

ANNOUNCEMENT OF RESULTS FOR THE 6 MONTHS ENDED 29 FEBRUARY 2024
 25 April 2024

Donegal Investment Group plc ('DIG') ('Company') ('Group') reports its interim results for the 6 months ended 29 February 2024.

FINANCIAL PERFORMANCE

- The Group's seed potato business delivered a satisfactory trading performance for the period ended 29 February 2024. Revenue increased by 7% (€1.6m) to €23.0m – with lower seed potato yields across Europe resulting in strong demand and pricing. The business delivered an operating profit €1.8m, a decrease of €0.2m on the prior period.
- High levels of seasonal working capital have resulted in the group being €2.0m in overdraft at period end. It should also be noted that €2.5m in surplus cash was invested on 5 October 2023 in highly liquid Zero-Coupon German Bond which will mature on 15 June 2024.

		6 months ended 29 February 2024	6 months ended 28 February 2023	Change
Continuing operations – pre exceptional				
Revenue	€'000	23,024	21,436	+€1.6m
Operating profit	€'000	1,814	1,970	-€0.2m
Profit before tax	€'000	1,885	1,708	+€0.2m
Profit after tax	€'000	1,606	1,507	+€0.1m
Cash at bank (net of overdraft)	€'000	(2,000)	(3,268)	+€1.3m
Net cash/(debt)	€'000	(2,756)	(3,952)	+€1.2m
Other Investments	€'000	3,236	737	+€2.5m
Investment property carrying value	€'000	540	595	-€0.1m
Net asset value per share*	€'000	€11.73	€10.68	+€1.05

*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 were significantly impacted by the very poor harvest across Europe in the fall of 2023. However market shortages were offset by higher prices achieved, which resulted in a small decrease in profitability.

The business delivered a Profit after Tax of €1.6m, an increase of €0.1m on the prior period. As advised, we are at a high point in the working capital cycle of our seed potato business. We are pleased to note that shortages in the availability of hard currencies experienced by customers last season which delayed payments has not reoccurred.

Net asset value per share increased 9.8% to €11.73.

Outlook

The Board has noted the poor weather conditions which have delayed the planting of this years' potato crop around Europe. However, our available stock has in the main been sold at this stage and we expect the full year performance before exceptions to be in line with prior year.

We continue to invest in new varieties and markets with particular focus on how to accelerate our development in Continental Europe, East Africa, and India into the future.

AGM

The Group will announce in due course the date of its next AGM.

Geoffrey Vance
Chairman

Donegal Investment Group plc
Condensed consolidated statement of profit or loss and comprehensive income
for the 6 months ended 29 February 2024

	Note	Unaudited			Unaudited		Audited	
		Pre- Exceptional €'000	Note 10 Exceptional €'000	6 months ended 29 February 2024 Total €'000	Pre- Exceptional €'000	Note 10 Exceptional €'000	6 months ended 28 February 2023 Total €'000	12 months ended 31 August 2023 Total €'000
Continuing operations								
Revenue	4	23,024	-	23,024	21,436	-	21,436	29,719
Cost of sales		(15,568)	-	(15,568)	(13,531)	-	(13,531)	(19,928)
Gross profit		7,456	-	7,456	7,905	-	7,905	9,791
Other income	5	77	-	77	16	-	16	315
Other expense	6	-	-	-	(2)	-	(2)	(57)
Distribution expenses		(2,863)	-	(2,863)	(3,405)	-	(3,405)	(3,916)
Administrative expenses		(2,856)	-	(2,856)	(2,544)	-	(2,544)	(4,377)
Profit/(loss) from operating activities		1,814	-	1,814	1,970	-	1,970	1,756
Finance income		130	-	130	0	-	0	70
Finance expenses		(59)	-	(59)	(262)	-	(262)	(445)
Net finance income		71	-	71	(262)	-	(262)	(375)
Profit/(loss) before income tax		1,885	-	1,885	1,708	-	1,708	1,381
Income tax (charge)/benefit		(279)	-	(279)	(201)	-	(201)	(86)
Profit for the period – continuing operations	4	1,606	-	1,606	1,507	-	1,507	1,295
Profit for the year – from discontinued operations, net of tax		-	-	-	-	731	731	843
Profit/(loss) for the year		1,606	-	1,606	1,507	731	2,238	2,138

Donegal Investment Group plc
Condensed consolidated statement of profit or loss and comprehensive income *(continued)*
for the 6 months ended 29 February 2024

