

ANNOUNCEMENT OF RESULTS FOR THE 6 MONTHS ENDED 28 FEBRUARY 2023
8 June 2023

Donegal Investment Group plc ('DIG') ('Company') ('Group') reports its interim results for the 6 months ended 28 February 2023.

FINANCIAL PERFORMANCE

- The Group's seed potato business delivered a satisfactory trading performance for the period ended 28 February 2023. Revenue increased by 14% (€2.7m) to €21.4m – with market demand returning to pre-COVID 19 levels. The business delivered a trading profit €1.9m, an increase of €0.7m on the prior period.
- Shortages in hard currency in certain markets has resulted in slower than expected payments for seed sold in the 2022/23 season. This has led to an increase in trade and other receivable of €8.8m year on year resulting in a closing cash at bank position of -€3.3m. Significant payments have been received over the last two months with a closing cash at bank position of +€0.4m on 31 May 2023. It should also be noted that period end 28 February represent a peak point for the working capital requirements of the Group in any given year.
- Following the sale of its speciality dairy business Nomadic Dairy ("Nomadic") on 5 November 2021 the Group recognised contingent consideration receivable of €2.4m, dependent on the financial performance of Nomadic for the period 1 January 2022 to 31 December 2022, inclusive. Following receipt of full years financial performance of Nomadic we have recognised an additional €0.7m in contingent consideration bringing the total contingent consideration receivable by the Group to €3.1m.

		6 months ended 28 February 2023	6 months ended 28 February 2022	Change
Continuing operations – pre exceptional				
Revenue	€'000	21,436	18,740	+€2.7m
Segmental Trading profit	€'000	1,970	1,242	+€0.7m
Operating profit	€'000	1,970	1,415	+€0.6m
Profit before tax	€'000	1,708	1,451	+€0.3m
Profit after tax	€'000	1,507	1,274	+€0.2m
Cash at bank (net of overdraft)	€'000	(3,268)	4,053	-€7.3m
Net cash/(debt)	€'000	(3,952)	3,356	-€7.3m
Investment property carrying value	€'000	595	1,590	-€1.0m
Net asset value per share*	€'000	€10.68	€9.66	+€1.02

*Net assets are total equity attributable to equity holders of the Company

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H1 2022/23 Performance Review

The Board is pleased with the trading performance of our seed potato business in the first six months of the year. Volumes sold returned to more normalised levels following the end of Covid-19 restrictions whilst management were successful in recovering inflationary input costs increases, ensuring profit margins were not eroded.

Revenue increased by 14% (€2.7m) to €21.4m while segmental trading profit was €2.0m, an increase of €0.7m on the prior period. The majority of seed sales occur in the months of October to February and have a material impact on the bottom-line performance of the Group in any twelve-month period.

As detailed earlier, shortages of hard currencies in certain markets resulted in slower than expected payment for the seasons seed sales. Thankfully this short-term issue has been resolved and we expect full payment from these markets over the next four weeks. This issue has impacted the wider industry and we are working with our customers to put contingency plans in place to avoid this re-occurring.

Outlook

The board believes our seed potato business remains on plan for the full year ended 31 August 2023 with sales to all markets virtually complete at this time of year. IPM Potato Group continue to bring new innovative seed potato varieties to market, and the board are pleased with the performance of several new varieties which were launched over the last three years.

The board also expect to receive payment of €3.1m in contingent consideration following the sale of Nomadic before end of this fiscal year.

