



IFRS Core Tools

Good Group (International) Limited - IFRS 18

An Alternative Format

Illustrative consolidated financial
statements for the year ended 31
December 2026

International GAAP®

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Abbreviations and key

The following styles of abbreviation are used in this set of International GAAP® Illustrative Financial Statements:

IAS 33.41	International Accounting Standard No. 33, paragraph 41
IFRS 18.BC13	International Financial Reporting Standard No. 18, Basis for Conclusions, paragraph 13
IFRS 2.44	International Financial Reporting Standard No. 2, paragraph 44
SIC 29.6	Standing Interpretations Committee Interpretation No. 29, paragraph 6 (SIC interpretations)
IFRIC 5.6	IFRS Interpretations Committee (formerly IFRIC) Interpretation No. 5, paragraph 6
IFRS 9.IG.G.2	International Financial Reporting Standard No. 9 – Guidance on Implementing IFRS 9 Section G: Other, paragraph G.2
IAS 32.AG3	International Accounting Standard No. 32 – Appendix A – Application Guidance, paragraph AG3
Commentary on IFRS accounting standards	The commentary explains how the requirements of IFRS accounting standards have been implemented in arriving at the illustrative disclosure
Commentary on climate-related matters	The commentary explains how the impact from climate change has been considered in preparing the illustrative financial statements and what factors an entity may need to consider in this regard.
Commentary on macroeconomic and geopolitical uncertainty	The commentary explains which issues an entity may need to consider in relation to the current macroeconomic and geopolitical uncertainty.
GAAP	Generally Accepted Accounting Principles/Practice
IFRS® Accounting Standards	IFRS® accounting standards issued by the IASB
IASB	International Accounting Standards Board
IAS®	International Accounting Standards
IFRS Interpretations Committee	IFRS Interpretations Committee (the Committee) (formerly International Financial Reporting Interpretations Committee (IFRIC®))
SIC®	Standing Interpretations Committee
IFRIC Interpretations	Interpretations by the IFRS Interpretations Committee (formerly IFRIC)
SIC Interpretations	Interpretations by the SIC

Introduction

This publication contains an illustrative set of consolidated financial statements for Good Group (International) Limited (the parent) and its subsidiaries (the Group) that is prepared in accordance with IFRS accounting standards. The Group is a fictitious, large publicly listed manufacturing company. The parent is incorporated in a fictitious country within Europe. The presentation currency of the Group is the euro (€).

This alternative format version of Good Group has been prepared based on the new requirements of IFRS 18 *Presentation and Disclosure in Financial Statements*, which addresses the presentation and disclosures of material information in primary financial statements and the notes. IFRS 18 is applicable for periods beginning on or after 1 January 2027, but has been adopted early in this version of Good Group. IFRS 18, once effective, replaces IAS 1 *Presentation of Financial Statements*. While much of IAS 1 will be carried forward to the new standard (or to IAS 8 renamed *Basis of Preparation of Financial Statements*) with only limited wording changes, IFRS 18 introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. These new requirements include:

- Requirements to classify all income and expenses included in the statement of profit or loss into one of five categories (three being new) and to present two new mandatory subtotals
- Required disclosures about certain non-GAAP measures ('management-defined performance measures' or 'MPMs'), in a single note to the financial statements
- Enhanced guidance on the aggregation and disaggregation of information across all the primary financial statements and the notes

To implement these requirements, it is expected that entities will need to make changes to their data collection processes, information systems and their financial statement close process. In some cases, the requirements are also expected to trigger reviews of remuneration policies and debt covenants that are currently linked to IAS 1 profit or loss metrics, which will require negotiations with relevant stakeholders. It is likely that identifying MPMs, and providing the required disclosure, will necessitate more collaboration between an entity's financial reporting, legal and investor relations teams (among others) than is currently the norm.

For additional information on IFRS 18, please refer to our publications, including [Applying IFRS - A closer look at IFRS 18 \(Updated April 2026\)](#) and [IFRS Developments Issue 248: IFRS 18-Agenda decisions](#).

Objective

This set of illustrative financial statements is one of many prepared by EY to assist in the preparation of financial statements. The illustrative financial statements are intended to reflect transactions, events and circumstances that we consider to be most common for a broad range of companies across a wide variety of industries. Certain disclosures are included in these financial statements merely for illustrative purposes, even though they may be regarded as items, transactions or accounting policy information that are not material for Good Group. Similarly, the primary financial statements may include line items that could be aggregated under IFRS 18. However, for the purposes of the illustration, these line items are, in some cases, presented separately in the current financial statements. Similarly, based on the circumstances of an entity, further disaggregation may be necessary in some cases.