	Unaudited 6 months ended 29 February 2024	Unaudited 6 months ended 28 February 2023	Audited 12 months ended 31 August 2023
	Total €'000	Total €'000	Total €'000
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	1	53	186
Recycle of currency translation differences for foreign operations	-	-	-
Total comprehensive income for the period	<u>1,607</u>	<u>2,291</u>	<u>2,324</u>
Profit attributable to:			
Equity holders of the Company	1,607	2,270	2,016
Non-controlling interest	<u>(1)</u>	<u>(32)</u>	<u>122</u>
	<u>1,606</u>	<u>2,238</u>	<u>2,138</u>
Profit attributable to:			
Continuing operations	1,606	1,507	1,295
Discontinued operations	-	731	843
	<u>1,606</u>	<u>2,238</u>	<u>2,138</u>
Total comprehensive income attributable to:			
Equity holders of the Company	1,607	2,288	2,124
Non-controlling interest	-	3	200
	<u>1,607</u>	<u>2,291</u>	<u>2,324</u>

Donegal Investment Group plc
 Condensed consolidated statement of profit or loss and comprehensive income *(continued)*
 for the 6 months ended 29 February 2024

	Unaudited 6 months ended 29 February 2024 Total €'000	Unaudited 6 months ended 28 February 2023 Total €'000	Audited 12 months ended 31 August 2023 Total €'000
Earnings per share			
Basic earnings per share (euro cent):			
Continuing	105.60	101.09	88.39
Discontinued	-	48.01	55.38
	<u>105.60</u>	<u>149.10</u>	<u>143.77</u>
Diluted earnings per share (euro cent):			
Continuing	105.60	101.09	88.39
Discontinued	-	48.01	55.38
	<u>105.60</u>	<u>149.10</u>	<u>143.77</u>

Donegal Investment Group plc
Condensed consolidated statement of financial position
As at 29 February 2024

	Note	Unaudited 29 February 2024 €'000	Unaudited 28 February 2023 €'000	Audited 31 August 2023 €'000
Assets				
Property, plant and equipment	8	2,937	3,074	2,998
Investment property	9	540	595	540
Goodwill		500	500	500
Intangible assets		117	119	119
Investment in associates		-	-	224
Other investments		3,236	737	737
Total non-current assets		<u>7,330</u>	<u>5,025</u>	<u>5,118</u>
Inventories		1,749	972	835
Biological assets		-	-	1,366
Trade and other receivables		19,474	17,497	5,385
Contingent consideration receivable		-	3,110	-
Cash at bank		3,223	6,104	6,942
Deferred tax asset		8	9	8
Total current assets		<u>24,454</u>	<u>27,692</u>	<u>14,536</u>
Total assets		<u>31,784</u>	<u>32,717</u>	<u>19,654</u>
Equity				
Share capital		197	206	197
Share premium account		2,975	2,975	2,975
Other reserves		(721)	1,766	(682)
Retained earnings		15,394	11,316	13,796
Total equity attributable to equity holders of the Company		<u>17,845</u>	<u>16,263</u>	<u>16,286</u>
Non-controlling interest		(574)	(672)	(574)
Donegal Investment Group plc				

Condensed consolidated statement of financial
position (*continued*)
As at 29 February 2024

Total equity	17,271	15,591	15,712
Liabilities			
Loans and borrowings	489	472	548
Deferred income	147	136	153
Total non-current liabilities	636	608	701
Loans and borrowings	267	212	254
Trade and other payables	8,018	6,845	2,975
Bank overdraft	5,222	9,372	-
Current tax	370	89	12
Total current liabilities	13,877	16,518	3,241
Total liabilities	14,513	17,126	3,942
Total equity and liabilities	31,784	32,717	19,654

Donegal Investment Group plc
Condensed consolidated statement of changes in equity
for the 6 months ended 29 February 2024

	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 2023	197	1,140	2,975	(1,813)	-	-	-	-	13,787	16,286	(574)	15,712
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	1,607	1,607	(1)	1,606
Other comprehensive income												
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	-	-	-	1	1
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	1	1
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,607	1,607	-	1,607
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Purchase of treasury shares	-	-	-	-	-	-	-	(48)	-	(48)	-	(48)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	(48)	-	(48)	-	(48)
Balance at 29 February 2024	197	1,140	2,975	(1,813)	-	-	-	(48)	15,394	17,845	(574)	17,271

Donegal Investment Group plc
Condensed consolidated statement of changes in equity (continued)
for the 6 months ended 29 February 2024

	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 cash flows
for the 6 months ended 29 February 2024

