Annual Report and Consolidated Financial Statements 2025

The Convenience Shop (Holding) plc

About Us

The Convenience Shop (Holding) plc

Making Everyday Shopping Better

Founded in Żebbug in 2009, My Group has evolved into Malta's largest retail operator, serving communities across Malta and Gozo through a network of more than 100 strategically located outlets. Since its listing on the Malta Stock Exchange in 2023, the Group has remained focused on creating long-term value through disciplined growth, operational excellence and continuous investment in its people, infrastructure and customer proposition.

The year under review marked a significant milestone in the Group's development as we progressed an ambitious transformation programme designed to strengthen our market position and enhance the customer experience. This included the introduction of our new MyConvenience and MySupermarket retail formats, ongoing store modernisation initiatives, improvements to operational processes and continued investment in technology and digital capabilities.

Convenience remains at the heart of our business model. Through an integrated network of physical stores, online shopping services, home delivery partnerships and the MyRewards loyalty ecosystem, we continue to provide customers with greater accessibility, value and flexibility in how they shop. These investments are enabling us to better understand and serve our customers while creating a more personalised and seamless retail experience.

Our achievements would not be possible without the dedication and professionalism of our employees, whose commitment drives the success of the Group every day. We remain focused on attracting, developing and retaining talented individuals through ongoing training, leadership development and a culture built on accountability, collaboration and continuous improvement.

Responsible corporate citizenship continues to underpin our approach to business. Through community partnerships, charitable initiatives and the work of the Sandra Calleja Foundation, we strive to create a positive and lasting impact beyond our commercial activities while supporting the communities in which we operate.

As we look ahead, we remain committed to delivering sustainable growth, maintaining the trust of our stakeholders and further strengthening our position as Malta's retailer of choice. Guided by a clear strategic vision and a commitment to innovation, we continue to invest in the future with confidence and purpose.

Contents

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). The Company's registration number is C 87554.

Directors
Ivan Calleja
Joseph Pace
Manuel Piscopo
Charles Scerri
Patrick Hall
Richard J. Saliba *(deceased on 2 August 2025)*
Maria P. Deguara *(appointed on 17 October 2025)*

Company Secretary
Richard Deschrijver

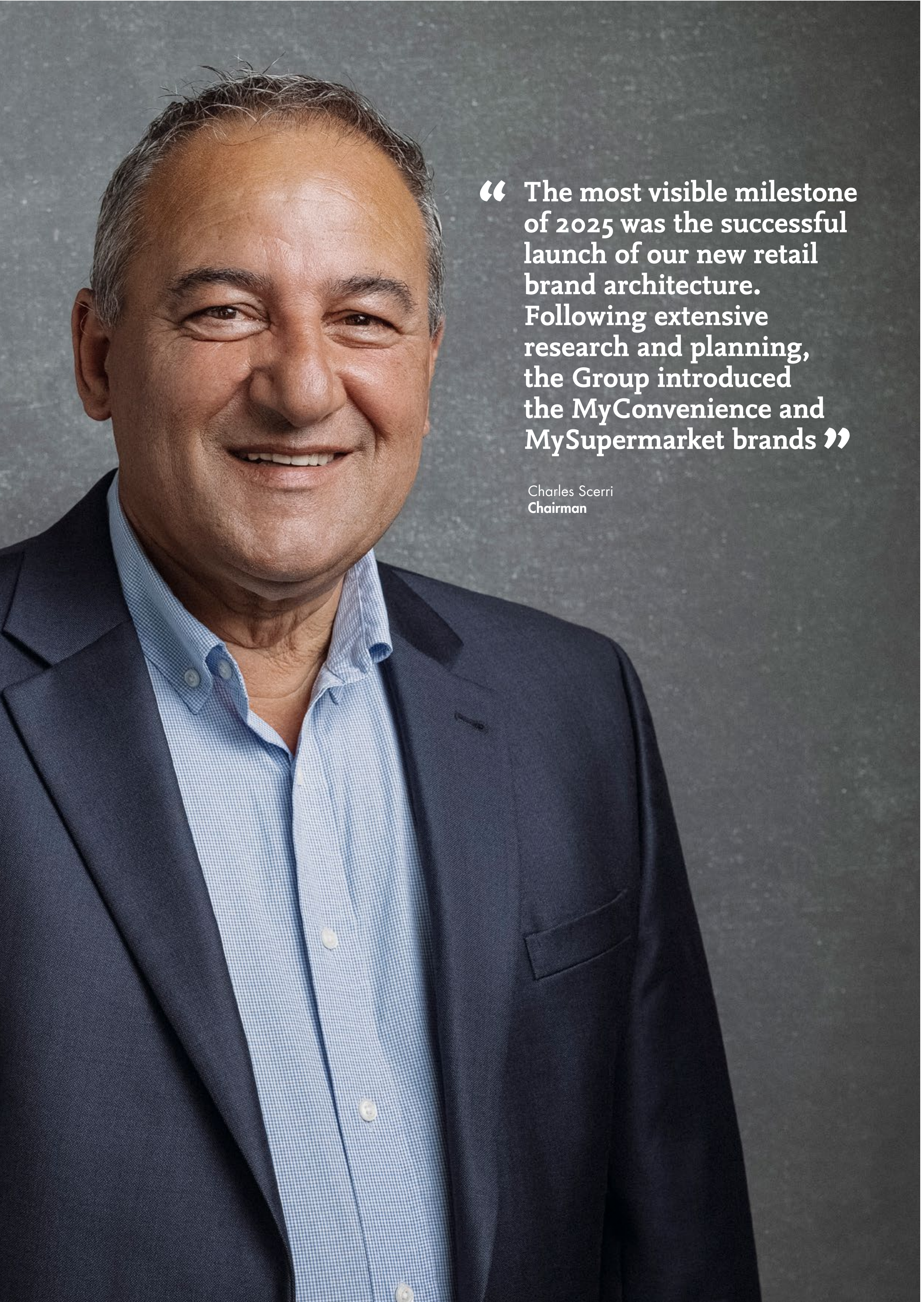
Registered Office and Principal Place of Business
8, TCS Building
Triq Ħal Luqa
Qormi QRM 9072
Malta

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

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

Auditors
RSM Malta
Mdina Road
Żebbuġ ŻBĠ 9015
Malta

The printed report is not the official Annual Financial Report. The official version of the Annual Financial Report including ESEF tagging can be found by accessing this link https://www.theconvenienceshop.com/report. In case of any conflict, the ESEF version will prevail. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report, 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

For the Financial Year Ended **31 December 2025**

I am honoured to present The Convenience Shop (Holding) plc Annual Report for the financial year ended 31 December 2025, a year defined by transformation, investment and the laying of strong foundations for the Group’s next phase of growth.

Throughout the year, we undertook one of the most ambitious programmes in our history. While this required significant investment and considerable organisational effort, it has positioned the Group to emerge stronger, more resilient, and better equipped to meet the evolving needs of customers, employees, shareholders and other stakeholders.

A Year of Strategic Transformation

The most visible milestone of 2025 was the successful launch of our new retail brand architecture. Following extensive research and planning, the Group introduced the MyConvenience and MySupermarket brands, creating clearer customer propositions while preserving the convenience, accessibility, and community presence that have always been at the heart of our business.

Alongside this transformation, we launched our proprietary mobile application and loyalty programme, marking an important step forward in our digital journey. These initiatives strengthen our ability to engage directly with customers, personalise their shopping experience, and create long-term value through deeper customer relationships.

We also completed a major workforce transition, bringing all subcontracted staff into direct employment. Combined with a comprehensive training programme across the organisation, this investment has strengthened our culture, enhanced accountability, and created a more engaged and capable team ready to support future growth.

Financial Performance and Long-Term Value Creation

Despite operating in a highly competitive retail environment, the Group delivered a strong sales performance during 2025. Group turnover increased by 14% to €53.0 million, reflecting continued customer confidence in our brands and the effectiveness of our operational strategy.

Profitability was impacted by the significant investments made during the year, particularly in human resources, branding and technology. These costs were necessary in order to support sustainable long-term growth. The Board firmly believes that these investments represent the foundations for future value creation.

Importantly, the underlying fundamentals of the business remain strong. Our enlarged and modernised platform provides the capacity required to support the Group’s continued expansion and improve operational efficiencies in the years ahead.

Commitment to People, Communities and Sustainability

As our business grows, so too does our responsibility to the communities we serve. During 2025, we continued supporting a wide range of social and charitable initiatives through our Corporate Social Responsibility programme. We also established the Sandra Calleja Foundation, which will serve as an important vehicle for community engagement and social impact in the years ahead.

Our commitment to environmental protection remains an integral part of our strategy. Through ongoing investments in modern retail infrastructure, energy efficiency initiatives, waste reduction programmes and sustainable operating practices, we continue to work towards reducing our environmental footprint while maintaining the highest standards of customer service.

Governance and Accountability

The Board remains committed to the highest standards of corporate governance, transparency and accountability. Throughout the year, we continued to strengthen our governance framework, maintain robust internal controls and ensure prudent risk management across the Group.

During the year, we were deeply saddened by the passing of our fellow Director, Mr Richard Saliba. Richard served the Company with distinction, integrity and dedication. On behalf of the Board, I once again express our sincere gratitude for his invaluable contribution to the Group over many years.

We were pleased to welcome Dr Maria P. Deguara to the Board during the year. Her expertise and experience further strengthen the governance and oversight capabilities of the Company.

Looking Ahead

As we move into 2026, we do so with confidence and optimism. Much of the heavy lifting associated with our transformation programme has now been completed, allowing us to focus on converting these investments into stronger financial performance and enhanced shareholder returns.

Our strategic priorities remain clear: continued growth of our retail network, further enhancement of our customer experience, expansion of our digital capabilities, and disciplined execution of our operational plans.

Under the leadership of Chief Executive Officer David Tabone and his executive team, the Group enters this next chapter with a strengthened workforce, a revitalised brand portfolio, and a clear vision for sustainable growth.

Stronger Than Ever

On behalf of the Board of Directors, I extend my sincere thanks to our employees, franchise partners, suppliers, customers, shareholders and business partners for their continued trust and support.

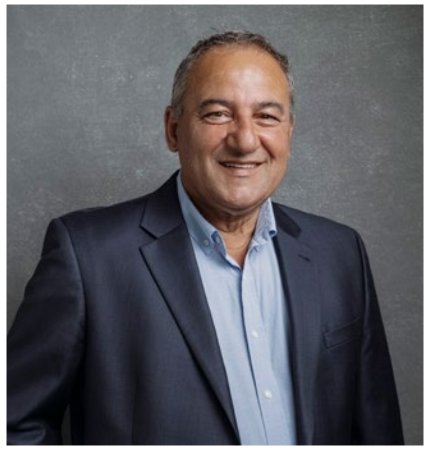
The achievements of 2025 were only possible through the dedication, professionalism and resilience of our people. Together, we have built a stronger platform for the future, and together we will continue advancing with confidence, ambition and purpose.

Yours faithfully,

Charles Scerri
Chairman

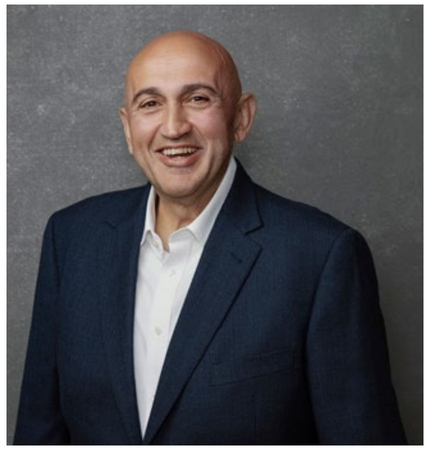
The Convenience Shop (Holding) plc

Board of Directors



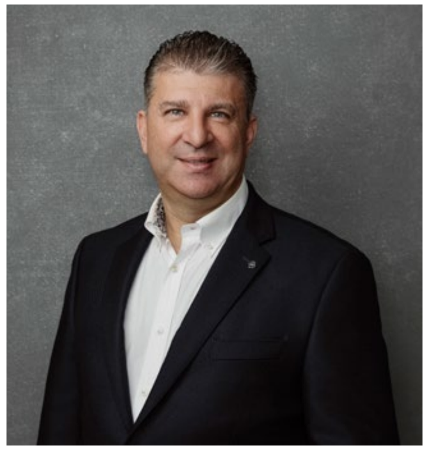
Charles Scerri
(Chairman)

Charles Scerri is a Certified Public Accountant and Registered Auditor, as well as a Fellow of the Malta Institute of Accountants. With a career spanning senior executive roles across banking, finance, auditing, manufacturing, and hospitality, Charles established CSA Group in 1995. Under his leadership, the firm has grown into a multidisciplinary practice employing over 95 professionals.



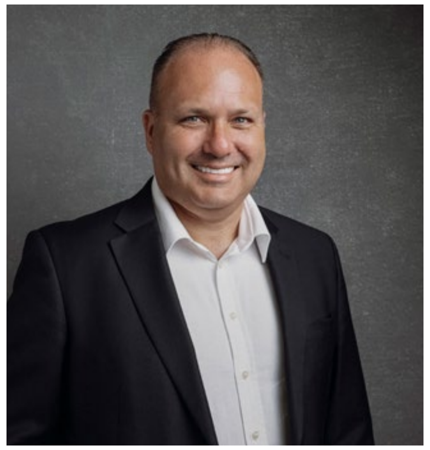
Joseph Pace
(Executive Director)

Joseph Pace brings over 23 years of experience in the fast-moving consumer goods (FMCG) sector. He began his career as the owner of JPS Supermarket in 2001 and has since built a solid track record in day-to-day operational management. He also serves as Director of Marant Food Products Limited, where he oversees financial and operational matters, demonstrating strong business and financial acumen.



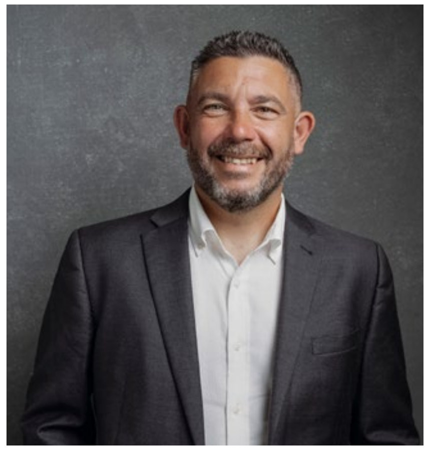
Ivan Calleja
(Director)

Ivan Calleja has been a driving force behind the Group since its inception, playing a key role in shaping its operational strategy within the FMCG sector. He is responsible for stakeholder relations, liaising with shareholders, business partners, and public authorities. Ivan also serves as a primary liaison between the Board and the wider management team, and he actively represents the Group in high-profile CSR initiatives.



Patrick Hall
(Director)

Patrick Hall holds a degree in Business Administration from Henley Business School (UK) and is the founder of a consultancy firm serving both local and international clients. His experience spans IT, business services, and hospitality. He currently serves as a business administrator for a cloud and data center company and as a systems analyst on a university-led AI development project. Patrick is also a co-founder of several successful restaurant and cafeteria ventures.



Manuel Piscopo
(Director)

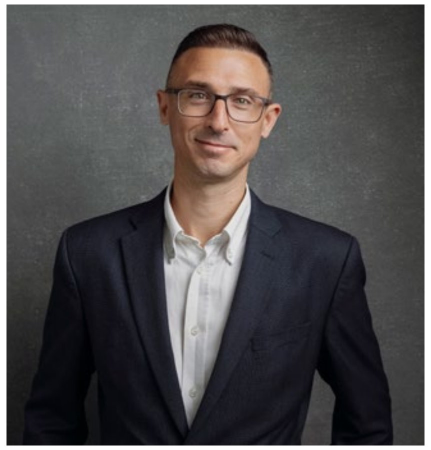
Manuel Piscopo has been part of The Convenience Shop Group since 2005, initially as owner and manager of the Safi and Mqabba outlets. Following the Group's restructuring in 2018, he assumed roles as shareholder and manager across several entities within the Group. Since 2014, he has served as Head of New Outlets and Maintenance, leading the implementation and monitoring of Group operational standards across all retail locations.

Dr Maria P. Deguara
(Non-Executive Director)

Dr Maria P. Deguara is a warranted lawyer with over fifteen years of experience in the commercial sector, bringing substantial expertise and a comprehensive understanding of business operations. In her roles within the Company, Dr Deguara will provide valuable strategic oversight and contribute to the Company's strong governance framework, ensuring continuity and supporting the long-term objectives of the Company.

Richard Deschrijver
(Company Secretary)

Dr Richard Deschrijver has served as Company Secretary of the Group since July 2018. A lawyer by profession, Dr Deschrijver specialises in corporate and commercial law, with particular expertise in mergers and acquisitions (M&A). His experience includes advising clients on complex local and cross-border transactions, corporate restructurings, and M&A transactions across a broad range of industries. In his capacity as Company Secretary, Dr Deschrijver advises the Group



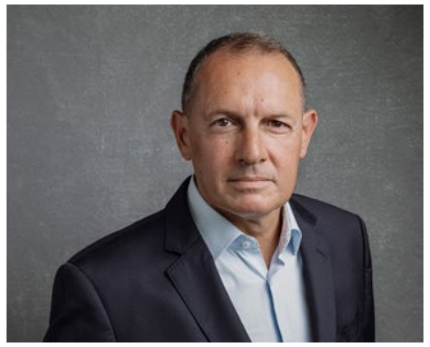
Andrew Attard – Executive Assistant to the Board of Directors

Andrew Attard joined The Convenience Shop Group in 2015, bringing significant experience in catering, hospitality, and retail from both local and international brands. As Executive Assistant, he supports the Board of Directors and ensures an efficient working environment across the organisation. He also leads the Group's CSR efforts and is a key driver of workplace engagement and continuous improvement initiatives.

Deloitte.

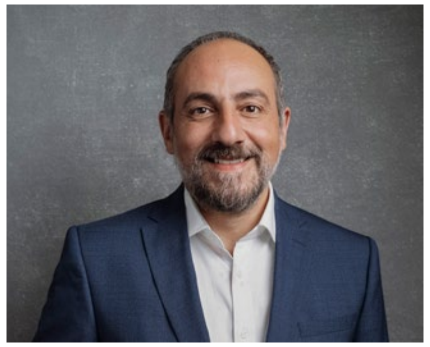
In January 2024, the Company appointed Deloitte Malta to provide assistance in connection with the Internal Audit function, which was previously managed by the Group internally. This strategic decision to outsource the internal audit function was made to enhance the independence and technical depth of the audit process, while also benefiting from Deloitte's specialised expertise and broader industry insights.