How to use these illustrative financial statements to prepare entity-specific disclosures

Users of this publication are encouraged to prepare entity-specific disclosures. Transactions and arrangements other than those applicable to the Group may require additional disclosures. It should be noted that the illustrative financial statements of the Group are not designed to satisfy any stock market or country-specific regulatory requirements, nor is this publication intended to reflect disclosure requirements that apply mainly to regulated or specialised industries.

Notations shown in the right-hand margin of each page are references to paragraphs in IFRS accounting standards that describe the specific disclosure requirements. Commentaries are provided to explain the basis for the disclosure or to address alternative disclosures not included in the illustrative financial statements. For a more comprehensive list of disclosure requirements, please refer to EY's International GAAP® Disclosure Checklist. If questions arise as to the requirements in IFRS accounting standards, it is essential to refer to the relevant source material and, where necessary, to seek appropriate professional advice.

The Alternative Format

Terms such as 'disclosure overload' and 'cutting the clutter', and more precisely 'disclosure effectiveness' describe a problem in financial reporting that has become a priority issue for the International Accounting Standards Board (IASB or Board), local standard setters, and regulatory bodies. The growth and complexity of financial statement disclosure is also drawing significant attention from financial statement preparers, and more importantly, the users of financial statements.

Notes structure

The common practice for the ordering of the notes, to a great extent, follows the structure suggested in paragraph B112 of IFRS 18. *Good Group (International) Limited IFRS 18 - Illustrative consolidated financial statements for the year ended 31 December 2026* applies the traditional format.

From the discussions around disclosure overload, there may be alternative structures that entities could consider in organising their financial statements to be more effective in permitting the users to identify the relevant information more easily. In view of the discussion around the disclosure initiatives project of the IASB, an alternative structure has been adopted in these illustrative financial statements. The ordering of the notes has been reorganised according to their nature and our view of their importance, into seven different notes sections as summarised in the [Index to notes to the consolidated financial statements](#).

By structuring the notes according to their nature and perceived importance, users may find it easier to extract the relevant information. In addition, information about accounting policies, judgements, key estimates and assumptions have also been placed together in the same note as the related qualitative and quantitative disclosures, to provide a more holistic discussion to users of the financial statements. This edition is intended to be a useful tool for entities exploring ways to enhance the effectiveness of their financial statements' disclosures.

The initial adoption of IFRS 18 may be seen as a good opportunity to reconsider the structure of the notes. Entities may find that other structures are better for enhancing disclosure effectiveness and the approach, as summarised above and applied in these financial statements, is only intended to illustrate one of the alternative notes structures allowed under IFRS accounting standards. Entities should carefully assess their specific circumstances and the preferences of the primary users before deciding on the notes' structure. The engagement of key stakeholders will be a critical part of any process to make significant changes to the financial statements.

Materiality assessments

Applying the concept of materiality requires judgement, in particular, in relation to matters of presentation and disclosure, and inappropriate application of the concept may be another cause of the perceived disclosure problem. IFRS accounting standards set out a set of minimum disclosure requirements which, in practice, too often is complied with without consideration of the information's relevance for the specific entity. That is, if the transaction or item is immaterial to the entity, then it is not relevant to users of financial statements, in which case, IFRS accounting standards do not require the item to be disclosed in accordance with paragraph 19 of IFRS 18. If immaterial information is included in the financial statements, the amount of information may potentially reduce the transparency and usefulness of the financial statements as the material and, thus, relevant information, loses prominence.

IFRS Practice Statement 2 *Making Materiality Judgements* provides practical guidance and examples that entities may find helpful in deciding whether information is material. Entities are encouraged to consider it when making materiality judgements.

For an illustration of how the materiality assessment could be performed for disclosures of accounting policies, please refer to [Appendix 4](#). For further guidance, please refer to our publication, [Applying IFRS: Disclosure of accounting policy information](#).

As explained above, the primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. Therefore, they include disclosures that may, in practice, be deemed not material to Good Group. It is essential that entities consider their own specific circumstances when determining which disclosures to include. These financial statements are not intended to act as guidance for making the materiality assessments; they must always be tailored to ensure that an entity's financial statements reflect and portray its specific circumstances and its own materiality considerations. Only then will the financial statements provide decision-useful financial information.

