover, CapEx, and OpEx templates, columns 5 and 6 are marked as 'N' given that the Group does not have any Taxonomy-aligned balances, whilst remaining columns 7-17 are marked as '-' since, under Substantial Contribution criteria, Taxonomy-alignment reporting is not required for non-climate environmental objectives and under DNSH criteria and Minimum Safeguards, there is no current Taxonomy-alignment assessment to be reported.

TABLE 1 - TURNOVER

Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities (continuing operations) – disclosure covering Financial Year 2025

Financial year 2025		2025		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		€ 000	%	Y: N N:EL	Y: N N:EL	Y: N N:EL	Y: N N:EL	Y: N N:EL	Y: N N:EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL										
Acquisition and Ownership of buildings	CCM 7.7 / CCA 7.7	823	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		823	0.8%														0.5%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		823	0.8%														0.5%		
B. TAXONOMY-NELEIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		100,979	99.2%																
TOTAL		101,802	100.0%																
		Proportion of turnover/Total turnover																	
			Taxonomy-aligned per objective																
			Taxonomy-eligible per objective																
		CCM	0.0%																
		CCA	0.0%																
		WTR	-																
		CE	-																
		PPC	-																
		BIO	-																

TABLE 2 - CAPEX

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (continuing operations) – disclosure covering Financial Year 2025

Financial year 2025 Economic Activities (1)	Code (2)	2025 CapEx (3)	Proportion of CapEx 2025 (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ 000	%	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Freight transport services by road	CCM 6.6 / CCA 6.6	135	1.9%	EL	EL	NEL	NEL	NEL	NEL								4.7%		
Construction of new buildings	CCM 7.1 / CCA 7.1	0	0.0%	EL	EL	NEL	NEL	NEL	NEL								12.4%		
Renovation of existing buildings	CCM 7.2 / CCA 7.2	0	0.0%	EL	EL	NEL	NEL	NEL	NEL								0.4%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	301	4.3%	EL	EL	NEL	NEL	NEL	NEL								8.3%		
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	1876	26.9%	EL	EL	NEL	NEL	NEL	NEL								14.1%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,312	33.2%														39.8%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		2,312	33.2%														39.8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		4,657	66.8%																
TOTAL		6,969	100.0%																

Proportion of CapEx/Total CapEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	33.2%
CCA	0.0%	33.2%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	0.0%

TABLE 3 - OPEX

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (continuing operations) – disclosure covering Financial Year 2025

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering financial year 2025

Financial year 2025 Economic Activities (1)	Code (2)	2025 OpEx (3)	Proportion of OpEx 2025 (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ 000	%	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Freight transport services by road	CCM 6.6 / CCA 6.6	887	3.2%	EL	EL	NEL	NEL	NEL	NEL								2.5%		
Renovation of existing buildings	CCM 7.2 / CCA 7.2	1,595	5.8%	EL	EL	NEL	NEL	NEL	NEL								6.5%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,482	9.0%														9.0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		2,482	9.0%														9.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		25,221	91.0%																
TOTAL		27,703	100.0%																

Proportion of OpEx/Total OpEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	9.0%
CCA	0.0%	9.0%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	0.0%

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

The specification of the KPIs is determined in accordance with Annex I to the Disclosures Delegated Act. The Group adopts the methodology to determine Taxonomy-alignment in accordance with the legal requirements and describes its policies in this regard as follows:

TURNOVER KPI

DEFINITION

The proportion of Taxonomy-aligned economic activities of the total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the Financial Year from 1 February 2024 to 31 January 2025. Given that the Group has not identified any Taxonomy-aligned economic activities, the current proportion of alignment is 0%.

The denominator of the turnover KPI is based on the consolidated net turnover in accordance with paragraph 82(a) of IAS 1. For further details on our accounting policies regarding the Group's consolidated net turnover, refer to disclosure Note 1.20 'Revenue recognition' in the Group's consolidated financial statements included in this Annual Report.

RECONCILIATION

The Group's consolidated net turnover (continuing operations) captured in the denominator of the KPI of €101.8 million reconciles with the amount disclosed in the 'Revenue' financial statement line item included in the 'Income Statements' in the consolidated financial statements included in this Annual Report.

Revenue reconciliation	Amount (€'000)
Turnover as per KPI denominator	101,802
Turnover as per the consolidated financial statements relating to:	
Brewing production, importation & sale of beer & branded beverages	101,802
Difference	-

From the amounts disclosed above, the amount of €823,180 allocated to Brewing production & sale of branded beers & beverages is disclosed as Taxonomy-eligible under activity 7.7 'Acquisition and ownership of buildings' in the Turnover KPI.

CAPEX KPI

DEFINITION

The CapEx KPI is defined as Taxonomy-aligned CapEx (numerator) divided by the Group's total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16). Acquisitions of investment properties (IAS 40) and additions as a result of business combinations would also be captured however, the Group had no such activities in the current year. For further details on our accounting policies regarding the Group's CapEx, refer to disclosure Note 1.3 'Property, plant and equipment', Note 1.4 'Intangible assets' and Note 1.21 'Leases', in the Group's consolidated financial statements included within this Annual Report.

The Disclosures Delegated Act established three categories under which to classify CapEx:

- a) CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities ("category a"). In this case, the Group considers that assets and processes are associated with Taxonomy-aligned economic activities where they are essential components necessary to execute an economic activity.

The Group follows the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx under this category (a).

Eligible CapEx under this category has been disclosed in the table named 'Taxonomy-eligible economic activity' in the 'Taxonomy-eligible and Taxonomy-aligned economic activities' section above.

- b) CapEx that is part of a plan to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity ("category b").

The Group has currently not developed such a plan, and therefore, no CapEx is considered to be eligible under this category.

- c) CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to GHG reductions ("category c").

The Group distinguishes between the purchase of output and individual measures as follows:

- 'Purchase of output' relates to when the Group just acquires the product or service that is mentioned in the activity description.
- 'Individual measure' refers to when the Group acquires a product through an activity that is regularly performed by the supplier, but where the Group controls the content and design of the product in detail.

Eligible CapEx under this category has been disclosed in the table named 'Individually Taxonomy-eligible CapEx/OpEx and the corresponding economic activities' in the 'Taxonomy-eligibility of investment activities not directly related to turnover generating activities' section above. The full amount of CapEx considered under this category relates purely to 'purchase of output'.

Purchases of output qualify as Taxonomy-aligned CapEx in cases where it can be verified that the respective supplier performed a Taxonomy-aligned activity to produce the output that the Group acquired. Since Taxonomy-alignment also includes DNSH criteria and minimum safeguards, the Group is not able to assess the Taxonomy-alignment on its own. For the purchased output in 2024/5, we were not able to obtain any conclusive confirmation of Taxonomy-alignment.

In order to avoid double counting in the CapEx KPI, the Group ensured that CapEx captured as part of "category a", which relates to turnover-generating activities, was not also included with the activities identified within "category c", particularly in the case of Taxonomy-eligible CapEx relating to the acquisition of a property which is partly leased out to third parties and partly utilised by the Group in the performance of its own operations.

Reconciliation

The Group's total CapEx captured in the denominator of the KPI can be reconciled to the consolidated financial statements of the Group included in this Annual Report, by reference to the respective disclosures capturing the additions for property, plant and equipment, intangible assets, and right-of-use assets.

CapEx Reconciliation	Amount (€'000)
CapEx as per KPI denominator	6,969
Additions as per the consolidated financial statements relating to:	
Property, plant and equipment	5,093
Intangible assets	-
Right-of-use assets	1,876
Difference	-

The following is a detailed breakdown of the property, plant and equipment, investment property, intangible assets, and right of use assets amongst the different activities disclosed in the CapEx KPI.

Detailed breakdown of property, plant and equipment additions	Amount (€'000)
PPE additions as per the consolidated financial statements	5,093
Allocation of PPE in the CapEx KPI	
6.6 Freight transport services by road	135
7.1 Construction of new building	-
7.2 Renovation of existing buildings	-
7.6 Installation, maintenance and repair of renewable energy technologies	301
7.7 Acquisition and ownership of buildings	0
Taxonomy non-eligible	4,657
Difference	0

OPEX KPI

DEFINITION

The OpEx KPI is defined as Taxonomy-aligned OpEx (numerator) divided by the Group's total OpEx (denominator).

Total OpEx consists of direct non-capitalised costs that relate to all forms of maintenance and repair. This includes staff costs, costs for services and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. Direct non-capitalised costs in relation to research and development, building renovation measures and short-term leases would also be captured, however, no such costs were incurred in the current year.

The OpEx considered by the Group does not include expenses relating to the day-to-day operation of PPE, such as raw materials, cost of employees operating any equipment and electricity or fluids that are necessary to operate the PPE. Amortisation and depreciation are also not included in the OpEx KPI.

In addition to the OpEx items captured in the current denominator of the OpEx KPI, the Group acknowledges that certain additional staff costs should also be captured, given that certain employee responsibilities relate to the servicing of PPE. Such costs have been excluded in the current year given that the Group is currently unable to allocate staff costs towards maintenance and repair activities. Once the Group develops an approach for allocating such staff costs, these will be captured as OpEx and as part of the KPI accordingly.

The Group also excludes direct costs for training and other human resources adaptation needs from the denominator and the numerator. This is because Annex I to the Disclosures Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the OpEx KPI.

Given that the Group has not identified any CapEx as being Taxonomy-aligned, naturally, no OpEx is able to be considered as Taxonomy-aligned.

Reconciliation

The Group's total OpEx captured in the denominator of the KPI cannot be directly reconciled to the consolidated financial statements of the Group included in this Annual Report, since the notes to the financial statements comprise amounts which relate to both Taxonomy-eligible and Taxonomy non-eligible activities. Therefore, the portion of Taxonomy-eligible OpEx within each item in Note 22 to the financial statements is identified below.

OpEx Reconciliation	Full amount as per Note 22 of consolidated financial Statements (€'000)	Amount in scope of OpEx KPI denominator as per Note 22 of consolidated financial statements (€'000)
OpEx as per EU Taxonomy KPI denominator		27,703
OpEx as per consolidated financial statements of which:	85,829	27,703
Raw materials, imported goods and consumables	39,871	27,703
Depreciation	7,127	-
Employee Benefit expense	19,958	-
Directors' Emoluments	833	-
Other Expenses	18,040	-

CORPORATE GOVERNANCE STATEMENT

Introduction

This statement is being made by Simonds Farsons Cisk plc (SFC) pursuant to the Capital Markets Rules which require that SFC, as a company whose equity securities are listed on a regulated market, should endeavour to adopt the Code of Principles of Good Corporate Governance (the Code) contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules. In terms of Capital Markets Rule 5.94, SFC is obliged to prepare a report explaining how it has complied with the Code. For the purposes of the Capital Markets Rules, SFC is hereby reporting on the extent of its adoption of the Code.

SFC acknowledges that the Code does not prescribe mandatory rules but recommends principles so as to provide proper incentives for the Board of Directors (the Board) and SFC's management to pursue objectives that are in the interest of the Company and its shareholders. Since its establishment, SFC has always adhered to generally accepted standards of good corporate governance encompassing the requirements for transparency, proper accountability, and the fair treatment of shareholders. The Board of Directors has therefore endorsed and adopted the Code of Principles.

As demonstrated by the information set out in this statement, together with the information contained in the Remuneration Report and the Statement by the Directors on Non-Financial Information, SFC believes that it has, save for the section entitled Non-compliance with the Code, throughout the accounting period under review, applied the principles and complied with the provisions of the Code. In the Non-compliance section, the Board indicates and explains the instances where it has departed from or where it has not applied the Code, as allowed by the Code.

Compliance with the Code

PRINCIPLE 1: THE BOARD

The Board's role and responsibility is to provide the necessary leadership, to set strategy and to exercise good oversight and stewardship. In terms of the Memorandum of Association of SFC, the affairs of the Company are managed and administered by a Board composed of eight directors.

The Board is in regular contact with the Group Chief Executive through the Chairman in order to ensure that the Board is in receipt of timely and appropriate information in relation to the business of SFC and management performance. This enables the Board to contribute effectively to the decision-making process, whilst at the same time exercising prudent and effective controls.

Prior to each meeting, Directors are provided with the necessary information and explanatory data as may be required by the particular item on the agenda. Comprehensive financial statements together with a comprehensive analysis of financial and business performance are also provided to the Board every month. The

Company has its own legal advisors, both internal and external. The Directors are entitled to seek independent professional advice at any time at the Company's expense where necessary for the proper performance of their duties and responsibilities.

All Board Members are accountable for their performance to shareholders and other stakeholders, attend regular Board Meetings and allocate sufficient time to perform their duties albeit in the best interest of SFC. The Board ensures integrity of transparency, operational controls, and compliance with the relevant laws.

The Board delegates specific responsibilities towards a number of committees, notably the Remuneration and Corporate Governance Committee, the Related Party Transactions Committee, and the Audit and Risk Committee. Further detail in relation to the committees and the responsibilities of the Board is found in Principles 4, 5 and 8 of this statement.

Corporate Governance is considered as a constitutive element intertwined in all discussions and decisions undertaken at the level of the Board and its Committees. This element had been fundamental in creating the corporate culture of the Company, setting the right tone at the top.

PRINCIPLE 2: CHAIRMAN AND CHIEF EXECUTIVE

The Memorandum and Articles of Association of SFC provides for the Board to appoint from amongst its Directors a Chairman and a Vice-Chairman. The Chairman is responsible to lead the Board and set its agenda, ensure that the Directors of the Board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company, ensure effective communication with shareholders, and encourage active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the Senior Management Board (SMB), headed by the Chief Executive Officer, is to ensure effective overall management and control of Group business and proper coordination of the diverse activities undertaken by the various business units and subsidiaries which make up the Group.

The SMB is, inter alia, responsible:

1. for the formulation and implementation of the strategy of the Group as approved by the Board
2. to achieve the objectives of the Group as determined by the Board and accordingly
3. to devise and put into effect such plans and to organise, manage, direct, and utilise the human resources available and all physical and other assets of the Group so as to achieve the most sustainable, economical and efficient use of all resources and the highest possible profitability in the interest of the shareholders and all other stakeholders, whilst respecting environmental and social factors.

All members of the SMB itself are senior SFC executives with experience in the Group's business and with proven professional ability, and each has a particular sphere of interest within his competence. The Group Chief Executive reports regularly to the Board on the business and affairs of the Group and the commercial, economic, and other challenges facing it. He is also responsible to ensure that all submissions made to the Board are timely, give a true and correct picture of the issue or issues under consideration, and are of high professional standards as may be required by the subject matter concerned.

The Company has an Operations Board which discusses operational issues on a monthly basis, a Group Receivables Review Board which monitors the collection of receivables, and a Quality Board which monitors quality levels and controls. These boards are composed of executive managers of the Group.

The subsidiaries of SFC have their own management structure, accounting systems and internal controls, and are governed by their Board, whose members are appointed by the Company and included members of the SMB.

The above arrangements provide sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision-making powers are spread widely enough to allow proper control and reporting systems to be in place and maintained in such a way that no one individual or small group of individuals actually has unfettered powers of decision.

PRINCIPLE 3: COMPOSITION OF THE BOARD

Each member of the Board offers core skills, attributions and experience that are relevant to the successful operation of the Company. Although relevance of skills is key, a balance between skills represented is sought through the work of the Remuneration and Corporate Governance Committee to ensure that there is an appropriate mix of members with diverse backgrounds. The shareholders are aware of the importance at board level of diversity with regards to age, gender, educational and professional backgrounds among others, and although there is no formal diversity policy, every effort is made as and whenever possible to promote enhanced diversity whilst ensuring that the Board continues to meet its role and responsibility in the best possible way.

The Board is composed of a Chairman, one Executive Director, a Non-Executive Vice-Chairman and five Non-Executive Directors.

Executive Directors

Mr Louis A. Farrugia F.C.A. – *Chairman*

Mr Michael Farrugia M.A. (Edin.), MBA (Warwick) – *Executive Director*
Deputy Chief Executive (Beverage Business)

Non-Executive Directors

Mr Marcantonio Stagno d'Alcontres – *Vice-Chairman*

Mr Matthew Marshall

Dr Max Ganado LL.D, LL.M (Dal)

Mr Roderick Chalmers M.A. Div. (Edin.) F.C.A., A.T.I.I., F.C.P.A., M.I.A.

Ms Marina Hogg

Mr Neil Psaila

The Group Chief Executive attends all Board meetings, albeit without a vote, in order to ensure his full understanding and appreciation of the Board's policy and strategy, and so that he can provide direct input to the Board's deliberations. The Board considers that the size of the Board, whilst not being large as to be unwieldy, is appropriate, taking into account the size of the Company and its operations. The combined

and varied knowledge, experience and skills of the Board members provide a balance of competences that are required and add value to the functioning of the Board and its direction to the Company.

It is in the interest of each of the three major shareholders (who are the original promoters of the Company) to nominate as Directors knowledgeable, experienced and diligent persons. Apart from this, informal arrangements, which do not infringe on their rights as shareholders, exist for consultation prior to any changes in the membership of the Board, as well as to assist in the identification of suitable persons who can be nominated for election by the other shareholders at general meetings, and who can bring in an independent viewpoint and particular knowledge to the deliberations of the Board.