Note	6 months ended 29 February 2024 €'000	6 months ended 28 February 2023 €'000	12 months ended 31 August 2023 €'000
Cash flows from operating activities			
Profit for the period	1,606	2,238	2,138
Adjustments for:			
Depreciation	216	244	450
Amortisation of intangibles	2	2	5
Amortisation of capital grant	5	23	13
Reversal of investment asset impairment	-	-	(224)
Change in fair value of investment property	-	-	55
Change in fair value of other investments	-	-	-
Net finance income	(90)	246	341
Interest charged in relation to lease arrangements	19	16	34
Loss on sale of investment property	-	2	2
Gain on sale of other investments	-	-	-
Gain on sale of property, plant and equipment	-	(10)	(42)
Profit for the year – from discontinued operations, net of tax	-	(731)	(843)
Share-based payment transactions	-	-	-
Income tax expense	279	201	86
Change in inventories	454	909	(301)
Change in trade and other receivables	(14,015)	(13,741)	(1,657)
Change in trade and other payables	5,045	3,504	73
	(6,479)	(7,097)	130
Interest (paid)/refund	(40)	(32)	(76)
Income tax refund/(paid)	73	(9)	(25)
Net cash from operating activities	(6,446)	(7,138)	29
Cash flows from investing activities			
Interest received	32	-	70
Dividends received	-	-	-
Proceeds from sale of investment property	225	220	220
Proceeds from repayment of loan from associate	-	-	-
Proceeds from sale of property, plant and equipment	-	48	141
Proceeds from sale of other investments	-	-	-
Disposal of discontinued operations, net of cash disposed of	-	-	3,260
Acquisition of property, plant and equipment	(68)	(27)	(125)
Acquisition of intangibles	-	-	(2)
Net cash generated/(used) in investing activities	189	241	3,564

Donegal Investment Group plc
Condensed consolidated statement of cash flows *(continued)*
for the 6 months ended 29 February 2024

	Note	6 months ended 29 February 2024 €'000	6 months ended 28 February 2023 €'000	12 months ended 31 August 2023 €'000
Cash flows from financing activities				
Payment of finance lease liabilities		(137)	(143)	(342)
Purchase of German Zero Coupon Bond		(2,500)	-	-
Purchase of treasury shares		(48)	-	-
Share redemption		-	-	-
Dividend paid to non-controlling interest		-	-	(83)
		<hr/>	<hr/>	<hr/>
Net cashflow from financing activities		(2,685)	(143)	(425)
Net decrease in cash and cash equivalents				
Cash and cash equivalents at start of period		6,942	3,776	3,776
Effect of exchange rate fluctuations on cash held		-	(4)	(2)
		<hr/>	<hr/>	<hr/>
Cash and cash equivalents at period end		(2,000)	(3,268)	6,942

(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 29 February 2024 ("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 2023 ('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 29 February 2024 figures and the 28 February 2023 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 2023, 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 2023.

(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.

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 29 February 2024

(4) Segment information (continued)

Business segments *(continued)*

	Produce			Total - Group		
	6	6	12	6	6	12
	months	months	months	months	months	months
	ended 29	ended 28	ended 31	ended 29	ended 28	ended 31
	February	February	August	February	February	August
	2024	2023	2023	2024	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000
Total revenues	23,024	21,436	29,719	23,024	21,436	29,719
Segment result before exceptional items	1,814	1,970	1,811	1,814	1,970	1,811
Segmental result from continuing operations before exceptional items	1,814	1,970	1,811	1,814	1,970	1,811
Exceptional items, net of tax				-	-	-
Change in fair value of investment property and other assets				-	-	(55)
Net finance income				71	(262)	(375)
Income tax (expense)/benefit				(279)	(201)	(86)
Profit/(loss) for the period – continuing operations				1,606	1,507	1,295

Donegal Investment Group plc
Notes to the unaudited preliminary condensed consolidated financial statements *(continued)*
for the 6 months ended 29 February 2024

(4) Segment Information (continued)

Business segments *(continued)*

	Produce			Total - Group		
	29	28	31	29	28	31
	February 2024 €'000	February 2023 €'000	August 2023 €'000	February 2024 €'000	February 2023 €'000	August 2023 €'000
Segment assets	28,553	26,604	12,704	28,553	26,604	12,704
Cash at bank (unallocated)				3,223	6,104	6,942
Deferred tax asset				8	9	8
				31,784	32,717	19,654
Segment liabilities	8,535	7,070	3,140	8,535	7,070	3,140
Bank overdraft (unallocated)				5,222	9,372	-
Loans and borrowings (unallocated)				756	684	802
Total liabilities				14,513	17,126	3,942
Capital expenditure (inclusive of IFRS 16)	159	27	127	159	27	127
Depreciation and amortisation	218	246	455	218	246	455
Change in fair value of investment property and other assets	-	-	(55)	-	-	(55)

(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 ended 29 February 2024 €'000	6 months ended 28 February 2023 €'000	12 months ended 31 August 2023 €'000
Seed potato	23,024	21,436	29,719
	23,024	21,436	29,719