Alternative performance measures

The use of alternative performance measures (APMs or “non-GAAP measures”) is popular in communicating financial information to investors. APMs are financial measures that are not defined in the applicable reporting framework. The number of APMs in use is large and varied depending on the message that entities are trying to convey. The IASB has recognised that management-defined performance measures (MPMs), which are a subset of alternative performance measures, can provide useful information about entities’ financial performance. IFRS 18 defines an MPM as a subtotal of income and expenses that an entity uses in public communications outside the financial statements to communicate to users management’s view of an aspect of the financial performance of the entity as a whole. IFRS 18 requires entities to provide disclosures about MPMs in a single note in the financial statements.

The Group has disclosed two MPMs for illustrative purposes in [Note 3F](#). For more information on MPMs, please refer to our publication, [Applying IFRS – A closer look at IFRS 18 \(Updated April 2026\)](#).

Climate-related matters

Stakeholders are increasingly interested in the impact of climate change on entities’ business models, cash flows, financial position and financial performance. While IFRS accounting standards do not explicitly refer to climate-related matters, entities must consider them in applying IFRS accounting standards when the effect of those matters is material.

In its educational material published in November 2020 (republished July 2023), the IASB clarified its view that existing IFRS accounting standards require entities to consider climate-related matters. In November 2025, the IASB issued *Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 – Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples to several IFRS accounting standards. The examples illustrate how entities apply existing requirements in IFRS accounting standards to report the effects of uncertainties in the financial statements using climate-related examples. They do not add to, or change, existing requirements in IFRS accounting standards. The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

Climate-related risks include both physical risks and transition risks. Physical risks include the risk of loss due to specific weather events (such as storms or wildfires), so-called acute physical risks, and risks due to longer-term changes (such as rising sea levels). Transition risks relate to the risk of financial loss due to the economic transition toward a more sustainable economy.

Where relevant, climate-related matters have been addressed in separate commentaries and illustrative disclosures in these financial statements. [Note 2E](#) has been added to provide an overview of areas in the financial statements that have been impacted by climate-related matters. As the impact of climate-related matters differs significantly across entities and industries, entities need to consider carefully any specific impacts on their business, arising from physical and transition risks when preparing their financial statements.

The level of disclosure provided may also be impacted by the expectations of regulators, depending on the jurisdiction. For example, regulators may require disclosure of climate-related matters that have not traditionally been considered material in financial statements.

Reporting on climate-related matters outside the financial statements is included in what is commonly referred to as “sustainability reporting”, which refers to reporting on environmental, social and governance matters. Sustainability reporting is not illustrated nor addressed in this publication.

As part of its work on sustainability reporting and climate-related matters’ impact on financial statements, the IFRS Foundation’s standard-setting bodies – the IASB and the International Sustainability Standards Board (ISSB™) – have emphasised the concept of connectivity between financial statements and sustainability disclosures. This concept refers to providing investors with holistic, comprehensive and coherent information about an entity through sustainability disclosures and connected financial statements. Regulators have also highlighted the need for consistency in how climate-related matters are treated in IFRS financial statements and in other financial and non-financial information provided by entities.

Entities that are considering climate-related matters in their financial statements should also refer to our publications, [IFRS Developments: 244 Disclosures about Uncertainties in the Financial Statements](#) and [Applying IFRS – Connected Financial Reporting: Accounting for Climate Change \(updated May 2025\)](#). Entities should also consider recent IFRS IC agenda decisions dealing with climate-related matters, including [Climate-related Commitments](#) and [Recognition of Intangible Assets from Climate-related Expenditure](#).

Macroeconomic and geopolitical uncertainty

In recent years, there has been significant commodity price volatility, high inflation, changes in interest rates and increasing energy prices linked to geopolitical uncertainty and tensions that have significantly affected the current economic environment. The accounting issues that entities will need to pay special attention to as a result include but are not limited to: going concern; impairment of assets; expected credit losses; pensions; determination of fair values; assessment of events as either adjusting or non-adjusting; disclosures (e.g., liquidity disclosures); and hyperinflation.

In addition, some countries are either considering, or have already implemented, trade restrictions and new or increased tariffs, which might adversely affect entities by increasing their production costs and prices, or disrupt their supply chains. Taken together, these developments may significantly affect an entity's planning for sales and production. Where relevant, these accounting issues have been addressed in commentary boxes throughout this publication. However, as the impact largely depends on the nature of an entity's business and the extent to which it has been affected, relevant accounting issues have not been illustrated in these consolidated financial statements themselves.

