Farsons

Simonds Farsons Cisk p.l.c.

Annual Report 2025/26

For the year ended
31 January 2026

SIMONDS FARSONS CISK P.L.C.

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ended 31 January 2026

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Readers are reminded that the official statutory Annual Financial Report 2025/26, 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 2025/26, 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

The past financial year has been one of the most significant and transformational periods in the Group's recent history. During the year, the Board implemented several important strategic initiatives intended to strengthen the long-term positioning and focus of the Group's beverage and food interests.

Foremost amongst these developments was the successful spin-off and separate listing of the Group's food business under Quinco Holdings p.l.c. Following Shareholders' approval obtained at the Annual General Meeting held in June 2025, Quinco Holdings p.l.c., was admitted to the Official List of the Malta Stock Exchange in October 2025, with shares subsequently distributed to shareholders of Simonds Farsons Cisk p.l.c., by way of a dividend in kind.

Shareholders who have retained their holdings since the Trident Estates p.l.c., spin-off in 2018 now own interests in three distinct publicly listed companies. Whilst these companies continue to share common origins, governance principles, and shareholder structures, each is now better positioned to pursue its own strategic priorities and long-term growth opportunities under dedicated Boards and management teams.

Quinco Holdings p.l.c., has now been operating independently for several months under the chairmanship of Mr Norman Aquilina who possesses longstanding experience within the food business and wider Group operations.

The Group's financial statements for the year accordingly reflect the food business as a discontinued operation up to the date of transfer. Shareholders should therefore take this structural change into account when comparing the Group's performance with prior periods.

Turning to the Group's continuing beverage operations, I am pleased to report another solid year of performance.

"During the year, the Board implemented several important strategic initiatives intended to strengthen the long-term positioning and focus of the Group's beverage and food interests."

Group turnover from continuing operations increased by 4.6% to €106.5 million, compared to €101.8 million in the previous financial year. Operating profit increased from €15.6 million to €16.8 million, reflecting improved operational efficiencies and stronger margins within the beverage business.

Profit after taxation from continuing operations amounted to €15.0 million compared to €17.0 million in the prior year. The reduction was entirely attributable to higher incidence of tax expense following the full recognition of certain long-standing investment tax credits which had supported major capital investment programmes undertaken by the Group over many years.

Profit after tax for the year, including discontinued operations, also reflects the contribution of the food business up to the date of the spin-off, together with the accounting impact arising from the disposal and distribution of the food business to shareholders.

During the year, the Group continued investing in operational efficiency, sustainability, and long-term infrastructure. Important projects completed during the year included the commissioning of a CO_2 recovery plant and the conversion of steam-generating boilers from light heating oil to Liquefied Petroleum Gas (LPG). These investments are expected to deliver both operational and environmental benefits through improved efficiency, enhanced security of supply, and reduced carbon emissions.

The Group also commenced an €11 million investment in a new state-of-the-art, robotically operated Automated Logistics Warehouse. Works are progressing according to schedule, and the facility is expected to be commissioned in Q4 2027.

At the same time, the Group is evaluating further strategic operational developments on land currently utilised for employee parking, trailer parking, and storage. Situated adjacent to Trident Park, this land is currently the subject of preliminary studies and conceptual master planning exercises being undertaken by Farsons and Trident Estates p.l.c., to assess both companies' future requirements and development opportunities.

These studies remain at an exploratory stage and are intended to support the ongoing strategic evaluation process. No decisions have been taken in relation to any development scheme, transaction structure, funding arrangement, or implementation timetable, all of which remain subject to further studies, corporate approvals, and, where applicable, Board, shareholder and regulatory considerations.

As I write this statement, wars are being fought in Ukraine and the Middle East. Inevitably, these developments are disrupting the world economy, particularly the supply chains of essential products. Economic forecasts by leading observers point to a likely rise in inflation and a slowdown, with the possibility of a recession in the global economy. It is not yet clear how these events will affect the local economy.

Another important area of focus for the Board during the year has been leadership succession and the continued strengthening of the Group's management structures. Several key appointments were made across the organisation as part of the Group's ongoing evolution and long-term strategic development.

Mr John Bonello Ghio was appointed Chief Commercial Officer with responsibility for the Group's marketing and sales functions within the beverage business, whilst Mr Alistair Haber joined the Group in the newly established role of Chief Digital and Technology Officer to support the Group's digital transformation initiatives. Mr Matthew Cuomo was appointed General Manager of Farsons Beverage Imports Company Limited, overseeing the expanding portfolio of imported Beers, Wines and Spirits.

The Group also continued strengthening its capabilities in sustainability, digitalisation, and commercial execution, through a number of further senior appointments, including Mr Philip Farrugia as Group Head of ESG Strategy and Business Services, together with Mr Brian Laudi, Mr Karl Bondin, and Mr Robert Galea in senior leadership roles across technology, marketing, and sales.

These changes also follow the retirement of Ms Susan Weenink Camilleri and Mr Pierre Stafrace. The Board expresses its sincere appreciation for their many years of dedicated service and valuable contribution to the Group, and extends its best wishes for a long and fulfilling retirement.

Our Human Resources function has also remained highly active across all levels of the organisation. We firmly believe that the long-term success of the Group depends fundamentally on attracting, developing, and retaining, talented people. Continuous training, professional development, and the strengthening of internal capabilities, therefore, remain key priorities across the Group.

I would like to express my sincere gratitude to all employees for their commitment, professionalism, and contribution throughout another demanding and important year for the Group.

"We have strengthened the foundations for future growth across our beverage and food interests, whilst continuing to invest confidently in the long-term future of the business."

Following the establishment of Quinco Holdings p.l.c., and the appointment of Mr Norman Aquilina as Executive Chairman, the Board appointed Mr Michael Farrugia as Chief Executive Officer of Simonds Farsons Cisk p.l.c., with effect from 1 July 2026.

Michael has held a number of senior leadership roles within the Group over many years and has led several of the Group's strategic, operational, and investment initiatives. His appointment represents an important milestone in the Group's leadership succession planning, and reflects the Board's confidence in the next generation of executive leadership.

As many shareholders are aware, Michael is my son. The Board was therefore particularly mindful of the governance considerations associated with this appointment. The decision was taken following careful consideration of Michael's experience, track record, and suitability for the role. I am confident that he will lead the business with commitment, professionalism, and a clear focus on the Group's next phase of development.

Mr Norman Aquilina will be stepping down as Group CEO after twenty two years of service to the Group, including sixteen years in the role of Chief Executive Officer. During this period, the Group continued to strengthen its operations and execute a number of important strategic initiatives. We are pleased that Norman will continue contributing in his role as Executive Chairman of Quinco Holdings p.l.c. On behalf of the Board, I thank him sincerely for his invaluable service and wish him success in his new role.

The Board is pleased to have completed these important transitions in an orderly and timely manner whilst ensuring continuity, stability, and strong governance across the Group's operations.

Time inevitably brings change, and it is with both gratitude and regret that I inform shareholders that Mr Roderick Chalmers will be retiring from the Board after 20 years of dedicated service. Roderick also served as Chairman of the Audit & Risk Committee and has been an invaluable member of the Board over many years. His professionalism, sound judgement, and wise counsel, have been greatly appreciated by both the Board and management. On behalf of all shareholders, I thank him sincerely and wish him continued good health and a long and enjoyable retirement.

I am very pleased to announce that Mr David Valenzia has been nominated to join the Board and succeed Roderick as Chairman of the Audit & Risk Committee. David served for many years as Senior Partner at PwC Malta and possesses extensive knowledge of both the local and international business environments. He also knows the Group well, having previously served as audit partner to Farsons for a number of years.

Mr David Valenzia, together with Dr Max Ganado, will be proposed for appointment at the forthcoming Annual General Meeting. Their nominations are uncontested.

In conclusion, I believe the Group has once again delivered a strong performance whilst simultaneously undertaking major structural, strategic, and leadership transitions. We have strengthened the foundations for future growth across our beverage and food interests, whilst continuing to invest confidently in the long-term future of the business.

Finally, shareholders will also note the record dividend being recommended by the Directors. The Group's liquidity position remains strong, and we are pleased to place this recommendation before shareholders for approval at the forthcoming Annual General Meeting.

I would also like to take this opportunity to thank all our stakeholders, including our employees, shareholders, customers, suppliers, and business partners for their continued trust, support, and commitment to the Group.

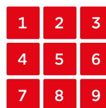
I also extend my gratitude to my fellow Directors for their ongoing contribution, as well as our legal advisors Mamo TCV and our Auditors Deloitte Audit Limited.

In particular, I wish to record my sincere gratitude to Norman Aquilina, this being his last AGM of Simonds Farsons Cisk p.l.c., for his dedication to the role of CEO for the last sixteen years. He took on the responsibility with enthusiasm and delivered encouraging results over the same period. Thank you Norman.

Louis A. Farrugia
Chairman
27 May 2026

BOARD OF DIRECTORS

SIMONDS FARSONS CISK P.L.C.



1. Mr Louis A. Farrugia – Chairman
2. Mr Marcantonio Stagno d'Alcontres – Vice Chairman
3. Ms Marina Hogg
4. Mr Roderick Chalmers
5. Mr Michael Farrugia
6. Dr Max Ganado
7. Mr Matthew Marshall
8. Mr Neil Psaila
9. Ms Nadine Magro – Company Secretary

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

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

RELATED PARTY TRANSACTIONS COMMITTEE

Dr Max Ganado - *Chairman*
Ms Marina Hogg
Mr Neil Psaila
Mr Marcantonio Stagno d'Alcontres

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 Robert Galea, Mr Karl Bondin, Mr Eugenio Caruana, Ms Anne Marie Tabone, Mr Norman Aquilina, Mr Michael Farrugia, Mr Philip Farrugia, Mr John Bonello Ghio, Mr Tonio Mifsud Bonnici, Mr Chris Borg Cardona

Mr Norman Aquilina
– Group Chief Executive

Mr Michael Farrugia
– CEO Designate (from 1 October 2025)

Ms Anne Marie Tabone
– Group Chief Financial Officer

Mr John Bonello Ghio
– Chief Commercial Officer (from 1 February 2026)

Mr Eugenio Caruana
– Chief Operating Officer

Mr Karl Bondin
– Head of Marketing (from 1 August 2025)

Mr Chris Borg Cardona
– Group Head of Logistics

Mr Philip Farrugia
– Group Head of ESG Strategy & Business Services (from 1 November 2025)

Mr Robert Galea
– Head of Sales (from 1 August 2025)

Mr Tonio Mifsud Bonnici
– Group Head of HR

Mr Pierre Stafrace*
– General Manager, FBIC (up to 2 July 2025)

Ms Susan Weenink Camilleri*
– Head of Sales and Marketing (up to 31 August 2025)

** Not present in photo*

INNOVATION AND NEW PRODUCT DEVELOPMENT

Innovation and new product development remain core drivers of the Group's growth strategy, supported by sustained and significant investment over time.

This focus continues in 2026, with a robust pipeline of product launches scheduled in the coming weeks and months. Each launch is underpinned by clearly defined targeting and positioning frameworks, designed to address evolving consumer needs, and capitalize on emerging trends across distinct market segments.

The recent launch of **Green Hop IPA** in a 50cl can x 4 pack marked an important step in strengthening the brand's presence within Malta's growing IPA segment. Driven by evolving take-home consumption habits, the new format improves the brand's availability and visibility, particularly across supermarkets in the Maltese Islands. This line extension supports Green Hop IPA's continued growth and accessibility to a much wider audience.

Cisk Session: A 3.0% ABV low-alcohol lager developed to address the preferences of a younger, emerging cohort of beer consumers who are actively moderating alcohol intake without compromising on quality, taste, or refreshment. As the name suggests, Cisk Session will be positioned as a session lager, promoting more mindful consumption in social settings.
It is available in 33cl cans and 25cl returnable glass bottles.

Soltoro:
Pricing segmentation remains a critical dynamic within the beer category, with increasing consumer demand at both ends of the price spectrum. The recent introduction of this new 4.0% ABV lager, positioned within the value segment, is intended to expand the Company's coverage across the price architecture and enhance competitiveness within the value-driven category. Soltoro is available in 4 packs x 50cl cans.

Following the launch of Kinnie's bold new brand identity and positioning earlier in the year, the rebrand was recently extended to **Kinnie Zest**, the zero-sugar variant with an enhanced orange flavour profile, which has enjoyed consistent year-on-year growth and is increasingly popular with a younger cohort of consumers. Available in 33cl cans and 50cl and 1 Litre PET bottles.

Skol Strong: The Skol lager brand has been an established part of the Farsons beer portfolio since the early 2000's and has earned a loyal and consistent consumer base over the years. The introduction of Skol Strong, a 6.5% ABV variant available in a 50cl can x 4 pack, is designed to captilize on the sustained growth of higher-ABV offerings and to reinforce the Company's position within the premium, high-alcohol segment.

WORLD BRAND
DESIGN SOCIETY
AWARDS

Brand Investment and Awards

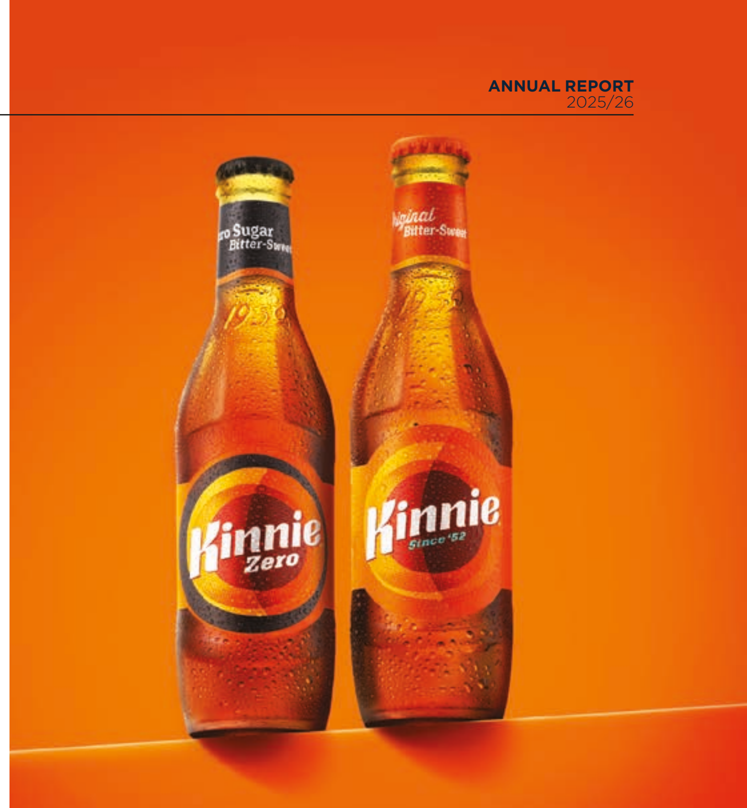
Earlier this year, the Farsons Group's rebrand programmes for two of our most iconic brands, Kinnie and Hopleaf, were each awarded Silver at the 2025/26 World Brand Design Society Awards. These Awards recognise excellence in brand and packaging design and are widely regarded as an international benchmark for work that combines strategic objectives with disciplined execution.

The two rebrand programmes were underpinned by clear strategic and commercial objectives which focused on strengthening the brands' existing equity and supported by a detailed review of brand heritage, market positioning and long-term potential, all aimed to improve clarity, consistency, and impact across markets.

For Kinnie, the rebrand reinforced Kinnie's differentiation within the crowded and highly competitive soft drinks category, supporting both local and international growth ambitions, inviting consumers to Drink Different.

For Hopleaf, the project restored prominence to the brand's most recognisable visual asset, the red hop leaf, while updating the overall design system to strengthen presence and consistency, in line with its British-Maltese heritage.

This double Silver recognition underscores the value of the Group's continued, structured investment in brand strategy and execution, supporting sustainable brand strength over the long term.



GROUP CHIEF EXECUTIVE'S REVIEW

NAVIGATING CHALLENGES, DELIVERING RESULTS

This has been a year of significant market shifts, requiring careful steering through challenges. This necessitated ongoing adjustments to our strategic reach in response to evolving changes and demands. Notwithstanding the headwinds, the Group has demonstrated competitive resilience, achieving continued growth.

While macroeconomic conditions have been generally favourable and stable, the market environment remains challenging, and we cannot take our sustained improvements in results for granted. Indeed, it is incumbent upon us to address the competitive challenges with increased vigour and determination.

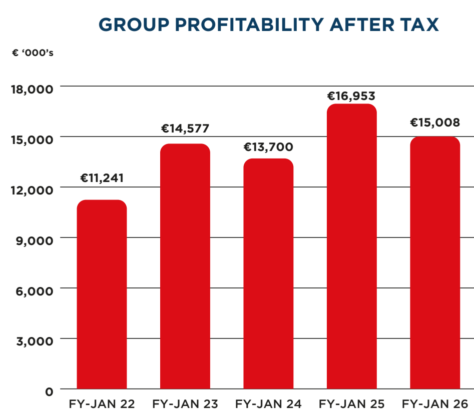
The constantly evolving market landscape, particularly with respect to the transformation of the retail sector, continued to test our resilience and overall competitiveness with supermarkets continuing to increase their market presence. This has brought about some welcoming innovation, but has also raised some concerns on their sustainability, particularly if this development continues to persist.

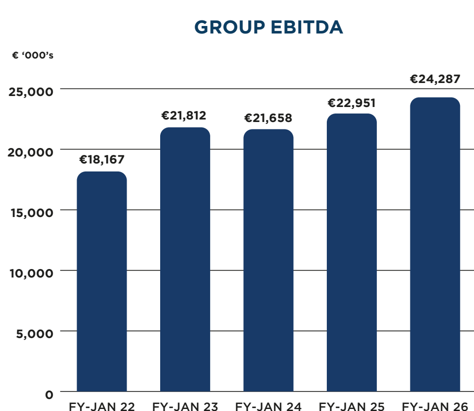
Beyond this, a combination of contrasting consolidation and proliferation on sources of supply have further intensified competition, impacting the level of business within both the take-home and on-premise segments.

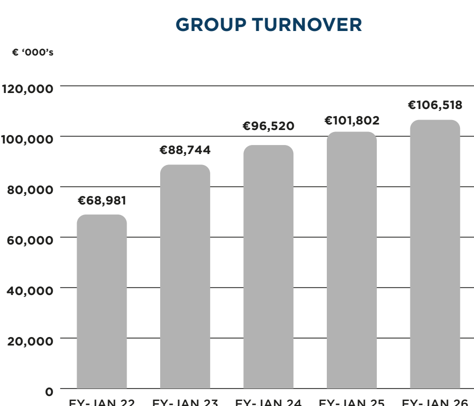
Despite ongoing market pressures, I am pleased to report that our Group has held its ground and continued to make significant strides forward, driven by our relentless focus on brand strength, operational excellence, and customer-centric reach to market. Our results are a testament to the agility of our business, and resilience of our workforce, along with a reflection of the trust and loyalty of our customers.

In delving into the key highlights of our performance, it is important to place our results within the broader perspective of these market realities, both in the short- and long-term, whilst at the same time recognising the strategies that have enabled us to thrive in a crowded and dynamic market which is increasingly focused on consumer value, with no signs of this trend slowing down.

The Group's results for the year reflect a significant structural transition in both its reporting framework and the composition of its operations. The beverage segment now represents the Group's core continuing activity and therefore reflects the normal trading performance of the Group over the full twelve months of the financial year. In contrast, the food segment was spun off in October 2025 and is consequently presented as a discontinued operation, with the reported results reflecting only the first eight months of the financial year.







The beverage business continued to deliver consistent and encouraging growth in turnover, achieving a further increase of 4.6% over the level exceeding €100 million recorded in the financial year ended January 2025. The Group continues to record growth across both the parent company and its subsidiaries, underlining the strength, depth, and resilience of the diversified portfolio offered to its customer base.

Export revenues also continued to expand steadily across a number of international markets, reflecting the Group's sustained efforts to broaden its geographical footprint and deepen relationships with overseas distributors and bottling partners. The performance achieved during the year confirms the increasing recognition and acceptance of the Group's portfolio beyond its domestic market.

The growth in regular trading profitability of €16.8 million vs the previous year of €15.6 million was achieved despite an increasingly challenging cost environment, particularly in relation to logistics operations and rising human capital costs. Nevertheless, the increase in turnover translated into an improved trading profitability margin of 15.8%, compared to 15.3% in the previous year. This enhancement in profitability was driven by disciplined cost management in procurement, careful containment of overheads, and strengthened credit control processes, which together resulted in favourable movements in expected credit loss provisions.

The Company's results also reflect the distribution of dividends net of tax amounting to €8.3 million, effected by the food subsidiaries prior to their acquisition by Quinco Holdings p.l.c. This distribution represents the accumulation of profits generated by the food segment over a number of successful years and constitutes a one-off distribution recognised solely within the Company's results.

The Group's food segment, for the reported eight-month period prior to the spin-off, also recorded increased revenue levels, continuing the growth trajectory experienced in recent years. Profitability for the period remained broadly in line with the rate of return achieved in the corresponding period of the previous year.

The Group's results also recognise the substantial value created within the food business, an operation that the Group has developed and expanded over more than three decades. In October 2025, this business was successfully spun-off to all SFC shareholders through the distribution of the shares in the newly listed entity, Quinco Holdings p.l.c., previously held by SFC. This strategic initiative was undertaken to allow the food business to operate within a dedicated and focused structure that is better positioned to pursue its next phase of growth.