Family relationships among Directors, the Directors' interest in the share capital of the Company (as disclosed in the Shareholder Information) and the commonality of Directors with Trident Estates plc with which the Company maintains contractual relationships, represent potential conflicts of interest. This notwithstanding, all Directors except for the Chairman and for Mr Michael Farrugia, are considered to be independent in that they do not hold any relationship with the Company, a controlling shareholder or their management which creates a conflict of interest such as to impair their judgement. This has been ensured through the implementation of the following measures:

- a. **Disclosure and Exclusion:** A Director is obliged to disclose any matter that may give rise to a potential or actual conflict. Upon such disclosure, the Director shall be excluded from all deliberations and voting in relation to the relevant matter; provided, however, that such exclusion shall not preclude the Director from being present at the meeting during which the matter is discussed;
- b. **Related Party Transactions Committee:** with regards to any transactions which may be determined to be related party transactions, such transactions are referred to and dealt with by the Related Party Transactions Committee (the "Committee"). Consistent with the principles applicable at the Board level, any Director who is a related party in respect of a particular transaction shall not participate in the Committee's deliberations or decision-making regarding the transaction. Notwithstanding the foregoing, such Director shall not be precluded from attending the meeting at which the matter is considered. Furthermore, due to the fact that the most frequent matters on which a related party transaction may arise would be in relation to a transaction with Trident Estates plc, the Committee in session is made up of Directors who are different members from the boards of Trident Estates plc and the Company respectively;
- c. **Continuing Conflict:** any Director having a continuing material interest that conflicts with the interests of the Company is obliged to take effective steps to eliminate the grounds for conflict, and should this not be possible, said Director is encouraged to consider resigning;
- d. **Separation of Family Interests:** The Board has taken the view that the length of service on the Board does not undermine any of the Directors' ability to consider appropriately the issues which are brought before the Board. Apart from possessing valuable experience and wide knowledge of the Company and its operations, the Board feels that the Directors in question are able to exercise independent judgement and are free from any relationship which can hinder their objectivity. Although, the Board believes that by definition, employment with the Company renders a Director non-independent from the institution, this should not however, in any manner, detract from the non-independent Directors' ability to maintain independence of analysis, decision and action.

PRINCIPLES 4 AND 5: THE RESPONSIBILITIES OF THE BOARD AND BOARD MEETINGS

The Board meets regularly every month apart from other occasions as may be needed. Individual directors, apart from attendance at formal board meetings, participate in other ad hoc meetings during the year as may be required, and are also active in board sub-committees as mentioned further below, either to assure good corporate governance, or to contribute more effectively to the decision-making process.

Meetings held:	15
Members attended:	
Mr Louis A. Farrugia	15
Mr Marcantonio Stagno d'Alcontres	15
Mr Matthew Marshall	13
Dr Max Ganado	14
Mr Roderick Chalmers	15
Ms Marina Hogg	15
<i>(1 of which was attended by an alternate director Ms Helene Zammit)</i>	
Mr Michael Farrugia	15
Mr Neil Psaila	15

The Board, in fulfilling this mandate within the terms of the Company's Memorandum and Articles of Association, and discharging its duty of stewardship of the Company and the Group, assumes responsibility for the following:

- reviewing and approving the business plan and targets that are submitted by management, and working with management in the implementation of the business plan;
- identifying the principal business risks for the group and overseeing the implementation and monitoring of appropriate risk management systems;
- ensuring that effective internal control and management information systems for the group are in place;
- assessing the performance of the group's executive officers, including monitoring the establishment of appropriate systems for succession planning and for approving the compensation levels of such executive officers; and
- ensuring that the group has in place a policy to enable it to communicate effectively with shareholders, other stakeholders, and the public generally.

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives and can provide only reasonable, and not absolute, assurance against material error, losses, or fraud. Through the Audit and Risk Committee, the Board reviews the effectiveness of the Company's system of internal controls, which are monitored by the Group Internal Auditor.

In fulfilling its responsibilities, the Board regularly reviews and approves various management reports as well as annual financial plans, including capital budgets. The strategy, processes and policies adopted for implementation are regularly reviewed by the Board using key performance indicators. To assist it in fulfilling its obligations, the Board has delegated responsibility to the Group Chief Executive.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Group Chief Executive is appointed by the Board and enjoys the full confidence of the Board. The Group Chief Executive, although

responsible for the recruitment and selection of senior management, consults with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees is a priority, coordinated through the Company's Human Resources Department. On joining the Board, a Director is provided with briefings by the Chairman and the Group Chief Executive on the activities of the Company's business areas. Furthermore, all new Directors are offered a tailored induction programme. Directors may, where they judge it necessary to discharge their duties as Directors, take independent professional advice on any matter at the Company's expense.

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required. Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring adherence to Board procedures, as well as good information flows within the Board and its Committees.

The Chairman ensures that Board members continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board Committees. The Company provides the necessary resources for developing and updating its Directors' knowledge and capabilities. The Company Secretary is also responsible for advising the Board through the Chairman on all governance matters.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

The evaluation of Board Performance is a responsibility of the **Remuneration and Corporate Governance Committee** which is chaired by a Non-Executive Director.

Periodic evaluations of Board Performance are conducted through a Board Effectiveness Questionnaire prepared by the Company Secretary in liaison with the Chairman of the Committee. The Company Secretary discusses the results with the Chairman of the Committee, who then presents the same to the Board together with initiatives undertaken to improve the Board's performance and effectiveness. The latest review has not resulted in any material changes in the Company's internal organisation or in its governance structures. Non-Executive Directors are responsible for the evaluation of the Chairman of the Board.

PRINCIPLE 8: COMMITTEES

The Board has set up the following sub-committees to assist it in the decision-making process and for the purposes of good corporate governance. The actual composition of these committees is given in the Annual Financial Report, but as stated earlier, each of the three major shareholders and the public shareholders are represented as far as possible.

The Remuneration and Corporate Governance Committee (RCGC) is chaired by a Non-Executive Director and is entrusted with leading the process for evaluating the nomination of new directors and making recommendations to the Board. The Committee is also responsible for monitoring and reviewing best corporate governance practices and reporting thereon to the Board, including on the annual review of the Evaluation of Board Performance. From time-to-time important matters relating to corporate governance are elevated to and dealt

with at full meetings of the Board, at which all Directors participate. Furthermore, the RCGC is responsible for drawing up and proposing the Remuneration Policy to the Company's Board of Directors for its consideration and approval. The Committee reviews and recommends all remuneration packages (both fixed and discretionary) relating to Executive Directors and Non-Executive Directors. The recommendations of the RCGC in this regard are submitted to the full Board for final approval. Individual Directors recuse themselves from any participation as appropriate.

The Related Party Transactions Committee is presided over by a Non-Executive Director and deals with and reports to the Board on all transactions with related parties. In the case of any Director who is a related party with respect to a particular transaction, such Director does not participate in the committee's deliberation and decision on the transaction concerned. Notwithstanding the foregoing, such Director shall not be precluded from attending the meeting at which the matter is considered.

In view that the most frequent matters on which a related party transaction may arise would be in relation to a transaction with Trident Estates plc, and that the Board of Directors of SFC and that of Trident Estates plc have a number of common Directors, the Board of Directors and the respective Related Party Transaction Committees in the first instance delegate the day-to-day negotiations between the two companies to the respective CEOs. The CEOs are fully independent, act in the best interest of their respective company and have no conflict of interest to impair their judgement. The CEO's then report to the respective Related Party Transaction Committees.

The primary objective of the Audit and Risk Committee (ARC) is to protect the interests of the Company's shareholders and assist the Directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The ARC is composed of the following Non-Executive Directors:

- Mr Roderick Chalmers – *Chairman*
- Ms Marina Hogg
- Mr Neil Psaila

All of the Directors on the ARC are Non-Executive Directors and in the opinion of the Board are free from any significant business, family or other relationship with the Company, its shareholders or its management that would create a conflict of interest such as to impair their judgement.

Mr Roderick Chalmers and Mr Neil Psaila are professionally qualified accountants with competence in matters relating to accounting and auditing. The ARC as a whole has extensive experience in matters relating to the Company's area of operations, and therefore has the relevant competence required under the Capital Markets Rule 5.118.

The ARC also reviews and approves the internal audit plan prior to the commencement of every financial year. The Committee oversees the conduct of the internal and external audits and acts to facilitate communication between the Board, management, the external auditors and the Group internal auditor.

The ARC held five meetings during the financial year ended 31 January 2025. These meetings are mainly to discuss formal reports remitted by the Group internal auditor and to consider the external auditors' audit plan, the annual and six-monthly financial results, and the Annual Report. Periodic risk related, and other reviews are also considered by the Committee.

The Group internal auditor who also acts as secretary to the ARC, is present at Committee meetings. The external auditors are invited to attend specific meetings of the Committee and are also entitled to convene a meeting of the committee if they consider that it is necessary. The Group Chief Executive and the Chief Financial Officer are also invited to attend Audit and Risk Committee meetings. Members of management may be asked to attend specific meetings at the discretion of the Audit and Risk Committee.

Apart from these formal meetings, the ARC Chairman and the Group internal auditor meet informally on a regular basis to discuss ongoing issues.

The Group internal auditor has an independent status within the Group. In fact, the Group internal auditor reports directly to the ARC and holds right of direct access to the Chairman of the committee at all times.

The Group internal auditor works on the basis of an audit plan which focuses on areas of greatest risk as determined by a risk management approach. The audit plan is approved by the ARC at the beginning of the financial year, and subsequent revisions to this plan in view of any ad hoc assignments arising throughout the year, would have to be approved by the ARC Chairman.

PRINCIPLES 9 AND 10: RELATIONS WITH SHAREHOLDERS AND WITH THE MARKET, AND INSTITUTIONAL SHAREHOLDERS

Every shareholder owning twelve and a half percent (12.5%) of the ordinary issued share capital or more, is entitled to appoint and replace a Director for each and every twelve and a half percent (12.5%) of such shares, and the remaining ordinary shares not so utilised are entitled to fill the remaining unfilled posts of Directors. Thus, each of the three major shareholders who are named and whose holdings are listed in Note 33 to the financial statements, normally each appoint two Directors for a total of six, the remaining two Directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the Board. The interests of the Directors in the shares of the Company are disclosed in the Shareholders' information section of this Annual Financial Report.

The Company recognises the importance of maintaining a dialogue with its shareholders and of keeping the market informed to ensure that its strategies and performance are well understood. The Board is of the view that during the period under review the Company has communicated effectively with the market through several company announcements and press releases.

The Board endeavours to protect and enhance the interests of both the Company and its shareholders, present and future. The Chairman ensures that the views of shareholders are communicated to the Board as a whole.

The Board always ensures that all holders of each class of capital are treated fairly and equally. The Board also acts in the context that its shareholders are constantly changing and, consequently, decisions take into account the interests of future shareholders as well. Shareholders also appreciate the significance of participation in the general meetings of the Company. They hold Directors to account for their actions, their stewardship of the Company's assets and the performance of the Company.

The agenda for general meetings of shareholders and the conduct of such meetings is arranged in such a manner to encourage valid discussion and decision-taking. The Chairman and the Group Chief Executive also ensure that sufficient contact is maintained with major shareholders to understand issues and concerns.

The Company also communicates with its shareholders through the Company's Annual General Meeting (AGM) (further detail is provided under the section entitled General Meetings). The Chairman makes arrangements for the Chairmen of the Audit and Risk Committee and the Remuneration and Corporate Governance Committee to be available to answer questions, if necessary.

Apart from the AGM, SFC communicates with its shareholders by way of the Annual Financial Report and by publishing its results on an annual basis. The Company's website (www.farsons.com) also contains information about the Company and its business, including an Investor Relations section. In addition, the Company holds a meeting for stockbrokers and financial intermediaries once a year to coincide with the publication of its Annual Financial Report.

The Company Secretary maintains two-way communication between the Company and its investors. Individual shareholders can raise matters relating to their shareholdings and the business of the Group at any time throughout the year and are given the opportunity to ask questions at the AGM or submit written questions in advance.

In terms of Article 51 of the Articles of Association of the Company and Article 129 of the Maltese Companies Act, 1995, the Board may call an extraordinary general meeting on the requisition of shareholders holding not less than one-tenth (1/10) of the paid-up share capital of the Company. Minority shareholders are allowed to formally present an issue to the Board of Directors.

In the event of conflicts arising between minority shareholders and the three major shareholders, who are also the original promoters of the Company, every effort shall be made to seek mediation.

PRINCIPLE 11: CONFLICTS OF INTEREST

The Directors are strongly aware of their responsibility to act at all times in the best interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest. Should any such conflicts of interest be perceived to arise:

- a Director is obliged to make full and frank disclosure with respect to any matter where there is a potential or actual conflict, whether such conflict arises from personal interests or the interests of the companies in which such person is a Director or officer;
- the said Director is not precluded from attending the meeting, but is not involved in the deliberations or decision-making regarding the matter; and
- the said Director does not vote on any such matter.

A Director having a continuing material interest that conflicts with the interests of the Company, is obliged to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict then the Director should consider resigning.

On joining the Board and regularly thereafter, the Directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Capital Markets Rules and the Market Abuse Regulation.

The Directors' interests in the share capital of the Company as at 31 January 2025 and as at 30 April 2025 are disclosed in the Shareholder Information section of this Annual Financial Report.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The principal objective of the Company's commitment to Corporate Social Responsibility (CSR) is to provide support where possible in aspects that include social, occupational, financial, cultural, and historical values. Tracing its origins since 1928, the Company is very much rooted in local culture and as a Company, it endeavours to meet the expectations of the community by engaging among a host of other initiatives in the following:

- Encouraging moderate drinking and responsible alcohol consumption;
- Corporate Social Responsibility (CSR) Day initiative – Together with other sponsoring companies, employees volunteer to carry out turnkey projects involving one day's work during a public holiday;
- Sponsorships of major charitable events on a national level;
- Promoting the industrial heritage of the Maltese Islands;
- Cooperating with the University of Malta, particularly in the areas of engineering, the built environment and history;
- Participation in recognised national student-exchange programmes for the benefit of local and foreign students.
- Assisting with environmental projects;
- Waste and energy conservation initiatives and policies;
- Liaising with NGOs and the provision of employment opportunities for groups of people with a disability on a yearly basis;
- Assisting employees encountering medical problems with obtaining overseas medical treatment;
- Supporting employees with a home loan interest subsidy scheme; Employee Assistance Programmes for employees needing support, rehabilitation, counselling and advice;
- The Farsons Foundation promotes and supports local initiatives and considers requests from a social, cultural and historical perspective at no commercial gain for the Company. The Foundation is entirely funded by subventions authorised by the SFC Board. The aims of the Foundation are to promote and assist the development and public manifestation of Maltese culture, especially in the fields of art, music, literature, and drama;
 - contribute to research projects and assist in the publication of studies undertaken by any duly qualified person or persons regarding Maltese disciplines relating to art, music, and drama;
 - provide assistance to talented Maltese to enable them to obtain higher professional standards than those that can be obtained locally in disciplines relating to art, music, and drama;
 - contribute by means of financial assistance towards the work of any private, voluntary, and non-profit organisation or religious body engaged principally in fostering social solidarity.

Non-compliance with the Code

PRINCIPLE 4 (CODE PROVISION 4.2.7):

This Code Provision recommends “the development of a succession policy for the future composition of the Board of Directors and particularly the executive component thereof, for which the Chairman should hold key responsibility”.

The Memorandum and Articles of Association of the Company provide for the appointment of directors as being a matter reserved exclusively to SFC's shareholders (except where the need arises to fill a casual vacancy) as explained under Principle 3 of this report. However, in recognition of evolving standards of good corporate governance, the Remuneration and Corporate Governance Committee holds discussions concerning the composition of the Board and succession policies in relation thereto. An active succession policy is however in place for senior executive positions in the Company including that of the Group Chief Executive.

Internal controls

Internal Control

The key features of the Group's system of internal control are as follows:

Organisation:

The Group functions through a main board of directors concurrent with subsidiary boards having clear reporting lines and delegated powers.

Control Environment:

The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations.

Group policies and employee procedures are in place for the reporting and resolution of fraudulent activities. The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Group objectives.

Risk Identification:

Group management is responsible together with each subsidiary's management, for the identification, evaluation, control and reporting of major risks applicable to their areas of business.

Reporting:

The Group has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties, reviews by management and internal audit.

On a monthly basis the Board receives a comprehensive analysis of financial and business performance, including reports comparing actual performance with budgets as well as the analysis of any variances.

Cybersecurity

As part of its effort to combat cybersecurity, SFC has implemented, and continue to implement and upgrade on an ongoing basis, a series of cyber-defence technical layers in place across all systems, also through specialised cybersecurity technical partners, that are devised on identified risks, established and new technology trends and recognised industry best practices, with all processes that are also further fine-tuned in response to varied and new cybersecurity related threats as they emerge accordingly. Besides the purely technical

measures, SFC also ensures adequate user awareness on cybersecurity matters that includes informing, educating and testing employees to help protect the business against forms of cybercrimes, including phishing and other social-engineering related threats, amongst others. Moreover, SFC also liaises as required with local and international related authorities to keep abreast on related matters and to enhance awareness on specific cyber risks and threats. To complement all the above, SFC engages with a specialised external organisation to, amongst others, act as a reference point on many fronts for any cybersecurity related advice, input and tasks.

For business continuity purposes, the IT function also implements and tests a series of redundancy measures at various systems, network and hardware levels that include, but are not limited to, provision of internet service at both physical hardware access levels within our network and outside besides also ensuring continuity of service, data storage, server and backup management, communication links and others. We continuously upgrade and test for any redundant measures while implementing new ones in line with the IT plan and the Group's business model.