Entities should consider whether additional disclosures are necessary to explain macroeconomic and geopolitical events and related transactions subsequent to the previous reporting period that are significant to their financial statements. For instance, the current macroeconomic and geopolitical environment affects the assumptions and estimation uncertainty associated with the measurement of assets and liabilities. Therefore, entities should carefully consider whether additional disclosures are necessary to help users of financial statements understand the impact of those uncertainties and corresponding judgements applied in the financial statements.

The purpose of the commentaries on macroeconomic and geopolitical uncertainty is to aid entities in making assessments as to the impact of current macroeconomic and geopolitical environment on recognition, measurement, presentation, and disclosures. Entities that are considering macroeconomic and geopolitical uncertainty should refer to our publications, [Applying IFRS - Accounting consideration related to geopolitical events and uncertainty \(April 2026\)](#) and [IFRS Developments: 244 Disclosures about Uncertainties in the Financial Statements](#). Entities should also consider the latest local guidance released in their jurisdiction along with other publications available on [ey.com/ifrs](https://www.ey.com/ifrs).

Illustrative financial statements

We provide a number of industry-specific illustrative financial statements and illustrative financial statements addressing specific circumstances that you may consider. The entire series of illustrative financial statements comprises:

- **IFRS 18 versions**
 - Good Group (international) Limited
 - Good Real Estate Group (international) Limited
 - Good Group (International) Limited – Alternative Format
 - Good Group (International) Limited – Interim condensed
- **IAS 1 versions**
 - Good Group (International) Limited
 - Good Group (International) Limited – Alternative Format
 - Good Group (International) Limited – Interim condensed
 - Good First-time Adopter (International) Limited
 - Good Investment Fund Limited (Equity)
 - Good Investment Fund Limited (Liability)
 - Good Real Estate Group (International) Limited
 - Good Mining (International) Limited
 - Good Petroleum (International) Limited
 - Good Bank (International) Limited
 - Good Life Insurance (International) Limited - Selected Illustrative Disclosures from IFRS 17, IFRS 9 and IFRS 7
 - Good General Insurance (International) Limited - Selected Illustrative Disclosures from IFRS 17, IFRS 9 and IFRS 7
 - Good Group (International) Limited – Agriculture: Supplement to Illustrative Consolidated Financial Statements

As the IAS 1 versions have not been updated for the limited number of pronouncements first applicable in 2026, namely *Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7*, *Annual Improvements to IFRS Accounting Standards - Volume 11*, and *Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7*, entities may refer to the IFRS 18 versions for guidance on these pronouncements and other recent developments.

IFRS accounting standards

Following the formation of the IFRS Foundation's separate standard-setting body for IFRS Sustainability Disclosure Standards, the International Sustainability Standards Board (ISSB™), the IFRS Foundation has clarified that the standards issued by the IASB should be referred to as 'IFRS Accounting Standards'.¹ Thus, when financial statements are described as complying with IFRS accounting standards, it means that they comply with the entire body of pronouncements sanctioned by the IASB. This includes the IAS Standards, IFRS accounting standards and Interpretations originated by the IFRS Interpretations Committee (IFRIC interpretations and SIC interpretations). This is also clarified in Appendix A of IFRS 18 and paragraph 5 of IAS 8 *Basis of Preparation of Financial Statements*.

International Accounting Standards Board (IASB)

The IASB is the independent standard-setting body of the IFRS Foundation (an independent not-for-profit private sector organisation working in the public interest) responsible for the development and publication of IFRS accounting standards, including the *IFRS for SMEs accounting standard*. The IASB also approves Interpretations of IFRS accounting standards as developed by the IFRS Interpretations Committee.

In fulfilling its standard-setting duties, the IASB follows a due process, of which the publication of consultative documents, such as discussion papers and exposure drafts, for public comment is an important component.

The IFRS Interpretations Committee (Interpretations Committee)

The Interpretations Committee is a committee appointed by the IFRS Foundation Trustees that assists the IASB in maintaining and supporting the consistent application of IFRS accounting standards for the benefit of users, preparers and auditors of financial statements.

The Interpretations Committee addresses issues of reasonably widespread importance, rather than issues of concern to only a small set of entities. These include any identified financial reporting issues not addressed in IFRS accounting standards. The Interpretations Committee also advises the IASB on issues to be considered in the annual improvements to IFRS accounting standards projects.

For an overview of all upcoming changes in standards and interpretations, please refer to our quarterly *IFRS Update* publication.

IFRS accounting standards as at 30 June 2026

As a general approach, these illustrative financial statements do not early adopt standards, amendments or interpretations with the sole exception of IFRS 18 and related consequential amendments before their effective date.