Executive Team



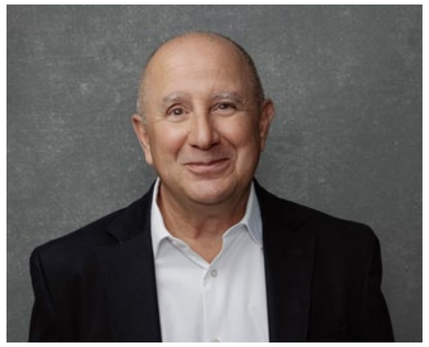
David Tabone –
Chief Executive Officer

David Tabone brings over 20 years of local and international experience in the fast-moving consumer goods (FMCG) and hospitality sectors. Prior to joining the Group, he served as CEO of a leading FMCG company in Cyprus, where he received recognition from Forbes and other international bodies. He also held the role of Senior Sales & Brand Manager at Malta's foremost FMCG distributor. David holds a degree in Hospitality Management from the Institute of Tourism Studies in Malta.



Ramon Falzon –
Chief Financial Officer

Ramon Falzon is an experienced finance executive with over 20 years' local and international experience having held senior executive roles within large multinational and diversified groups. He holds a Bachelor of Commerce degree and a Masters in Accountancy from the University of Malta. Ramon is a certified public accountant in Malta and is a member of the Malta Institute of Accountants, Member of the Institute of Public Accountants Australia and Member of the Australian Institute of Company Directors.

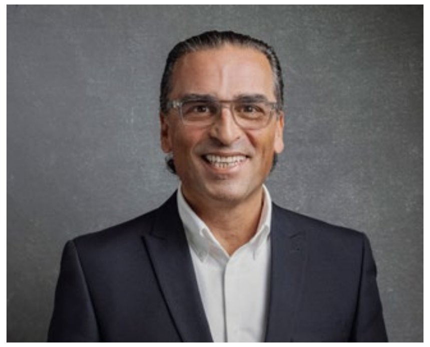


David Tortell –
Chief Commercial Officer

David Tortell has over 32 years of experience in the FMCG industry, having held leadership roles in sales and marketing. He previously served as Chief Sales and Marketing Officer at Malta's leading FMCG distributor, where he played a key role in driving local and international growth initiatives. David joined the industry in 1989 and is an alumnus of De La Salle College.

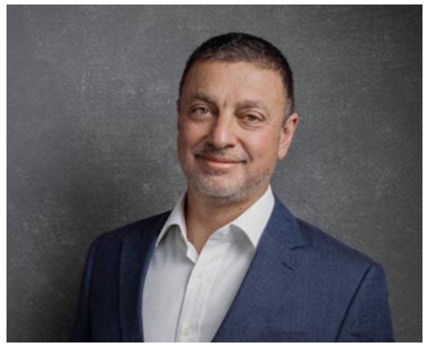
Ewa Tokarska –
Chief People Officer

Ewa Tokarska brings over 15 years of international experience across IT, e-commerce, financial services and retail sectors. Prior to joining the Group, she held senior HR leadership roles within multinational and private equity-backed organisations, leading business transformation, talent strategies and M&A integrations. Ewa has supported organisations through periods of rapid growth and change while building high-performing teams and strong workplace cultures. She holds a Master's degree in Psychology and an MBA



Pierre Mizzi –
Chief Marketing Officer

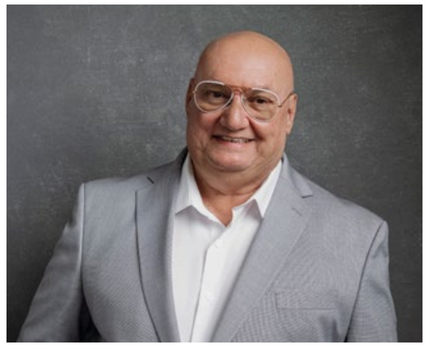
Pierre Mizzi brings more than 30 years of experience in marketing communications, branding, and digital innovation. In 1995, he founded one of Malta's first digital agencies, pioneering online solutions for local businesses. His ventures later expanded into branding, commercial interiors and product design. In 2019, Pierre joined a leading real estate group as CMO, supporting its growth from seven branches to thirty. He holds an MBA from MCAST, in partnership with Haaga-Helia University of Applied Sciences.



Adrian Zammit –
Chief Technology Officer

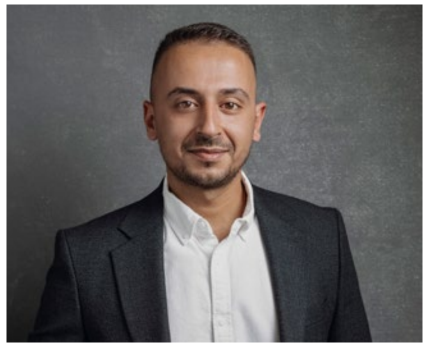
Adrian Zammit joined The Convenience Shop Group in 2019 and leads the Group's digital transformation and IT strategy. He previously worked as a Systems Developer in the beverage production industry and brings deep expertise in ERP implementation, database administration, data analysis, and software development. Adrian oversees the Group's IT and security infrastructure, supporting ongoing innovation and operational efficiency.

Managers



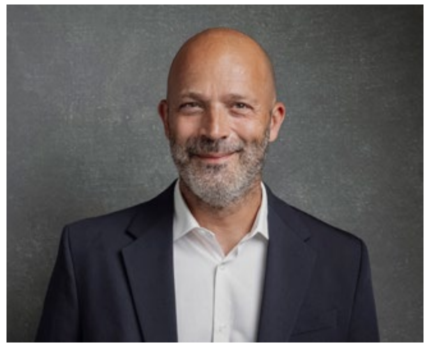
Joe Camilleri –
Head of Security

Joe Camilleri has been a professional security officer since 1995, gaining vast experience in various sectors including manufacturing, security transport and national Government. He is certified in all the main categories of professional security services, including close protection, and has the necessary certifications to provide First Aid support. Joe is responsible for all security related issues across Convenience Shop properties, including our shops, offices and stores.



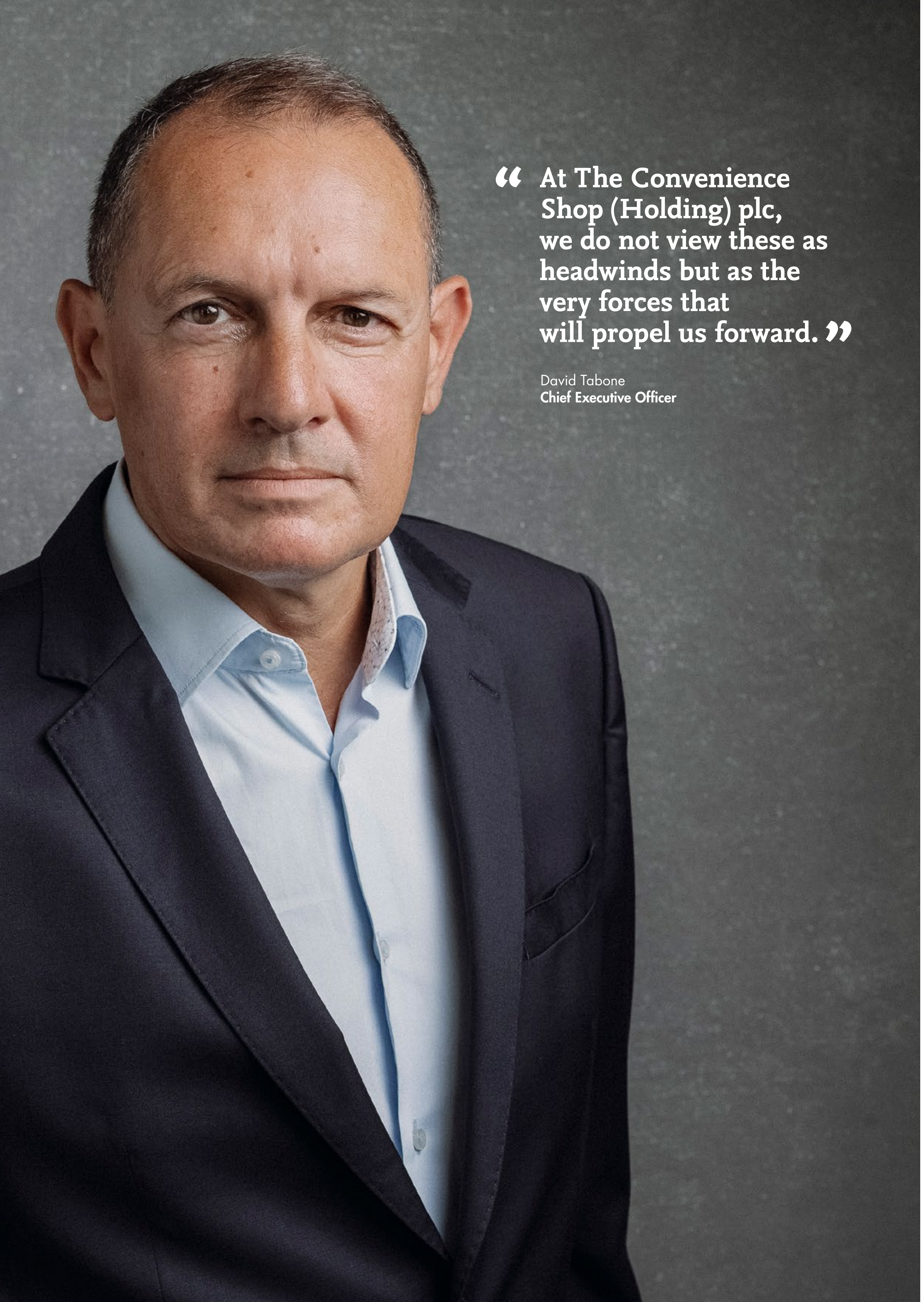
Jonathan Saliba –
Retail Operations Manager

Jonathan Saliba joined The Convenience Shop in 2017, working his way up from Shop Manager to lead the retail operations of the Group's outlets. Prior to joining the company, he had gained relevant experience working with prominent FMCG suppliers, giving him valuable insight into the supplier side of the business. Jonathan is currently finishing his final year of his Master's degree in Business Administration Management (MBA) in Retail Management, at The Malta College of Arts, Science & Technology (MCAST).



Clint Caruana –
Franchise Development Manager

Clint Caruana joined The Convenience Shop Group in 2023 as a Franchise Development Manager. He brings with him over a decade of industry experience in retail management in the United Kingdom and franchise operations in Malta. Clint is responsible for overseeing the development and support of the Group's franchise network. His role focuses on ensuring that franchisees receive the necessary operational, marketing and logistical support to maintain consistent brand standards and deliver a quality customer experience across all locations.



CEO's Report

The Convenience Shop (Holding) plc Annual General Meeting 2026

Dear Shareholders, Colleagues, and Stakeholders,

It is a privilege to address you today as we gather for our Annual General Meeting. While the Chairman and CFO have provided a clear assessment of our performance over the past year, including the successful launch of our new brand architecture, the introduction of our mobile app and loyalty programme, the major workforce transition, and our 14% turnover growth to €53.0 million, my focus is firmly on what lies ahead. We stand at the threshold of a transformative period, one defined not by the challenges we have tackled head on, but by the opportunities we are determined to seize.

A Vision for Profitable, Long-Term Growth

Our retail industry is undergoing profound change driven by technological acceleration, evolving customer expectations, and regulatory shifts. At The Convenience Shop (Holding) plc, we do not view these as headwinds but as the very forces that will propel us forward. Building on the strong foundations laid in 2025, our strategy is built on three interconnected pillars that will define our next chapter:

1. Innovation at Scale

We have established a revitalised brand portfolio with MyConvenience and MySupermarket, alongside our new mobile application and loyalty programme. Over the coming years, we will accelerate further investment in digital capabilities, data analytics, and store innovation to deliver even more personalised and seamless shopping experiences. Our goal is to lead Malta's convenience retail sector by anticipating customer needs and setting new standards in convenience, freshness, and value.

2. Operational Excellence and Resilience

We will optimise our network of 101 stores across Malta, using advanced data analytics on the wealth of data we collect thanks to the over 14 million transactions registered in our outlets every year.

This enables us to drive efficiency, reduce costs, and strengthen our relationships with suppliers. In 2026 we plan to open 10-12 new outlets and refurbish a significant portion of the existing outlets. This will enhance our competitive advantage, improve operational resilience, and deliver consistent and enduring value for our shareholders.

3. Talent and Culture as Our Greatest Differentiator

None of this ambition is achievable without the extraordinary people who make The Convenience Shop (Holding) plc what it is. Following our successful transition to direct employment and comprehensive training programmes, we will deepen our investment in developing our team, embrace diversity, and promote an inclusive culture where bold ideas thrive. Our people are the architects of our future, and we are committed to creating an environment where they can do their best work every single day.

The Opportunity Ahead

Malta's convenience retail sector continues to expand, supported by tourism growth, changing consumer lifestyles, and strong demand for accessible, high quality everyday shopping. With our 101 stores, our modernised platform and revitalised brands, we are exceptionally well positioned to capture a growing share. With the opening of a further 10 to 12 new stores this year, we will bring our network to approximately 111-113 outlets, alongside a comprehensive refurbishment programme for existing locations and accelerated digital adoption. The early momentum from our 2025 initiatives gives us strong confidence that our strategy is already delivering results and will accelerate in the years ahead.

Of course, we approach this future with realism. Geopolitical uncertainties, macroeconomic volatility, and competitive pressures will test us. Yet our strong balance sheet, disciplined capital allocation, and proven ability to execute, position us to not only weather these conditions but to emerge stronger. We will remain agile and ready to adapt where necessary, while staying relentlessly focused on our long term vision.

A Shared Journey

This is more than a business strategy, it is a collective undertaking. I would like to thank our employees for their dedication and creativity throughout our transformation. I am grateful to our customers and partners for their trust and collaboration, and you, our shareholders, thank you for your support which enables us to think and act with the long term in mind. Together, we are building an enduring company that delivers superior returns while making a meaningful difference in the communities we serve.

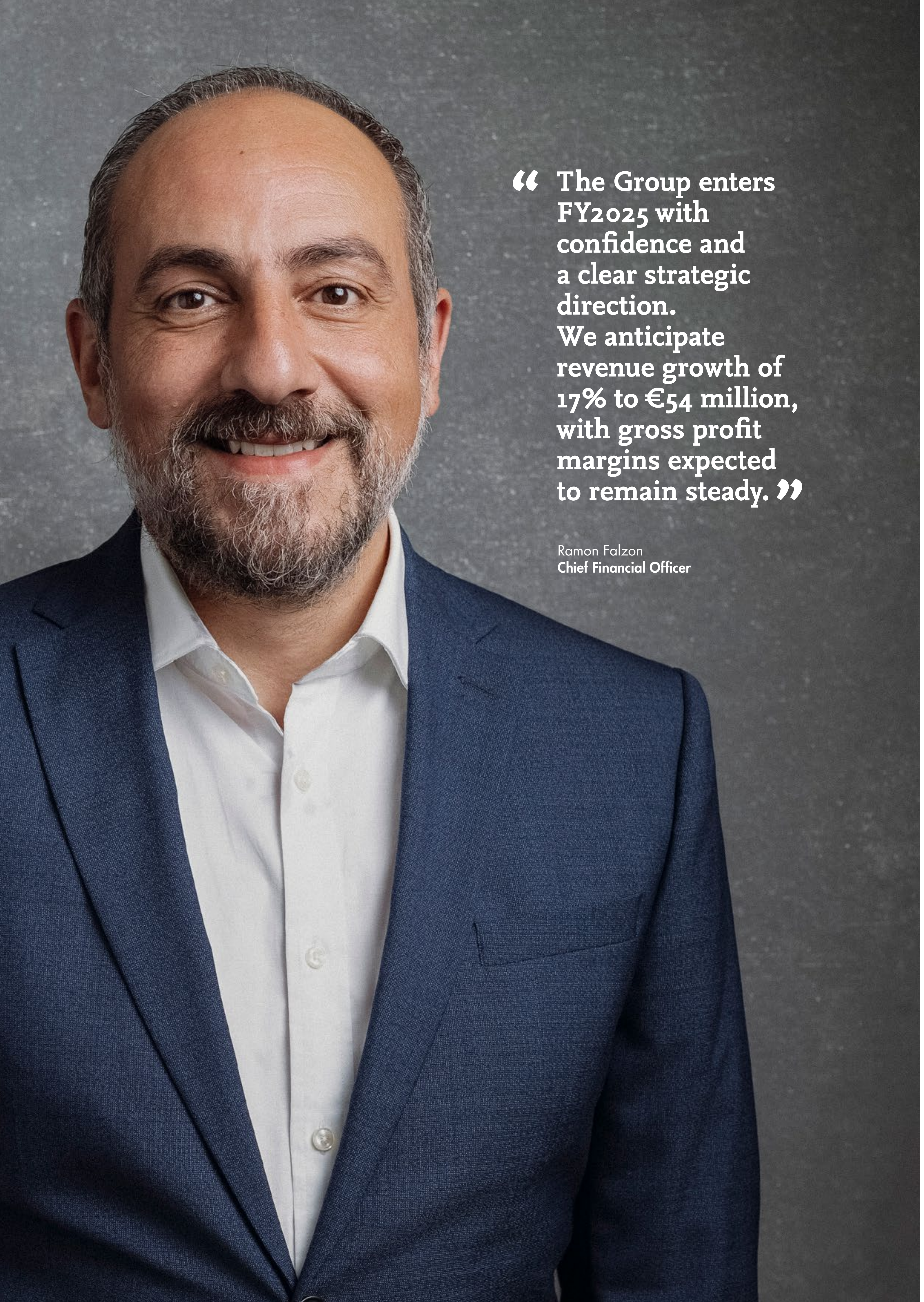
I am genuinely excited about what we will achieve in the years ahead. The best chapters of The Convenience Shop (Holding) plc are still being written and we have every intention of making them our most impactful yet.

Thank you for your continued belief in our company.

Sincerely,

David Tabone
Chief Executive Officer

The Convenience Shop (Holding) plc



Chief Financial Officer’s Review

Having joined My Group as Chief Financial Officer in April 2026, I have had the opportunity to undertake a comprehensive review of the Group’s financial performance, operating model and strategic priorities. My assessment confirms that 2025 was a year of significant investment and transformation, during which important foundations were established to support the Group’s continued development.

The financial results for the year should be viewed within the context of a deliberate investment cycle characterised by substantial expenditure on people, brand development, technology and operational infrastructure. Whilst these investments had a temporary impact on profitability, they have significantly strengthened the Group’s long-term capabilities and competitive position.

Financial Performance

The Group delivered a strong revenue performance during 2025, with turnover increasing by 14% to €53.0 million compared to €46.4 million in the previous year. This growth was achieved despite heightened competition within the retail sector and ongoing cost increases across the broader economy.

Gross profit increased to €6.0 million, reflecting the resilience of the Group’s business model, the strength of its retail network and the continued loyalty of its customer base.

Profit before taxation amounted to €1.1 million, compared to €1.6 million in 2024. This reduction should be viewed against a backdrop of deliberate strategic investment. During the year, the Group completed the transition of all subcontracted staff into direct employment, implemented extensive training programmes, launched its major rebranding initiative and introduced both a proprietary mobile application and a new loyalty programme.

These initiatives enhanced the Group’s organisational capability and created a stronger platform for future growth.

Financial Position

The Group’s financial position remained strong throughout the year, with total assets increasing to €49.7 million as at 31 December 2025, compared to €41.8 million in the previous year. This growth reflects continued investment in the Group’s retail network, operational infrastructure and technology platforms.

