

Directors' Report and Financial Statements for the year ended  
28 February 2025

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## 1. Company Information

**Directors** Cliona McDonnell  
Jens Witter (German)  
Annik Frey (German), appointed 1 August 2024  
Thomas Welker (German), resigned 30 September 2024

**Company Secretary** Cliona McDonnell

**Registered Office** East Wall Road  
3<sup>rd</sup> Floor Lidl Building  
Dublin 3

**Registered Number of Incorporation** 593885

**Solicitor** Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2

**Auditor** Ernst & Young  
Harcourt Centre  
Harcourt Street  
Dublin 2

## 2. Directors' Report

The directors present herewith their annual report and audited financial statements of SG Finance & Treasury Limited ("the Company") for the year ended 28 February 2025 (2024). The comparative period presented the year ended 29 February 2024 (2023).

### Principal activities

The Company's principal activities during the year was the provision of financial services, mainly in the nature of providing intercompany loans and cash pooling facility as well as assistance in external funding, to the entities within the companies of the companies of the Schwarz Group ("the Group").

### Dividends

The directors did not recommend payment of a dividend during the year or final dividend (2023: €nil).

### Business review

The statement of comprehensive income and statement of financial position as of the year ended 28 February 2025 are set out on pages 10 and 11 respectively. Profit on ordinary activities before taxation amounted to €227M (2023: €168M).

The key financial and other performance indicators during the period were as follows:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany interest income	735,182	486,688
Intercompany interest expense	399,854	310,402
Profit before tax	226,756	167,932
Profit after tax	192,742	145,978

The increase in both intercompany interest income and expense above is reflective of the changing interest rates in the market during the course of the year ended 28 February 2025.

### Principal risks and uncertainties

The Board of Directors meet on a frequent basis to evaluate the risks and uncertainties facing the business. In addition, pursuant to the Shareholders' Agreement, the Company has established an Advisory Committee which acts on behalf of the shareholders and meets several times during the financial year. The principal risks and uncertainties facing the Company are broadly categorised into – competitive risks, legislative risks, financial instrument risks, credit risk, liquidity risk and market risk.

#### *Competitive Risks*

As the Company is principally a service provider to the companies of the Schwarz Group, the Company's principal risk and uncertainties relate to the potential scaling back of operations of the companies of the Schwarz Group. In order to mitigate this risk, management of the Company closely monitors regular business strategic plan.

#### *Legislative Risks*

In Ireland and Europe, the Company must adhere to Company Law requirements and local laws. In order to mitigate such risks, the Company has engaged the legal services of Arthur Cox.

#### *Financial Instrument Risks*

The Company is managing financial resources mainly among intercompany entities and is exposed to financial instrument risk doing so. In order to mitigate this risk, the Company has established the financial management

framework whose primary objective is to protect the Company from events that hinder the achievement of the Company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

*Credit, liquidity and market risk*

These risks are defined and addressed in Note 17.

**Directors' and Company Secretary's interests**

The present directors are listed on page 2. The directors and secretary did not directly or indirectly hold any shares, debentures, share options, loan stock or share warrants in the Company or any other companies of the Schwarz Group. There were no directors' fees paid during the year (2023: €nil).

**Going Concern**

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, credit, liquidity and cash flow risk are described on pages 3, 4 and 22. The Company has considerable financial resources together with long-term and short-term financing arrangements with a number of intercompany trading partners. The Company also has financing arrangements, including debt and credit facilities, with external parties across different geographic areas. The Company increased its debt and credit facilities by entering into new agreements with external parties in FY23. Additionally, the Company also placed cash on deposit with banks to spread its risk and optimise liquidity. It should also be noted that the Company can rely on the liquidity of the companies of the Schwarz Group where needed. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. A further indicator of this is the profitability of the Company. The profit after tax was €193.0M for the year ended 28 February 2025 (2023: €146.0M).

Having considered all of the aforementioned, the going concern assumption has been considered appropriate in the preparation of the financial statements.

**Accounting records**

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records within the company, including the appointment of personnel with appropriate qualifications, experience and expertise.

The Company's accounting records are maintained at the Company's registered office at East Wall Rd, 3<sup>rd</sup> Floor Lidl Building, Dublin 3.