The establishment of a standalone listed entity provides the Board of Directors and management of Quinco Holdings p.l.c. with enhanced operational focus, improved capital market visibility, and greater strategic flexibility to accelerate development within an increasingly dynamic and competitive market environment, particularly within the evolving landscape of importers and retailers. The Group takes considerable pride in having nurtured and developed this business over many years prior to reaching this important milestone.

As part of this transaction, the Group recognised a gain of €21.9 million, reflecting the significant value built within the food operations over time. This gain represents a non-recurring item arising from the spin-off transaction, which was effectively returned to shareholders through the spin-off mechanism, and should therefore not be considered part of the Group's underlying operating performance.

The spin-off represents a defining strategic milestone for the Group. While Quinco Holdings p.l.c. now continues the development of the food business as an independent entity, the Group remains firmly focused on strengthening and expanding its beverage operations, which now constitute its principal continuing business and the primary platform for its future growth.

OPERATIONS AND LOGISTICS

OPERATIONS

To further strengthen the Company's commitment to reducing its environmental footprint, two major initiatives, the commissioning of the CO_2 recovery plant and the transition of our steam generating boilers to Liquefied Petroleum Gas (LPG), have been implemented as part of our broader sustainability agenda.

CO_2 RECOVERY PLANT

In line with our long term sustainability strategy, and the need to strengthen operational resilience, the Company has recently successfully commissioned a new CO_2 recovery plant, designed to capture the CO_2 generated during beer fermentation.

Originally initiated in 2020 with the aim of reducing reliance on imported beverage grade CO_2, which is both costly and logistically challenging to secure, particularly during the peak summer months, the €2 million facility, delayed only briefly by the COVID-19 pandemic, was completed in Q3 2025 and is designed to recover 275 kg/h of CO_2 from beer fermentation. The whole process includes temporary gas storage, multi-stage purification, and liquefaction, supported by the installation of an additional 66 tonne cryogenic storage tank, capable of storing the liquified gas at very low temperatures.

The CO_2 plant now enables the recovery of approximately 500 metric tonnes of CO_2 annually covering around half of the brewery's total needs, while meeting the stringent specifications required by our key partners including PepsiCo and Carlsberg. This investment strengthens operational resilience, reduces import dependency, enhances cost efficiency, and significantly improves the organisation's sustainability performance.

LPG TRANSITION

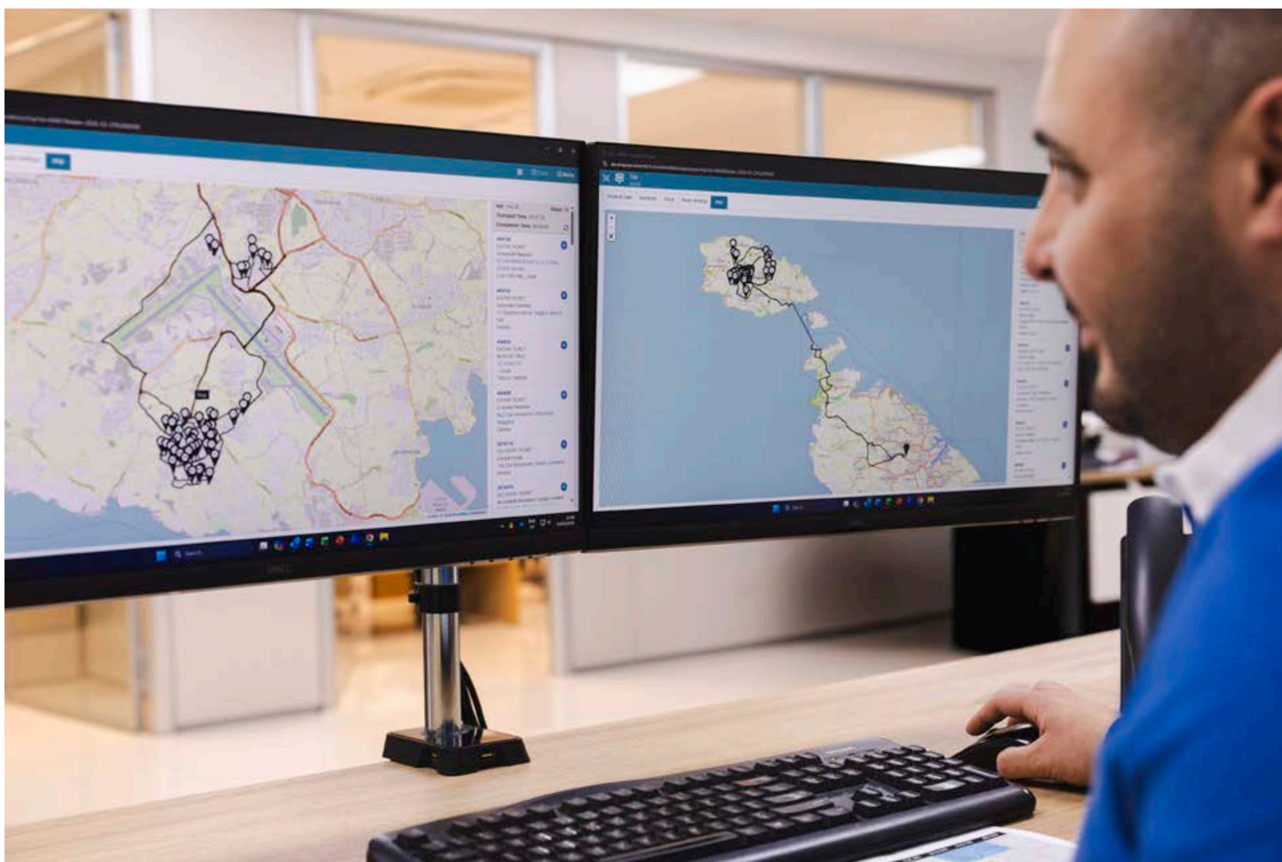
Concurrently, a project is underway to transition our steam generating boilers to Liquefied Petroleum Gas (LPG), a cleaner alternative to Light Heating Oil (LHO) and one that significantly reduces sulphur emissions and particulate matter.

A dedicated bunker and a 10,000 litre pressurised LPG storage vessel have been installed, along with all required pipework and safety systems. The LPG will initially be stored in liquid form under pressure, then vaporised and supplied to the boilers, where it is combusted to generate steam, which in turn is distributed across all production processes. Civil works were completed at the end of the last financial year and the plant was tested and fully commissioned in the first month of the new financial year.

CONSTRUCTION OF A NEW AUTOMATED LOGISTICS WAREHOUSE

Our commitment to circularity remains central to our operations and logistics strategy, particularly in handling and promoting refillable bottles and kegs across trade and consumer channels. To strengthen this model, construction of a new fully Automated Logistics Warehouse began in September 2025. Designed to centralise storage of returnable and refillable products, currently fragmented across multiple sites, and introduce automated inspection, storage and line feeding capabilities, the facility will offer 7,500 pallet positions and is scheduled for completion and commissioning by Q4-2027. Once fully operational, this centralised facility will contribute to improving quality standards, internal controls and overall productivity levels. Solar power generation will further support our carbon neutral operations.

Photomontage of finished warehouse



LOGISTICS

The growth in production and sales volumes during the year resulted in a substantial increase in the movement of finished goods across our warehousing and distribution operations. Despite this heightened activity, the logistics teams maintained strong operational efficiency and consistently upheld high service levels throughout the period.

Rising costs continued to present challenges, driven primarily by storage and marshalling space limitations, and increasing customer expectations for more frequent deliveries. Increased road traffic and congestion, and reduced access for larger vehicles in several localities, required more trips using smaller trucks to maintain service reliability. Additionally, to protect product availability amid volatile lead times, higher inventory levels were held, placing further pressure on space and increasing handling costs.

A key milestone this year was the successful implementation of the new online Transport Management System, which has delivered significant improvements in routing efficiency, processing times, and operational visibility across distribution activities. This platform now serves as a foundation for the next phase of our digital transformation, enabling future initiatives such as paperless warehousing and delivery processes, enhanced customer order experience tools, and increased automation. To support this transition, the Company engaged specialist consultants to advise on expanding storage and marshalling capacity and further optimising workflows within an increasingly digital operating environment.

Fleet modernisation continued steadily during the year, with new vehicles added and additional units scheduled for delivery by mid-2026. This will complete the transition to a fully Euro 6 compliant fleet, supporting our ongoing sustainability objectives and further reducing the environmental impact of our operations.

Together, these investments will significantly reduce emissions, enhance energy and operational efficiency, and improve our overall green and quality credentials, positioning the organisation for long-term resilience across all areas of operations, and facilitate responsible growth.

"A key milestone this year was the successful implementation of the new online Transport Management System, which has delivered significant improvements in routing efficiency, processing times, and operational visibility"

HUMAN RESOURCES

The Farsons Group continues to position Human Resources as a strategic enabler of organisational success, particularly in the context of Malta's increasingly challenging labour market. The HR function remains focused on ensuring strong talent and skills alignment by placing the right people in the right roles, fostering productivity, and addressing employee needs through fair compensation, career development, and safe working conditions. To better support these aims, the Company is actively updating and revising its HR policies and procedures to better reflect current market realities and enhance employee engagement, satisfaction, and retention.

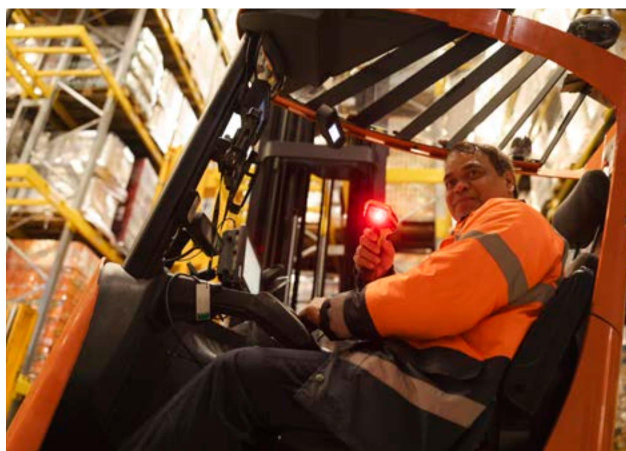
A key initiative undertaken during the year was a comprehensive job evaluation process, beginning with the revision of all job descriptions to ensure clarity, fairness, and alignment with today's organisational and market expectations. This evaluation framework strengthens transparency, supports meaningful performance and progression conversations, and ultimately contributes to higher employee engagement, improved performance, and enhanced customer experience.

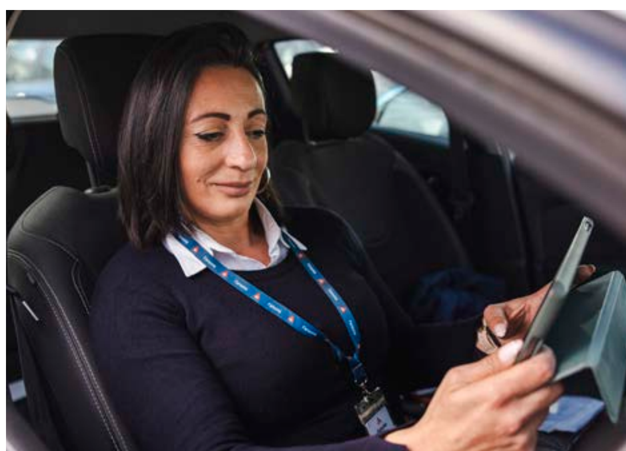
Recognising the importance of continuous learning in a rapidly evolving business environment, the Company has invested in educational subscriptions that provide employees with cost-effective, ongoing access to curated training content across technical, leadership, and professional domains. This approach supports scalable upskilling, improved adaptability, and stronger alignment between workforce capabilities and strategic objectives. Management remains committed to ensuring these learning opportunities are integrated within performance and development processes.

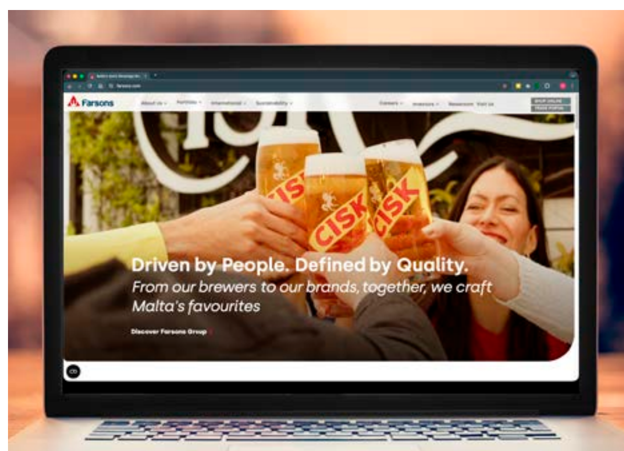
The Farsons Group continues to strengthen its employer value proposition through initiatives such as increased and improved social media content and visibility, educational outreach, internal promotions, and employee recognition programmes. These efforts are complemented by a commitment to employee empowerment and a strong focus on induction programmes that support seamless integration into the organisation.

Diversity remains a recognised source of organisational strength, with the workforce growing increasingly varied across gender, age, ethnicity, culture, religion, disability, sexual orientation, educational backgrounds, and thinking styles. We view diversity and well-being as interconnected pillars of performance, where inclusion reinforces well-being, and well-being in turn enables employees to contribute more meaningfully. The Company continues to invest in holistic well-being programmes, psychological safety, and engaging events that promote a sense of purpose, satisfaction, and overall organisational success.

Overall, the Farsons Group's HR strategy is centred on creating an engaged, skilled, diverse, and empowered workforce, capable of supporting the organisation's long-term goals while fostering a positive, inclusive, and growth-oriented workplace culture.







INFORMATION TECHNOLOGY AND DIGITALISATION

In a business environment shaped by increasing complexity, regulatory demands, and rising expectations around speed and reliability, information technology continues to play a central role in enabling operational excellence and organisational resilience. Over the past year, the Group's IT function has remained focused on strengthening core systems, embedding digital capabilities across key operations, and ensuring that technology supports the business in a secure, scalable, and sustainable manner.

A major area of focus has been the ongoing optimisation and extension of our core Enterprise Resource Planning (ERP) platform. Efforts have centred on improving data quality, enhancing traceability, and better integrating operational processes across functions. In parallel, targeted enhancements to the Warehouse Management System (WMS), together with the continued rollout of the Transport Management System (TMS), have improved coordination across logistics and distribution, laying solid digital foundations for future efficiencies.

Progress has also continued on customer-facing and commercial platforms. Following the renewal of our Customer Relationship Management (CRM) solution and associated B2B capabilities, the emphasis during the year has been on stabilisation, governance, and practical adoption. These platforms now provide improved visibility, more structured data, and a stronger base for future digital commerce initiatives, while maintaining a firm focus on control and reliability.

Alongside application development, significant effort has been dedicated to strengthening the Group's IT infrastructure and cybersecurity posture. Continuous upgrades to network, server, and security environments, have enhanced resilience and business continuity, while stricter access management and improved supplier connectivity have helped reduce operational and cyber risks. Compliance with regulatory and audit requirements, including evolving cybersecurity obligations, remains a core pillar of IT governance.

Equally important has been ongoing investment in people, processes, and collaboration. The IT function has worked closely with business stakeholders to resolve system challenges, streamline processes, and support cross-functional initiatives. Recruitment, training, and knowledge-sharing efforts, have continued to build internal capability and ensure continuity as the organisation evolves.

The launch of the newly revamped corporate website, **www.farsons.com**, marked a further milestone in enhancing the Group's digital presence and stakeholder engagement. With a more contemporary design and improved navigation, the platform provides a more intuitive experience and clearer insight into the Group's portfolio, heritage, and ongoing developments.

As the Group advances its broader transformation journey, IT continues to act as a key enabler, providing the stable platforms, trusted data, and secure systems required to support growth, efficiency, and long-term value creation.

SUSTAINABILITY

Sustainability remains a core pillar of the Group's long-term strategy, shaping how we operate, invest, and plan for future resilience. It is embedded in our approach to responsible business management, ensuring that growth is achieved ethically, efficiently, and in line with stakeholder expectations.

Over the past year, the Group strengthened the integration of sustainability across operations and governance. Our efforts focused on enhancing environmental performance, improving resource efficiency and reinforcing oversight, while maintaining a pragmatic approach aligned with the scale and nature of our business.

Environmental sustainability continues to be a priority area. Ongoing initiatives to improve energy efficiency, reduce waste and optimise resource use, form part of a broader commitment to lowering our environmental footprint and supporting more circular operating practic-es. Investments in systems, processes and data capabilities are enabling sustainability considerations to be embedded in everyday decision-making rather than treated as parallel initiatives.

Our strategy also reflects evolving consumer expectations, including the development of products and packaging that encourage more responsible purchases and consumption. This aligns innovation with societal trends while remaining consistent with our values and long-term responsibilities.

"Sustainability remains a core pillar of the Group's long-term strategy, shaping how we operate, invest and plan for future resilience"

We recognise that advancing sustainability requires collaboration beyond our direct operations. Through active participation in sector initiatives, including our involvement in the national beverage producers' association and BCRS, we continue contributing to industry efforts that improve recycling performance, promote responsible packaging and support national sustainability objectives.

Looking ahead, sustainability will remain central to the Group's strategic direction. We are committed to steady, measurable progress, deeper operational integration, and continued stakeholder collaboration to ensure responsible practices reinforce the Group's long-term resilience and reputation.

THE LOCAL BEVERAGE MARKET

The local beverage market continues to operate in a challenging environment, shaped by rising economic pressures, shifting consumption patterns, intensified competition, and stricter regulatory enforcement. Despite these headwinds, Farsons strengthened its market presence, delivering volume and value growth across all categories. Sustained investment in marketing and brand communication, product innovation, and ongoing operational improvements, enabled the Group to maintain a strong competitive position and respond effectively to evolving market dynamics.

Industry performance was supported by population growth, a buoyant tourism sector, and an expanding retail landscape, all of which contributed to overall market volume. These trends, however, also elevated expectations around product quality, service standards, and responsiveness to competitor activity. At the same time, inflationary pressures and tighter household budgets fuelled demand for lower-cost alternatives, and stimulated aggressive pricing strategies across the sector, intensifying the battle for both shelf space and consumer mind space.

Consumer habits continued to evolve rapidly. More informed purchasing decisions, together with a continued focus on health and wellness, drove increased demand for zero-sugar soft drinks, and low- or no-alcohol alternatives across beer, wine and spirits categories. Expectations around sustainable packaging and reduced plastic usage also continue to rise, reflecting broader environmental awareness and shaping our product and packaging innovation strategy and portfolio choices.

Notwithstanding these competitive pressures, our flagship brands, Cisk and Kinnie, delivered strong performances across all variants, further consolidating their leadership positions. Continued investment in brand building, consumer engagement, product innovations, and uncompromising quality, remains central to attracting new consumers while deepening loyalty within our established customer base.

"The local beverage market continues to operate in a challenging environment, shaped by rising economic pressures, shifting consumption patterns, intensified competition, and stricter regulatory enforcement"

BEERS

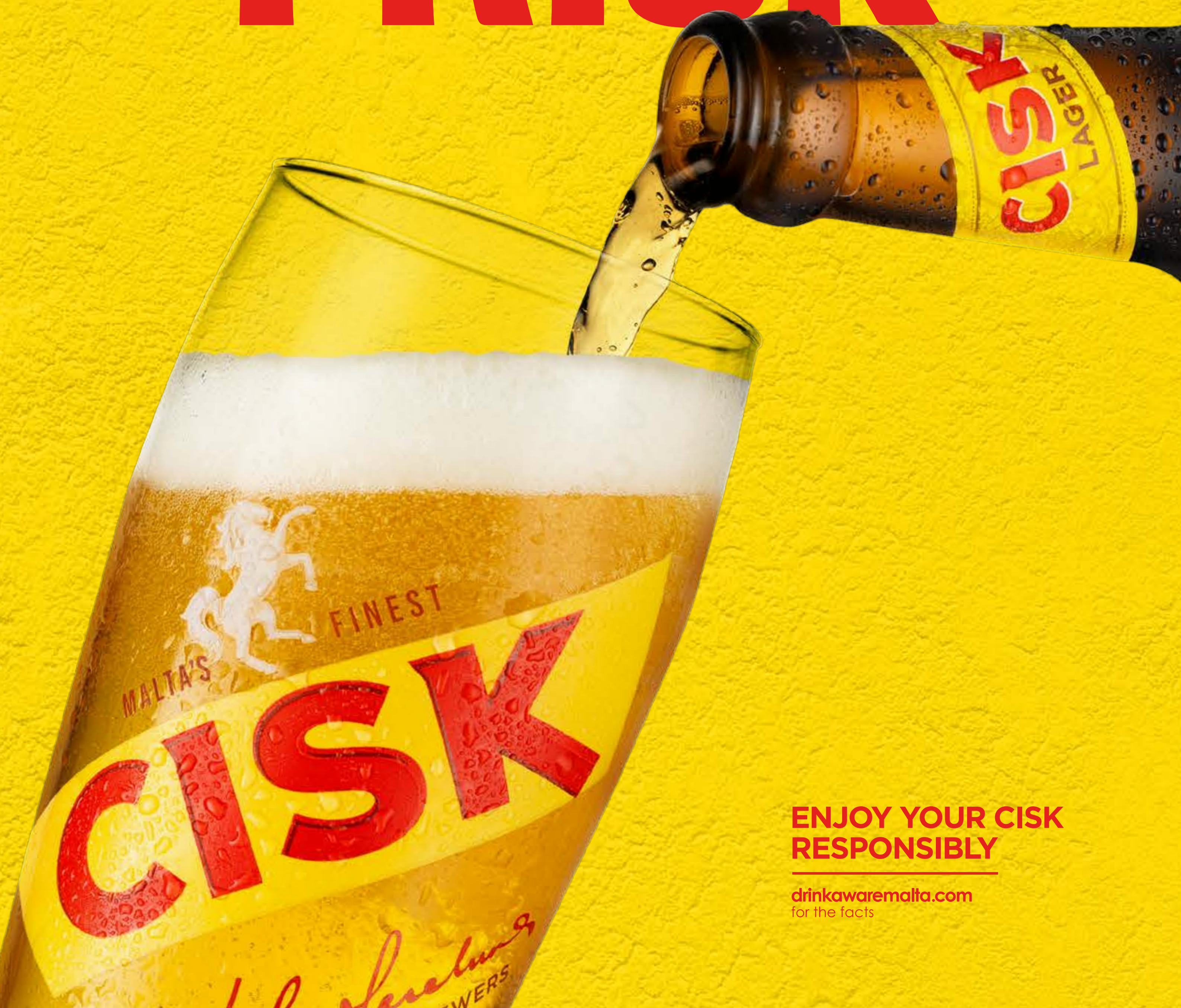
The robust Cisk portfolio delivered a strong performance across all channels. The nationwide *Cisk Frisk* campaign, extended to Cisk Lager and Cisk Excel, reinforced the brand's core competitive advantage of freshness. Innovation continued to shape the portfolio, with the introduction of Cisk Chill Melon Mix broadening the flavour offering of the vastly popular Cisk Chill range.