Code of conduct

The existing Code of Conduct for SFC directors and employees was updated in January 2015 to replace an earlier version that had been approved by the Board of Directors in September 1997. While its fundamental principles remained unchanged the Code continues to reinforce the Group's core values of Success, Teamwork, Respect, Integrity, Dynamism and Excellence which are abbreviated by the acronym S.T.R.I.D.E.

SFC's reputation depends on how each of its directors and employees conducts themselves both individually and collectively as a company. Therefore, the Code of Conduct complemented by existing policies and procedures is intended to serve as general guidance for all directors, leaders and employees in making responsible, values-driven decisions. It encourages all members of the Group to “do the right thing” and to ensure the highest standards of integrity, mutual respect and cordiality, contributing to an ethical and professional environment.

The full version of the Code of Conduct is accessible to all directors and employees on the company's intranet whilst an abridged version is included on the Employee Handbook which is distributed in hard copy to all employees. The Group Human Resources Department promotes and ensure awareness of this document, inter alia by providing all new recruits with adequate training as well as refresher courses for existing employees.

The Code of Conduct explicitly promotes respect for colleagues, customers, business partners, the community, and the environment. It reaffirms the Board's zero-tolerance policy towards bribery, corruption, improper payments and money-laundering as well as fraud malpractice wrongdoing, violence, discrimination, intimidation and harassment. The Code underscores the Group's unwavering commitment to ethics, integrity and best practices across all aspects of its operations.

SFC employees have a responsibility to voice their concerns when they suspect/know that their superiors/colleagues are involved in something improper, unethical or inappropriate or have potentially infringed the Code of Conduct. To support this commitment, the Group maintains a Speak-Up policy originally approved by the Board of Directors in April 2014, which ensures that all cases of suspected wrongdoing are reported and managed in a timely and appropriate manner. This policy establishes clear reporting channels to enable employees and third parties engaging with SFC to raise concerns with confidence.

General meetings

The manner in which the general meeting is conducted is outlined in Articles 49 to 52 of the Company's Articles of Association, subject to the provisions of the Maltese Companies Act, 1995. An Annual General Meeting of shareholders is convened within seven months of the end of the financial year, to consider the annual consolidated financial statements, the Directors' and Auditor's report for the year, to decide on dividends recommended by the Board, and to elect the Directors and appoint the Auditors of the Company. The Remuneration Report is subjected to an advisory vote of the shareholders at each Annual General Meeting. Prior to the commencement of the Annual General Meeting, a presentation is made to shareholders on the progress made and strategies adopted during the year in the light of prevailing market and economic conditions, and the objectives set by the Board, and an assessment on future prospects is given. The Group's presence on the world wide web (www.farsons.com) contains a corporate information section.

Apart from the above, the Group publishes its financial results every six months and from time-to-time issues Company Announcements or other public notices regarding matters which may be of general interest or of material importance to shareholders and the market in general, or which may concern price sensitive issues.

At the time of the Annual General Meeting, public meetings are held to which institutional investors, financial intermediaries and investment brokers are invited to attend. Press releases are also issued periodically concerning the business activities of the Group.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Capital Markets Rules, have the right to attend, participate and vote in the general meeting. A shareholder or shareholders holding not less than 5% of the voting issued share capital may request the Company to include items on the agenda of a general meeting and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty-six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or such persons as the Directors may delegate for that purpose.

Signed by Louis A. Farrugia (Chairman) and Marcantonio Stagno d'Alcontres (Vice-Chairman) on the 28 May 2025

REMUNERATION REPORT

1. Terms of reference and membership

The Remuneration and Corporate Governance Committee (RCGC) is composed of three non-executive Directors. During the financial year ended 31 January 2025 (FY 2025), the RCGC was composed of Marcantonio Stagno d'Alcontres (Chairman), Roderick Chalmers and Matthew Marshall. The Committee met 4 times during the year. Marcantonio Stagno d'Alcontres, Roderick Chalmers and Matthew Marshall attended all respective meetings.

In terms of the Remuneration Policy of the Group, the RCGC is responsible for reviewing and approving all remuneration packages of Executive Directors, Non-Executive Directors and Senior Management. The Remuneration Policy was approved by Shareholders at the 77th Annual General Meeting held on 27 June 2024 and can be found on the Group's website www.farsons.com. Any material amendment to the Remuneration Policy shall be submitted to a vote by the Annual General Meeting before adoption and shall in any event be subject to confirmation at least every four years. The RCGC is also responsible for drawing up and proposing to the Company's Board of Directors any amendments thought necessary to the Remuneration Policy for consideration and approval.

As provided in the Remuneration Policy, the recommendations of the RCGC are submitted to the full Board for consideration and final approval. Individual Executive Directors recuse themselves from any participation in Board discussions concerning their own remuneration as appropriate.

2. Remuneration strategy and policy

The strategy of the Farsons Group is founded on creating and nurturing world class brands which inspire the trust and loyalty of consumers; championing customer relationships and building meaningful partnerships; engaging talent and empowering employees to deliver sustainable and quality driven operations; connecting with the community and embracing our social and environmental responsibilities; providing a fair return to shareholders so as to ensure long-term investment and profitable growth. It is believed that it is through the implementation and observance of the above principles that the Group will accomplish the vision of growing its local and international business within the food and beverage sector.

In order to achieve the above strategic outcomes, it is necessary that the Farsons Group attracts, retains and motivates the best available talent at all levels – from the most recently recruited trainee to members of the Board of Directors.

In order to be successful in this quest of attracting, retaining and motivating best in class talent, it is essential that the Group's Remuneration Policy provides market-competitive salaries and related benefits by reference to those provided by other entities operating in relevant and comparative market sectors in what is becoming an increasingly competitive environment. There is therefore a clear synthesis in the pay structures of the wider workforce and executives across the Group, and the Board believes that this approach serves the best long-term interests of all stakeholders.

The above principles apply equally to Remuneration Policy insofar as Directors are concerned. However, there is a need to distinguish between Executive and Non-Executive Directors, and further details are provided below.

3. Remuneration policy – Executive Directors

Executive Directors are members of the Board who also have an executive role in the day-to-day management of the Company and the Group. Apart from Mr Louis A. Farrugia and Mr Michael Farrugia, for the purposes of this Remuneration Report and pursuant to Capital Markets Rule 12.2A, the Group Chief Executive Officer is considered to be an Executive Director of the Company.

Insofar as Executive Directors are concerned, remuneration is made up of the following components:

- (a) **Fixed Pay** – Fixed or Base salary (including statutory bonus) – these are established by reference to the role, skills and experience of the individual concerned and appropriate market comparatives.
- (b) **Variable Pay** – which is made up of two components as follows:
 - i. **Performance bonus** – a variable component established by reference to the attainment or otherwise of pre-established quantitative targets. Quantitative goals could include pre-set profit, EBITDA and/or sales targets.
 - ii. **Discretionary bonus** – also a variable component, established by reference to the evaluation of qualitative goals which are reviewed from time to time. Typically, targets are directed towards the long-term interest and sustainability of the Group and could include the effective implementation of specific business initiatives and capital expenditure programmes, environmental and other CSR/ESG goals and staff retention initiatives.

The variable components to the remuneration awarded to Executive Directors are established from year to year and the quantitative and qualitative targets included therein would change from time to time depending on the circumstances of the business and the then prevailing commercial environment.

There are no pre-set fixed relationships between fixed and variable remuneration – and these would vary between Executive Directors (and indeed senior management). Whereas quantitative awards are usually formulaic in their calculation, discretionary and qualitative awards necessarily involve the application of subjective judgement.

Other provisions that form part of the Remuneration Policy include the following:

- Claw Backs – there are no claw back provisions in place in respect of variable salary awards.
- Benefits – which would comprise those benefits normally available to senior executives comprising principally (a) the provision of a suitable (taxed and insured) company car, (b) standard executive health insurance and life assurance cover, (c) mobile phone and allowance (d) other incidental benefits. Executive Directors also receive an expense allowance in reimbursement of certain expenses incurred in the execution of their respective roles and duties.
- Fees – Executive Directors are also entitled to receive the fixed Director's fee payable to all Directors in their capacity as members of the Board (see below). This component is payable from the aggregate amount of emoluments approved by the Shareholders in General Meeting.
- Share Option schemes – to date it has not been the policy of the Group to introduce any form of share option scheme or other executive share awards.

The Board believes that the above components of Executive Director remuneration serve to contribute to the realisation of the Group's long-term strategy and interest, and also serve to secure alignment between the interests of the Executive Directors and that of the Shareholders.

Members of the Board of Directors appointed under the provisions of Article 95 retire from office at least once every three years but remain eligible for re-appointment. Those members of the Board elected under the provisions of Article 96 shall retire from office at the end of the next Annual General Meeting following their election, and also remain eligible for re-election. With the exception of the Group Chief Executive (GCE), Executive Directors are all engaged without fixed term contracts. In terms of current labour regulations all are regarded as employees on indefinite contracts. Subject to satisfactory performance, the GCE is engaged on a (renewable) fixed term contract.

With the exception of the Executive Chairman, no long-term pension plans are in place. Insofar as the Executive Chairman is concerned, in view of his 50+ years of service to the Group, the Board has (on the recommendation of the RCGC) approved arrangements whereby his wife would receive a deferred lifetime annuity in the sum of approximately €60,000 per annum in the event that the Chairman pre-deceases her.

4. Remuneration policy – Non-Executive Directors

Non-Executive Directors are those members of the Board who do not have a role in the day-to-day executive management of the Company and the Group. Remuneration for Non-Executive Directors is determined by the Board of Directors as a whole and takes into account the skills required and those levels prevailing in the market for entities of a similar size and complexity.

The aggregate remuneration payable to Non-Executive Directors is approved by Shareholders in General Meeting pursuant to Article 81(1) of the Articles of Association of the Company and has two components:

- A fixed or base Director's fee which is established by reference to those levels prevailing in the market for entities of a similar size and complexity.
- A Board Committee fee for membership of the various established Board Committees. These Board Committee fees vary between Committees depending upon the relative workload and time commitment involved, and the skill sets, experience and professional knowledge required for the particular Committee concerned.
- From time-to-time circumstances arise whereby the Board of Directors (or members thereof) are faced in a particular year with significantly higher and more complex workloads than would be the norm. Board members have in the past been awarded an additional fixed fee on an exceptional basis in recognition of these circumstances. Such additional awards would fall to be within the aggregate amount approved by the Shareholders in general meeting in terms of Article 81(1) of the Articles of Association of the Company.

Non-Executive Directors are not entitled to any contractual pension, termination or retirement benefits. However, they may be reimbursed certain expenses incurred in the discharge of their responsibilities and receive a fixed 'use of car' allowance.

5. Remuneration – Directors and Group Chief Executive

The following tables provide a summary of the remuneration for the years ended 31 January 2025, 2024, 2023, 2022 and 2021, for each individual Director and for the Group Chief Executive.

			Board & Committee Fees	Other	Fixed Pay	Variable Pay	Benefits & Allowances		Aggregate
			€	€	€	€	€		€
Directors' Emoluments - Year ended 31 January 2025									
Louis A Farrugia	Executive Chairman		25,000		73,244	75,000	45,000	**	218,244
Norman Aquilina	Group Chief Executive				187,535	140,000	13,750	**	341,285
Michael Farrugia	Deputy Chief Executive - Beverage Business	*	29,500		103,726	52,500	25,000	**	210,726
Marcantonio Stagno d'Alcontres	Vice-Chairman – Non-Executive		27,000			15,000	12,500		54,500
Roderick Chalmers	Non-Executive	*	33,667	60,000			6,000		99,667
Max Ganado	Non-Executive	*	28,917			15,000		**	43,917
Marina Hogg	Non-Executive		26,000			15,000	6,000		47,000
Matthew Marshall	Non-Executive	*	31,000				6,000		37,000
Neil Psaila	Non-Executive	*	33,167				6,000		39,167
Marcus John Scicluna Marshall – up to 9 November 2023	Non-Executive					11,548			11,548
Justine Pergola – up to 9 November 2023	Non-Executive					11,548			11,548

*includes subsidiary Board fees **Company car provided

(a) the above table includes the remuneration and related benefits awarded to members of the Board of Directors and of the Group Chief Executive (GCE). Board related emoluments included in the above table requiring Shareholder approval under Article 81 total €337,250 (approved limit = €750,000.)

			Board & Committee Fees	Other	Fixed Pay	Variable Pay	Benefits & Allowances		Aggregate
			€	€	€	€	€		€
Directors' Emoluments - Year ended 31 January 2024									
Louis A Farrugia	Executive Chairman		24,000		72,611	75,000	45,000	**	216,611
Norman Aquilina	Group Chief Executive				180,056	145,000	8,250	**	333,306
Michael Farrugia	Deputy Chief Executive - Beverage Business	*	29,667		101,083	56,288	25,000	**	212,038
Marcantonio Stagno d'Alcontres	Vice-Chairman – Non-Executive		27,000			15,000	12,500		54,500
Roderick Chalmers	Non-Executive		31,333	60,000			6,000		97,333
Max Ganado	Non-Executive		26,917			15,000		**	41,917
Marina Hogg	Non-Executive		26,667			15,000	6,000		47,667
Marcus John Scicluna Marshall – up to 9 November 2023	Non-Executive	*	24,823			15,000	5,136		44,959
Justine Pergola – up to 9 November 2023	Non-Executive		21,399			15,000		**	36,399
Matthew Marshall – from 9 November 2023	Non-Executive	*	9,533				848		10,381
Neil Psaila – from 9 November 2023	Non-Executive	*	11,674				848		12,522

*includes subsidiary Board fees **Company car provided

(a) the above table includes the remuneration and related benefits awarded to members of the Board of Directors and of the Group Chief Executive (GCE). Board related emoluments included in the above table requiring Shareholder approval under Article 81 total €322,344 (approved limit = €750,000.)

			Board & Committee Fees	Other	Fixed Pay	Variable Pay	Benefits & Allowances		Aggregate
			€	€	€	€	€		€
Directors' Emoluments - Year ended 31 January 2023									
Louis A Farrugia	Executive Chairman		25,000		72,083	60,000	45,000	**	202,083
Norman Aquilina	Group Chief Executive				165,555	133,000	11,000		309,555
Michael Farrugia	Deputy Chief Executive - Beverage Business	*	30,583		93,326	30,500	22,084	**	176,493
Marcantonio Stagno d'Alcontres	Vice-Chairman – Non-Executive		28,500			10,000	12,500		51,000
Roderick Chalmers	Non-Executive		31,500	40,000			6,000		77,500
Max Ganado	Non-Executive		29,000			10,000		**	39,000
Marina Hogg	Non-Executive		27,500			10,000	6,000		43,500
Marcus John Scicluna Marshall	Non-Executive	*	32,000			10,000	6,000		48,000
Justine Pergola	Non-Executive		23,633					**	23,633

*includes subsidiary Board fees **Company car provided

(a) the above table includes the remuneration and related benefits awarded to members of the Board of Directors and of the Group Chief Executive (GCE). Board related emoluments included in the above table requiring Shareholder approval under Article 81 total €318,216 (approved limit = €750,000.)

			Board & Committee Fees	Other	Fixed Pay	Variable Pay	Benefits & Allowances		Aggregate
			€	€	€	€	€	€	€
Directors' Emoluments - Year ended 31 January 2022									
Louis A Farrugia	Executive Chairman		26,000		71,957	67,000	45,000	**	209,957
Norman Aquilina	Group Chief Executive				160,520	133,000	11,000		304,520
Michael Farrugia	Executive – Operation & Business Development	*	31,000		85,575	29,500	20,000	**	166,075
Marcantonio Stagno d'Alcontres	Vice-Chairman – Non-Executive		30,000			10,000	12,500		52,500
Roderick Chalmers	Non-Executive		31,000	40,000			6,000		77,000
Max Ganado	Non-Executive		31,000			10,000		**	41,000
Christiane Ramsay Pergola	Non-Executive (deceased 25.11.2021)		18,750					**	18,750
Marina Hogg	Non-Executive		28,000			10,000	6,000		44,000
Marcus John Scicluna Marshall	Non-Executive	*	35,000			10,000	6,000		51,000
Justine Pergola	Non-Executive (appointed 13.01.2022)		1,600					**	1,600

*includes subsidiary Board fees **Company car provided

(a) the above table includes the remuneration and related benefits awarded to members of the Board of Directors and of the Group Chief Executive (GCE). Board related emoluments included in the above table requiring Shareholder approval under Article 81 total €322,850 (approved limit = €750,000.)

			Board & Committee Fees	Other	Fixed Pay	Variable Pay	Benefits & Allowances	Aggregate	
			€	€	€	€	€	€	
Directors' Emoluments - Year ended 31 January 2021									
Louis A Farrugia	Executive Chairman		26,000		71,865	56,000	45,000	**	198,865
Norman Aquilina	Group Chief Executive				155,526	101,000	11,000	**	267,526
Michael Farrugia	Executive – Operation & Business Development	*	31,000		83,098	11,500	20,000	**	145,598
Marcantonio Stagno d'Alcontres	Vice-Chairman - Non-Executive		30,000				12,500		42,500
Roderick Chalmers	Non-Executive		31,000	24,000			6,000		61,000
Max Ganado	Non-Executive		31,000					**	31,000
Christiane Ramsay Pergola	Non-Executive (deceased 25.11.2021)		25,000					**	25,000
Marina Hogg	Non-Executive		28,000				6,000		34,000
Marcus John Scicluna Marshall	Non-Executive	*	35,000				6,000		41,000

*includes subsidiary Board fees **Company car provided

(a) the above table includes the remuneration and related benefits awarded to members of the Board of Directors and of the Group Chief Executive (GCE). Board related emoluments included in the above table requiring Shareholder approval under Article 81 total €311,500 (approved limit = €750,000). (b) During the year members of the Board and the GCE voluntarily waived the total sum of €28,443 due to them as part of the response to the business challenges arising from the COVID-19 pandemic. The amounts stated above are before deduction of these waived emoluments.

