

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Simonds Farsons Cisk p.l.c. (the “Company”) pursuant to Chapter 5 of the Capital Market Rules as issued by the MFSA in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.

Quote

Annual Report and Financial Statements

The Board of Directors of Simonds Farsons Cisk plc (the ‘Company’) has on Wednesday, 25th May 2022 met and approved the Annual Report and Financial Statements of the Company and the Group for the year ended 31 January 2022 (FY 2022) and resolved to propose the same for the approval of the shareholders at the forthcoming Annual General Meeting.

The Board of Directors has also authorised for publication the said Annual Report and Financial Statements for the year ended 31 January 2022, which are available for viewing on the Company’s website at <http://www.farsons.com/en/financial-statements> and on the Malta Stock Exchange website at <https://borzamalta.com.mt>. A Directors’ Declaration in respect of the ESEF Annual Report and Financial Statements is attached to this Company Announcement.

In terms of Capital Markets Rule 5.16.24, where any published information materially differs by ten per cent (10%) or more from (*inter alia*) any forecast or estimate published in the Financial Analysis Summary (the FAS), then the Company Announcement must contain an explanation for such a difference.

The 2021 FAS, prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd and published by the Company by way of a Company Announcement dated 21 July 2021, contained the forecasts for FY 2022. These forecasts took into account the ongoing impact of the Covid-19 pandemic on the business and results as were being experienced at the time of publication. Economic and market conditions continued to evolve with periodic spikes and troughs tracking changes in the market as it responded to the development of the pandemic as well as to changes in regulations pertaining thereto.

In the event, reported Group profit before taxation for FY 2022 amounted to €12.2 million, as compared with a forecast included in the FAS for the year of €9.9 million. This positive variance of 21.9% resulted from a number of factors including (a) measures taken by management and the Board in response to the evolving situation resulted in cost savings at a higher level than originally anticipated in Selling, Distribution and Administrative expenses, (b) government wage supplement and related job protection measures were extended beyond the period assumed at the time of the preparation of the FAS and (c) positive net movement on provisions particularly on trade and other receivables arising from the proactive management of trade credit together with part release of the precautionary COVID induced provisions established in FY 2021 in response to developing market conditions.

The forecast tax charge for FY 2022 included in the FAS stood at €0.6 million. In the event, the reported tax income for the year amounted to €264,000, with the reduction in the tax element resulting from the redemption of previously unrecognized tax credits of €1.5 million which were partially offset by the higher tax charge resultant from improved profits on the Group's subsidiaries.

Dividend

The Board of Directors has resolved to recommend for the approval of the Annual General Meeting the distribution, out of tax exempt profits, of a final net dividend of €4 million that is €0.1333 per ordinary share of €0.30, to be paid on 24th June 2022 to shareholders registered on the Company's Register of Members as at close of trading on Friday, 3rd June 2022.

An interim net dividend of €1.5 million, that is €0.05 per ordinary share was approved at the Board Meeting held on 29th September 2021 and paid to shareholders on 20th October 2021. A second interim dividend of €1.5 million equivalent to €0.05 per ordinary share, was approved on the 9th December 2021 and paid to shareholders on 21st December 2021.

Subject to the approval of the Annual General Meeting for the distribution of the final dividend, the total net dividend that would have been settled in cash to the ordinary shareholders of the Company relating to the financial year ended 31st January 2022 would be €7 million, that is €0.2333 per ordinary share.

Bonus Share Issue

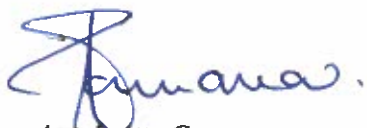
The Board of Directors of the Company has further resolved to recommend for the approval of the Annual General Meeting the capitalisation of €1.8 million from the Company's Retained Tax Exempt Earnings for the purpose of issuing up to 6 million fully paid-up ordinary shares of a nominal value of €0.30 per share, representing one (1) bonus share for every five (5) shares held. The bonus shares will be allotted to the members of the Company appearing on the Register of Members as at close of trading on the Malta Stock Exchange on Friday, 3rd June 2022.

The bonus share issue is subject to the registration of the revised and updated Memorandum and Articles of Association of the Company (which will be submitted for approval before the shareholders at the AGM) with the Malta Business Registry and to regulatory approval. A Company Announcement will be issued on the Regulated Market by the Company at a later date detailing the date of allotment and issue as well as the dates on which the shares are expected to be admitted to listing and on which dealings are expected to commence.

Annual General Meeting

The Board of Directors has established 24th May 2022 as the Record Date on which all shareholders, then on the register of members, shall be entitled to receive notice of, attend, participate and vote at the Annual General Meeting of the Company, which shall be convened remotely on Thursday 23rd June 2022 at 5.30 p.m.

Unquote



Antoinette Caruana
Company Secretary
25 May 2022

**DIRECTORS' DECLARATION
ON ESEF ANNUAL FINANCIAL REPORT 2022**

We, Louis A. Farrugia and Marcantonio Stagno d'Alcontres, in our capacity as Directors of Simonds Farsons Cisk p.l.c (Company Registration number C 113), hereby **certify**:

- i. That the Annual Financial Report for the year ended 31 January 2022 has been approved by the Board of Directors of the Company and is hereby being made available to the public.
- ii. That the Annual Financial Report 2022 has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")¹ and the Capital Markets Rules².
- iii. That the Audit Report on the ESEF Annual Financial Report 2022 is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.
- iv. That the Annual Financial Report 2022 shall serve as the official document for the purposes of the Capital Markets Rules and, where the issuer is registered in Malta, the Companies Act (Chapter 386 of the Laws of Malta).



Louis A. Farrugia
Chairman



Marcantonio Stagno D'Alcontres
Vice-Chairman

¹ Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

² Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).