Cisk 0.0 achieved double-digit growth and strengthened its position as market leader in the developing non-alcoholic beer segment. The *Zero? Zero.* campaign further enhanced Cisk 0.0's relevance by positioning the brew as a versatile choice for occasions traditionally associated with alcoholic beer. Cisk Strong also recorded double-digit growth, consolidating its leadership within the high-alcohol category.

The Farsons Classic Brews portfolio remained resilient within a market increasingly influenced by evolving trends in craft beers. Supported by the *You Can't Rush This* campaign, Farsons Blue Label maintained a solid position despite intensified competition. Farsons Green Hop IPA continued its upward trajectory following its more recent launch on draught and in 50cl cans, expanding visibility and availability across retail, pubs and bars.

"The robust Cisk portfolio delivered a strong performance across all channels"

ALWAYS A CISK FRISK



2025 also saw the rebrand and relaunch of one of Malta's, and Farsons', most iconic beer brands, Hopleaf Pale Ale. The refreshed and award-winning new brand design pays homage to the distinctive and hugely recognisable Hopleaf red icon, while adopting a more contemporary visual identity. With the relaunch backed by a strong 360° marketing campaign, with the tagline *Original Soul, New Style, Crafted for Generations*, Hopleaf is now available in a 50cl can and a 25cl returnable glass bottle. The pale ale brew has also been given a more modern taste profile whilst retaining its distinct malt character and aromatic bitterness.

Red Mill Brewing Co., the microbrewery commissioned in 2023 and located within The Chapels at The Brewhouse, continued expanding its presence in the craft beer segment, with a growing and varied portfolio that includes Rye IPA, Weiss beers, lagers, and seasonal releases such as the popular Christmas Ale and Hallowed Pumpkin Ale.

BETTER SHARED
WITH FRIENDS?

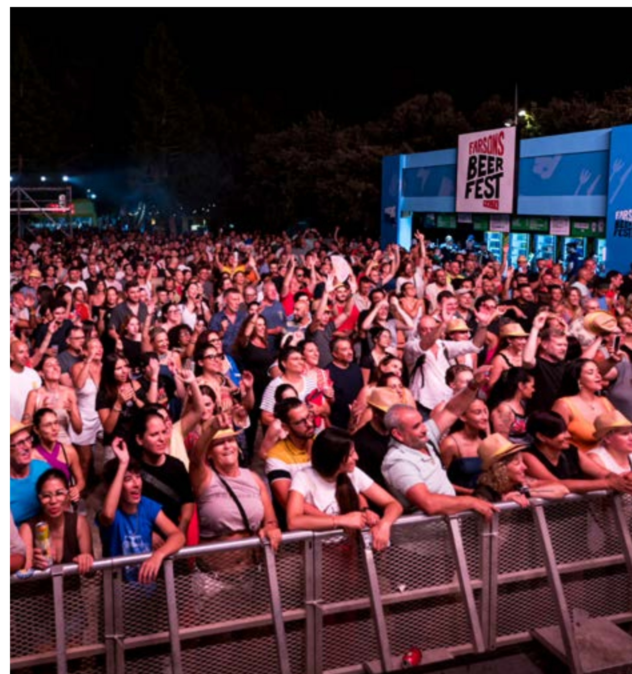
PROBABLY

Carlsberg, the global beer brand brewed at Farsons Brewery under a partnership now exceeding 40 years, delivered positive sales growth despite heightened activity from other international brands. This enduring partnership reinforces Farsons' stellar brewing capabilities and allows us to offer consumers both global premium beers alongside established local favourites.

As has been tradition for over 40 years, the entire Farsons beer portfolio, both locally brewed and imported, was showcased at the annual Farsons Beer Festival, held over 10 days in Ta' Qali at the peak of summer. The Festival provides an important platform for consumer engagement, combining award-winning beer and cider brands with live entertainment in a safe, vibrant setting.

"The Festival provides an important platform for consumer engagement, combining award-winning beer and cider brands with live entertainment in a safe, vibrant setting"

For the 2025 edition, we expanded the entertainment line-up to include international tribute acts alongside renowned local talent, enriching the experience for attendees. This Festival remains one of the most popular and attended outdoor events in Malta, attracting an increasing number of both local festival-lovers and visiting tourists.



RED MILL
BREWING CO.

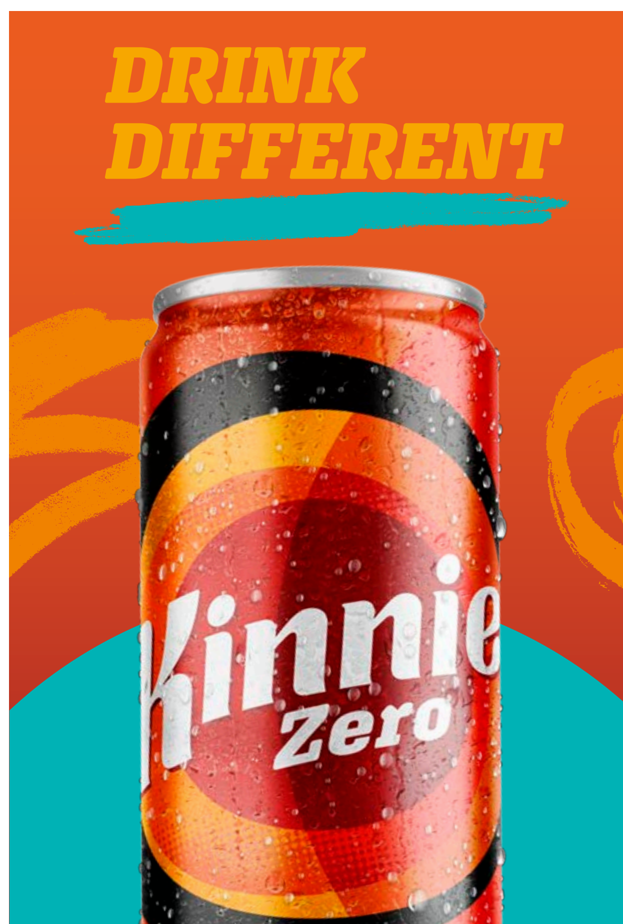
SOFT DRINKS

Kinnie, Malta's own iconic soft drink, was relaunched ahead of the peak summer season, with a bold new brand identity and positioning that celebrates individuality, creativity and imagination.

The refreshed platform *Drink Different* invites consumers to explore and embrace new taste experiences, reinforcing Kinnie's distinctive flavour and unmistakable character. This relaunch followed an extensive process of consumer research, strategic development and creative collaboration with UK-based award-winning agency bluemarlin. Designed to resonate strongly with younger audiences, the new identity marks an important step in strengthening Kinnie's relevance for the next generation of consumers.

"...the new identity marks an important step in strengthening Kinnie's relevance for the next generation of consumers"

Kinnie Zero continued to build momentum, steadily increasing its share within the zero-sugar segment and broadening its appeal among younger, health-conscious consumers. The new branding and positioning further accelerated this growth. The rebrand will also extend to Kinnie Zest, the zero-sugar variant with an enhanced orange flavour profile, which has enjoyed consistent year-on-year growth.



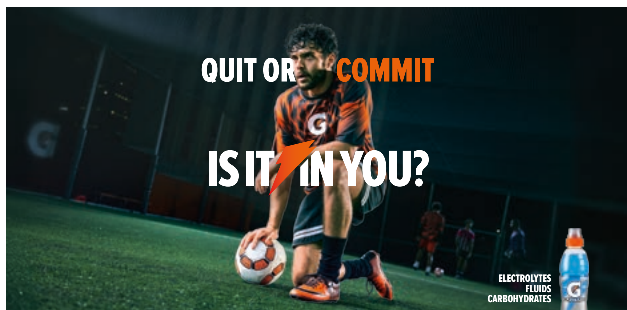
"Growth in this category continues to reflect evolving social drinking habits and increasing demand for convenient, ready-to-drink options"

The Kinnie Aperitivo range, Kinnie Spritz and Kinnie Rumba, also strengthened its position within the premium pre-mixed segment. Growth in this category continues to reflect evolving social drinking habits and increasing demand for convenient, ready-to-drink options.

DRINK DIFFERENT

The PepsiCo portfolio (Pepsi, Pepsi Zero, 7Up, 7Up Zero and Mirinda Zero) delivered a strong set of results, supported by targeted sales strategy and marketing investment, promotional activity and high-visibility branding. Strategic placement across retail and HORECA channels reinforced the portfolio's market presence and accessibility.

Other brands within the Farsons soft drinks portfolio, including Lipton Iced Tea, Gatorade, and Britvic mixers, also posted positive performance. Rising demand for functional and hydration-focused beverages continues to create promising growth opportunities for these categories.



WATER

Population growth and retail expansion have driven strong demand for bottled water. Despite pricing pressure, San Michel and Elan Sparkling Water achieved encouraging results. Over the past weeks, our leading brand San Michel has been launched with a refreshed visual identity that positions the brand as the clear choice for those consciously choosing better. Additionally, San Michel Fruitwaves have been reformulated and can now be enjoyed with zero sugar and zero calorie content. Finally, to better serve retail and on-the-go channels, Elan Sparkling Water is now also available in a 500ml PET bottle in addition to the popular 1.5L bottle.

"Farsons will continue to monitor market trends closely and respond through portfolio management together with innovation and new product development."

Farsons will continue to monitor market trends closely and respond through portfolio management together with innovation and new product development. Sustained investment in sales strategies, branding, innovation, quality standards, and customer engagement, will remain central to strengthening our leadership in the beverage industry.

TASTE
SUMMER
YOUR
WAY

Meeting prospective clients at ANUGA, one of the world's largest food and beverage shows held bi-annually in Cologne, Germany

INTERNATIONALISATION

2025 was marked by sustained growth across both traditional and emerging export markets. In Europe, the Cisk brand continued to gain momentum, with notable progress in Italy, where increased volumes and new draught placements in previously untapped provinces, further elevated brand presence. Elsewhere, combined sales of soft drinks and beers reached unprecedented levels in the UK, reinforcing the appeal of our diversified portfolio.

Significant volumes of non-alcoholic beverages, particularly Kinnie, were exported to North Africa during the year. This expanding foothold signals long-term potential for the brand in the region.

Beyond Europe, the Group advanced its expansion into South Asian and Middle Eastern markets, including Bahrain, Oman and the UAE. Cisk Excel delivered standout performance in Bahrain, where the award-winning low-carb beer continued to build market share and cement its position as a premium offering. As of 2025, more than half of the Company's beer export volumes are destined for these high-growth regions.

Kinnie launched in Ghana in association with the Acadia Industries, an established player in the Ghanian F&B business

New beginnings in North Africa

The year also saw further investment in developing the Kinnie franchise across markets such as Australia and West Africa. In Australia, the brand's presence was strengthened through the introduction of PET single-serve bottles alongside traditional glass formats. In Ghana, the franchise expanded its reach across both modern and traditional trade.

Plans are underway to introduce Kinnie Rumba and other alcoholic Kinnie variants, also produced in-country under the franchise agreement, leveraging rising demand for ready-to-drink beverages. Building on encouraging feedback to date, we will continue to explore franchise opportunities across additional West African markets in 2026 and beyond.

Looking ahead, the Group will continue strengthening its international presence through focused investment, innovation and targeted market partnerships. Building on the solid momentum of 2025, Farsons is well-positioned to capture emerging opportunities and sustain long-term growth across its expanding international footprint

Kinnie 'on ice' in Poland

"Looking ahead, the Group will continue strengthening its international presence through focused investment, innovation and targeted market partnerships"

Kinnie tasting in retail outlets in Libya

FARSONS BEVERAGE IMPORTS COMPANY LIMITED

During the year under review, FBIC continued to operate within a challenging and evolving beverage market landscape. The sector, particularly the spirits category, has undergone notable transformation, driven by shifting consumer consumption patterns and preferences, increasing economic pressures, and heightened competitive activity. Notwithstanding these dynamics, the team delivered a strong performance, achieving growth across all categories. This was accomplished through sustained marketing campaigns, consistent brand activations, and disciplined execution, despite intensified competition from a growing number of importers, which has placed pressure on margins.

In addition to our ongoing activations within the on-trade sector, our focus on the off-trade channel yielded significant growth. This was supported by enhanced in-store visibility, as well as a structured programme of trade and consumer promotions across the entire portfolio of brands. Furthermore, we continued to expand our sales and distribution network within the retail segment, enabling us to better meet the increasing 'at home' consumption for beverages.

"The sector, particularly the spirits category, has undergone notable transformation, driven by shifting consumer consumption patterns and preferences, increasing economic pressures, and heightened competitive activity"

We also maintained close collaboration with our partners to introduce innovative range extensions across our portfolio, in line with evolving consumer trends. Notable product launches during the year included Red Bull Zero - a zero-calorie and zero-sugar variant which has already shown very promising initial performance, with further additional flavours scheduled for launch this year. The year also saw the introduction of Corona Cero, a 0.0% alcohol variant that retains the brand's distinctive taste profile, as well as Guinness 0.0, the non-alcoholic version of this globally recognised brand.

Our presence within the wine category continued to strengthen. A key milestone was the organisation of a wine portfolio tasting event, the first of its kind in Malta, which brought together 38 wineries that travelled to participate. Held over two days, the event welcomed the public on the first day and trade clients on the second. Attendees had the opportunity to sample over 300 wines in a single venue and engage directly with winemakers to gain deeper insight into the products. This event provided an invaluable platform for hospitality operators and sommeliers to evaluate wines for their upcoming menus. It also reinforced our strategic positioning within the wine category and garnered international recognition, establishing the event as a fixture in our annual calendar. Complementing this flagship event, we also hosted a series of curated wine-tasting experiences across selected restaurants, often in collaboration with winemakers from our partner wineries, further enhancing consumer awareness and appreciation of our wine portfolio.

This year also marked the introduction of a limited number of spirit brands represented at the Farsons Beer Festival. Four major brands were featured, each strategically positioned in specific areas that aligned with their respective consumer profiles. The new Aperitivo Area, designed with a relaxed, chill-out vibe, featured a dedicated bar serving aperitifs from two key brands, Campari and Aperol, offering the ever-popular Campari Spritz and Aperol Spritz. In contrast, Jägermeister was available in the high-energy zone known as Casa Electronica. This vibrant area, typically frequented by a younger crowd, hosted popular local DJs who kept the atmosphere alive with upbeat music late into the night. Jameson was positioned alongside Guinness beer in the Irish Corner of the festival, creating an authentic experience that celebrated Irish heritage and perfectly complemented the brand pairing.

FBIC also played a prominent role as a brand sponsor in several high-profile events, including the widely attended concert by Robbie Williams, as well as major music festivals such as Glitch Festival, Earth Garden, Boomerang Festival, and Elrow. These sponsorships formed an integral part of our marketing strategy, aimed at strengthening brand equity across our portfolio. Most of our marketing initiatives were executed through digital and social media channels, in alignment with global best practices and evolving consumer engagement trends.

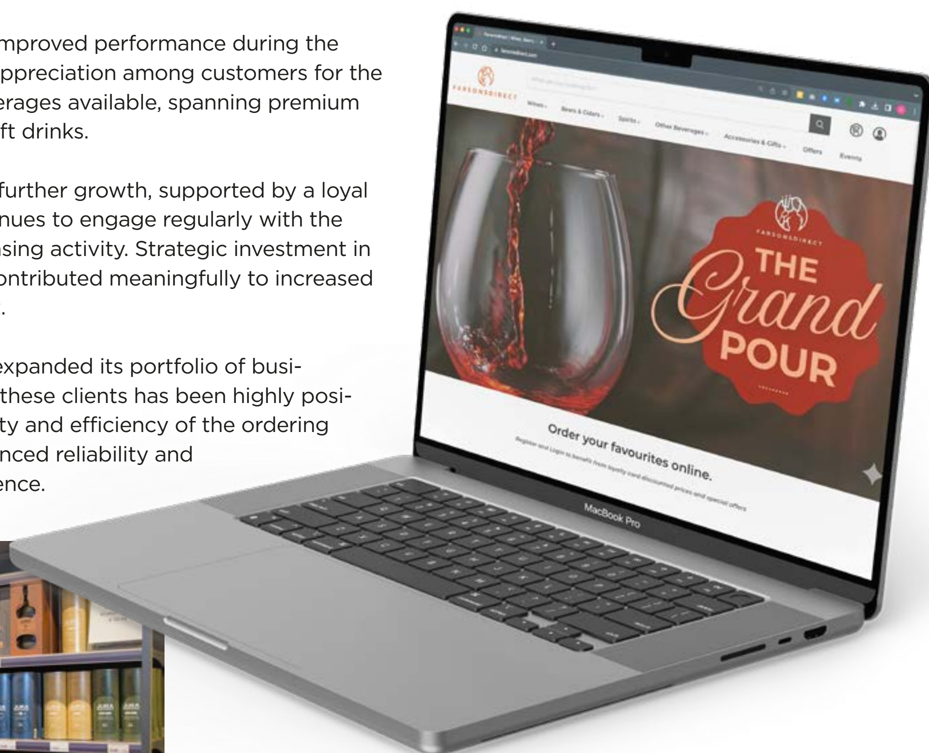
FARSONSDIRECT

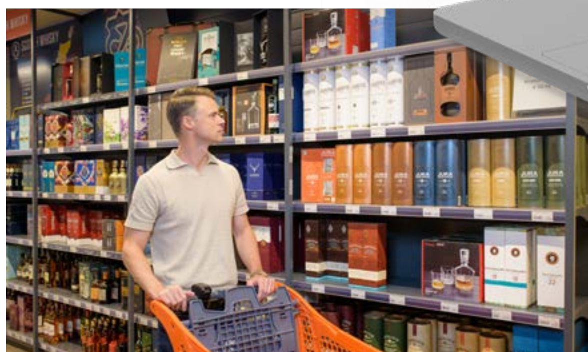
FARSONSDIRECT

Farsonsdirect has continued to register improved performance during the year under review, reflecting a growing appreciation among customers for the convenience and extensive range of beverages available, spanning premium spirits and wines, as well as beers and soft drinks.

The e-commerce platform has recorded further growth, supported by a loyal and expanding customer base that continues to engage regularly with the site through repeat browsing and purchasing activity. Strategic investment in digital and social media marketing has contributed meaningfully to increased visibility and sustained user engagement.

Moreover, the business has successfully expanded its portfolio of business-to-business clients. Feedback from these clients has been highly positive, particularly in relation to the flexibility and efficiency of the ordering and delivery processes, which have enhanced reliability and delivered a consistently seamless experience.





"...reflecting a growing appreciation among customers for the convenience and extensive range of beverages available"

ECOPURE

"New water cooler models and revised water package offerings are planned for the coming year, complemented by increased investment in marketing campaigns…"

EcoPure Beverage Services provides drinking water solutions for households and businesses, offering San Michel table water in 11L and 18.9L refillable containers.

During the year under review, the business registered marginal growth in sales volumes; however, rising operational costs continued to exert pressure on margins. Competitive pressures, particularly those driven by price, also remained challenging. With delivery driver staffing levels now stabilised, management has shifted focus towards rebuilding commercial momentum and driving renewed volume growth.

With operations on a firmer footing, steps are being taken to restructure the sales and marketing team to strengthen EcoPure's competitive position and support a return to sustained growth. New water cooler models and revised water package offerings are planned for the coming year, complemented by increased investment in marketing campaigns aimed at highlighting the benefits of EcoPure's high-quality water and convenient doorstep delivery service.

Distribution costs are expected to continue rising, driven primarily by traffic congestion, accessibility challenges, and industry-wide driver shortages. To mitigate these pressures, the team is evaluating a transition from fixed-route deliveries to a more flexible 'delivery-on-demand' model. This shift aims to reduce operational inefficiencies, lower the carbon footprint and optimise resource utilisation, while maintaining a high standard of customer service. In parallel, new digital technologies are being explored to support this transition and enhance delivery planning and customer satisfaction.

