The following is a Company Announcement issued by HUDSON MALTA P.L.C., a company registered under the laws of Malta with company registration number C 83425 (hereinafter the ‘Company’), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Hudson Holdings Limited’s Audited Financial Statements

The Company announces that the Annual Report and Audited Consolidated Financial Statements of Hudson Holdings Limited (C 37866) [hereinafter ‘HHL’] for the period ended 31st December 2024 have been approved on the 30th June 2025 by the Board of directors of HHL. HHL is the ultimate parent company of the Hudson Group.

Pursuant to a commitment made by the Board of directors of HHL as set out in the Prospectus dated 23rd March 2018, a copy of HHL’s afore-mentioned financial statements is available for viewing below as an attachment to this announcement and at the Company’s registered office, and is also available for download from the following link on the Hudson Group’s website: https://hudson.com.mt/investor-relations/.

Unquote

By order of the Board.

Dr Luca Vella
Company Secretary

30th June 2025

Company Announcement: HDS91

HUDSON HOLDINGS LIMITED

Annual Report and Consolidated
Financial Statements
31 December 2024

Company Registration Number: C 37866

Directors' report

The directors present their report of Hudson Holdings Limited (the "Company"), and the Group of which it is the parent for the year ended 31 December 2024.

Principal activities

The Company holds investments in a number of subsidiary companies as well as an investment in an associated company. These companies are involved in the retail and/or distribution of branded consumer products in Malta and internationally in Italy, Cyprus, Morocco, Algeria, Nigeria and now Greece. The Company carries out the central management function through which it furthers the business of the Group.

Review of the business development and financial position

Group results

During 2024 the Group reported a turnover consistent with 2023 at €181.8m with retail turnover up by €6.1m (+7%) compared to 2023 to reach €91.7m compensating for a similar drop in wholesale of €6.1m to €90.1m. This marked the first time that revenue from retail operations surpassed wholesale, reflecting the shift towards retail that has underpinned the Group's strategy expansion in recent years.

This increased focus on direct retail was marred by the tough market conditions that impacted the retail sector in general, mainly due to the inflationary pressures and changes in consumer behaviour, which dampened the revenue from certain stores and brands. During the year the Group addressed underperforming stores and as at the 31st December 2024 the Group was operating 80 stores (2023 – 84). Overall gross profit from retail increased by 11%, 4% greater that the revenue reflecting an improvement in the gross margin.

The biggest negative impact on the group's turnover and profitability was the reduction in wholesale revenue of €6.1m which was principally caused by the difficulty in importing products into Algeria, one of the Group's most significant wholesale markets as well as a decline in a significant client, who also in part operates in Algeria. Whilst part of this impact was mitigated through new clients and markets, the lost sales could not be recovered in full within such a short time period. Gross margin only dropped marginally.

As a combination of the above, the overall gross profit increased to €56.1m from €53.6m, an increase of €2.5m. Net operating and administrative expenses increased by €2.8m or 5.8% mainly reflecting the impact of inflation and the higher operating costs of the retail sector. The main increases were reported in retail labour costs by €1.3m, rent costs by €1m and an increase in inventory provision of €0.5.

With the increase in operating and administration costs being slightly higher than the increase in gross profit the Group is reporting a lower operating profit from operations of €5.4m compared to €5.7m in 2023. In 2024 the Group accounted for the increased contingent liability on the Trilogy transaction of €0.9m (2023 €0.4m) which when coupled with increased net finance costs of €5.5 million resulted in a loss before tax of €0.4 million compared to a profit of €0.7m in 2023. After taking into account the tax charges and comprehensive income from translation differences, the Group reported a comprehensive loss of €0.8m in 2024 compared to a loss of €1.9m in 2023.

From a balance sheet aspect, the Group's total assets decreased by €11.6m to €148.7m driven mainly by lower receivables and right-of-use assets whilst inventories and cash and cash equivalents increased. Total liabilities decreased by €10.8m to €129m due to lower lease liabilities, trade and other payables and bank borrowings. Consequently net debt contracted by €9.9m to €70.2m, supported by the improved cash balance resulting in improved the leverage and the current ratio which strengthened to 7.54 times and 1.04 times respectively.

Directors' report - continued

Review of the business development and financial position - continued

For 2024 the Group reported a significant improvement in cash generation, with net cash generated from operating activities amounted to €16.3m, €4.1m higher than the prior year. Cash used in investing activities contracted materially to €3.6m from €8.3m whilst net cash used in financing activities increased substantially to €10.6m, reflecting payments towards borrowings and leases. Despite this financing outflow, the Group was able to register a net positive movement in cash and cash equivalents of €2.1m ending the year with €11.7m of cash and cash equivalents.

Company results and dividends

The Company reported an operating loss of €0.5m compared to a profit of €0.1m in 2023 following the increased contingent liability on the Trilogy transaction of €0.9m (2023 €0.4m) whilst other operating results were in line with 2023. In 2024 the Company received €35.1m in dividend income (nil in 2023) resulting in a profit after tax of €23.2m compared to a loss of €0.06m in 2023.

From an equity perspective the Company undertook a reorganisation of its equity structure with the capitalisation of €46.3m of reserves and other equity resulting in share capital of €46.5m. The directors did not declare any dividends during the year (2023: €Nil) and propose that the balance of retained earnings amounting to €1.1m (2023: €16.6m) be carried forward to the next financial year.

Post balance sheet events

In January 2025, Frasers Group plc acquired a 41.98% direct shareholding in the Company, representing a strategic partnership with a world class retail conglomerate with significant financial and brand strength. Following this acquisition, Frasers Group has appointed four new board members to the Company's board, and a representative to sit on the Executive Committee, enabling the Group to capitalise on their experience to contribute to and execute the Group's strategy.

Key performance indicators

Non-financial key performance

During the year, the board has continued to strengthen its governance, compliance and control framework through new procedures and continued its personal development plans across the Group to ensure that its employees are aligned to the Group's overall goals.

Directors' report - continued

Significant risks and uncertainties

The Group's principal risks include financial risks as disclosed in Note 2 to these financial statements, possible obsolescence of inventories, potential loss of market share as competing retailers enter the market, and the impact of the continued war in Ukraine and the escalation of conflicts in the East, the ongoing trade wars around tariffs, have all contributed to a global environment of uncertainty and inflation as well as logistical disruptions.

Whilst the Group has significant operations located in stable economies, the Group also operates in emerging markets with a lesser degree of social, political and economic stability. The Group aims to mitigate this risk through operating solely with leading brands of international repute which place it in a better position to weather any unexpected adverse conditions.

As a result of the lower demand experienced the Group has reviewed its expansion strategy and is focusing on key performing brands and markets whilst closing non performing stores as well as reducing its operating base in order to drive better profitability.

Directors

The directors of the Company who held office during the year were:

George Amato (resigned on 16 January 2025)
Alfred Borg
Christopher Muscat
Raymond Grech
Kevin Valenzia (resigned on 16 January 2025)
Joseph Borg
Etienne Camenzuli
David Basile Cherubino
Thomas William Glen Baird (appointed on 16 January 2025)
David Michael Forsey (appointed on 16 January 2025)
James Anthony France (appointed on 16 January 2025)
Nicholas Jonathan Fox (appointed on 16 January 2025)

The Company's Articles of Association do not require any directors to retire.

Statement of directors' responsibilities for the financial statements

The directors are required by the Companies Act (Cap. 386 of the laws of Malta) to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

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

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

Directors' report - continued

Statement of directors' responsibilities for the financial statements - continued

The directors are also responsible for designing, implementing and maintaining 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, and that comply with the Companies Act (Cap. 386 of the laws of Malta). They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Hudson Holdings Limited for the year ended 31 December 2024 are included in the Annual Report 2024, which is published in hard-copy printed form and will be made available on the 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 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.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Etienne Camenzuli
Director

Christopher Muscat
Director

Registered office:
Hudson House
Burmarrad Road,
Burmarrad
St. Paul's Bay SPB 9060
Malta

30 June 2025

Statements of financial position

		As at 31 December			
		Group		Company	
	Notes	**2024**	2023	**2024**	2023
		€	€	**€**	€
ASSETS					
Non-current assets					
Intangible assets	4	**8,188,875**	8,626,714	**4,393,583**	4,585,109
Property, plant and equipment	5	**17,189,638**	18,806,215	**532,621**	530,873
Right-of-use assets	6	**39,551,665**	44,440,740	**550,799**	573,626
Lease receivables	7	**-**	-	**1,725,842**	2,543,747
Investment in subsidiaries	8	**-**	-	**47,870,882**	24,453,425
Investment in associate	9	**1,427,844**	1,372,129	**-**	-
Available for sale investments	10	**312,500**	312,500	**312,500**	312,500
Financial assets at amortised cost	11	**-**	1,625,503	**2,459,619**	4,824,840
Trade and other receivables	12	**951,230**	616,530	**75,135**	-
Deferred tax assets	13	**1,583,608**	1,207,973	**167,915**	475,636
Total non-current assets		**69,205,360**	77,008,304	**58,088,896**	38,299,756
Current assets					
Inventories	14	**48,787,536**	46,445,554	**-**	-
Lease receivables	7	**-**	-	**924,120**	959,273
Financial assets at amortised cost	11	**380,503**	-	**788,503**	-
Trade and other receivables	12	**15,111,678**	24,875,328	**12,987,032**	9,388,641
Current tax assets		**78,521**	201,066	**200,392**	198,311
Cash and cash equivalents	15	**15,136,752**	11,773,156	**256,404**	462,609
Total current assets		**79,494,990**	83,295,104	**15,156,451**	11,008,834
Total assets		**148,700,350**	160,303,408	**73,245,347**	49,308,590

Statements of financial position - continued

		As at 31 December			
		Group		Company	
	Notes	**2024**	2023	**2024**	2023
		€	€	**€**	€
EQUITY AND LIABILITIES					
Capital and reserves attributable to owners of the Company					
Ordinary share capital	16	**38,848,800**	100,127	**38,848,800**	100,127
Preference share capital	16	**7,608,168**	-	**7,608,168**	
Share premium	16	**1,195**	6,858,036	**1,195**	6,858,036
Capital redemption reserve	16	**-**	756,454	**-**	756,454
Other reserve	16	**272,818**	272,818	**-**	-
Foreign exchange translation reserve	16	**1,789,920**	777,781	**-**	-
Fair value reserve	10,16	**(105,976)**	(105,976)	**(105,976)**	(105,976)
Retained earnings		**(28,517,591)**	12,043,479	**1,107,340**	16,640,312
		19,897,334	20,702,719	**47,459,527**	24,248,953
Non-controlling interest		**(162,714)**	(162,714)	**-**	-
Total equity		**19,734,620**	20,540,005	**47,459,527**	24,248,953
Non-current liabilities					
Borrowings	19	**17,033,244**	17,536,416	**6,578,232**	3,532,811
Deferred tax liabilities	13	**-**	46,263	**-**	-
Lease liabilities	17	**35,224,876**	40,719,797	**2,358,070**	3,123,473
Trade and other payables	18	**317,576**	-	**-**	-
Total non-current liabilities		**52,575,696**	58,302,476	**8,936,302**	6,656,284
Current liabilities					
Trade and other payables	18	**42,472,687**	45,495,717	**11,652,162**	13,284,977
Lease liabilities	17	**7,190,352**	6,801,514	**932,304**	1,036,587
Borrowings	19	**25,958,256**	26,863,136	**4,265,052**	4,081,789
Current tax liabilities		**768,739**	2,300,560	**-**	-
Total current liabilities		**76,390,034**	81,460,927	**16,849,518**	18,403,353
Total liabilities		**128,965,730**	139,763,403	**25,785,820**	25,059,637
Total equity and liabilities		**148,700,350**	160,303,408	**73,245,347**	49,308,590