AGM

The Group's AGM will be held at The Colab ATU Donegal, Port Road, Letterkenny, Co Donegal, on Thursday, 13 July 2023 at 11:30am

Geoffrey Vance
Chairman

Donegal Investment Group plc
Condensed consolidated statement of profit or loss and comprehensive income
for the 6 months ended 28 February 2023

Note	Unaudited			Unaudited			Audited	
	Pre- Exceptional €'000	Note 10 Exceptional €'000	6 months ended 28 February 2023 Total €'000	Pre- Exceptional €'000	Note 10 Exceptional €'000	6 months ended 28 February 2022 Total €'000	12 months ended 31 August 2022 Total €'000	
Continuing operations								
Revenue	4	21,436	-	21,436	18,740	-	18,740	25,220
Cost of sales		(13,531)	-	(13,531)	(11,848)	-	(11,848)	(16,816)
Gross profit		7,905	-	7,905	6,892	-	6,892	8,404
Other income	5	16	-	16	230	-	230	278
Other expense	6	(2)	-	(2)	-	-	-	(34)
Distribution expenses		(3,405)	-	(3,405)	(3,065)	-	(3,065)	(3,434)
Administrative expenses		(2,544)	-	(2,544)	(2,642)	(780)	(3,422)	(5,410)
Profit/(loss) from operating activities		1,970	-	1,970	1,415	(780)	635	(196)
Finance income		0	-	0	86	-	86	121
Finance expenses		(262)	-	(262)	(50)	-	(50)	(79)
Net finance income		(262)	-	(262)	36	-	36	42
Profit/(loss) before income tax		1,708	-	1,708	1,451	(780)	671	(154)
Income tax (charge)/benefit		(201)	-	(201)	(177)	-	(177)	(66)
Profit for the period – continuing operations	4	1,507	-	1,507	1,274	(780)	494	(220)
Profit for the year – from discontinued operations, net of tax		-	731	731	358	13,108	13,466	13,478
Profit/(loss) for the year		1,507	731	2,238	1,632	12,328	13,960	13,258

Donegal Investment Group plc
Condensed consolidated statement of profit or loss and comprehensive income *(continued)*
for the 6 months ended 28 February 2023

	Unaudited 6 months ended 28 February 2023 Total €'000	Unaudited 6 months ended 28 February 2022 Total €'000	Audited 12 months ended 31 August 2022 Total €'000
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	53	38	(40)
Recycle of currency translation differences for foreign operations	-	-	-
Total comprehensive income for the period	<u>2,291</u>	<u>13,998</u>	<u>13,218</u>
Profit attributable to:			
Equity holders of the Company	2,270	13,958	13,314
Non-controlling interest	(32)	2	(56)
	<u>2,238</u>	<u>13,960</u>	<u>13,258</u>
Profit attributable to:			
Continuing operations	1,507	494	(220)
Discontinued operations	731	13,466	13,478
	<u>2,238</u>	<u>13,960</u>	<u>13,258</u>
Total comprehensive income attributable to:			
Equity holders of the Company	2,288	13,990	13,257
Non-controlling interest	3	8	(39)
	<u>2,291</u>	<u>13,998</u>	<u>13,218</u>

Donegal Investment Group plc
 Condensed consolidated statement of profit or loss and comprehensive income *(continued)*
 for the 6 months ended 28 February 2023

	Unaudited 6 months ended 28 February 2023 Total €'000	Unaudited 6 months ended 28 February 2022 Total €'000	Audited 12 months ended 31 August 2022 Total €'000
Earnings per share			
Basic earnings per share (euro cent):			
Continuing	101.09	20.64	(7.83)
Discontinued	<u>48.01</u>	<u>489.95</u>	<u>635.25</u>
	<u>149.10</u>	<u>510.59</u>	<u>627.42</u>
Diluted earnings per share (euro cent):			
Continuing	101.09	20.64	(7.83)
Discontinued	<u>48.01</u>	<u>489.95</u>	<u>635.25</u>
	<u>149.10</u>	<u>510.59</u>	<u>627.42</u>

Donegal Investment Group plc
Condensed consolidated statement of financial position
As at 28 February 2023