THE BREWHOUSE
THE GRIS
OF CISK
WATER
BARLEY
YEAST
HOPS
OUR BRANDS IN OUR HOMES!
THUMBS UP
CISK
1830
1875
1892

THE BREWHOUSE COMPANY LIMITED

The year under review marked another step forward in the continued evolution of The Brewhouse, with a clear focus on reinforcing The Farsons Brewery Experience as the heart of the campus. The Experience continues to strengthen its role as the Home of Cisk, offering both international visitors and the local community an authentic and engaging journey into the Farsons story.

During the year, The Farsons Brewery Experience was awarded the Malta Tourism Authority's Quality Assured Seal, recognising its commitment to maintaining high standards and delivering a consistently high-quality visitor experience. Further investment was directed towards enhancing the tour through the introduction of a digital and printed photo experience, providing guests with a personalised take-home memento that adds a meaningful and tangible dimension to their visit.

The Cisk Tap and the Farsons Brandstore continued to complement and extend the visitor experience. The Cisk Tap has developed into a vibrant and highly visible hospitality destination, hosting music nights and curated events that contribute significantly to campus activity. Anchored around Cisk, the Group's flagship brand, and showcasing the full Farsons beer portfolio on draught, the venue also provides a promotional platform for selected brands within the Group's spirits portfolio. Collaborations featuring brands such as Campari and Jägermeister have further enhanced the contemporary appeal of The Cisk Tap.

Kettles and The Chapels Gastrobrewpub remain integral components of the campus hospitality offer. The Chapels, featuring an exclusive range of craft beers brewed onsite at the Red Mill Brewing Co. under the direction of the Group's Master Brewer, provides a distinctive setting within a repurposed historic building. Its rooftop Beer Garden offers an additional space where freshly brewed seasonal beers

can be enjoyed at source. During the year, the introduction of The Chapels Craft Beer Festivals showcased in-house brews alongside selected local craft beer partners, further strengthening its positioning within the craft beer segment.

Kettles continued to play an important daily role within the campus, serving as a natural meeting point for office tenants and contributing to the sense of community within The Brewhouse.

Beyond hospitality and tourism, The Brewhouse strengthened its wider commercial tenancy base. The food and beverage operator contributes meaningfully to campus vibrancy and dwell time, while further positive developments were registered in the office segment, including the expansion of an existing tenant and the securing of a new tenant scheduled to commence operations in 2026.

The Brewhouse continues to mature as an integrated campus where tourism, hospitality, retail and corporate activity operate seamlessly together. Looking ahead, the focus remains on further enhancing the visitor experience, increasing campus activation, and reinforcing The Brewhouse as a dynamic and distinctive destination within the Farsons ecosystem.

"The Brewhouse continues to mature as an integrated campus where tourism, hospitality, retail and corporate activity operate seamlessly together."

"After 22 incredible years at Farsons, 16 as Group CEO, I am grateful for the opportunity to have led this remarkable organisation through times of growth and challenge."

TRANSITION WITH MOMENTUM

This being a year of transition, it is important to highlight the preparatory work that has taken place over the course of these months. The changing of the guard is imminent, and as my term as Group CEO draws to a close on the 30thJune, I am duty bound to give precedence to the necessary transitional planning and related handover, thereby ensuring business continuity.

After 22 incredible years at Farsons, 16 as Group CEO, I am grateful for the opportunity to have led this remarkable organisation through times of growth and challenge.

For decades, Farsons has successfully stood the test of time and always held on to its solid foundations. Nevertheless, this did not render us immune to the pressures and need to fight our own battles to hold on to our market share and consumer relevance, especially following market liberalisation in 2008.

This most certainly was a critical juncture, testing our strategic adaptability, during which our proactive response not only ensured our stability, but also played a pivotal role in defining what we now stand for. We successfully turned a watershed moment into an opportunity for growth, leveraging the challenges of market liberalisation to redefine our approach and strengthen our position. This experience has shaped and driven us forward to innovate, ensuring we remained well-equipped to compete without ever turning back.

Together, we have achieved remarkable success. Our results stand as a testament to our resilience in the face of adversity. We have certainly put into practice my conviction that competition is to be regarded as a driver and not an obstacle for improvement. We have not only navigated the tides but emerged stronger, more agile, and more competitive.

Through several important strategic decisions and investments along the years, together with the collective efforts of a truly resolute and capable team, we have transformed our Group. We are today better prepared and equipped than ever to take on the constantly escalating competitive pressures.

It has been a journey of passion and purpose, and despite the many challenges on the way, they only made us stronger and more resilient. I look back with great satisfaction knowing only too well how we tirelessly rose to the occasion until we overcame whatever hurdles we encountered. Indeed, we have consistently grown from strength to strength.

I am glad that the Farsons Group is today well poised for continued success. Our positive track record is the result of a collective effort, a reflection of a winning mindset, and now a trademark of a tenacious team.

LEAVING A MARK, LEADING AHEAD

Prudent financial management, ongoing investment in our human resources, and a relentless focus on digitalisation will be pivotal in navigating the evolving landscape and driving sustainable growth.

Furthermore, in keeping focus on our long-term competitiveness, we need to constantly ask, what is the value added for every decision, always remembering that results are driven by the actions we take.

We are truly a force to be reckoned with, and whilst always staying vigilant, I am confident Farsons will continue to ride the challenges along with the arising opportunities.

I am a firm believer in the values of perseverance, discipline, and focus, and more so, in the maxim: "Don't limit your challenges, challenge your limits." This is the competitive and winning frame of mind we need to continue to firmly hold on to, a challenging mindset that drives us to push beyond what is possible, to always strive to raise the bar in everything we do.

Here, I am compelled to highlight a persistent market concern that I have and continue to come across. This is the tendency of having to operate in an environment where, at times, one cannot avoid feeling penalised for being a responsible corporate citizen, given one, all too often, ends up being placed at a disadvantage due to an uneven playing field and unfair competition.

Though this will never deter us from maintaining high standards and complying with fiscal and regulatory requirements, it is essential that we continue to urge authorities to promote fair competition for all stakeholders. The free movement of goods within the EU, whilst beneficial in principle, has unfortunately proven susceptible to exploitation, underscoring the need for more vigilant market surveillance. We have and will always welcome competition, provided it is conducted on a level playing field, fostering a fair and equitable environment for all market participants.

GRATITUDE AND PRIDE

Before concluding, I must express my gratitude to our Board and Shareholders for their confidence in entrusting me with this responsibility, more so, being the first non-family member to have held such a post. Here, I am obliged to single out our chairman, Louis A Farrugia, who has supported me all the way, and always been there whenever I needed a good word of advice.

A special thank you goes to all management whom I have worked so closely with, and whom I am proud to refer to as teammates. I have seen several of them progress and move up the ranks and look forward to seeing them and others grow even further. I have and continue to regard our management as the backbone of all that we have achieved. I will always remain immensely thankful for their dedication, hard work, and camaraderie.

Of course, a thank you is also due to all present and past employees who have contributed in one way or other throughout my tenure as Group CEO. They have all made this journey, our journey, an incredible one and I could not be prouder of what we have achieved together.

On a personal note, being an avid runner, I cannot resist not drawing some parallels to a race situation, one where I have long started, with still some distance to get past the finish line. Yet I know it is time for me to move on and make way for new perspectives, new ideas. More than a static endpoint, this is a relay race where progress is handed over to the next, with each lap building on the momentum of the last.

In continuing this parallel, as I prepare to pass the baton to the incoming CEO, Michael Farrugia, I have confidence in his ability, along with that of the management team, in leading our Group forward and wish him and all Farsons well.

Before signing off my 16th and final annual report, I must reiterate that it has truly been a privilege to have contributed towards the remarkable journey of Farsons, which I am confident will continue to make headway.

Despite moving on, I will most certainly continue to follow the Company's progress with particular interest, whilst gradually redirecting my focus to Quinco Holdings following our strategic decision to spin-off our food business.

Cheers to an even more successful future.

Norman Aquilina
Group Chief Executive
27 May 2026

Photo by Joe Smith

SIMONDS FARSONS CISK P.L.C.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2026

DIRECTORS' REPORT

The Board of Directors present their annual report and the audited consolidated financial statements for the year ended 31 January 2026 (FY2026).

Principal activities

The Group has been engaged in the food and beverage industry for several decades tracing its origins to 1928 with the opening of its first Brewery in Hamrun. FY2026 marked a strategic re-focusing of the Group's principal activities, returning the business to its original roots as a brewer, bottler and importer of beverages. The Group's well-established position within the beverages market will continue to underpin and drive its core operations.

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 undertakes the importation, wholesale and retail distribution of beverage products, including an extensive range of wines and spirits.

In addition, the Group manages the revitalised and iconic Old Brewhouse, a landmark destination comprising multiple catering outlets, a dedicated events venue, a state-of-the-art microbrewery and an interactive visitor centre showcasing the rich heritage of Simonds Farsons Cisk. The flagship site also incorporates a retail outlet offering branded merchandise associated with the Group's renowned portfolio of products.

Until the end of September 2025, and prior to the distribution in kind of its shareholding in the food segment business to existing shareholders, the Group, through its subsidiaries, operated three fast service franchised food retail establishments and carried out food importation and distribution activities. Following the demerger, the food segment operations are now consolidated within Quinco Holding p.l.c.

Group Restructuring and Strategic Refocusing

At the Annual General Meeting held in June 2025, shareholders approved the Board's recommendation to strategically realign its food business into a separate group of companies, thereby enabling a more focused approach towards the development and expansion of this business segment. Following shareholder approval, the Group proceeded with the reorganisation of its food operations into a separately listed entity on the Malta Stock Exchange, a process which was concluded on 6 October 2025.

The transaction carried out on 6 October 2025 involved the distribution in kind to shareholders of the entire shareholding held by Simonds Farsons Cisk p.l.c. in Quinco Holdings p.l.c., on a pro rata basis in proportion to their shareholding in the SFC Group.

Today, Quinco Holdings p.l.c. is governed by a dedicated Board of Directors and managed by a specialised executive team possessing the appropriate skills, expertise and operational focus required to manage and develop this complex business segment. This strategic refocusing also enables the Quinco Group to establish its own capital and funding structures, allowing it to pursue its development, growth and operational strategies independently from the beverage operations of the SFC Group.

As outlined in the Annual Report for FY2025, this strategic initiative necessitated the presentation of the Group's financial reporting between "continuing operations" and "discontinued operations". Following completion of the spin-off transaction, the financial statements for the current financial year include the results of the food segment up to the effective date of the transaction, namely the end of September 2025. Consequently, the discontinued operations reflected in these financial statements represent an eight-month trading period only.

Quinco Holdings p.l.c., which has a December financial year-end, published its first Annual Report on 24 April 2026. The reported results reflect the transitional phase of the Quinco Group during its initial four-month effective trading period and delivered an overall positive continuing performance for the benefit of shareholders.

Review of the business

TRADING PERFORMANCE

The Board of Directors reports that the Group delivered another year of solid financial and operational performance, continuing its consistent trajectory of growth despite an increasingly dynamic and competitive operating environment. The results achieved during the year reflect the strength of the Group's established brands, the resilience of its business model, and the disciplined execution of its strategic priorities. Sustained revenue growth, continued operational efficiencies and focused investment across the business contributed to a robust overall performance, further reinforcing the Group's strong market position and long-term growth prospects.

The Group's diversified beverage portfolio continues to provide the Maltese market with quality products synonymous with the Island and enjoyed by the growing number of tourists visiting our Island throughout the year. During the past months, inflation has moderated compared to recent peaks, stabilising in the mid 2% level, contributing to a somewhat improved cost predictability for the Group. Labour market conditions on the other hand, remain exceptionally tight, with unemployment at historically low levels and persistent skills shortages in particular areas of the Group's operations, placing upward pressure on wage costs. Operating with the island economy of Malta means that the Group is import-dependent for the raw materials employed in the brewing and bottling processes of our iconic branded beverages and also for the enhanced diversification of the imported beverage portfolio of the Group's importation business.

The global environment continues to be shaped by heightened geopolitical fragmentation and increasingly complex leadership dynamics across major economic blocs. Ongoing conflicts in Eastern Europe and the Middle East, coupled with shifting alliances and policy divergences among major powers, have contributed to sustained uncertainty in international trade, energy markets, and supply chain reliability. The global environment directly impacts our business model particularly as these developments translate into a disproportionate degree of external sensitivity. Disruptions in maritime logistics routes, particularly in the broader Mediterranean and Red Sea corridors, continue to influence freight costs, delivery lead times and inventory planning.

The alcoholic beverage markets throughout Europe continue to experience volume pressure, reflecting shifting consumer preferences and economic constraints. Beer, wine, and spirits categories have generally recorded flat to declining consumption volumes. Health-conscious consumption trends, stricter regulatory environments, and generational shifts, particularly among younger consumers, are contributing to reduced alcohol intake frequency. At the same time, on-premise consumption has stabilised post-pandemic but remains sensitive to disposable income pressures and inflationary effects in hospitality.

Within the prevailing economic environment, the Group has maintained its positive growth trajectory, with turnover from the beverage segment increasing by 4.63% to reach a record €106.5 million.

Despite operating in a highly competitive domestic market and against a backdrop of ongoing global supply chain disruptions, the Group succeeded in delivering a marginal improvement in gross profit margins, which increased from 42.5% to 42.7%. This improvement reflects the Group's ongoing investments in efficiency-enhancing initiatives, alongside disciplined and ongoing management of the cost base, aimed at mitigating the impact of rising human resource and freight-related costs, among the most significant cost drivers.

The Group continues to operate within an exceptionally tight labour market in Malta, which presents persistent challenges in attracting and retaining suitably qualified personnel on a sustainable basis. This structural constraint remains a key contributor to upward pressure on operating costs, with selling, distribution and administrative expenses increasing by 9.24% during the period. The increase in personnel-related and support function costs reflects both acute labour scarcity and prevailing wage inflation in the local market, reinforcing the need for continued focus on operational efficiency, resource optimisation, and workforce planning.

Profit before tax from the beverage segment increased to €15.9 million (2025: €14.7 million), representing an 8.2% year-on-year improvement, with return on turnover (before finance costs) improving further from 14.5% to 15.0%. This performance was supported by effective cost control, operational discipline, and enhanced business efficiency.

The discontinued food business also continued to register improved trading performance during the period under review. For the eight-month reporting period, the segment generated turnover of €29.7 million and an operating profit before tax of €3.0 million, reflecting a 7% improvement in profitability compared to the full financial year 2025. These results highlight the continued operational resilience of the business and its ability to sustain earnings particularly as it transitioned to the structured establishment of a separate group.

The financial results for the year also incorporate a fair value gain recognised by the SFC Group in connection with the strategic restructuring of its food business and its subsequent spin-off into a standalone group. The €21.9 million gain recognised in the income statement reflects value generated and accumulated over time within the Group, which was crystallised upon completion of the transaction. This non-recurring gain arises directly from the execution of the spin-off and forms part of the overall value transferred to shareholders through the distribution in kind. In this regard, €46.8 million of shares were distributed to shareholders on 6 October 2025, representing the capitalised value of the demerged food business and conferring direct proportional ownership in the newly established entity.

The Group's results also reflect the recognition of the final balances of previously unrecognised deferred tax assets in accordance with its accounting policies, alongside the corresponding tax charge not offset through the recognition mechanism. This resulted in an increased tax charge of €3.2 million compared to the previous financial year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the Group, encompassing both the beverage business and the food business (for the eight-month period), increased by 2% to €29.2 million.

As at the end of FY2026, net borrowings stood at €17.1 million (2025: €16.1 million), resulting in a debt-to-equity ratio of 11.4%, broadly stable in absolute terms but higher on a relative basis due to the reduced equity base following the distribution of the dividend in kind to shareholders.

Total equity at year-end amounted to €150.1 million, compared to €165.2 million in the prior year, reflecting the impact of the exceptional distribution in kind to shareholders, partially offset by profits attributable to shareholders generated during the financial year.

INVESTMENTS

The Group remains firmly committed to continuous improvement through sustained investment in operational excellence, environmental performance, and long-term infrastructure development. During the year, this commitment was evidenced by the completion of key sustainability-driven initiatives, including the commissioning of a CO_2 recovery plant and the conversion of steam-generating boilers from light heating oil to Liquefied Petroleum Gas (LPG). These projects are expected to deliver tangible benefits in terms of operational efficiency, enhanced energy security, and a reduction in the Group's overall carbon emissions.

In parallel, the Group has continued to progress a significant strategic investment programme aimed at modernising its logistics infrastructure, most notably through the commencement of an €11 million investment in a state-of-the-art, robotically operated Automated Logistics Warehouse. The project is advancing in line with expectations and remains on track for completion towards the end of 2027. Once operational, it is expected to significantly enhance supply chain efficiency, elevate service levels, and further strengthen the Group's sustainability and competitive positioning.

Looking forward, the Group will maintain a disciplined and forward-looking capital allocation strategy centred on driving efficiency gains across its manufacturing, warehousing, and distribution footprint, while reinforcing its environmental objectives. Investment priorities will continue to balance operational optimisation with sustainability considerations, supported by ongoing initiatives to strengthen brand equity and market presence. The Group will also continue to focus on maximising the efficiency and utilisation of its asset base, with the objective of delivering sustainable long-term value creation, improved resource productivity, and resilient growth.

OUTLOOK FOR FINANCIAL YEAR ENDING 31 JANUARY 2027

The outlook for the local beverages market is expected to remain characterised by sustained uncertainty and operating pressure, as global geopolitical developments and macroeconomic volatility continue to shape consumer behaviour, input costs, and supply chain reliability. Ongoing instability in the Middle East, together with continued disruptions across key international shipping corridors, is likely to sustain volatility in freight rates, lead times, and the availability of imported raw materials and finished goods. This is particularly relevant for Malta as an import-dependent island economy, where such external shocks directly translate into elevated procurement costs and added complexity in logistics planning, thereby exerting pressure on the Group's ability to preserve and enhance operating margins.

At the same time, the potential persistence of inflationary pressures across Europe particularly in energy, food commodities, packaging, and transportation, may continue to weigh on household disposable income and, in turn, consumer purchasing power. Within the beverages sector, this environment is expected to reinforce more cautious consumption patterns, with a potential shift towards value-driven purchasing, increased reliance on promotions and private label offerings, and a more selective approach to discretionary spending, particularly in higher-end product categories.

Domestically, the operating environment is also likely to remain challenged by sustained labour cost inflation and ongoing skills shortages, alongside heightened competition across both retail and on-trade channels. In addition, while tourism continues to represent a fundamental pillar of beverage demand in Malta, the sector remains exposed to fluctuations in international travel sentiment and broader macroeconomic conditions across key European source markets.

Notwithstanding these headwinds, the Group remains well positioned to navigate the evolving market landscape. Its strategic emphasis on supplier diversification, efficient inventory management, strong brand equity, and agile pricing and product strategies provides a solid foundation for resilience. In particular, the Group's ability to balance value accessibility with product quality, while maintaining operational flexibility and cost discipline, is expected to underpin its capacity to sustain performance and continue delivering value to both consumers and shareholders in a challenging and dynamic environment.

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

The statements of financial position and the income statements are set out on pages 72 to 74.

As at 31 January 2026 retained earnings amounted to €93.4 million following the distribution of the dividend in kind of €46.8million as well as total cash dividends during 2025 of €7.38 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 €5.22 million (equivalent to €0.145 per share). If approved at the AGM, this dividend will be paid to shareholders on the 25 June 2026. Subject to this AGM approval, the total dividends paid in respect of FY 2026 would amount to €7.56 million, equivalent to €0.21 per share. (2025 €7.2 million, equivalent to €0.20 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 F.C.C.A.

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 2026 are included in the Annual Report 2026, 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 2026, 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 2026, 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 67 to 71 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 27 May 2026 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 2025/6.

Registered address:

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

Telephone (+356) 2381 4293

Nadine Magro
Company Secretary

27 May 2026

STATEMENT BY THE DIRECTORS ON NON–FINANCIAL INFORMATION

MESSAGE FROM THE CHAIRMAN OF THE ESG COMMITTEE

I am pleased to inform you that FY2026 marked a further year of progress in the Farsons Group's sustainability journey, as ESG considerations continued to gain greater prominence within both operational execution and long-term strategic decision-making.

Operationally, the Group continued to make meaningful progress in improving resource efficiency and reducing its environmental footprint. Key investments during the year included the commissioning of large-scale photovoltaic infrastructure, the introduction of CO_2 recovery capabilities at the brewery, and continued progress in fleet modernisation and fuel transition initiatives. Together, these projects represent important steps in the Group's longer-term decarbonisation pathway.

Mr Michael Farrugia - Chairman of the ESG committee

"Beyond environmental priorities, the Group remains equally focused on its people, consumers and wider community."

Water stewardship remains a critical priority for the Group, particularly within the Maltese context where water scarcity presents an ongoing national challenge. During FY2026, further improvements were achieved in water efficiency, while rigorous standards continued to be maintained across sourcing, treatment and operational monitoring processes.

The Group also continued to strengthen its contribution towards circular economy objectives, particularly through its active involvement in Malta's Beverage Container Refund Scheme (BCRS), which is now delivering consistently high collection rates and contributing positively towards national recycling performance.