The notes on pages 14 to 71 are an integral part of these financial statements. The financial statements on pages 5 to 71 were authorised for issue by the Board on 30 June 2025 and were signed on its behalf by:

Etienne Camenzuli
Director

Christopher Muscat
Director

Income statements

		Year ended 31 December			
		Group		Company	
	Notes	**2024**	2023	**2024**	2023
		€	€	**€**	€
Revenue	20	**181,840,572**	181,840,996	**8,923,989**	8,420,196
Cost of sales	21	**(125,759,136)**	(128,260,313)	**-**	-
Gross profit		**56,081,436**	53,580,683	**8,923,989**	8,420,196
Operation and administrative expenses	21	**(51,024,043)**	(47,929,363)	**(8,537,320)**	(7,851,119)
Other operating income/(expense)	21	**378,772**	55,939	**(52,621)**	-
Operating profit before increase in contingent liability		**5,436,165**	5,707,259	**334,048**	569,077
Increase in contingent liability to shareholder	11,28	**(879,900)**	(425,100)	**(879,900)**	(425,100)
Profit/(loss) from operations		**4,556,265**	5,282,159	**(545,852)**	143,977
Income from investment in subsidiaries		**-**	-	**35,127,665**	-
Finance income	23	**60,000**	60,000	**403,390**	474,073
Finance costs	24	**(5,533,954)**	(5,183,434)	**(668,242)**	(653,819)
Share of profit in associate	9	**482,060**	588,972	**-**	-
(Loss)/profit before tax		**(435,629)**	747,697	**34,316,961**	(35,769)
Income tax expense	25	**(1,381,895)**	(1,762,522)	**(11,106,387)**	(21,000)
(Loss)/profit for the year		**(1,817,524)**	(1,014,825)	**23,210,574**	(56,769)
(Loss)/profit attributable to:					
Owners of the Company		**(1,817,524)**	(1,014,825)	**23,210,574**	(56,769)
Non-controlling interests		**-**	-	**-**	-
		(1,817,524)	(1,014,825)	**23,210,574**	(56,769)

The notes on pages 14 to 71 are an integral part of these financial statements.

Statements of other comprehensive income

		Year ended 31 December			
		Group		Company	
	Notes	**2024**	2023	**2024**	2023
		€	€	**€**	€
(Loss)/profit for the year		**(1,817,524)**	(1,014,825)	**23,210,574**	(56,769)
Other comprehensive income:					
Currency translation differences - gross and net of tax		**1,012,139**	(1,173,094)	**-**	-
Changes in the fair value of equity assets at fair value through OCI, gross and net of tax		**-**	312,500	**-**	312,500
Other comprehensive income for the year, net of tax		**1,012,139**	(860,594)	**-**	312,500
Total comprehensive (loss)/income for the year		**(805,385)**	(1,875,419)	**23,210,574**	255,731
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(805,385)**	(1,875,419)	**23,210,574**	255,731
Non-controlling interests		**-**	-	**-**	-
		(805,385)	(1,875,419)	**23,210,574**	255,731

The notes on pages 14 to 71 are an integral part of these financial statements.

Statements of changes in equity

Group

	Note	Ordinary share capital €	Preference share capital €	Share premium €	Foreign currency translation reserve €	Capital redemption reserve €	Other reserve €	Fair value reserve €	Retained earnings €	Total equity attributable to owners of the Company €	Non-controlling interest €	Total equity €
Balance at 1 January 2023		**100,127**	**-**	**6,858,036**	**1,950,875**	**-**	**272,818**	**(418,476)**	**13,814,758**	**22,578,138**	**(162,714)**	**22,415,424**
Comprehensive income												
Loss for the year		-	-	-	-	-	-	-	(1,014,825)	(1,014,825)	-	(1,014,825)
Other comprehensive income												
Currency translation differences		-	-	-	(1,173,094)	-	-	-	-	(1,173,094)	-	(1,173,094)
Changes in equity assets at fair value through OCI	16	-	-	-	-	-	-	312,500	-	312,500	-	312,500
Total comprehensive income for the year		-	-	-	**(1,173,094)**	-	-	**312,500**	**(1,014,825)**	**(1,875,419)**	-	**(1,875,419)**
Transactions with Owners												
Transfer to capital redemption reserve	16	-	-	-	-	756,454	-	-	(756,454)	-	-	-
Balance at 31 December 2023		**100,127**	**-**	**6,858,036**	**777,781**	**756,454**	**272,818**	**(105,976)**	**12,043,479**	**20,702,719**	**(162,714)**	**20,540,005**

Statements of changes in equity - continued

Group

	Note	Ordinary share capital €	Preference share capital €	Share premium €	Foreign currency translation reserve €	Capital redemption reserve €	Other reserve €	Fair value reserve €	Retained earnings €	Total equity attributable to owners of the Company €	Non-controlling interest €	Total equity €
Balance at 1 January 2024		**100,127**	**-**	**6,858,036**	**777,781**	**756,454**	**272,818**	**(105,976)**	**12,043,479**	**20,702,719**	**(162,714)**	**20,540,005**
Comprehensive income												
Loss for the year		-	-	-	-	-	-	-	(1,817,524)	(1,817,524)	-	(1,817,524)
Other comprehensive income												
Currency translation differences		-	-	-	1,012,139	-	-	-	-	1,012,139	-	1,012,139
Total comprehensive income for the year		**-**	**-**	**-**	**1,012,139**	**-**	**-**	**-**	**(1,817,524)**	**(805,385)**	**-**	**(805,385)**
Transactions with owners												
Bonus share issue	16	38,748,673	7,608,168	(6,856,841)	-	(756,454)	-	-	(38,743,546)	-	-	-
Balance at 31 December 2024		**38,848,800**	**7,608,168**	**1,195**	**1,789,920**	**-**	**272,818**	**(105,976)**	**(28,517,591)**	**19,897,334**	**(162,714)**	**19,734,620**

Statements of changes in equity - continued

Company	Note	Ordinary share capital €	Preference share capital €	Share premium €	Capital redemption Reserve €	Retained earnings €	Fair value reserve €	Total €
Balance at 1 January 2023		**100,127**	**-**	**6,858,036**	**-**	**17,453,535**	**(418,476)**	**23,993,222**
Comprehensive income								
Loss for the year		-	-	-	-	(56,769)	-	(56,769)
Other comprehensive income								
Changes in Equity assets at fair value through OCI		-	-	-	-	-	312,500	312,500
Total comprehensive income for the year		-	-	-	756,454	(813,223)	312,500	255,731
Transactions with owners								
Transfer to Capital redemption reserve		-	-	-	756,454	(756,454)	-	-
Balance at 31 December 2023		**100,127**	**-**	**6,858,036**	**756,454**	**16,640,312**	**(105,976)**	**24,248,953**

Statements of changes in equity - continued

Company	Note	Ordinary share capital €	Preference share capital €	Share premium €	Capital redemption Reserve €	Retained earnings €	Fair value reserve €	Total €
Balance at 1 January 2024		**100,127**	**-**	**6,858,036**	**756,454**	**16,640,312**	**(105,976)**	**24,248,953**
Comprehensive income								
Profit for the year		-	-	-	-	23,210,574	-	23,210,574
Other comprehensive income								
Changes in Equity assets at fair value through OCI		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	23,210,574	-	23,210,574
Transactions with owners								
Bonus share issue	16	38,748,673	7,608,168	(6,856,841)	(756,454)	(38,743,546)	-	-
Transfer to Capital redemption reserve		-	-	-	-	-	-	-
Balance at 31 December 2024		**38,848,800**	**7,608,168**	**1,195**	**-**	**1,107,340**	**(105,976)**	**47,459,527**

The notes on pages 14 to 71 are an integral part of these financial statements.

Statements of cash flows

	Notes	Year ended 31 December Group		Company	
		2024	2023	**2024**	2023
		€	€	**€**	€
Cash flows from/(used in) operating activities					
Cash generated from operations	27	**23,830,563**	20,273,569	**(1,116,408)**	1,254,194
Finance income	23	**60,000**	60,000	**403,390**	474,073
Interest paid on borrowings	24	**(3,058,849)**	(2,970,661)	**(506,856)**	(451,538)
Interest paid on lease liabilities	24	**(2,052,954)**	(1,685,732)	**(161,386)**	(29,349)
Income tax paid		**(3,213,070)**	(3,829,049)	**(23,081)**	(533,531)
Foreign currency translation movements		**769,395**	391,252	**-**	-
Net cash generated from / (used in) operating activities		**16,335,085**	12,239,379	**(1,404,341)**	713,849
Cash flows from investing activities					
Investment in subsidiaries	8	**-**	-	**(500,000)**	-
Purchases of property, plant and equipment	5	**(3,258,053)**	(7,200,741)	**(204,729)**	(289,115)
Purchases of intangible asset	4	**(396,385)**	(1,085,212)	**(387,862)**	(880,895)
Loans to subsidiary	11	**-**	-		(1,240,387)
Net cash used in investing activities		**(3,654,438)**	(8,285,293)	**(1,092,591)**	(2,410,397)
Cash flows from financing activities					
Net (repayments)/ proceeds from drawdowns of borrowings		**(2,693,537)**	1,360,946	**1,448,000**	585,662
Principal elements of lease payments (IFRS16)		**(7,880,403)**	(6,644,369)	**(937,957)**	(72,769)
Net cash generated from/(used in) financing activities		**(10,573,940)**	(5,283,423)	**510,043**	512,893
Movement in cash and cash Equivalents		**2,106,707**	(1,329,337)	**(1,986,889)**	(1,183,655)
Cash and cash equivalents at the beginning of the year		**9,583,835**	10,913,172	**(845,183)**	338,472
Cash and cash equivalents at the end of the year	15	**11,690,542**	9,583,835	**(2,832,072)**	(845,183)

The notes on pages 14 to 71 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policies

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

1.1 Basis of preparation

The consolidated financial statements include the financial statements of Hudson Holdings Group and its subsidiaries and are prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386).

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

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

The Group reported a net current asset position of €3,104,956 (2023: €1,834,177), however, the Company reported a net current liability position of €1,693,067 (2023: €7,394,519). This is mainly due to outstanding amounts due and loans due to intercompany which, as at year-end, amounted to €10,130,642 (2023: €11,535,414). During 2024, the Company was reliant on the support received from its subsidiaries as a large portion of the current liabilities are due to the subsidiaries. Accordingly, the directors have concluded that at the time of approving these financial statements, the Group's and the Company's business is considered to be a going concern.