The standards applied in these illustrative financial statements are those that were in issue as at 30 June 2026 and effective for annual periods beginning on or after 1 January 2026. It is important to note that these illustrative financial statements will require continual updating as standards are issued and/or revised.

Users of this publication are cautioned to check that there has been no change in requirements of IFRS accounting standards between 30 June 2026 and the date on which their financial statements are authorised for issue. In accordance with paragraph 30 of IAS 8, specific disclosure requirements apply for standards and interpretations issued but not yet effective (see [Note 2F](#) of these illustrative financial statements). Furthermore, if the financial year of an entity is other than the calendar year, new and revised standards applied in these illustrative financial statements may not be applicable. For instance, the Group has adopted *Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7* in its 2026 illustrative financial statements. An entity with a financial year that commences on, for example, 1 October and ends on 30 September would have to adopt the amendments in its annual financial statements beginning on 1 October 2026. Therefore, the amendments would not have been applicable in the financial statements of an entity with a year-end of 30 September 2026, unless it voluntarily chose to early adopt them.

¹ [IFRS Foundation® Trade Mark Guidelines. IFRS Foundation, 2023](#)

Accounting policy choices

Accounting policies are broadly defined in IAS 8 and include not just the explicit elections provided for in some standards, but also other conventions and practices that are adopted in applying principle-based standards.

In some cases, IFRS accounting standards permit more than one accounting treatment for a transaction or event.

IAS 8 requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an IFRS accounting standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an IFRS accounting standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policies should only be made if required by a standard or interpretation, or if the change results in the financial statements providing reliable and more relevant information.

In this publication, when a choice is permitted by IFRS accounting standards, the Group has adopted one of the treatments as appropriate to the circumstances of the Group. In these cases, the commentary provides details of which policy has been selected, and the reasons for this policy selection.

Financial review by management

Many entities present a financial review by management that is outside the financial statements. IFRS accounting standards do not require the presentation of such information, although paragraph 8 of IFRS 18 gives a brief outline of what may be included in an annual report. IFRS Practice Statement 1, *Management Commentary* provides a non-binding framework for the presentation of a management commentary that relates to financial statements prepared in accordance with IFRS accounting standards. If a company decides to follow the guidance in the Practice Statement, management is encouraged to explain the extent to which the Practice Statement has been followed. A statement of compliance with the Practice Statement is required if it is followed in its entirety. The content of a financial review by management is often determined by local market requirements or issues specific to a particular jurisdiction.

No financial review by management has been included for the Group.

Changes in the 2026 version of Good Group (International) Limited - IFRS 18

The content in this version of *Good Group (International) Limited 2026 - An Alternative Format* is largely the same as the illustrative financial statements in *Good Group (International) Limited 2026*, but as explained above, the structuring of the notes is done according to an alternative format. Therefore, this version similarly reflects the changes that were made in the 2026 edition of *Good Group (International) Limited*.

The standards and interpretations listed below are effective for annual periods beginning on or after 1 January 2026. While the list of new standards is provided below, not all of these new standards will have an impact on these illustrative financial statements. To the extent these illustrative financial statements have changed since the 2025 edition of *Good Group (International) Limited* due to changes in standards and interpretations, the impact of those changes is disclosed in [Note 2C](#).

Other changes compared to the 2024 version of Good Group, which is based on IAS 1, include those made to reflect practice developments, and to address consequential amendments to other standards such as IAS 7 *Statement of Cash Flows*, IAS 33 *Earning per Share*, and IAS 34 *Interim Financial Reporting*.

Changes to IFRS accounting standards

The following amendments became effective as at 1 January 2026:

- *Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7*
- *Annual Improvements to IFRS Accounting Standards–Volume 11*
- *Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7*



Good Group (International) Limited - IFRS 18 An Alternative Format

Consolidated financial statements

31 December 2026

Commentary

Good Group (International) Limited is a limited company incorporated and domiciled in Euroland and whose shares are publicly traded. Financial statements of that category of entity are usually subject to mandatory audit either under International Standards on Auditing (ISA) or local audit standards and auditor's report should be disclosed together with the annual financial statements. However, this publication is not intended to provide guidance on the application of ISA 700 (Revised) *Forming an Opinion and Reporting on Financial Statements* or the specific requirements of individual jurisdictions. Hence, an illustrative auditor's report on the consolidated financial statements of Good Group (International) Limited has not been included.