**Relevant audit information**

In the case of each person who was a Director of the Company at the time the Report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- (b) the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information ('all steps' means that a Director has made such enquiries of his/her fellow Directors (if any) and of the Company's statutory auditors for that purpose and taken such other steps (if any) for that purpose).

**Political Contributions**

The Company made no political contributions during the year (2023: €nil).

**Future development**

The Company will continue to provide financial services for all entities within the companies of the Schwarz Group in line with its principal activities. The Company also intends to further increase its cash pooling arrangements with additional entities in the companies of the Schwarz Group and increase its external funding source by signing more money market facilities.

**Directors' Compliance Statement**

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the company's compliance with certain obligations specified in that section arising from the Company's Act 2014, the Irish market abuse laws and tax laws ('relevant obligations') as these terms are defined in the Companies Act 2014. The directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance;
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

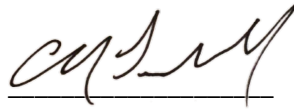
**Auditors**

The auditors, Ernst & Young, have expressed their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

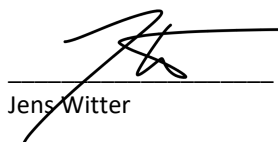
**Events since the statement of financial position date**

The Directors are not aware of any significant events that should be disclosed or adjusted within the financial statements for the year ended 28 February 2025.

On behalf of the Directors



Cliona McDonnell



Jens Witter

24 July 2025

### 3. Directors' Responsibilities Statement

for the year ended 28 February 2025

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the end of the financial year, and the profit or loss for the Company for the financial year.

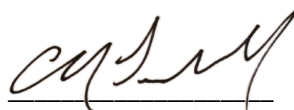
In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Directors



Cliona McDonnell



Jens Witter

24 July 2025



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG FINANCE & TREASURY LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of SG Finance & Treasury Limited ('the Company') for the year ended 28 February 2025, which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including the material accounting policy information set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 28 February 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. 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 are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG FINANCE & TREASURY LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report and the directors' statement of responsibilities other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG FINANCE & TREASURY LIMITED**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

#### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Conor Buckley'.

Conor Buckley

for and on behalf of

Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin, Ireland

Date: 24 July 2025

## 5. Statement of Comprehensive Income

for the year ended 28 February 2025

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>€'000</b>	<b>€'000</b>
Interest receivable and similar charges	3	776,699	529,957
Interest payable and similar charges	4	(533,398)	(358,893)
<b>Net interest income</b>		<b>243,301</b>	<b>171,064</b>
Foreign currency gain		879	73
Foreign currency loss		(188)	(6)
<b>Net foreign currency loss</b>		<b>691</b>	<b>67</b>
Other operating income		72	5,094
<b>Total operating income</b>		<b>72</b>	<b>5,094</b>
Other operating expenses	5	<b>(17,308)</b>	<b>(8,293)</b>
<b>Operating profit before taxation</b>		<b>226,756</b>	<b>167,932</b>
Taxation	8	(34,014)	(21,954)
<b>Profit on ordinary activities after taxation</b>		<b>192,742</b>	<b>145,978</b>

The Company has not recognised gains and losses for 2024 or 2023 other than those included in the Statement of Comprehensive Income. There was no other comprehensive income for 2024 or 2023.

All activities relate to continuing operations.

The accompanying notes form an integral part of these financial statements.