Standards, interpretations and amendments to published standards effective in 2024

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

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2024. The Group and Company have not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group and Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group and Company's financial statements in the period of initial application.

<u>IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)</u>

IFRS 18 (issued on 9 April 2024) is yet to be endorsed for use in the EU however it is set to replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance.

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's and Company's financial statements.

The new standard will be applicable from its mandatory effective date of 1 January 2027, subject to endorsement for use in the EU, with retrospective application.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 over 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.

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

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to govern control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1. **Summary of material accounting policies** - continued

1.2 Consolidation - continued

(b) Transactions with non-controlling interests – continued

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Business combinations

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree 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 (identifiable net assets) 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 recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as 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.

If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Business combinations between entities under common control, which do not fall within the scope of IFRS 3, are accounted for using the predecessor method of accounting. Under the predecessor method of accounting, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying values of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control and for which consolidated financial statements are prepared. When the controlling party does not prepare consolidated financial statements because it is not a parent company, the financial statements amount of the acquired entity are used.

No new goodwill arises in predecessor accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of transaction) of the acquired entity, is include in equity in a separate reserve. The financial statements incorporate the acquired entity's results only from the date on which the business combination between entities under common control occurred.

Under both methods of accounting, upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1. **Summary of material accounting policies** - continued

1.2 Consolidation - continued

(c) Business combinations – continued

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other income/(charges) - net'.

(c) Group companies

Income statements of foreign entities are translated into the Group's presentation currency at the average exchange rates for the year and statements of financial position are translated at the exchange rates ruling at year-end. All resulting translation differences are recognised in other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign entities and of borrowings are taken to other comprehensive income. On disposal or partial disposal of a foreign entity, translation differences that were previously recognised in other comprehensive income are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Translation differences are recognised in other comprehensive income.

1. Summary of material accounting policies - continued

1.4 Intangible assets

(a) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

(c) Supplier relationships

Supplier relationships acquired in a business combination are recognised at fair value at the acquisition date. Supplier relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of supplier relationships over their estimated useful lives of 15 years. The remaining amortisation period as at 31 December 2024 was of 11 years.

(d) Computer software

Costs incurred to acquire, development and implement computer software is capitalised on the basis of the costs incurred to acquire and bring into use the software in line with IAS 38 'Intangible Assets'. These costs are amortised on a straight-line basis over their estimated useful life of ten years. Costs associated with maintaining computer software and costs that do no meet the recognition criteria of IAS 38 'Intangible Assets' are expensed as incurred.

1. **Summary of material accounting policies** - continued

1.5 Property, plant and equipment

Property, plant and equipment, is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated on the straight-line method to allocate the cost, or revalued amount, of the assets to their residual values over their estimated useful life as follows:

	%
Improvement to premises	10
Furniture, fixtures and other equipment	20 – 33⅓
Plant and machinery	25
Motor vehicles	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within 'Other operating income' in the statement of comprehensive income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 1.7).

1.6 Leases

The Group is the lessee

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

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

1. **Summary of material accounting policies** - continued

1.6 Leases - continued

The Group is the lessee – continued

The Group leases various properties. Rental contracts are typically made of fixed periods but may have extension options to renew the lease after the original period as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in respect of managing contracts. The extension and termination options held are exercisable only by the Group and not by the respective lessor. In respect of the property lease arrangements, the extension periods have been included in determining lease term of the respective arrangement.

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are based on variable payment terms with percentages ranging from 4.2% to 12% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

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

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

To determine the incremental borrowing rate, the Group:

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. **Summary of material accounting policies** - continued

1.6 Leases - continued

The Group is the lessee – continued

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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

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

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Contracts might contain both lease and non-lease components. For leases of real estate for which the Group is a lessee, the Group has elected not to separate lease and non-lease components, and it accounts for these instead as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes.

1. Summary of material accounting policies - continued

1.7 Impairment of non-financial assets

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

1.8 Financial assets

1.8(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

1.8(b) Recognition and measurement

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

1.8(c) Measurement

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

Financial assets with embedded derivatives are considered in their entirely when determining whether their cashflows are solely payment of principal and interest.

1. Summary of material accounting policies - continued

1.8 Financial assets - continued

1.8(c) Measurement - continued

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost as assets that are held for collection of contractual cashflows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included on finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1.8(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2.1(b) for further details).

1.8.1 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (Note 1.8(d)). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of

1. **Summary of material accounting policies** - continued

1.8 Financial assets - continued

1.8.1 Trade and other receivables - continued

the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.8.2 Cash and cash equivalents

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

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to be incurred in marketing, selling and distribution.

1.10 Financial liabilities

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

1.10.1 Trade and other payables

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

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

1.10.2 Borrowings

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

1. **Summary of material accounting policies** - continued

1.11 Offsetting financial instruments

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

1.12 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

1.13 Current and deferred tax

The tax expense for the period 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.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

1.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised upon delivery of products or performance of services, and is stated net of sales tax, returns, rebates and discounts.

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

1. Summary of material accounting policies - continued

1.14 Revenue recognition - continued

(a)Sales of goods – retail
Sales of goods are recognised when the group sells a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue includes credit card fees payable for the transaction. Such fees are included in 'cost of sales'. It is the group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

(b)Sales of goods – customer loyalty programme
The group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the Points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. A contract liability is recognised until the points are redeemed.

(c) Sales of goods - wholesale
The Group sells a range of branded consumer products in the wholesale market. Sales of goods are recognised when the Group has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the risks of obsolescence and loss have been transferred to the wholesaler, and the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

(d) Interest income
Interest income is recognised for all interest-bearing instruments, using the effective interest method, unless collectability is in doubt.

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

1.15 Dividend distribution

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

2. Financial risk management

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

2. Financial risk management - continued

2.1 Financial risk factors - continued

The board of directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposure ensuring the current and preceding financial years.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective group entity's functional currency.

The table below summarises the Group's exposure to foreign currencies, other than the functional currency, as at 31 December 2024 and 2023.

	Assets	Liabilities	Net exposure
	€	€	€
Group			
As at 31 December 2023			
USD to EUR	7,508	(129,545)	(121,947)
EUR to USD	687,610	(6,306,164)	(5,618,554)
GBP to EUR	-	(280,646)	(280,646)
USD to NGN	-	(1,435,405)	(1,435,405)
	695,118	**(8,151,670)**	**(7,456,552)**

	Assets	Liabilities	Net exposure
	€	€	€
Group			
As at 31 December 2024			
USD to EUR	7,189	(43,574)	(36,385)
EUR to USD	1,098,545	(5,419,433)	(4,320,887)
GBP to EUR	5,487	(34,534)	(29,046)
USD to NGN	-	(1,083,852)	(1,083,852)
	1,111,222	**(6,581,393)**	**(5,407,171)**

The Group's financial assets are mainly denominated in the functional currency, however, there are certain currency exposures which warranted a sensitivity analysis to assess the potential impact on the net assets attributable to shareholders of a defined shift in a particular foreign currency.

2. **Financial risk management** - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(i) Foreign exchange risk - continued

The following analysis is based on the assumptions that the relevant foreign exchange rate increased / decreased during the relevant periods against the Group's subsidiaries functional currencies by the percentage disclosed in the table below with all other variables held constant. These percentages have been determined based on the average market volatility in exchange rates in the previous twelve months. This represents management's best estimate of a reasonable shift in the foreign exchange rates, having regard to historical volatility of those rates. The below table summarises the potential impact on profit and loss due to a shift in foreign exchange rates:

	Reasonable possible shift in foreign currency rates +/- % impact		Impact of possible shift increase		Impact of possible shift decrease	
	2024	2023	**2024**	2023	**2024**	2023
				€		€
USD to NGN	**62%**	20%	**667,832**	287,081	**(667,832)**	(287,081)

Management does not consider that the exposure to risks arising from foreign currency translations denominated in USD to EUR and GBP to EUR are significant, and thus it was not deemed necessary to perform a sensitivity analysis for these currencies.

(e) Interest rate risk

In general, the Group and Company are exposed to risk associated with the effects of fluctuations in the prevailing levels of market interest rates. The Group and Company's main exposure to interest rate risk arises on the financial assets and liabilities described in the tables below. The Group and Company's borrowings are issued at variable/fixed rates and expose the Group to cash flow interest rate risk. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on. Liabilities bearing interest at variable rates expose the Group to cash flow interest rate risk whereas liabilities bearing interest at fixed rates expose the Group to fair value interest rate risk.

The exposure to cash flow interest rate risk as at 31 December is shown below:

	Group		**Company**	
	At floating rates			
	2024	2023	**2024**	2023
	€	€	**€**	€
Interest-bearing assets				
Amounts owed by subsidiaries (Note 12)	**-**	-	**-**	-
Interest-bearing liabilities				
Bank overdraft (Note 19)	**3,446,210**	2,189,321	**3,088,476**	1,307,792
Bank loans and bank facilities (Note 19)	**27,580,559**	30,334,548	**4,003,133**	2,931,808
Amounts owed to subsidiaries (Note 18)	**-**	-	**-**	-
	31,026,769	32,523,869	**7,091,609**	4,239,600
Net	**(31,026,769)**	(32,523,869)	**(7,091,609)**	(4,239,600)

2. **Financial risk management** - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Interest rate risk – continued

	Group		Company	
	At fixed rates			
	2024	2023	**2024**	2023
	€	€	**€**	€
Interest-bearing assets				
Lease receivables (Note 7)	**-**	-	**2,649,962**	3,503,020
Amounts owed by subsidiaries (Note 12)	**-**	-	**10,422,110**	9,052,128
Gross loans to subsidiaries (Note 11)	**-**	-	**2,887,547**	3,225,667
Loan to shareholders (Note 11)	**380,503**	1,625,503	**380,503**	1,625,503
	380,503	1,625,503	**16,340,122**	17,406,318
Interest-bearing liabilities				
Lease liabilities (Note 17)	**42,415,228**	47,521,311	**3,290,374**	4,160,060
Listed bond (Note 19)	**11,964,731**	11,935,680	**-**	-
Bank loans (Note 19)	**-**	-	**-**	-
Loan from subsidiary (Note 19)	**-**	-	**3,751,675**	3,375,000
Amounts owed to subsidiaries (Note 18)	**-**	-	**10,130,642**	10,185,414
	54,379,959	59,456,991	**17,172,692**	17,720,474
Net	**(53,999,456)**	(57,831,488)	**(832,570)**	(314,156)

Based on the amounts disclosed above, the directors are of the opinion that the Group and Company are exposed to changes in interest rates. Accordingly, a sensitivity analysis disclosing how profit or loss, and other comprehensive income, would be impacted by a change in interest rates that was reasonably possible at the end of the reporting period, is presented below:

	Reasonable possible shift in interest rates +/- % impact		Impact of possible shift increase		Impact of possible shift decrease	
	2024	2023	**2024**	2023	**2024**	2023
				€		€
Group	**1%**	1%	**310,268**	325,239	(310,268)	(325,239)
Company	**1%**	1%	**70,916**	42,936	(70,916)	(42,936)

(b) Credit risk

Credit risk arises from credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions, loans receivable and cash and cash equivalents.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Group and the Company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Loans and receivables category:				
Lease receivables (Note 7)	**-**	-	**2,649,962**	3,503,020
Trade and other receivables - gross (Note 12)	**16,447,936**	25,685,454	**13,062,167**	9,841,174
Loans and receivables (Note 11)	**380,503**	1,625,503	**3,268,050**	4,851,170
Cash and cash equivalents - net of provisions (Note 15)	**15,136,752**	11,773,156	**256,404**	462,609
	31,965,191	39,083,113	**19,236,583**	18,657,973
Less: other receivables that do not give rise to credit risk	**(2,767,351)**	(5,888,900)	**(480,740)**	(758,900)
Provision for impairment	**(385,028)**	(620,108)	**(498,348)**	(452,533)
Maximum exposure to credit risk	**28,812,813**	32,575,105	**18,257,495**	17,446,540

Trade and other receivables (including contract assets)

The Group assesses the credit quality of its trade customers, the majority of which are unrated, taking into account financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of services are affected to customers with an appropriate credit history. Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The creditworthiness analysis for new customers includes a review through external creditworthiness databases when available.

