

# The Convenience Shop (Holding) plc

Condensed Interim Financial Statements (unaudited)

For the period 26 July 2018 (Date of Incorporation) to 30 June 2019

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## Interim Directors' Report

This Half-Yearly Report is being published in terms of the Prospects MTF Rules and the Prevention of Financial Markets Abuse Act, (Chapter 476 of the Laws of Malta). The condensed set of financial statements included in this report has been extracted from The Convenience Shop (Holding) plc's unaudited financial information for the period commencing 26 July 2018 (being the date of incorporation) to 30 June 2019 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This Half-Yearly report has not been audited or reviewed by the Company's auditors.

The Directors who served during the period and up till the date of this report are as follows:

Benjamin Muscat  
Ivan Calleja  
Kevin Deguara  
Joseph Pace  
Manuel Piscopo  
Charles Scerri

The directors present the unaudited consolidated interim results of The Convenience Shop (Holding) plc. The Directors state that these interim condensed financial statements have not been audited or reviewed by an independent auditor.

### **1. Business Overview/Directors Report**

The Convenience Shop Holding plc. ("the Company" or "the Parent Company") was incorporated on 26 July 2018 as the Parent Company and the finance arm of The Convenience Group (the "Group"). As a result, these condensed interim financial statements cover the period between 26 July 2018 and 30 June 2019. The Group of which the Company is the parent consists of the entities acquired or incorporated during the current period as detailed below.

During this period, the Company announced the offer of €5,000,000 5% unsecured bonds callable 2026-2029, issued in terms of the Company Admission Document dated 8 March 2019 ('the Bonds'). Bond subscriptions closed on the 22 March 2019 with the bond being fully subscribed and admitted to the Prospects MTF on the 28 March 2019.

On the date of incorporation, the parent Company acquired The Convenience Shop Limited (C 87556) which started carrying on business as soon as the transfer of business agreements were executed.

Furthermore, during this period, the Company acquired the following companies:

- Daily Retail Challenges Ltd. (C79662)
- Aynic & Co. Ltd. (C74750)
- Seafront Express Ltd. (C73435)
- Gbake Manufacturing Limited (C60422)
- GNJ Company Limited (C88969)
- Gbake Retail Limited (C60421)
- The Convenience Shop Management Limited (C87711)

In addition, The Convenience Shop for Puttinu Cares (C90748) was incorporated.

The distinct strategies of our 'Owned' businesses – meaning those which we maintain full control over their operations and profits and 'Franchise' businesses – meaning those operating independently under the franchise terms and using the Company's brand name - have been successful in driving profit growth and creating shareholder value, underpinned by our disciplined approach to cash generation and capital allocation.

## 2. Financial Performance

The Group has recorded a strong financial performance across the board for the period ending 30 June 2019, registering a profit after tax of €1.05m, a turnover of €24.2m and a gross profit of €6.4m.

The results are particularly satisfactory in view of the consistent revenue growth in Owned outlets as well as in the Franchise operated accounts. This shows that our strategy of optimising the return from our space and assets continues to produce significant cash generation and sustainable profits.

These positive results would not have been possible without the dedication and hard work of all our employees. Their professionalism and dedication have been crucial in establishing The Convenience Group as one of Malta's leading retail chain in less than a decade. We are grateful for their constant support and valued contribution.

## 3. Financial Position

Total assets as at 30 June 2019 amounted to €26.8m.

The Group remains highly liquid with a strong generation of cash. Cash and cash equivalents as at 30 June 2019 amounted to €1.67m.

In addition, the Company, recognised the leased premises at an amount of €8.3m, as other assets and an equivalent amount as other liabilities in accordance with the new IFRS 16 *Leases*.

## 4. Outlook

We aim to keep increasing revenue levels, generating sustainable profits and liquidity by driving revenue growth in existing stores through improved execution and service; investment in store environments and layouts; and a forensic store by store focus on retail space and category management.