	Note	Unaudited 28 February 2023 €'000	Unaudited 28 February 2022 €'000	Audited 31 August 2022 €'000
Assets				
Property, plant and equipment	8	3,074	3,302	3,508
Investment property	9	595	1,590	595
Goodwill		500	500	500
Intangible assets		119	124	122
Investment in associates		-	408	-
Other investments		737	745	736
Total non-current assets		<u>5,025</u>	<u>6,669</u>	<u>5,461</u>
Inventories		972	1,131	865
Biological assets		-	-	1,044
Trade and other receivables		17,497	8,793	4,176
Contingent consideration receivable		3,110	2,400	2,400
Cash at bank		6,104	5,878	7,899
Current Tax		-	-	36
Deferred tax asset		9	-	9
Total current assets		<u>27,692</u>	<u>18,202</u>	<u>16,429</u>
Total assets		<u>32,717</u>	<u>24,871</u>	<u>21,890</u>
Equity				
Share capital		206	206	206
Share premium account		2,975	2,975	2,975
Other reserves		1,766	1,836	1,747
Retained earnings		11,316	9,690	9,046
Total equity attributable to equity holders of the Company		<u>16,263</u>	<u>14,707</u>	<u>13,974</u>
Non-controlling interest		(672)	(627)	(674)
Donegal Investment Group plc				

Condensed consolidated statement of financial
position (*continued*)
As at 28 February 2023

Total equity	15,591	14,080	13,300
Liabilities			
Loans and borrowings	472	476	561
Deferred income	136	192	176
Deferred tax liability	-	54	-
Total non-current liabilities	608	722	737
Loans and borrowings	212	221	272
Trade and other payables	6,845	7,666	3,458
Bank overdraft	9,372	1,825	4,123
Current tax	89	357	-
Total current liabilities	16,518	10,069	7,853
Total liabilities	17,126	10,791	8,590
Total equity and liabilities	32,717	24,871	21,890

Donegal Investment Group plc
Condensed consolidated statement of changes in equity
for the 6 months ended 28 February 2023

	Share capital €'000	Other un-denominated capital €'000	Share premium account €'000	Trans-lation reserve €'000	Reserve for own shares €'000	Reval-uation reserves €'000	Fair value reserve €'000	Share option reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 September 2022	206	1,131	2,975	(1,921)	(845)	3,382	-	-	9,046	13,974	(674)	13,300
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	2,270	2,270	(32)	2,238
Other comprehensive income												
Foreign currency translation differences for foreign operations	-	-	-	19	-	-	-	-	-	19	34	53
Other comprehensive income	-	-	-	19	-	-	-	-	-	19	34	53
Total comprehensive income for the period	-	-	-	19	-	-	-	-	2,270	2,289	2	2,291
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Share Redemption	-	-	-	-	-	-	-	-	-	-	-	-
Derecognition of minority interest	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 28 February 2023	206	1,131	2,975	(1,902)	(845)	3,382	-	-	11,316	16,263	(672)	15,591

Donegal Investment Group plc
Condensed consolidated statement of changes in equity (continued)
for the 6 months ended 28 February 2023

	Share capital €'000	Other un-denominated capital €'000	Share premium account €'000	Trans-lation reserve €'000	Reserve for own shares €'000	Reval-uation reserves €'000	Fair value reserve €'000	Share option reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 September 2021	376	961	2,975	(1,864)	(845)	3,382	-	-	15,721	20,706	1,057	21,763
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	13,958	13,958	2	13,960
Other comprehensive income												
Foreign currency translation differences for foreign operations	-	-	-	32	-	-	-	-	-	32	6	38
Other comprehensive income	-	-	-	32	-	-	-	-	-	32	6	38
Total comprehensive income for the period	-	-	-	32	-	-	-	-	13,958	13,990	8	13,998
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Share Redemption	(170)	170	-	-	-	-	-	-	(19,989)	(19,989)	-	(19,989)
Derecognition of minority interest	-	-	-	-	-	-	-	-	-	-	(1,692)	(1,692)
Total contributions by and distributions to owners	(170)	170	-	-	-	-	-	-	(19,989)	(19,989)	(1,692)	(21,681)
Balance at 28 February 2022	206	1,131	2,975	(1,832)	(845)	3,382	-	-	9,690	14,707	(627)	14,080

Donegal Investment Group plc
Condensed consolidated statement of cash flows
for the 6 months ended 28 February 2023