The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customers are within controlled parameters.

The Group has debtor balances amounting to €4,737,610 (2023: €10,568,279) that are covered by letters of credit and other similar trade finance instruments. The Group does not hold any other significant collateral as security.

In view of the nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade and other receivables. The largest client exposure accounts for 25.9% (2023: 57.4%) of the trade debtor balances of which 100% (2023: 100%) are covered by letters of credit. These exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the Group and are deemed by management, usually taking cognisance of the performance history without defaults, to have excellent credit standing.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of trade and other receivables (including contract assets)

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the tenants to settle the receivables. The Group adjusts the historical loss rates based on expected changes in these factors. The Group's debtors are principally in respect of transactions with costumers for whom there is no recent history of default. Management does not expect any material losses from non-performance by these customers. On the basis of this analysis and considering that the Group never experienced material defaults from its receivables, no adjustments to impairment provisions on trade receivables were required upon adoption of IFRS 9, as the identified impairment loss is insignificant.

The Group monitors information available on macroeconomic factors, affecting repayment ability, as well as the actual and projected impact of the pandemic on the business model of the customers serviced by the Group. Payment patterns attributable to the Group's customers is thoroughly and regularly are assessed to determine whether any deterioration in collection rates is being experienced. The Group determined that the expected credit losses have not materially changed taking cognisance of the projected impact on the repayment ability of the Group's customers, the repayment pattern actually experienced, and the estimated life of receivables.

Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables. The individually credit impaired trade receivables mainly relate to independent customers which are in unexpectedly difficult economic situations mostly due to geopolitical issues and which are accordingly not meeting repayment obligations. In this respect, the Company has recognised specific impairment provisions during the current financial year, against credit impaired individual exposures which have demonstrated objective evidence of being impaired.

As at 31 December 2024, trade receivables for the Group and Company amounting to €385,028 (2023: €620,108) and €518,276 (2023: €478,863), respectively, were impaired and the amount of the provisions in this respect are equivalent to these amounts.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

2. **Financial risk management** - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

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

Cash and cash equivalents

The credit risk for cash and cash equivalents for Group and Company is considered negligible since the majority of the counterparties are reputable banks with high quality external credit ratings. The Group and Company assessed the expected credit loss for cash and cash equivalents. The loss allowances for these financial assets are based on assumptions about risk of default and expected loss rates. The identified impairment loss was insignificant except for a bank balance at a subsidiary for which a credit loss allowance of €35,025 (2023: €34,724) was considered.

The closing loss allowances for cash and cash equivalents as at 31 December 2024 reconcile to the opening loss allowances as follows:

	2024	2023
Group	**€**	€
Cash		
Balance at 1 January	**34,724**	34,724
Impact of difference on exchange	**301**	-
Balance at 31 December	**35,025**	34,724

Other financial assets at amortised cost

The Company's other financial assets at amortised cost include lease receivables, loans and other current receivables due from subsidiaries, which are eliminated on consolidation (Notes 7, 11 and 12). 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 its overall liquidity management.

The loss allowances for these financial assets are based on assumptions about risk of default and expected loss rates. The Company's management uses judgement in making these assumptions, based on the counterparty's past history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

2. **Financial risk management** - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

As at year-end, based on the directors' assessments of these factors, the equity position of the respective counterparty, and, where the probability of default is high, the recovery strategies contemplated by management and the support of shareholders in place, the resulting impairment charge required for loans and other current receivables was of €19,928 and €498,348 respectively (2023: €26,330 and €452,533 respectively).

The closing loss allowances for other financial assets at amortised cost as at 31 December 2024 reconcile to the opening loss allowances as follows:

Company	**2024** **€**	2023 €
Other financial assets at amortised cost		
Balance at 1 January	**26,330**	51,098
Increase in loss allowance recognised in profit or loss during the year	**(6,402)**	(24,768)
Balance at 31 December	**19,928**	26,330

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise lease liabilities (Note 17) interest-bearing borrowings (Note 19) and trade and other payables (Note 18). 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 Company's obligations.

Management monitors liquidity risk by means of cash flow forecasts which are updated on a regular basis. The Group's liquidity risk is not deemed to be material in view of the matching of cash inflows and outflows arising from operations. As further disclosed in note 1.1, the Company reported a net current liability position of €1,693,067 (2023: €7,394,519), mainly due to outstanding amounts due and loans due to intercompany which, as at year-end, amounted to €10,130,642 (2023: €11,535,414).

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

The table below analyses the Group and Company's principal financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

			Due		
	Carrying amount	Contractual cash flows	within 1 year	between 2 and 5 years	after more than 5 years
	€	€	€	€	€
Group					
31 December 2024					
Listed bond	11,964,731	13,044,000	522,000	12,522,000	-
Bank overdraft	3,446,210	3,446,210	3,446,210	-	-
Trade and other payables	42,790,264	42,790,264	42,790,264	-	-
Lease liabilities	42,415,228	52,878,035	9,056,933	24,945,155	18,875,948
Other bank loans and facilities	27,580,559	28,195,693	22,800,559	5,395,134	-
Total	**128,196,992**	**140,354,202**	**78,615,966**	**42,862,289**	**18,875,948**
31 December 2023					
Listed bond	11,935,680	13,566,000	522,000	13,044,000	-
Bank overdraft	2,189,324	2,189,324	2,189,324	-	-
Trade and other payables	45,495,717	45,495,718	45,495,718	-	-
Lease liabilities	47,521,311	59,864,993	9,159,095	24,351,695	26,354,203
Other bank loans and facilities	30,334,548	33,353,159	27,321,211	5,396,568	635,380
Total	**137,476,580**	**154,469,194**	**84,687,348**	**42,792,263**	**26,989,583**

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

	Carrying amount €	Contractual cash flows €	Due within 1 year €	Due between 2 and 5 years €	Due after more than 5 years €
Company					
31 December 2024					
Loan from subsidiary	3,751,675	4,012,440	-	4,012,440	-
Bank overdraft	3,088,476	3,088,476	3,088,476	-	-
Trade and other payables	11,652,162	11,652,162	11,652,162	-	-
Lease liabilities	3,290,374	3,676,062	1,155,312	1,949,542	571,209
Bank and other loans	4,003,133	4,290,362	1,302,985	2,987,377	-
Total	**25,785,820**	**26,719,502**	**17,198,935**	**8,949,359**	**571,209**
31 December 2023					
Loan from subsidiary	3,375,000	4,216,000	2,079,625	2,136,375	-
Bank overdraft	1,307,792	1,307,792	1,307,792	-	-
Trade and other payables	13,284,977	13,284,977	13,284,977	-	-
Lease liabilities	4,160,060	4,451,267	1,140,351	3,074,785	236,130
Bank and other loans	2,931,808	3,049,081	1,366,494	1,682,587	-
Total	**25,059,637**	**26,309,117**	**19,179,239**	**6,893,747**	**236,130**

Contractual cashflows on lease liabilities payable by the Company include €2,649,962 (2023: €3,503,020) for which cashflows will be funded by lease receivables due from subsidiaries (Note 7).

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or adjust the amount of dividends paid to shareholders.

The Group's equity, as disclosed in the statement of financial position, constitutes its capital. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operations and requirements. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period is deemed adequate by the directors.

2. Financial risk management - continued

2.2 Capital risk management - continued

The Group monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt.

The figures in respect of the Group's and Company's equity and borrowings as at 31 December are reflected below:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Borrowings (Note 19)	**42,991,500**	44,399,552	**10,843,284**	7,614,600
Lease liabilities (Note 17)	**42,415,228**	47,521,311	**3,290,374**	4,160,060
Less: cash and cash equivalents (Note 15)	**(15,136,752)**	(11,773,156)	**(256,404)**	(462,609)
Net debt	**70,269,976**	80,147,707	**13,877,255**	11,312,051
Total equity	**19,734,620**	20,540,005	**47,459,527**	24,248,953
Total capital	**90,004,596**	100,687,712	**61,336,782**	35,561,004
Net debt ratio	**78.1%**	79.6%	**22.6%**	31.8%

The Group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital, as reflected in the consolidated statement of financial position, is maintained by reference to the Group's respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities and the extent of debt, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the Directors.

2. **Financial risk management** - continued

2.3 Fair values of financial instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Group and Company

	Level 3	
	€	€
	2024	2023
31 December		
Assets		
Equity investments at fair value through other comprehensive income: equity securities		
Unlisted (note 10)	**312,500**	312,500

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group and Company's instrument included in level 3 comprises a private equity investment, disclosed in Note 10 of these financial statements, which also includes a reconciliation from opening to closing value of the instrument.

At 31 December 2024 and 2023 the carrying amounts of cash at bank, loans and receivables, receivables, payables, and borrowings reflected in the financial statements are reasonable estimates of fair value.

3. Critical accounting estimates and judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions present a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group's management also makes judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognised in the financial statements.

Determination of extension for right-of-use assets and liabilities

The Group leases various properties. Rental contracts may have extension options to renew the lease after the original period. Determination of the lease term considered is deemed to be a critical accounting estimate in view of the magnitude of lease payments considered in the extension periods. Details surrounding critical judgements and assumptions are further disclosed in Note 6 and Note 15.

In the opinion of the directors, other than those stated above, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1. In addition, the directors confirm that there is no significant measurement uncertainty associated with the accounting estimates and judgements made in preparing these financial statements.