Property, plant and equipment increased following a record year of capital expenditure, while inventories and receivables grew in line with higher trading activity and network expansion.

Total equity stood at €9.6 million at year end. Net borrowings, excluding lease liabilities recognised under IFRS 16, increased to €8.3 million as the Group continued to fund strategic investments and expansion projects. Despite this increase, leverage remains at prudent levels and reflects a balanced approach to financing long-term growth opportunities.

Cash Flow and Capital Allocation

The Group continued to generate strong operating cash flows, with net cash generated from operating activities amounting to €3.6 million during the year.

Capital expenditure reached a record €2.4 million, supporting new store developments, refurbishments, operational improvements and digital initiatives. At the same time, the Group maintained its commitment to shareholder returns through the payment of dividends while continuing to invest for future growth.

Conclusion

Beyond the financial metrics, 2025 represented an important period of organisational development. The successful introduction of the MyConvenience and MySupermarket brands, together with significant investments in people, technology and customer engagement, have strengthened the Group’s market position and operational capabilities.

Having reviewed these initiatives in detail since joining the organisation, I am encouraged by both the quality of the investments made and the disciplined manner in which they have been executed.

I would like to express my appreciation to the Board of Directors, the executive leadership team and all employees across the Group for their dedication and contribution throughout a year of significant transformation. Their efforts have strengthened the foundations of the business and reinforced its ability to create sustainable value for shareholders and stakeholders alike.

Ramon Falzon
Chief Financial Officer

The Convenience Shop (Holding) plc

The Convenience Shop (Holding plc)

DIRECTORS' REPORT

The Directors present their annual financial report and the audited financial statements of The Convenience Shop (Holding) plc ("the Company" or "the Parent Company") and the audited consolidated financial statements of the Company and its subsidiaries (collectively, "the Group") for the year ended 31 December 2025.

Directors

The Directors who served during the year were as follows:

Charles Scerri (Chairman)

Ivan Calleja

Joseph Pace

Manuel Piscopo

Patrick Hall

Richard J. Saliba (deceased on 2 August 2025)

Maria P. Deguara (appointed on 17 October 2025)

The directors are deeply saddened by the passing of Mr Richard Saliba on 2 August 2025, who served on our Board with great dedication and integrity. We honour his memory with gratitude for his invaluable contributions. Dr Maria P. Deguara was co-opted as director of the Company to replace Mr Saliba.

Overview

The Convenience Shop (Holding) plc was incorporated on 26 July 2018 as the Parent Company and the finance arm of The Convenience Shop Group. The Group, of which the Company is the parent, consists of the entities as detailed below.

- The Convenience Shop Limited (C 87556)
- The Convenience Shop (Management) Limited (C 87711)
- Daily Retail Challenges Limited (C 79662)
- Aynic & Co. Limited (C 74750)
- Seafront Express Limited (C 73435)
- The Convenience Shop for Puttinu Cares Limited (C 90748)

In 2019, the Company announced the offer of €5,000,000 5% unsecured bonds callable 2026-2029, issued in terms of the Company Admission Document dated the 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. The funds were utilised for the acquisition of going concern businesses, to repay balances due to shareholders and to finance new shop openings.

Restructuring and Initial Public Offering (IPO)

On 25 January 2023, the Malta Financial Services Authority authorised the admissibility to listing on the Official List of the Malta Stock Exchange of 7,700,000 ordinary shares of a nominal value of €0.16 each at an issue price of €0.97 per share, representing 25% of the Company's issued share capital (the "Shares"). The Shares were issued to the public in accordance with the requirements of the Maltese Companies Act Cap. 386 and the Capital Markets Rules of the Malta Financial Services Authority. The Shares have been admitted to the official list of the Malta Stock Exchange on 10 May 2023 and trading commenced on 11 May 2023.

Principal activities

The principal activity of the Group is to operate and franchise grocery stores in the fast-moving consumer goods ('FMCG') industry. Through its subsidiaries, the Company manages a chain of retail outlets under a new brand identity, the MyConvenience and the MySupermarket brands in various locations across Malta and Gozo with a shop count of 49 owned shops and 54 franchised shops as at 31 December 2025. The Group, through another subsidiary, also enters into franchise agreements with franchisees, thereby granting the right to use and operate under the MyConvenience brand.

Review of the business

Trading performance

The Group delivered a strong sales performance in 2025 within a highly competitive FMCG retail environment, marked by sustained high inflation and intensified pricing pressures. Group turnover increased by 14% to €53.0 million (2024: €46.4 million).

Gross profit for the year ended 31 December 2025 was €6.0 million (2024: €5.9 million), while profit before tax was €1.1 million (2024: €1.6 million). Adjusted for the impact of IFRS 16 Leases, Group EBITDA stood at €3.2 million (2024: €3.3 million).

The reduction in profitability primarily reflects deliberate and substantial investments in the Group's long-term operating capability, particularly in strengthening its workforce and brand platform, as part of a clear expansion strategy. Under new leadership, the Group successfully transitioned the entire pool of subcontracted staff to direct employees. This strategic move, combined with a comprehensive training programme across the entire workforce, has created a more engaged, skilled and loyal team that forms a solid foundation for scaleable growth.

These initiatives, while increasing labour costs in an already tight and competitive labour market, were implemented in parallel with a major rebranding exercise, the launch of a proprietary mobile app and a new loyalty scheme. Marketing expenditure rose accordingly to support these activities. In addition, planning delays on two large supermarket projects resulted in trained teams being in place ahead of opening, temporarily impacting cost absorption.

Despite these transitional pressures, the underlying fundamentals of the business remain exceptionally strong. The 14% increase in sales alongside resilient gross margins clearly demonstrates the enduring appeal of the Group's offer and the effectiveness of its operational discipline. The investments made during 2025 have significantly enhanced the Group's capacity and readiness to execute its expansion programme seamlessly. With the new outlets now opening and the strengthened team and brand platform in place, the Group is well positioned to deliver improved performance, higher returns and sustainable value creation for shareholders in the year ahead and beyond.

Financial position

The Group's total assets as at 31 December 2025 amounted to €49.7 million, compared to €41.8 million as at 31 December 2024, reflecting continued investment in the Group's asset base and operational infrastructure.

In terms of liquidity, the Group maintained a solid position, with cash and cash equivalents of €0.8 million as at 31 December 2025 (2024: €1.9 million). The Group generated net cash flows from operating activities of €3.6 million (2024: €5.3 million), which were primarily utilised to fund capital expenditure on property, plant and equipment and intangible assets aimed at enhancing the in-store customer experience and supporting overall operational capabilities. During the year, the Group also distributed dividends of €1.0 million (2024: €1.4 million).

The Group's net borrowings (excluding lease liabilities recognised under IFRS 16) amounted to €8.3 million as at 31 December 2025 (2024: €6.8 million), while total equity stood at €9.6 million (2024: €9.7 million). The debt-to-equity ratio increased to 0.86 (2024: 0.70), primarily reflecting higher borrowing levels alongside a marginally lower equity base.

Investments

In 2025, the Group continued to execute its investment strategy, with capital expenditure in property, plant and equipment reaching a record €2.4 million, compared to €1.9 million in 2024.

This reflects the Group's ongoing commitment to expanding and upgrading its retail network and supporting long-term growth.

During the year, investment activity was undertaken against a backdrop of continued economic expansion in Malta, with GDP growth remaining robust and supported by strong domestic consumption and tourism flows. At the same time, the retail environment remained influenced by persistent inflationary pressures, which continued to impact consumer purchasing behaviour and operating costs.

In response to these market dynamics, the Group prioritised investments aimed at improving operational resilience and efficiency. This included the ongoing refurbishment of outlets and optimisation of store layouts, to mitigate cost pressures and enhance sustainability across the network.

The Group also continued to invest in digitalisation and internal systems during the year, strengthening its technological and human resource platforms to improve data integration, streamline processes, and support a growing workforce in a tight labour market characterised by continued wage pressures within the retail sector.

These initiatives are aligned with the Group's strategic focus on maintaining a modern, efficient, and customer-centric retail offering, while ensuring that its infrastructure and systems remain scalable and responsive to evolving market conditions.

Outlook for 2026 and events subsequent to the financial reporting date

As we enter 2026, the Group is well positioned to deliver a step change in performance following the structural investments made in 2025. The successful transition to a directly employed and highly trained workforce, combined with our enhanced brand presence, proprietary mobile app and new loyalty scheme, has created a strong platform for accelerated growth and improved profitability.

We expect Group turnover to increase to €58.3 million in 2026, reflecting the contribution from new outlets that are now opening, together with continued like-for-like sales momentum driven by our strengthened customer offering and loyalty initiatives. This represents a further solid advancement on the 14% growth achieved in 2025 and underscores the underlying strength and resilience of the business in a competitive FMCG retail landscape.

Gross profit is projected to rise significantly to €7.9 million, while profit before tax is anticipated to increase to €2.1 million. Group EBITDA, after adjustment for the impact of IFRS 16 Leases, is expected to reach €4.3 million. These improvements demonstrate the successful conversion of our strategic investments into enhanced operational efficiency, better cost absorption and stronger bottom-line performance as the expanded store network matures.

On 28 February 2026, geopolitical tensions in the Middle East escalated following airstrikes by the United States and Israel on Iran and subsequent retaliatory actions by Iran. These developments have contributed to increased volatility in global energy markets and may lead to disruptions in international supply chains.

The Group does not have direct operations in the affected regions. However, the Group may be indirectly impacted through increased costs of energy, transportation and goods for resale, as well as potential changes in consumer demand.

Given the evolving nature of the situation and the uncertainty regarding its duration and broader economic effects, management is unable at this stage to reliably estimate the financial impact, if any, on the Group's operations or financial position.

The competitive environment remains dynamic, with ongoing activity from both incumbent players and new entrants. However, our more engaged and skilled team, modernised brand identity and digital capabilities position us to capture additional market share and deliver superior customer experiences. We will continue to focus on disciplined execution, operational excellence and selective further expansion to drive sustainable value creation.

We look to the year ahead with confidence. With the heavy lifting of restructuring and brand investment now largely complete, the Group enters a phase of realisation where improved sales leverage, margin discipline and cost efficiencies are expected to translate into meaningfully higher returns for shareholders.

Financial risk management

The Group and the Parent Company are exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as disclosed in Note 28 to the financial statements.

Principal risks and uncertainties

The Group continues to conduct its operations with due consideration of risk, with the objective of maintaining a sound financial position while remaining responsive to market developments and business opportunities. The Group monitors its exposure to key financial and operational risks arising in the normal course of business.

The Group's exposure to currency risk is limited, as the majority of purchases, operating expenses and revenues are denominated in euro. Credit risk is considered low, as sales are mainly settled at the point of sale by cash or card, and the Group maintains long-standing relationships with its suppliers while complying with agreed credit terms.

Liquidity and working capital are managed prudently to ensure sufficient stock levels and adequate liquidity to meet obligations as they fall due.

The Group is exposed to inflationary pressures, particularly in relation to the cost of goods, transportation, energy and labour, including employee wages. These cost increases are monitored and, where appropriate, addressed through pricing adjustments and cost management measures. Sustained inflation may impact margins and consumer demand.

In 2025, the Group has operated in an environment of heightened geopolitical uncertainty, including the ongoing Russia–Ukraine conflict. This has contributed to increased market volatility and potential fluctuations in customer demand, as well as possible disruptions to global supply chains, including logistics delays and variability in input costs. The Group continues to monitor these developments and take appropriate actions as required.

Other than the risks outlined above, the Board of Directors does not consider that there have been any material changes to the risks previously identified in the Prospectus relating to the Company's IPO.

Statement of directors' responsibilities for the financial statements

Dividend policy and dividend distribution

The statements of comprehensive income and statements of financial position are set out on pages 34 to 36. As at 31 December 2025, the Group's retained earnings amounted to €3,151,310 (2024: €3,262,886) whilst the Company's retained earnings amounted to €616,753 (2024: €985,623).

As noted in the IPO registration document, the Company's Board of Directors has implemented a policy to recommend a dividend distribution of 55% of the recurring free cash flow on an annual basis, subject to statutory requirements and availability of profits for distribution.

During the Company's annual general meeting held on the 1st July 2025, the shareholders of the Company approved the declaration and payment of a final net dividend of €739,200, equivalent to €0.024 per ordinary share out of prior year profits. On 29 August 2025, the Board declared a net interim dividend of €308,000, equivalent to €0.01 per ordinary share, which dividend was paid on 30 September 2025. The Board is now proposing the payment of a final net dividend of €0.024 per ordinary share, for consideration at the forthcoming Annual General Meeting.

The directors are required by the Maltese Companies Act, Cap. 386 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 financial year and of the profit or loss for that year.

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 (IFRS Accounting Standards) as adopted by the European Union (EU);
- Selecting appropriate accounting policies and applying them consistently;
- Making judgements and accounting estimates that are reasonable and prudent;
- Accounting for income and charges relating to the accounting period on the accrual basis;
- valuing separately the components of asset and liability items; and
- 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 responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and which enable the directors to ensure that the financial statements are free from material misstatement, whether due to fraud or error, and that they comply with the Maltese Companies Act, Cap. 386. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 The Convenience Shop (Holding) plc for the year ended 31 December 2025 are included in the Annual Report 2025, which is available 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.

Additionally, 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 European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (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
- for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic format.

Statement of responsibility pursuant to the Capital Market Rules issued by MFSA

We confirm that to the best of our knowledge:

- In accordance with Capital Market Rule 5.68, the financial statements give a true and fair view of the financial position of the Group and the Parent Company as at 31 December 2025, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting

Standards (IFRS Accounting Standards) as adopted by the European Union (EU); and

- In accordance with the Capital Market Rules, the Directors' 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

As at 31 December 2025, total assets exceeded total liabilities by €9.6 million. The Group reported a net current liability position, mainly attributable to an increase in trade and other payables to third-party suppliers at the reporting date. Management has assessed the Group's forecast and is satisfied that the Group will be able to meet its obligations as they fall due for the foreseeable future.

The Directors, at the time of approving the financial statements, have determined that there is 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. Reference is made to the outlook, as explained earlier on, for the financial year ending 31 December 2026 and events occurring after the statement of financial position date.

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

Shareholders register information pursuant to Capital Markets Rule 5.64

The authorised share capital is one hundred million Euro (€100,000,000) divided into six hundred and twenty-five million (625,000,000) Ordinary Shares of sixteen Euro cent (€0.16) each. The issued share capital of the Company is four million nine hundred and twenty-eight thousand Euro (€4,928,000) divided into thirty million eight hundred thousand (30,800,000) Ordinary Shares of sixteen Euro cent (€0.16) each, which shares have all been subscribed and paid up. All ordinary shares in the Company (whatever their class and nominal value) shall rank pari passu for all intents and purposes of law. The Share capital information of the Company is also disclosed in Note 18 of the financial statements.

For the purposes of Rule 5.176 of the Capital Markets Rules, each of IC Holdings Limited, JMP Holdings Limited, MPH Malta Limited and GAIA Investments Limited hold 18.75% of the shareholding in the Company, and Calamatta Cuschieri Investment Services Limited (in its own name and/or for the benefit of its clients) holds 5,470,987 shares in the Company, representing 17.76% of the Company's total issued share capital. In terms of Capital Markets Rule 5.64.2, trading restrictions include the high volume investors lock-in period, representing the period of twelve (12) months from the date when any discounted Sale Shares are allotted to high volume investors within which the said high volume investors who have so been allotted the discounted sale shares undertake not to offer, sell, grant any option, right or warrant to purchase over or otherwise transfer, assign or dispose of, any of the discounted sale shares in the Company allotted to them in terms of the IPO. Moreover, the main shareholders of the Company IC Holdings Limited, JMP Holdings Limited, MPH Malta Limited and GAIA Investments Limited are collectively subject to the Lock-In Agreement.

On 12 December 2022, the Company and each of the Locked-In Shareholders entered into a Lock-In Agreement pursuant to which the Locked-In Shareholders undertook, for a period of twenty-four (24) months from the date when the Shares are admitted to listing on the Official List, not to offer, sell, grant any option, right or warrant to purchase over or otherwise transfer, assign or dispose of, any of the Share in the Company retained by them as at the date on which, following closing of the Offers in terms of the Prospectus, the transfer of the Sale Shares in terms of the Sale Shares Offer shall have been affected (the 'Lock-In').

Powers of the Board Members Pursuant to Capital Markets Rule 5.64.9

The rules governing the appointment, election or removal of Directors are contained in the Company's Articles of Association, Articles 15.1 to 15.8. The powers and duties of the Directors are outlined in Articles 15.9 to 15.31 of the Company's Articles of Association.

Save as otherwise disclosed herein, the provisions of Capital Markets Rules 5.64.4 to 5.64.7, 5.64.10 and 5.64.11 are not applicable to the Company.

Disclosure of Material Contracts Pursuant to Capital Markets Rule 5.70.1

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

Company Secretary and Registered Office of the Company Pursuant to Capital Markets Rule 5.70.2

Richard Deschrijver
8, TCS Building,
Triq Ħal Luqa,
Qormi QRM 9072,
Malta

Remuneration report

The Remuneration report is set out on pages 30 to 32 of this Annual Financial Report and sets out details of the Remuneration strategy and policy of the Group. The Remuneration Report also sets out the required details of the remuneration paid to directors and senior executives. The Remuneration Report will be subject to a vote by the Shareholders at the forthcoming Annual General Meeting. 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.

Auditor

RSM Malta have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Signed on behalf of the company's Board of Directors on 30 April 2026 by Charles Scerri (Chairman) and Manuel Piscopo (Executive Director) as per the Directors Declaration on ESEF Annual report submitted in conjunction with the Annual Financial Report 2025.