Consolidated statement of profit or loss

for the year ended 31 December 2026

		2026	2025	IFRS 18.10(a) IFRS 18.12(b) IFRS 18.27(c)
		€000	€000	
	Notes		Restated (Note 2C)	IFRS 18.27(d),(e)
Continuing operations				
Revenue from contracts with customers	3A	179,058	159,088	IFRS 18.69
Cost of sales		(136,496)	(127,946)	IFRS 15.113 IFRS 18.82
Gross profit		42,562	31,142	IFRS 18.24
Other individually immaterial operating income	5A	2,435	2,548	
Selling expenses		(9,940)	(8,875)	
Distribution expenses		(4,009)	(4,041)	
General and administrative expenses	5I	(16,111)	(11,404)	
Research and development expenses	5G	(2,235)	(1,034)	IFRS 18.81(a)
Foreign exchange losses	5H	(238)	(222)	IFRS 18.B28, B66(a)
Other individually immaterial operating expenses	5B	(2,248)	(53)	
Operating profit		10,216	8,061	IFRS 18.69(a), 70
Share of profit of an associate and a joint venture	3H	671	638	IFRS 18.75(a)(iii) IFRS 18.53(a)
Rental income	6B	1,404	1,377	IFRS 18.53(c), 54(a)
Change in fair value of investment properties	6B	(306)	(300)	IFRS 18.54(b)
Foreign exchange gains on cash and short-term deposits	5H	270	254	IFRS 18.53(b), B28
Other individually immaterial income from investments	5C	243	144	
Profit before financing and income taxes		12,498	10,174	IFRS 18.69(b)
Interest expenses on loans and borrowings		(1,036)	(1,020)	IFRS 18.60(a)
Interest expenses on other liabilities	5D	(431)	(341)	IFRS 18.61(a)
Foreign exchange gains on interest-bearing loans and borrowings	5H	57	67	IFRS 18.B28, B66(b)
Profit before income tax		11,088	8,880	IFRS 18.71
Income tax expense	6N	(3,092)	(2,233)	IFRS 18.67, 75(a)(iv) IAS 12.77
Profit from continuing operations		7,996	6,647	IFRS 18.24
Discontinued operations				
Profit/(loss) from discontinued operations	4B	220	(188)	IFRS 18.68, 75(a)(v) IFRS 5.33(a)
Profit		8,216	6,459	IFRS 18.72
Attributable to:				
Equity holders of the parent		7,928	6,220	IFRS 18.76(b)
Non-controlling interests		288	239	IFRS 18.76(a)
		8,216	6,459	
Earnings per share for continuing operations	5K			IAS 33.66
Basic earnings per share		€0.37	€0.34	
Diluted earnings per share		€0.37	€0.33	
Earnings per share	5K			IAS 33.66
Basic earnings per share		€0.38	€0.33	
Diluted earnings per share		€0.38	€0.32	

P. Goodman, Chairman

L. Goodright, Group Chief Executive

29 January 2027

Commentary on IFRS accounting standards

Paragraph 10 of IFRS 18 suggests titles for the primary financial statements, such as 'statement of financial performance' or 'statement of financial position'. Entities are, however, permitted to use other titles, such as 'income statement' or 'balance sheet'. The Group applies the titles suggested in IFRS 18 and presents its statements of financial performance as a statement of profit or loss along with a separate statement presenting comprehensive income, which begins with profit or loss.

There is no specific requirement to identify restatements to prior period financial statements on the face of the financial statements. IAS 8 requires details to be provided only in the notes. The Group illustrates how an entity may supplement the requirements of IAS 8 so that it is clear to the reader that amounts in the prior period financial statements have been adjusted in comparative period(s) of the current period financial statements.

Under IFRS 18, the Group consistently applies aggregation and disaggregation requirements across all primary financial statements. Items with similar characteristics are aggregated, while items with dissimilar characteristics are disaggregated when disaggregated information is material.

The Group has concluded that it does not invest in assets, nor does it provide financing to customers as a main business activity. Entities with a specified main business activity of investing in assets or providing financing customers need to classify in the operating category some items of income and expenses that would otherwise have been classified in the investing or financing category. For additional information on IFRS 18, please refer to our publication, [Applying IFRS - A closer look at IFRS 18 \(Updated April 2026\)](#).

IFRS 15 *Revenue from Contracts with Customers* defines revenue as 'income arising in the course of an entity's ordinary activities', but it excludes some revenue contracts from its scope (e.g., leases). IFRS 15 does not explicitly require an entity to use the term 'revenue from contracts with customers'. Therefore, entities may use different terminology in their financial statements to describe revenue arising from transactions that are within the scope of IFRS 15. However, entities should ensure the terms used are not misleading and allow users to distinguish revenue from contracts with customers from other sources of revenue.

