



The Convenience Shop

The Convenience Shop (Holding) plc

***Financial
Sustainability
2025 Forecasts***

About Us

The Convenience Shop (Holding) plc Simplifying Lives, Strengthening Communities

Since our inception in Żebbuġ in 2009, The Convenience Shop has grown into one of Malta's most trusted retail networks, operating 96 outlets across 51 strategic localities. Our Equity listing on the Malta Stock Exchange in 2023 marked a key milestone in our journey of growth, transparency, and long-term value creation.

Through partnerships with COOP Italian Food S.p.A. and others, we have broadened our product portfolio with quality, affordable options that reflect our commitment to customer choice and satisfaction. We've also embraced technology to elevate convenience - launching The Convenience Shop Online and integrating with global delivery platforms to ensure our customers' essential needs are just a click away. Much more work is being done in these areas to strengthen our competitive position in the market.

Our team of over 400 dedicated professionals is the backbone of our operations. Their drive and collaboration power our ongoing pursuit of excellence in service and customer experience.

Social responsibility is a cornerstone of our corporate philosophy. Through continuous support to local NGOs and community initiatives - most notably The Convenience Shop for Puttinu Cares outlet in Qormi, which donates its profits to Puttinu Cares Children's Cancer Support Group, we aim to create meaningful impact beyond our business.

As we look to the future, we remain focused on financial sustainability, operational resilience, and strategic investment in service upgrades. Guided by open dialogue with shareholders and stakeholders, we are committed to evolving with the needs of our customers while maintaining the trust of the communities we serve.

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GENERAL INFORMATION

Registration

The Convenience Shop (Holding) plc ("the Company") is registered in Malta as a public limited liability company under the Maltese Companies Act (Cap. 386) with registration number C 87554.

Directors

Ivan Calleja
Joseph Pace
Manuel Piscopo
Charles Scerri
Patrick Hall
Richard Saliba

Company Secretary

Richard Deschrijver

Registered Office and Principal Place of Business

8, TCS Building
Triq Ħal Luqa
Qormi QRM 9072
Malta

Bankers

Bank of Valletta p.l.c.
219-220
Triq ix-Xatt
Gzira GZR 1022
Malta

APS Bank p.l.c.
APS Centre,
Tower Street
Birkirkara BKR 4012
Malta

Auditors

RSM Malta
Mdina Road
Żebbuġ ZBG 9015
Malta

Looking Ahead



Our strategic vision remains clear: to become Malta's retailer of choice in the convenience sector, underpinned by operational excellence, technology, and a people-first culture."

Our Transformation Continues

The year 2024 marked a pivotal chapter in the ongoing evolution of The Convenience Shop Group. Celebrating our 15th anniversary, we achieved key milestones that reflect our sustained growth and long-term vision, including the inauguration of our new, state-of-the-art Head Office in Qormi and the opening of several new outlets in strategic locations across the country.

Our unique co-existence and co-prosperity model continues to drive growth by enabling the acquisition of established grocery stores that align with our strategic goals. This approach has expanded our market reach while preserving the local identity of each outlet.

Leadership transformation has also played a vital role in our evolution. The appointment of David Tabone as Chief Executive Officer in January 2025 signalled a new strategic chapter, followed by key leadership additions across HR, commercial, and marketing functions. This revitalised team is united in purpose and execution, laying the groundwork for long-term value creation.

The performance of 2024 has been a catalyst for change, sharpening our focus on delivering sustainable value. With a clear strategic roadmap and a re-energised organisation, we are forecasting a 17.0% increase in revenue and a 24.0% rise in profit before tax for the coming year. This momentum is being driven by a multi-faceted transformation: enhancing our digital capabilities, expanding our physical footprint, and upgrading existing locations to elevate customer experience.



We are committed to turning challenges into opportunities with transparency, discipline, and an unwavering focus on stakeholder trust."

Our strategic vision remains clear: to become Malta's retailer of choice in the convenience sector, underpinned by operational excellence, technology, and a people-first culture. As we continue to optimise operations and leverage economies of scale, our core values of customer-centricity, honesty, determination, competitive performance, and dynamism will guide every decision.

We are committed to turning challenges into opportunities with transparency, discipline, and an unwavering focus on stakeholder trust. With a strong foundation, renewed leadership, and ambitious goals, The Convenience Shop Group is well positioned to lead the sector into a more connected, innovative, and responsible future.