Registered address:
8, TCS Building

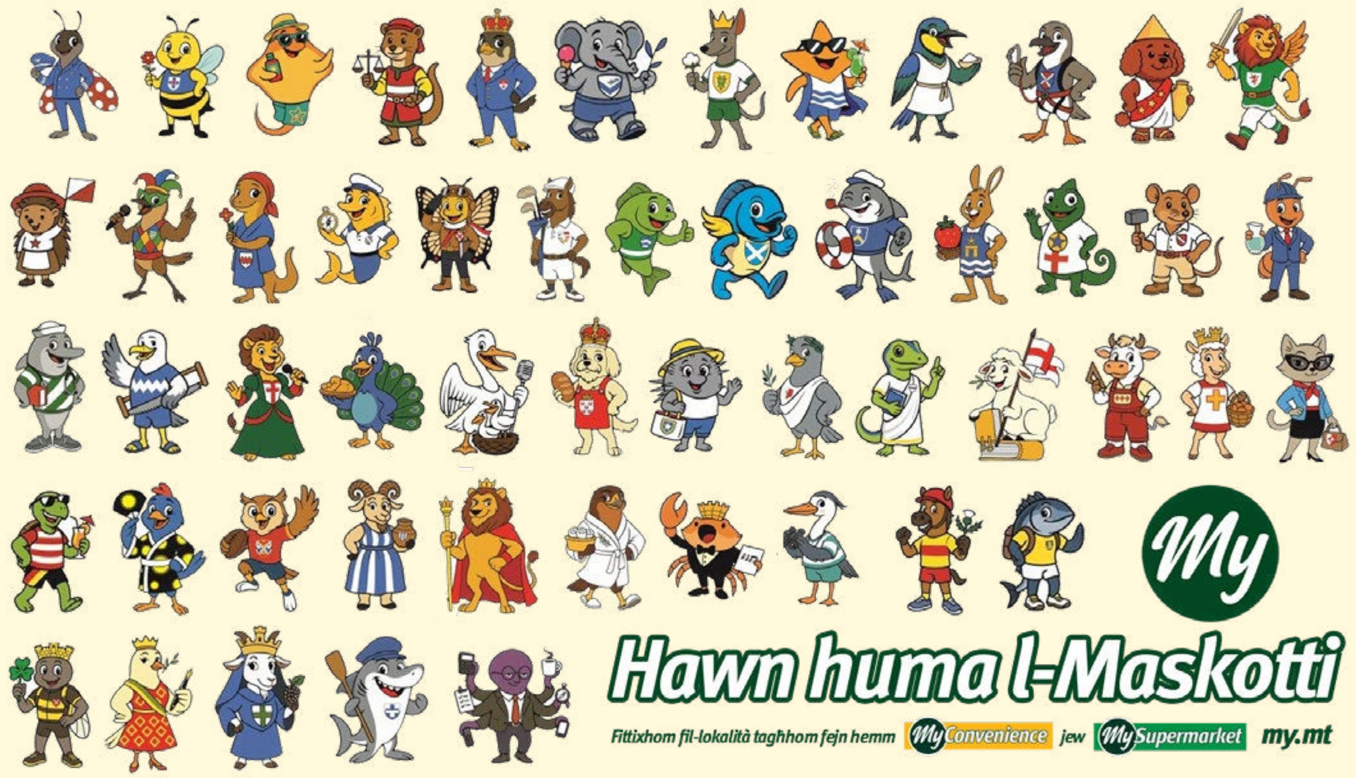
Triq Ħal Luqa
Qormi QRM 9072
Malta

30 April 2026

The Convenience Shop (Holding plc)

BUILDING THE FUTURE OF RETAIL: THE MYCONVENIENCE AND MYSUPERMARKET TRANSFORMATION

The creation of the "My" brand family and the change from The Convenience Shop to MyConvenience and MySupermarket, marks one of the most significant milestones in our Group's history. While the new branding communicates a fresh visual identity to customers across Malta and Gozo, the changes go much deeper than just a name change as it involves every department in the organisation.



This transformation process is the direct result of a program that has been developing for more than a year under the direction of CEO David Tabone, the Board of Directors, and the senior management team. It began with customer research and strategic planning aimed at identifying how consumer expectations are changing. The findings were clear that customers increasingly wanted better value, more product choices, improved shopping environments, and more personalized experiences.

In response, last October, we launched a transformation built on the foundations that have made us Malta's largest retail network. This momentum has continued into the new financial year, with the Group expanding its presence through several new openings.

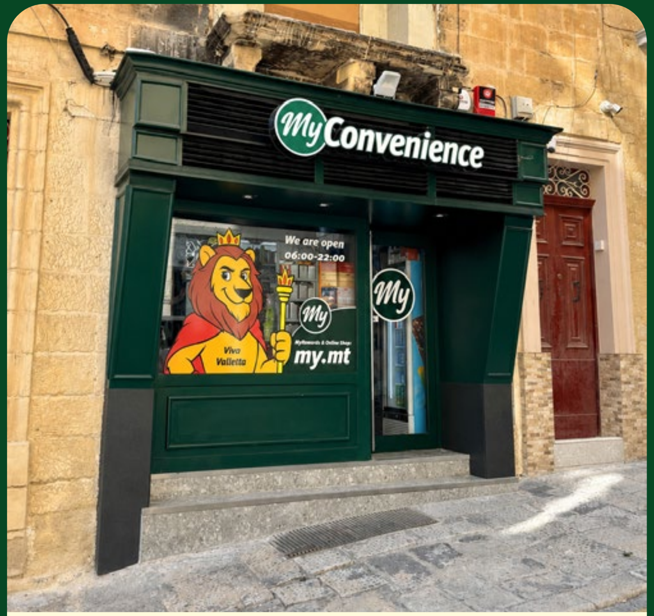
NEW OPENINGS:

We have opened new MyConvenience outlets in San Ġwann, Swieqi, Verdala Rabat, Mqabba, Paola Square, Victoria – Gozo, two in Valletta and two in Fleur de Lys - Birkirkara. Offering additional food-to-go options, two new MyConvenience Plus outlets, were opened - one on the Gżira seafront and another at Avenue 77 in Central Business District - Mriehel.

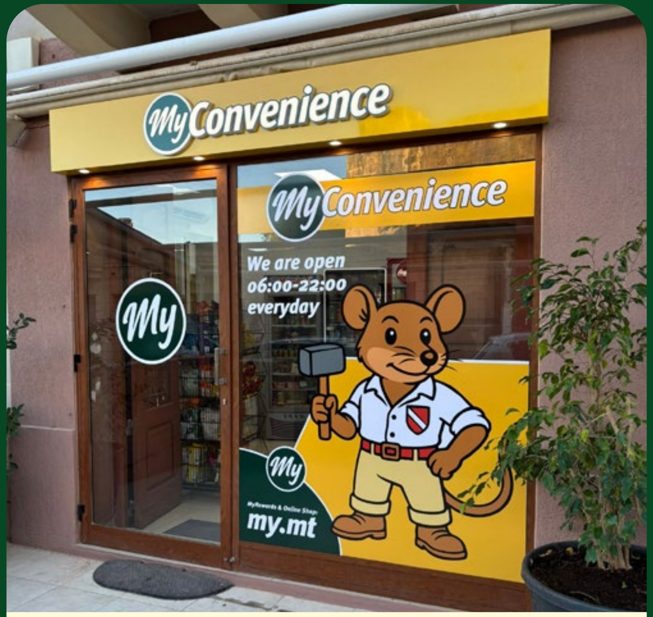
Additionally, we now operate a total of eight new MySupermarket outlets in Attard, Siggiewi, Floriana, Munxar and Xewkija in Gozo, Marsascala, Rabat and Birżebbugia.

This ambitious expansion programme further strengthens the Group's presence and brings its unique retail offering to more communities across Malta and Gozo.

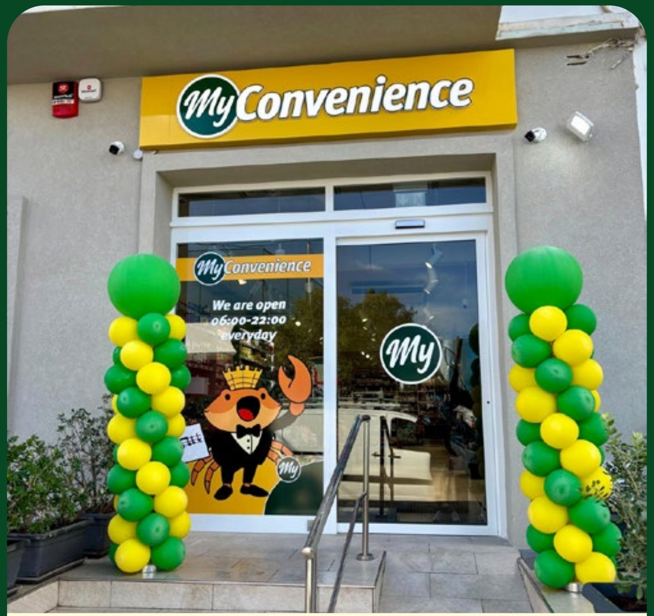
Today, with most existing outlets already improved and the remaining stores lined up to follow soon, the transformation is well advanced. More importantly, it has reshaped how the Group operates, serves its customers, and supports its people.



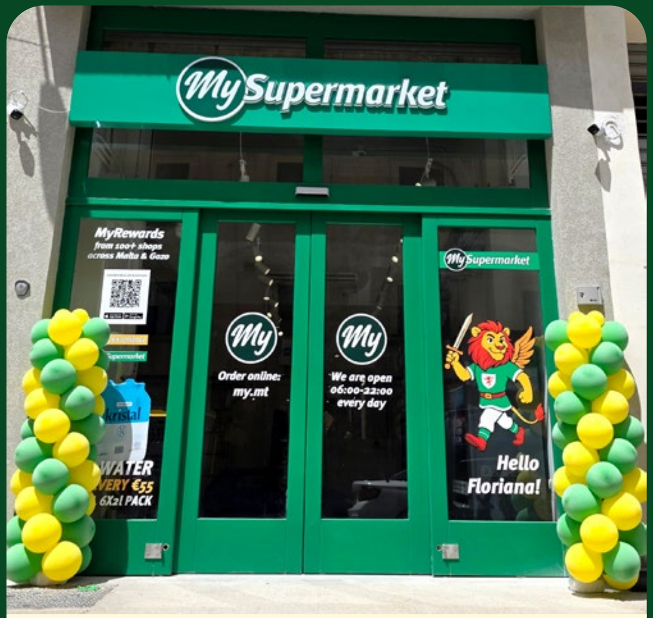
New Outlet | Valletta



New Outlet | Mqabba



New Outlet | Victoria, Gozo



New Outlet | Floriana

OPERATIONS: RAISING STANDARDS ACROSS THE NETWORK

Operational Upgrades: One of the most visible parts of the transformation has been the extensive upgrades across the network of shops. The rebranding program created an opportunity to introduce new store standards that go beyond just new signage. Stores are being refurbished, upgraded and modernised, to provide a more consistent and welcoming customer experience with improved lighting, better shelving systems and more effective promotional displays.

Product categories are also being reorganised to refine the overall selection, simplify the shopping experience and provide better value. This enhances operational efficiencies and reduces environmental impact wherever possible. Preparations are also underway for future initiatives that will further improve the Group's fresh food offering.

HUMAN RESOURCES: INVESTING IN PEOPLE

Any corporate transformation ultimately depends on the people who bring it to life. Throughout this process, we have made significant investments in developing talent, strengthening company culture and improving accountability.

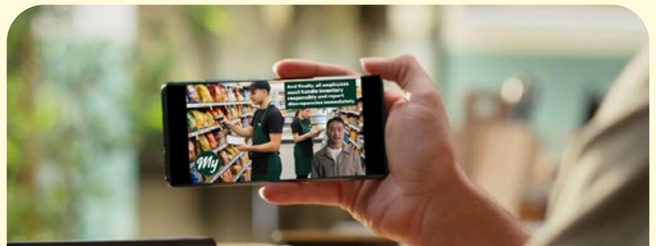
Strategic Change: Across the entire network, the most significant change we have implemented is that we have replaced all sub-contracted staff with full time employees. This is of paramount importance in laying the foundations for us to achieve our very ambitious long-term future goals.

Recruitment, onboarding, and training processes have been reviewed and improved to help new team members integrate seamlessly into the organisation. New staff uniforms, branded caps, and personalized name tags have been introduced, reinforcing professionalism and fostering stronger connections between customers and team members. Moreover, a revised shop management structure has been put in place to clarify leadership responsibilities and increase accountability at the store level.

Training: Training has become a central focus of the Group's people strategy. Regular classroom sessions cover a wide range of topics, including customer care, operational excellence, leadership, and compliance.

Staff Training App: Learning tools such as the Growy app we adopted last year, provides bite-sized modules with chapter-based testing, helping employees learn more efficiently while giving the organisation visibility over progress and knowledge retention.

Recognition: Recognition has also gained more importance. Staff and shop awards create meaningful ways to celebrate outstanding performance and reinforce the best practice values that support the organisation's culture.



Growy | Training App

COMMERCIAL: DELIVERING BETTER VALUE THROUGH SCALE

The commercial transformation has aimed to ensure customers receive better value, more choices, and relevant promotions throughout the year.

Scale Advantage: By collaborating with suppliers and leveraging the Group's scale, our commercial teams have strengthened partnerships to secure more competitive pricing and improved purchasing terms. These benefits are being passed on to customers through offers across key product categories.

We have also focused on streamlining and optimising product ranges. With support from six dedicated category managers, we continuously review ranges to keep them relevant, competitive, and aligned with customer preferences. This allows the Group to offer a broader, more carefully considered selection while enhancing operational efficiency.

The new MySupermarket format has added a unique proposition to the network, providing customers with larger stores, a wider selection, and better value for bigger purchases, enhancing the convenience-focused strengths of the brand and MyRewards earning potential.

INFORMATION TECHNOLOGY: BUILDING A DIGITAL RETAIL ECOSYSTEM

Technology has been key to enabling the transformation and supporting the Group's long-term goals. We are directing significant investment into digital infrastructure, customer-facing platforms, and business systems. The launch of the my.mt platform has created a central digital hub for customers, while online shopping options are expanding through store-based order fulfilment.

AI Adoption: The Group is also accelerating its use of artificial intelligence across several business functions. AI tools are aiding operational decision making at shop and Group level, training, content creation and customer engagement. All this enhances efficiency while allowing teams to focus on higher value tasks.

Behind the scenes, ongoing investment in business intelligence, data management, and digital systems is enabling more informed decision making and quicker responses to changing customer needs. These foundations support ongoing innovation as the business continues to evolve.

MARKETING: FROM BRAND REFRESH TO CUSTOMER EXPERIENCE

Marketing has played a vital role in bringing the brand transformation to life. Customer research conducted in 2025 helped shape the strategic direction of the new brands, basing decisions on real insights instead of assumptions.

The outcome was a new brand structure built around MyConvenience and MySupermarket, supported by a refreshed visual identity, a more distinctive tone, and clearer market positioning. The launch campaign introduced customers to the new brands while highlighting the broader improvements happening across the business. Marketing activity has extended beyond traditional communications.

Digital Platforms: Our new website at my.mt, stronger social media engagement, continuous public relations work, and the rollout of the MyRewards loyalty and shopping app, have all contributed to closer customer relationships and greater brand visibility.

MyRewards in particular, is transforming the customer experience by rewarding loyalty in a personalised and generous way, strengthening our connection with customers. Together, these initiatives help create a more consistent, engaging, and customer-centered experience at every touchpoint.

LOOKING AHEAD

While we have made substantial progress, we still have a lots of innovations on the way. The Group is focused on delivering further improvements in operations, technology, customer experience, and sustainability.

The launch of MyConvenience and MySupermarket goes beyond a rebrand. It shows a long-term commitment to ongoing improvement, innovation, and putting customers first. By aligning every part of the business with a shared vision, the Group is building a modern retail ecosystem designed to create lasting value for customers, employees, shareholders, and the communities it serves.

Sandra Calleja
FOUNDATION

SANDRA CALLEJA FOUNDATION

In April 2026, My Group established the Sandra Calleja Foundation as a public benefit, non-profit organization, to serve as a structured platform for impactful initiatives through funding, partnerships and community-driven programmes. The Foundation seeks to collaborate with public, private and voluntary organisations, while also organising events and initiatives aimed at delivering meaningful and measurable social impact. It is designed to ensure strong governance, transparency and accountability, with audited accounts published annually.

CORPORATE GOVERNANCE – STATEMENT OF COMPLIANCE

Introduction

The Convenience Shop Holding p.l.c. (the "Company") has securities admitted to trading on the Malta Stock Exchange and is subject to the Capital Markets Rules issued by the Malta Financial Services Authority (the "CMR"). The Company has also issued bonds which are admitted to the Prospects MTF, a multilateral trading facility operated by the Malta Stock Exchange, and is accordingly subject to the Prospects MTF Rules issued by the Malta Stock Exchange.

Pursuant to Rule 5.94 of the CMR, the Company should endeavor to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the CMR (the "Code"). The Prospects MTF Rules issued by the Malta Stock Exchange also require qualifying companies admitted to Prospects MTF and whose securities are listed on a regulated market to comply, provide equivalent disclosures on, or explain the extent to which they adhere to the relevant corporate governance standards set out in the Code.

In terms of Rule 5.94 of the CMR and Rule 4.11.13 of the Prospects MTF Rules, the Company hereby reports on the extent of its adoption of the principles of the Code for the financial year being reported upon.

The Board of Directors (the "Board" or the "Directors") of the Company acknowledges that, although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders and other stakeholders.

The Company's decision-making and governance structures have been designed to meet its particular requirements and to ensure that decisions are taken within an appropriate framework of oversight, accountability and checks and balances.

General

Good corporate governance is the responsibility of the Board as a whole, and has been, and remains, a priority for the Company. In determining the most appropriate manner in which to implement the Code, the Board has taken due account of the Company's size, nature and operations, and considers that the adoption of certain mechanisms and structures is proportionate to the scale and complexity of the Company's operations.

The Board considers that, to the extent otherwise disclosed herein, the Company has generally been in compliance with the Code throughout the year under review.

This Statement of Compliance (the "Statement") sets out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code for the year under review. For this purpose, this Statement makes reference to the pertinent principles of the Code and then sets out the manner in which the Board considers that these have been adhered to, and instances where these have not been fully adhered to.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

The Directors consider that for the financial year under review, the Company has generally complied with the requirements for each of the Code's main principles. Further information in this respect is provided hereunder.

Principle One: The Company's Board of Directors

The role of the Board of Directors is to provide the necessary leadership, set strategy and steward the values and standards by acting in the best interests of shareholders and other relevant stakeholders. The Directors report that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. The Board is composed of members who are fit and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has throughout the year under review adopted prudent and effective systems which ensure an open dialogue between the Board and senior management.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities.

Principle Two: The Company's Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are held by separate individuals and the division of responsibilities is clearly established and agreed by the Board.

The Chairman exercises independent judgment and is responsible to lead the Board and set its agenda, whilst also ensuring that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with shareholders and ensuring active engagement by all members of the Board for discussion of complex or contentious issues.

The Chief Executive Officer reports regularly to the Board on

the business and affairs of the Company and the Group and the commercial, economic and other challenges facing it. He is also responsible to ensure that all submissions made to the Board are timely, give a true and correct picture of the issue or issues under consideration, and are of high professional standards as may be required by the subjec matter concerned.

As at the date of this Statement, Mr. Charles Scerri and Mr. David Tabone act as Chairman of the Company and Chief Executive Officer of the Group, respectively.

Each subsidiary within the Group has its own management structure and accounting systems and internal controls, and is governed by its own Board, whose members, are appointed by the Company. This provides sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision making powers are spread wide 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 Three: Composition of the Board

The Board is composed of 6 members, with 3 executive and 3 non-executive Directors, with each member offering core skills and experience that are relevant for the successful operation of the Company. The Company considers that the current board set up constitutes an appropriate mix between executive and non-executive directors. The Board is responsible for the overall long-term strategy and general policies of the Company, of monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Board of Directors consists of the following:

- Mr Charles Scerri – Chairman and Non-executive Director
- Mr Joseph Pace – Executive Director
- Mr Ivan Calleja – Executive Director
- Mr Manuel Piscopo – Executive Director
- Mr Patrick Hall – Non-executive Director
- Dr Maria P. Deguara – Non-executive Director

Following the passing of Mr Richard Saliba in 2025, Dr Maria P. Deguara was co-opted by the Directors to fill the casual vacancy in terms of Article 15.13 of the Company's Articles of Association, effective as from the 17th October 2025. Dr Maria P. Deguara was also appointed as Chairperson of the Audit Committee as from the same date.