In terms of the requirements within Appendix 12.1 of the Capital Markets Rules, the annual change of remuneration over the five most recent financial years were as follows:

	FY2025 change over FY 2024	FY2024 change over FY 2023	FY2023 change over FY 2022	FY2022 change over FY 2021
Directors and Group Chief Executive	1 %	14 %	0 %	14%
Average Employee Remuneration – Company	8 %	7 %	10 %	10%
Performance of the Company – EBITDA	1 %	-2 %	22 %	37%

6. Shareholder involvement

Pursuant to Article 81 of the Memorandum and Articles of Association of the Company, remuneration (emoluments) payable to Directors with regard to their membership of the Board of Directors is always subject to the maximum aggregate limit approved by the Shareholders in General Meeting. This amount was fixed at an aggregate sum of €750,000 per annum at the 69th Annual General Meeting held on 28 June 2016.

Whereas remuneration paid to Executive Directors by virtue of their executive office (as opposed to their membership of the Board) is not subject to the maximum aggregate limit stipulated under Article

81 as described above, with effect from FY 2022 and pursuant to the requirements of Capital Markets Rules, the Remuneration Report of the Company shall form part of the Annual Report and shall provide full details of remuneration paid to all Directors. In accordance with Capital Markets Rule 12.26L and 12.26M, the Remuneration Report will be subjected to an advisory vote by the Shareholders at each Annual General Meeting and shall be made available on the Company's website for a period of 10 years following the meeting.

7. Senior Management Remuneration

For the purposes of this Remuneration Report, “Senior Management” shall mean all members of the Group Senior Management Board as disclosed in this Annual Report. The Group’s Human Resources department is responsible (apart from normal staff administration and training and upgrading of proficiency of technical and managerial personnel and workforce in general), for carrying out regular reviews of the compensation structure pertaining to senior management in the light of the Group’s performance, economic situation and market trends. One of the main objectives is to recruit and retain executives of high professional standards and competence who can enhance the Group’s performance and assure the best operational and administrative practices.

The Group’s Head of HR reports and makes recommendations periodically to the Board and the RCGC on the remuneration packages, including bonus arrangements, for achieving pre-determined targets.

The RCGC is required to evaluate, recommend and report on any proposals made by the Group Head of HR relating to management remuneration and conditions of service. The Committee considers that the current executive management remuneration packages are based upon the appropriate local market equivalents and are fair and reasonable for the responsibilities involved.

The Committee also believes that the remuneration packages are such as to enable the Company to attract, retain and motivate executives having the appropriate skills and qualities to ensure the proper management of the organisation.

The Committee is also charged with considering and determining any recommendations from management on requests for early retirement. The terms and conditions of employment of senior executives are set out in their respective contracts of employment with the Company. As a general rule such contracts do not contain provisions for termination payments and/or other payments linked to early termination.

Senior management is eligible for an annual performance bonus which is linked to agreed performance targets and their achievement. The RCGC is of the view that the relationship between fixed and variable remuneration and performance bonus are reasonable and appropriate. There are no claw-back provisions in respect of variable salary awards.

There are no executive profit sharing, share options or pension benefit arrangements in place. Non-cash benefits to which Senior Management are entitled comprise those normally available to senior executives including the provision of a suitable taxed and insured company car, standard executive health and life assurance cover, a mobile phone package and other incidental corporate benefits.

The total emoluments relating to the Group Senior Management Board members were as follows:

	Fixed Pay	Variable Pay	Benefits & Allowances	Aggregate
	€	€	€	€
Senior Management Remuneration – year to 31 January 2025				
Senior Management Remuneration	1,063,821	397,000	54,950	1,515,771
Senior Management Remuneration – year to 31 January 2024				
Senior Management Remuneration	1,044,751	363,097	48,937	1,456,785
Senior Management Remuneration – year to 31 January 2023				
Senior Management Remuneration	844,745	298,910	113,048	1,256,702
Senior Management Remuneration – year to 31 January 2022				
Senior Management Remuneration	721,094	285,720	105,727	1,112,541
Senior Management Remuneration – year to 31 January 2021				
Senior Management Remuneration	701,846	197,900	105,727	1,005,473

All of the above tables include the remuneration and related benefits awarded to the members of the Group Senior Management Board (SMB).

8. Contents of the Remuneration Report

The contents of the Remuneration Report have been reviewed by the external Auditors to ensure that it conforms with the requirements of Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

STATEMENTS OF FINANCIAL POSITION

ASSETS

As at 31 January					
Group			Company		
		2025	2024 Restated	2025	2024
	Notes	€'000	€'000	€'000	€'000
Non-current assets					
Property, plant and equipment	5	115,974	127,342	115,229	117,296
Right-of-use assets	6	2,195	5,313	2,056	182
Intangible assets	7	1,520	2,153	1,520	1,590
Investments in subsidiaries	8	-	-	1,690	11,416
Deferred tax assets	19	12,003	9,191	13,224	10,510
Trade and other receivables	10	1,017	1,813	953	1,665
Total non-current assets		132,709	145,812	134,672	142,659
Current assets					
Inventories	9	24,377	24,937	12,229	12,496
Trade and other receivables	10	33,861	32,178	31,754	26,862
Cash and cash equivalents	11	4,940	8,665	2,320	2,833
Total current assets		63,178	65,780	46,303	42,191
Assets held for distribution to shareholders	8, 21	32,608	-	9,806	-
Total assets		228,495	211,592	190,781	184,850

**EQUITY AND
LIABILITIES**

As at 31 January					
		Group		Company	
		2025	2024 Restated	2025	2024
	Notes	€'000	€'000	€'000	€'000
Capital and reserves attributable to owners of the Company					
Share capital	12	10,800	10,800	10,800	10,800
Revaluation and other reserves	14, 15	53,939	49,409	46,137	46,137
Hedging reserve	16	-	11	-	11
Retained earnings		100,457	87,959	89,078	79,896
Total equity		165,196	148,179	146,015	136,844
Non-current liabilities					
Trade and other payables	20	2,586	2,952	2,586	2,953
Lease liabilities	18	2,116	3,904	1,970	171
Borrowings	17	19,914	21,045	19,914	21,045
Total non-current liabilities		24,616	27,901	24,470	24,169
Current liabilities					
Trade and other payables	20	22,315	30,503	19,040	22,262
Lease liabilities	18	92	1,415	92	15
Current tax liabilities		813	1,599	1	10
Borrowings	17	1,163	1,995	1,163	1,550
Total current liabilities		24,383	35,512	20,296	23,837
Liabilities directly associated with the assets held for distribution to shareholders					
	21	14,300	-	-	-
Total liabilities		63,299	63,413	44,766	48,006
Total equity and liabilities		228,495	211,592	190,781	184,850

The notes on pages 89 to 118 are an integral part of these consolidated financial statements.

The financial statements on pages 82 to 118 were approved and authorised for issue by the Board of Directors on 28 May 2025. The financial statements were signed on behalf of the Company's Board of Directors by Louis A. Farrugia (Chairman) and Marcantonio Stagno d'Alcontres (Vice-Chairman) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report 2025.

INCOME STATEMENTS

Year ended 31 January					
		Group		Company	
		2025	2024 Restated	2025	2024
	Notes	€'000	€'000	€'000	€'000
Continuing Operations					
Revenue	4	101,802	96,520	70,060	66,241
Cost of sales	22	(58,493)	(56,219)	(35,526)	(34,417)
Gross profit		43,309	40,301	34,534	31,824
Selling and distribution costs	22	(13,202)	(12,050)	(10,536)	(9,768)
Administrative expenses	22	(14,134)	(13,225)	(10,437)	(8,819)
Net Impairment	10	(367)	(695)	(159)	(158)
Operating profit		15,606	14,331	13,402	13,079
Finance income	25	49	27	49	27
Finance costs	26	(912)	(978)	(846)	(890)
Profit before tax from continuing operations		14,743	13,380	12,605	12,216
Tax income	27	2,210	320	2,697	730
Profit for the year from continuing operations		16,953	13,700	15,302	12,946
Discontinued operations					
Profit after tax for the year from discontinued operations	21	1,665	1,573	-	-
Profit for the year		18,618	15,273	15,302	12,946
Basic and diluted earnings per share for the year attributable to shareholders					
Continuing operations		€ 0.4709	€ 0.3806		
Discontinued operations		€ 0.0463	€ 0.0437		

The notes on pages 89 to 118 are an integral part of these consolidated financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

Year ended 31 January					
Group			Company		
		2025	2024	2025	2024
	Note	€'000	€'000	€'000	€'000
Profit for the year		18,618	15,273	15,302	12,946
Other comprehensive income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedges, net of deferred tax	16	(11)	(16)	(11)	(16)
Net items that may be subsequently reclassified to profit or loss		(11)	(16)	(11)	(16)
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Revaluation of property, plant and equipment	5, 21	4,530	-	-	-
Net items that will not be subsequently reclassified to profit or loss		4,530	-	-	-
Other comprehensive income for the year		4,519	(16)	(11)	(16)
Total comprehensive income for the year attributable to equity shareholders		23,137	15,257	15,291	12,930

The notes on pages 89 to 118 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

GROUP

		Share capital	Hedging reserve	Revaluation and other reserves	Retained earnings	Total equity
	Notes	€'000	€'000	€'000	€'000	€'000
Balance at 1 February 2023		10,800	27	49,409	78,931	139,167
Prior year adjustment	35	-	-	-	(485)	(485)
Restated balance at 1 February 2023		10,800	27	49,409	78,446	138,682
Comprehensive income						
Profit for the year		-	-	-	15,273	15,273
Other comprehensive income:						
Cash flow hedges, net of deferred tax	16	-	(16)	-	-	(16)
Total other comprehensive income		-	(16)	-	-	(16)
Total comprehensive income		-	(16)	-	15,273	15,257
Transactions with owners						
Dividends paid	13	-	-	-	(5,760)	(5,760)
Total transactions with owners		-	-	-	(5,760)	(5,760)
Balance at 31 January 2024		10,800	11	49,409	87,959	148,179
Balance at 1 February 2024		10,800	11	49,409	87,959	148,179
Comprehensive income						
Profit for the year		-	-	-	18,618	18,618
Other comprehensive income:						
Cash flow hedges, net of deferred tax	16	-	(11)	-	-	(11)
Revaluation of property, plant and equipment	5, 21	-	-	4,530	-	4,530
Total other comprehensive income		-	(11)	4,530	-	4,519
Total comprehensive income		-	(11)	4,530	18,618	23,137
Transactions with owners						
Dividends paid	13	-	-	-	(6,120)	(6,120)
Total transactions with owners		-	-	-	(6,120)	(6,120)
Balance at 31 January 2025		10,800	-	53,939	100,457	165,196

COMPANY

		Share capital	Hedging reserve	Revaluation and other reserves	Retained earnings	Total equity
	Notes	€'000	€'000	€'000	€'000	€'000
Balance at 1 February 2023		10,800	27	46,137	72,710	129,674
Comprehensive income						
Profit for the year		-	-	-	12,946	12,946
Other comprehensive income:						
Cash flow hedges, net of deferred tax	16	-	(16)	-	-	(16)
Total other comprehensive income		-	(16)	-	-	(16)
Total comprehensive income		-	(16)	-	12,946	12,930
Transactions with owners						
Dividends paid	13	-	-	-	(5,760)	(5,760)
Total transactions with owners		-	-	-	(5,760)	(5,760)
Balance at 31 January 2024		10,800	11	46,137	79,896	136,844
Balance at 1 February 2024		10,800	11	46,137	79,896	136,844
Comprehensive income						
Profit for the year		-	-	-	15,302	15,302
Other comprehensive income:						
Cash flow hedges, net of deferred tax	16	-	(11)	-	-	(11)
Total other comprehensive income		-	(11)	-	-	(11)
Total comprehensive income		-	(11)	-	15,302	15,291
Transactions with owners						
Dividends paid	13	-	-	-	(6,120)	(6,120)
Total transactions with owners		-	-	-	(6,120)	(6,120)
Balance at 31 January 2025		10,800	-	46,137	89,078	146,015

The notes on pages 89 to 118 are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

		Year ended 31 January			
		Group		Company	
		2025	2024	2025	2024
	Notes	€'000	€'000	€'000	€'000
Cash flows from operating activities					
Cash generated from operations	30	21,493	16,165	12,663	11,468
Interest received	25	49	12	49	27
Interest paid on lease liabilities	18, 21	(248)	(318)	(7)	(7)
Interest paid on borrowings		(984)	(998)	(839)	(883)
Income tax paid		(1,528)	(1,413)	(19)	(10)
Net cash generated from operating activities		18,782	13,448	11,847	10,595
Cash flows from investing activities					
Purchase of property, plant and equipment	5, 21	(11,621)	(5,673)	(4,691)	(3,718)
Proceeds from disposal of property, plant and equipment		-	3	1	7
Additions of intangible assets		(60)	-	-	-
Net cash used in investing activities		(11,681)	(5,670)	(4,690)	(3,711)
Cash flows from financing activities					
Payments of borrowings		(1,550)	(1,550)	(1,550)	(1,550)
Principal payments of lease liabilities		(1,396)	(1,629)	-	-
Dividends paid	13	(6,120)	(5,760)	(6,120)	(5,760)
Net cash used in financing activities		(9,066)	(8,939)	(7,670)	(7,310)
Net movement in cash and cash equivalents		(1,965)	(1,161)	(513)	(426)
Cash and cash equivalents at beginning of year		8,220	9,381	2,833	3,259
Cash and cash equivalents at end of year (including discontinued operations)	11	6,255	8,220	2,320	2,833

The notes on pages 89 to 118 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These consolidated financial statements include the financial statements of Simonds Farsons Cisk plc (SFC) and its subsidiaries. SFC is a public Company incorporated in Malta with its registered address at The Brewery, Mdina Road, Zone 2, Central Business District, CBD 2010, Birkirkara, Malta.

The Group is engaged in the brewing, production and sale of branded beers and beverages, the importation, wholesale and retail of food and beverages, including wines and spirits, lease of property, and the operation of franchised food retailing establishments.

During the year ended 31 January 2025 there were no changes in the name of the reporting entity or other means of identification.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro which is the Company's functional currency and the Group's presentation currency.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention, as modified by the fair valuation of certain class of property, plant and equipment and derivative financial instruments which are measured at revalued amount or fair value. Unless otherwise stated, all financial information presented has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies (Note 3 - Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2025

In 2025, the Group and Company adopted amendments to existing standards that are mandatory for the Group and Company's accounting period beginning on 1 February 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU, did not result in changes to the Group and Company's accounting policies impacting the financial performance and position.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 February 2024. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU. The Group will continue to study the impact on the Group's financial statements prior to the initial application.

1.2 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to or holds rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities, and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A listing of the subsidiaries is set out in Note 36 to the financial statements.

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis, but at least every five years, unless the Directors consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Freehold land and assets in the course of construction are not depreciated. Leased properties are depreciated over the period of the lease. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

• Buildings	0.67% – 2.00%
• Plant, machinery and equipment	5.00% – 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.5).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.4 Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business concern at the date of acquisition. Goodwill on acquisitions of subsidiaries/business concerns is included in intangible assets. Goodwill is recognised separately within intangible assets and is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. The recoverable amount is the higher of fair value less costs to sell and value in use.

Franchises and intellectual knowhow are initially shown at historical cost. The useful life of the franchises and intellectual knowhow are periodically assessed and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of franchises and intellectual knowhow over their estimated useful lives (5 to 25 years).

1.5 Impairment of non-financial assets

Assets (including goodwill) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.6 Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is, at cost less impairment. Provisions are recorded where, in the opinion of the Directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1.7 Financial assets

Classification

The Group classifies its financial assets as financial assets measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group classifies its financial assets at amortised cost only if both the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin as is consistent with a basic lending arrangement.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Interest income on debt instruments measured at amortised cost from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition of these instruments is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented within operating profit in the consolidated statement of profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

Expected credit loss model

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at twelve month ECLs:

- bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the borrower or issuer, or a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Simplified approach model

For trade receivables, the Group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of up to 60 months before the reported period end, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories of raw materials are determined using the first-in first-out method and those of spare parts on a weighted average basis. The cost of raw materials comprises the cost of direct materials and includes transport and handling charges. The cost of finished goods comprises raw materials, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. In the case of bottles, cases and kegs, the net realisable value is arrived at after providing for an annual charge calculated to write down the costs over their estimated useful lives.

1.9 Trade and other receivables

Trade receivables comprise amounts due from clients and customers for goods and services delivered and performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration and subsequently adjusted for any expected credit loss allowances.

1.10 Current and deferred tax

Current tax is the expected tax payable on the taxable income for the year. Deferred tax balances are the amounts of income taxes recoverable or payable in future periods in respect of temporary differences; deferred tax assets also include amounts recoverable in future periods in respect of the carryforward of unused tax losses, unused tax credits, and unused investment tax credits.