Beyond environmental priorities, the Group remains equally focused on its people, consumers and wider community. Investments in employee wellbeing, training and safety continued throughout the year, alongside ongoing commitments to product quality, food safety and responsible consumption. Community engagement also remains deeply rooted within the Group's identity, supported through various initiatives and the continued work of The Farsons Foundation.

The ESG landscape continues to evolve rapidly, both from a regulatory and stakeholder perspective. While the Group recognises that its sustainability journey remains ongoing, FY2026 represents a year of tangible progress and increasing organisational maturity.

Looking ahead, the Group remains committed to further strengthening its ESG framework, improving the quality and reliability of non-financial data, enhancing governance and cross functional coordination while ensuring that sustainability considerations continue to support long-term resilience, responsible growth and value creation for all stakeholders.

OUR BUSINESS MODEL

The Farsons Group is based 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, importation, selling and distribution of local and international beverages.

The Group's core operations are supported by three wholly owned subsidiaries. Farsons Beverage Imports Company Limited (FBIC) is responsible for the importation and distribution of wines, spirits, beers and non-alcoholic beverages, while EcoPure Limited distributes dispensed bottled water directly to customers. The Brewhouse Company Limited manages the Group's mixed-use Brewhouse complex, which includes a visitor and retail attraction, food and beverage outlets, office space and various event facilities.

"The Group maintains a structured corporate governance framework, as described in the Corporate Governance Statement forming part of this Annual Report."

Following the strategic review undertaken in the prior year, the Group completed the separation of its food-related businesses enabling a clearer focus on its core beverage operations.

SFC is a public company with its registered address at The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara, Malta. The Company's issued share capital comprises 36,000,000 ordinary shares of €0.30 each, all of which carry equal voting rights and are listed on the Malta Stock Exchange. As at the year-end, 79.3% of the issued share capital was held by the three major shareholders, with the balance held by the general public.

The Group maintains a structured corporate governance framework, as described in the Corporate Governance Statement forming part of this Annual Report. The Board is responsible for setting the Group's strategic direction, identifying principal business risks and overseeing the implementation of appropriate risk management systems.

A comprehensive risk review is conducted annually, supported by external advisors, to assess existing and emerging risks and ensure that appropriate controls and mitigation measures are in place.

MATERIALITY AND KEY SUSTAINABILITY TOPICS

The Group applies a structured approach to identifying and assessing its key sustainability priorities, with the aim of ensuring that ESG considerations are aligned with both business strategy and stakeholder expectations.

During the year under review, the Group continued to build on the double materiality assessment exercise carried out in prior periods, which involved internal workshops with senior management and representatives from production, operations, human resources and corporate functions, supported by external ESG advisors. This process was informed by the principles of double materiality and relevant elements of the European Sustainability Reporting Standards (ESRS) while recognising that the Group is currently reporting on a voluntary basis and is not subject to mandatory CSRD reporting.

Potential impacts, risks and opportunities were assessed based on environmental and social significance, business relevance, stakeholder expectations and regulatory considerations.

The outcome of this process resulted in the identification of five core ESG topics considered material to the Group:

- **Climate Change (Reference framework: ESRS E1)** – reflects energy use, emissions profile and climate-related initiatives and activities
- **Water and Marine Resources (Reference framework: ESRS E3)** – covers the importance of water in production processes and water scarcity within the local context
- **Resource Use and Circular Economy (Reference framework: ESRS E5)** – driven by packaging materials, participation in the BCRS scheme and broader circularity considerations
- **Own Workforce (Reference framework: ESRS S1)** – covers health and safety, employee well-being, inclusion and development
- **Consumers and End-users (Reference framework: ESRS S4)** – focuses on product quality, safety and responsible consumption
- **Governance and Ethical Business Conduct (Reference framework: ESRS G1)** – covers ethics, compliance and governance oversight.

The regulatory landscape continues to evolve, including the transposition of the Corporate Sustainability Reporting Directive (CSRD) in Malta shortly after the year end. The Group remains committed to further strengthening its ESG framework, including enhancements in data collection, internal processes and governance structures, to support more comprehensive and structured disclosures in future reporting periods.

"Potential impacts, risks and opportunities were assessed based on environmental and social significance, business relevance, stakeholder expectations and regulatory considerations."

CLIMATE CHANGE

The Group remains focused on improving energy efficiency and reducing its carbon footprint through operational optimisation, targeted capital investment, and the gradual transition towards lower-carbon energy solutions.

Over the past four years, the Group has achieved consistent improvements across key energy and emissions performance indicators.

Key trends include:

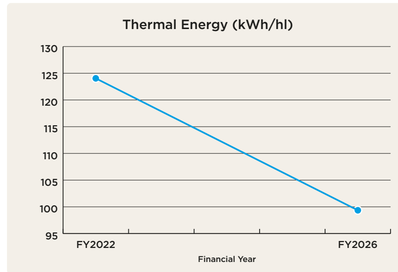
- Thermal energy consumption per hectolitre decreased from 124.07 kWh/hl in FY2022 to 99.39 kWh/hl
- Electricity consumption per hectolitre declined from 10.41 kWh/hl to 8.93 kWh/hl
- Total energy consumption per hectolitre was reduced from 134.48 kWh/hl to 108.29 kWh/hl
- CO_2 emissions per hectolitre decreased from 5.28 kg/hl to 4.45 kg/hl.

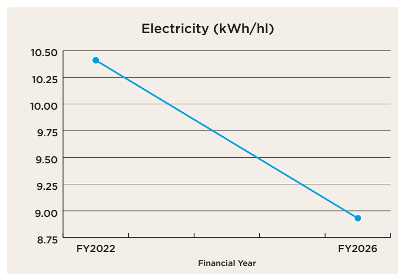
These improvements reflect ongoing investments in process efficiency, energy optimisation, and cleaner energy infrastructure across the Group's operations.

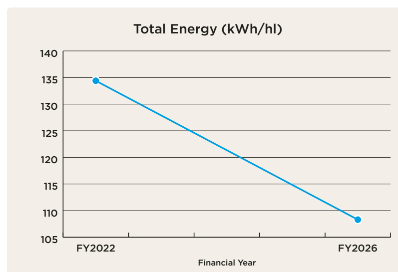
CLEAN AND RENEWABLE ENERGY

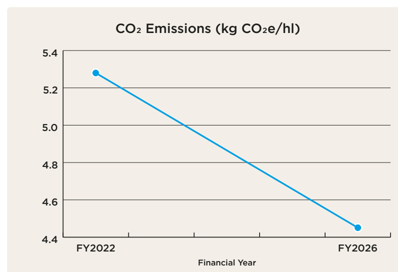
The Group continued expanding its use of renewable energy during FY2026, with electricity generated from renewable sources reaching 28.6% of total electricity consumption, exceeding the Group's target of 25%.

A significant contributor to this increase was the commissioning of a major photovoltaic installation at the Group's Logistics Centre. The rooftop system spans approximately 5,600 m^2 and has an installed capacity of 835 kWp, with expected annual generation of approximately 1.2 million kWh of renewable electricity.



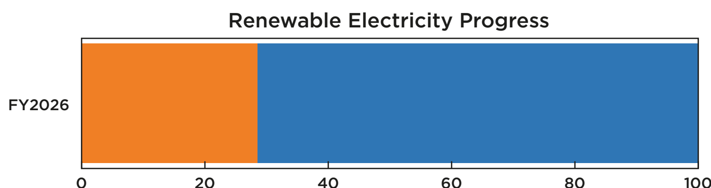






CO_2 RECOVERY

During the year, the Group commissioned a CO_2 recovery plant at the brewery, representing an important investment in resource efficiency and circularity. The system captures CO_2 generated during the fermentation process and reuses it within production operations.



The facility is expected to eliminate the need for approximately 500 tonnes of externally sourced CO_2 annually. Since commissioning in October 2025, the system has already recovered over 200 tonnes of CO_2 for reuse within the brewery.

FUEL TRANSITION

The Group also completed the installation of a liquefied petroleum gas (LPG) storage and distribution system to support steam-generating boiler operations. The transition significantly reduces reliance on diesel and gasoil, with the potential to replace up to 80% of previous fuel consumption.

In addition to improving fuel efficiency, the transition to LPG contributes towards lower emissions of sulphur oxides (SOx), nitrogen oxides (NOx), and particulate matter.

FLEET DECARBONISATION AND MODERNISATION

The Group continued progressing its fleet modernisation and decarbonisation initiatives during FY2026 through further investment in electric mobility and lower-emission vehicles.

During the year, three electric panel vans were added to the Group's light goods vehicle fleet, with additional units planned for deployment in FY2027. These investments form part of the Group's longer-term objective to progressively transition its light vehicle fleet towards electrification where operationally feasible.

In parallel, the Group continued upgrading its heavy vehicle fleet, with new trucks delivered during the year and further units scheduled for delivery by mid-2026. Upon completion, the programme will result in a fully Euro 6 compliant heavy vehicle fleet, supporting reduced emissions and improved environmental performance across logistics operations.

The Group will continue evaluating opportunities to expand the use of electric vehicles in line with infrastructure development and operational requirements.

WATER AND MARINE RESOURCES

Water is a critical raw material in the Group's production processes and its responsible management remains a key operational priority, particularly within the context of Malta's scarce natural water resources.

During FY2026, overall water consumption decreased compared to the previous year, despite broadly stable production volumes. Water use efficiency improved to 2.74 hectolitres per hectolitre of production, continuing the positive trend observed in recent years and demonstrating the Group's ongoing focus on operational optimisation and resource efficiency.

All water utilised in production is sourced from the Water Services Corporation, Malta's national water utility provider. The Group does not make use of groundwater resources, reflecting its long-standing commitment to preserving local water reserves. Supplementary volumes from recovered and rainwater sources contributed marginally during the year, as certain storage infrastructure was undergoing maintenance. Under normal operating conditions, these sources are primarily used for non-product applications such as cooling systems and auxiliary processes.

Irrespective of source, all water used in production undergoes extensive treatment processes to meet the Group's stringent quality standards. This includes advanced filtration and reverse osmosis systems, which ensure the consistent delivery of high-quality product and process water across all operations.

Water consumption is closely monitored through structured operational processes. Water performance indicators are monitored regularly to support efficiency improvements and operational control. This enables the Group to identify efficiency opportunities, manage consumption trends and drive continuous improvement across its production activities.

RESOURCE USE AND CIRCULAR ECONOMY

PACKAGING WASTE

The Group remains focused on reducing the environmental impact of packaging and supporting the transition towards a more circular and resource-efficient economy, in line with evolving regulatory expectations, including the EU Packaging and Packaging Waste Regulation (PPWR).

A key component of this effort is the Group's continued involvement in the Beverage Container Refund Scheme (BCRS), which has now completed its third full year of operation. As a founding member of the Malta Beverage Producers Association (MBPA), which together with the Retailers and Importers Association established BCRS Malta Ltd, the Group remains actively engaged in supporting the effective operation and ongoing development of the scheme.

During FY2026, BCRS continued to deliver strong results, with collection rates consistently exceeding 80% and approaching 85%. Beyond improving collection levels, the scheme plays an important role in ensuring that returned beverage containers are directed into certified recycling streams, supporting material recovery and broader circular economy objectives.

The continued success of the scheme reflects strong collaboration between industry, government, retailers, and consumers, supported by ongoing investment in nationwide collection infrastructure and logistics systems. BCRS continues to contribute positively towards reducing littering and strengthening Malta's recycling performance.

In parallel, the Group continued increasing the recycled content within parts of its packaging portfolio, while preparing for more demanding future regulatory requirements and supporting the development of a more circular packaging ecosystem.

AUTOMATED LOGISTICS WAREHOUSE

During FY2026, the Group commenced construction of a new automated logistics facility dedicated to the storage and handling of returnable and refillable products. The project represents a significant investment in strengthening the Group's circular packaging infrastructure while improving operational efficiency across logistics activities.

The facility will accommodate approximately 7,500 pallet positions and incorporate automated line-feeding systems to support the efficient movement, storage, and reuse of packaging materials. By centralising operations currently spread across multiple locations, the facility is also expected to reduce off-site storage requirements and associated transport movements, contributing to lower fuel consumption and emissions.

Scheduled for completion in 2027, the facility will also include photovoltaic installations to support renewable energy generation, with the ambition of operating on a carbon-neutral basis.

WASTE MANAGEMENT

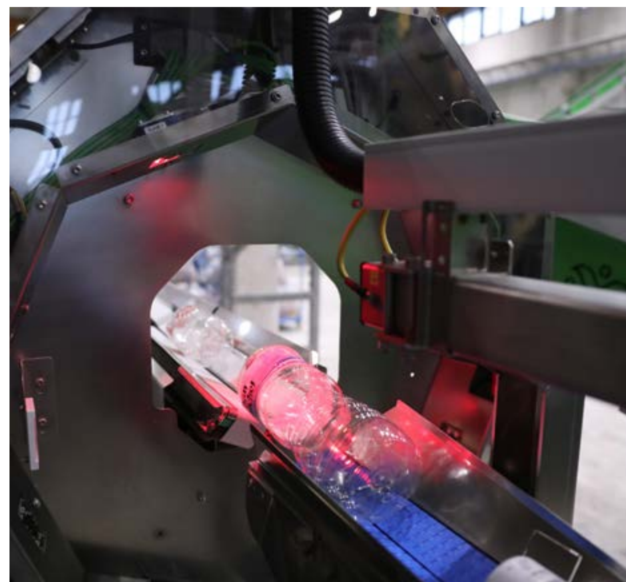
The Group maintains structured waste management processes across its operations, with a focus on improving waste segregation, increasing recovery rates, and reducing landfill dependency.

Key waste streams, including waste oils, Waste Electrical and Electronic Equipment (WEEE), packaging waste, and general operational waste, are managed through authorised collection and treatment channels in line with applicable regulatory and environmental requirements.

A significant proportion of operational waste continues to be directed towards recycling and recovery streams, supported by ongoing improvements in internal segregation practices, process controls, and employee awareness initiatives.

The recovery of specific waste streams, including waste oils, reflects continued progress in strengthening collection systems and improving resource management practices across production and logistics operations.

Waste disposed to landfill has continued to decline over recent years, reflecting the Group's ongoing efforts to optimise material use, improve operational efficiency, and support broader circular economy objectives.



End of Year Mass & Service Awards - A moment of reflection and gratitude, recognising employees for their continuous service and dedication.

OWN WORKFORCE

The Group recognises that its employees are central to its long-term success and remains committed to providing a safe, inclusive, and supportive working environment that promotes wellbeing, development, and engagement across all areas of the organisation.

WORKPLACE SAFETY AND EMPLOYEE WELLBEING

Providing a safe and healthy working environment remains a fundamental priority for the Group. Health and safety practices continue to be guided by the Group's "Vision Zero" philosophy and supported through a structured Safety Management System designed to promote consistent standards and safe working practices across all operations.

During FY2026, a total of 32 safety-related incidents were recorded across the Group, including near misses, first-aid cases, and reportable incidents. Of these, 13 incidents resulted in lost working days, amounting to a total of 313 lost days.

The Group continues to monitor safety performance closely through regular reporting, root cause analysis, risk assessments, and targeted preventive actions. Ongoing initiatives focused on communication, training, operational awareness, and behavioural safety remain central to strengthening the Group's overall safety culture and reducing workplace risks.

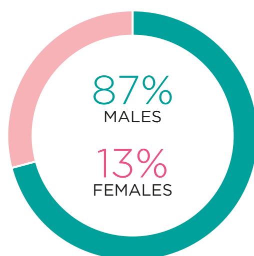
Alongside physical safety, the Group continued strengthening its employee wellbeing framework during the year, including expanded access to external support services and wellbeing initiatives aimed at supporting employees both personally and professionally.

The Group remains committed to fostering a positive, inclusive, and supportive working environment where employees feel valued, engaged, and empowered to perform at their best.

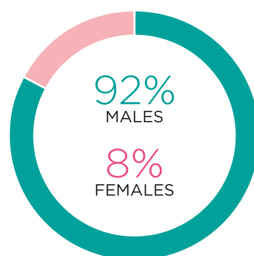
Promoting care and connection - Valentine's initiative focused on employee wellbeing and appreciation.

"Ħajja sa l-Aħħar" July Fundraiser Supporting Hospice Malta

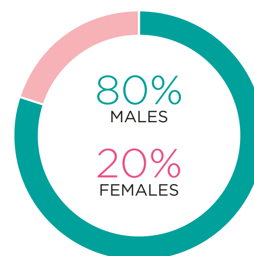
GOVERNANCE OF
THE FARSONS GROUP
BY GENDER



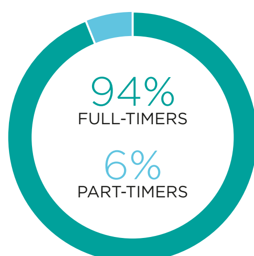
MANAGEMENT OF
THE FARSONS GROUP
BY GENDER



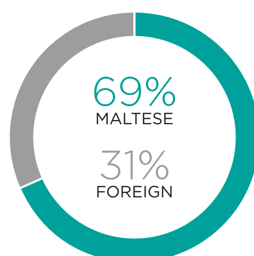
EMPLOYEES OF
THE FARSONS GROUP
BY GENDER



EMPLOYEES OF
THE FARSONS GROUP
BY TYPE OF ENGAGEMENT



EMPLOYEES OF
THE FARSONS GROUP
BY NATIONALITY



DIVERSITY, EQUITY AND INCLUSION

As a signatory to the Malta Diversity and Inclusion Charter, the Group remains committed to promoting diversity, inclusion, and equal opportunity across all areas of its operations, in line with recognised national and European frameworks.

The workforce comprises a mix of local and international employees, with non-Maltese nationals representing approximately one-third of the employee base. This diversity contributes to a collaborative and resilient working environment that supports knowledge sharing and operational flexibility.

The Group supports employees through policies and practices designed to promote inclusion, wellbeing, and work-life balance, including flexible working arrangements where operationally appropriate. Employee engagement initiatives, internal events, and recognition programmes continue to support a strong sense of belonging and alignment with the Group's values.

The majority of employees are engaged on a full-time basis, with an average length of service of seven years, reflecting stable employee retention and engagement levels. While the workforce remains predominantly male, the Group recognises the importance of improving gender diversity and continues to support equal opportunities, fair employment practices, and career development across all levels of the organisation.

"Employee engagement initiatives, internal events, and recognition programmes continue to support a strong sense of belonging and alignment with the Group's values."

EMPLOYEE TRAINING AND DEVELOPMENT

The Group maintains a structured approach to training and development aimed at strengthening both individual capabilities and organisational resilience within an increasingly competitive labour market.

During FY2026, a broad range of technical, operational, leadership, and behavioural training programmes were delivered across the organisation, with particular emphasis placed on health and safety, technical competency, employee engagement, and management development. In total, over 11,000 training hours were delivered during the year.

Training initiatives are guided through structured Training Needs Analysis processes carried out in collaboration with line management, ensuring that learning interventions remain relevant to operational requirements and broader organisational priorities.

The Group also continued expanding access to flexible digital learning platforms, including Udemy subscriptions, enabling employees to further develop skills aligned with evolving technologies and business needs.

In parallel, support for formal education and professional development remained in place through study subsidy schemes, professional certification programmes, and targeted coaching initiatives aimed at strengthening leadership capability, supporting career progression, and reinforcing long-term succession planning.

Staff Celebration - Christmas Jumper Day

Money Management Course for Employees

Employee Health Checks

Pink October in Aid of Puttinu Cares

Farsons Educational Tours

Cause for Applause – Recognising Our Workforce for Their Different Abilities & Summer Staff Party

CONSUMERS AND END-USERS

The Group remains committed to maintaining high standards of product quality, food safety, responsible consumption, and community engagement, recognising the important role its brands and operations play within society and the everyday lives of consumers.

Farsons Group recognises its role as a responsible corporate citizen and remains committed to contributing positively to the communities in which it operates through a range of social, cultural, educational, and community-based initiatives.

The Group supports various national and local initiatives in collaboration with non-governmental organisations, charitable entities, and community partners across Malta. Employees are actively encouraged to participate in these activities, helping to foster a culture of social responsibility, engagement, and community involvement across the organisation.

These efforts are complemented by the ongoing work of The Farsons Foundation, which continues to support a broad range of cultural, educational, environmental, and social wellbeing initiatives within the Maltese community.

FOOD SAFETY AND PRODUCT QUALITY

Food safety and product quality remain fundamental priorities for the Group and are central to maintaining consumer trust and protecting the integrity of its brands.

The Group continues to operate comprehensive quality and food safety management systems designed to ensure that products consistently meet stringent regulatory, operational, and internal quality standards.

During FY2026, the Group maintained its certifications across recognised international standards, including ISO 9001, BRCGS, and AIB International, following the successful completion of independent third-party audits.

Audit findings and observations are addressed through structured corrective actions and continuous improvement processes, supported by internal audit programmes and routine quality control procedures across operations.

RESPONSIBLE DRINKING

Farsons remains committed to promoting responsible and moderate alcohol consumption and continues to support the initiatives of The Sense Group through both financial and operational contributions aimed at raising public awareness of alcohol-related risks.

During the year, the Group supported the rollout of a national awareness campaign centred around the message "Better Safe Than Sorry", with particular emphasis on the dangers of drink-driving. The campaign was delivered through digital platforms, outdoor media, and public engagement initiatives aimed at reaching a broad audience with clear and consistent messaging.

The Group will continue supporting initiatives that promote responsible consumption and encourage greater public awareness around alcohol-related harm.