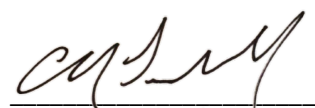
## 6. Statement of Financial Position

as at 28 February 2025

	Note	2024 €'000	2023 €'000
<b>Fixed Assets</b>			
Tangible Assets	9	163	148
		<b>163</b>	<b>148</b>
<b>Current Assets</b>			
Amounts due from the companies of the group	10	12,238,727	10,098,108
Cash at bank		637,849	690,826
Other receivables		3,962	3,653
		<b>12,880,538</b>	<b>10,792,587</b>
<b>Non-current Assets</b>			
Amounts due from the companies of the group	10	5,526,562	2,738,356
		<b>5,526,562</b>	<b>2,738,356</b>
<b>Total Assets</b>		<b>18,407,263</b>	<b>13,531,091</b>
<b>Current Liabilities</b>			
Amounts due to the companies of the group	11	(6,449,538)	(5,782,821)
Other payables	12	(27,886)	(4,237)
Amounts due to financial institutions		(1,082,250)	(404,755)
Cash in transit		(16,055)	(85,722)
		<b>(7,575,729)</b>	<b>(6,277,535)</b>
<b>Non-current Liabilities</b>			
Amounts due to financial institutions		(731,172)	(383,422)
Amounts due to other institutions	13	(1,687,086)	-
Amounts due to the companies of the group	14	(4,666,032)	(3,315,632)
		<b>(7,084,290)</b>	<b>(3,699,054)</b>
<b>Equity</b>			
Issued share capital	15	(500,000)	(500,000)
Capital contribution		(2,777,914)	(2,777,914)
Profit and loss account		(469,330)	(276,588)
		<b>(3,747,244)</b>	<b>(3,554,502)</b>
<b>Total Liabilities and Shareholder Funds</b>		<b>(18,407,263)</b>	<b>(13,531,091)</b>

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by



Cliona McDonnell (Director)



Jens Witter (Director)

24 July 2025

## 7. Statement of Changes in Equity

for the year ended 28 February 2025

	Issued share capital	Capital Contribution	Profit and loss account	Total Equity
	€'000	€'000	€'000	€'000
At 1 March 2023	500,000	2,777,914	130,610	3,408,524
Issued share capital during the year	-	-	-	-
Capital contribution made by shareholders	-	-	-	-
Profit for the year	-	-	145,978	145,978
At 29 February 2024	<b>500,000</b>	<b>2,777,914</b>	<b>276,588</b>	<b>3,554,502</b>
At 1 March 2024	500,000	2,777,914	276,588	3,554,502
Issued share capital during the year	-	-	-	-
Capital contribution made by shareholders	-	-	-	-
Profit for the year	-	-	192,742	192,742
At 28 February 2025	<b>500,000</b>	<b>2,777,914</b>	<b>469,330</b>	<b>3,747,244</b>

## 8. Statement of Cash Flows

as of the year ended 28 February 2025

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Operating profit before taxation	226,756	167,932
Adjustments for non-cash items:		
Depreciation	38	32
FX impact	(691)	(67)
Profit / loss on sale of property, plant & equipment	(19)	-
Increase / decrease in accruals on interest income and similar income	(2,811)	(98,876)
Increase / decrease in accruals on interest expense and similar expense	(692)	45,380
	<b>222,581</b>	<b>114,401</b>
Adjustments for:		
(Increase) / decrease in amounts due from the companies of the group and third parties	(4,926,014)	(1,239,787)
(Increase) / decrease in other receivables	(309)	(1,710)
Increase / (decrease) in amounts due to the companies of the group and third parties	2,017,809	1,035,752
Increase / (decrease) in other payables	20,325	(509)
Increase / (decrease) in cash in transit liabilities	(69,667)	80,337
<b>Cash generated from operations</b>	<b>(2,735,275)</b>	<b>(11,516)</b>
Income taxes paid	(30,000)	(21,000)
<b>Net cash flow generated/(used) from operating activities</b>	<b>(2,765,275)</b>	<b>(32,516)</b>
Purchase of property, plant and equipment	(121)	(122)
Proceeds from sale of equipment	88	-
<b>Net cash flow generated/(used) from investing activities</b>	<b>(33)</b>	<b>(122)</b>
Proceeds from note purchase agreement	1,687,086	-
Proceeds from new financial loans	380,000	307,672
Payments for capital repayments of financial loans	(32,250)	(747,168)
Proceeds from amounts due to financial institutions	677,495	371,844
<b>Net cash flow generated/(used) from financing activities</b>	<b>2,712,331</b>	<b>(67,652)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(52,977)</b>	<b>(100,290)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>690,826</b>	<b>791,116</b>
<b>Cash and cash equivalents at end of period</b>	<b>637,849</b>	<b>690,826</b>
Interest and similar expense paid during year	(534,091)	(314,469)
Interest and similar income received during year	773,889	431,080

The accompanying notes form an integral part of these financial statements.

## 9. Notes to the Financial Statements

### Note 1 – Material Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish statute comprising of the Companies Act 2014. The financial statements have been prepared in accordance with the historical cost convention. The financial statements are presented in euro which is also the functional currency of the Company and rounded to the nearest €'000. The comparative period presented covers the year ended 28 February 2024 (2023).