4. Intangible assets

Group

	Computer Software €	Goodwill €	Supplier relationships €	Others €	Total €
At 1 January 2023					
Cost	4,779,107	1,065,688	3,190,224	232,455	9,267,474
Accumulated amortisation	(513,800)	-	(319,022)	(72,206)	(905,028)
Net book amount	**4,265,307**	**1,065,688**	**2,871,202**	**160,249**	**8,362,446**
Year ended 31 December 2023					
Opening net book amount	**4,265,307**	**1,065,688**	**2,871,202**	**160,249**	**8,362,446**
Additions	880,895	-	-	204,317	1,085,212
Amortisation charges	(561,093)	-	(212,682)	(47,169)	(820,944)
Closing net book amount	**4,585,109**	**1,065,688**	**2,658,520**	**317,397**	**8,626,714**
At 31 December 2023					
Cost	5,660,002	1,065,688	3,190,224	436,772	10,352,686
Accumulated amortisation	(1,074,893)	-	(531,704)	(119,375)	(1,725,972)
Net book amount	**4,585,109**	**1,065,688**	**2,658,520**	**317,397**	**8,626,714**
Year ended 31 December 2024					
Opening net book amount	**4,585,109**	**1,065,688**	**2,658,520**	**317,397**	**8,626,714**
Reclassification of assets - net of accumulated amortisation	160,809	-	-	(160,809)	-
Additions	393,262	-	-	3,123	396,385
Disposals	(9,500)	-	-	-	(9,500)
Amortisation charges	(602,834)	-	(212,681)	(10,321)	(825,836)
Amortisation released on disposals	270	-	-	-	270
Currency translation differences	-	-	-	842	842
Closing net book amount	**4,527,116**	**1,065,688**	**2,445,839**	**150,232**	**8,188,875**
At 31 December 2024					
Cost	6,267,583	1,065,688	3,190,224	191,713	10,715,208
Accumulated amortisation	(1,740,466)	-	(744,385)	(41,482)	(2,526,333)
Net book amount	**4,527,117**	**1,065,688**	**2,445,839**	**150,231**	**8,188,875**

4. Intangible assets - continued

Impairment test for goodwill with an indefinite useful life

The Group's reported goodwill is attributable to business combinations effected in prior years. The Group tests whether goodwill suffered any impairment on an annual basis.

For the purposes of the impairment test, one cash generating unit was identified, which comprises the operations of Hudson Malta Sales Ltd (HMS CGU). The recoverable amount of goodwill has been determined based on value-in-use calculations of the HMS CGU. These calculations use post-tax cash flow projections reflecting the estimates for the years 2024 to 2029 as approved by the Board of Directors.

The key assumptions in the determination of the recoverable amount of the HMS CGU are the levels of forecast EBITDA, capital expenditure, the terminal value growth rates applied to the estimated cash flows beyond the explicit forecast period and the discount rate. Forecast EBITDA levels are based on past experience, adjusted for market developments and industry trends.

The post-tax discount rate applied to in the value-in-use calculation of the HMS CGU was 12.5% (2023: 12.5%) whilst the long-term growth rate applied in the valuation of the residual value was 1.0% (2023: 1.0%). These parameters have been principally based on market observable data.

Group management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. It was determined that the recoverable amount is greater than the carrying amount and consequently, no impairment charge was required for 2024.

The carrying amount of the HMS CGU currently exceeds its recoverable amount by €6,160,000 (2023: €13,700,000). The recoverable amount of this CGU would equal its carrying amount if the post-tax discount rate is increased from 12.5% to 15.5% (2023: from 12.5% to 22.8%) or projected annual EBITDA is 17% lower (2023: 27% lower).

4. **Intangible assets** - continued

Company

	Computer software €
At 1 January 2023	
Cost	4,779,107
Accumulated amortisation	(513,800)
Net book amount	**4,265,307**
Year ended 31 December 2023	
Opening net book amount	4,265,307
Additions	880,895
Amortisation	(561,094)
Closing net book amount	**4,585,109**
At 31 December 2023	
Cost	5,660,002
Accumulated amortisation	(1,074,893)
Net book amount	**4,585,109**
Year ended 31 December 2024	
Opening net book amount	4,585,109
Additions	387,862
Disposals	(9,500)
Amortisation	(570,158)
Amortisation released on disposal	270
Closing net book amount	**4,393,583**
At 31 December 2024	
Cost	6,038,364
Accumulated amortisation	(1,644,781)
Net book amount	**4,393,583**

5. Property, plant and equipment

Group

	Assets in the course of of construction €	Improvements to premises €	Motor vehicles €	Furniture, fixtures and other equipment €	Total €
Year ended 31 December 2023					
Opening net book amount	1,112,522	5,335,116	151,444	10,235,230	16,834,312
Reclassification of assets	(1,112,522)	721,609	-	390,913	-
Additions	308,580	2,246,410	29,341	4,616,411	7,200,742
Disposals	-	-	(12,258)	(103,848)	(116,106)
Currency translation differences	-	(262,517)	(68,128)	(438,404)	(769,049)
Depreciation released on disposals	-	-	-	65,873	65,873
Depreciation charge	-	(1,138,642)	(16,480)	(3,254,435)	(4,409,557)
Closing net book amount	**308,580**	**6,901,976**	**83,919**	**11,511,740**	**18,806,215**
At 31 December 2023					
Cost	308,580	9,053,711	166,789	20,889,278	30,418,358
Accumulated depreciation	-	(2,151,735)	(82,870)	(9,377,538)	(11,612,143)
Net book amount	**308,580**	**6,901,976**	**83,919**	**11,511,740**	**18,806,215**

5. **Property, plant and equipment** - continued

Group

	Assets in the course of of construction €	Improvements to premises €	Motor vehicles €	Furniture, fixtures and other equipment €	Total €
Year ended 31 December 2024					
Opening net book amount	308,580	6,901,976	83,919	11,511,740	18,806,215
Additions	444,493	585,091	-	2,228,469	3,258,053
Disposals	(298,824)	(1,203,147)	-	(624,831)	(2,126,802)
Currency translation differences	10,020	53,952	(14,449)	(50,205)	(682)
Depreciation released on disposals	-	494,171	-	439,861	934,032
Depreciation charge	-	(857,907)	(20,381)	(2,802,890)	(3,681,178)
Reclassification – net of accumulated depreciation	(41,910)	(731,044)	-	772,954	-
Closing net book amount	**422,359**	**5,243,092**	**49,089**	**11,475,098**	**17,189,638**
At 31 December 2024					
Cost	422,359	8,147,065	148,319	25,161,588	33,879,331
Accumulated depreciation	-	(2,903,973)	(99,230)	(13,686,490)	(16,689,693)
Net book amount	**422,359**	**5,243,092**	**49,089**	**11,475,098**	**17,189,638**

5. Property, plant and equipment – continued

Company

	Assets in the course of of construction €	Improvements to premises €	Motor vehicles €	Furniture, fixtures and other equipment €	Total €
Year ended 31 December 2023					
Opening net book amount	-	7,122	1,606	399,818	408,546
Additions	22,000	121,257	-	145,858	289,115
Depreciation charge	-	(7,856)	(567)	(158,365)	(166,788)
Closing net book amount	**22,000**	**120,523**	**1,039**	**387,311**	**530,873**
At 31 December 2023					
Cost	22,000	143,774	14,668	1,376,472	1,556,914
Accumulated depreciation	-	(23,251)	(13,629)	(989,161)	(1,026,041)
Net book amount	**22,000**	**120,523**	**1,039**	**387,311**	**530,873**

5. **Property, plant and equipment** – continued

Company

	Assets in the course of of construction €	Improvements to premises €	Motor vehicles €	Furniture, fixtures and other equipment €	Total €
Year ended 31 December 2024					
Opening net book amount	22,000	120,523	1,039	387,311	530,873
Reclassification of assets	(43,400)	-	-	43,400	-
Additions	41,071	1,551	-	162,107	204,729
Disposals	(1,660)	-	-	(22,710)	(24,370)
Depreciation released on disposals	-	-	-	12,671	12,671
Depreciation charge	-	(14,287)	(554)	(176,441)	(191,282)
Closing net book amount	**18,011**	**107,787**	**485**	**406,338**	**532,621**
At 31 December 2024					
Cost	18,011	145,324	14,668	1,559,269	1,737,272
Accumulated depreciation	-	(37,537)	(14,183)	(1,152,931)	(1,204,651)
Net book amount	**18,011**	**107,787**	**485**	**406,338**	**532,621**

6. Right-of-use assets

	Group €	Company €
Year ended 31 December 2023		
Opening net book value	31,653,661	655,308
Additions	21,903,601	-
Lease modifications	(1,207,107)	-
Currency translation differences	(861,010)	-
Amortisation charge	(7,048,405)	(81,682)
Closing net book amount	**44,440,740**	**573,626**
Year ended 31 December 2024		
Opening net book value	44,440,740	573,626
Additions	3,586,220	68,271
Lease modifications	(163,797)	-
Currency translation differences	36,208	-
Amortisation charge	(8,347,706)	(91,098)
Closing net book amount	**39,551,665**	**550,799**

The statement of profit or loss shows the following amounts relating to leases:

	Group		Company	
	2024 €	2023 €	**2024** €	2023 €
Amortisation charge of right-of-use assets	**8,347,706**	7,048,405	**91,098**	81,682
Gain on lease reassessment	**(408,935)**	-	**-**	-
Interest income (included in finance income)	**-**	-	**132,605**	172,932
Interest expense (included in finance cost)	**2,052,954**	1,685,732	**161,386**	202,281
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	**3,119,834**	2,127,584	**309**	-

7. Lease receivables

Company

	2024	2023
	€	€
Non-current	**1,725,842**	2,543,747
Current	**924,120**	959,273
	2,649,962	3,503,020

All lease receivables relate to amounts due from subsidiaries, relating to sub-leasing of leased properties by the Company. Such leases are deemed to be finance leases as the terms of the sub-lease agreements with subsidiaries are aligned with the original lease agreements with third parties and therefore, the Company is effectively transferring all risks and rewards relating to the leased assets for the same term and consideration. Therefore, the right-of-use assets relating to such agreements have been derecognised by the Company.

8. Investment in subsidiaries

	Company	
	2024	2023
	€	€
Year ended 31 December		
At beginning of year	**24,453,425**	24,452,225
Additions	**23,417,457**	1,200
At end of year	**47,870,882**	24,453,425

During the year ended 2023, the Company incorporated Hudson Management Services Limited and Hudson Brand Development Kenya Limited (further details in the table below).

During the year ended 2024, the Company incorporated Hudson Greece Single-Member S.A. with a total issued share capital of €500,000 (further details in the table below).

During the year ended 2024, Hudson Malta plc declared an interim dividend of €5,900,000, net of tax to the Company. Time International Company Limited also declared an interim dividend to the Company amounting to €16,450,000, net of tax. Through board resolutions subsequent to the declaration of these dividends, the Company has undertaken a commitment to convert the receivables due from the subsidiaries in relation to these dividends, into shares in Hudson Malta plc and Time International Company Limited respectively. Although as at year-end this process has not yet started, given that through the above-mentioned board resolutions, the Company has forfeited its right for receipt of these dividends, these balances are being classified as an increase in investment in subsidiaries.

During the year, the Company also increased its investment in Hudson Italy SRL through a board resolution, whereby it was decided to capitalise an amount receivable from this subsidiary amounting to €567,457.

8. Investments in subsidiaries - continued

The principal subsidiaries as at 31 December 2024 and 2023 are shown below. Unless otherwise stated, they have share capital consisting solely of ordinary shares.