	Note	6 months ended 28 February 2023 €'000	6 months ended 28 February 2022 €'000	12 months ended 31 August 2022 €'000
Cash flows from operating activities				
Profit for the period		2,238	13,960	13,258
Adjustments for:				
Depreciation		244	361	517
Amortisation of intangibles		2	3	5
Amortisation of capital grant		23	23	50
Reversal of provision against receivable from associate		-	(150)	(150)
Change in fair value of investment property		-	(23)	-
Change in fair value of other investments		-	-	-
Net finance income		246	(49)	(68)
Interest charged in relation to IFRS16		16	13	26
Loss on sale of investment property		2	-	12
Gain on sale of other investments		-	-	(6)
(Gain)/loss on sale of property, plant and equipment		(10)	(2)	(1)
Profit for the year – from discontinued operations, net of tax		(731)	(13,108)	(13,478)
Share-based payment transactions		-	-	-
Income tax expense		201	199	53
Change in inventories		909	186	(489)
Change in trade and other receivables		(13,741)	(5,560)	400
Change in trade and other payables		3,504	3,985	(551)
		<u>(7,097)</u>	<u>(162)</u>	<u>(400)</u>
Interest (paid)/refund		(32)	(37)	(53)
Income tax refund/(paid)		(9)	14	(336)
		<u>(7,138)</u>	<u>(185)</u>	<u>(789)</u>
Cash flows from investing activities				
Interest received		-	9	24
Dividends received		-	1	2
Proceeds from sale of investment property		220	-	718
Proceeds from repayment of loan from associate		-	-	403
Proceeds from sale of property, plant and equipment		48	-	-
Proceeds from sale of other investments		-	-	14
Proceeds from asset held for sale		-	16,749	-
Acquisition of property, plant and equipment		(27)	(128)	-
Acquisition of intangibles		-	-	-
		<u>241</u>	<u>16,631</u>	<u>17,606</u>

Donegal Investment Group plc
Condensed consolidated statement of cash flows *(continued)*
for the 6 months ended 28 February 2023

	Note	6 months ended 28 February 2023 €'000	6 months ended 28 February 2022 €'000	12 months ended 31 August 2022 €'000
Cash flows from financing activities				
Payment of finance lease liabilities		(143)	(158)	(312)
Loan to other investments		-	-	(501)
Settlement of share based payments		-	-	-
Share redemption	12	-	(19,989)	(19,989)
Dividend paid to non-controlling interest		-	-	-
		<hr/>	<hr/>	<hr/>
Net cashflow from financing activities		(143)	(20,147)	(20,802)
Net decrease in cash and cash equivalents				
Cash and cash equivalents at start of period		3,776	7,750	7,750
Effect of exchange rate fluctuations on cash held		(4)	4	11
		<hr/>	<hr/>	<hr/>
Cash and cash equivalents at period end		(3,268)	4,053	3,776

(1) Reporting entity

Donegal Investment Group Plc (the “Company”) is a company domiciled in Ireland. The unaudited condensed consolidated interim financial statements of the Group as at and for the six months ended 28 February 2023 (“the interim financial statements”) comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

(2) Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 August 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The 28 February 2023 figures and the 28 February 2022 comparative figures do not constitute statutory financial statements of the Group within the meaning of the Companies Act, 2014. The consolidated financial statements of the Group for the year ended 31 August 2022, together with the independent auditor's report thereon, were filed with the Irish Registrar of Companies following the Company's Annual General Meeting and are also available on the Company's Website. The auditor's report on those financial statements was unqualified.

The interim financial statements have been prepared on the going concern basis. The Directors have reviewed the Group’s business plan for the next 12 months and other relevant information and have a reasonable expectation that the Group will continue in operational existence for the foreseeable future.

The Interim Financial Statements are presented in Euro, rounded to the nearest thousand, which is the functional currency of the Company and also the presentation currency for the Group's financial reporting.

The significant accounting policies applied in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ending 31 August 2022.

(3) Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied in prior impairment of trade receivables, in respect of the carrying value of goodwill, recognition of deferred tax assets, measurement of financial assets and liabilities.