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office without retirement until death or until they retire or are removed by the Company in accordance with Article 140 of the Companies Act Cap. 386.

Mr. Charles Scerri, Mr. Patrick Hall and Dr Maria P. Deguara are considered by the Board to be independent non-executive members of the Board.

None of the independent non-executive Directors:

a) is or has been employed in any capacity with the Company and/or the Group;

b) has or had a significant business relationship with the Company and/or the Group;

c) has received significant additional remuneration from the Company and/or the Group;

d) has close family ties with any of the Company's executive Directors or senior employees;

e) has served on the Board for more than twelve consecutive years; or

f) is or has been within the last three years an engagement partner or a member of the audit team of the present or former external auditor of the Company and/or the Group.

Each non-executive Director has declared in writing to the Board that he/she undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;

b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and

c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the Company..

Principle Four: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. In fulfilling this mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its bond in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

The Board has also established an Audit Committee in terms of rule 4.01.01(d) of the Prospects MTF Rules and rules 5.117 to 5.134 of the Capital Markets Rules as follows:

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure.

Although the Audit Committee is set up at the level of the Company, its main tasks are also related to the activities of the Group. Following the passing of Mr Richard Saliba in 2025, Dr Maria P. Deguara was appointed as Chairperson of the Audit Committee effective on the 17th October 2025.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee is composed of 3 members:

- Dr Maria P. Deguara – Chairperson
- Mr Patrick Hall – Member
- Mr Charles Scerri – Member

All 3 members are non-executive independent Directors. Mr Charles Scerri is a qualified accountant.

The Audit Committee has met six (6) times during the financial year ended 31 December 2025, and the attendance at these meetings was as follows:

Name	Designation	Attendance of Meetings
Mr Richard Saliba	Former Chairperson	4 of 6
Dr Maria P. Deguara	Chairperson	1 of 6
Mr Patrick Hall	Non-executive Director	6 of 6
Mr Charles Scerri	Non-executive Director	6 of 6

Internal Control and Risk Management

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review the Company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. The Board has adopted and implemented appropriate policies and procedures to manage risks and internal controls. The Board plans, controls and monitors business operations in order to achieve the set objectives. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Through the Audit Committee, the Board reviews the effectiveness of the internal controls, including financial reporting. The Audit Committee oversees and provides advice to the Board on matters relating to financial reporting and thereby monitors the integrity of the financial statements and any formal announcements and disclosures related to financial matters.

Risk identification, control and reporting

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company and its subsidiaries are involved. Processes are in place for identifying, evaluating and managing the significant risks facing the Company These risks are assessed on a continual basis with a view to control and mitigate where deemed necessary. The Board receives periodic risk management information to enable the effective monitoring and mitigation of key risks to the Company and its subsidiaries. This allows the Board to be proactive in ensuring that financial controls and risk management systems are well established, and to satisfy itself about the integrity of financial information.

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 and reviews by management. On a periodic basis, the Board receives a comprehensive analysis of financial and business performance, including reports comparing actual performance with budgets as well as analysis of any variances. Comprehensive annual financial plans are prepared, reviewed and approved by the Board. Business alternatives are regularly considered by the Board on the basis of the variance analysis carried out. Responsibilities for financial performance against plans are delegated to the management team.

In conclusion, the Board considers that the Company has generally been in compliance with the Principles throughout the year under review as befits a company of this size and nature. Non-compliance with the principles and the reasons thereof have been identified below

Principle Five: Board Meetings

The Directors meet regularly to dispatch the business of the Board. The Directors are notified of forthcoming meetings

Name	Designation	Attendance of Meetings
Mr Charles Scerri	Chairman	5 of 5
Mr Joseph Pace	Director	5 of 5
Mr Ivan Calleja	Director	5 of 5
Mr Manuel Piscopo	Director	5 of 5
Mr Richard Saliba	Former Director	3 of 5
Mr Patrick Hall	Director	5 of 5
Dr Maria P. Deguara	Director	1 of 5

by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated in advance of the meeting. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda on the Board seeks to achieve a balance between long-term strategic and short-term performance issues.

The Board meets as often as frequently required in line with the nature and demands of the business of the Company. Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met five (5) times during the financial year under review.

The following Directors attended Board meetings as follows:

Principle Six: Information and Professional Development

As part of succession planning and employee retention, the Board and Chief Executive ensure that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

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

Training (both internal and external) of management and employees remains a priority. This is coordinated through the Company's Human Resources Department.

The Board has access to the advice and services of the company secretary who is responsible for ensuring that board procedures are complied with, as well as for ensuring sound information flows between the Board and the Audit Committee.

Principle Seven: Evaluation of the Board's Performance

Under the present circumstances, the Board still does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

Principle Eight: Committees

A. Remuneration Committee

As is permitted in terms of provision 8.A.2 of the Code, on the basis of the fact that the remuneration of the directors is not performance-related, the Company has not set up a remuneration committee. Instead, the functions of the Remuneration Committee are vested in the Board, which itself establishes the remuneration policies of the Company. Further details on remuneration of the directors are set out in the Remuneration Report for the financial year under review and is in compliance with the requirements of Capital Markets Rules 12.26 and contains the information required by Appendix 12.1 of the Capital Market Rules.

B. Nomination Committee

The Board of Directors considers that the size and operation of the Company does not warrant the setting up of a nomination committee and will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principles Nine and Ten: Relations with Shareholders and with the Market and Institutional Shareholders

Pursuant to the Company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta), the Annual Financial Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the auditors, the declaration of a dividend and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

Apart from the AGM, the Company has continued to communicate with its shareholders and the market by way of the Annual Report and Financial Statements and by publishing its results on a six-monthly basis during the year.

The Board is also responsible for making relevant public company announcements and for the Company's compliance with its continuing obligations in terms of the rules of Prospects MTF and Capital Markets Rules. With respect to the Company's shareholders, bondholders and the market in general, during the financial year under review, there were nineteen (19) Company announcements issued to the market.

The Company's website (https://my.mt/investor-information/) also contains information about the Company and its business which is a source of further information to the market.

In view that the Company is subject to the Prospects MTF Rules, the Company is required to hold its Annual General Meeting within four (4) months of the end of the financial year to, inter alia, consider the annual financial statements, the directors' and auditors' reports for the year, to decide on any dividends recommended by the Board, to elect directors, appoint auditors and to set their remuneration. Nonetheless, as communicated in terms of Company Announcement CVS 111 published on the 13th March 2026, the Malta Stock Exchange has granted an extension to such deadline for the Company's 2026 Annual General Meeting, to allow shareholders of the Company adequate time to exercise their rights under the Capital Markets Rules in connection with the Annual General Meeting. Consequently, the Company's 2026 Annual General Meeting shall be held by not later than the 31st July 2026 in accordance with the requirements under the Companies Act (Chapter 386 of the Laws of Malta) and the Capital Markets Rules.

Principle Eleven: Conflicts of Interest

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest.

Mr. Joseph Pace, Mr. Ivan Calleja and Mr. Manuel Piscopo have a direct beneficial interest in the share capital of the Company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

If a Director has a continuing material interest that conflicts with the interests of the Company, he/she 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.

Moreover, the Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle Twelve: Corporate Social Responsibility

The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices and is committed to enhance the quality of life of all stakeholders and of the employees of the Company and the Group.

The Board is mindful of the environment and its responsibility within the community in which it operates.

Since its origins, the Group chooses to recognise its social and environmental responsibilities by making Corporate Social Responsibility an important tool to mediate and achieve an optimum balance in responding to the different needs of the various stakeholders.

In 2025, the Group continued exercising its commitment in supporting several NGOs including the Malta Community Chest Fund, The Malta Trust Foundation, ALS Malta, Caritas, Missio and Dar Tal-Providenza. The Group has a retail outlet in Qormi with all profits being passed on to Puttinu Cares Foundation.

The Company has also established the Sandra Calleja Foundation, which is registered with the Commissioner for Voluntary Organisations under VO/2654 (the 'Foundation'). The Foundation is intended to serve as a platform through which the Group shall pursue social impact initiatives, including the promotion and support of initiatives in the fields of education, healthcare, environmental sustainability, and community development. The Foundation also carries particular significance for the Group's founder, Mr Ivan Calleja, as it honors the memory of his late wife, Sandra Calleja, whose legacy has inspired earlier community focused initiatives by the Group.

General Meetings

The manner in which the general meeting is conducted is outlined in Articles 11 - 13 of the Company's Articles of Association, subject to the provisions of the Companies Act, the Prospects MTF Rules and the Capital Markets Rules.

As explained under Principles 9 and 10, the Annual General Meeting of the shareholders shall be convened to, inter alia, deal with 'ordinary business' including the adoption of the annual financial statements, the directors' and auditors' reports for the year, to decide on any dividends recommended by the Board, to elect directors if necessary, appoint auditors and to set their remuneration.

A presentation is given to the shareholders present detailing the Company's performance and an assessment of the future prospects is given.

In addition, and in terms of Article 11.3 of the Articles of Association of the Company, the Board may convene an extraordinary general meeting whenever is deemed fit.

In accordance with Article 12.1 of the Articles of Association,

notice of any General Meeting shall be given to all members of the Company, to all Directors, and to the auditors of the Company. Adequate notice of general meetings must be given as specified in the Company's Articles of Association and in the Capital Markets Rules.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Capital Markets Rules and the Articles of Association of the Company have the right to attend, participate and vote in the general meetings. A shareholder who cannot participate in the general meeting can appoint a proxy in accordance with the instructions set forth in the notice convening the general meeting, and such proxy must be received by the Company at least 24 hours before the time of the general meeting.

Non-Compliance with the Code

As at the date hereof, the Board considers the Company to be in compliance with the Code except for the following:

Evaluation of the Board's Performance

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1. The Board believes that the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose. The Board shall retain this matter under review over the coming year.

Committees

The Board considers that the size and operation of the Company does not warrant the setting up of a remuneration committee and a nomination committee in line with Code Provisions 8A and 8B, respectively. The Board relies on the constant scrutiny of the Board itself, the company's shareholders, the market and the rules by which the company is regulated as a listed entity. In addition, the Board took into consideration the fact that the remuneration of the Board is not performance related. The Board intends to keep under review the utility and possible benefits of having a Remuneration Committee in due course.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Signed on behalf of the Company's Board of Directors by Charles Scerri (Chairman) and Manuel Piscopo (Executive Director) on 30 April 2026.

REMUNERATION REPORT

Remuneration Policy

In compliance with Capital Markets Rule 12.26A of the Capital Markets Rules (CMR), the Board of Directors of the Company has established a remuneration policy (the "Policy").

The Policy aims to ensure equitable and competitive compensation for all Directors, Key Managerial Personnel and employees, based on individual performance, industry benchmarks and the overall performance of the Company. The oversight and implementation of the Policy is the ultimate responsibility of the Board of Directors. As outlined in the Prospectus relating to the Company's IPO Listing and in the Corporate Governance - Statement of Compliance, due to the nature, size and complexity of the Company's operations, the size and volume of transactions, and the number of Company staff, and since the remuneration paid to the Directors is not performance related, the Company has not set up a remuneration committee and all duties are borne by the Board of Directors.

The key considerations in determining the remuneration for Company officers and employees, as stipulated in the Policy, include their qualifications, experience, expertise, prevailing industry compensation norms, and the financial position of the Company.

Contracts for Directors of the Company terminate upon the Director resigning from his/her position by giving the Company not less than one (1) month written notice, or upon his/her removal from his/her position as director by the shareholders in accordance with the Articles of Association and the Companies Act (Chapter 386 of the Laws of Malta), or upon expiration of his/her term of office as Director in accordance with the Articles of Association. If the Director is re-appointed to a further term/s of office as Director, his/her appointment to the Board of Directors shall be automatically extended and shall terminate upon the Director's resignation or removal from his/her position as Director or upon expiration of such further term/s of office as Director. No termination fees are payable to Directors upon the termination of their tenure.

Remuneration payable to Directors

The CMR also require the Company to prepare a remuneration report (the "Report") in accordance with the criteria outlined in Appendix 12.1 'Information to be provided in the Remuneration Report' of the said CMR.

In accordance with the requirements under the CMR, the Company will be submitting the Report to the shareholders at the forthcoming AGM. In view that the Company qualifies as a small or medium-sized company, as defined in Article 3 (2) and (3) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, the Report must be submitted for discussion at the AGM.

The remuneration payable to Directors is determined by the Company in the general meeting. During the preceding AGM of the Company held on the 1st July 2025, the general meeting set the maximum annual aggregate emoluments payable to the Directors of the Company and its subsidiary entities (the "Group") at €320,000. The total sum disbursed as remuneration to the Directors of the Group in 2025 amounted to €291,630.

For the purposes of Appendix 12.1 of Chapter 12 of the CMR and Rule 8.A.5 of the Code of Principles of Good Corporate Governance (the "Code"), the following amounts were paid by the Group to the Directors during the financial year 2025:

Name of Directors	**Position**	**Annual remuneration (Gross)**			
		Fixed	Variable	Share Option	Total
Mr Charles Scerri	Chairman and Non-Executive Independent Director	€18,666	Nil	Nil	€18,666
Mr Richard Saliba	Ex-Non-Executive Independent Director	€8,674	Nil	Nil	€8,674
Mr Ivan Calleja	Executive Director	€83,006	Nil	Nil	€83,006
Mr Joseph Pace	Executive Director	€83,006	Nil	Nil	€83,006
Mr Manuel Piscopo	Executive Director	€83,006	Nil	Nil	€83,006
Mr Patrick Hall	Non-Executive Independent Director	€12,272	Nil	Nil	€12,272
Dr Maria P. Deguara	Non-Executive Independent Director	€3,000	Nil	Nil	€3,000

The fees set forth above are inclusive of the remuneration payable to the directors for their appointment to the Company's audit committee.

For clarification purposes, only Mr Charles Scerri, Mr Patrick Hall, Mr Richard Saliba and Dr Maria P. Deguara received their remuneration from the Company. Mr Ivan Calleja, Mr Joseph Pace, and Mr Manuel Piscopo received their remuneration for directorship services rendered to the Group from The Convenience Shop (Management) Limited (C 87711), a fully-owned subsidiary entity of the Company.

For 2024, the total emoluments payable by the Group to afore-mentioned directors (inclusive of fees payable for their appointment to the Company's audit committee) were as follows:

Name of Directors	**Position**	**Annual remuneration (Gross)**			
		Fixed	Variable	Share Option	Total
Mr Charles Scerri	Chairman and Non-Executive Independent Director	€18,668	Nil	Nil	€18,668
Mr Richard Saliba	Former Non-Executive Independent Director	€8,458	Nil	Nil	€8,458
Mr Ivan Calleja	Executive Director	€76,909	Nil	Nil	€76,909
Mr Joseph Pace	Executive Director	€76,909	Nil	Nil	€76,909
Mr Manuel Piscopo	Executive Director	€76,909	Nil	Nil	€76,909
Mr Patrick Hall	Non-Executive Independent Director	€7,000	Nil	Nil	€7,000
Dr Maria P. Deguara	Non-Executive Independent Director	Nil	Nil	Nil	Nil
Mr Benjamin Muscat	Ex-Chairman and Non-Executive Independent Director	€7,777	Nil	Nil	€7,777
Dr Kevin Deguara	Ex-Non-Executive Director	€41,750	Nil	Nil	€41,750

For the purposes of CMR 8.A.4.1, the remuneration structure for Directors of the Company and its subsidiary entities is established as a fixed annual amount and does not include any performance-related remuneration such as share options, pension benefits, profit sharing and any other emoluments related to the performance of the Company or its subsidiaries. The fees payable to the Directors have been determined on the basis of their time commitment, contribution and ongoing responsibilities towards the Company and its subsidiary entities. Given the organisational structure of the Group, and the fact that the Company's primary assets are its investments in its operating subsidiaries, the Board of Directors considers fixed remuneration as the appropriate for Director compensation.

Remuneration payable to Senior Executives and employees

Mr Charles Scerri, Mr Patrick Hall, Mr Richard Saliba and Dr. Maria P. Deguara constitute the only employees of the Company. All other personnel engaged in the Group's operations are employed by subsidiary entities of the Company and receive their remuneration from their respective employer/s.

For the purposes of Rule 8.A.4.9 of the Code, the total gross emoluments paid to the Chief Executive Officer of the Group for the year under review amounted to € 266,081.

Contents of the Remuneration Report

The contents of this Report have been reviewed by the external auditor to ensure that the information required in terms of Appendix 12.1 of the Capital Markets Rules has been included.

The Convenience Shop (Holding) plc

Financial Statements

for the year ended 31 December 2025

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December

		Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
	Notes				
Revenue	4	**52,950,723**	46,378,766	**956,537**	1,788,783
Cost of sales		**(46,972,445)**	(40,481,038)	**-**	-
Gross profit		**5,978,278**	5,897,728	**956,537**	1,788,783
Administrative expenses		**(4,586,940)**	(3,960,192)	**(311,879)**	(590,718)
Operating profit	5	**1,391,338**	1,937,536	**644,658**	1,198,065
Other income	7	**863,198**	670,984	**60,000**	67,472
Finance costs	8	**(1,186,703)**	(972,782)	**(250,674)**	(250,608)
Finance income	9	**-**	-	**224,346**	318,500
Gain on disposal of property, plant and equipment		**-**	1,899	**-**	-
Profit before tax		**1,067,833**	1,637,637	**678,330**	1,333,429
Tax expense	10	**(150,751)**	(282,187)	**-**	(186,700)
Profit for the year		**917,082**	1,355,450	**678,330**	1,146,729
Profit for the year is attributable to:					
Non-controlling interest		**(18,542)**	(7,856)	**–**	–
Owners of the Company		**935,624**	1,363,306	**678,330**	1,146,729
		917,082	1,355,450	**678,330**	1,146,729
Basic earnings per share	21	**0.030**	0.044	**0.022**	0.037

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December

		Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
ASSETS	**Notes**				
Non-current assets					
Property, plant and equipment	11	**6,324,197**	5,080,347	**–**	–
Intangible assets	12	**13,956,714**	13,722,445	**4,024,525**	4,000,000
Right-of-use asset	13	**15,518,496**	11,005,357	**–**	–
Investment in subsidiaries	14	**–**	–	**321,835**	321,835
Loans receivable	15	**–**	–	**7,680,711**	7,522,091
Deferred tax asset	10	**588,451**	319,686	**–**	–
Total non-current assets		**36,387,858**	30,127,835	**12,027,071**	11,843,926
Current assets					
Inventories	16	**4,498,786**	3,797,230	**–**	–
Trade and other receivables	17	**6,779,412**	5,465,230	**449,069**	1,145,360
Cash at bank and in hand	24	**1,467,611**	2,185,761	**49,997**	5,025
Current tax receivable		**542,021**	205,104	**136,376**	187,482
Total current assets		**13,287,830**	11,653,325	**635,442**	1,337,867
TOTAL ASSETS		**49,675,688**	41,781,160	**12,662,513**	13,181,793

		Group		Company	
		2025	2024	**2025**	2024
		€	€	**€**	€
EQUITY AND LIABILITIES	**Notes**				
Capital and reserves attributable to ordinary equity holders of the Company					
Share capital	18	**4,928,000**	4,928,000	**4,928,000**	4,928,000
Share premium		**1,539,087**	1,539,087	**1,539,087**	1,539,087
Retained earnings		**3,151,310**	3,262,886	**616,753**	985,623
		9,618,397	9,729,973	**7,083,840**	7,452,710
Non-controlling interest		**(45,760)**	(27,218)	**–**	–
TOTAL EQUITY		**9,572,637**	9,702,755	**7,083,840**	7,452,710
Non-current liabilities					
Borrowings	19	**7,038,332**	6,134,990	**4,910,989**	4,875,114
Lease liabilities	22	**16,415,321**	11,706,062	**–**	–
Trade and other payables	23	**–**	196,545	**–**	13,144
Total non-current liabilities		**23,453,653**	18,037,597	**4,910,989**	4,888,258
Current liabilities					
Borrowings	19	**578,730**	411,734	**1,878**	–
Bank overdraft	19, 24	**694,083**	250,695	**–**	–
Lease liabilities	22	**1,227,779**	972,500	**–**	–
Trade and other payables	23	**14,148,806**	12,405,879	**665,806**	840,825
Total current liabilities		**16,649,398**	14,040,808	**667,684**	840,825
TOTAL LIABILITIES		**40,103,051**	32,078,405	**5,578,673**	5,729,083
TOTAL EQUITY AND LIABILITIES		**49,675,688**	41,781,160	**12,662,513**	13,181,793

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

The financial statements on pages 34 to 69 were approved and authorised for issue by the Board of Directors on 30 April 2026. The financial statements were signed on behalf of the Company's Board of Directors by Charles Scerri (Chairman) and Manuel Piscopo (Executive Director) as per the Directors' Declaration on ESEF Annual report submitted in conjunction with the Annual Financial Report 2025.