Investment tax credits are out of scope of both IAS 12 and IAS 20. The investment tax credits which the Group qualifies for are not themselves taxable, and they can only be recovered through a reduction in Group's income taxes payable; consequently, the Group determined that it provides more meaningful information to recognise and measure investment tax credits as deferred tax assets within scope of IAS 12. The accounting policy described below for deferred tax assets is therefore applied equally to investment tax credits.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statements except to the extent that it relates to items recognised directly in other comprehensive income. In this case the tax is also recognised in other comprehensive income.

Current tax is measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements is recognised using the liability method. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets on amounts that are recoverable as a reduction in Group's future income taxes payable, such as the carryforward of unused investment tax credits, are measured at the amount of the available credit.

Under the liability method the Group is required to make a provision for deferred taxes on the revaluation of certain non-current assets and derivative contracts. Such deferred tax is charged or credited directly to the revaluation reserve and hedging reserve. Deferred tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property is realised through the income statements.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the unutilised tax credits and investment tax credits, tax losses and unabsorbed capital allowances can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statements of financial position at face value. In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

1.12 Assets held for distribution to shareholders and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for distribution to shareholders, and represents a separate major line of business or a geographical area of operation or is a subsidiary acquired or created exclusively with a view to resell/distribute to shareholders.

The Group classifies assets, liabilities and disposal groups as held for distribution to shareholders if their carrying amounts will be recovered principally through a sale/disposal/distribution transaction rather than through continuing use. Assets, liabilities and disposal groups classified as held for distribution to shareholders are measured at the lower of their carrying amount and fair value.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution to shareholders. Assets and liabilities classified as held for distribution to shareholders are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately.

Additional disclosures are provided in Note 21. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

1.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.14 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.15 Provisions

Provisions (including restructuring costs) are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions principally comprise termination benefits.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

1.16 Employee benefits

a. Contributions to defined contribution pension plan

The Group contributes towards the State defined contribution pension plan in accordance with local legislation in exchange for services rendered by employees and to which it has no commitment beyond the payment of fixed contributions. Obligations for contributions are recognised as an employee benefit in profit or loss in the periods during which services are rendered by employees.

b. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due after more than twelve months after the end of the reporting period are discounted to present value.

c. Closed staff pension scheme

The Group carries provisions within other payables for amounts payable to pensioners on a monthly basis in accordance with the "Staff Pension Scheme" of 1949. The scheme is no longer active for new entrants, no contributions are made into the scheme and any movement in the valuation of the liability is reflected in the income statement.

1.17 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.18 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities, other than derivative contracts, are classified as financial liabilities measured at amortised cost, i.e. not at fair value through profit or loss under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.20 Revenue recognition

Revenues include all revenues from the ordinary business activities of the Group. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of Value Added Tax. The Group's business includes the brewing, production and sale of branded beers and beverages, the importation, wholesale and retail of food and beverages, including wines and spirits, the operation of franchised food retailing establishments, as well as independent food and beverage retail outlets, retail of branded merchandise, lease of property, and entry fees to the visitors' centre.

a. Sale of goods and services

Revenues are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

IFRS 15 requires that at contract inception the goods or services promised in a contract with a customer are assessed and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset must be recognised if the Group's recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before – irrespective of when payment is due – the requirements for billing and thus, the recognition of a receivable exist. The Group classifies a contract asset as accrued income.

A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus, recognised revenue. The Group classifies the contract liabilities as advanced deposits or deferred income.

IFRS 15 provides more detailed guidance on how to account for contract modifications. Changes must be accounted for either as a retrospective change (creating either a catch up or deferral of previously recorded revenues), prospectively with a reallocation of revenues amongst identified performance obligations, or prospectively as separate contracts which will not require any reallocation.

Sale of goods – wholesale

The Group brews, produces and imports a wide range of branded beers and food and beverages including wines and spirits to the wholesale market.

Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group's products are sometimes sold with retrospective volume discounts based on aggregate sales over a twelve month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of less than one year, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Branded beers, beverages and food products are often sold with a right of return. Right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Sale of goods – retail

The Group operates a dedicated retail outlet showcasing its wide range of manufactured and imported branded beers and beverages including wines and spirits. It also operates a number of franchised food retailing establishments. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the product and takes delivery in store. It is the Group's policy to sell its products to the end customer with a right of return. Therefore, a refund liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Sale of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Financing

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

b. Property related income

Rentals and short-term lets receivable on immovable property are recognised in the period when the property is occupied.

c. Finance income

Finance income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continue unwinding the discount as finance income.

d. Dividend income

Dividend income is recognised when the right to receive payment is established.

1.21 Leases

The Group and Company are the lessee

The Group and Company leases warehouses. Rental lease and ground rent contracts are typically made for fixed periods of 15 years to 150 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may or may not be used as security for borrowing purposes.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group and the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group and Company:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and Company, where there is no third-party financing; and
- makes adjustments specific to the lease.

The Group and Company are exposed to potential future increases in lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The group as lessor

The group entered into lease agreements as a lessor with respect to some of its properties consisting of offices, retail outlets and a child care facility. Leases for which the group is a lessor are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

	Within 1 year	Within 2 years	Within 3 years	Within 4 years	Within 5 years	Above 5 years
	€'000	€'000	€'000	€'000	€'000	€'000
Operating leases - minimum lease payments	770	779	626	559	388	950

1.22 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings.

1.23 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the end of the period, adjusted for Bonus shares issued during the year.

1.24 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, which is the Group's chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision maker.

1.25 Institutional grants

Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same reporting periods in which the expenses are incurred. This compensation is disclosed in the same reporting line as the related expense.

Institutional grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset to match the depreciation charge. Capital grants are recorded as deferred income and released to the income statement over the estimated useful life of the related asset provided that all conditions pertaining to such grants would have been complied with.

2. Financial risk management

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. From time to time, the Group enters into foreign exchange contracts and interest rate swap agreements to hedge certain risk exposures during the current and preceding financial years. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors.

a. Market risk

i. Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective Group entity's functional currency. The Group is exposed to foreign exchange risk arising primarily from the Group's purchases, a part of which are denominated in the US dollar and the GB pound.

Management does not consider foreign exchange risk attributable to recognised liabilities arising from purchase transactions to be significant since balances are settled within very short periods in accordance with the negotiated credit terms. Periodically, the Group enters into forward contracts on specific transactions to manage its exposure to fluctuations in foreign currency exchange rates. The Group's and Company's loans and receivables, cash and cash equivalents and borrowings are denominated in Euro.

Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of reporting year is not deemed necessary.

ii. Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk which arises from borrowings; borrowings issued at variable rates, comprising bank borrowings (Note 17), expose the Group to cash flow interest rate risk. The Group's borrowings are subject to an interest rate that varies according to revisions made to the Bank's Base Rate. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on. Interest rates on these financial instruments are linked with the Central Intervention Rate issued by the European Central Bank. Borrowings issued at fixed rates, consist primarily of unsecured bonds which are carried at amortised cost (Note 17), and therefore do not expose the Group to cash flow and fair value interest rate risk.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

b. Credit risk

Credit risk principally arises from cash and cash equivalents comprising deposits with financial institutions, and other receivables, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Group's and the Company's principal exposures to credit risk as at the end of the reporting period are analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Financial assets measured at amortised cost				
Trade and other receivables (Note 10)	32,432	32,069	30,393	26,843
Cash at bank and in hand (Note 11)	4,940	8,665	2,320	2,833
	37,372	40,734	32,713	29,676

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The figures disclosed in the table above in respect of trade and other receivables exclude prepayments and indirect taxation.

Security

For trade and other receivables amounting to €2,148,000 (2024: €2,000,000), the Group obtained security in the form of guarantees and deeds of undertaking or letters of credit which can be called on if the counterparty is in default under the terms of the agreement.

Trade and other receivables

The Group assesses the credit quality of its trade customers, the majority of which are unrated, taking into account financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of goods and services are transacted with customers with an appropriate credit history. Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and product delivery terms and conditions are offered. The creditworthiness analysis for new customers includes a review through external creditworthiness databases when available. The Group monitors the performance of its trade and other receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

No individual customer or group of dependent clients is considered by management as a significant concentration of credit risk with respect to trade receivables or contractual debts, these material exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the respective Group entities and are deemed by management to have good credit standing, usually taking cognisance of the performance history without defaults.

The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from clients are within controlled parameters. The Group's trade and other receivables, which are not credit impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect any significant losses from non-performance by these customers.

Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance for the Group as at 31 January 2025 was determined by applying:

- An expected loss rate ranging from 0.37% to 1.53% (2024: ranging from 0.05% to 1.66%) on all credit sales generated in the preceding twenty-four months prior to 31 January 2025 resulting in a loss allowance of €1,922,000 (2024: €1,651,000) for the Group and €1,271,000 (2024: €1,020,000) for the Company.
- An expected loss rate of 100% on all outstanding dues generated before the preceding twenty-four months prior to 31 January 2025 (i.e. all trade receivables exceeding two years) resulting in a loss allowance of €1,480,000 (2024: €1,590,000) for the Group and €904,000 (2024: €968,000) for the Company.

Impairment of related party and other receivables

The Group applies the general model to measuring expected credit losses for all trade loan dues.

To measure the expected credit losses, trade loans have been grouped based on shared credit risk characteristics and the days past due. The Group assesses the credit quality of these loans taking into account financial position, repayment patterns, past experience and other factors including history of default from the credit terms issued. Trade loans are categorised into stages for IFRS 9 purposes based on the factors highlighted above.

On that basis, the loss allowance for the Group and the Company as at 31 January 2025 was determined by applying:

- An expected loss rate averaging at 2.41% (2024: 5.3%) on all trade loans granted within contract terms classified under stages 1 and 2 resulting in a loss allowance of €218,000 (2024: €432,000).
- An expected loss rate of 100% on all outstanding dues on trade loans that exceeded the credit terms granted by the Group and Company and hence classified under stage 3 resulting in a loss allowance of €572,000 (2024: €698,000).
- An expected loss rate of 100% on all outstanding dues on related party balances with a negative net equity.

Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables. The closing loss allowances for trade and other receivables for both continued and discontinued as at 31 January 2025 reconcile to the opening loss allowances as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
	Expected loss model	Expected loss model	Expected loss model	Expected loss model
Trade receivables				
Balance at 1 February	3,238	2,843	1,987	1,819
Movement in loss allowance recognised in continued profit or loss during the year (Note 10)	312	502	189	168
Movement in loss allowance recognised in discontinued profit or loss during the year (Note 21)	35	(78)	-	-
Provision on assets held for distribution to shareholders (Note 10)	(178)	-	-	-
Receivables written-off	(9)	(29)	(2)	-
Balance at 31 January	3,398	3,238	2,174	1,987
Related party and other receivables				
Balance at 1 February	3,384	3,191	2,871	2,881
Movement in loss allowance recognised in continued profit or loss during the year (Note 10)	55	193	(30)	(10)
Balance at 31 January	3,439	3,384	2,841	2,871
Total loss allowance as at year end	6,837	6,622	5,015	4,858

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade and other receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, provisions for impairment in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to honour a repayment plan with the Group, and a failure to make contractual payments for a period of greater than thirty six months past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts written off are credited against the same line item.

As at 31 January 2025, outstanding Group trade receivables of less than two years amounting to €27,740,000 (2024: €27,489,000) have an allocated loss allowance of €1,922,000 (2024: €1,651,000). Outstanding Group trade receivables of more than two years amounting to €1,480,000 (2024: €1,590,000) were fully provided.

As at 31 January 2025, outstanding Company trade receivables of less than two years amounting to €18,171,000 (2024: €16,442,000) have an allocated loss allowance of €1,271,000 (2024: €1,020,000). Outstanding Company trade receivables of more than two years amounting to €904,000 (2024: €968,000) were fully provided.

As at 31 January 2025, outstanding trade loan receivables not overdue amounting to €2,838,000 (2024: €2,860,000) have an allocated loss allowance of €218,000 (2024: €432,000). Outstanding trade loan receivables overdue amounting to €572,000 (2024: €698,000) were fully provided.

Cash and cash equivalents

The Group and the Company principally banks with local and European financial institutions with high-quality standing or rating. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Amounts due from subsidiaries

The Company's receivables include receivables from subsidiaries. The Company monitors intra-group credit exposures at individual entity level on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Company assesses the credit quality of these related parties taking into account financial position, performance and other factors.

Derivative financial instruments

Credit risk arising from derivative financial instruments lies in the insolvency of the contracting party and as a consequence, in the amount of the sum, on balance, of positive market values vis-à-vis the respective derivative counterparties. Derivative transactions are concluded with first rate local banking institutions.

c. Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally borrowings and trade and other payables (Notes 17 and 20). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period and ensures that adequate financing facilities are in place for the coming year. The carrying amounts of the Group's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date in the respective notes to the financial statements.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months with respect to Trade and Other Payables, equal their carrying amounts, as the impact of discounting is not significant.

	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
	€'000	€'000	€'000	€'000	€'000
GROUP					
31 January 2025					
Borrowings	21,077	23,285	1,885	21,400	-
Lease liabilities	2,208	3,785	163	912	2,710
Trade and other payables	19,068	19,068	19,068	-	-
	42,353	46,138	21,116	22,312	2,710
31 January 2024					
Borrowings	23,040	25,406	2,812	22,594	-
Lease liabilities	5,319	6,995	1,494	2,729	2,772
Trade and other payables	33,455	33,455	30,503	2,952	-
	61,814	65,856	34,809	28,275	2,772

	Carrying amount €'000	Contractual cash flows €'000	Within one year €'000	One to five years €'000	Over five years €'000
COMPANY					
31 January 2025					
Borrowings	21,077	23,285	1,885	21,400	-
Lease liabilities	2,062	3,189	158	884	2,147
Trade and other payables	15,876	15,876	15,876	-	-
	39,015	42,350	17,919	22,284	2,147
31 January 2024					
Borrowings	22,595	24,961	2,367	22,594	-
Lease liabilities	186	778	7	30	741
Trade and other payables	16,853	16,853	16,853	-	-
	39,634	42,592	19,227	22,624	741

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total net borrowings (including lease liabilities) divided by total capital. The Group and Company consider total capital to be equity and total net borrowings.

Total borrowings include unsecured bonds issued by the Company. The gearing ratios at 31 January 2025 and 2024 were as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Total borrowings (Notes 17 and 18)	23,285	28,359	23,139	22,781
Less cash at bank and in hand (Note 11)	(4,940)	(8,665)	(2,320)	(2,833)
	18,345	19,694	20,819	19,948
Total equity	165,196	148,179	146,015	136,844
Total equity and net borrowings	183,541	167,873	166,834	156,792
Gearing	9.99%	11.73%	12.48%	12.72%

2.3 Fair values

Fair values of instruments not carried at fair value

At 31 January 2025 and 2024 the carrying amounts of cash at bank, trade and other receivables, trade and other payables and current borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of amounts owed by subsidiaries which are current or repayable on demand is equivalent to their carrying amount.

The fair value of the bonds is based on the market price at the reporting date (Note 17). These are classified as level 1 and the fair value at 31 January 2025 amounted to €20,380,000 (2024: €19,700,000). The fair value of the Group's non-current floating interest rate bank borrowings at the end of the reporting period is not significantly different from the carrying amounts.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Company Directors, the accounting estimates and judgements made in the course of preparing these financial statements, except as disclosed in Notes 5 and 19 and accounting policies 1.10 and 1.21 are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Segment information

The Board of Directors considers the Group's business mainly from the Beverage and Food sectors as geographically operations are carried out, predominantly, on the local market.

The Group has classified the Food Segment as discontinued operations and Note 21 provides this segment's detailed financials. Financials for continuing operations relate solely to the Beverage Segment.

The Group does not have any particular major customer, as it largely derives revenue from a significant number of consumers availing of its products and services. Accordingly, the Group has not identified any relevant disclosures in respect of reliance on major customers.

The continuing operations revenue for the year ended 31 January 2025 includes revenue generated from sales to the discontinued operations of €875,000 (2024: €802,000) whilst the same amounts are included within the cost of sales (expenses) under the discontinued operations.