#### *Going Concern*

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, credit, liquidity and cash flow risk are described on pages 3 and 4. The Company has considerable financial resources together with long-term and short-term financing arrangements with a number of intercompany trading partners. The Company also has financing arrangements, including debt and credit facilities, with external parties across different geographic areas. The Company increased its debt and credit facilities by entering into new agreements with external parties. Additionally, the Company also placed cash on deposit with banks to spread its risk and optimise liquidity. It should also be noted that the Company can rely on the liquidity of the Group where needed. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. A further indicator of this is the profitability of the Company. The profit after tax was €193.0M for the year ended 28 February 2025 (2023: €146.0M).

Having considered all of the aforementioned, the going concern assumption has been considered appropriate in the preparation of the financial statements.

#### *Financial Reporting Standard 102 – Exemptions*

- *Related Party Disclosures*

The Company has availed of the exemption of the requirement as provided for in Section 33 Related Party Disclosures paragraph 33.7.

#### *Adoption of new and amended accounting standards*

The accounting policies adopted in preparation of the financial statements as at 28 February 2025 are consistent with those of the previous financial year. A number of new standards became effective throughout current fiscal year in which they do not have a material effect on the Company's financial statements.

#### *Standards issued but not yet effective*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgement, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for income and expenses during the year.

The Company is a qualifying entity for the purpose of FRS 102. Note 15 gives details of the Company's parent from where its consolidated financial statements may be obtained.

Significant accounting policies adopted by the Company are as follows:

*Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

*Taxation*

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current reporting period using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that result in an obligation to pay more tax, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are only recognised to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Provision is made at the rates expected to apply when temporary differences reverse based on legislation substantively enacted at statement of financial position date. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements (on an undiscounted basis) that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised.

The Organization for Economic Co-operation and Development ("OECD") established an inclusive framework on base erosion and profit shifting including a global minimum effective corporate tax rate of 15% for certain large multinational companies, referred to as Pillar II. The inclusive framework calls for tax law changes by participating countries that began to take effect in 2024.

The Company operates in Ireland, where the Pillar II tax law changes have been enacted and became effective on 1 January 2024. As the Company falls within the scope of these rules, a current tax expense of €4.0 million was recognized related to Pillar II.

The Company has applied the mandatory temporary exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes, as in line with FRS 102.

*Property, Plant and Equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Vehicles	6 years
Computer Equipment	3-7 years
Office Equipment / furniture	13 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Interest Income & Expense*

Revenue is recognised on an accruals basis using the margin concept. The margin concept governs the framework and rates for investing and borrowing amounts in Euro between the companies of the Schwarz Group. The Company has adopted the margin concept for the purposes of recognising and accruing interest income and interest expense in relation to cash pooling and intercompany financing. The interest rate and margin applied to each intercompany financing arrangement is dependent on the term of the loan agreement. The fixed interest rates for short-term financing and cash pooling is updated monthly. Margins for medium and long-term loans are updated quarterly.

#### *Provisions for liabilities*

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is not material and therefore the provisions are not discounted.

#### *Foreign currencies*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. All differences are recognised in the Statement of Comprehensive Income. During the period, the Company entered into foreign currency forward contracts and spot transactions with third parties. The resulting foreign currency gains and losses have been recognised in the financial statements for the year ended 28 February 2025, and 2024, respectively.

#### *Cash at bank and in hand*

Cash at bank and in hand in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

#### *Financial Instruments*

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

##### ○ *Financial Assets*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at (i) fair value through profit or loss ('FVTPL'), fair value through other comprehensive income ('FVOCI'), amortised cost ('AC'). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company has no FVTPL or FVOCI; all are classified as loans and receivables those are carried with AC.

- *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of equity instruments (of which the Company has none), if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

- *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

- *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

- *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Company has no at FVTPL liabilities.

- *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

- *Derecognition of financial liabilities*

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expire.

The Company has not entered into derivative financial instruments.

#### *Leases*

Rental payable under operating leases are charged in the income statement on a straight line basis over the lease term. Expenses are accounted for on an accrual basis.