In the coming months, we aim to open another two flagship stores and will continue to take the opportunity to grow in strategic locations around Malta, ensuring that we consistently keep serving the ever-changing needs of our consumers.

Our category management strategy remains key to grow our margins while at the same time reducing our cost base. We will continue to focus on driving returns from our existing outlets by adopting a forensic approach to space management.

We will also continue to invest in sophisticated IT infrastructure to ensure our workforce will have the necessary information to take the right strategic decisions in a timely manner.

Looking at the year ahead, we are well-positioned in the market and will continue to drive businesses and implement distinct strategies to deliver even better value to our shareholders.

#### 5. Dividends

No interim dividends are being proposed.

#### 6. Going Concern

As required by Listing Rule 5.62, upon due consideration of the Company's profitability and statement of financial position, the Directors confirm the Company's ability to continue operating as a going concern for the foreseeable future.

The Directors' report was approved by the Board of Directors on 30 August 2019 and signed on its behalf by:



Benjamin Muscat  
Chairman



Ivan Calleja  
Director

Registered Office  
Marant Food Products,  
Mdina Road,  
Zebbug ZBG 9017  
Malta

## Condensed Consolidated Income Statement

For the Period 26 July 2018 to 30 June 2019

	GROUP	COMPANY
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
<b>Continuing Operations:</b>		
Turnover	24,229	-
Cost of Sales	(17,870)	-
<b>Gross Profit</b>	<b>6,359</b>	<b>-</b>
Administrative Expenses	(4,061)	-
Amortisation of Right of Use Asset	(526)	-
<b>Operating Profit</b>	<b>1,772</b>	<b>-</b>
Finance Income	-	76
Finance Costs	(177)	(135)
Other Income	20	-
<b>Profit before tax</b>	<b>1,615</b>	<b>(59)</b>
Tax Expense	(567)	21
<b>Profit for the period</b>	<b>1,048</b>	<b>(38)</b>
Earnings per share (euro)	€20.96	

Condensed Consolidated Statement of Financial Position

As at 30 June 2019

	NOTES	GROUP	COMPANY
		30 June 2019 (unaudited)	30 June 2019 (unaudited)
		€'000	€'000
<b>ASSETS</b>			
Non-Current Assets	6	21,328	4,232
Current Assets	7	5,501	905
<b>Total assets</b>		<b>26,829</b>	<b>5,137</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to owners of the company		1,098	12
Non-Current Liabilities	8	19,787	5,000
Current Liabilities	9	5,944	125
<b>Total Liabilities</b>		<b>25,731</b>	<b>5,125</b>
<b>Total equity and liabilities</b>		<b>26,829</b>	<b>5,137</b>

The notes on pages 10 to 22 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 6 to 23 were authorised for issue by the Board on 30 August 2019 and were signed on its behalf by:



Benjamin Muscat  
 Chairman



Ivan Calleja  
 Director

## Condensed Consolidated Statement of Changes in Equity

For the period 26 July 2018 to 30 June 2019

	NOTES	Share Capital	Retained Earnings	Total
GROUP		€'000	€'000	€'000
<b>Period ended 30 June 2019</b>				
Balance at 26 July 2018		-	-	-
<b>Comprehensive Income for the period</b>				
Profit for the period ended 30 June 2019		-	1,048	1,048
<b>Transactions with owners of the Company</b>				
Issue of share capital		50	-	50
<b>Balance at 30 June 2019</b>		<b>50</b>	<b>1,048</b>	<b>1,098</b>
<b>COMPANY</b>				
<b>Period ended 30 June 2019</b>				
Balance at 26 July 2018		-	-	-
<b>Comprehensive Income for the period</b>				
Loss for the period ended 30 June 2019		-	(38)	(38)
<b>Transactions with owners of the Company</b>				
Issue of share capital		50	-	50
<b>Balance at 30 June 2019</b>		<b>50</b>	<b>(38)</b>	<b>12</b>