5. Property, plant and equipment

	Land & buildings	Assets in course of construction	Plant, machinery & equipment	Total
	€'000	€'000	€'000	€'000
GROUP				
At 1 February 2023				
Cost or valuation	110,524	537	153,331	264,392
Accumulated depreciation and impairment	(15,832)	-	(118,368)	(134,200)
Net book value	94,692	537	34,963	130,192
Year ended 31 January 2024				
Opening net book value	94,692	537	34,963	130,192
Additions and commissioned assets	832	560	4,281	5,673
Disposals	(9)	-	(276)	(285)
Depreciation	(2,153)	-	(5,980)	(8,133)
Impairment	(158)	-	(229)	(387)
Depreciation released on disposals	8	-	274	282
Closing net book value	93,212	1,097	33,033	127,342
At 1 February 2024				
Cost or valuation	111,347	1,097	157,336	269,780
Accumulated depreciation and impairment	(18,135)	-	(124,303)	(142,438)
Net book value	93,212	1,097	33,033	127,342
Year ended 31 January 2025				
Opening net book value	93,212	1,097	33,033	127,342
Additions and commissioned assets	96	4,540	6,985	11,621
Disposals	(329)	-	(804)	(1,133)
Revaluation	4,530	-	-	4,530
Depreciation	(2,101)	-	(6,102)	(8,203)
Impairment	(20)	-	(145)	(165)
Depreciation released on disposals	329	-	804	1,133
Cost of assets held for distribution to shareholders	(12,140)	(4,814)	(11,398)	(28,352)
Depreciation on assets held for distribution to shareholders	2,187	-	7,014	9,201
Closing net book value	85,764	823	29,387	115,974
At 31 January 2025				
Cost or valuation	103,504	823	152,119	256,446
Accumulated depreciation and impairment	(17,740)	-	(122,732)	(140,472)
Net book amount	85,764	823	29,387	115,974
	Land & buildings	Assets in course of construction	Plant, machinery & equipment	Total
	€'000	€'000	€'000	€'000
COMPANY				
At 1 February 2023				
Cost or valuation	102,217	426	141,217	243,860
Accumulated depreciation and impairment	(13,754)	-	(109,772)	(123,526)
Net book value	88,463	426	31,445	120,334
Year ended 31 January 2024				
Opening net book value	88,463	426	31,445	120,334
Additions and commissioned assets	807	(247)	3,158	3,718
Disposals	-	-	(30)	(30)
Depreciation	(1,880)	-	(4,875)	(6,755)
Depreciation released on disposals	-	-	29	29
Closing net book value	87,390	179	29,727	117,296
At 1 February 2024				
Cost or valuation	103,024	179	144,345	247,548
Accumulated depreciation and impairment	(15,634)	-	(114,618)	(130,252)
Net book value	87,390	179	29,727	117,296
Year ended 31 January 2025				
Opening net book value	87,390	179	29,727	117,296
Additions and commissioned assets	32	577	4,082	4,691
Disposals	-	-	(148)	(148)
Depreciation	(1,851)	-	(4,906)	(6,757)
Depreciation released on disposals	-	-	147	147
Closing net book value	85,571	756	28,902	115,229
At 31 January 2025				
Cost or valuation	103,056	756	148,279	252,091
Accumulated depreciation and impairment	(17,485)	-	(119,377)	(136,862)
Net book value	85,571	756	28,902	115,229

Assets in course of construction during year ended 31 January 2025 and 2024 mainly relate to investments in the manufacturing processes.

Bank borrowings are secured by the Group's and Company's property, plant and equipment (Note 17).

Fair value of property

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (level 1, 2 or 3), as defined by International Financial Reporting Standards.

As at 31 January 2025, the Group's land and buildings within property, plant and equipment, comprise properties including the Company's brewery and related operational and warehousing facilities, commercial property and property earmarked to compliment the Group's operational activity.

The property valuations as at 31 January 2025 are based on the Directors' value assessment performed using a variety of methods, including the adjusted sales comparison approach and the discounted projected cash flows approach. Each property was valued by taking into consideration the external valuations prepared by independent chartered architectural firm in May 2025 and using the method considered by the external valuers to be the most appropriate valuation method for that type of property. The Directors are of the opinion that the carrying amount of property, plant and equipment as at 31 January 2025, does not differ materially from that which would be determined using fair values that take account of the above considerations.

All the recurring property fair value measurements at 31 January 2025 use significant unobservable inputs and are accordingly categorised within level 3 of the fair valuation hierarchy. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the year ended 31 January 2025.

A reconciliation from the opening balance to the closing balance of land and buildings for recurring fair value measurements categorised within level 3 of the value hierarchy, is reflected in the table above. The only movements for continuing operations in land and buildings classified as property, plant and equipment reflect additions, disposals and depreciation charge for the year.

Valuation processes

The valuations of the properties are performed regularly on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the Group's financial systems and is subject to the Group's overall control environment; and
- assumptions and valuation models used by the valuers – the assumptions are typically market related. These are based on professional judgement and market observation.

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Financial Officer (CFO). This includes a review of fair value movements over the period (if any). When the CFO considers that the valuation report is appropriate, the valuation report is recommended to the Board of Directors. The Board of Directors considers the valuation report as part of its overall responsibilities.

Valuation techniques

In view of the limited number of sales of similar properties in the local market, the valuations have been performed using unobservable inputs. The significant input to the sales comparison approach is generally a sales price per square metre related to transactions in comparable properties located in proximity to the Group's property, with significant adjustments for differences in the size, age, exact location and condition of the property.

The value of properties used as business, manufacturing and operational premises by the Group including factories and warehouses, currently classified under property, plant and equipment is based on a discounted cash flow. The valuers applied a discount rate to an assessed maintainable level of free cash flows based on the forecasted earnings over a five year period. Beyond the five year period, the valuer applied an annual appreciation rate to the land residual value discounted to present value. Following this assessment, no changes to the current value attributable to this Group of properties was deemed necessary.

Information about fair value measurements using significant unobservable inputs (level 3)

Description by class	Fair value	Valuation technique	Significant unobservable input	Range of unobservable inputs
	€'000			€
As at 31 January 2025				
Current use as manufacturing or related premises	73,894	Discounted cash flow approach	Discount rate	11.04%
Developable land for mixed use/commercial use	11,870	Sales comparison approach	Sales price per square metre	1500 - 2500
As at 31 January 2024				
Current use as manufacturing or related premises	75,768	Discounted cash flow approach	Discount rate	9%
Developable land for mixed use/commercial use	17,444	Sales comparison approach	Sales price per cubic metre	175 - 250

In the case of the sales comparison approach, the higher the sales price per square metre, the higher the resultant fair valuation. Conversely, the lower the required development cost per square metre, the higher the resultant fair valuation.

In respect of the discounted cashflow approach, the higher the annualised net cash inflows, and growth rate, the higher the fair value. Conversely, the lower the discount rate, the estimated development costs, and capitalisation rate used in calculating the annualised net cash inflows, the higher the fair value.

The highest and best use of properties which are developable land for mixed use/commercial use differs from their current use. These assets mainly comprise properties which are currently partly used by the Group or which are currently vacant, and which would require development or refurbishment in order to access the maximum potential cash flows that may be generated from the properties' highest and best use.

As at 31 January 2025, the carrying amount of land and buildings for continuing operations would have been €47,007,000 (2024: €48,875,000) had these assets been included in the financial statements at historical cost less depreciation.

The charge for depreciation and impairment charges as disclosed in Note 22 are included in the income statements as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cost of sales	4,278	4,414	3,249	3,422
Selling and distribution costs	1,521	1,438	1,306	1,246
Administration expenses	2,569	2,668	2,202	2,087
	8,368	8,520	6,757	6,755
Continuing operations	7,123	7,096		
Discontinued operations	1,245	1,424		
	8,368	8,520		

6. Right-of-use assets

The statement of financial position reflects the following assets relating to leases:

	Group	
	2025	2024
	€'000	€'000
Land & Buildings		
Opening net book value	5,313	8,626
Additions	4,146	-
Impact of derecognition of lease asset upon termination of lease	-	(1,611)
Depreciation charge	(1,570)	(1,702)
Cost of assets held for distribution to shareholders	(11,883)	-
Depreciation on assets held for distribution to shareholders	6,189	-
Closing net book value	2,195	5,313

	Group	
	2025	2024
	€'000	€'000
Depreciation charge		
Continuing operations	3	3
Discontinued operations	1,567	1,699
	1,570	1,702

	Company	
	2025	2024
	€'000	€'000
Land & Buildings		
Opening net book value	182	184
Additions	1,876	-
Depreciation charge	(2)	(2)
Closing net book value	2,056	182

During the year ended 31 January 2024, the Group terminated two lease agreements which were included as right-of-use assets for the discontinued operations. On the date of termination, the Group derecognised its right-of-use asset amounting to €1,611,000 and the related lease liability amounting to €1,755,000. The resulting net impact was credited to profit and loss.

7. Intangible assets

	Goodwill	Franchises & intellectual knowhow	Total
	€'000	€'000	€'000
GROUP			
At 1 February 2023			
Cost	1,058	7,015	8,073
Accumulated amortisation and impairment	(775)	(4,975)	(5,750)
Net book amount	283	2,040	2,323
Year ended 31 January 2024			
Opening net book amount	283	2,040	2,323
Amortisation	-	(125)	(125)
Impairment	-	(45)	(45)
Closing net book amount	283	1,870	2,153
At 1 February 2024			
Cost	1,058	7,015	8,073
Accumulated amortisation and impairment	(775)	(5,145)	(5,920)
Net book amount	283	1,870	2,153
Year ended 31 January 2025			
Opening net book amount	283	1,870	2,153
Additions	-	60	60
Amortisation	-	(109)	(109)
Cost of assets held for distribution to shareholders	(1,058)	(5,334)	(6,392)
Accumulated amortisation of assets held for distribution to shareholders	775	5,033	5,808
Closing net book amount	-	1,520	1,520
At 31 January 2025			
Cost	-	1,741	1,741
Accumulated amortisation and impairment	-	(221)	(221)
Net book amount	-	1,520	1,520

Closing net book value of the Company's Franchises and intellectual knowhow as at 31 January 2025 amounted to €1,520,000 (2024: €1,590,000) represented by cost of €1,741,000 (2024: €1,741,000) less accumulated amortisation of €221,000 (2024: €151,000).

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1.5. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Amortisation is included in cost of sales within the income statements.

8. Investments in subsidiaries

	Company	
	2025	2024
	€'000	€'000
Year ended 31 January		
Opening net book amount	11,416	9,702
Assets held for distribution to shareholders	(9,806)	-
Reversal of diminution of investment value	80	1,714
Closing net book amount	1,690	11,416
At 31 January		
Cost	2,196	12,002
Impairment provision for investments	(506)	(586)
Net book amount	1,690	11,416

The principal subsidiaries at 31 January 2025 all of which are unlisted, are disclosed in Note 36 to these financial statements.

9. Inventories

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Raw materials and consumables	4,668	5,911	4,557	5,361
Finished goods and goods for resale	15,294	14,606	3,715	3,101
Containers and other stocks	4,415	4,420	3,957	4,034
	24,377	24,937	12,229	12,496

The amount of inventory write-downs recognised in the income statements categories is as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cost of sales	808	717	503	439
Selling, distribution and administrative expenses	92	79	92	79
	900	796	595	518

10. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current				
Other receivables	1,017	1,813	953	1,665
Current				
Trade receivables	26,349	25,123	16,687	14,326
Amounts due from subsidiaries	-	-	9,165	7,756
Amounts due from related parties	23	116	23	116
Indirect taxation	-	190	-	-
Other receivables and advanced deposits	5,043	5,017	3,565	2,980
Prepayments	2,446	1,732	2,314	1,684
	33,861	32,178	31,754	26,862
Total trade and other receivables	34,878	33,991	32,707	28,527

Trade and other receivables are stated net of impairment provision as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Impairment provision				
Trade and other receivables	6,837	6,622	5,015	4,858
Amounts due from subsidiaries	-	-	2,793	1,714
	6,837	6,622	7,808	6,572
 Continuing operations	 6,837	 6,479		
Discontinued operations	178	143		
	7,015	6,622		

The Group's and the Company's bad debts written off against provision as at 31 January 2025 amounted to €9,000 (2024: €29,000) for the Group, and €2,000 (2024: nil) for the Company respectively.

Included in other receivables are advanced deposits on non-current assets not yet commissioned as at year end amounting to €52,000 (2024: €81,000).

Amounts due to the Company by subsidiaries are unsecured and repayable on demand. Included in these balances are year-end amounts of €1,768,000 (2024: €405,000) which are subject to an interest rate of 3.5% (2024: 3.5%). Other balances within amounts due from subsidiaries are interest free.

The Group's and Company's exposure to credit and currency risks and impairment losses relating to trade and other receivables are disclosed in Note 2. The other classes within receivables do not contain impaired assets.

11. Cash and cash equivalents

For the purposes of the statements of cash flows, the cash and cash equivalents at the end of the reporting period comprise the following:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cash at bank and in hand	4,940	8,665	2,320	2,833
Bank overdrafts (Note 17)	-	(445)	-	-
	4,940	8,220	2,320	2,833

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 January:

	Group	
	2025	2024
	€'000	€'000
Cash at bank and on hand	4,940	8,665
Cash at bank attributable to discontinued operations (Note 21)	1,536	-
	6,476	8,665
Bank overdrafts	-	(445)
Bank overdrafts attributable to discontinued operations (Note 21)	(221)	-
	6,255	8,220

12. Share capital

	Group and Company	
	2025	2024
	€'000	€'000
Authorised:		
60,000,000 ordinary shares of €0.30 each	18,000	18,000
21,000,000 preference shares of €1.00 each	21,000	21,000
	39,000	39,000
Issued and fully paid:		
36,000,000 ordinary shares of €0.30 each	10,800	10,800

On 19 July 2022, the Company declared an increase in the authorised share capital of the Company. Members appearing on the Register as at close of trading on the Malta Stock Exchange on 3 June 2022, were allotted one Bonus share for every five shares held, on Friday 29 July 2022. The Bonus share issue was funded by a capitalisation of €1,800,000 from the Company's retained tax-exempt profits.

13. Dividends paid

	Group and Company	
	2025	2024
	€'000	€'000
Interim dividend	2,160	1,800
Final dividend	3,960	3,960
Dividends paid in cash	6,120	5,760
Dividend per share (Euro cents)	17c0	16c0

During the financial year ended 31 January 2024 a net interim dividend of €1,800,000 (€0.05 per share) was paid on 18 October 2023. A final net dividend of €3,960,000 (€0.11 per share) in respect of financial year ended 31 January 2024 was paid on 28 June 2024. Both final and interim dividends were paid out of tax-exempt profits.

During the financial year ended 31 January 2025 a net interim dividend of €2,160,000 (€0.06 per share) was paid on 16 October 2024. Interim dividends were paid out of tax-exempt profits.

At the forthcoming annual general meeting, a final net dividend of €5,040,000 (€0.14 per share) in respect of financial year ended 31 January 2025 is to be proposed.

These financial statements do not reflect this proposed dividend which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 January 2026.

14. Revaluation reserve

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Revaluation on property, plant and equipment				
At beginning of year, before deferred tax	38,763	38,763	37,933	37,933
Fair value movement (Note 21)	4,530	-	-	-
Deferred taxation (Note 19)	(4,917)	(4,917)	(4,062)	(4,062)
At 31 January	38,376	33,846	33,871	33,871

The revaluation reserve was created upon the revaluation of the Group's and Company's properties classified within non-current assets. Related deferred tax was debited to this reserve. The revaluation reserve is a non-distributable reserve.

15. Other reserves

	Share premium	Other unrealised reserve	Incentives and benefits reserve	Capital redemption reserve	Total
	€'000	€'000	€'000	€'000	€'000
GROUP					
At 31 January 2024 and 31 January 2025	2,078	3,507	2,515	7,463	15,563
COMPANY					
At 31 January 2024 and 31 January 2025	2,078	210	2,515	7,463	12,266

The share premium is principally related to a rights issue approved in 2003 for 1,714,286 shares with a nominal value of €0.30 which were successfully offered to the existing shareholders at a price of €1.40.

The incentives and benefits reserve represents profits set aside for re-investment in terms of Sections 6(1) and 36(2) of the Business Promotion Act. Amounts included in this reserve can only be distributed by way of capitalisation of profits.

The capital redemption reserve represents amounts set aside as a result of the redemption of cumulative redeemable preference shares. In accordance with the Maltese Companies Act, 1995, this reserve is only available for distribution to ordinary shareholders by way of a Bonus share issue.

16. Hedging reserve

The changes in fair values of hedging instruments qualifying as cash flow hedges are recorded in a separate category of equity in the hedging reserve as shown below:

	Interest rate swap €'000
Group and Company	
At 31 January 2023	
Gross amounts of losses	(41)
Deferred taxes (Note 19)	14
	(27)
Movement for the year ended 31 January 2024	
Gains from changes in fair value	69
Deferred taxes (Note 19)	(24)
	45
Transferred to statement of comprehensive income (Note 26)	(45)
Deferred taxes (Note 19)	16
	(29)
At 31 January 2024	
Gross amounts of losses	(17)
Deferred taxes (Note 19)	6
	(11)
Movement for the year ended 31 January 2025	
Gains from changes in fair value	11
Deferred taxes (Note 19)	(4)
	7
Transferred to statement of comprehensive income (Note 26)	6
Deferred taxes (Note 19)	(2)
	4
At 31 January 2025	
Gross amounts of losses	-
Deferred taxes (Note 19)	-
	-

The net fair value losses recognised in equity at 31 January 2025 on the interest-rate swap contracts were transferred from the hedging reserve to the income statements during the remaining term of the contracts. As at the reporting period date, these contracts are designated as hedging anticipated variable interest payments which will also accrue over the term of the derivative contract.

17. Borrowings

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current				
Bonds	19,914	19,882	19,914	19,882
Bank loans	-	1,163	-	1,163
	19,914	21,045	19,914	21,045
Current				
Bank overdrafts	-	445	-	-
Bank loans	1,163	1,550	1,163	1,550
	1,163	1,995	1,163	1,550
Total borrowings	21,077	23,040	21,077	22,595

The bonds are disclosed at the value of the proceeds less the net book amount of the issue costs as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Face value of bonds				
3.5% Bonds 2017 - 2027	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000
Issue costs	305	305	305	305
Accumulated amortisation	(219)	(187)	(219)	(187)
Net book amount	86	118	86	118
Amortised cost	19,914	19,882	19,914	19,882

By virtue of an offering memorandum dated 31 July 2017, the Company issued €20,000,000 Bonds (2017 - 2027), having a nominal value of €100 each, bearing interest at the rate of 3.5% per annum.