Subsidiaries	Registered office	Voting rights held by the Group		Ownership interest held directly by the Company		Ownership interest held by the Group	
		2024	2023	**2024**	2023	**2024**	2023
Malta Pillar							
Hudson Malta Plc	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	**100%**	100%	**100%**	100%
Hudson Malta Sales Limited	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	**-**	-	**100%**	100%
Hudson Management Services Limited (incorporated in 2023)	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	**100%**	100%	**100%**	100%
Africa Pillar							
Time International Company Limited	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	**100%**	100%	**100%**	100%

8. **Investments in subsidiaries** - continued

Subsidiaries	Registered office	Voting rights held by the Group 2024	2023	Ownership interest held directly by the Company 2024	2023	Ownership interest held by the Group 2024	2023
Africa Pillar – continued							
BD International Group Limited	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	-	-	**100%**	100%
Hudson Morocco SARL	Angle Boulevards Zerktouni et Al Massira, Twin Center, Tour Ouest, 8e étage, Casablanca, Morocco	**100%**	100%	-	-	**100%**	100%
Hudson Libya Utilities Management and Operation Services Joint Venture SC Company	Gergaresh Street, Tripoli, Libya	**65%**	65%	-	-	**65%**	65%
Hudson Brand Development Nigeria Limited	Plot 16, prof Kiumi Akingbehi, St. Lekki 1, Lagos, Nigeria	**100%**	100%	-	-	**100%**	100%
Hudson Brand Development Kenya Limited (incorporated in 2023)	Williamson House, Fourth Ngong Avenue Nairobi West District Kenya	**100%**	100%	-	-	**100%**	100%

8. Investments in subsidiaries - continued

Subsidiaries	Registered office	Voting rights held by the Group		Ownership interest held directly by the Company		Ownership interest held by the Group	
		2024	2023	**2024**	2023	**2024**	2023
Europe Pillar							
Hudson Italy SRL	Via Vincenzo Romaniello, 21/B, 80129 Napoli, Italy	**99%**	99%	**100%**	100%	**100%**	100%
UJ International Co Limited	Hudson House, Burmarrad Road, Burmarrad St Paul's Bay, Malta	**100%**	100%	**100%**	100%	**100%**	100%
Hudson Cyprus Ltd	Lysandrou 2, 3066 Limassol PO Box 51934, 3509 Limassol, Cyprus	**100%**	100%	**100%**	100%	**100%**	100%
Hudson Greece Single-Member S.A. (incorporated in 2024)	26, Filellinon Street, 10558 Athens, Attica, Greece	**100%**	-	**100%**	-	**100%**	-

9. Investment in associate

	Group 2024 €	Group 2023 €
Year ended 31 December		
At beginning of year	**1,372,129**	795,322
Share of profit for the year	**482,060**	588,972
Currency translation differences	**(426,345)**	(12,165)
At end of year	**1,427,844**	1,372,129

The associates at 31 December 2024 and 2023 are shown below:

Associate	Registered office	Class of shares held	Percentage of shares directly held by the Group 2024 %	Percentage of shares directly held by the Group 2023 %
Premium Brands	29 rue des Pins, Investments Park 2 16035, Hydra, Algeria	Ordinary shares	**44.50**	44.50

Investment in Premium Brands SARL

The tables below provide summarised financial information for the associate that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the associate and not Hudson Holding Limited's share of those amounts.

Summarised statement of financial position	Premium Brands SARL 2024 €	Premium Brands SARL 2023 €
Non-current assets		
Total non-current assets	**2,763,106**	2,172,662
Current assets		
Inventory	**4,625,377**	3,783,206
Financial assets	**1,338,175**	720,373
Cash and cash equivalents	**2,353,994**	1,896,960
Total current assets	**8,317,546**	6,400,539
Total assets	**11,080,652**	8,573,201

9. Investment in associate - continued

	Premium Brands SARL	
	2024	2023
	€	€
Non-current liabilities		
Total non-current liabilities	**(1,431,358)**	(3,426,234)
Current liabilities		
Total current liabilities	**(6,440,655)**	(2,036,194)
Total liabilities	**(7,872,013)**	(5,462,428)
Net assets	**3,208,639**	3,110,773

Reconciliation to carrying amounts:

	2024	2023
	€	€
Opening net assets of investee on 1 January	**3,110,773**	1,787,240
Profit for the year	**1,083,281**	1,323,533
Currency translation reserve	**(985,415)**	-
Closing net assets on 31 December	**3,208,639**	3,110,773
Group's share in %	**44.50%**	44.50%
Group's share of closing net assets	**1,427,844**	1,372,129

9. **Investment in associate** - continued

Summarised statement of comprehensive income	Premium Brands SARL 2024	2023
	€	€
Revenue	**11,465,973**	12,203,830
Cost of sales	**(6,360,923)**	(7,566,516)
Gross margin	**5,105,050**	4,637,314
Operating and administrative costs	**(3,479,857)**	(3,078,989)
Profit before tax	**1,625,193**	1,558,325
Tax charge	**(541,912)**	(234,792)
Net income	**1,083,281**	1,323,533
Group's share of net income	**482,060**	588,972

10. Equity investments at fair value through other comprehensive income

	Group and Company 2024	2023
	€	€
Year ended 31 December		
As at 1 January	**312,500**	-
Fair value movements	-	312,500
As at 31 December	**312,500**	312,500
As at 31 December		
Cost	**418,476**	418,476
Fair value movements	**(105,976)**	(105,976)
As at 31 December	**312,500**	312,500

The Group's equity investments, as at 31 December 2024, consists of equity instruments in an unlisted foreign private company, GRP 3ina SL, which is fair valued annually. Fair value is estimated by reference to recent transactions. Accordingly, the available-for-sale investment is categorised as Level 3 within the fair value measurement hierarchy required by IFRS 13. The change in the fair value of the investment is recognised in other comprehensive income in a fair value reserve.

11. Financial assets at amortised cost

	Group 2024 €	Group 2023 €
Non-current		
Loans receivable from shareholder	-	1,625,503
Current		
Loans receivable from shareholder	**380,503**	-
Total financial assets at amortised cost	**380,503**	1,625,503

	Company 2024 €	Company 2023 €
Non-current		
Loans receivable from subsidiaries	**2,479,547**	3,225,667
Less: credit loss allowance	**(19,928)**	(26,330)
Loans receivable from shareholder	-	1,625,503
Total non-current	**2,459,619**	4,824,840
Current		
Loans receivable from shareholder	**380,503**	-
Loans receivable from subsidiaries	**408,000**	-
Total current	**788,503**	-
Total financial assets at amortised cost	**3,248,122**	4,824,840

Loans receivable from subsidiaries bear interest at 5.5% (2023: 5.5%) and are repayable by 2026.

The loan receivable from shareholder bears interest at 3% (2023: 3%), with the effective date of repayment being triggered by the contingent consideration payment related to Trilogy Limited as disclosed in Note 28.

As further detailed in Note 28, as at 31 December 2024, the loan from shareholders amounting to €1,685,503 is being presented net of the contingent consideration payable to shareholders relating to the Trilogy acquisition amounting to €1,305,000.

12. Trade and other receivables

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Trade receivables	**11,300,171**	17,599,509	**11,278**	5,556
Less: Provisions for impairment	**(385,028)**	(620,108)	**-**	-
Trade receivables - net	**10,915,143**	16,979,401	**11,278**	5,556
Other receivables	**2,254,715**	2,317,861	**22,339**	34,590
Dividend receivable	**-**	-	**2,000,000**	-
Amount owed by subsidiaries - net of provisions	**-**	-	**10,422,110**	8,599,595
Amount due from shareholders	**125,700**	-	**125,700**	-
Amount due from associate	**-**	305,696	**-**	-
Indirect tax recoverable	**294,092**	2,191,637	**-**	-
Prepayments and accrued income	**2,473,258**	3,697,263	**480,740**	748,900
	16,062,908	25,491,858	**13,062,167**	9,388,641
Non-current	**951,230**	616,530	**75,135**	-
Current	**15,111,678**	24,875,328	**12,987,032**	9,388,641
	16,062,908	25,491,858	**13,062,167**	9,388,641

The amounts owed by subsidiaries are unsecured, repayable on demand and subject to interest at 4% (2023: 4%). Amounts owed by subsidiaries are stated net of a provision of €498,348 (2023: €452,533).

13. Deferred tax asset

Deferred taxes are calculated on 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% (2023: 35%).

The movements on the net deferred tax accounts are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
At beginning of year	**1,207,973**	1,844,710	**475,636**	468,242
Credited/(debited) to income statements	**375,635**	(636,737)	**(307,721)**	7,394
At end of year	**1,583,608**	1,207,973	**167,915**	475,636

13. **Deferred tax asset** - continued

The balance at 31 December represents:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Net temporary difference arising on of property, plant and equipment	**572,631**	339,061	**90,244**	191,804
Temporary differences arising on impairment of receivables	**29,711**	36,382	**46,317**	32,523
Other temporary differences	**102,828**	411,506	**-**	222,114
Temporary differences on right-of-use assets	**(9,881,176)**	(13,765,866)	**(1,120,277)**	(200,769)
Temporary differences on lease liabilities	**10,759,614**	14,140,627	**1,151,631**	229,964
Net deferred tax assets	**1,583,608**	1,161,710	**167,915**	475,636

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The analysis of deferred tax assets and liabilities are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Deferred tax assets	**1,583,608**	1,207,973	**167,915**	475,636
Deferred tax liabilities	**-**	(46,263)	**-**	-
Deferred tax assets - net	**1,583,608**	1,161,710	**167,915**	475,636

14. Inventories

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Goods held for resale	**48,787,536**	46,445,554	**-**	-

15. Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Cash at bank and in hand - net of provisions	**15,136,752**	11,773,156	**256,404**	462,609
Bank overdrafts (Note 19)	**(3,446,210)**	(2,189,321)	**(3,088,476)**	(1,307,792)
	11,690,542	9,583,835	**(2,832,072)**	(845,183)

Cash at bank is stated net of a provision of €35,025 (2023: €34,724).

16. Share capital and reserves

Share capital

The authorised and issued share capital as at 31 December 2023 was as follows:

	Company
	2023
	€
Authorised	
18,341 ordinary ‘A’ shares of €2.329373 each	42,723
4,546 ordinary ‘B’ shares of €2.329373 each	10,590
4,546 ordinary ‘C’ shares of €2.329373 each	10,590
4,546 ordinary ‘D’ shares of €2.329373 each	10,590
3,205 ordinary ‘E’ shares of €2.329373 each	7,465
1,352 ordinary ‘F’ shares of €2.329373 each	3,149
6,448 ordinary 'G' shares of €2.329373 each	15,020
756,454 redeemable preference shares of €1 each	756,454
	856,581
Issued and fully paid	
18,341 ordinary ‘A’ shares of €2.329373 each	42,723
4,546 ordinary ‘B’ shares of €2.329373 each	10,590
4,546 ordinary ‘C’ shares of €2.329373 each	10,590
4,546 ordinary ‘D’ shares of €2.329373 each	10,590
3,205 ordinary ‘E’ shares of €2.329373 each	7,465
1,352 ordinary ‘F’ shares of €2.329373 each	3,149
6,448 ordinary 'G' shares of €2.329373 each	15,020
	100,127

16. Share capital and reserves - continued

Share capital - continued

The authorised and issued share capital as at 31 December 2024 was as follows:

	Company 2024 €
Authorised	
16,677,792 ordinary shares of €2.329373 each	38,848,800
7,608,168 preference shares of €1 each	7,608,168
	46,456,968
Issued and fully paid	
16,677,792 ordinary shares of €2.329373 each	38,848,800
7,608,168 preference shares of €1 each	7,608,168
	46,456,968

Through a resolution undertaken by the shareholders in April 2024, the Company reduced its authorised share capital via a cancellation of its 756,454 authorised Redeemed Preference Shares, having a nominal value of €1 each. Immediately upon the reduction in authorised Share Capital, the Company redesignated its authorised and issued ordinary share capital to eliminate class rights, such that the Company's authorised and issued ordinary share capital designated with class rights A to class rights G were redesignated to 42,984 authorised and issued ordinary shares with a nominal value of €2.329373 each, which shares rank 'pari passu' in all respects. Subsequent to the redesignation of the Company's ordinary shares, the authorised ordinary shares with a nominal value of €2.329373 were increased to 16,677,792, whilst the authorised preference shares with a nominal value of €1 were increased to 7,608,168.