(4) Segment Information

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker (CODM) which the Group has identified to the Board of Directors in order to allocate resources to the segments and to assess their performance.

Produce: The growing, sales and distribution of seed potatoes and rental and sale of related property assets.

Dairy: The manufacture, sale and distribution of dairy products. Information relevant to this segment, the activities of which are classified as a discontinued operation, is included in note 14.

The main factors employed in the identification of the single segment include:

- the Group's organisational structure
- the nature of reporting lines to the Chief Operating Decision Maker
- the structure of internal reporting documentation such as management accounts and budgets
- Segment performance is evaluated based on operating profit. Given that net finance costs, taxation, share based payments and exceptional income and costs are managed on a centralised basis, these items are not allocated to the operating segment for internal reporting purposes and in the segmental analysis below.

Donegal Investment Group plc
Notes to the unaudited preliminary condensed consolidated financial statements *(continued)*
for the 6 months ended 28 February 2023

(4) Segment information (continued)

Business segments *(continued)*

	Produce			Total - Group		
	6	6	12	6	6	12
	months	months	months	months	months	months
	ended 28	ended 28	ended 31	ended 28	ended 28	ended 31
	February	February	August	February	February	August
	2023	2022	2022	2023	2022	2022
	€'000	€'000	€'000	€'000	€'000	€'000
Total revenues	21,436	18,740	25,220	21,436	18,740	25,220
Segment result before exceptional items	1,970	1,242	605	1,970	1,242	605
Segmental result from continuing operations before exceptional items	1,970	1,242	605	1,970	1,242	605
Exceptional items, net of tax				-	(780)	(779)
Change in fair value of investment property and other assets				-	173	(22)
Net finance income				(262)	36	42
Income tax (expense)/benefit				(201)	(177)	(66)
Profit/(loss) for the period – continuing operations				1,507	494	(220)

Donegal Investment Group plc
Notes to the unaudited preliminary condensed consolidated financial statements *(continued)*
for the 6 months ended 28 February 2023

(4) Segment Information (continued)

Business segments *(continued)*

	Produce			Total - Group		
	28	28	31	28	28	31
	February	February	August	February	February	August
	2023	2022	2022	2023	2022	2022
	€'000	€'000	€'000	€'000	€'000	€'000
Segment assets	26,613	18,993	13,982	26,613	18,993	13,991
Cash at bank (unallocated)				6,104	5,878	7,899
				32,717	24,871	21,890
Segment liabilities	7,070	8,269	3,634	7,070	8,269	3,634
Bank overdraft (unallocated)				9,372	1,825	4,123
Loans and borrowings (unallocated)				684	697	833
Total liabilities				17,126	10,791	8,590
Capital expenditure (inclusive of IFRS 16)	27	237	-	27	237	632
Depreciation and amortisation	246	364	-	246	364	522
Revaluation of investment property and other assets	-	173	-	-	173	128

(4) Segment Information (continued)

Entity-wide disclosures

Section 1: Information about products and service

The Group determines that the categories used in investor presentations can be used to meet the objective of the disaggregation disclosure requirement in paragraph 114 of IFRS 15, which is to disaggregate revenue from contracts with customers into categories that depicts how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic factors.

The following table illustrates the disaggregation disclosure by principal products and services to external customers.

	Produce		
	6 months	6 months	12 months
	ended 28	ended 28	ended 31
	February	February	August
	2023	2022	2022
	€'000	€'000	€'000
Seed potato	21,436	18,740	25,220
	21,436	18,740	25,220

Donegal Investment Group plc
Notes to the unaudited preliminary condensed consolidated financial statements (*continued*)
for the 6 months ended 28 February 2023

(5) Other income – continuing operations	6 months ended 28 February 2023	6 months ended 28 February 2022	12 months ended 31 August 2022
	€'000	€'000	€'000
Income from investment property rentals	6	33	64
Reversal of provision against receivable from associate	-	150	150
Change in fair value of investment property	-	20	-
Revaluation of PPE prior to transfer to investment property	-	3	-
Profit on disposal of other investments	-	-	6
Gain on disposal of property, plant and equipment	10	2	1
Government grant	-	22	57
	16	230	278