These bonds are unsecured pursuant and subject to the terms and conditions in the prospectus dated 31 July 2017. The quoted market price as at 31 January 2025 for the 3.5% Bonds 2017 - 2027 was €101.9 (2024: €98.5).

The Group's and the Company's banking facilities as at 31 January 2025 amounted to €17,212,500 (2024: €20,643,500) for the Group, and €10,712,500 (2024: €10,712,500) for the Company.

The bank overdrafts and loans are secured by special and general hypothecs over the Group's assets.

Interest rate exposure:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
At floating rates	1,163	3,158	1,163	2,713
At fixed rates	19,914	19,882	19,914	19,882
Total borrowings	21,077	23,040	21,077	22,595

Certain borrowings at floating rates which interest rate is computed using a margin over the 3-month Euribor rate, were hedged through interest rate swap agreements (Note 16).

The weighted average effective interest rates at the end of the reporting period were as follows:

	Group and Company	
	2025	2024
	%	%
Bank loans	2.0	2.0
Bonds	3.5	3.5

This note provides information about the contractual terms of the Group's and the Company's loans and borrowings. For more information about the Group's and the Company's exposure to interest rate and liquidity risk, refer to Note 2.

18. Lease liabilities

	Group	
	2025	2024
	€'000	€'000
Non-current		
Land & buildings	2,116	3,904
Current		
Land & buildings	92	1,415
Total lease liabilities	2,208	5,319

	Company	
	2025	2024
	€'000	€'000
Non-current		
Land & buildings	1,970	171
Current		
Land & buildings	92	15
Total lease liabilities	2,062	186

	Group	
	2025	2024
	€'000	€'000
Land & buildings		
At beginning of the year	5,319	8,703
Additions	4,133	-
Impact of derecognition of lease liability upon termination of lease	-	(1,755)
Interest expense	248	318
Payments	(1,644)	(1,947)
Liabilities associated with assets held for distribution to shareholders	(11,637)	-
Interest payments from discontinued operations	5,789	-
At end of year	2,208	5,319

	Company	
	2025	2024
	€'000	€'000
Land & buildings		
At beginning of the year	186	186
Additions	1,876	-
Interest expense	7	7
Payments	(7)	(7)
At end of year	2,062	186

Included in the lease liabilities for land & buildings of the Group are amounts of €2,662,000 (2024: €1,311,000) which are attributable arrangements with a related party.

The contractual undiscounted cash flows attributable to lease liabilities as at 31 January are analysed in Note 2.1(c).

The incremental borrowing rates at the end of the reporting period were as follows:

	Group and Company	
	2025	2024
	%	%
Land & buildings	4.0	4.0

The Group had total cash outflows for leases of €7,000 in 2025 (2024: €1,947,000).

19. Deferred taxation

The movement in the deferred tax account is as follows:

	Group		Company	
	2025	2024 Restated	2025	2024
	€'000	€'000	€'000	€'000
At beginning of year	(9,191)	(8,938)	(10,510)	(9,754)
Prior year adjustment/reclassification	-	719	-	-
Credited to income statements (Note 27)	(2,768)	(947)	(2,708)	(748)
Net tax effect of re-measurement of derivatives (Note 16)	(6)	(8)	(6)	(8)
Deferred tax on assets held for distribution to shareholders (Note 21)	(111)	(17)	-	-
Debit to income statement - discontinued operations	73	-	-	-
At end of year	(12,003)	(9,191)	(13,224)	(10,510)

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2024: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property which is computed on the basis applicable to disposals of immovable property, that is, tax effect of 8% or 10% (2024: 8% or 10%) of the transfer value.

The manufacturing arm of the Group has been availing itself of investment aid under the various investment tax credit schemes that were applicable until 30 June 2014. The Group and the Company have reviewed the extent to which the related deferred tax may be utilised in the foreseeable future and transferred the movement to the income statement.

This assessment has been based on projected taxable profits. If the actual chargeable income differed by 10% from management's estimates, the Group and Company would need to increase/decrease the deferred tax asset by €1,030,000 (2024: €1,500,000).

The movements in the deferred taxation elements and the balance at 31 January represent:

(Assets)/Liabilities	Fixed assets	Investment tax credits	Fair value (gain)/loss	Revaluation surplus	Provisions and Tax Losses	Total
	€'000	€'000	€'000	€'000	€'000	€'000
GROUP						
At 1 February 2023	3,022	(15,048)	493	4,917	(2,322)	(8,938)
Prior year adjustment/reclassification (Note 35)	485	-	-	-	234	719
Income statement	(427)	(854)	-	-	317	(964)
Other comprehensive income	-	-	(8)	-	-	(8)
At 31 January 2024	3,080	(15,902)	485	4,917	(1,771)	(9,191)
At 1 February 2024	3,080	(15,902)	485	4,917	(1,771)	(9,191)
Income statement - continuing operations	(847)	(2,036)	-	-	115	(2,768)
Income statement - discontinued operations	(16)	-	-	-	89	73
Deferred tax on assets held for distribution to shareholders	(78)	-	-	-	(33)	(111)
Other comprehensive income	-	-	(6)	-	-	(6)
At 31 January 2025	2,139	(17,938)	479	4,917	(1,600)	(12,003)
COMPANY						
At 1 February 2023	3,569	(15,048)	14	4,062	(2,351)	(9,754)
Income statement	(462)	(854)	-	-	568	(748)
Other comprehensive income	-	-	(8)	-	-	(8)
At 31 January 2024	3,107	(15,902)	6	4,062	(1,783)	(10,510)
At 1 February 2024	3,107	(15,902)	6	4,062	(1,783)	(10,510)
Income statement	(839)	(2,036)	-	-	167	(2,708)
Other comprehensive income	-	-	(6)	-	-	(6)
At 31 January 2025	2,268	(17,938)	-	4,062	(1,616)	(13,224)

Deferred taxation is principally composed of deferred tax assets and liabilities which are to be recovered and settled after more than twelve months.

At 31 January 2024, the Group and the Company had unrecognised deferred tax assets consisting of unutilised tax credits arising from:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Unutilised tax credits	2,556	10,233	2,556	10,233

Whereas tax losses have no expiry date, unabsorbed capital allowances and other tax credits are forfeited upon cessation of trade.

20. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current				
Capital and other payables	2,586	2,952	2,586	2,953
Current				
Trade payables	5,950	8,035	3,876	3,234
Capital and other payables	3,581	3,716	3,629	3,690
Amounts due to subsidiaries	-	-	1,688	3,372
Amounts owed to related parties	-	213	-	154
Indirect taxes and social security	2,829	6,564	2,746	4,908
Accruals and deferred income	9,955	11,975	7,101	6,904
	22,315	30,503	19,040	22,262
Total trade and other payables	24,901	33,455	21,626	25,215

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 2.

Amounts due by the Company to subsidiaries are unsecured and repayable on demand. Included in these balances are year-end amounts of €850,000 (2024: €850,000) which are subject to an interest rate of 3.5% (2024: 3.5%). Other balances within amounts due from subsidiaries are interest free.

As at 31 January 2025, capital and other payables include institutional grants amounting to €1,979,000 (2024: €2,229,000) relating to funds advanced directly by the Government of Malta and its agencies to the Group, co-financing its capital expenditure on certain items of property, plant and equipment. The non-current portion of deferred institutional grants amounted to €1,729,000 (2024: €1,979,000). Such funds are treated as deferred income and are credited to profit or loss on a systematic basis over the useful lives of the assets.

As at 31 January 2025, capital and other payables include net provisions of €1,000,000 (2024: €1,120,000) for annuities payable to pensioners and/or widowers under the closed pension fund scheme.

21. Assets held for distribution to shareholders and discontinued operations

On 27 November 2024, the Board of Directors issued a company announcement pursuant to Chapter 5 of the Capital Markets Rules as issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta). Through this announcement the Board of Directors advised that after having carefully considered the outcome of the strategic review referred to in the Annual Reports of January 2023 and 2024, it concluded that the growth of the Food Business as well as the interest of the Group, its shareholders and other stakeholders would be best served through a reorganisation by way of a Spin-off of the Food Business as a separate legal entity that would be listed on the Malta Stock Exchange. The Spin-off, subject to approval at the Annual General Meeting to be held on 26 June 2025, is anticipated to be implemented in the second half of 2025.

The proposed Spin-off is intended to be implemented by way of a Distribution of Quinco Holdings p.l.c. shares to the shareholders. The Distribution will be in the form of a transfer to the Simonds Farsons Cisk Plc shareholders, of Quinco Holdings p.l.c. shares, *pro-rata* to the shares held by the shareholders in Simonds Farsons Cisk Plc.

In view of these developments, at 31 January 2025, the Food Business was classified as a disposal group held for distribution to shareholders and as a discontinued operation.

The business of the subsidiaries Quintano Foods Limited and Food Chain Limited represented the entirety of the Group's Food Business. The results of Food Business for the year and its comparative are presented below:

	2025	2024
	€'000	€'000
Revenue	39,276	37,153
Expenses	(36,166)	(34,034)
Net Impairment movement of financial assets	35	(78)
Operating profit	3,145	3,041
Finance income	30	30
Finance costs	(350)	(383)
Profit before tax from discontinued operations	2,825	2,688
Tax expense	(1,160)	(1,115)
Profit for the year from discontinued operations	1,665	1,573
Revaluation of property included in OCI	4,530	-
Other comprehensive income for the year from discontinued operations	6,195	1,573

The continuing operations revenue for the year ended 31 January 2025 includes revenue generated from sales to the discontinued operations of €875,000 (2024: €802,000) whilst the same amounts are included within the cost of sales (expenses) under the discontinued operations.

The major classes of assets and liabilities of the discontinued Food Business classified as held for distribution to shareholders as at 31 January are, as follows:

	2025
	€'000
Assets	
Property, plant and equipment	19,151
Right-of-use assets	5,694
Intangible assets	584
Inventories	2,309
Trade and other receivables	3,334
Cash and cash equivalents	1,536
Assets held for distribution to shareholders	32,608
Liabilities	
Trade and other payables	(7,214)
Lease liabilities	(5,848)
Current tax liabilities	(906)
Borrowings	(221)
Deferred tax liability	(111)
Liabilities directly associated with assets held for distribution to shareholders	(14,300)
Net assets directly associated with assets held for distribution to shareholders	18,308
Amounts included in accumulated OCI:	
Revaluation of property	4,530
Reserve of disposal group classified as held for distribution to shareholders	4,530

The net cash flows of the discontinued Food Business are, as follows:

	2025	2024
	€'000	€'000
Operating	7,308	3,454
Investing	(6,563)	(1,449)
Financing	(1,520)	(1,690)
Net cash (outflow)/inflow	(775)	315
Earnings per share		
Basic and diluted earnings per share for the year from discontinued operations	€ 0.0463	€ 0.0437

22. Expenses by nature

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Depreciation and Impairment of property, plant and equipment (Note 5)	7,123	7,096	6,757	6,755
Depreciation of right-of-use assets (Note 6)	3	3	2	2
Profit on disposal of property, plant and equipment	-	(5)	(1)	(5)
Employee benefit expense (Note 23)	19,958	18,837	14,312	13,309
Termination benefits (Note 23)	11	7	11	7
Directors' emoluments (Note 28)	833	811	833	811
Raw materials, imported goods and consumables	39,871	39,195	26,659	26,730
Movement in inventory levels of finished goods and work in progress (Note 9)	(688)	(2,444)	(614)	183
Amortisation and Impairment of intangible assets (Note 7)	70	70	70	70
Other expenses	18,648	17,924	8,470	5,142
Total cost of sales, selling and distribution costs and administrative expenses	85,829	81,494	56,499	53,004

Operating profit is stated after crediting deferred institutional grants amounting to €250,000 (2024: €398,000).

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 January 2025 and 2024 relate to the following:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Annual statutory audit	128	132	77	104
Other assurance services	-	14	-	12
	128	146	77	116

During the current year fees amounting to €82,000 (2024: €122,000) and €82,000 (2024: €119,000) for the Group and Company respectively have been charged by connected undertakings of the Company's auditor to the Group and Company for tax compliance, advisory services and other non-assurance services.

23. Employee benefit expense

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Wages and salaries	18,810	17,705	15,795	14,691
Social security costs	1,148	1,099	974	914
Other employee related costs	-	33	-	33
	19,958	18,837	16,769	15,638
Recharged to subsidiaries	-	-	(2,457)	(2,329)
	19,958	18,837	14,312	13,309
Termination benefits	11	7	11	7
	19,969	18,844	14,323	13,316

The average number of full time equivalents employed during the year by the Group and Company were:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Continuing Operations				
Management	100	97	85	84
Non-Management	453	466	367	371
	553	563	452	455

Employee benefit expense for financial year 2024 above amounting to €18,837,000 (Company €13,309,000) is stated net of the COVID-19 wage supplement paid by Government of Malta to the Group to support the payment of employees' wages and salaries amounting to €6,000 (Company €4,000). No COVID-19 wage supplement paid by Government of Malta to the Group or Company in financial year 2025.

24. Net exchange differences

The net exchange differences charged and credited to the income statements include:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Foreign exchange differences	12	28	12	17

25. Finance income

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Interest on amounts owed by subsidiaries	-	-	38	15
Other operating income	49	27	11	12
	49	27	49	27

26. Finance costs

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Interest on bank loans and overdrafts	199	226	133	138
Lease interest	7	7	7	7
Interest on bonds	700	700	700	700
Fair value loss on derivative financial instruments	6	45	6	45
	912	978	846	890

27. Tax (income)/expense

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Current tax expense	558	627	11	18
Deferred tax income (Note 19)	(2,768)	(947)	(2,708)	(748)
Tax income	(2,210)	(320)	(2,697)	(730)

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Profit before tax from continuing operations	14,743	13,380	12,605	12,216
Profit before tax from discontinued operations (Note 21)	2,825	2,688	-	-
Profit before tax	17,568	16,068	12,605	12,216
Tax on profit at 35%	6,149	5,624	4,412	4,276
Tax effect of:				
Movement in deferred tax assets/conversion tax credits	(7,390)	(5,112)	(7,390)	(5,112)
Under/(over) provision in deferred tax related to prior years	96	118	(24)	-
Non-taxable income or disallowable expenses	169	165	305	106
Income taxed at source at a reduced rate	(145)	-	-	-
Other	71	-	-	-
Tax (income)/expense	(1,050)	795	(2,697)	(730)
Tax income as reported in the statement of profit and loss	(2,210)	(320)	(2,697)	(730)
Tax expense attributable to discontinued operations (Note 21)	1,160	1,115	-	-
	(1,050)	795	(2,697)	(730)

28. Directors' emoluments

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Fees	234	233	234	233
Salaries	177	174	177	174
Other emoluments	422	404	422	404
Total Directors' remuneration	833	811	833	811

A number of Directors availed themselves of an allowance for the use of Company cars during the year. The estimated value of this benefit has been included within the Directors' emoluments, which also includes other allowances.

29. Earnings per share

Earnings per share is based on the profit for the financial year attributable to the shareholders of Simonds Farsons Cisk plc divided by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

	Group	
	2025	2024
Profit attributable to shareholders (€'000)		
Continuing operations	16,953	13,700
Discontinued operations	1,665	1,573
	18,618	15,273
Weighted average number of ordinary shares in issue (thousands)	36,000	36,000
Basic and diluted earnings per share for the year attributable to shareholders		
Continuing operations	€ 0.4709	€ 0.3806
Discontinued operations	€ 0.0463	€ 0.0437

The Company does not have any dilutive contracts on own shares in issue.

30. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Operating profit from continuing operations	15,606	14,331	13,402	13,079
Operating profit from discontinued operations	3,145	3,041	-	-
Operating profit	18,751	17,372	13,402	13,079
Adjustments for:				
Depreciation and impairment of property, plant and equipment (Note 5)	8,368	8,520	6,757	6,755
Depreciation of right-of-use assets (Note 6)	1,570	1,702	2	2
Profit/(loss) on disposal of property, plant and equipment (Note 22)	-	1	(1)	(5)
Amortisation of intangible assets	109	170	70	70
Amortisation of institutional grant (Note 22)	(250)	(398)	(250)	(398)
Diminution of impairment in subsidiaries (Note 8)	-	-	(80)	(1,714)
Amortisation of bond issue costs (Note 17)	32	32	32	32
Increase in provision for impairment of trade and other receivables (Note 10)	402	617	1,236	1,872
Provision for termination benefits	-	7	-	7
Net gain on termination of lease	-	(144)	-	-
	28,982	27,879	21,168	19,700
Changes in working capital:				
Inventories	(1,749)	(1,081)	267	(229)
Trade and other receivables	(4,621)	(4,523)	(5,414)	(4,092)
Trade and other payables	(1,119)	(6,110)	(3,358)	(3,911)
Cash generated from operations	21,493	16,165	12,663	11,468

Net debt reconciliation

All the movements in the Company's net debt (bank and bond borrowings net of cash and cash equivalents) related only to cash flow movements and disclosed as part of the financing activities in the statement of cash flows on page 88 and movement in lease liability is disclosed in Note 18.

31. Commitments**Capital commitments**

Commitments for capital expenditure with respect to property, plant and equipment not provided for in these financial statements are as follows:

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Authorised but not contracted	22,827	40,987	21,467	16,508
Contracted but not provided for	3,103	3,892	3,103	3,892
	25,930	44,879	24,570	20,400

32. Contingent liabilities

At 31 January 2025, the Group and the Company had contingent liabilities amounting to €723,000 (2024: €912,000) and €27,000 (2024: €94,000) respectively, with regards to guarantees mainly in favour of the Comptroller of Customs issued by the bank on behalf of the Group and Company in the ordinary course of business and capital expenditure.