ZERO-ALCOHOL AND LOW-ALCOHOL ALTERNATIVES

Consumer preferences continue to evolve towards healthier and more mindful consumption patterns, particularly among younger demographics who increasingly prioritise balance, moderation, and wellbeing.

In response, the Group continues to expand and promote its portfolio of alcohol-free and lower-alcohol alternatives. The launch of Cisk 0.0 represented an important milestone in this strategy and has continued to record strong growth since introduction, reflecting increasing consumer acceptance and demand for alcohol-free beverage options.

Looking ahead, the Group intends to continue expanding its offering within the low and no-alcohol category as part of its broader commitment to responsible consumption and evolving consumer preferences.

SUGAR REDUCTION

During FY2026, the Group continued implementing product reformulation, portfolio development, and consumer engagement initiatives aimed at promoting zero-sugar and lower-sugar beverage alternatives.

While sales of regular soft drinks declined modestly during the year, zero-sugar variants recorded strong double-digit growth, reflecting an ongoing shift in consumer preferences towards lower-sugar options. Growth was recorded across key brands including Kinnie Zero, 7UP Zero, and Pepsi Zero, which continued strengthening their market presence and consumer relevance.

The Group will continue focusing on product innovation, reformulation, and the expansion of its no-sugar portfolio, while supporting consumer awareness around healthier beverage choices.

Growth was recorded across key brands including Kinnie Zero, 7UP Zero, and Pepsi Zero, which continued strengthening their market presence and consumer relevance.

The University of Malta and Farsons have agreed to extend their partnership, building on the strong outcomes already achieved and further strengthening the link between academia and industry.

THE FARSONS FOUNDATION

The Farsons Foundation operates as a non-profit social purpose organisation dedicated to supporting initiatives that create lasting value for the community through education, culture, social wellbeing, and environmental awareness.

The Foundation maintains long-standing partnerships with the University of Malta and the Malta College of Arts, Science and Technology (MCAST), while also remaining a consistent supporter of JA Malta. These collaborations reflect the Foundation's commitment to strengthening the connection between academia, industry, innovation, and entrepreneurship.

Through its partnership with the University of Malta, the Foundation supports a broad range of disciplines including engineering, built heritage, arts, economics, management, accountancy, and social wellbeing. This collaboration contributes towards research, publications, academic development initiatives, and student recognition programmes, including the Deans' Awards.

Farsons Foundation supports Majjistral Nature and History Park

During the year, the Foundation also supported a number of targeted community and social initiatives. These included projects with YMCA Malta aimed at upgrading outdoor spaces within a homeless shelter, as well as programmes led by Jesuit Refugee Service Malta focused on supporting the integration of vulnerable asylum seekers through community-based assistance.

The Foundation continued to support exhibitions, festivals, performances, and other cultural initiatives that contribute towards the development and promotion of local artistic talent. In parallel, it maintained ongoing support for organisations including L-Istrina, Inspire Malta, and Richmond Foundation, reflecting its continued commitment to social wellbeing and community support.

Governance of the Foundation is entrusted to a Board of voluntary administrators supported by an administrative function. During the year, the Board convened four times and reviewed a broad range of funding requests and initiatives. Of the projects supported, 21% related to social solidarity initiatives, 43% to cultural and heritage projects, and 36% to educational and environmental initiatives, reflecting a balanced allocation of resources aligned with the Foundation's mission and long-term objectives.

GOVERNANCE AND ETHICAL BUSINESS CONDUCT

The Group maintains a robust governance framework designed to support transparency, accountability, ethical conduct, and effective decision-making across all areas of the organisation. This framework is complemented by the disclosures contained within the Corporate Governance Statement forming part of this Annual Report.

Oversight of risk management and internal control processes is supported through an annual enterprise-wide risk assessment exercise involving senior management across the Group's business units. This process is designed to identify existing and emerging risks, assess potential impacts, and ensure that appropriate mitigation measures and controls remain in place.

The Audit and Risk Committee oversees the effectiveness of the Group's risk management framework, supported by the Internal Audit function and external advisors, who independently review and challenge the Group's risk assessments and internal control environment.

The Group's reputation and long-standing success are underpinned by a strong culture of integrity and responsible business conduct. A Group-wide Code of Conduct establishes the standards of behaviour expected from directors, management, and employees, promoting professionalism, accountability, mutual respect, and ethical decision-making across all operations.

The Code of Conduct reinforces the Group's zero-tolerance approach towards bribery, corruption, fraud, discrimination, intimidation, and harassment. Supporting policies and procedures are regularly reviewed to ensure continued alignment with evolving regulatory requirements and recognised good governance practices.

The Internal Audit function operates independently and in accordance with an approved risk-based audit plan focused on key operational, financial, compliance, and governance areas. Its role includes providing assurance on the effectiveness of internal controls, supporting continuous improvement initiatives, and strengthening operational resilience across the Group.

The Group also remains committed to complying with applicable international sanctions regimes and regulatory obligations, including those issued by the European Union, United Nations, and relevant national authorities. Appropriate monitoring processes and controls are maintained to support compliance and mitigate associated risks.

SUCCESSION PLANNING AND MANAGEMENT STRUCTURE

During FY2026, the Group implemented a number of succession and organisational development initiatives at senior management level, including the appointment of a CEO designate in October 2025.

This initiated a structured transition and handover process ahead of the CEO's official appointment on 1 July 2026.

This transition formed part of the Group's broader long-term strategy focused on strengthening organisational resilience, operational effectiveness, and leadership continuity. In parallel, the Group continued evolving its strategic direction around a "Lean, Green and Digital" agenda, with increased focus on digital transformation, operational efficiency, sustainability integration, and long-term business readiness.

As part of this evolution, changes were also implemented within the Senior Management structure to further strengthen organisational capabilities in key strategic areas. These included the appointment of a Chief Commercial Officer, and that of a Chief Digital and Technology Officer to lead the Group's digital and technology agenda, organisational changes relating to leadership at Farsons Beverage Imports Company, and the appointment of a Group Head of ESG Strategy and Business Services to support the integration of sustainability considerations into operational and strategic decision-making.

These developments reflect the Group's continued commitment to maintaining a strong leadership framework capable of supporting long-term growth, transformation, and business resilience.

BOARD PORTAL AND DOCUMENTATION MANAGEMENT SOFTWARE

Since its introduction in 2023, the board portal and documentation management system has been fully embedded and adopted across the Group and its subsidiary boards.

The platform has enhanced the efficiency and quality of information sharing, providing Directors with secure, centralised, and timely access to Board materials. It has also supported more structured meeting preparation and informed decision-making.

In addition, the system reinforces good governance practices through enhanced data security, controlled access to sensitive documentation, and reduced reliance on printed materials.

GENDER BALANCE

As detailed within the Corporate Governance Statement, the Group now falls within the scope of the Capital Market Rule 13.3 and EU Gender Balance Directive and is required to reach the respective objectives.

To support compliance and to strengthen diversity at Board level, the Company invited all shareholders to put forward nominations from the under-represented sex, currently female. The Company sought to attract nominations of competent and experienced women who can contribute to the Board's effectiveness and strategic direction.

The Remuneration and Corporate Governance Committee of the Company reviews the suitability, competence and professional performance of all nominations submitted and considers the collective legal and regulatory requirements of the Board.

CONCLUSION AND OUTLOOK

The Group recognises that sustainability is an ongoing journey requiring continuous improvement, disciplined execution, and long-term commitment. As regulatory expectations evolve and stakeholder scrutiny increases, the Group remains focused on strengthening the quality, consistency, and reliability of its non-financial reporting, while continuing to enhance the systems, processes, and governance structures that support effective ESG management.

Looking ahead, the Group's priorities will remain centred around decarbonisation, operational efficiency, circular economy initiatives, responsible water stewardship, and the continued development and wellbeing of its workforce. Particular focus will continue to be placed on improving resource efficiency, strengthening packaging circularity, advancing digital capabilities, and embedding sustainability considerations more deeply into day-to-day operational and strategic decision-making.

At the same time, the Group recognises that sustainability extends beyond compliance and reporting obligations. It is fundamentally linked to long-term business resilience, responsible leadership, operational excellence, and the ability to create lasting value for shareholders, employees, consumers, partners, and the wider community.

As the Group continues to evolve, it remains committed to building a business that is not only commercially strong, but also increasingly resilient, responsible, and forward-looking. Guided by its strategic direction of becoming leaner, greener and more digital, the Group will continue to pursue sustainable growth while contributing positively to the economic, environmental, and social development of the communities in which it operates.

SFC BEVERAGE MANUFACTURING - ENERGY, CARBON AND WATER	FY2023	FY2024	FY2025	FY2026
Environmental performance data (beer and soft drinks production)				
Total thermal energy consumption (kWh)	94,286,675	90,436,554	93,777,498	93,481,654
Total electricity consumption (kWh)	8,461,640	8,269,897	8,308,426	8,404,529
Total CO2 emissions (from direct and indirect fuel consumption) (t) (market-based)	4,922	4,942	5,224	4,866
Municipal water (m^3)	244,019	252,933	264,215	257,990
Own boreholes (m^3)	0	0	0	0
Total water use (m^3)	244,019	252,933	264,215	257,990
Total water consumption (m^3)	244,019	252,933	264,215	257,990
Solid waste & by-products				
Waste Oils (ltrs)	875	1,000	4,642	3,460
WEEE (kgs)	9,880	4,720	29,420	12,486
Recycled (kgs)	173,255	107,640	81,408	85,760
Disposed of solid waste for landfill applications (kgs)	745,235	551,369	441,014	360,247
Relative figures for beer and soft drinks production				
Thermal energy (kWh/hl)	112.47	102.90	99.43	99.36
Electricity (kWh/hl)	10.09	9.41	8.81	8.93
Combined energy (thermal and electricity) (kWh/hl)	122.56	112.31	108.24	108.29
CO2 emissions (kg CO2/hl)	5.01	4.59	4.45	4.50
Water (hl/hl)	2.91	2.88	2.80	2.74
Other figures				
Customer Complaints	67	55	148	172
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	5.27	12.62	16.25	28.62

LABOUR, HUMAN RIGHTS, DIVERSITY, EQUITY AND INCLUSION - GROUP	FY2023	FY2024	FY2025	FY2026
Total workforce	1,165	1,158	1,291	639
Number of employees by Company				
Simonds Farsons Cisk p.l.c.	389	395	415	391
Farsons Distribution Services Limited	69	71	61	78
Farsons Beverage Imports Company Limited	57	60	64	69
The Brewhouse Company Limited	0	24	23	21
EcoPure Limited	22	21	22	27
Percentage of employees by employment type				
Full-time	64%	67%	80%	94%
Part-time	36%	33%	20%	6%
Percentage of employees by gender				
Men	70%	71%	72%	80%
Women	30%	29%	28%	20%
Percentage of employees by nationality				
Maltese	57%	59%	54%	69%
Foreign	43%	41%	46%	31%
Percentage of senior management roles level by gender				
Men	73%	83%	83%	92%
Women	27%	17%	17%	8%
Employee turnover				
Employes' Average Years of Service	5.8 Years	4.73 Years	5.39 Years	7 Years

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. This statement also covers the reporting requirements in terms of Chapter 13 of the Capital Market Rules on Gender Balance among Directors of Listed Companies.

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 (8) 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 to shareholders and other stakeholders for their performance, for attending regular Board Meetings and for allocating 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 Audit and Risk Committee, the Remuneration and Corporate Governance Committee and the Related Party Transactions 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 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 it faces. 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, LLM (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 Group Chief Financial Officer (CFO) and the Company Secretary are also in attendance at all Board meetings. 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 those present at Board meetings 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, are in place 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 p.l.c. and Quinco Holdings p.l.c. 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, given that the related party transactions most likely to arise would generally involve transactions with Trident Estates p.l.c. and Quinco Holdings p.l.c., the Committees responsible for reviewing such matters would be composed of a majority of Directors who are not common to the boards of the other companies;

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:	**12**
Members attended:	
Mr Louis A. Farrugia	12
Mr Marcantonio Stagno d'Alcontres	12
Mr Matthew Marshall	11
Dr Max Ganado	12
Mr Roderick Chalmers	12
Ms Marina Hogg *(2 of which were attended by an alternate director Ms Helene Zammit)*	11
Mr Michael Farrugia	12
Mr Neil Psaila	12

The Board, in fulfilling its 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 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 as appropriate 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 for good information flow 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 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 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 six meetings during the financial year ended 31 January 2026. 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.

The **Remuneration and Corporate Governance Committee** (RCGC) is chaired by a Non-Executive Director and is entrusted with leading the process of 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 chaired by a Non–Executive Director who 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 related party transactions most likely to arise would generally involve transactions with Trident Estates p.l.c. and Quinco Holdings p.l.c., the Committees responsible for reviewing such matters would be composed of a majority of Directors who are not common to the boards of the other companies. Furthermore, in the first instance the day-to-day negotiations between the three companies are delegated to the respective members of managements, who act independent, in the best interest of their respective company and without any conflict of interest which could impair their judgement. The management then report the relevant matters to the respective Committees.

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-making. The Chairman and the Group Chief Executive also ensure that sufficient contact is maintained with major shareholders to understand any 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 facilitates the attendance of 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. In recent years, the Group has also published a Financial Analysis Statement (FAS) on an annual basis.

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 always act 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 2026 and as at 30 April 2026 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

SFC recognise cybersecurity as an ongoing business risk requiring sustained attention and appropriate governance. The Group maintains a layered approach to cyber defence across the Group's systems, digital infrastructure, informed by its assessed risk profile and evolving threat landscape, and supported by specialist external partners.

Building and maintaining employee awareness of cybersecurity threats, including phishing and social engineering remains a key priority. Dialogue is also maintained with relevant local and international authorities to support situational awareness on emerging risks.

Redundancy and continuity measures are maintained across the Group's IT infrastructure, covering connectivity, data storage, systems availability, and communications. These are tested periodically and reviewed in line with the Group's IT strategy and operational requirements, with the objective of minimising disruption in the event of a significant incident.

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 are 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. The Group Human Resources Department promotes and ensures awareness of the Code, inter alia by providing adequate training to all new recruits as well as refresher initiatives for existing employees. During the financial year ended 31 January 2026, a short video outlining the salient points of the Code of Conduct was produced. This video forms part of the induction training for all new employees and was also presented to existing employees as a refresher during employee engagement sessions held after the end of the financial year.

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 delivered to shareholders outlining the progress made during the year and the strategies adopted in the light of prevailing market and economic conditions, and the objectives set by the Board, together with an assessment of future prospects. The Group's website (www.farsons.com) includes a dedicated Investors section.

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 and 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 at 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.

Gender Composition of the Board

This section of the Corporate Governance Statement provides information concerning the gender composition of the Board of Directors in terms of the requirements set out in Chapter 13 of the Capital Market Rules. The Board of Directors of SFC is currently composed of seven (7) male Directors and one (1) female Director.

The Company falls within the scope of Capital Markets Rule 13.3 and the EU Gender Balance Directive and is therefore required to reach either the following objectives:

a. members of the underrepresented sex hold at least 40 % of non-executive director positions
b. members of the underrepresented sex hold at least 33 % of all director positions, including both executive and non-executive directors.

Effectively, in practice, this means that the Company should have not less than three female directors on the Board by 30 June 2026. Penalties for non-compliance may apply in terms of Article 39A of the Financial Markets Act.

To support compliance with Capital Market Rule 13.3 and the EU Gender Balance Directive and to strengthen diversity at Board level, during the Nominations for the Election of Directors period held between the 24 April to the 8 May 2026, the Company invited shareholders to put forward nominations from the under-represented sex, currently female. The Company sought to encourage nominations of competent and experienced women who can contribute to the Board's effectiveness and strategic direction.

The Company received two (2) Nominations in respect of the two (2) posts which shall be vacated at the end of the seventy-ninth (79th) Annual General Meeting and therefore no election of Directors shall be held.

Furthermore, it is noted that in terms of the SFC's Articles of Association, shareholders owning twelve and half per cent (12.5%) of the ordinary issued share capital of the Company or more are entitled to appoint one Director for each twelve and half per cent (12.5%) of the ordinary share capital owned by such Shareholder. Accordingly, six (6) Directors are appointed by the three major shareholders who are named and whose holdings are listed in Note 33 to the financial statements. In this respect, the Company had formally notified each of the three major shareholders of the contents of Chapter 13 of the Capital Markets Rules and of the EU Gender Balance Directive detailing the scope, objective, reporting requirements and consequences of non-compliance, together with a request that they consider the regulatory framework and support the Company to align with the regulatory obligations.

The Board of Directors has therefore taken the appropriate measures to bring to the attention of (a) the three major shareholders and (b) the general public shareholders in the call for nominations for the election of directors, the contents of Chapter 13 of the Capital Markets Rules and the EU Gender Balance Directive. In the final analysis and in terms of the Memorandum and Articles of Association of the Company, the shareholders are the ultimate determinants of the composition of the Board. Finally, and in mitigation of the current shortfall in the level of representation of the underrepresented gender on the Board, as noted above the CFO and Company Secretary are present at all Board meetings. If their presence were to be taken into account, 33% of attendees at Board meetings would be members of the underrepresented sex.

Signed by Louis A. Farrugia (Chairman) and Marcantonio Stagno d'Alcontres (Vice-Chairman) on the 27 May 2026

REMUNERATION REPORT

1. Terms of reference and membership

During the financial year end 31 January 2026 (FY 2026), the Remuneration and Corporate Governance Committee (RCGC) was composed of three non-executive Directors (Marcantonio Stagno d'Alcontres (Chairman), Roderick Chalmers and Matthew Marshall) together with Louis A. Farrugia, the Chairman of the Board. The Committee met four times during the year, with all four members in attendance at each meeting.

In terms of the Remuneration Policy of the Group, the RCGC is responsible for reviewing and approving all remuneration packages of Executive Directors and Non-Executive Directors. 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 beverage sector.

In order to achieve the above strategic outcomes, it is necessary that the Farsons Group attracts, retains and motivates the best 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 judgment.

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 realization 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 2026, 2025, 2024, 2023 and 2022, 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 2026									
Louis A Farrugia	Executive Chairman		25,000		73,514	75,000	45,000	* *	218,514
Norman Aquilina	Group Chief Executive				200,020	155,000	20,450	* *	375,470
Michael Farrugia	Chief Executive Officer Designate	*	30,000		150,020	61,500		* *	241,520
Marcantonio Stagno d'Alcontres	Vice-Chairman – Non-Executive		27,000			17,000	12,500		56,500
Roderick Chalmers	Non-Executive	*	34,582	80,000			9,238		123,820
Max Ganado	Non-Executive	*	33,000			16,500		* *	49,500
Marina Hogg	Non-Executive		26,000			16,500	9,238		51,738
Matthew Marshall	Non-Executive	*	31,000			16,500	9,571		57,071
Neil Psaila	Non-Executive	*	30,582			16,500	9,238		56,320

*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 €370,211 (approved limit = €750,000.)

			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.)

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:

	FY2026 change over FY 2025	FY2025 change over FY 2024	FY2024 change over FY 2023	FY2023 change over FY 2022
Directors and Group Chief Executive	10%	1%	14%	0%
Average Employee Remuneration – Company	6%	8%	7%	10%
Performance of the Company – EBITDA	11%	1%	-2%	22%

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. Additionally, Mr Gordon Naudi, General Manager Food Chain Limited and Mr Sean Portelli, General Manager Quintano Foods Limited were part of the Group Senior Management Board up to 9 September 2025. The Group's Human Resources department (in consultation with the Chairman and Chief Executive) 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 Chairman and Chief Executive make recommendations periodically to the RCGC and/or the Board on the remuneration packages, including bonus arrangements, for achieving pre–determined targets.

The RCGC is required to evaluate, recommend and report to the Board on any proposals made relating to senior 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 2026				
Senior Management Remuneration	**1,027,358**	**459,405**	**36,298**	**1,523,062**
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

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	
		2026	2025	**2026**	2025
	Notes	**€'000**	€'000	**€'000**	€'000
Non-current assets					
Property, plant and equipment	5	**115,822**	115,974	**113,369**	115,229
Right-of-use assets	6	**2,043**	2,195	**1,906**	2,056
Intangible assets	7	**1,451**	1,520	**1,451**	1,520
Investments in subsidiaries	8	**-**	–	**1,690**	1,690
Deferred tax assets	19	**18,898**	18,450	**18,330**	19,555
Trade and other receivables	10	**2,043**	1,017	**1,711**	953
Total non-current assets		**140,257**	139,156	**138,457**	141,003
Current assets					
Inventories	9	**26,054**	24,377	**12,178**	12,229
Trade and other receivables	10	**35,808**	33,861	**34,993**	31,754
Current tax assets		**205**	-	**9**	-
Cash and cash equivalents	11	**2,841**	4,940	**1,059**	2,320
Total current assets		**64,908**	63,178	**48,239**	46,303
Assets held for distribution to shareholders	8, 21	**-**	32,608	**-**	9,806
Total assets		**205,165**	234,942	**186,696**	197,112

EQUITY AND LIABILITIES

		As at 31 January			
		Group		Company	
		2026	2025	**2026**	2025
	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	**45,927**	53,939	**45,927**	46,137
Retained earnings		**93,400**	100,457	**78,429**	89,078
Total equity		**150,127**	165,196	**135,156**	146,015
Non-current liabilities					
Trade and other payables	20	**2,354**	2,586	**2,354**	2,586
Lease liabilities	18	**2,007**	2,116	**1,888**	1,970
Deferred tax liability	19	**5,731**	6,447	**5,609**	6,331
Borrowings	17	**19,946**	19,914	**19,946**	19,914
Total non-current liabilities		**30,038**	31,063	**29,797**	30,801
Current liabilities					
Trade and other payables	20	**24,880**	22,315	**21,651**	19,040
Lease liabilities	18	**120**	92	**92**	92
Current tax liabilities		**-**	813	**-**	1
Borrowings	17	**-**	1,163	**-**	1,163
Total current liabilities		**25,000**	24,383	**21,743**	20,296
Liabilities directly associated with the assets held for distribution to shareholders	21	**-**	14,300	**-**	-
Total liabilities		**55,038**	69,746	**51,540**	51,097
Total equity and liabilities		**205,165**	234,942	**186,696**	197,112

The notes on pages 79 to 108 are an integral part of these consolidated financial statements.