STATEMENTS OF CHANGES IN EQUITY

THE GROUP	**Notes**	**Share capital €**	**Share premium €**	**Retained earnings €**	**Non–controlling interest €**	**Total €**
Balance at 1 January 2024		4,928,000	1,539,087	3,341,208	(19,362)	9,788,933
Comprehensive income						
Profit/(loss) for the year		–	–	1,363,306	(7,856)	1,355,450
Transactions with owners						
Dividends paid	20	–	–	(1,441,628)	–	(1,441,628)
Total transactions with owners		–	–	(1,441,628)	–	(1,441,628)
Balance at 31 December 2024		**4,928,000**	**1,539,087**	**3,262,886**	**(27,218)**	**9,702,755**
Balance at 1 January 2025		4,928,000	1,539,087	3,262,886	(27,218)	9,702,755
Comprehensive income						
Profit/(loss) for the year		–	–	935,624	(18,542)	917,082
Transactions with owners						
Dividends paid	20	–	–	(1,047,200)	–	(1,047,200)
Total transactions with owners		–	–	(1,047,200)	–	(1,047,200)
Balance at 31 December 2025		**4,928,000**	**1,539,087**	**3,151,310**	**(45,760)**	**9,572,637**

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

THE COMPANY	Notes	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2024		4,928,000	1,539,087	1,255,522	7,722,609
Comprehensive income					
Profit for the year		–	–	1,146,729	1,146,729
Transactions with owners					
Dividends paid	20	–	–	(1,416,628)	(1,416,628)
Total transactions with owners		–	–	(1,416,628)	(1,416,628)
Balance at 31 December 2024		**4,928,000**	**1,539,087**	**985,623**	**7,452,710**
Balance at 1 January 2025		4,928,000	1,539,087	985,623	7,452,710
Comprehensive income					
Profit for the year		–	–	678,330	678,330
Transactions with owners					
Dividends paid	20	–	–	(1,047,200)	(1,047,200)
Total transactions with owners		–	–	(1,047,200)	(1,047,200)
Balance at 31 December 2025		**4,928,000**	**1,539,087**	**616,753**	**7,083,840**

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 31 December

		Group		Company	
		2025	2024	**2025**	2024
	Notes	**€**	€	**€**	€
Cash flows from operating activities					
Receipts from customers		**51,589,949**	44,938,963	**–**	–
Payments to suppliers and employees		**(47,960,469)**	(39,320,373)	**(125,800)**	(300,167)
Other revenue		**863,198**	671,045	**1,589,418**	1,418,142
Interest paid		**(142,406)**	(80,290)	**–**	–
Income tax (paid)/received		**(756,432)**	(898,754)	**51,106**	(306,793)
Net cash flows generated from operating activities		**3,593,840**	5,310,591	**1,514,724**	811,182
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(2,352,562)**	(1,940,191)	**–**	–
Acquisition of intangible assets		**(399,524)**	(370,000)	**(24,525)**	–
Acquisition of investments in subsidiaries		**–**	–	**–**	(148,800)
Payments to acquire business		**–**	(128,800)	**–**	–
Proceeds from disposal of property, plant and equipment		**–**	2,560	**–**	–
Repayment of advances to subsidiary		**–**	–	**–**	823,268
Movement in loans issued to subsidiaries		**–**	–	**(158,620)**	–
Net cash flows (used in)/generated from investing activities		**(2,752,086)**	(2,436,431)	**(183,145)**	674,468
Cash flows from financing activities					
Movements in interest-bearing loans		**1,043,852**	75,268	**11,267**	–
Payment of lease liabilities		**(1,749,944)**	(1,507,808)	**–**	–
Other interests		**–**	–	**(674)**	–
Interest on bond		**(250,000)**	(250,000)	**(250,000)**	(250,000)
Dividends paid		**(1,047,200)**	(1,441,628)	**(1,047,200)**	(1,416,628)
Net cash flows used in financing activities		**(2,003,292)**	(3,124,168)	**(1,286,607)**	(1,666,628)
Net cash movement in cash and cash equivalents		**(1,161,538)**	(250,008)	**44,972**	(180,978)
Cash and cash equivalents at beginning of year		**1,935,066**	2,185,074	**5,025**	186,003
Cash and cash equivalents at end of year	24	**773,528**	1,935,066	**49,997**	5,025

The notes on pages 40 to 69 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Convenience Shop (Holding) plc ("the Company") is a public limited liability company incorporated in Malta with registration number of C 87554. The Company's registered address is 8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta.

The principal activity of the Company is to act as a holding company and to provide finance to group companies. The Company, together with its subsidiaries ("the Group") is engaged in operating in the fast-moving consumer goods industry and is engaged in the retailing of food, goods and other ancillary products through its shops located across Malta and Gozo.

The ownership of the Company's share capital and voting rights is such that no particular individual or identifiable group of individuals may be deemed to exercise ultimate control over the Company.

These financial statements include the results of the Group, together with those of the Company, for the year ended 31 December 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the consolidated financial statements are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union (EU) and comply with the requirements of the Maltese Companies Act (Cap. 386).

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

Going concern basis

As at 31 December 2025, total assets exceeded total liabilities by € 9.6 million. The Group reported a net current liability position, mainly attributable to an increase in trade and other payables to third-party suppliers at the reporting date. Management has assessed the Group's forecast and is satisfied that the Group will be able to meet its obligations as they fall due for the foreseeable future.

The Directors, at the time of approving the financial statements, have determined that there is 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. Reference was made to the outlook for the financial year ending 31 December 2026 and events occurring after the statement of financial position date.

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

Presentation and functional currency

The financial statements are presented in Euro (€) which is also the Company's and the Group's functional currency.

New or amended accounting standards and interpretations adopted

The Group and the Company adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee and endorsed by the EU that are mandatory for the current reporting period. The adoption of these amendments to the requirements of IFRS Accounting Standards as adopted by the EU did not result in substantial changes to the Group's and the Company's accounting policies impacting the Group's and the Company's financial performance and position.

New or amended Accounting Standards and Interpretations issued but not yet effective

At the end of the reporting period, certain new standards, interpretations or amendments thereto, were in issue and endorsed by the EU, but not yet effective for the current financial period. There have been no instances of early adoption of standards, interpretations or amendments ahead of their effective date. The Board anticipates that the adoption of standards, interpretations or amendments thereto, will not have a material impact on the financial statements upon initial application, except for the effects of IFRS 18 on the presentation and disclosure of certain items.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18), will become effective for annual reporting periods beginning on or after 1 January 2027. Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have an effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Board is assessing the effect of IFRS 18.

Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities, cash flows and revenues and expenses of The Convenience Shop (Holding) plc and its subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control, directly or indirectly. The Group controls an entity

when it is exposed to, or has 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 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 interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

The results and equity of non-controlling interest of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

When the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

These consolidated financial statements comprise the parent company and its subsidiaries. Subsidiaries that were consolidated are listed in note 14 to these financial statements.

Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at point of sale.

Rendering of services

Revenue from a contract to provide services is recognised at a point in time on completion of the service.

Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the assets net carrying amount.

Dividend income

Dividend income is recognised when the Group's or the Parent Company's right to receive dividend is established.

Tax

The tax charge/(credit) in profit or loss comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, based on tax rates that have been enacted or substantively enacted at the end of the reporting date and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Under this method, the Group is required to make provision for deferred income taxes on the revaluation of certain property assets and provisions on the difference between the carrying value for financial reporting purposes and their tax base.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised and/or sufficient taxable temporary differences are available. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Property, plant and equipment

An item of property, plant and equipment is initially measured at cost. Cost includes the purchase prices and other expenditures directly attributable to bringing the assets to the location and condition for its intended use.

Subsequent expenditure relating to the assets is added to the carrying values of the assets when it is probable that future economic benefits associated with the asset, in excess of the originally assessed standards of performance, will flow back to the Company and the Group. All other subsequent expenditure is recognised in profit or loss. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

	%
Improvements to premises	10
Plant and machinery	10
Office equipment	20
Motor vehicles	20

Assets in the course of construction are not depreciated. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions are recognised in profit or loss when the changes arise.

Where the carrying amount of an asset is greater that its estimated recoverable amount, it is written down immediately to its recoverable amount. On disposal of an item of property, plant and equipment, the cost and related accumulated depreciation and impairment losses, if any, are derecognised and the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

On disposal of an item of property, plant and equipment, the cost and related accumulated depreciation and impairment losses, if any, are derecognised and the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are initially measured at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Amortisation of intangible assets with finite useful lives is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life.

The estimated useful lives, residual values, and amortisation method of intangible assets are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an intangible asset, the cost and related accumulated amortisation and impairment losses, if any are derecognised and the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at fair value at the date of acquisition.

Goodwill and suppliers' agreements

Goodwill and suppliers' agreements arise on the acquisition of a business. These intangible assets are not amortised. Instead, these are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses are taken to profit or loss and are not subsequently reversed.

Key money

The Group's other intangible asset pertains to key money. This represents expenditure associated with acquiring existing operating lease agreements for shops where there is an active market, or the shop is ready for its intended use.

The amortisation of key money is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life of 2-14 years.

Intellectual Property

The intellectual property of the Company pertains to a trademark. This intangible asset is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. The asset is carried at cost less impairment losses. The asset is carried at cost less impairment losses.

Leases

IFRS 16 requires an entity to assess whether a contract is, or contains, a lease at the inception date. 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 a consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the commencement date, being the date at which the leased asset is available for use by the Group.

Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term and discounted at the Group's incremental borrowing rate of five percent (5%). The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease payments on short-term leases (i.e. leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Investment in subsidiaries

Subsidiaries are all those entities over which the Company has control, i.e., when the Company is exposed to, or has 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.

Investment in subsidiaries are initially recognised at cost, being the fair value of the consideration given, including acquisition costs and are subsequently carried at cost less accumulated impairment losses, if any. Dividend income is recognised when the Company's right to receive payment is established.

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.

Investment in associate

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are initially recognised at cost, including transaction costs. Subsequently, investments in associates are accounted for using the equity method, that is, the carrying amount is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has obligations or made payments on behalf of the associate.

The Company determines whether there is objective evidence that the investment in associate undertaking is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate undertaking and its carrying value. The Company recognised the loss within the statement of comprehensive income.

Gains and losses arising from partial disposals or dilutions in investments in associates are recognised in profit or loss.

Investments in associates are recognised when the Company loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Inventories

Inventories are assets held for sale in the ordinary course of business. Inventories are carried at the lower of cost and net realisable value (NRV). Cost is calculated using the first-in, first-out (FIFO) method. The inventory costs comprise all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The NRV value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company and the Group become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired.

Financial assets

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

The Group and parent Company classifies its financial assets in the amortised cost measurement category. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows ("hold to collect") and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, financial assets at amortised cost are recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Discounting is omitted where the effect of discounting is immaterial. Trade receivables without a significant financing component are measured at the transaction price as a practical expedient.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method less impairment losses, if any. Gain or losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

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 Company's financial assets under this classification include loans receivable, trade and other receivables and cash and cash equivalents.

Impairment of financial assets

The Company and the Group recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company and the Group expect to receive, discounted at an approximation of the original effective interest rate. The resulting impairment allowance is insignificant to the company's financial position and results.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

For trade receivables, the group and the company apply the simplifies approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 18 for further details.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment losses are insignificant.

Financial liabilities

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.

The Company and the Group's financial liabilities are mainly financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction cost and are subsequently measured at amortised cost using the effective interest method. All interest-related charges under the interest amortisation process are recognised in profit or loss.

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. On derecognition, the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

The Company's financial liabilities under this classification include bonds payable, and trade and other payables.

The Group's financial liabilities under this classification include bonds payable, interest-bearing loans and borrowings, lease liabilities and trade and other payables.

The Company's financial liabilities under this classification include bonds payable, and trade and other payables.

The Group's financial liabilities under this classification include bonds payable, interest-bearing loans and borrowings, lease liabilities and trade and other payables.

Segment reporting

The operations of the Group determines and presents 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'. The operating segments consist of three segments, retailing of food and beverages, importation of food and beverages items for the outlets and the provision of services.

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 under The Convenience Shop brand, and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group operates a single operating segment comprising its retail convenience store network operating under The Convenience Shop brand, together with related support services. The results of the operating segment are reviewed by the Board of Directors on a regular basis to assess performance and to make decisions regarding the allocation of resources. Performance is assessed primarily on an outlet-by-outlet basis, as revenue is largely driven by customer transactions across the Group's retail outlets in the local market.

The operating segments relating to importation and the provision of services do not meet any of the quantitative thresholds laid out in the relevant accounting standards to be considered reportable, and separately disclosed. Furthermore, management believes that these operating segments can be aggregated with the retailing of food and beverage items operating segment given that the three operating segments have similar economic characteristics and share a majority of the aggregation criteria laid out in IFRS 8 Operating Segments. The aggregated financial performance of the three segments is represented in the Consolidated Statement of Comprehensive Income.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The directors have considered the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Company's directors, except for the matters disclosed below, 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 disclosure in terms of the requirements of IAS 1 *Presentation of Financial Statements*, except for the matters described below.

Business combinations

As discussed in Note 2, the Group accounted for acquisitions in accordance with IFRS 3 Business Combinations. The purchase consideration was based on the book value of the assets and liabilities of the acquired business. The directors have assessed and agreed that this is representative of the fair value, hence no adjustment was deemed necessary.

Impairment assessment of intangible assets with indefinite useful lives

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and suppliers' agreements have suffered any impairment, in accordance with the accounting policy stated in Note 2.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

4. REVENUE

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Dividend income	**–**	–	**–**	923,076
Royalty fee income	**–**	–	**956,537**	865,707
Sale of goods	**48,327,097**	42,167,731	**–**	–
Fees, commissions and other revenue	**4,623,626**	4,211,035	**–**	–
	52,950,723	46,378,766	**956,537**	1,788,783

5. OPERATING PROFIT

The operating profit is stated after charging:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Employee benefit expense (Note 6)	**8,577,887**	5,778,669	**–**	–
Directors' remuneration	**289,507**	267,685	**42,894**	41,904
Auditors' remuneration				
- Statutory audit	**50,000**	41,200	**17,000**	16,000
- Tax compliance services	**3,100**	3,100	**600**	600
- Other non-assurance services	**1,500**	1,500	**1,500**	1,500
- Other assurance services	**4,500**	4,500	**4,500**	4,500
Cost of sales	**37,959,684**	33,009,472	**–**	–
Subcontracted labour	**805,478**	1,792,386	**–**	–
Provision on impairment of receivables and loans receivable	**46,592**	20,866	**347,756**	261,639
Depreciation of property, plant and equipment (Note 11)	**1,108,712**	911,107	**–**	–
Depreciation of right of use asset (Note 13)	**1,413,020**	1,257,587	**–**	–
Amortisation of intangible assets (Note 12)	**165,256**	141,232	**–**	–

During the year, employees' remuneration amounting to €111,620 (2024: Nil) were capitalised within, property, plant and equipment. No director's remuneration were capitalised in 2025 (2024: €46,697)

6. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense incurred during the year were as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Salaries and wages	**8,082,217**	5,420,441	**–**	–
Social security costs	**480,943**	322,611	**–**	–
Maternity fund contribution	**14,727**	35,617	**–**	–
	8,577,887	5,778,669	**–**	–

The average number of persons employed by the Group and the Company during the year were 329 and 6 respectively (2024: 298 employees for the Group and 6 for the Company). The non-executive directors received their remuneration from the Company.