Following a further resolution undertaken by the shareholders in July 2024, the Company applied the amount €38,743,546 of its Retained Earnings and the amount €5,127 of its Capital Redemption Reserve in paying up in full the unissued ordinary shares amounting to 16,634,808, having a nominal value of €2.329373 each, to be allotted to the members of Company, pro rata to their shareholding in Company, as fully paid ordinary bonus shares. Furthermore, the Company applied the amount €6,856,841 of its share premium reserves and the amount of €751,327 of its Capital Redemption Reserve in paying up in full the unissued Preference shares, having a nominal value of €1 each, to be allotted to the members of the Company, pro rata to their shareholding in the Company, as fully paid Preference bonus shares.

Ordinary shares

The holders of the ordinary A, B, C, D, E, F, and G shares rank 'pari passu' in all respects except for voting rights for appointment of directors. The holders of ordinary shares A have a right to appoint five directors, holders of ordinary shares B, C, D, E and G have a right to appoint one director each and holders of ordinary shares F are not entitled to appoint a director.

Subsequent to the shareholders resolution in April 2024, ordinary shares rank 'pari passu' in alll respects.

16. Share capital and reserves - continued

Share capital - continued

Redeemable preference shares

The redeemable preference shares represented 756,454 fully paid fixed rate redeemable preference shares and no voting rights. The shares were redeemable at €1 per share on out of profits available for distribution on the date fixed by the directors being within a period of one month from the date of their issuance. The shares were entitled to dividends at the fixed rate per annum. If insufficient profits were available in a particular financial year, the dividends accumulate and were payable when sufficient profits are available. The shares participated in a winding up of the company only to the extent of €1 per share.

The Company cancelled all of the redeemable preference shares during the financial year.

Preference shares

The preference shares represent 7,608,168 fully paid preference shares. Preference shares carry no voting rights and preference share holders are not entitled to receive dividends. Upon the winding up, dissolution or liquidation of the Company, and take precedence only to ordinary shares.

Share premium

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Foreign currency translation reserve

The foreign exchange translation reserve represents the effect of translation into the Group's presentation currency of the financial performance and position of those entities whose functional currency is not the euro.

Capital redemption reserve

During the year-ending 31 December 2023, the Company issued 756,454 redeemable preference shares at a nominal value of €1 each for a non-cash transaction. The new shares are to be issued, as fully paid up, in Hudson Holdings Limited. The total paid up value of the Redeemable Preference Shares to be allotted amounts to €756,454. The consideration for the allotment is the capitalisation of amounts due by the Company to a number of its employees of the Group as as part of a share-based incentive scheme implemented by the Company. The value of the amounts due reflects their nominal face value.

Subsequent to the issuance of the above-mentioned preference shares, such preference shares were redeemed for a cash consideration during 2023, and hence, in line with the requirements of Article 115 of the Maltese Companies Act (Cap. 386 of the laws of Malta), the Company to transfer the equivalent amount of €756,454 from retained earnings to capital redemption reserve.

In July 2024, the Capital Redemption Reserve was utilised for the issuance of bonus share issues as further explained above.

16. Share capital and reserves - continued

Other reserve

Other reserves relate to capital reserve arising out of statutory requirements of foreign subsidiaries.

Fair value reserve

The fair value reserve represents movements net of tax, arising from fair value movements of equity investments measured at fair value through other comprehensive income, as furthered detailed in note 10. The below table shows the movements between 1 January and 31 December:

	Group and Company	
	2024	2023
	€	€
Year ended 31 December		
As at 1 January	**(105,976)**	(418,476)
Fair value movements (Note 10)	**-**	312,500
As at 31 December	**(105,976)**	(105,976)

17. Lease liabilities

	2024	2023
	€	€
Group		
Non-current	**35,224,876**	40,719,797
Current	**7,190,352**	6,801,514
	42,415,228	47,521,311

	2024	2023
Group	**€**	€
At beginning of the year	**47,521,311**	33,082,936
Additions	**3,586,219**	21,093,490
Lease modifications	**(572,732)**	(931,137)
Interest expense	**2,052,954**	1,685,732
Payments effected	**(9,933,357)**	(7,900,923)
Difference on exchange	**(239,167)**	491,213
	42,415,228	47,521,311

	2024	2023
	€	€
Company		
Non-current	**2,358,070**	3,123,473
Current	**932,304**	1,036,587
	3,290,374	4,160,060

17. Lease liabilities - continued

	2024	2023
	€	€
Company		
At beginning of the year	**4,160,060**	6,481,363
Additions	**68,270**	-
Interest expense	**161,386**	375,213
Payments effected for properties used by the company	**(113,680)**	(102,119)
Payments effected for properties used by subsidiaries of the company (Note 7)	**(985,662)**	(2,594,397)
	3,290,374	4,160,060

The contractual undiscounted cash flows attributable to lease liabilities as at 31 December are analysed in Note 2(c).

Specific extension options in property leases have been included in the lease liability as the lease term reflects the exercise of such options. As at 31 December 2024, potential future cash outflows of €18,478,310 (2023: nil) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset (ROU) recognised on the balance sheet:

ROU asset	No of ROU assets leased	Range of remaining lease term (years)	Average remaining lease term (years)	Average extension option considered (years)	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Properties	83	1 - 60	5	2 - 7	73	-	78

Reassessment of extension for right-of-use assets and liabilities

During the year under review, management have revised certain lease agreements with the objective of extending the contracted fixed lease term and lease period extension options, as well as revising the contracted lease payments. As a result, management performed a reassessment of the lease liability related to these respective locations.

Furthermore, during the current year, management performed a reassessment of the optional extension period being considered for the determination of the lease liabilities and related right-of-use assets specific to other lease agreements. This assessment took into consideration changes in the expected exit period for properties whereby the performance of the respective location is not in line with the original expected performance at the last assessment period, hence resulting in a downward revision of the optional extension period being considered for determination of the lease liabilities and related right-of-use asset. The reassessment of the lease term of certain locations resulted in a decrease in the lease liability that exceeded the carrying amount of the respective right-of-use asset at the date of the reassessment. Such excess amounts were recognised as a gain within the Income Statement.

17. Lease liabilities - continued

The impact of the reassessment undertaken during the financial year ended 31 December 2024 is being summarised in the table below:

	Before reassessment €	After reassessment €	Impact €
Right-of-use assets			
Reassessment of revised agreements	4,732,695	14,162,255	9,429,560
Reassessment of optional extension period	16,777,185	7,183,828	(9,593,357)
	21,509,880	**21,346,083**	**(163,797)**
Lease liabilities			
Reassessment of revised agreements	5,171,452	14,659,431	9,487,979
Reassessment of optional extension period	18,106,288	8,045,577	(10,060,711)
	23,277,740	**22,705,008**	**(572,732)**
Gain on lease reassessment			**408,935**

18. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Trade payables	**30,049,210**	29,415,396	**538,207**	1,531,388
Amounts owed to subsidiaries	**-**	-	**10,130,642**	10,185,414
Indirect taxation and other payables	**5,122,188**	5,596,375	**271,864**	64,214
Advance payments by customers	**1,669,901**	3,041,817	**-**	-
Contingent consideration payable	**-**	425,100	**-**	425,100
Accruals	**4,446,592**	6,192,818	**711,449**	1,078,861
Deferred income	**1,502,372**	824,211	**-**	-
	42,790,263	45,495,717	**11,652,162**	13,284,977
Non-current	**317,576**	-	**-**	-
Current	**42,472,687**	45,495,717	**11,652,162**	13,284,977
Total	**42,790,263**	45,495,717	**11,652,162**	13,284,977

Amounts owed to group and related undertakings are unsecured, repayable on demand and subject to interest at 4% (2023: 4%).

Contingent consideration payable relates to the deal to acquire Trilogy Limited (Note 28).

19. Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Loan from subsidiary	**-**	-	**3,751,675**	2,025,000
Listed bond	**11,964,731**	11,935,680	**-**	-
Bank loans	**5,068,513**	5,600,736	**2,826,557**	1,507,811
Total non-current	**17,033,244**	17,536,416	**6,578,232**	3,532,811
Current				
Bank overdrafts	**3,446,210**	2,189,324	**3,088,476**	1,307,792
Bank loans and other facilities	**2,825,326**	4,673,452	**1,176,576**	1,423,997
Revolving credit facility	**19,686,720**	20,000,360	**-**	-
Loan from subsidiary	**-**	-	**-**	1,350,000
Total current	**25,958,256**	26,863,136	**4,265,052**	4,081,789
Total borrowings	**42,991,500**	44,399,552	**10,843,284**	7,614,600

19. Borrowings - continued

The carrying amounts of borrowings approximate their fair value.

	Group		**Company**	
	2024	2023	**2024**	2023
	€	€	**€**	€
Within one year	**25,920,651**	26,863,136	**4,265,052**	4,081,789
Between 1 and 2 years	**14,690,567**	2,011,034	**5,590,332**	1,803,638
Between 2 and 5 years	**2,380,282**	12,983,863	**987,900**	1,729,173
Over 5 years	**-**	2,541,519	**-**	-
	42,991,500	44,399,552	**10,843,284**	7,614,600

At the end of the reporting period, the Group and the Company had a total maximum general banking facility limit of €34 million (2023: €54.4 million) and €3.2 million (2023: €10.2million) respectively.

The Bond of €12,000,000 is repayable by 2026, bears interest at 4.35%, payable annually in arrears on 6 April of each year and is stated at net of unamortised bond issue costs of €35,269 (2023: €64,320).

During 2020, the Group applied for loans through the COVID-19 Guarantee Scheme supported by the Malta Development Bank (MDB) amounting to €1,850,000 repayable within five years from initial drawdown and carries interest of 2.5% plus 3-month EURIBOR. These facilities were drawn down during the financial year ending 31 December 2021.

The Group is charged interest on other bank loans and other facilities at the rate of 4% - 4.25% per annum (2023: 4% - 4.25% per annum). The Company's overdraft facilities and bank loans bear interest at the rate of 4% (2023: 4%). These facilities are secured by a first special hypothec over the Group and the Company's assets. As at year end, the Group and Company had undrawn bank loan facilities amounting to €4,282,829.