Condensed Consolidated Statement of Cash Flows  
 For the period 26 July 2018 to 30 June 2019

	<b>GROUP</b>	<b>COMPANY</b>
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
Net cash generated from operating activities	9,716	(25)
Net cash used in investing activities	(13,537)	-
Net cash (used in)/generated from financing activities	5,490	809
<b>Net movement in cash and cash equivalents</b>	<b>1,669</b>	<b>784</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,669</b>	<b>784</b>

## Notes to the Condensed Interim Consolidated Financial Statements

### 1. Basis of preparation

#### a. Statement of compliance

These condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and in terms of Rule 4.11.12 of Prospects which is operated and regulated by the Malta Stock Exchange plc.

The financial information has been extracted from the Company's unaudited interim financial statements for the period ended 30 June 2019.

#### b. Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### c. Functional and presentation currency

The financial statements are presented in euro (€), which is the Company's functional currency.

#### d. Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the group have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies

The accounting policies applied in these condensed interim consolidated financial statements are in accordance with International Financial Reporting Standards as adopted by the EU and the provisions of the Maltese Companies Act, 1995.

#### a. Consolidation

##### Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where, for instance the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated 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 values 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, and 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 interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this aggregate is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### a. Consolidation (continued)

##### Subsidiaries (continued)

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

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of acquiring the investment. Provisions are recorded where, in the opinion of the Directors, there is impairment in value. Where there has been 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. Loans for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, an extension of the Company's investment in that subsidiary.

#### b. Financial instruments

##### i. Recognition and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### b. Financial instruments (continued)

##### ii. Financial assets

##### *Classification and initial measurement of financial assets*

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within administrative expenses.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### b. Financial instruments (continued)

##### ii. Financial assets (continued)

##### *Subsequent measurement of financial assets*

##### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The company's loan receivable, and cash and cash equivalents fall into this category of financial instruments.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### b. Financial instruments (continued)

##### ii. Financial assets (continued)

###### *Impairment of financial assets*

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead, the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### b. Financial instruments (continued)

##### iii. Financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The company's financial liabilities include debt securities in issue and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### c. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes. Bank overdrafts, which are repayable on demand and form an integral part of the Company's cash and management, are a component of cash and cash equivalents.



## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### d. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to the investment in subsidiary to the extent that the Company is able to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax is 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 or substantively enacted by the balance sheet date.

#### e. Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

Retained earnings include current and prior period results.

Dividend distributions payable to equity shareholders are included with short term financial liabilities in the statement of financial position when the dividends are approved in general meeting prior to the end of the reporting year.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### f. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of back office services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

##### (a) Sales of goods – wholesale

Sales of goods are recognised when an entity has delivered products to the customer, the customer has accepted the products and collectability of the related trade and other receivables is reasonably assured. Delivery does not occur until the risks of obsolescence and loss have been transferred to the customer.

##### (b) Sales of goods – retail

Sales of goods are recognised when an entity sells a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue includes credit card fees payable for the transaction.

##### (c) Provision of back office services

Provision of back office 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.

## Notes to the Condensed Interim Consolidated Financial Statements (continued)

### 3. Use of judgements and estimates

The preparation of the condensed interim consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical.

### 4. Standards effective during the period

A new standard became applicable for the current reporting period, which was adopted by the Group.

#### IFRS 16: Leases

On 1 January 2019, we adopted the requirements of IFRS 16 retrospectively. The adoption of the standard increased the assets by €8.3m and increased liabilities by the same amount with no effect on net assets or retained earnings.

On adoption of IFRS 16, we recognised lease liabilities in relation to leases that had previously been classified as 'operating leases' in accordance with IAS 17 'Leases'. These liabilities were recognised as 'other liabilities' and measured at the present value of the remaining lease payments, discounted at the lessee's incremental borrowing rate at 1 January 2019. The associated right of use ('ROU') assets were recognised in 'other assets' and measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments or provisions for onerous leases recognised on the balance sheet at 31 December 2018. In addition, the following practical expedients permitted by the standard were applied:

Reliance was placed on previous assessments on whether leases were onerous;

There were no operating leases with a remaining lease term of less than 12 months at 1 January 2019; and

Initial direct costs were not included in the measurement of ROU assets for leases previously accounted for as operating leases.