Paragraph 113(a) of IFRS 15 requires revenue recognised from contracts with customers to be disclosed separately from other sources of revenue, unless presented separately in the statement presenting comprehensive income or statement of profit or loss.

Cost of sales is a functional line item that combines expenses relating to an entity's production or other revenue-generating activities such as raw material expense, employee benefit expense, depreciation and amortisation. It includes costs of inventories recognised as expense, as described in paragraph 38 of IAS 2 *Inventories*.

Paragraph 78 of IFRS 18 requires expenses to be analysed either by their nature, by their function, or by both within the operating category of the statement of profit or loss, whichever provides the most useful structured summary. If entities present at least one item comprising expenses classified by function, information about the nature of expenses must be disclosed in the notes. In [Appendix 2](#), the consolidated statement of profit or loss is presented with an analysis of expenses by nature. Entities use judgement to determine whether to present additional line items in the statement of profit or loss to provide a useful structured summary, or to disclose items in the note. Entities' judgement is based on an assessment of whether the characteristics of the items in question are similar or dissimilar. Paragraph B78 of IFRS 18 provides guidance on how to apply that judgement and sets out the types of characteristics to consider.

Any individual line item can only contain expenses aggregated by function or by nature, but a mixed presentation within the operating category as a whole is permitted. The Group concluded that presenting certain income and expenses classified by function and others classified by nature provides the most useful structured summary of its expenses in the operating category of the statement of profit or loss. Presenting expenses by function represents how the business is managed and how management reports internally, and is consistent with standard industry practice. However, the Group presents foreign exchange gains and losses separately, in accordance with paragraph B81(a) of IFRS 18, as allocating them to functions would be arbitrary, and also to align with the presentation of foreign exchange gains and losses in the investing and financing categories.

IFRS 18 requires entities, irrespective of whether they invest in assets as a main business activity or not, to classify their share of profit or loss and other income and expenses (e.g., an impairment loss) arising from an equity accounted investment in associates, joint ventures or unconsolidated subsidiaries in the investing category. Paragraph 75(a)(iii) of IFRS 18 requires 'share of the profit or loss of associates and joint ventures accounted for using the equity method' to be presented in a separate line item on the face of the statement of profit or loss. The Group combines the share of profit or loss from an associate and a joint venture in one line item. As IFRS 18 does not specify the location of the equity accounted investments line item within the investing category, it will be possible for entities to present this as the first line after operating profit subtotal and insert an additional subtotal for operating profit and income and expenses from equity accounted investments, if this provides a useful structured summary. While IFRS 18 introduced the investing category for classification purposes, it does not require a subtotal or section heading in the statement of profit or loss that is described as 'investing'. Entities may decide to disaggregate income and expenses from equity accounted investments into more than one line item within the investing category, based on investments with similar or dissimilar characteristics. The Group has presented its share of profit of an associate and joint venture using the equity method under IAS 28 *Investments in Associates and Joint Ventures* after the line-item 'operating profit'.

The Group has assessed how the income and expenses that give rise to the foreign exchange gain and losses should be classified. As a result, the Group presented foreign exchange gain and losses on interest-bearing loans and borrowings in the financing category and those on cash and short-term deposits in the investing category. The remaining foreign exchange gain and losses have been included in the operating category. The Group has presented foreign exchange gain and losses separately within each category in the statement of profit or loss, as these gain and losses have dissimilar characteristics compared to other income and expenses in their respective categories.

As required by IAS 33, paragraph 66, the Group shows the EPS information for continuing operations on the face of the statement of profit or loss. Paragraph 68 of IAS 33 requires presentation of basic and diluted earnings per share (EPS) for discontinued operations either on the face of the statement of profit or loss or in the notes to the financial statements. The Group has elected to show this information with other disclosures required for discontinued operations in [Note 4B](#).

Paragraph 75 of IFRS 18 requires that the statement of profit or loss include line items that present the impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with IFRS 9 *Financial Instruments*. The Group did not present its impairment losses determined in accordance with IFRS 9 separately in the statement of profit or loss as the amounts are not considered material.

IFRS 16 *Leases*, paragraph 49 requires a lessee to present in the statement of profit or loss, the interest expense on lease liabilities separately from the depreciation charge for the right-of-use asset. The Group presented interest expense on lease liabilities under 'Interest expenses on other liabilities' and the depreciation charge on the right-of-use asset under 'Cost of sales' and 'General and administrative expenses', as applicable.