Donegal Investment Group plc
Notes to the unaudited preliminary condensed consolidated financial statements (*continued*)
for the 6 months ended 29 February 2024

(5) Other income – continuing operations	6 months ended 29 February 2024	6 months ended 28 February 2023	12 months ended 31 August 2023
	€'000	€'000	€'000
Income from investment and other property rentals	76	6	49
Reversal of provision against loan to associate	-	-	224
Gain on disposal of property, plant and equipment	-	10	42
Government grant	1	-	-
	77	16	315

(6) Other expense – continuing operations	6 months ended 29 February 2024	6 months ended 28 February 2023	12 months ended 31 August 2023
	€'000	€'000	€'000
Change in fair value of investment property	-	-	(55)
Loss on disposal of investment property	-	(2)	(2)
	-	(2)	(57)

(7) Earnings per share

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

	6 months ended 29 February 2024 €'000	6 months ended 28 February 2023 €'000	12 months ended 31 August 2023 €'000
Profit/(loss) for the period - continuing operations	1,606	1,507	1,295
Profit for the period - discontinued operations	-	731	843
Profit for the period	1,606	2,238	2,138
Profit attributable to ordinary shareholders	1,607	2,270	2,016
Weighted average number of ordinary shares In thousands of shares	6 months ended 29 February 2024 €'000	6 months ended 28 February 2023 €'000	12 months ended 31 August 2023 €'000
Weighted average number of ordinary shares in issue for the period	1,522	1,589	1,589
Weighted average number of treasury shares	(1)	(67)	(67)
Denominator for basic earnings per share	1,521	1,522	1,522
Effect of share options in issue	-	-	-
Weighted average number of ordinary shares (diluted) at end of period	1,521	1,522	1,522
	6 months ended 29 February 2024	6 months ended 28 February 2023	12 months ended 31 August 2023
Basic earnings/(loss) per share (euro cent)			
Continuing	105.60	101.09	88.39
Discontinued	-	48.01	55.38
	105.60	149.10	143.77
Diluted earnings/(loss) per share (euro cent)			
Continuing	105.60	101.09	88.39
Discontinued	-	48.01	55.38
	105.60	149.10	143.77

(8) Property, plant and equipment

Additions and disposals

During the 6 months ended 29 February 2024, the Group acquired assets for €68,000 (28 February 2023: €27,000) in addition to recognition of €91,000 (29 February 2023: €Nil) in right of use assets under IFRS 16. Assets with a net book value of €Nil were disposed of during the 6 months ended 29 February 2024 (28 February 2023: €36,000), resulting in no loss/gain on disposal (28 February 2023: gain of €10,000).

(9) Investment property

	29 February 2024	28 February 2023	31 August 2023
	€'000	€'000	€'000
Balance at start of the period	540	595	595
Change in fair value	-	-	(55)
Balance at end of the period	540	595	540

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:

		29 February 2024	28 February 2023	31 August 2023
		€’000	€’000	€’000
Exceptional costs after tax – continuing operations		-	-	-
Profit on disposal from discontinued operations	a)	-	731	843
Exceptional profit from discontinued operations		-	731	843
Total exceptional income for the year		-	731	843

a) 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
	Number	€'000	Number	€'000	Number	€'000	€'000
Authorised							
Balance at 1 September 2023	50,000,000	6,500	1,307,190	170	1,307,190	170	6,840
Balance at 29 February 2024	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 2023	1,522,293	197	-	-	-	-	197
Balance at 29 February 2024	1,522,293	197	-	-	-	-	197

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.

(13) Related party transactions

Details of related party transactions in respect of the year ended 31 August 2023 are contained in Note 36 to the Consolidated Financial Statements of the Group's 2023 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

On 5 November 2021, the Group announced that it has completed the disposal of its 80 per cent owned subsidiary, Nomadic Dairy Limited (Nomadic) and therefore the trade for the period is presented as discontinued operations. The profit incurred in respect of its dairy operations in the period prior to its disposal on 5 November 2021 was €358,000.

The carrying value of net assets disposed of amounted to €11,084,000 resulting in the recognition of a profit on disposal of €13,120,000 at 31 August 2022 after accounting for the derecognition of the non-controlling interest of €1,692,000.

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 held 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 receivable.

At 31 August 2022, the fair value of the potential contingent consideration recognised was €2.4m, representing the Directors best estimate of the amount which would be received by the Group and which would ultimately depend on the financial performance of Nomadic for the period 1 January 2022 to 31 December 2022. On 10 July 2023 the Group received €3,340,000 in full and final settlement of contingent consideration receivable resulting in a further profit on disposal of €843,000 net of costs