(6) Other expense – continuing operations	6 months ended 28 February 2023	6 months ended 28 February 2022	12 months ended 31 August 2022
	€'000	€'000	€'000
Change in fair value of investment property	-	-	(22)
Loss on disposal of investment property	(2)	-	(12)
	(2)	-	(34)

(7) Earnings per share

The calculation of basic and diluted earnings per share is set out below:

	6 months ended 28 February 2023 €'000	6 months ended 28 February 2022 €'000	12 months ended 31 August 2022 €'000
Profit/(loss) for the period - continuing operations	1,507	494	(220)
Profit for the period - discontinued operations	731	13,466	13,478
Profit for the period	2,238	13,960	13,258
Profit attributable to ordinary shareholders	2,270	13,958	13,314
Weighted average number of ordinary shares In thousands of shares	6 months ended 28 February 2023 €'000	6 months ended 28 February 2022 €'000	12 months ended 31 August 2022 €'000
Weighted average number of ordinary shares in issue for the period	1,589	2,802	2,189
Weighted average number of treasury shares	(67)	(68)	(67)
Denominator for basic earnings per share	1,522	2,734	2,122
Effect of share options in issue	-	-	-
Weighted average number of ordinary shares (diluted) at end of period	1,522	2,734	2,122
	6 months ended 28 February 2023	6 months ended 28 February 2022	12 months ended 31 August 2022
Basic earnings/(loss) per share (euro cent)			
Continuing	101.09	20.64	(7.83)
Discontinued	48.01	489.95	635.25
	149.10	510.59	627.42
Diluted earnings/(loss) per share (euro cent)			
Continuing	101.09	20.64	(7.83)
Discontinued	48.01	489.95	635.25
	149.10	510.59	627.42

(8) Property, plant and equipment

Additions and disposals

During the 6 months ended 28 February 2023, the Group acquired assets for €27,000 (28 February 2022: €128,000) in addition to recognition of €Nil (28 February 2022: €109,000) in right of use assets under IFRS 16. Assets with a net book value of €36,000 were disposed of during the 6 months ended 28 February 2023 (28 February 2022: €Nil), resulting in a gain on disposal of €10,000 (28 February 2022: gain of €2,000).

(9) Investment property

	28 February 2023	28 February 2022	31 August 2022
	€'000	€'000	€'000
Balance at start of the period	595	1,500	1,500
Reclassification from property, plant & equipment	-	67	67
Disposal	-	-	(950)
Change in fair value	-	23	(22)
Balance at end of the period	595	1,590	595

The Group holds an interest in an office building along with one other property asset.

(10) Exceptional items

Exceptional items are those that, in management’s judgement, should be separately disclosed by virtue of their nature or amount. Such items are included in the statement of profit or loss and comprehensive income caption to which they relate and are separately disclosed in the notes to the Interim Financial Statements. The Group reports the following exceptional items:

		28 February 2023	28 February 2022	31 August 2022
		€'000	€'000	€'000
Redundancy and restructuring	a	-	(699)	(713)
Other legal costs	b	-	(81)	(66)
Exceptional costs before tax – continuing operations		-	(780)	(779)
Income tax expense in respect of exceptional items		-	-	-
Exceptional costs after tax – continuing operations		-	(780)	(779)
Profit on disposal from discontinued operations	c	731	13,108	13,120
Exceptional profit from discontinued operations		731	13,108	13,120
Total exceptional income for the year		731	12,328	12,341

a) Restructuring costs include redundancy costs of €699,000.

b) Other legal costs are costs in respect of the share redemption incurred during 2022.

c) Profit on disposal of asset held for sale, namely the Group’s speciality dairy business, disposed on 5 November 2021

(11) Events after the balance sheet date

There have been no significant events subsequent to the period end, which would require adjustment to, or disclosure in, the interim financial statements.