## Note 2 – Equity

The Company classifies an instrument as equity if the instrument evidences residual interest in the assets of the Company after deducting all of its liabilities. In order for the instrument to be classified as equity, it needs to meet both of the following conditions:

- The instrument includes no contractual obligation:
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer
- If the instrument will or may be settled in the issuer's own equity instruments, it is:
  - (iii) A non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
  - (iv) A derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

As at 28 February 2025, the shares in the Company are classified as Equity (2023: Equity).

## Note 3 – Interest receivable and similar charges

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany interest income	735,182	486,688
Intercompany guarantee fee recharge	241	288
Other interest income	41,276	42,981
	<b>776,699</b>	<b>529,957</b>

**Note 4 – Interest payable and similar charges**

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany interest expense	399,854	310,402
Guarantee fees and similar interest expense	14,429	8,567
Other interest expense	119,115	39,923
	<b>533,398</b>	<b>358,893</b>

**Note 5 – Other Operating Expenses**

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Staff costs	1,352	822
Recharged intercompany expenses	916	638
Legal advisory fees	389	437
Tax advisory fees	93	81
Auditors' remuneration	90	87
Operating lease rentals – land and buildings	68	68
Bank fees	50	48
Car expenses	37	45
Travelling expenses	25	44
Depreciation of owned assets	38	32
Other expenses	42	47
Ancillary financing costs	14,136	4,854
Intercompany ancillary financing costs	-	995
	<b>17,308</b>	<b>8,293</b>

**Note 6 – Auditors' Remuneration**

The remuneration of the statutory auditor is further analysed as follows:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Audit of financial statements including VAT	90	87

**Note 7 – Staff Costs**

The average number of employees involved in all administrative and finance functions during the year was 7 (2023: 4) and the cost related to such employees is further categorised as follows:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Wages & salaries	1,103	693
Other staff expenses	72	39
PRSI social welfare costs	165	83
Health insurance costs	12	7
	<b>1,352</b>	<b>822</b>

The Directors' remuneration amounting to €843K included in the above staff costs (2023: €565K).

**Note 8 – Taxation**

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Current income tax charge	26,092	18,835
Adjustment in respect of prior periods		-
Deferred income tax charge / (credit)	1	-
Withholding tax	3,878	3,119
Pillar II tax expense	4,043	-
Income tax expense reported in the Statement of comprehensive income	<b>34,014</b>	<b>21,954</b>

Reconciliation between tax expense and the product of profit before tax multiplied by the Company's domestic tax rate for the periods ended 28 February 2025 and 2024 is as follows:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
<b>Accounting profit before income tax</b>	<b>226,758</b>	<b>167,932</b>
At the Company's statutory income tax rate of 12.5%	28,345	20,992
Pillar II tax expense	4,043	-
Expenses not deductible for tax purposes	1	2
Other (relating to foreign WHT & TRS)	(2,253)	(2,251)
Withholding tax incurred on income	3,878	3,211
Adjustment in respect of prior period	-	-
<b>Total current tax expense for the period</b>	<b>34,014</b>	<b>21,954</b>

Corporate tax receivable / (payable):

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Tax expense for the period	34,014	21,954
Tax paid	30,000	21,000
<b>Closing Balance</b>	<b>(4,014)</b>	<b>(954)</b>

The standard corporation tax rate is expected to remain at its current rate of 12.5% for the foreseeable period of the next 12 months.

An assessment was performed at the companies of the Schwarz Group level to evaluate its potential exposure to Pillar II income taxes for the year ending 28 February 2025. As a result of this assessment, the Company recognized a current tax expense of €4.0 million related to Pillar II in respect of profits earned in Ireland. This recognized tax expense arises from the increase in the nominal corporate income tax rate from 12.5% to the new effective tax rate of 15% required under the Pillar II rules.

The Company has applied the mandatory temporary exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes, as in line with FRS 102.