7. OTHER INCOME

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Commission income	**78,889**	75,839	**–**	–
Rental income	**596,107**	442,621	**–**	–
Government grants	**32,786**	–	**–**	–
Other income	**155,416**	152,524	**–**	7,472
Management fee	**–**	–	**60,000**	60,000
	863,198	670,984	**60,000**	67,472

8. FINANCE COSTS

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Interest expense on bonds payable (Note 19)	**250,000**	250,000	**250,000**	250,000
Interest expense on bank loan (Note 19)	**140,356**	79,666	**–**	–
Interest expense on lease liabilities (Note 22)	**794,297**	642,492	**–**	–
Other interest and financing expenses	**2,050**	624	**674**	608
	1,186,703	972,782	**250,674**	250,608

9. FINANCE INCOME

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Interest income from loans receivable (Note 15)	**–**	–	**224,346**	318,500
	–	–	**224,346**	318,500

10. TAX EXPENSE

The tax charged to profit or loss comprised of the following:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Current tax charge	**419,515**	406,300	**–**	186,700
Deferred tax (credit)/charge	**(268,764)**	(124,113)	**–**	–
	150,751	282,187	**–**	186,700

The tax on the Group and the Company's profit before tax differs from the theoretical tax charge that would arise using the applicable tax rate in Malta of 35% as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Profit before tax	**1,067,833**	1,637,637	**678,330**	1,333,429
Tax on profit at 35%	**373,742**	573,173	**237,416**	466,700
Non-deductible expenses	**(29,616)**	31,405	**–**	–
Difference between tax base and carrying amounts of property, plant and equipment	**(13,806)**	154	**–**	–
Intangible assets amortisation tax benefit	**(280,000)**	(280,000)	**(280,000)**	(280,000)
Income not subject to tax	**(1,648)**	(7,518)	**–**	–
Absorbed capital allowances	**(12,137)**	(1,006)	**–**	–
Unabsorbed capital allowances	**74,078**	44,707	**12,442**	–
Tax losses surrendered to group undertaking	–	–	**–**	–
Doubtful debts	–	–	**30,142**	–
Other differences between accounting and tax deductible items of expenditure	**40,138**	(78,728)	**–**	–
	150,751	282,187	**–**	186,700

Deferred income taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2024: 35%). The movement on the deferred tax account is as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
At the beginning of the year	**319,687**	195,573	**–**	–
Credited to profit or loss	**268,764**	124,114	**–**	–
At the end of year	**588,451**	319,687	**–**	–

The balance as at 31 December represents:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Tax effect on temporary differences arising from:				
– Differences between tax base and carrying amounts of fixed assets	**(284,292)**	(317,219)	**–**	–
– Difference arising from leases	**576,491**	556,534	**–**	–
– Provision on doubtful debts	**34,450**	13,422	**–**	–
– Unabsorbed capital allowances	**217,104**	66,949	**–**	–
– Unutilised tax losses	**1,890**	–	**–**	–
– Group loss relief	**42,808**	–		
	588,451	319,686	**–**	–

Deferred taxation is principally composed of deferred tax assets and liabilities which are to be recovered and settled after more than twelve months.

As at 31 December 2025, the Group had a potential deferred tax asset of €588,451 (2024: €319,686) emanating from unabsorbed capital allowances, unutilised tax losses and differences in the carrying amount and tax base of fixed assets relating to two of the group companies. This amount has not been recognised in the statement of financial position since the directors do not consider it prudent to recognise such asset.

11. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Improvements to premises	Plant and machinery	Office equipment	Motor vehicles	Asset under construction	Total
	€	€	€	€	€	€
Cost						
As at 1 January 2024	3,834,792	2,603,943	1,538,668	82,859	320,648	8,380,910
Additions and commissioned assets	1,109,782	613,184	530,785	–	(313,560)	1,940,191
As at 1 January 2024	(84)	–	(1,572)	–	–	(1,656)
Balance at 31 December 2024	**4,944,490**	**3,217,127**	**2,067,881**	**82,859**	**7,088**	**10,319,445**
Accumulated depreciation						
As at 1 January 2024	(2,110,962)	(1,225,113)	(941,710)	(51,201)	–	(4,328,986)
Depreciation	(400,460)	(260,775)	(239,888)	(9,984)	–	(911,107)
Release on disposal	25	–	970	–	–	995
Balance at 31 December 2024	**(2,511,397)**	**(1,485,888)**	**(1,180,628)**	**(61,185)**	**–**	**(5,239,098)**
Carrying amount						
At 31 December 2024	**2,433,093**	**1,731,239**	**887,253**	**21,674**	**7,088**	**5,080,347**

THE GROUP	Improvements to premises	Plant and machinery	Office equipment	Motor vehicles	Asset under construction	Total
	€	€	€	€	€	€
Cost						
As at 1 January 2025	4,944,490	3,217,127	2,067,881	82,859	7,088	10,319,445
Additions and commissioned assets	564,202	549,435	736,415	48,604	453,906	2,352,562
Assets put into use	7,088	-	-	-	(7,088)	-
Balance at 31 December 2025	**5,515,780**	**3,766,562**	**2,804,296**	**131,463**	**453,906**	**12,672,007**
Accumulated depreciation						
As at 1 January 2025	(2,511,397)	(1,485,888)	(1,180,628)	(61,185)	-	(5,239,098)
Depreciation	(468,310)	(296,837)	(335,125)	(8,440)	-	(1,108,712)
Balance at 31 December 2025	**(2,979,707)**	**(1,782,725)**	**(1,515,753)**	**(69,625)**	**-**	**(6,347,810)**
Carrying amount						
At 31 December 2025	**2,536,073**	**1,983,837**	**1,288,543**	**61,838**	**453,906**	**6,324,197**

12. INTANGIBLE ASSETS

THE GROUP	Goodwill	Suppliers agreements	Intellectual Property	Key money	Total
	€	€	€	€	€
Cost					
As at 1 January 2024	5,124,870	3,099,647	4,000,000	1,744,950	13,969,467
Additions	-	-	-	370,000	370,000
Balance at 31 December 2024	**5,124,870**	**3,099,647**	**4,000,000**	**2,114,950**	**14,339,467**
Accumulated amortisation					
As at 1 January 2024	-	-	-	(475,790)	(475,790)
Amortisation	-	-	-	(141,232)	(141,232)
Balance at 31 December 2024	**-**	**-**	**-**	**(617,022)**	**(617,022)**
Carrying amount At 31 December 2024	**5,124,870**	**3,099,647**	**4,000,000**	**1,497,928**	**13,722,445**

THE GROUP	Goodwill	Suppliers agreements	Intellectual Property	Key money	Total
	€	€	€	€	€
Cost					
As at 1 January 2025	5,124,870	3,099,647	4,000,000	2,114,950	14,339,467
Additions	-	-	24,525	375,000	399,525
Balance at 31 December 2025	**5,124,870**	**3,099,647**	**4,024,525**	**2,489,950**	**14,738,992**
Accumulated amortisation					
As at 1 January 2025	-	-	-	(617,022)	(617,022)
Amortisation	-	-	-	(165,256)	(165,256)
Balance at 31 December 2025	**-**	**-**	**-**	**(782,278)**	**(782,278)**
Carrying amount At 31 December 2025	**5,124,870**	**3,099,647**	**4,024,525**	**1,707,672**	**13,956,714**

THE COMPANY	Intellectual property
	€
Cost and carrying amount	
As at 31 December 2024	**4,000,000**
Additions	**24,525**
As at 31 December 2025	**4,024,525**

13. RIGHT OF USE ASSETS

The Group leases several properties which it operates as retail outlets. The leases have various commencement dates and terms ranging from 1 to 20 years. Lease payments are subject to escalations.

The Group also has leases which it uses as a warehouse and an office space. The term of the lease is 8 years and 11 months commencing on 1 September 2018. Lease payments are subject to escalation of 3% every four years starting on 1 May 2019.

The Group also has leases which it uses as its head office. The term of the lease is of 15 years commencing from 1 July 2023. Lease payments are subject to escalations.

THE GROUP	**Total**
	€
Cost	
As at 1 January 2024	14,886,541
Additions	1,595,405
Closure of outlets	(273,250)
Balance at 31 December 2024	**16,208,696**
Accumulated depreciation	
As at 1 January 2024	(4,081,419)
Depreciation	(1,257,587)
Closure of outlets	135,667
Balance at 31 December 2024	**(5,203,339)**
Carrying amount	
At 31 December 2024	**11,005,357**

THE GROUP	**Total**
	€
Cost	
As at 1 January 2025	16,208,696
Additions	5,956,247
Closure of outlets	(68,848)
Balance at 31 December 2025	**22,096,095**
Accumulated depreciation	
As at 1 January 2025	(5,203,339)
Depreciation	(1,413,020)
Closure of outlets	38,760
Balance at 31 December 2025	**(6,577,599)**
Carrying amount	
At 31 December 2025	**15,518,496**

14. INVESTMENT IN SUBSIDIARIES

			Company	
	2025	2024	**2025**	2024
	% of shares held	% of shares held	**€**	€
At cost:				
The Convenience Shop Limited (Note i)	**100**	100	**200,000**	200,000
The Convenience Shop for Puttinu Cares Limited (Note ii)	**99**	99	**1,199**	1,199
The Convenience Shop (Management) Limited (Note iii)	**100**	100	**50,000**	50,000
Daily Retail Challenges (Note iv)	**80**	80	**960**	960
Aynic & Co Limited (Note v)	**100**	100	**67,988**	67,988
Seafront Express Limited (Note vi)	**50**	50	**1,688**	1,688
			321,835	321,835

During the year, the Company held the following investments:

i. 200,000 ordinary shares with a nominal value of €1 each of which, €101,200 were acquired on subscription and the remaining €98,800 was capitalised as a capital contribution.

ii. 1,199 ordinary shares with a nominal value of €1 each for a total consideration of €1,199.

iii. 50,000 ordinary shares with a nominal value of €1 each for a total consideration of €50,000.

iv. 960 ordinary shares with a nominal value of €1 each for a total consideration of €960.

v. 100,000 ordinary shares with a nominal value of €1 each for a total consideration of €67,988.

vi. 600 ordinary shares with a nominal value of €1 each for a total consideration of €1,688. The Company exercises control over the associate. Thus, it is treated as a subsidiary and therefore it is being consolidated at group level.

The following summarises the financial position and performance of the Company's subsidiaries as at year ended 31 December 2024 and 31 December 2025:

31 December 2024

Subsidiaries	Registered Office	Capital and reserves	Profit/(loss) for the year
		€	€
The Convenience Shop Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	1,481,007	755,224
The Convenience Shop for Puttinu Cares Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	72,110	31,361
The Convenience Shop (Management) Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	1,508,671	(140,176)
Daily Retail Challenges Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	(11,975)	62,741
Aynic & Co. Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	(721,578)	(206,749)
Seafront Express Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	(58,424)	2,874

31 December 2025

Subsidiaries	Registered Office	Capital and reserves	Profit/(loss) for the year
		€	€
The Convenience Shop Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	2,190,479	709,469
The Convenience Shop for Puttinu Cares Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	74,805	2,694
The Convenience Shop (Management) Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	1,170,982	(361,463)
Daily Retail Challenges Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	50,625	62,600
Aynic & Co. Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	(1,080,730)	(359,152)
Seafront Express Limited	8, TCS Building, Triq Ħal Luqa, Qormi QRM 9072, Malta	(55,949)	2,475

15. LOANS RECEIVABLE

	Company	
	2025	2024
	€	€
Loans to subsidiaries	**7,680,711**	7,522,091

On 27 March 2019, the Company entered into a loan facility agreement with The Convenience Shop Limited through which the balance of €4,900,000 was made available to the latter. An interest of 6.5% per annum accrued daily on the entire amount of the Loan Facility and was repayable annually in arrears. The utilised amounts were repayable on the expiration of the loan facility period i.e. the maturity date of the issued bond or the early redemption date if this option was exercised by the lender. The interest income during the year amounted to €224,346 (2024: €318,500). On 31 December 2024, the Company entered into an agreement superseding the prior loan agreement, for a loan facility up to €4,000,000. The loan incurs an interest of 3% per annum and is repayable by not later than 31 December 2034. The outstanding balance as at 31 December 2025, net off expected credit losses of €92,478 (2024: €46,698), amounted to €3,357,522 (2024: €3,575,424).

On 31 December 2024, the Company entered into an assignment agreement with The Convenience Shop Limited and The Convenience Shop (Management) Limited, whereby the amount of €3,816,734 receivable from The Convenience Shop Limited is now receivable from The Convenience Shop (Management) Limited. On 31 December 2024, the Company entered into another loan facility agreement with The Convenience Shop (Management) Limited for an additional loan facility up to €730,000. The loans incur an interest of 3% per annum and are repayable by not later than 31 December 2034. The outstanding balance as at 31 December 2025, net of expected credit losses of €97,858 (2024: €41,523), amounted to €3,552,853 (2024: €3,179,188).

On 31 December 2024 the Company entered into a loan facility agreement with Aynic & Co Limited for a loan facility up to €1,500,000 of which the amount of €936,022 was utilised as at year-end. The loan incurs an interest of 3% per annum and is repayable by not later than 31 December 2034. The outstanding balance as at 31 December 2025 net of expected credit losses of €138,650 (2024: €168,544), amounted to €441,350 (2024: €767,479).

The Company's exposure to credit risk relating to loans receivable is disclosed in Note 28.

16. INVENTORIES

	Group	
	2025	2024
	€	€
Fast moving consumer goods	**4,422,245**	3,718,864
Consumables	**41,383**	64,971
Shop fittings	**183,357**	91,131
Stock provision	**(148,199)**	(77,736)
	4,498,786	3,797,230

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Trade receivables - third parties (Note i)	**1,392,811**	1,470,553	**–**	–
Trade receivables - related parties (Note i)	**–**	–	**313,367**	375,365
Prepayments	**553,575**	324,328	**13,030**	13,077
Deposits	**243,570**	250,632	**–**	–
VAT receivable	**–**	–	**–**	–
Other receivables	**3,350,088**	3,128,026	**83,364**	217,610
Dividends receivable	**–**	–	**–**	500,000
Amounts owed by related parties (Note ii)	**943,368**	291,691	**39,308**	39,308
Accrued income	**296,000**	–	**–**	–
	6,779,412	5,465,230	**449,069**	1,145,360

i. The Group's trade receivables are stated net of expected credit losses of €45,007 (2024: €18,342) and the Company's trade receivables are stated net of expected credit losses of €18,709 (2024: €4,874).

ii. The amounts owed by related parties are unsecured, interest-free and have no fixed repayment date.

iii. The Group's and Company's exposure to credit and currency risk and impairment losses relating to trade and other receivables is disclosed in Note 28.

18. SHARE CAPITAL

	Group and Company	
	2025	2024
	€	€
Authorised		
625,000,000 ordinary shares of €0.16 each	**100,000,000**	100,000,000
Issued and fully paid up		
30,800,000 ordinary shares of €0.16 each	**4,928,000**	4,928,000

The ordinary shares carry identical voting rights at general meeting of the Group and Company, are equally entitled to any distribution of dividends, and all classes of shares rank equally for any residual assets of the Group and Company after the settlement of all liabilities in the event of the winding up.

19. BORROWINGS

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Bank loan (Note i)	**2,053,399**	1,259,876	**-**	-
Other Borrowings	**83,333**	-	**9,389**	-
Bonds payable (Note ii)	**4,901,600**	4,875,114	**4,901,600**	4,875,114
	7,038,332	6,134,990	**4,910,989**	4,875,114
Current				
Bank loan (Note i)	**562,063**	411,734	**-**	-
Other Borrowings	**16,667**	-	**1,878**	-
Bank overdraft (Note iii)	**694,083**	250,695	**-**	-
	1,272,813	662,429	**1,878**	-

NOTES TO THE FINANCIAL STATEMENTS – *continued*
19. Borrowings – *continued*

THE GROUP

(i)

	Original Facility €	Interest Rate %	Interest Subsidy %	Maturity	Amount Drawn 2025	Amount Drawn 2024	Balance 2025	Balance 2024	Security
The Convenience Shop Limited									
Loan 1	210,000	5.40	-	31/05/2031	**-**	-	**111,657**	128,940	Secured by a general hypothec over the Company's assets.
Loan 2	750,000	3.50	-	30/11/2031	**749,131**	749,131	**397,424**	471,107	Secured by a general hypothec over the Company's assets.
Loan 3	437,600	5.15	5.15	30/06/2027	**437,600**	437,600	**175,040**	291,733	Secured by guarantees from related parties and The Convenience Shop (Holding) plc
Loan 4	400,000	5.65	-	30/09/2031	**400,000**	388,392	**339,208**	376,270	Secured by a pledge from The Convenience Shop (Management) Limited and guarantees from related parties and third parties.
Loan 5	2,000,000	5.50	-						Secured by second general hypothec over The Convenience Shop Limited present and future assets.
Loan 5 - Tranche 1	-	-		29/02/2032	**94,000**	-	**89,924**	-	A General hypothec over The Convenience Shop Limited and The Convenience Shop (Management) Limited present and future assets
Loan 5 - Tranche 2	-	-		29/02/2032	**120,000**	-	**114,796**	-	Guarantees from related parties and a second pledge on The Convenience Shop Limited business insurance policy and on The Convenience Shop (Management) premises.
Loan 5 - Tranche 3	-	-		29/02/2032	**164,000**	-	**156,888**	-	
Loan 5 - Tranche 4	-	-		30/06/2032	**207,200**	-	**199,196**	-	
Loan 5 - Tranche 5	-	-		31/08/2032	**98,400**	-	**98,400**	-	
Loan 5 - Tranche 6	-	-		31/07/2032	**116,000**	-	**116,000**	-	
Loan 5 - Tranche 7	-	-		31/07/2032	**151,200**	-	**151,200**	-	
Loan 5 - Tranche 8	-	-		31/12/2032	**241,600**	-	**241,600**	-	
Loan 5 - Tranche 9	-	-		31/01/2033	**159,500**	-	**159,500**	-	
The Convenience Shop (Management) Limited									
Loan 1	312,400	5.15	5.15	30/04/2027	**342,747**	342,747	**108,497**	191,804	Secured by a pledge from The Convenience Shop (Management) Limited and guarantees from related parties and third parties.
Loan 2	100,000	5.65	-	31/08/2031	**99,813**	84,703	**83,187**	80,445	Secured by a pledge over the insurance business policy, support by guarantees from related parties and The Convenience Shop (Holding) plc.
Aynic & Co. Limited									
Loan 1	500,000	3.50	-	31/03/2027	**-**	-	**72,945**	131,311	Secured by a general hypothec over the Company's assets, by general and special hypothecs over assets of third parties and by a pledge on insurance policy.
Total	4,710,000				**3,381,191**	2,002,573	**2,615,462**	1,671,610	

ii. The Convenience Shop (Holding) plc issued bonds for an aggregate amount of €5,000,000 during the period ended 31 December 2019. The Bonds are subject to interest at the rate of 5% per annum and are repayable in full upon maturity on 8 March 2029 unless previously re-purchased and cancelled, or the Company exercises the option to redeem all or any part of the Bonds at their nominal value prior to the Redemption Date, between 8 March 2026 and 8 March 2029.

iii. The Convenience Shop Limited has an overdraft facility of €250,000 (2024: €250,000) to finance working capital which is subject to 5.40% interest and is repayable on demand. The Convenience Shop (Management) Limited has an overdraft facility of €500,000 (2024: Nil) to finance the working capital which is subject to 5.50% interest and is repayable on demand.

iv. The Group and Company's exposure to liquidity risk relating to loans is disclosed in Note 28.