33. Related party transactions

The following companies (and their respective subsidiaries) are related parties by virtue of their shareholding in the Company:

	Percentage of shares held	
	2025	2024
Farrugia Investments Limited	26.50	26.50
M.S.M. Investments Limited	26.50	26.50
Sciclunas Estates Limited	26.32	26.32

The remaining 20.68% (2024: 20.68%) of the shares are widely held. The transactions set out below were carried out with related parties. The Directors make particular reference to the fact that Trident Estates plc and its subsidiaries are considered to be related parties due to common Directors and the common shareholding.

	Group		Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Income from goods and services				
- Sales of goods to subsidiaries	-	-	2,987	2,813
- Sales of goods to related parties	396	404	262	217
- Recharge of costs to subsidiaries	-	-	2,530	2,227
- Recharge of payroll costs to subsidiaries	-	-	2,457	2,771
- Recharge of payroll costs to a related party	1	31	1	31
- Finance income on loans to subsidiaries	-	-	32	15
	397	435	8,269	8,074
Expenditure for goods and services				
- Purchases of goods from subsidiaries	-	-	2,671	2,371
- Purchases of goods and services from related parties	1,307	1,213	1,261	1,098
- Rental expenses from related parties	620	781	-	-
- Finance costs on loans from subsidiaries	-	-	30	30
	1,927	1,994	3,962	3,499

Key management personnel compensation, consisting of Directors' and Senior Management remuneration, is disclosed as follows:

	Group	
	2025	2024
	€'000	€'000
Directors (Note 28)	833	811
Senior Management	1,516	1,457
	2,349	2,268

The Company has no profit sharing, share options or pension benefits arrangements with key management personnel. As disclosed in the Remuneration Report, provision for the lifetime annuity is provided for under accruals.

Amounts due from/to subsidiaries, in connection with sales and purchases and treasury transactions, are disclosed in Notes 10 and 20 of these financial statements.

34. Statutory information

Simonds Farsons Cisk plc is a public limited company and is incorporated in Malta.

35. Comparative information and prior period adjustment

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's disclosure format for the purpose of fairer presentation and in particular to reclassify the continuing and discontinued operations.

A deferred tax asset of €485,000 had been recognised in prior periods in respect of capital allowances on property, plant and equipment that did not meet the recoverability criteria. This error has been corrected by restating the opening retained earnings as at 1 February 2023. The comparative figures have been restated as follows:

- Statement of financial position as at 31 January 2024:
 - Deferred tax asset decreased by €485,000
 - Retained earnings decreased by €485,000
- Statement of changes in equity:
 - Prior period adjustment of €485,000

The restatement had no impact on the income statement or cash flow statement.

36. Subsidiaries

The principal subsidiaries are shown below:

	Registered office	Principal activities	Percentage of shares held	
			2025	2024
EcoPure Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Sale and distribution of bottled water	100	100
Farsons Distribution Services Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Non-operating	100	100
Farsons Beverage Imports Company Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Importation and wholesale of beverages, wines and spirits	100	100
Food Chain Limited	303, Qormi Road, Marsa	Operation of franchised food retailing establishments	100	100
Portanier Warehouses Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Non-operating	100	100
Quintano Foods Limited	303, Qormi Road, Marsa	Importation and wholesale of food products	100	100
The Brewhouse Company Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Operation of brand visitors' attraction, retail outlets, leasing of commercial and office space	100	100

Food Chain Limited and Quintano Foods Limited have been classified as discontinued operations.

SHAREHOLDER INFORMATION

Directors' interests in the share capital of the Company

	Ordinary shares held as at 31 January 2025	Ordinary shares held as at 30 April 2025
Mr Louis A. Farrugia	36,268	36,268
Mr Michael Farrugia	6,662	6,662
Ms Marina Hogg	16,468	16,468
Mr Marcantonio Stagno d'Alcontres	4,116	4,116
Dr Max Ganado	1,800	1,800

Directors' interests listed above are inclusive of shares held in the name of the relative spouse and minor children as applicable.

Mr Louis A. Farrugia has beneficial interest in Farrugia Investments Limited directly and through Farrugia Holdings Limited. Mr Michael Farrugia has beneficial interest in Farrugia Investments Limited through Farrugia Holdings Limited.

Mr Marcantonio Stagno d'Alcontres has beneficial interest in M.S.M. Investments Limited through Medsea Investments Limited and Miceli Holdings Limited. Ms Marina Hogg has beneficial interest in M.S.M. Investments Limited through Bolina Holdings Limited and Miceli Holdings Limited.

There has been no movement in the above stated shareholdings during the period 31 January 2025 to 30 April 2025.

Shareholders holding 5% or more of the equity share capital as at 30 April 2025

Shareholders	Number of shares	Percentage holding
Farrugia Investments Limited	9,538,632	26.50%
M.S.M. Investments Limited	9,538,632	26.50%
Sciclunas Estates Limited	9,475,395	26.32%

Shareholding details

As at 30 April 2025, the Company's issued share capital was held by the following shareholders:

	Number of shareholders
Ordinary shares of €0.30 each	2,016

The holders of the Ordinary shares have equal voting rights.

Number of shareholders as at 30 April 2025

	Number of shareholders	Number of shares	Percentage holding
Ordinary shares of €0.30 each			
Up to 500 shares	692	158,401	0.44%
501 - 1,000	397	289,743	0.81%
1,001 - 5,000	722	1,621,518	4.50%
More than 5,000	205	33,930,338	94.25%
	2016	36,000,000	100.00%

Nadine Magro

Company Secretary

The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara CBD 2010, Malta

Telephone: (+356) 2381 4291

FIVE YEAR SUMMARISED GROUP FINANCIAL INFORMATION

	2025	2024	2023	2022	2021
	€'000	€'000	€'000	€'000	€'000
Continuing operations					
Revenue	101,802	96,520	88,744	68,981	55,849
Operating costs	(86,196)	(82,189)	(73,895)	(57,704)	(51,512)
Operating Profit	15,606	14,331	14,849	11,277	4,337
Net finance costs	(863)	(951)	(928)	(943)	(982)
Profit before taxation	14,743	13,380	13,921	10,334	3,355
Tax	2,210	320	656	907	(693)
Profit for the year from continuing operations	16,953	13,700	14,577	11,241	2,662
Discontinued operations					
Profit after tax for the year from discontinued operations	1,665	1,573	895	1,187	671
Profit for the year	18,618	15,273	15,472	12,428	3,333
Net dividend paid on ordinary shares	6,120	5,760	5,620	3,000	-
Balance sheet					
Shareholders' funds	165,196	148,179	139,167	129,188	119,654
Lease liabilities	2,208	5,319	8,703	8,290	5,647
Borrowings (net of cash and cash equivalents)	16,137	14,375	14,732	10,264	18,591
Total capital employed (adjusted)	183,541	167,873	162,602	147,742	143,892
Non-current assets	132,709	145,812	152,329	145,727	136,504
Net assets directly associated with assets held for distribution to shareholders	18,308	-	-	-	-
Current assets (excluding cash and cash equivalents)	58,238	57,115	51,691	39,485	33,387
Liabilities (excluding cash borrowings and lease liabilities)	(25,714)	(35,054)	(41,418)	(37,470)	(25,999)
Total assets less liabilities (excluding net borrowings)	183,541	167,873	162,602	147,742	143,892
Other financial metrics					
Shares in issue during the financial year - Ordinary shares '000	36,000	36,000	36,000	30,000	30,000
Bonus shares issued	-	-	6,000	-	-
Number of ordinary shareholders	2,010	2,010	2,010	1,997	1,991
Earnings per ordinary share (continuing and discontinued)	€ 0.517	€ 0.424	€ 0.430	€ 0.345	€ 0.093
EBITDA (continuing and discontinued) '000	28,705	27,859	26,432	22,697	14,949
Return on average capital employed percentage	9.1	9.1	11.4	9.7	3.9
Dividend cover times	3.04	2.65	2.75	4.14	-
Dividends per ordinary share (net of tax)	€ 0.170	€ 0.160	€ 0.156	€ 0.100	€ -
Net asset value per ordinary share	€ 4.59	€ 4.12	€ 3.87	€ 3.59	€ 3.32
Gearing percentage	9.99	11.73	14.41	12.56	16.84

The Earnings per Ordinary share and the Net asset value per Ordinary share for prior years have been restated to reflect the additional shares allotted through the Bonus share issue in FY 2023 (Note 12).

Continuing and Discontinued operations - Revenue figures for all financial years have been restated to reflect both segments separately.

Return on average capital employed is calculated by dividing operating profit by the average of the opening and closing total capital employed for the relevant year.

Dividend cover is calculated by dividing the profit attributable to the ordinary shareholders by the total net dividends paid in cash during the year.

Net asset value per Ordinary share is calculated by dividing shareholders' funds attributable to the ordinary shareholders by the number of ordinary shares in issue at the end of the year.

Gearing is calculated by dividing net borrowings by the sum of total equity and net borrowings.



INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Simonds Farsons Cisk plc

Deloitte Audit Ltd.
Deloitte Place,
Triq I-Intornjatur, Zone 3,
Central Business District,
Birkirkara CBD 3050,
Malta

Tel: +356 2343 2000, 2134 5000
Fax: +356 2134 4443
info@deloitte.com.mt
www.deloitte.com/mt

Company Ref No: C51312
VAT Reg No: MT2013 6121
Exemption number: EXO2155

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Simonds Farsons Cisk plc (the Company) and the consolidated financial statements of the Company and its subsidiaries (together, the Group), set out on pages 82 to 118, which comprise the statements of financial position of the Company and the Group as at 31 January 2025, and the statements of profit or loss, the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company and the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 January 2025, and of the Company's and the Group's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive (Maltese Code) that are relevant to our audit of the financial statements of public interest entities in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and the Group and have not provided any of the non-audit services prohibited by article 18A(1) of the Maltese Accountancy Profession Act (Cap. 281).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. The key audit matter described below was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Key Audit Matters (continued)

Recognition of deferred tax asset arising from tax credits relating to the Group and the Company

The Group and the Company have recorded a deferred tax asset attributable to unutilised tax credits amounting to EUR17.9million. The deferred tax asset is recognised to the extent that it is probable that future taxable profits generated by the Company, the manufacturing arm of the Group, will be available to allow the deferred tax asset to be recovered. The recognition of deferred tax assets is significant to our audit because it is material to the Company and the Group and also due to the level of judgment that is applied in quantifying the appropriate tax credits to be utilised and therefore determining assumptions about future taxable profits.

Our audit approach included the following:

- Obtaining an understanding of the Company and Group's policy on the recognition and utilisation of the deferred tax asset arising from past investment tax credits;
- Evaluating the design and implementation of the Company and the Group's annual review control on the recognition of the deferred asset in relation to the investment tax credits;
- Testing the balance of the unutilised tax credits carried forward on a sample basis to supporting documentation;
- Evaluating and challenging the reasonableness of the inputs of the Company's budgets and business plans including assumptions on the growth rate to arrive at the projected taxable profits and assessing the utilisation of the investment tax credit in the foreseeable future to support the recognition and recoverability of the deferred tax asset.
- Assessing the adequacy of disclosures made in the financial statements in relation to the recognition of deferred tax asset.

The disclosures relating to the Group's and Company's deferred tax asset recognition are disclosed in notes 19 to the financial statements.

Other matters

The financial statements for the year ended 31 January 2024 of the Company and the Group, were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 May 2024.

Other Information

The directors are responsible for the other information. The other information comprises (i) the Chairman's statement, (ii) the Board of Directors' section, (iii) the Board Committees section, (iv) the Farsons Foundation section, (v) the Senior Management section, (vi) the Group Chief Executive's Review section, (vii) the Directors' Report which includes the Statement of Director's Responsibilities, (viii) the Statement by the Directors on Non-Financial Information, (ix) the Corporate Governance Statement, (x) the Remuneration Report required under Rule 12.26K of the Capital Markets Rules, (xi) Shareholder Information (xii) Five Year Summarised Group Financial Information, which we obtained prior to the date of this auditor's report.

However, the other information does not include the individual and consolidated financial statements, our auditor's report and the relevant tagging applied in accordance with the requirements of the European Single Electronic Format, as defined in our Report on Other Legal and Regulatory Requirements.

Except for our opinions on the Directors' Report in accordance with the Maltese Companies Act (Cap. 386), and on the Corporate Governance Statement of Compliance and on the Remuneration Report in accordance with the Capital Markets Rules issued by the Malta Financial Services Authority, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386), and the statement required by Rule 5.62 of the Capital Markets Rules on the Company's and the Group's ability to continue as a going concern.



Other Information (continued)

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap. 386) in relation to the Directors' Report on pages 40 to 45, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company, the Group and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors and the Audit Committee for the Financial Statements

As explained more fully in the Directors' Report on page 44 the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and/or the Group or to cease operations, or have no realistic alternative but to do so.

The directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit Committee.

Auditor's Responsibilities for the Audit of the Financial Statements

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Maltese Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company and the Group or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company and the Group. The financial position of the Company and/or the Group may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's and the Group's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company and/or the Group, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or the Group. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or the Group and to identify any facts or circumstances that may be materially relevant thereto.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.



Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and/or the Group to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's and/or the Group's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's and/or the Group's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance of the Annual Financial Report with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS")

Pursuant to Capital Markets Rule 5.55.6 issued by the Malta Financial Services Authority, we have undertaken a reasonable assurance engagement in accordance with the requirements of the Accountancy Profession (European Single Electronic Format) Assurance Directive issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281), hereinafter referred to as the "ESEF Directive 6", on the annual financial report of the Company and the Group for the year ended 31 January 2025, prepared in a single electronic reporting format.

Solely for the purposes of our reasonable assurance report on the compliance of the annual financial report with the requirements of the ESEF RTS, the "Annual Financial Report" comprises the Directors' Report, Directors' responsibilities for the Financial Statements, the Corporate Governance Statement of Compliance, the annual financial statements, Company Information, and the Independent auditor's report, as set out in Capital Markets Rules 5.55.



Report on Other Legal and Regulatory Requirements (continued)

Report on compliance of the Annual Financial Report with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS") (continued)

Responsibilities of the Directors for the Annual Financial Report

The directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the consolidated financial statements and the relevant tagging requirements therein, as required by Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report that is free from material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error,

and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Auditor's responsibilities for the Reasonable Assurance Engagement

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tags therein comply, in all material respects, with the ESEF RTS, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

The nature, timing and extent of procedures we performed, including the assessment of the risks of material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error, were based on our professional judgement and included:

- Obtaining an understanding of the Company's and the Group's internal controls relevant to the financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.

- Examining the information in the Annual Financial Report to determine whether all the required tags therein have been applied and evaluating the appropriateness, in all material respects, of the use of such tags in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Reasonable Assurance Opinion

In our opinion, the Annual Financial Report for the year ended 31 January 2025 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

This reasonable assurance opinion only covers the transfer of the information in the Annual Financial Report into a single electronic reporting format as required by the ESEF RTS, and therefore does not cover the information contained in the Annual Financial Report.

Report on Corporate Governance Statement of Compliance

Pursuant to Rule 5.94 of the Capital Markets Rules issued by the Malta Financial Services Authority, the directors are required to include in the Company's Annual Financial Report a Corporate Governance Statement of Compliance explaining the extent to which they have adopted the Code of Principles of Good Corporate Governance set out in Appendix 5.1 to Chapter 5 of the Capital Markets Rules, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement of Compliance is to contain at least the information set out in Rule 5.97 of the Capital Markets Rules.

Our responsibility is laid down by Rule 5.98 of the Capital Markets Rules, which requires us to include a report to shareholders on the Corporate Governance Statement of Compliance in the Company's Annual Financial Report.

We read the Corporate Governance Statement of Compliance and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated. We also review whether the Corporate Governance Statement of Compliance contains at least the information set out in Rule 5.97 of the Capital Markets Rules.



Report on Corporate Governance Statement of Compliance (continued)

We are not required to, and we do not, consider whether the directors' statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement of Compliance set out on pages 70 to 76 has been properly prepared in accordance with the requirements of Rules 5.94 and 5.97 of the Capital Markets Rules.

Report on Remuneration Report

Pursuant to Rule 12.26K of the Capital Markets Rules issued by the Malta Financial Services Authority, the directors are required to draw up a Remuneration Report, whose contents are to be in line with the requirements listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

Our responsibility is laid down by Rule 12.26N of the Capital Markets Rules, which requires us to check that the information that needs to be provided in the Remuneration Report, as required in terms of Chapter 12 of the Capital Markets Rules, including Appendix 12.1, has been included.

In our opinion, the Remuneration Report set out on pages 77 to 81 includes the information that needs to be provided in the Remuneration Report in terms of the Capital Markets Rules.

Matters on which we are required to report by exception under the Companies Act

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

Auditor tenure

We were first appointed by the members of the Company to act as statutory auditor of the Company and the Group on 27 June 2024 for the financial year ended 31 January 2025. The period of total uninterrupted engagement as statutory auditor including previous reappointments of the firm is one financial year.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

The audit was drawn up on 28 May 2025 and signed by:

David Delicata as Director
for and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta





Simonds Farsons Cisk plc

The Brewery,
Mdina Road, Zone 2,
Central Business District,
Birkirkara CBD 2010,
Malta.

Tel: (+356) 2381 4114
email: sfc@farsons.com
www.farsons.com