Financial Sustainability Forecasts

The Convenience Shop (Holding plc) SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

A. Introduction

The forecast statement of Consolidated Comprehensive Income, the forecast Statement of Financial Position, and the forecast Statement of Cash Flows ("the Forecasts") of the Issuer for the year ending 31 December 2025 have been prepared to provide financial information for the purposes of the announcement of Financial Sustainability Forecasts. The assumptions set out below are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions which the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. We draw your attention in particular, to the risk factors set out in the Admission Document, which describes the primary risks associated with the business to which the Forecast Financial Information relates.

The Forecasts are not intended to and do not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Group, in accordance with International Financial Reporting Standards as adopted by the EU, however the Directors have exercised due care and diligence in adopting the assumptions set out below.

These Forecasts were formally approved by the Directors on 28 April 2025, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section C below.

B. Significant accounting policies

The Forecast Financial Information shows the projected financial performance and position of The Convenience Shop (Holding) plc (the "Company" or "TCSH p.l.c.") in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS") except that, due to the nature of Forecast Financial Information:

- The Forecast Financial Information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap. 386);
- Do not necessarily present line items (including totals and sub-totals) and the classification thereof in the forecast financial performance and financial position in accordance with EU-IFRS;
- The forecast was prepared under the assumption that the recognition criteria for FY 2025 is the same as the prior actual year (FY 2024); and

C. Basis of preparation and significant assumptions

The principal assumptions relating to the environment in which the Company operates, and the factors which are exclusively outside the influence of the Directors, and which underlie the forecast financial statements, are the following:

- The Company will continue to enjoy the confidence of its customers, and bankers throughout the year under consideration;
- There will be no material adverse movements originating from market and economic conditions affecting the fast-moving consumer goods (FMCG) market in Malta, consumer spending levels, employment and job growth, amongst others;
- The rate of inflation will be in line with historic trends; and
- The Company will enjoy good relations with its employees throughout the year under consideration.

Other principal assumptions relating to the environment in which the Company operates, factors which the Directors can influence and which underlie the forecast financial information, are the following:

1. Revenue

In 2025, Group revenue is expected to grow by 17.4% or € 8.1 million over the previous year as a result of an increase in own store revenue and new shop openings. Group revenue is inclusive of franchise income, sale of goods and supplier rebates.

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES – continued

C. Basis of preparation and significant assumptions – continued

2. Cost of sales

Cost of Sales includes, cost of goods sold, labour cost and depreciation charges. Depreciation is calculated on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life as follows:

• Plant and Machinery	10 years
• Furniture and Fixtures	10 years
• Office Equipment	5 years
• Motor Vehicles	5 years
• IT Hardware & Software	5 years
• Tools	5 years
• Marketing Equipment	5 years

The assumptions underlying the gross profit calculation is explained in Note 3 below.

3. Gross profit

Gross profit is projected using actual gross margins reported by the current stores. The historical average gross margin of similar operating stores has been applied for new store openings

Margins are kept constant throughout the projected year.

4. Administrative expenses

Administrative expenses include mainly overheads such as advertising and promotion, repairs and maintenance, utilities, IT expenses, professional fees, CSR activities, staff costs, shop consumables and other costs. These are based on historical costs and are projected to increase by 8.3% in 2025 to support the business operations. Despite the increase in absolute terms, overheads are expected to decrease by 0.6 percentage points when calculated as a percentage of Group revenue.

5. Finance charges

Finance charges include bond interest payable at an interest rate of 5.0%, finance costs on the lease agreements and interest payable on bank facilities.

6. Taxation

Tax is calculated at 35.0% of adjusted taxable profit before tax, also taking into account an estimate of the deferred tax movement for the year.

During 2024, the Company benefitted from a reduced tax charge due to the recognition of a deferred tax asset of € 124,113, mainly arising from the Group's property leases, accounted for under IFRS 16. Furthermore, the Group is also benefiting from an Intellectual Property amortisation tax benefit of € 280,000 per annum between FY 2022 and FY 2026.

7. Property, plant and equipment

Property, plant and equipment include plant and machinery, furniture and fittings, office equipment, IT Hardware and Software, motor vehicles, tools and marketing equipment. These are depreciated using the straight-line method as explained in Note 2, above.