Notes to the Condensed Interim Consolidated Financial Statements (continued)

5. Earnings Per Share

Earnings per share (EPS) is calculated as the Group/Company's profit after tax attributable to the ordinary shares of the Group divided by the weighted average number of ordinary shares in issue during the period.

6. Non-Current Assets

	<b>GROUP</b>	<b>COMPANY</b>
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
Property, Plant and Equipment	3,285	-
Financial Asset	184	184
Intangible Asset	9,554	-
Trade and Other Receivables	-	4,048
Other Assets	8,305	-
<b>Total non-current assets</b>	<b>21,328</b>	<b>4,232</b>

The amount of intangible asset of €9.6m represents the premium paid to minorities on the transfer of the going concern businesses, from the old structure of companies to the new Group. This was recognised as goodwill representing the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquirees and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

7. Current Assets

	<b>GROUP</b>	<b>COMPANY</b>
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
Inventories	1,516	-
Trade and Other Receivables	2,084	76
Current Tax Assets	232	45
Cash and Cash Equivalents	1,669	784
<b>Total current assets</b>	<b>5,501</b>	<b>905</b>

Notes to the Condensed Interim Consolidated Financial Statements (continued)

8. Non-Current Liabilities

	<b>GROUP</b>	<b>COMPANY</b>
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
Trade and other payables	6,495	-
Borrowings	5,666	5,000
Other Liabilities	7,626	-
<b>Total non-current liabilities</b>	<b>19,787</b>	<b>5,000</b>

9. Current Liabilities

	<b>GROUP</b>	<b>COMPANY</b>
	30 June 2019 (unaudited)	30 June 2019 (unaudited)
	€'000	€'000
Trade and other payables	4,599	125
Current tax liabilities	667	-
Other Liabilities	678	-
<b>Total current liabilities</b>	<b>5,944</b>	<b>125</b>

Notes to the Condensed Interim Consolidated Financial Statements (continued)

**10. Segmental Information**

The Group's operations consist of the following business segments:

Retail - including all retail outlets;

Wholesale – including the bakery operations and sales to third party entities; and

Other – including the provision of back office services.

The Groups business segments operate in the local market. An analysis by segment of the group's turnover and profitability is set out below:

	<b>Retail</b>	<b>Wholesale</b>	<b>Other</b>	<b>Total</b>
	€'000	€'000	€'000	€'000
<b>Period ended 30 June 2019</b>				
<b>Revenue</b>	21,683	936	2,769	25,388
Cost of Sales	(16,304)	(747)	(1,362)	(18,413)
<b>Gross Profit</b>	5,379	189	1,407	6,975
Inter-segment transactions	387	(387)	(616)	(616)
<b>Segment results</b>	5,766	(198)	791	6,359
Administrative Expenses				(4,061)
Amortisation of Right of Use Asset				(526)
<b>Operating Profit</b>				1,772
Finance Costs				(177)
Other Income				20
<b>Profit before tax</b>				1,615
Tax Expense				(567)
<b>Profit for the period</b>				1,048

Statement Pursuant to Listing Rule 5.75.3

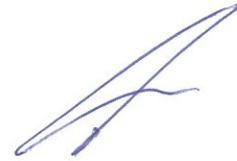
I confirm to the best of my knowledge that:

- the Condensed Consolidated Interim Financial information gives a true and fair view of the Financial Position of the Group from the date of incorporation being 26 July 2018 to 30 June 2019, and of its financial performance and its cash flows for the 11-month period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (International Accounting Standards 34, 'Interim Financial Reporting');
- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



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Benjamin Muscat  
Chairman



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Ivan Calleja  
Director