## Note 9 – Tangible Assets

	<i>Vehicles</i>	<i>Office Furniture &amp; Equipment</i>	<i>IT Hardware</i>	<i>Low Value Assets</i>	<i>Total</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Cost or valuation:					
At 1 March 2024	170	36	32	10	248
Additions	121	-	-	-	121
Disposals	119	-	-	-	119
<b>As at 28 February 2025</b>	<b>172</b>	<b>36</b>	<b>32</b>	<b>10</b>	<b>250</b>
Depreciation and impairment:					
At 1 March 2024	47	20	23	10	100
Charge for the year	34	3	1	-	38
Disposals	51	-	-	-	51
<b>As at 28 February 2025</b>	<b>30</b>	<b>23</b>	<b>24</b>	<b>10</b>	<b>87</b>
<b>Carrying amount as at 28 February 2025</b>	<b>142</b>	<b>13</b>	<b>8</b>	<b>-</b>	<b>163</b>
Cost or valuation:					
At 1 March 2023	57	36	23	10	126
Additions	113	-	9	-	-
Disposals	-	-	-	-	-
<b>As at 29 February 2024</b>	<b>170</b>	<b>36</b>	<b>32</b>	<b>10</b>	<b>248</b>
Depreciation and impairment:					
At 1 March 2023	19	17	22	10	68
Charge for the year	28	3	1	-	32
Disposals	-	-	-	-	-
<b>As at 29 February 2024</b>	<b>47</b>	<b>20</b>	<b>23</b>	<b>10</b>	<b>100</b>
<b>Carrying amount as at 29 February 2024</b>	<b>123</b>	<b>16</b>	<b>9</b>	<b>-</b>	<b>148</b>

## Note 10 – Amounts due from companies of the group

Amounts due from companies of the group falling due under one year are:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Receivables from cash pool participants	1,604,101	1,962,683
Intercompany loans receivable	10,478,992	7,982,602
Other intercompany receivables	155,634	152,823
	<b>12,238,727</b>	<b>10,098,108</b>

Amounts due from companies of the group falling due after more than one year are:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany loans receivable	5,526,562	2,738,356

Amounts disclosed above are classified as loans and receivable and measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables.

### Note 11 – Amounts due to companies of the group

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Payable to cash pool participants	(2,624,031)	(2,255,237)
Intercompany loans payable	(3,782,094)	(3,463,870)
Other intercompany payables	(43,288)	(63,601)
Accruals	(125)	(113)
	<b>(6,449,538)</b>	<b>(5,782,821)</b>

Amounts due to companies of the group falling due after more than one year are:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany loans payable	(578,070)	(779,000)
Intercompany credit facilities payable	(4,087,962)	(2,536,632)
	<b>(4,666,032)</b>	<b>(3,315,632)</b>

### Note 12 – Other payables

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Other payables	(55)	(34)
Other tax payable (Pillar II)	(4,043)	-
VAT payable	(139)	(74)
Accruals	(1,383)	(1,484)
Interest payable on loan notes	(22,266)	(2,645)
	<b>(27,886)</b>	<b>(4,237)</b>

### Note 13 – Amounts due to other institutions

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Amounts due - Note Purchase Agreement	(1,687,086)	-
	<b>(1,687,086)</b>	-

### Note 14 – Non-current Liabilities

Loans payable to companies of the group falling due more than one year are:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany loans payable	578,070	779,000

Intercompany credit facilities repayable to the companies of the group falling due more than one year are:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Intercompany credit facilities	4,087,962	2,536,632

The intercompany loans and intercompany credit facilities referred to as repayable later than one year consist of €4,666M due to related parties.

The loans comprise of a mix of payables to intercompany and external lenders. The loan payable portfolio has variable interest rates ranging from 1.96% to 5.05% during the year for loans as at 28 February 2025.

## Note 15 – Authorised, allotted and issued share capital

<i>Authorised, allotted and fully paid</i>	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
<i>Alpha Finanz Zweite GmbH</i>		
36,369,397,014 Ordinary Shares of €0.01 each	363,694	363,694
<i>Beta Finanz Dritte GmbH</i>		
13,630,613,257 Ordinary Shares of €0.01 each	136,306	136,306
<b>Total</b>	<b>500,000</b>	<b>500,000</b>

### *Capital Management*

The Company's capital structure comprises of share capital, capital contribution and profit and loss reserve. The entire share capital and capital contribution is held within the same group.

The Board of Directors and the Advisory Committee, established pursuant to the Shareholders' Agreement are responsible and are entrusted with forming the policies and the procedures for the capital management. Management of the Company is responsible for day to day implementation of these policies and procedures.