20. DIVIDENDS

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Gross of income tax				
Ordinary shares dividend	**1,611,077**	2,217,889	**1,611,077**	2,179,428
Net of income tax				
Ordinary shares dividend	**1,047,200**	1,441,628	**1,047,200**	1,416,628
Net dividend per share	**0.03**	0.05	**0.03**	0.05

21. EARNINGS PER SHARE

EEarnings per share is based on the profit for the financial year attributable to the ordinary equity holders of The Convenience Shop (Holding) plc divided by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

	Group		Company	
	2025	2024	**2025**	2024
Profit attributable to ordinary equity holders	**€917,082**	€1,355,450	**€678,330**	€1,146,729
Weighted Average number of ordinary shares at 31 December	**30,800,000**	30,800,000	**30,800,000**	30,800,000
Basic earnings per share for the year attributable to ordinary equity holders	**€0.030**	€0.044	**€0.022**	€0.037

22. LEASE LIABILITIES

	Group	
	2025	2024
	€	€
Current	**1,227,779**	972,500
Non-current	**16,415,321**	11,706,062
	17,643,100	12,678,562

	Group	
	2025	2024
	€	€
Gross lease payments		
Due after more than five years	**13,224,647**	8,983,524
Due after one year but within five years	**8,523,761**	6,346,902
Due within one year	**2,108,975**	1,606,596
	23,857,383	16,937,022
Discounting	**(6,214,283)**	(4,258,460)
	17,643,100	12,678,562

The carrying amount of lease liabilities recognised during the year is as follows:

	Group	
	2025	2024
	€	€
Opening balance	**12,678,562**	12,107,534
Additions	**5,956,249**	1,595,405
Release on disposals	**(36,064)**	(159,061)
Interest	**794,297**	642,492
Lease payments	**(1,749,944)**	(1,507,808)
	17,643,100	12,678,562

The following are the amounts recognised in profit or loss relating to leases:

	Group	
	2025	2024
	€	€
Interest expense (Note 8)	**794,297**	642,492
Depreciation expense (Note 5)	**1,413,020**	1,257,587
	2,207,317	1,900,079

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Other payables	**–**	196,545	**–**	13,144

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Current				
Trade payables - third parties	**11,657,522**	9,447,865	**–**	12,390
Trade payables - related parties	**221,878**	189,863	**–**	–
Amounts owed to shareholders (i)	**306,459**	440,705	**306,459**	440,705
VAT payable	**175,589**	98,031	**111,164**	105,122
Accruals and deferred income	**1,494,083**	1,942,115	**247,272**	281,593
Other payables	**293,275**	287,300	**911**	1,015
	14,148,806	12,405,879	**665,806**	840,825

i. The amounts owed to shareholders are unsecured, interest-free and have no fixed date of repayment.

ii. The Group's and Company's exposure to liquidity risk relating to trade and other payables is disclosed in Note 28.

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and in banks, net of overdrawn bank balances. Cash and cash equivalents included in the statement of cash flow reconcile to the amounts shown in the statement of financial position as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Cash in hand	**366,023**	289,518	**-**	-
Cash at bank	**1,101,588**	1,896,243	**49,997**	5,025
	1,467,611	2,185,761	**49,997**	5,025
Bank overdraft and overdrawn bank balances	**(694,083)**	(250,695)	**-**	-
	773,528	1,935,066	**49,997**	5,025

The Group's and Company's exposure to credit risk relating to cash at bank is disclosed in Note 28.

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The tables below detail the changes in the Group's and Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's statement of cash flows used in financing activities.

The Group

	Balance at 01.01.2024	**Net proceeds/ (repayments)**	**Non-cash adjustment**	**Balance at 31.1.2024**
	€	**€**	**€**	**€**
Bonds payable	4,848,616	(250,000)	276,498	**4,875,114**
Interest-bearing loans	1,596,342	75,268	–	**1,671,610**
Lease liabilities	12,107,534	(1,507,808)	2,078,836	**12,678,562**
	18,552,492	**(1,682,540)**	**2,355,334**	**19,225,286**

The Group

	Balance at 01.01.2025	**Net proceeds/ (repayments)**	**Non-cash adjustment**	**Balance at 31.12.2025**
	€	**€**	**€**	**€**
Bonds payable	4,875,114	(250,000)	276,486	**4,901,600**
Interest-bearing loans	1,671,610	943,852	-	**2,615,462**
Other Borrowings	-	100,000	-	**100,000**
Lease liabilities	12,678,562	(1,749,944)	6,714,481	**17,643,099**
	19,225,286	**(956,092)**	**6,990,967**	**25,260,161**

The Company

	Balance at 01.01.2024	**Net proceeds/ (repayments)**	**Non-cash adjustment**	**Balance at 31.12.2024**
	€	**€**	**€**	**€**
Bonds payable	4,848,616	(250,000)	276,498	**4,875,114**
	4,848,616	**(250,000)**	**276,498**	**4,875,114**

The Company

	Balance at 01.01.2025	**Net proceeds/ (repayments)**	**Non-cash adjustment**	**Balance at 31.12.2025**
	€	**€**	**€**	**€**
Bonds payable	4,875,114	(250,000)	276,486	**4,901,600**
	4,875,114	**(250,000)**	**276,486**	**4,901,600**

26. CAPITAL COMMITMENTS

Capital commitments for capital expenditure with respect to property, plant and equipment not provided for in these financial statements are as follows:

	Group	
	2025	2024
	€	€
Contracted but not provided	**27,900**	121,502
	27,900	121,502

27. RELATED PARTY TRANSACTIONS

The Group and Company has related party relationships with companies over which there exists common control and directors exercise common control. Transactions are carried out with related parties on a regular basis and in the ordinary course of the business.

	Group	
	2025	2024
	€	€
Income from goods and services		
Sale of goods and services to related parties	**864,776**	132,740
Recharge of payroll and other costs to related parties	**469,614**	432,689
Commission income from related parties	**16,092**	14,575
	1,350,482	580,004
Expenditure for goods and services		
Purchase of goods from related parties	**1,547,805**	1,022,398
Purchase of services from related parties	**-**	11,043
Rental expenses from related parties	**132,721**	117,642
	1,680,526	1,151,083

	Company	
	2025	2024
	€	€
Income from goods and services		
Sale of services to subsidiaries	**1,016,537**	925,707
Dividend income from subsidiaries	**-**	923,076
Finance income on loans to subsidiaries	**224,346**	318,500
	1,240,883	2,167,283

The outstanding amounts arising from these transactions are disclosed in Notes 17 and 23 to the financial statements.

28. FINANCIAL RISK MANAGEMENT

The Group and the Company's activities exposed it to a variety of financial risks, including market risk (cash flow and fair value interest rate risk), credit risk and liquidity risks.

The Company's directors are responsible for managing the risks faced by the Group and Company. This responsibility includes identifying, analysing, setting the appropriate risk limits and controls, and monitoring adherence to such limits and controls. The Group and Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial periods.

At year-end, the Company's financial assets are comprised of financial assets at amortised cost namely loans receivable, trade and other receivables and cash and cash equivalents while the Group's financial assets at amortised cost comprise of loans receivables, trade and other receivables and cash and cash equivalents. At year-end, there were no off-balance sheet financial assets.

At year-end, the Company's financial liabilities comprised of financial liabilities at amortised cost namely bonds payable and trade and other payables while the Group's financial liabilities at amortised cost include bonds payable, borrowings, lease liabilities and trade and other payables. At year-end, there were no off-balance sheet financial liabilities except as disclosed in Note 19 to the financial statements.

Market risk

Market risk is the risk that changes in market prices (e.g. foreign exchange rates, interest rates and equity prices) will affect the Company and the Group's income or the value of its holdings of financial instruments. The Company and the Group is exposed mainly to changes in interest rates.

Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The directors manage interest rate risk by minimising variable-rate long-term borrowings.

The Group and Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's bonds payable are at fixed interest rates and therefore do not expose the Group and Company to cash flow and fair value interest rate risk.

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. The Group's bank loans amounting to €2,615,462 (2024: €1,671,610) are principal and interest payment loans. An official increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of €26,155 per annum. 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. Up to the end of the reporting period, the group did not have any hedging arrangements with respect to the exposure of floating interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company.

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

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Financial assets at amortised cost:				
Cash at bank	**1,101,588**	1,896,243	**49,997**	5,025
Trade receivables	**1,392,811**	1,470,553	**-**	375,365
Other receivables	**3,350,088**	3,128,026	**83,364**	217,610
Loans receivable	**-**	-	**7,680,711**	7,522,091
Amounts owed by subsidiaries	**-**	-	**313,367**	-
Amounts owed by related parties	**943,368**	291,691	**39,308**	39,308
	6,787,855	6,786,513	**8,166,747**	8,159,399

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.

Cash at Bank

The Group and Company's cash is placed with reputable financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the companies within the group. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was insignificant.

Trade and other receivables

The Group and Company's risk is managed through assessing the credit quality of its customers by taking into account the financial position, past experience and other factors and incorporating forward looking information such as economic conditions where the debtors operate and other macroeconomic factors affecting the ability of the customers to settle the receivables.

Impairment of trade receivables

An impairment analysis is performed at each reporting date for these assets using the simplified approach to measure the allowance ECL on trade receivables. The Group and Company determines the allowance for ECL by using a provision matrix as they possess shared credit risk characteristics, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group's loss allowances of €45,007 (2024: €18,342) were present at year end in respect of trade and other receivables that were overdue and that were not expected to be recovered. Other overdue trade receivables that were not impaired amounted to €Nil (2024: €Nil). The Group and Company holds no security against these receivables. The Group's unsecured overdue amounts consisted of €Nil (2024: €Nil) that were less than three months overdue and €Nil (2024: €Nil) that were greater than three months.

Loans receivable

The Company has adopted a 12-month ECL method to its loans receivable. As at 31 December 2025, the expected credit losses on the loans receivables from subsidiaries amounted to €328,986 (2024: €256,765).

Amounts due from subsidiaries and related parties

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. The Company takes cognisance of the related party relationship with these entities and management does not expect any significant losses from non-performance or default.

Since amounts due from subsidiaries are repayable on demand, expected credit losses are based on the assumption that repayment of the balance is demanded at the reporting date. Accordingly, the expected credit loss allowance attributable to such balances is insignificant.

Collateral

The Company and the Group do not hold any collateral.

Liquidity risk

The Group and Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and borrowings (refer to note 19 and 23). 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 and Company's obligations.

The directors manage liquidity risk by maintaining adequate cash reserves and/or available borrowing facilities by continuously monitoring actual and forecast cash flows as well as the maturity profiles of financial liabilities.

The table below analyses the Group and Company'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 equal their carrying amounts, as the impact of discounting is not significant.

Group

	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
	€	€	€	€	€
31 December 2025					
Bonds payable (Note 19)	4,901,600	6,000,000	250,000	5,750,000	-
Bank loan (Note 19)	2,615,462	2,615,372	562,053	2,053,319	-
Other borrowings	100,000	104,733	16,677	68,454	19,521
Lease liabilities (Note 22)	17,643,100	23,857,383	2,108,975	8,523,761	13,224,647
	25,260,162	**32,577,488**	**2,937,705**	**16,395,534**	**13,244,168**
31 December 2024					
Bonds payable (Note 19)	4,875,114	6,250,000	250,000	6,000,000	-
Bank loan (Note 19)	1,671,610	1,705,275	378,758	1,049,495	277,022
Lease liabilities (Note 22)	12,678,562	16,937,022	1,606,596	6,346,902	8,983,524
	19,225,286	**24,892,297**	**2,235,354**	**13,396,397**	**9,260,546**

Company

	Carrying amount	Contractual cash flows	Within one year	One to five years	Over five years
	€	€	€	€	€
31 December 2025					
Other borrowings	11,267	16,000	1,878	9,389	4,733
Bonds payable (Note 19)	4,901,600	6,000,000	250,000	5,750,000	-
	4,912,867	**6,016,000**	**251,878**	**5,759,389**	**4,733**
31 December 2024					
Bonds payable (Note 19)	4,875,114	6,250,000	250,000	6,000,000	-

During the year under review the Group entered into a number of lease arrangements resulting in outstanding lease liabilities of €17,643,100 (2024: €12,678,562) out of which €1,227,778 (2024: €972,500) is repayable within the year (Note 22).

Fair value of financial instruments

As at year-end, the carrying amounts of the cash and cash equivalents, trade and other receivables and payables 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 Group's non-current floating interest rate bank borrowings at the end of the reporting period is not significantly different from the carrying amounts.

Timing of cash flows

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Capital risk management

The capital structure of the Company and the Group consists of debt, which includes the borrowings disclosed in Note 19, and equity attributable to equity holders, comprising issued share capital and retained earnings as disclosed in Note 18 to these financial statements and in the statement of changes in equity.

The Company and the Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

29. Comparative information

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

RSM Malta

Mdina Road,
Ħaż-Żebbuġ, Malta
ZBG 9015

T +356 2278 7000

www.rsm.com.mt

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Convenience Shop (Holding) plc

Report on the Audit of The Financial Statements

Opinion

We have audited the accompanying financial statements of The Convenience Shop (Holding) plc ("the Company") and the consolidated financial statements of the Company and its subsidiaries (together, "the Group"), set out on pages 34 to 69, which comprise the statements of financial position as at 31 December 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union ("EU"), and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with the additional report to the audit committee in accordance with the provision of Article 11 of the EU Regulation No. 537/2014 on specific requirements regarding statutory audits of public-interest entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and of the Group in accordance with the ethical requirements of both the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Code of Ethics for Warrant Holders in Malta. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable laws and regulations in Malta and that we have not provided any non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the Group during the year ended 31 December 2025 are disclosed in Note 5 to the financial statements.

To the Shareholders of The Convenience Shop (Holding) plc

Report on the Audit of the Financial Statements - continued

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were 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 these matters.

Impairment assessment of intangible assets with indefinite useful lives

As disclosed in Note 12, the Group's goodwill, suppliers' agreements and intellectual property are carried at €5.1 million, €3.1 million and €4 million respectively. The first two intangible assets arose from the PPA exercise performed in 2019 whilst the intellectual property arose from the acquisition of 'The Convenience Shop' trademark which was purchased from Jin Limited during the prior years.

In line with IAS 36, "Impairment of assets", the directors are required to assess whether the intangible assets with indefinite useful lives are potentially impaired.

The impairment assessment is subject to significant directors' judgement and estimation in the following areas;

1. the selection of an appropriate impairment model to be used, in this case, the discounted cash flows model,
2. the assessment and determination of the expected cash flows
3. setting appropriate growth rates; and
4. selection of the appropriate discount rate.

In light of the significant directors' judgement we consider this to be a key audit matter for our audit.

In responding to the significant judgement involved, our audit procedures included, assessing the appropriateness of the impairment model, assessing the reasonableness of the key assumptions employed in the valuation model, including the discount rate adopted with the help of our internal valuation specialist, and we challenged and evaluated key assumptions related to revenue projection.

Inventory and sale of goods

The business is characterised by fast movement of consumer goods and operates 49 shops around Malta and Gozo. The inventory of the Group primarily consists of food, goods and other ancillary products that are sold through its retail outlets in the fast-moving consumer goods industry. The revenue and inventory processes are key drivers to the development of the business. We identified the accuracy and existence of the inventory and revenue as an area of higher risk of material misstatement and consequently, a key audit matter.

INDEPENDENT AUDITOR'S REPORT - continued

To the Shareholders of The Convenience Shop (Holding) plc

Report on the Audit of the Financial Statements - continued

Key Audit Matters - continued

Inventory and sale of goods - continued

As at 31 December 2025, the Group's inventories amounted to €4.5 million, while revenue amounted to €52.9 million as disclosed in Notes 16 and 4 to the financial statements. In responding to the risk identified, we obtained an understanding of the revenue cycle, inventory management processes and inventory count procedures. We assessed the design and implementation of the key controls over these processes. We were not able to take a control reliant audit approach on certain assertions due to weaknesses noted in the IT environment and inventory process. Where we noted deficiencies, we extended the scope of our substantive procedures.

Our audit procedures also included, but were not restricted to, observing inventory count procedures at selected shops and performing test counts. We traced our test counts to the inventory system to determine if the system reflects actual count results. Analytical procedure on gross margin was performed by linking the margin against supplier agreements and selling prices, on a sample basis.

Other Information

The directors are responsible for the other information. The other information comprises the general information, directors' report, the corporate governance - statement of compliance and the remuneration report, but does not include the financial statements and our auditor's report thereon. 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 on the other information that we have obtained prior to the date of this auditor's report, 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.

Under Article 179(3) of the Maltese Companies Act (Cap. 386), we are required to consider whether the information given in the directors' report is compliant with the disclosure requirements of Article 177 of the same Act.

Based on the work we have performed, in our opinion:

- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386);
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those in the financial statements; and
- in light of our knowledge and understanding of the Company and the Group, and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

INDEPENDENT AUDITOR'S REPORT - continued

To the Shareholders of The Convenience Shop (Holding) plc

Report on the audit of the financial statements - continued

Responsibilities of the Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors 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 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.

Those charged with governance are responsible for overseeing the financial reporting process of the Group and the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

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 opinion. 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company 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.

INDEPENDENT AUDITOR'S REPORT - continued

To the Shareholders of The Convenience Shop (Holding) plc

Report on the Audit of The Financial Statements - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

INDEPENDENT AUDITOR'S REPORT - continued

To the Shareholders of The Convenience Shop (Holding) plc

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Prospects MTF Rules and the Capital Market Rules issued by the Malta Financial Services Authority require the directors to prepare and include in their Annual Report a Statement of Compliance with the Code of Principals of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Market Rules. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures the Board has taken to ensure compliance throughout the accounting period with those Principles.

The Prospects MTF Rules and the Capital Market Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report with respect to the information referred to in the Capital Market Rules 5.97.4 and 5.97.5. We also assessed whether the Statement of Compliance includes all the other information required to be presented as per Capital Market Rules 5.97. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance 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 Statement of Compliance has been properly prepared in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange and the Capital Market Rules issued by the Malta Financial Services Authority.

Report on the Remuneration Report

The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare a Remuneration Report including the contents listed in Appendix 12.2 to Chapter 12 of the Capital Market Rules.

We are required to consider whether the information that should be provided under the Remuneration Report, as required in terms of Appendix 12.2 to Chapter 12 of the Capital Market Rules, has been included.

In our opinion, the Remuneration Report has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

To the Shareholders of The Convenience Shop (Holding) plc

Report on Other Legal and Regulatory Requirements - continued

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

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the annual report of The Convenience Shop (Holding) plc for the year ended 31 December 2025, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the annual report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Auditor's responsibilities

Our responsibility is to obtain reasonable assurance about whether the annual report, including the consolidated financial statements and the relevant electronic tagging therein complies 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.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual report, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual report and performing validations to determine whether the Annual report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are 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 opinion.

Opinion

In our opinion, the Annual Report for the year ended 31 December 2025 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

INDEPENDENT AUDITOR'S REPORT - continued

To the Shareholders of The Convenience Shop (Holding) plc

Report on Other Legal and Regulatory Requirements - continued

Other matters on which we have to report by exception

Under the Maltese Companies Act (Cap. 386), we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches we have not visited; or
- the financial statements are not in agreement with the accounting records and returns; or
- we were unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

We also have responsibilities under the Capital Market Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

Appointment

We were first appointed to act as statutory auditors of the Company by the shareholders of the Company on 29 October 2019 for the period ended 31 December 2019 and we were subsequently reappointed by the shareholders at the Company's general meeting for the financial years thereafter. The period of uninterrupted engagement as statutory auditor of the Company is seven financial years.

This copy of the audit report has been signed by
Conrad Borg *(Principal)*
for and on behalf of

RSM Malta
Registered Auditors

30 April 2026

NOTES

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The Convenience Shop (Holding) plc

Registered office
8, TCS Building, Triq Ħal Luqa, Qormi, QRM 9072, Malta

hello@my.mt

Company Registration Number: C 87554