Hudson Morocco, a subsidiary of the Group has a banking facility amounting to €2,240,871 (2023: €2,541,519), bearing interest of 3.5% and repayable by 2029.

Loan from subsidiary bears interest at 5.5%, is unsecured, and is repayable by 2026.

20. Revenue

Revenue represents the amounts receivable for goods sold and services rendered during the year, net of any indirect taxes. The following amounts have been included in the income statement line for the reporting period presented:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Retail	**91,706,221**	85,586,596	**-**	-
Wholesale	**90,134,351**	96,254,400	**-**	-
Management fees	**-**	-	**8,923,989**	8,420,196
	181,840,572	181,840,996	**8,923,989**	8,420,196

21. Expenses by nature

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Purchases of goods for resale	**116,186,428**	118,639,993	**-**	-
Write down in inventory value	**1,348,354**	884,109	**-**	-
Commissions payable	**481,109**	514,914	**-**	-
Royalties	**2,633,248**	2,161,219	**-**	-
Other direct expenses	**5,109,997**	6,060,078	**-**	-
Employee benefit expense (Note 22)	**21,726,123**	19,503,166	**5,378,590**	4,532,513
Amortisation of intangible assets (Note 4)	**825,836**	820,944	**570,158**	561,094
Depreciation of property, plant and equipment (Note 5)	**3,681,178**	4,409,557	**191,282**	166,788
Depreciation of right of use assets (Note 6)	**8,347,706**	7,048,405	**91,098**	81,682
Rent and common charges	**3,119,834**	2,127,584	**309**	-
Legal and professional fees	**1,311,496**	1,948,934	**277,366**	452,840
Movement in expected credit loss allowance (Notes 11 and 12)	**-**	26,782	**39,413**	(21,685)
Bad debts written off	**7,276**	56,606	**-**	-
Bank charges	**1,375,905**	1,452,889	**76,963**	21,974
Advertising	**3,145,466**	3,183,678	**11,226**	54,166
Differences on exchange	**747,502**	1,324,630	**30,496**	(32,210)
Gain on lease reassessment (Note 6)	**(408,935)**	-	**-**	-
Other expenses	**6,765,884**	5,970,249	**1,923,040**	2,033,957
Total cost of sales, operation and administrative expenses	**176,404,407**	176,133,737	**8,589,941**	7,851,119

21. Expenses by nature - continued

Auditor's fees

Fees charged by the parent company auditor for services rendered during the financial years ended 31 December 2024 and 2023 relate to the following:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Annual statutory audit	**135,554**	122,200	**37,700**	35,800

Audit fees charged by other member firms belonging to the same network of the audit firm amounted to €46,893 (2023: €43,500).

Fees in relation to non-assurance services amounting to €28,456 and €525 (2023: €10,900 and €500) have been charged to the Group and Company respectively by connected undertakings of the audit firm and other member firms belonging to the same network of the parent Company audit firm for tax advisory and compliance services and other non-assurance services.

22. Employee benefit expense

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Wages and salaries	**18,803,700**	16,891,233	**4,707,841**	3,849,274
Social security costs	**1,803,413**	1,569,576	**246,722**	226,915
Sub-contracted employee costs	**1,119,010**	1,042,357	**424,027**	456,324
Amount recognised in the income statement	**21,726,123**	19,503,166	**5,378,590**	4,532,513

The full-time equivalent number of persons employed directly by the Group (excluding sub-contracted employees) during the year, including executive directors was made up as follows:

	Group		Company	
	2024	2023	**2024**	2023
Administration and finance	**85**	80	**56**	60
Operations	**195**	167	**36**	29
Retail	**559**	515	**-**	-
	879	762	**92**	89

23. Finance income

	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Interest income on lease receivables	**-**	-	**132,605**	172,932
Interest income on amounts due by third parties	**60,000**	60,000	**60,000**	60,000
Interest income on amounts due by subsidiaries	**-**	-	**210,785**	241,141
	60,000	60,000	**403,390**	474,073

24. Finance costs

	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Interest on bank overdrafts and loans	**2,529,493**	2,448,661	**179,356**	124,038
Interest on loan from subsidiary	**-**	-	**327,500**	327,500
Interest payable on bond	**529,356**	522,000	**-**	-
Amortisation of bond issue costs	**28,596**	-	**-**	-
Interest charges on lease liabilities	**2,052,954**	1,685,732	**161,386**	202,281
Unrealised foreign exchange losses on lease liabilities	**393,555**	527,041	**-**	-
	5,533,954	5,183,434	**668,242**	653,819

25. Tax expense

	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Current tax expense	**1,757,530**	1,125,785	**10,798,666**	28,394
Deferred tax (credit)/expense (Note 13)	**(375,635)**	636,737	**307,721**	(7,394)
Tax expense through profit or loss	**1,381,895**	1,762,522	**11,106,387**	21,000

25. Tax expense - continued

The tax on the (loss)/profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
(Loss)/profit before tax	**(435,629)**	747,697	**34,316,961**	(35,769)
Tax at 35%	**(152,470)**	261,694	**12,010,936**	(12,519)
Tax effect of:				
Difference in tax rates	**267,189**	535,465	**-**	-
Income not subject to income tax	**-**	-	**(1,517,019)**	-
Movement in unrecognised deferred tax	**296,278**	-	**251,266**	-
Over provision of current tax in prior year	**37,596**	-	**-**	-
Expenses not allowable for tax purposes	**933,302**	954,863	**360,460**	33,519
Other	**-**	-	**744**	-
Tax expense	**1,381,895**	1,762,522	**11,106,387**	21,000

26. Directors' emoluments

The total Directors' emoluments and Directors' fees paid to the Directors of the Company by the Group and Company are as follows:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Salaries and other emoluments	**712,689**	931,523	**620,385**	789,875
Directors' fees	**77,00**	78,000	**32,000**	73,000
Total directors' emoluments	**789,689**	971,523	**652,385**	862,875

27. Cash generated from operating activities

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Operating profit/ (loss)	**4,556,265**	5,282,159	**(545,852)**	143,977
Adjustments for:				
Amortisation of intangible assets (Note 4)	**825,836**	820,944	**570,158**	561,094
Depreciation of property, plant and equipment (Note 5)	**3,681,178**	4,409,557	**191,282**	166,788
Loss on disposal of property, plant and equipment and intangible assets (Notes 4 and 5)	**1,202,000**	141,983	**20,929**	-
Amortisation right-of-use assets (Note 6)	**8,347,706**	7,048,405	**91,098**	81,682
Lease modifications (Note 6)	**(408,935)**	99,046	**-**	-
Other income	**-**	12,165	**-**	-
Movement in impairment of provision on trade receivables	**(235,080)**	-	**39,413**	-
Bad debts written off (Note 21)	**7,276**	56,606	**-**	-
Changes in working capital:				
Inventories	**(2,341,982)**	(11,271,349)	**-**	-
Trade and other receivables	**10,476,652**	4,043,729	**(275,721)**	(4,707,555)
Trade and other payables	**(2,280,353)**	9,630,324	**(1,207,715)**	5,008,208
Cash generated from/ (used in) operations	**23,830,563**	20,273,569	**(1,116,408)**	1,254,194

28. Contingent liabilities and guarantees

As at 31 December 2024, the Group provided third parties with guarantees amounting to €18,934,234 (2023: €21,903,469).

The Group's bank facilities disclosed in note 19 are mainly secured by first general hypothecs and guarantees over the Hudson Malta p.l.c Group and Hudson Holdings Group's assets.

As part of the deal to acquire Trilogy Limited in 2021, the Group agreed to pay a contingent consideration to the former shareholders based on target equity value of Hudson Holdings Limited, which effective date of repayment is triggered at the earliest of the occurrence of certain events as stipulated by the agreement, or five years subsequent to effective acquisition date. The agreed maximum contingent consideration is €1,650,000 and as of 31 December 2024 management has determined that the value of the contingent consideration is €1,305,000 (2023: €425,100).

The change in shareholding described in further detail in note 30, is considered to be an event that triggers the settlement of the contingent consideration, which as further stipulated in the Trilogy acquisition agreement, this balance is to be set-off against the loan receivable from shareholders as detailed in note 11.

29. Related party transactions

Group

In the normal course of business, the Group enters into various transactions with related parties. Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. These include directors and shareholders who hold a substantial amount of the votes able to be cast at general meetings.

The following transactions were carried out by the Group with related parties:

	2024	2023
	€	€
Revenue – associate	**3,165,634**	7,554,222

Company

All companies forming part of the Hudson Group are considered by the directors to be related parties.

The following transactions were carried out by the Company with related parties:

	2024	2023
	€	€
Revenue		
Revenue - subsidiaries	**8,923,989**	8,442,305
Dividend income	**35,127,665**	-
Interest income on lease receivables	**132,605**	172,932
Interest income on amounts due by subsidiaries	**210,786**	189,200
Interest income on loan to related parties	**60,000**	51,941
Expenses		
Interest on loans due to subsidiaries	**327,500**	327,500

Key management personnel compensation consisting of directors' remuneration is disclosed in Note 26 to these financial statements.

Year end balances owed by/to related parties are disclosed separately in Notes 7, 11, 12, 18 and 19 to these financial statements.

30. Events after the end of reporting period

Pursuant to the terms of the Master Framework and Shareholders Agreement entered into on 11 October 2024, Frasers Group plc, a global leader in the retail sector, acquired a 41.98% direct shareholding in the Company on 16 January 2025. The agreement allows for the possibility of additional staggered acquisitions by Frasers Group, potentially leading Frasers Group to holding a controlling interest in the Group and Company.

Frasers Group plc is a leading British retail and investment company, known for its portfolio of popular brands across the sports, lifestyle and luxury sectors.

As a result of this acquisition, Frasers Group has appointed four new board members to the Company's board, while two of the directors as at the year ended 2024 have stepped down. Frasers Group have also appointed a representative to sit on the Executive Committee, enabling them to have oversight of the Group's execution of the strategy, amongst other legal and judicial rights that protects their interest in the Group and Company.

31. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

32. Statutory information

Hudson Holdings Limited is a limited liability company and is incorporated in Malta, with its registered address at Hudson House, Burmarrad Road, Burmarrad, St. Paul's Bay, Malta. Hudson Holdings Limited is considered to be the ultimate controlling party of the Group.

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Independent auditor's report

To the Shareholders of Hudson Holdings Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of Hudson Holdings Limited give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Hudson Holdings Limited's financial statements, set out on pages 5 to 71, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2024;
- the Consolidated and Parent Company income statements and statements of other comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

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Independent auditor's report - *continued*

To the Shareholders of Hudson Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the *Directors' 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 except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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 Group's and the Parent Company'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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company'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 Group or the Parent Company 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion..

We communicate with directors 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.

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Independent auditor's report - *continued*

To the Shareholders of Hudson Holdings Limited

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2024* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the *Annual Report and Financial Statements 2024* and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report (on pages 1 to 4) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Area of the Annual Report and Financial Statements 2024 and the related Directors' responsibilities	Our responsibilities	Our reporting
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

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Independent auditor's report - continued

To the Shareholders of Hudson Holdings Limited

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Lucienne Pace Ross
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

30 June 2025