8. Intangibles

Intangibles include Goodwill, which relates to the goodwill recognised on the acquisition of the going concerns and the subsidiary companies during the restructuring transaction in 2018. Intangibles also include the acquisition of the intellectual property rights ('The Convenience Shop' trademark) from JIN Limited in December 2020. Both Goodwill and Intellectual property which are carried at fair value, are not expected to be impaired over the forecast year.

When key money is paid on the acquisitions of new shops, this is amortised over the duration of the lease period.

9. Net working capital

The net working capital was forecast as follows:

- Trade receivables – to grow by 2.0% from FY24;
- Trade payables – to grow by 7.5% from FY24 to reflect incremental business; and
- Inventory – taken as 42 days of stock vs 45 days in FY24.

10. Debt

The projected debt relates to:

- The € 5 million bond issue, net of deferred bond issue costs;
- The € 1.4 million outstanding loan balances from prior year banking facilities. This financing was mainly used to finance the new Head Office project as well as new shops openings and refurbishments in prior years; and
- A € 2 million additional banking facility to sustain growth, of which Euro 1.8 million was assumed to be availed of in the forecast year.

SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES – continued

C. Basis of preparation and significant assumptions – continued

11. Accrued interest

Accrued interest refers to accrued bond interest due on the Bond and bank facilities as at 31st December. Interest on the Bond is assumed payable annually at the end of March, whilst on the bank loans is paid in line with the agreed repayment schedules.

12. Capital expenditure

Capital expenditure includes:

- Improvements to new and existing shops - refurbishment projects for upgrade and upkeep of shops are projected in line with the Group's shops policy standards; and
- Investments in ICT to maintain technology enhancements required by the Group.

13. Dividends

The Company's Board of Directors has implemented a policy to recommend a dividend distribution of 55.0% of the recurring free cash flow on an annual basis, subject to statutory requirements and availability of profits for distribution. The first part based on the interim results is paid as an Interim dividend in the same financial year whereas the remaining part is paid the following year following the publication of the full year audited results. This Financial Sustainability Forecast includes a management estimate of the dividends payable during the year under review in line with the above Group policy.

D. Conclusion

The Directors believe that the assumptions on which the Forecast Financial Information is based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 28 April 2025.

GROUP FORECAST STATEMENT OF COMPREHENSIVE INCOME

For the years ending 31 December

	Forecast	Audited
	2025	2024
	€ 000s	€ 000s
Revenue	54,430	46,379
Cost of Sales	(47,662)	(40,481)
Gross Profit	6,768	5,898
Administrative expenses	(4,288)	(3,960)
Operating profit	2,480	1,938
Other Income	709	671
Gain on disposal	-	2
Finance Charges	(1,154)	(973)
Profit Before Tax	2,035	1,638
Tax Charge	(365)	(282)
Profit After Tax	1,670	1,356

GROUP FORECAST STATEMENT OF FINANCIAL POSITION

as at 31 December

	Forecast	Audited
	2025	2024
	€ 000s	€ 000s
ASSETS		
Property, Plant & Equipment	6,279	5,080
Intangible Assets	13,598	13,722
Right of Use Assets	13,049	11,005
Deferred Tax	460	320
Total Non Current Assets	33,386	30,127
Inventory	4,115	3,797
Trade Receivables	5,575	5,465
Cash & Cash Equivalents	2,108	2,186
Cash Tax Receivable	290	205
Total Current Assets	12,088	11,653
Total Assets	45,474	41,780
EQUITY AND LIABILITIES		
Share Capital	4,928	4,928
Share Premium	1,539	1,539
Retained Earnings	3,893	3,263
Non-Controlling Interest	(27)	(27)
Total Equity	10,333	9,703
Non-Current Liabilities		
Interest Bearing Loans and Borrowings	7,484	6,135
Lease Liability	12,464	11,706
Trade & Other Payables	67	194
Total Non-Current Liabilities	20,015	18,035
Current Liabilities		
Interest Bearing Loans and Borrowings	676	412
Bank Overdraft	-	251
Lease Liability	1,114	973
Trade & Other Payables	13,336	12,406
Total Current Liabilities	15,126	14,042
Total Equity & Liabilities	45,474	41,780