The financial statements on pages 72 to 108 were approved and authorised for issue by the Board of Directors on 27 May 2026. 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 2026.

INCOME STATEMENTS

		Year ended 31 January			
		Group		**Company**	
		2026	2025	**2026**	2025
	Notes	**€'000**	€'000	**€'000**	€'000
Continuing Operations					
Revenue	4	**106,518**	101,802	**72,725**	70,060
Cost of sales	22	**(61,002)**	(58,493)	**(36,408)**	(35,526)
Gross profit		**45,516**	43,309	**36,317**	34,534
Selling and distribution costs	22	**(14,289)**	(13,202)	**(11,210)**	(10,536)
Administrative expenses	22	**(15,574)**	(14,134)	**(10,566)**	(10,437)
Net Impairment	10	**1,125**	(367)	**912**	(159)
Operating profit		**16,778**	15,606	**15,453**	13,402
Finance income	25	**70**	49	**70**	49
Finance costs	26	**(899)**	(912)	**(837)**	(846)
Profit before tax from continuing operations		**15,949**	14,743	**14,686**	12,605
Tax (expense)/income	27	**(941)**	2,210	**(513)**	2,697
Profit for the year from continuing operations		**15,008**	16,953	**14,173**	15,302
Discontinued operations					
Dividend income net of tax	21	**–**	–	**8,276**	–
Operating profit after tax from discontinued operations	21	**2,157**	1,665	**–**	–
Fair value adjustment to investment in subsidiaries upon distribution	21	**21,946**	–	**20,872**	–
Profit for the year		**39,111**	18,618	**43,321**	15,302
Basic and diluted earnings per share for the year attributable to shareholders					
Continuing operations		**€0.4169**	€0.4709		
Discontinued operations		**€0.6695**	€0.0463		

The notes on pages 79 to 108 are an integral part of these consolidated financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 January			
		Group		Company	
		2026	2025	**2026**	2025
	Note	**€'000**	€'000	**€'000**	€'000
Profit for the year		**39,111**	18,618	**43,321**	15,302
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Cash flow hedges, net of deferred tax	16	**–**	(11)	**–**	(11)
Net items that may be subsequently reclassified to profit or loss		**–**	(11)	**–**	(11)
Items that will not be subsequently reclassified to profit or loss:					
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	**–**	(11)
Total comprehensive income for the year attributable to equity shareholders		**39,111**	23,137	**43,321**	15,291

The notes on pages 79 to 108 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

GROUP

	Notes	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
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**
Balance at 1 February 2025		10,800	–	53,939	100,457	165,196
Comprehensive income						
Profit for the year		–	–	–	39,111	39,111
Other comprehensive income:						
Reclassification	14, 15, 21	–	–	(8,012)	8,012	–
Total other comprehensive income		–	–	(8,012)	8,012	–
Total comprehensive income		–	–	(8,012)	47,123	39,111
Transactions with owners						
Dividends						
paid in cash	13	–	–	–	(7,380)	(7,380)
paid in kind	13	–	–	–	(46,800)	(46,800)
Total transactions with owners		–	–	–	(54,180)	(54,180)
Balance at 31 January 2026		**10,800**	**–**	**45,927**	**93,400**	**150,127**

COMPANY

	Notes	Share capital €'000	Hedging reserve €'000	Revaluation and other reserves €'000	Retained earnings €'000	Total equity €'000
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**
Balance at 1 February 2025		10,800	–	46,137	89,078	146,015
Comprehensive income						
Profit for the year		–	–	–	43,321	43,321
Other comprehensive income:						
Reclassification	15	–	–	(210)	210	–
Total other comprehensive income		–	–	(210)	210	–
Total comprehensive income		–	–	(210)	43,531	43,321
Transactions with owners						
Dividends						
paid in cash	13	-	-	-	(7,380)	(7,380)
paid in kind	13	-	-	-	(46,800)	(46,800)
Total transactions with owners		-	-	-	(54,180)	(54,180)
Balance at 31 January 2026		**10,800**	**–**	**45,927**	**78,429**	**135,156**

The notes on pages 79 to 108 are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

		Year ended 31 January			
		Group		Company	
		2026	2025	**2026**	2025
	Notes	**€'000**	€'000	**€'000**	€'000
Cash flows from operating activities					
Cash generated from operations	30	**25,951**	21,493	**20,859**	12,663
Interest received	25	**70**	49	**70**	49
Interest paid on lease liabilities	18, 21	**(222)**	(248)	**(73)**	(7)
Interest paid on borrowings		**(1,150)**	(984)	**(837)**	(839)
Income tax paid		**(2,431)**	(1,528)	**(20)**	(19)
Net cash generated from operating activities		**22,218**	18,782	**19,999**	11,847
Cash flows from investing activities					
Purchase of property, plant and equipment	5, 21	**(11,845)**	(11,621)	**(4,871)**	(4,691)
Proceeds from disposal of property, plant and equipment		**–**	–	**–**	1
Net cash outflow to discontinued operations		**(4,313)**	–	**(7,846)**	–
Additions of intangible assets		**–**	(60)	**–**	–
Net cash used in investing activities		**(16,158)**	(11,681)	**(12,717)**	(4,690)
Cash flows from financing activities					
Payments of borrowings		**(1,163)**	(1,550)	**(1,163)**	(1,550)
Principal payments of lease liabilities		**(931)**	(1,396)	**–**	–
Dividends paid	13	**(7,380)**	(6,120)	**(7,380)**	(6,120)
Net cash used in financing activities		**(9,474)**	(9,066)	**(8,543)**	(7,670)
Net movement in cash and cash equivalents		**(3,414)**	(1,965)	**(1,261)**	(513)
Cash and cash equivalents at beginning of year		**6,255**	8,220	**2,320**	2,833
Cash and cash equivalents at end of year (including discontinued operations)	11	**2,841**	6,255	**1,059**	2,320

The notes on pages 79 to 108 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 p.l.c. (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. The food business ceased to form part of the Group on 6 October 2025 following the spin-off into a separate listed entity, Quinco Holdings p.l.c.

During the year ended 31 January 2026 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 2026

In 2026, the Group and Company adopted amendments to existing standards that are mandatory for the Group and Company's accounting period beginning on 1 February 2025. 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 2025. 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 included 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:

a. 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;
b. 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
c. 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:

a. the amount of the initial measurement of lease liability;
b. any lease payments made at or before the commencement date less any lease incentives received; and
c. 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:

a. if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
b. if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
c. 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	783	634	568	398	336	651

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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Financial assets measured at amortised cost				
Trade and other receivables (Note 10)	**36,476**	32,432	**34,827**	30,393
Cash at bank and in hand (Note 11)	**2,841**	4,940	**1,059**	2,320
	39,317	37,372	**35,886**	32,713

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 €1,600,000 (2025: €2,148,000), 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 2026 was determined by applying:

- An expected loss rate ranging from 0.45% to 1.10% (2025: ranging from 0.37% to 1.53%) on all credit sales generated in the preceding twenty-four months prior to 31 January 2026 resulting in a loss allowance of €1,762,000 (2025: €1,922,000) for the Group and €1,182,000 (2025: €1,271,000) for the Company.
- An expected loss rate of 100% on all outstanding dues generated before the preceding twenty-four months prior to 31 January 2026 (i.e. all trade receivables exceeding two years) resulting in a loss allowance of €1,850,000 (2025: €1,480,000) for the Group and €1,156,000 (2025: €904,000) 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 2026 was determined by applying:

- An expected loss rate averaging at 1.20% (2025: 2.41%) on all trade loans granted within contract terms classified under stages 1 and 2 resulting in a loss allowance of €101,000 (2025: €218,000).
- 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 €515,000 (2025: €572,000).
- 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 2026 reconcile to the opening loss allowances as follows:

	Group		**Company**	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
	Expected loss model	Expected loss model	**Expected loss model**	Expected loss model
Trade receivables				
Balance at 1 February	**3,398**	3,238	**2,174**	1,987
Movement in loss allowance recognised in continued profit or loss during the year (Note 10)	**243**	312	**188**	189
Movement in loss allowance recognised in discontinued profit or loss during the year (Note 21)	**-**	35	**–**	–
Provision on assets held for distribution to shareholders (Note 10)	**–**	(178)	**–**	–
Receivables written-off	**(15)**	(9)	**(7)**	(2)
Balance at 31 January	**3,626**	3,398	**2,355**	2,174
Related party and other receivables				
Balance at 1 February	**3,439**	3,384	**2,841**	2,871
Movement in loss allowance recognised in continued profit or loss during the year (Note 10)	**(1,368)**	55	**(1,100)**	(30)
Balance at 31 January	**2,071**	3,439	**1,741**	2,841
Total loss allowance as at year end	**5,697**	6,837	**4,096**	5,015

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 2026, outstanding Group trade receivables of less than two years amounting to €29,909,000 (2025: €27,740,000) have an allocated loss allowance of €1,762,000 (2025: €1,922,000). Outstanding Group trade receivables of more than two years amounting to €1,811,000 (2025: €1,480,000) were fully provided.

As at 31 January 2026, outstanding Company trade receivables of less than two years amounting to €19,641,000 (2025: €18,171,000) have an allocated loss allowance of €1,182,000 (2025: €1,271,000). Outstanding Company trade receivables of more than two years amounting to €1,156,000 (2025: €904,000) were fully provided.

As at 31 January 2026, outstanding trade loan receivables not overdue amounting to €1,845,000 (2025: €2,838,000) have an allocated loss allowance of €101,000 (2025: €218,000). Outstanding trade loan receivables overdue amounting to €515,000 (2025: €572,000) 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 2026					
Borrowings	**19,946**	**21,400**	**700**	**20,700**	**-**
Lease liabilities	**2,127**	**3,616**	**169**	**756**	**2,691**
Trade and other payables	**21,309**	**21,309**	**21,309**	**-**	**-**
	43,382	**46,325**	**22,178**	**21,456**	**2,691**
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

	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
	€'000	€'000	€'000	€'000	€'000
COMPANY					
31 January 2026					
Borrowings	**19,946**	**21,400**	**700**	**20,700**	**-**
Lease liabilities	**1,980**	**3,031**	**164**	**727**	**2,140**
Trade and other payables	**18,249**	**18,249**	**18,249**	**-**	**-**
	40,175	**42,680**	**19,113**	**21,427**	**2,140**
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

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 2026 and 2025 were as follows:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Total borrowings (Notes 17 and 18)	**22,073**	23,285	**21,926**	23,139
Less cash at bank and in hand (Note 11)	**(2,841)**	(4,940)	**(1,059)**	(2,320)
	19,232	18,345	**20,867**	20,819
Total equity	**150,127**	165,196	**135,156**	146,015
Total equity and net borrowings	**169,359**	183,541	**156,023**	166,834
Gearing	**11.36%**	9.99%	**13.37%**	12.48%

2.3 Fair values

Fair values of instruments not carried at fair value

At 31 January 2026 and 2025 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 2026 amounted to €19,800,000 (2025: €20,380,000). 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 2026 includes revenue generated from sales to the discontinued operations of €632,000 (2025: €875,000) 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 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**
Year ended 31 January 2026				
Opening net book value	85,764	823	29,387	115,974
Additions and commissioned assets	–	2,653	4,314	6,967
Depreciation	(1,897)	–	(5,222)	(7,119)
Closing net book value	**83,867**	**3,476**	**28,479**	**115,822**
At 31 January 2026				
Cost or valuation	103,504	3,476	156,433	263,413
Accumulated depreciation and impairment	(19,637)	-	(127,954)	(147,591)
Net book amount	**83,867**	**3,476**	**28,479**	**115,822**

	Land & buildings	Assets in course of construction	Plant, machinery & equipment	Total
	€'000	€'000	€'000	€'000
COMPANY				
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**
Year ended 31 January 2026				
Opening net book value	85,571	756	28,902	115,229
Additions and commissioned assets	–	2,653	2,218	4,871
Depreciation	(1,849)	–	(4,882)	(6,731)
Closing net book value	**83,722**	**3,409**	**26,238**	**113,369**
At 31 January 2026				
Cost or valuation	103,056	3,409	150,497	256,962
Accumulated depreciation and impairment	(19,334)	–	(124,259)	(143,593)
Net book value	**83,722**	**3,409**	**26,238**	**113,369**

Assets in course of construction during year ended 31 January 2026 and 2025 mainly relate to investments in the manufacturing processes.

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 2026, 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 2026 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 2026, 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 2026 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 2026.

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 2026				
Current use as manufacturing or related premises	**71,851**	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 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 cubic metre	1500 - 2500

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 2026, the carrying amount of land and buildings for continuing operations would have been €45,934,000 (2025: €47,007,000) 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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Cost of sales	**3,865**	4,278	**3,249**	3,249
Selling and distribution costs	**1,567**	1,521	**1,373**	1,306
Administration expenses	**2,311**	2,569	**2,109**	2,202
	7,743	8,368	**6,731**	6,757
Continuing operations	**7,119**	7,123		
Discontinued operations	**624**	1,245		
	7,743	8,368		

6. Right–of–use assets

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

	Group	
	2026	2025
	€'000	€'000
Land & Buildings		
Opening net book value	**2,195**	5,313
Additions	**–**	4,146
Impact of derecognition of lease asset upon termination of lease	**–**	–
Depreciation charge	**(152)**	(1,570)
Cost of assets held for distribution to shareholders	**–**	(11,883)
Depreciation on assets held for distribution to shareholders	**–**	6,189
Closing net book value	**2,043**	2,195

	Group	
	2026	2025
	€'000	€'000
Depreciation charge		
Continuing operations	**152**	3
Discontinued operations	**983**	1,567
	1,135	1,570

	Company	
	2026	2025
	€'000	€'000
Land & Buildings		
Opening net book value	**2,056**	182
Additions	**–**	1,876
Depreciation charge	**(150)**	(2)
Closing net book value	**1,906**	2,056

7. Intangible assets

	Group and Company		
	Goodwill	Franchises & intellectual knowhow	Total
	€'000	€'000	€'000
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 1 February 2025			
Cost	–	1,741	1,741
Accumulated amortisation and impairment	–	(221)	(221)
Net book amount	**–**	**1,520**	**1,520**
Year ended 31 January 2026			
Opening net book amount	–	1,520	1,520
Amortisation	–	(69)	(69)
Closing net book amount	**–**	**1,451**	**1,451**
At 31 January 2026			
Cost	–	1,741	1,741
Accumulated amortisation and impairment	–	(290)	(290)
Net book amount	**–**	**1,451**	**1,451**

Closing net book value of the Company's Franchises and intellectual knowhow as at 31 January 2026 amounted to €1,451,000 (2025: €1,520,000) represented by cost of €1,741,000 (2025: €1,741,000) less accumulated amortisation of €290,000 (2025: €221,000).

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

8. Investments in subsidiaries

	Company	
	2026	2025
	€'000	€'000
Year ended 31 January		
Opening net book amount	**1,690**	11,416
Assets held for distribution to shareholders	**–**	(9,806)
Reversal of diminution of investment value	**-**	80
Closing net book amount	**1,690**	1,690
At 31 January		
Cost	**2,196**	2,196
Impairment provision for investments	**(506)**	(506)
Net book amount	**1,690**	1,690

The principal subsidiaries at 31 January 2026 all of which are unlisted, are disclosed in Note 36 to these financial statements.

9. Inventories

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Raw materials and consumables	**5,067**	4,668	**4,943**	4,557
Finished goods and goods for resale	**16,464**	15,294	**3,115**	3,715
Containers and other stocks	**4,523**	4,415	**4,120**	3,957
	26,054	24,377	**12,178**	12,229

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

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Cost of sales	**827**	808	**507**	503
Selling, distribution and administrative expenses	**85**	92	**85**	92
	912	900	**592**	595

10. Trade and other receivables

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Non–current				
Other receivables	**2,043**	1,017	**1,711**	953
Current				
Trade receivables	**28,946**	26,349	**19,137**	16,687
Amounts due from subsidiaries	**–**	–	**9,490**	9,165
Amounts due from related parties	**1,852**	23	**1,997**	23
Indirect taxation	**1**	–	**-**	–
Other receivables and advanced deposits	**3,635**	5,043	**2,492**	3,565
Prepayments	**1,374**	2,446	**1,877**	2,314
	35,808	33,861	**34,993**	31,754
Total trade and other receivables	**37,851**	34,878	**36,704**	32,707

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

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Impairment provision				
Trade and other receivables	**5,697**	6,837	**4,096**	5,015
Amounts due from subsidiaries	**–**	–	**2,957**	2,793
	5,697	6,837	**7,053**	7,808

Continuing operations	**5,697**	6,837
Discontinued operations	**–**	178
	5,697	7,015

The Group's and the Company's bad debts written off against provision as at 31 January 2026 amounted to €15,000 (2025: €9,000) for the Group, and €7,000 (2025: €2,000) for the Company respectively.

Included in other receivables are advanced deposits on non-current assets not yet commissioned as at year end amounting to €437,000 (2025: €52,000).

Amounts due to the Company by subsidiaries are unsecured and repayable on demand. Included in these balances at year-end there are no amounts (2025: €1,768,000) which are subject to an interest rate of 3.5% (2025: 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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Cash at bank and in hand	**2,841**	4,940	**1,059**	2,320

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 January:

	Group	
	2026	2025
	€'000	€'000
Cash at bank and on hand	**2,841**	4,940
Cash at bank attributable to discontinued operations (Note 21)	**–**	1,536
	2,841	6,476
Bank overdrafts attributable to discontinued operations (Note 21)	**–**	(221)
	2,841	6,255

12. Share capital

	Group and Company	
	2026	2025
	€'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

13. Dividends paid

	Group and Company	
	2026	2025
	€'000	€'000
Interim dividend	**2,340**	2,160
Final dividend	**5,040**	3,960
Dividends paid in cash	**7,380**	6,120
Interim dividend paid in kind	**46,800**	–
Total net dividend	**54,180**	6,120
Dividend per share (Euro cents)	**150c5**	17c0

During the financial year ended 31 January 2025 a net interim dividend of €2,160,000 (€0.060 per share) was paid on 16 October 2024. A final net dividend of €5,040,000 (€0.140 per share) in respect of financial year ended 31 January 2025 was paid on 27 June 2025. Both final and interim dividends were paid out of tax-exempt profits.

On 24 September 2025, the Company declared a net interim dividend (paid in kind) of €46,800,000 (€1.30 per share) through the distribution of the Company's entire shareholding in Quinco Holdings p.l.c. (Note 21).

During the financial year ended 31 January 2026 a net interim dividend of €2,340,000 (€0.065 per share) was paid on 16 October 2025. Interim dividends were paid out of tax-exempt profits.

At the forthcoming annual general meeting, a final net dividend of €5,220,000 (€0.145 per share) in respect of financial year ended 31 January 2026 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 2027.

14. Revaluation reserve

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Revaluation on property, plant and equipment				
At beginning of year, before deferred tax	**43,293**	38,763	**37,933**	37,933
Deferred tax movement	**(855)**	–	**–**	–
Reclassification to retained earnings	**25**	–	**–**	–
Fair value movement (Note 21)	**(4,530)**	4,530	**–**	–
Deferred taxation (Note 19)	**(4,062)**	(4,917)	**(4,062)**	(4,062)
At 31 January	**33,871**	38,376	**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 fair value movement relates to the realisation (2026) and the revaluation (2025) of the discontinued business property. 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 1 February 2025	2,078	3,507	2,515	7,463	15,563
Reclassification to retained earnings	–	(3,507)	–	–	(3,507)
At 31 January 2026	**2,078**	**–**	**2,515**	**7,463**	**12,056**
COMPANY					
At 1 February 2025	2,078	210	2,515	7,463	12,266
Reclassification to retained earnings	–	(210)	–	–	(210)
At 31 January 2026	**2,078**	**–**	**2,515**	**7,463**	**12,056**

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:

	Group and Company
	Interest rate swap
	€'000
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)	–
	–

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. No movements were recorded for the year ended 31 January 2026.

17. Borrowings

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Non-current				
Bonds	**19,946**	19,914	**19,946**	19,914
Current				
Bank loans	**–**	1,163	**–**	1,163
Total borrowings	**19,946**	21,077	**19,946**	21,077

The bonds are disclosed at the value of the proceeds less the net book amount of the issue costs as follows:

	Group		Company	
	2026	2025	**2026**	2025
	€'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	**(251)**	(219)	**(251)**	(219)
Net book amount	**54**	86	**54**	86
Amortised cost	**19,946**	19,914	**19,946**	19,914

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 2026 for the 3.5% Bonds 2017 - 2027 was €99.00 (2025: €101.90).

The Group's and the Company's banking facilities as at 31 January 2026 amounted to €15,662,500 (2025: €17,212,500) for the Group, and €9,162,500 (2025: €10,712,500) for the Company.