## Note 16 – Parent Company and Controlling Party

The company's immediate shareholders are Alpha Finanz Zweite (HRB 10941 NP) and Beta Finanz Dritte GmbH (HRB 10997 NP), both German companies with registered offices at Berliner Chaussee 13, 16559 Liebenwalde OT Kreuzbruch, Germany.

There is no ultimate parent undertaking and controlling party.

The company is included in the consolidated financial statements of Lidl Stiftung & Co. KG (HRA 102314) with a registered office at Stiftsbergstr. 1, 74172 Neckarsulm, Germany, and Kaufland Stiftung & Co. KG (HRA102851), Rötelstr. 35, 74172 Neckarsulm, Germany, using the equity method, as these companies exert a significant influence.

Copies of these group financial statements are available from the German Gazette.

## Note 17 – Financial Instruments

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Intercompany loans and cash pool receivables	17,609,655	12,683,641
<i>Financial liabilities measured at amortised cost</i>		
Intercompany loans, credit facilities and cash pool payables	11,072,157	9,034,739
Third party loans and credit facilities	3,500,508	726,696

## Note 18 – Financial Instruments and associated risks

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Details of the Company's receivables are shown in Note 10 to the financial statements. The Company's debtors are primarily trading partners within the companies of the Schwarz Group and as such, the Company's credit risk is limited to group entities who have the same ultimate beneficial controlling party. None of the financial assets are either past due or impaired.

### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due. The Company aims to mitigate liquidity risk by managing cash generation by its operations as a financial services provider and also applying immediate cash collection dates for all intercompany loan interest as it falls due. The Company also manages liquidity risk via revolving credit facilities and long term debt, such as cash pooling and external third party financing arrangements. Maturity profile of the Company's financial liabilities is presented in Note 11 and Note 13 to the financial statements.

### *Market risk*

Market risk is the potential change in the value caused by movement in market factors such as foreign exchange rates and interest rates. All financial instruments are denominated in Euro, the Company's presentation currency and hence there is no foreign exchange risk facing the Company. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company mitigates its interest rate risk by way of implementation of the margin concept as described previously. This rate is based on that in an arm's length transaction. The fixed interest rates for short-term financing and cash pooling is updated monthly. Margins for medium and long-term loans are updated quarterly. In management's assessment the Company's profitability is not impacted by interest rate movements due to the margin concept, since there is an equal and opposite impact on the carrying value of the financial assets and liabilities on every change in the market interest rates.

## Note 19 – Leases

The future minimum lease payments under an operating lease are as follows:

	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>
Not later than one year	68	68
Later than one year and not later than five years	273	273
Later than five years	836	904
	<b>1,177</b>	<b>1,245</b>

The above amounts are stated at nominal value.

## Note 20 – Events after the Statement of Financial Position date

The Directors are not aware of any significant events that should be disclosed or adjusted within the financial statements for the year ended 28 February 2025.

## Note 21 – Related party transactions

During the year, the Company entered into transactions, in the ordinary course of business with other related parties. The Company has opted to avail of the related parties disclosure exemption as referred to in FRS 102 Section 33.1A.

Transactions entered into, and trading balances outstanding at 28 February 2025, are as follows:

	<i>Amounts owed from related parties</i>		<i>Amounts owed to related parties</i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Related party transactions	17,765,291	12,738,800	11,115,571	9,095,453

#### **Terms and conditions of transactions with related parties**

Outstanding loans with other intercompany trading partners within the companies of the Schwarz Group are subject to interest at an agreed rate and in line with Company's margin concept. Settlement of outstanding loans are as per the loan agreement signed for and on behalf of the intercompany partner and the Company. The Company is also liable for guarantee fees as agreed with the Company's guarantors. Similarly, the Company is owed guarantee fees from group entities, as per the conditions of the loan agreements with certain trading partners.

In common with other companies, which are members of a group of companies, the financial statements reflect the effect of such membership. The Company has availed of the exemption provided in FRS 102 from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

#### **Note 22 – Commitments and Contingencies**

The Company has no capital commitments of contingencies at the year-end (2023: €Nil).

#### **Note 23 – Approval of Financial Statements**

The financial statements were approved and authorised by the board of directors on 24 July 2025.