GROUP FORECAST STATEMENT OF CASH FLOWS

For the years ending 31 December

	Forecast	Audited
	2025	2024
	€ 000s	€ 000s
Cash flows from operating activities		
Receipts from customers	54,320	44,939
Payments to suppliers and employees	(50,005)	(39,302)
Other revenue	372	671
Interest paid	(130)	(80)
Income taxes paid	(420)	(899)
Net cash flows generated from operating activities	4,137	5,329
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,333)	(1,940)
Proceeds from disposal of property, plant and equipment	-	3
Acquisition of Intangible assets	(50)	(370)
Payments to acquire business	(112)	(147)
Net cash flows used in investing activities	(2,495)	(2,454)
Cash flows from financing activities		
Proceeds from interest-bearing loans	1,613	75
Payment of lease liabilities	(1,791)	(1,508)
Interest on bond	(250)	(250)
Dividends paid	(1,041)	(1,442)
Net cash used in financing activities	(1,469)	(3,125)
Net cash movement in cash and cash equivalents	173	(250)
Cash and cash equivalent at beginning of year	1,935	2,185
Cash and cash equivalents at end of year	2,108	1,935



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The Directors
The Convenience Shop (Holding) plc
Marant Food Products
Mdina Road
Zebbug ZBG9017
Malta

Dear Sirs,

Independent Accountant's Report on the compilation of forecast information for The Convenience Shop (Holding) plc

We report on the forecast statement of financial position, forecast income statement and forecast cash flow statement (the "Forecast Financial Information") of **The Convenience Shop (Holding) plc** (the "Company") for financial year ending 31st December 2025 in the Financial Sustainable Forecast document ("FSF"). The Forecast Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in the "Summary of significant assumptions and accounting policies" of the FSF document.

This report is required in terms of Section 5.40.2 in the Capital Markets Rules issued by the Malta Financial Services Authority ("MFSA") on 23rd January 2023 and is given for the purpose of complying with that regulation and for no other purpose.

Director's responsibilities for the Forecast Financial Information

It is the responsibility of the Directors of the Company (the "Directors") to prepare the Forecast Financial Information and the assumptions upon which it is based, as set out in the Significant accounting policies as well as the Basis of preparation and significant assumptions section of the FSF document, in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

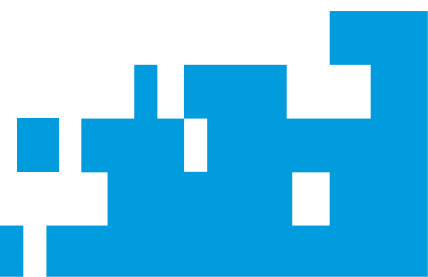
Accountant's responsibility

It is our responsibility to form an opinion as required by Section 5.40.2 in the Capital Markets Rules as required by the MFSA as to the proper compilation of the Forecast Financial Information, in so far as the application of the underlying material assumptions, accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with our statement, required by and given solely for the purposes of complying with the Capital Markets Rules.

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Basis of opinion

We have examined the basis of compilation and material assumptions of the accompanying Forecast Financial Information of the Company for years ending 31st December 2025 in accordance with ISAE 3000 (Assurance engagements other than audits and reviews of historical financial information). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the Forecast Financial Information has been accurately computed based upon the disclosed assumptions of the Company.

The assumptions upon which the Forecast Financial Information is based is solely the responsibility of the Directors of the Company and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which, in our opinion, are necessary for the proper understanding of the Forecast Financial Information, have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with limited assurance that the Forecast Financial Information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The Forecast Financial Information is not intended to and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with IFRS as adopted by the European Union.

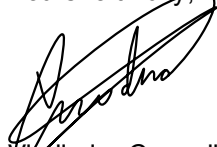
Since the Forecast Financial Information and the stated assumptions are related to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual results reported will correspond to those shown in the Forecast Financial Information and difference may be material.

The assessment made and information contained in this report is based on the information available at the time of our work and can be subject to changes. In rendering this assessment, we have not performed an audit or a due diligence of the parties concerned nor we have sought to verify the information provided by the contributors or the sources which however it considers generally reliable.

Opinion

In our opinion, the Forecast Financial Information presented in the FSF has been properly compiled in the basis stated and the basis of accounting used is materially consistent with the accounting policies adopted by the Company.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Vladimiro Comodini'.

Vladimiro Comodini
Principal
For and behalf of RSM Malta
28th April 2025



theconvenienceshop.com



The Convenience Shop (Holding) plc

Registered office

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Company Registration Number: C 87554