Interest rate exposure:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
At floating rates	**–**	1,163	**–**	1,163
At fixed rates	**19,946**	19,914	**19,946**	19,914
Total borrowings	**19,946**	21,077	**19,946**	21,077

The weighted average effective interest rates at the end of the reporting period were as follows:

	Group and Company	
	2026	2025
	%	%
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	
	2026	2025
	€'000	€'000
Non-current		
Land & buildings	**2,007**	2,116
Current		
Land & buildings	**120**	92
Total lease liabilities	**2,127**	2,208

	Company	
	2026	2025
	€'000	€'000
Non-current		
Land & buildings	**1,888**	1,970
Current		
Land & buildings	**92**	92
Total lease liabilities	**1,980**	2,062

	Group	
	2026	2025
	€'000	€'000
Land & buildings		
At beginning of the year	**2,208**	5,319
Additions	**–**	4,133
Interest expense	**78**	248
Payments	**(159)**	(1,644)
Liabilities associated with assets held for distribution to shareholders	**–**	(11,637)
Interest payments from discontinued operations	**–**	5,789
At end of year	**2,127**	2,208

	Company	
	2026	2025
	€'000	€'000
Land & buildings		
At beginning of the year	**2,062**	186
Additions	**–**	1,876
Interest expense	**73**	7
Payments	**(155)**	(7)
At end of year	**1,980**	2,062

Included in the lease liabilities for land & buildings of the Group are amounts of €1,776,000 (2025: €2,662,000) 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	
	2026	2025
	%	%
Land & buildings	**4.0**	4.0

The Group had total cash outflows for leases of €161,000 in 2026 (2025: €7,000).

19. Deferred taxation

The movement in the deferred tax account is as follows:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
At beginning of year	**(12,003)**	(9,191)	**(13,224)**	(10,510)
Income statement - discontinued operations	**(1,757)**	–	**–**	–
Charged/(credited) to income statements (Note 27)	**593**	(2,768)	**503**	(2,708)
Net tax effect of re–measurement of derivatives (Note 16)	**–**	(6)	**–**	(6)
Deferred tax on assets held for distribution to shareholders (Note 21)	**–**	(111)	**–**	–
Debit to income statement - discontinued operations	**–**	73	**–**	–
At end of year	**(13,167)**	(12,003)	**(12,721)**	(13,224)

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% (2025: 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% (2025: 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 register no change to the deferred tax asset (2025: €1,030,000).

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 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)**
At 1 February 2025	2,139	(17,938)	479	4,917	(1,600)	(12,003)
Income statement - continuing operations	(725)	922	–	–	396	593
Income statement - discontinued operations	255	–	(479)	(855)	(678)	(1,757)
At 31 January 2026	**1,669**	**(17,016)**	**–**	**4,062**	**(1,882)**	**(13,167)**
COMPANY						
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)**
At 1 February 2025	2,268	(17,938)	–	4,062	(1,616)	(13,224)
Income statements	(720)	922	–	–	301	503
At 31 January 2026	**1,548**	**(17,016)**	**–**	**4,062**	**(1,315)**	**(12,721)**

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 2026, the Group and the Company had no unrecognised deferred tax assets (2025: €2,556,000).

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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Non-current				
Capital and other payables	**2,354**	2,586	**2,354**	2,586
Current				
Trade payables	**7,086**	5,950	**4,521**	3,876
Capital and other payables	**3,871**	3,581	**3,728**	3,629
Amounts due to subsidiaries	**–**	–	**3,182**	1,688
Indirect taxes and social security	**2,834**	2,829	**2,664**	2,746
Accruals and deferred income	**11,089**	9,955	**7,556**	7,101
	24,880	22,315	**21,651**	19,040
Total trade and other payables	**27,234**	24,901	**24,005**	21,626

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 at year-end there are no amounts (2025: €850,000) which are subject to an interest rate of 3.5% (2025: 3.5%). Other balances within amounts due from subsidiaries are interest free.

As at 31 January 2026, capital and other payables include institutional grants amounting to €1,729,000 (2025: €€1,979,000) 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 €1,479,000 (2025: €1,729,000). 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 2026, capital and other payables include net provisions of €1,100,000 (2025: €1,000,000) 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, it's 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.

At 31 January 2025, the food business was classified as a disposal group held for distribution to shareholders and as a discontinued operation.

The Shareholders approved the Board of Directors' strategic direction for the food business during the Annual General Meeting held on 26 June 2025. As part of the restructuring prior to the spin-off, the food subsidiaries distributed a net dividend of €8,276,000 to the Company. The Board of Directors deemed it appropriate to strengthen the share capital base of these subsidiaries prior to spin-off. The share capital of the two subsidiaries was increased to €10,000,000 for each company.

On 24 September 2025, the Board approved the actual spin-off of the food business by declaring a net interim dividend (paid in kind) of €46,800,000 through the distribution of the Company's entire shareholding in Quinco Holdings p.l.c. (Note 13).

The business of the subsidiaries Quintano Foods Limited and Food Chain Limited represented the entirety of the Group's food business. The results of the Group's food business prior to spin-off together with the comparative for the full year 2025 are presented below:

	2026	2025
Group	**€'000**	€'000
Revenue	**29,660**	39,276
Expenses	**(26,404)**	(36,166)
Net Impairment movement of financial assets	**–**	35
Operating profit	**3,256**	3,145
Finance income	**21**	30
Finance costs	**(251)**	(350)
Profit before tax from discontinued operations	**3,026**	2,825
Tax expense	**(869)**	(1,160)
Profit for the year from discontinued operations	**2,157**	1,665
Fair Value adjustment to investment in subsidiaries upon distribution	**21,946**	–
Profit after tax from discontinued operations	**24,103**	1,665
Revaluation of property included in OCI	**–**	4,530
Other comprehensive income for the year from discontinued operations	**24,103**	6,195

	2026	2025
Company	**€'000**	€'000
Dividend income net of tax	**8,276**	–
Fair Value adjustment to investment in subsidiaries upon distribution	**20,872**	–
Profit after tax from discontinued operations	**29,148**	–

The continuing operations revenue for the year ended 31 January 2026 includes revenue generated from sales to the discontinued operations of €553,000 (2025: €875,000) whilst the same amounts are included within the cost of sales (expenses) under the discontinued operations.

At the date of the distribution of the Company's entire shareholding in Quinco Holdings p.l.c. (Note 13), the carrying value of the assets and liabilities of the food business were as follows:

	6 October 2025	2025
Group	**€'000**	€'000
Assets		
Property, plant and equipment	**23,405**	19,151
Right-of-use assets	**4,711**	5,694
Intangible assets	**584**	584
Inventories	**2,177**	2,309
Trade and other receivables	**7,093**	3,334
Cash and cash equivalents	**5,633**	1,536
Assets held for distribution to shareholders	**43,603**	32,608
Liabilities		
Trade and other payables	**(9,931)**	(7,214)
Lease liabilities	**(4,920)**	(5,848)
Current tax liabilities	**(710)**	(906)
Borrowings	**(952)**	(221)
Deferred tax liability	**(92)**	(111)
Liabilities directly associated with assets held for distribution to shareholders	**(16,605)**	(14,300)
Net assets directly associated with assets held for distribution to shareholders	**26,998**	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:

	2026	2025
	€'000	€'000
Net cash from operating activities	**2,659**	7,308
Net cash from used in investing activities	**(4,879)**	(6,563)
Net cash from/(used in) financing activities	**5,587**	(1,520)
Net cash inflow/(outflow)	**3,367**	(775)
Earnings per share		
Basic and diluted earnings per share for the year from discontinued operations	**€0.6695**	€0.0463

On 6 October 2025, the Company transferred its entire investment in Quinco Holdings p.l.c. to its shareholders through a non-cash dividend distribution of €46,800,000 (Note 13). The distribution represented the fair value of the food business subsidiaries and their underlying net assets. The difference between the fair value and the carrying amount of the food business in the consolidated accounts, net of all related adjustments, is presented as a fair value adjustment upon distribution under the discontinued operations and amounts to €21,946,000.

22. Expenses by nature

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Depreciation and impairment of property, plant and equipment (Note 5)	**7,119**	7,123	**6,731**	6,757
Depreciation of right-of-use assets (Note 6)	**152**	3	**150**	2
Loss on disposal of property, plant and equipment	**–**	–	**–**	(1)
Employee benefit expense (Note 23)	**20,926**	19,958	**15,307**	14,312
Termination benefits (Note 23)	**–**	11	**–**	11
Directors' emoluments (Note 28)	**927**	833	**927**	833
Raw materials, imported goods and consumables	**46,843**	39,871	**27,382**	26,659
Movement in inventory levels of finished goods and work in progress (Note 9)	**(1,170)**	(688)	**600**	(614)
Amortisation and impairment of intangible assets (Note 7)	**69**	70	**69**	70
Other expenses	**15,999**	18,648	**7,018**	8,470
Total cost of sales, selling and distribution costs and administrative expenses	**90,865**	85,829	**58,184**	56,499

Operating profit is stated after crediting deferred institutional grants amounting to €250,000 (2025: €250,000).

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 January 2026 and 2025 relate to the following:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Annual statutory audit	**132**	128	**79**	77

During the current year fees amounting to €74,000 (2025: €82,000) and €74,000 (2025: €82,000) for the Group and Company respectively have been charged by connected undertakings of the Company's auditor to the Group and Company for other non-assurance services.

23. Employee benefit expense

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Wages and salaries	**19,729**	18,810	**16,541**	15,795
Social security costs	**1,197**	1,148	**1,011**	974
	20,926	19,958	**17,552**	16,769
Recharged to subsidiaries and related parties	**–**	–	**(2,245)**	(2,457)
	20,926	19,958	**15,307**	14,312
Termination benefits	**–**	11	**–**	11
	20,926	19,969	**15,307**	14,323

The average number of full time equivalents employed during the year by the Group and Company were:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Continuing Operations				
Management	**98**	100	**82**	85
Non-Management	**461**	453	**373**	367
	559	553	**455**	452

24. Net exchange differences

The net exchange differences charged and credited to the income statements include:

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Foreign exchange differences	**(1)**	12	**(4)**	12

25. Finance income

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Interest on amounts owed by subsidiaries	**–**	–	**53**	38
Other operating income	**70**	49	**17**	11
	70	49	**70**	49

26. Finance costs

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Interest on bank loans and overdrafts	**121**	199	**64**	133
Lease interest	**78**	7	**73**	7
Interest on bonds	**700**	700	**700**	700
Fair value loss on derivative financial instruments	**–**	6	**–**	6
	899	912	**837**	846

27. Tax expense/(income)

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Current tax expense	**348**	558	**10**	11
Deferred tax income (Note 19)	**593**	(2,768)	**503**	(2,708)
Tax expense/(income)	**941**	(2,210)	**513**	(2,697)

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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Profit before tax from continuing operations	**15,949**	14,743	**14,686**	12,605
Profit before tax from discontinued operations (Note 21)	**3,026**	2,825	**–**	–
Profit before tax	**18,975**	17,568	**14,686**	12,605
Tax on profit at 35%	**6,641**	6,149	**5,140**	4,412
Tax effect of:				
Movement in deferred tax assets/conversion tax credits	**(4,652)**	(7,390)	**(4,560)**	(7,390)
Under/(over) provision in deferred tax related to prior years	**–**	96	**–**	(24)
Non-taxable income or disallowable expenses	**90**	169	**(99)**	305
Income taxed at source at a reduced rate	**(295)**	(145)	**–**	–
Other	**26**	71	**32**	–
Tax expense/(income)	**1,810**	(1,050)	**513**	(2,697)
Tax expense/(income) as reported in the statement of profit and loss	**941**	(2,210)	**513**	(2,697)
Tax expense attributable to discontinued operations (Note 21)	**869**	1,160	**–**	–
	1,810	(1,050)	**513**	(2,697)

28. Directors' emoluments

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Fees	**237**	234	**237**	234
Salaries	**224**	177	**224**	177
Other emoluments	**466**	422	**466**	422
Total Directors' remuneration	**927**	833	**927**	833

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 p.l.c. divided by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

	Group	
	2026	2025
Profit attributable to shareholders (€'000)		
Continuing operations	**15,008**	16,953
Discontinued operations	**24,103**	1,665
	39,111	18,618
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	**€0.4169**	€0.4709
Discontinued operations	**€0.6695**	€0.0463

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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Operating profit from continuing operations	**16,778**	15,606	**15,453**	13,402
Operating profit from discontinued operations	**3,256**	3,145	**–**	–
Operating profit	**20,034**	18,751	**15,453**	13,402
Adjustments for:				
Depreciation and impairment of property, plant and equipment (Note 5)	**7,743**	8,368	**6,731**	6,757
Depreciation of right-of-use assets (Note 6)	**1,135**	1,570	**150**	2
Loss on disposal of property, plant and equipment (Note 22)	**–**	–	**–**	(1)
Amortisation of intangible assets (Note 7)	**69**	109	**69**	70
Amortisation of institutional grant (Note 22)	**(250)**	(250)	**(250)**	(250)
Diminution of impairment in subsidiaries (Note 8)	**–**	–	**–**	(80)
Amortisation of bond issue costs (Note 17)	**32**	32	**32**	32
(Decrease)/increase in provision for impairment of trade and other receivables (Note 10)	**(1,125)**	402	**(755)**	1,236
	27,638	28,982	**21,430**	21,168
Changes in working capital:				
Inventories	**(1,545)**	(1,749)	**51**	267
Trade and other receivables	**(5,607)**	(4,621)	**(3,242)**	(5,414)
Trade and other payables	**5,465**	(1,119)	**2,620**	(3,358)
Cash generated from operations	**25,951**	21,493	**20,859**	12,663

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	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Authorised but not contracted	**17,299**	22,827	**15,931**	21,467
Contracted but not provided for	**5,640**	3,103	**5,640**	3,103
	22,939	25,930	**21,571**	24,570

32. Contingent liabilities

At 31 January 2026, the Group and the Company had contingent liabilities amounting to €723,000 (2025: €723,000) and €27,000 (2025: €27,000) 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	
	2026	2025
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% (2025: 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 p.l.c. and Quinco Holdings p.l.c. (with respect from financial year 2026) and their subsidiaries are considered to be related parties due to common Directors and the common shareholding. As disclosed in Note 21, the food business was spun-off into a separate listed entity on 6 October 2025.

	Group		Company	
	2026	2025	**2026**	2025
	€'000	€'000	**€'000**	€'000
Income from goods and services				
– Sales of goods to subsidiaries	**–**	–	**2,272**	2,987
– Sales of goods to related parties	**618**	396	**937**	262
– Recharge of costs to subsidiaries	**–**	–	**2,456**	2,530
– Recharge of costs to related parties	**19**	–	**70**	–
– Recharge of payroll costs to subsidiaries	**–**	–	**1,310**	2,457
– Recharge of payroll costs to a related party	**19**	1	**935**	1
– Finance income on loans to subsidiaries	**–**	–	**53**	32
	656	397	**8,033**	8,269
Expenditure for goods and services				
– Purchases of goods from subsidiaries	**–**	–	**2,651**	2,671
– Purchases of goods and services from related parties	**1,249**	1,307	**1,380**	1,261
– Rental expenses from related parties	**249**	620	**–**	–
– Finance costs on loans from subsidiaries	**–**	–	**–**	30
	1,498	1,927	**4,031**	3,962

Key management personnel compensation, consisting of Directors' and Senior Management remuneration, is disclosed as follows:

	Group	
	2026	2025
	€'000	€'000
Directors (Note 28)	**927**	833
Senior Management	**1,523**	1,516
	2,450	2,349

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 p.l.c. is a public limited company and is incorporated in Malta.

35. Comparative information

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.

36. Subsidiaries

The subsidiaries are shown below:

			Percentage of shares held	
	Registered office	**Principal activities**	**2026**	2025
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
Portanier Warehouses Limited	The Brewery, Mdina Road, Zone 2, Central Business District, Birkirkara	Non-operating	**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 were sold to the subsidiary Quinco Holdings p.l.c. on 10 September 2025, a 100% subsidiary of the Group which was incorporated on 8 May 2025 and spun-off through a distribution in kind to the shareholders (€46,800,000) on 6 October 2025 (2025: 100%).

SHAREHOLDER INFORMATION

Directors' interests in the share capital of the Company

	Ordinary shares held as at 31 January 2026	Ordinary shares held as at 30 April 2026
Mr Louis A. Farrugia	**36,268**	**36,268**
Mr Michael Farrugia	**6,662**	**6,662**
Ms Marina Hogg	**18,254**	**18,254**
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 2026 to 30 April 2026.

Shareholders holding 5% or more of the equity share capital as at 30 April 2026

Shareholders	Number of shares	Percentage holding
Farrugia Investments Limited	**9,538,632**	**26.50%**
M.S.M. Investments Limited	**9,538,632**	**26.50%**
Scicluna Estates Limited	**9,475,395**	**26.32%**

Shareholding details

As at 30 April 2026, the Company's issued share capital was held by the following shareholders:

	Number of shareholders
Ordinary shares of €0.30 each	**2,015**

The holders of the Ordinary shares have equal voting rights.

Number of shareholders as at 30 April 2026

	Number of shareholders	Number of shares	Percentage holding
Ordinary shares of €0.30 each			
Up to 500 shares	**696**	**160,983**	**0.45%**
501 – 1,000	**398**	**291,059**	**0.81%**
1,001 – 5,000	**715**	**1,602,680**	**4.45%**
More than 5,000	**206**	**33,945,278**	**94.29%**
Total	**2015**	**36,000,000**	**100.00%**

Nadine Magro

Company Secretary

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

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FIVE YEAR SUMMARISED GROUP FINANCIAL INFORMATION

		2026	2025	2024	2023	2022
		€'000	€'000	€'000	€'000	€'000
Continuing operations						
Revenue		**106,518**	101,802	96,520	88,744	68,981
Operating costs		**(89,740)**	(86,196)	(82,189)	(73,895)	(57,704)
Operating Profit		**16,778**	15,606	14,331	14,849	11,277
Net finance costs		**(829)**	(863)	(951)	(928)	(943)
Profit before taxation		**15,949**	14,743	13,380	13,921	10,334
Tax		**(941)**	2,210	320	656	907
Profit for the year from continuing operations		**15,008**	16,953	13,700	14,577	11,241
Discontinued operations						
Profit after tax for the year from discontinued operations		**24,103**	1,665	1,573	895	1,187
Profit for the year		**39,111**	18,618	15,273	15,472	12,428
Net cash dividend paid on ordinary shares		**7,380**	6,120	5,760	5,620	3,000
Net dividend in kind distributed on ordinary shares		**46,800**	–	–	–	–
Shareholders' funds		**150,127**	165,196	148,179	139,167	129,188
Lease liabilities		**2,127**	2,208	5,319	8,703	8,290
Borrowings (net of cash and cash equivalents)		**17,105**	16,137	14,375	14,732	10,264
Total capital employed (adjusted)		**169,359**	183,541	167,873	162,602	147,742
Non-current assets		**140,257**	139,156	145,812	152,329	145,727
Net assets directly associated with assets held for distribution to shareholders		**–**	18,308	–	–	–
Current assets (excluding cash and cash equivalents)		**62,067**	58,238	57,115	51,691	39,485
Liabilities (excluding cash borrowings and lease liabilities)		**(32,965)**	(32,161)	(35,054)	(41,418)	(37,470)
Total assets less liabilities (excluding net borrowings)		**169,359**	183,541	167,873	162,602	147,742
Shares in issue during the financial year - Ordinary shares	*'000*	**36,000**	36,000	36,000	36,000	30,000
Bonus shares issued		**–**	–	–	6,000	–
Number of ordinary shareholders		**2,015**	2,016	2,012	2,010	1,997
Earnings per ordinary share (continuing and discontinued)		**€1.086**	€0.517	€0.424	€0.430	€0.345
EBITDA - continuing operations	*'000*	**24,287**	22,951	21,658	21,812	18,167
Return on average capital employed	*percentage*	**9.6**	9.1	9.1	11.4	9.7
Dividend cover	*times*	**2.03**	3.04	2.65	2.75	4.14
Cash dividends per ordinary share (net of tax)		**€0.205**	€ 0.170	€ 0.160	€ 0.156	€ 0.100
Net asset value per ordinary share		**€4.17**	€ 4.59	€ 4.12	€ 3.87	€ 3.59
Gearing	*percentage*	**11.36**	9.99	11.73	14.41	12.56

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 (continued operations) 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.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Simonds Farsons Cisk p.l.c.

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 72 to 108, which comprise the statements of financial position of the Company and the Group as at 31 January 2026, 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 Simonds Farsons Cisk plc and the Group as at 31 January 2026, 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 is relevant to our audit of the financial statements of public interest entities in Malta. We have also 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 pertains to the audit of both the individual and the consolidated financial statements. This matter was addressed in the context of our audit of the 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 EUR17.02million. 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 Company and the Group's annual review control on the recognition of the deferred asset in relation to the investment tax credits;
- Testing the amount recognised as deferred tax asset during the year;
- 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 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 IFRS Accounting Standards as issued by the 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.
- 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 group 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 2026, 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 2026 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 60 to 66 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 67 to 71 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, and were subsequently reappointed as statutory auditors by the members of the Company on an annual basis. The period of total uninterrupted engagement as statutory auditor including previous reappointments of the firm is two financial years.

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 27 May 2026 and signed by:

David Delicata as Director
for and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta

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