(12) Share Capital

	Ordinary Shares of €0.13 each		Redeemable Ordinary Shares of €0.13 each		Deferred Shares of €0.13 each		Total €'000
	Number	€'000	Number	€'000	Number	€'000	
Authorised							
Balance at 1 September 2022	50,000,000	6,500	1,307,190	170	1,307,190	170	6,840
Balance at 28 February 2023	50,000,000	6,500	1,307,190	170	1,307,190	170	6,840
Issued, called up and fully paid							
Balance at 1 September 2022	1,589,461	206	-	-	-	-	206
Balance at 28 February 2023	1,589,461	206	-	-	-	-	206

As approved by shareholders at the Extraordinary General Meeting held on 11 February 2022, the authorised share capital of the Company was increased from €6,708,000 to €6,840,000 by, inter alia, the creation of an additional 507,190 Redeemable Ordinary Shares of €0.13 each and 507,190 Deferred Shares of €0.13 each.

The Ordinary Shares and the Redeemable Ordinary Shares rank *pari passu*. A Deferred Share has no rights other than a right to participate in any surplus arising on the winding up of the Company up to the nominal amount paid up on the Deferred Share.

Share redemption

As approved by shareholders at the Extraordinary General Meeting held on 11 February 2022, the Company was authorised to redeem up to 1,307,190 Redeemable Ordinary Shares. 1,306,497 Ordinary Shares (approximately 46.21 per cent of each Shareholder's total holding of Ordinary Shares) as at the conversion date of 14 February 2022 were converted into Redeemable Ordinary Shares and redeemed at €15.30 per share. On redemption these shares were cancelled from the issued share capital of the Company with €170k being credited to the Company's Other Undenominated Capital. €19,989,000 was paid during the period in relation to the redemption of Redeemable Ordinary shares.

As part of the share redemption, a member could notify the Company before the conversion of his Ordinary Shares of his unwillingness to have some of his Ordinary Shares converted into Redeemable Ordinary Shares. The directors could convert up to 1,307,190 of the existing Ordinary Shares into Redeemable Ordinary Shares. Whereby a member notified the Company in accordance with section 83 of the Companies Act 2014 of his unwillingness to have any of his Ordinary Shares converted into Redeemable Ordinary Shares, that percentage of his Ordinary Shares which would have been converted into Redeemable Ordinary Shares shall instead be converted into Deferred Shares. No such notifications from members were received in advance of the redemption.

Following the Return of Capital, the Company's issued Ordinary Share Capital is 1,589,461.

(13) Related party transactions

Details of related party transactions in respect of the year ended 31 August 2022 are contained in Note 36 to the Consolidated Financial Statements of the Group's 2022 Annual Report. The Group continued to enter into transactions in the normal course of business with its associates and other related parties during the period. The Group has entered into consultancy agreements with Culkeen Consulting Limited, which is owned and operated by Non-Executive Director, Mr Ian Ireland, and Drumgornan Limited, which is owned and operated by Non-Executive Director, Mr Padraic Lenehan. These companies will provide management services as required to support the strategy of the board going forward. There were no other transactions with related parties in the period or changes to transactions with related parties disclosed during the period that had a material effect on the financial position or the performance of the Group.

(14) Discontinued operations

During the year ended 31 August 2022, the Group disposed of its speciality dairy business, Nomadic Dairy.

The overall transaction value for 100 per cent share capital of Nomadic comprises of (1) €26.1m of cash consideration (including existing Nomadic cash of €3.1m) on completion (Initial Consideration), subject to customary completion accounts adjustments, and (2) a further contingent consideration of up to a maximum of €6m dependent on the financial performance of Nomadic for the period 1 January 2022 to 31 December 2022, inclusive. The Group has an 80 per cent interest in Nomadic with its share of the Initial Consideration being €20.9m and a further €4.8m being its potential share of the maximum contingent consideration. At 28 February 2023, the discounted fair value measurement of the potential contingent consideration is €3.1m (2022: €2.4m) an increase of €0.7m due to the financial performance of Nomadic for the period 1 January 2022 to 31 December 2022.