Consolidated statement presenting comprehensive income

for the year ended 31 December 2026

		2026	2025	IFRS 18.10(a) IFRS 18.27(b) IFRS 18.27(c) IFRS 18.86
	Notes	€000	€000	
			Restated (Note 2C)	IFRS 18.27(d),(e) IFRS 18.93
Profit		8,216	6,459	IAS 12.61A IFRS 18.72
Other comprehensive income				IFRS 18.88
<i>Other comprehensive income that will be reclassified to profit or loss when specific conditions are met (net of tax):</i>				
Net gain on hedge of a net investment	6H	195	—	IFRS 9.6.5.13
Exchange differences on translation of foreign operations	6H	(246)	(117)	IAS 21.32, 52(b)
Net (loss)/gain on cash flow hedges	6H	(618)	24	IFRS 7.20(a)(i)
Net change in costs of hedging	6H	(22)	—	
Net loss on debt instruments at fair value through other comprehensive income	6H	(15)	(1)	IFRS 7.20(a)(vii)
Share of other comprehensive loss of an associate	3H	(30)	—	IFRS 18.89(a)
Total other comprehensive loss that will be reclassified to profit or loss when specific conditions are met		(736)	(94)	IFRS 18.88
<i>Other comprehensive income that will not be reclassified to profit or loss (net of tax):</i>				
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	6H	(18)	7	IFRS 7.20(a)(vii) IAS 19.120(c)
Remeasurement gain/(loss) on defined benefit plans	6J	257	(273)	IAS 19.122
Revaluation of office properties in Euroland	6A	592	—	IAS 16.39
Share of other comprehensive income of an associate	3H	30	—	IFRS 18.89(a)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss		861	(266)	IFRS 18.88
Other comprehensive income/(loss), net of tax		125	(360)	IFRS 18.86(b)
Total comprehensive income		8,341	6,099	IFRS 18.86(c)
Attributable to:				
Equity holders of the parent		8,053	5,860	IFRS 18.87(b)
Non-controlling interests		288	239	IFRS 18.87(a)
		8,341	6,099	

Commentary on IFRS accounting standards

The Group has elected to present two statements, a statement of profit or loss and a statement presenting comprehensive income, rather than a single statement of profit or loss and other comprehensive income combining the two elements. If a two-statement approach is adopted, the statement of profit or loss must be followed directly by the statement presenting comprehensive income. For illustrative purposes, the disclosure of a single statement of profit or loss and other comprehensive income is presented in [Appendix 1](#).

There is no specific requirement to identify restatements to prior period financial statements on the face of the financial statements. IAS 8 requires details to be provided only in the notes. The Group illustrates how an entity may supplement the requirements of IAS 8 so that it is clear to the reader that amounts in the prior period financial statements have been adjusted in comparative period(s) of the current period financial statements.

Under IFRS 18, the Group consistently applies aggregation and disaggregation requirements across all primary financial statements. Items with similar characteristics are aggregated, while those with dissimilar characteristics are disaggregated when disaggregated information is material.

Paragraph 93 of IFRS 18 requires an entity to disclose the amount of income tax relating to each item of other comprehensive income (OCI), including reclassification adjustments, either in the statement presenting comprehensive income or in the notes. The Group presented each item of OCI net of the related tax effects in the statement above. The Group then disclosed the income tax effects of each item of OCI in [Note 6N](#) and the reclassification adjustments in [Note 6H.5](#). Another alternative provided by paragraph 94(b) of IFRS 18 is to present the different items of OCI before the related tax effects with one amount shown for the aggregate amount of income tax relating to those items. An entity electing this alternative must allocate the tax between those items that 'may be reclassified to profit or loss' and 'will not be reclassified to profit or loss' in subsequent periods. This alternative is illustrated in [Appendix 1](#).

Paragraph 88 of IFRS 18 requires that items that may be reclassified subsequently to profit or loss, when specific conditions are met, must be grouped on the face of the statement presenting comprehensive income. Similarly, items that will not be reclassified must also be grouped together. In order to make these disclosures, an entity must analyse whether its OCI items are eligible to be subsequently reclassified to profit or loss under IFRS accounting standards.

The Group has presented, in OCI the gains and losses arising from cash flow hedges, including those related to foreign currency and commodity forward contracts that are hedges of forecast inventory purchases, that may be reclassified to profit or loss in subsequent periods. Under paragraph 6.5.11(d)(i) of IFRS 9, if a hedged forecast transaction subsequently results in the recognition of a non-financial asset, the entity must remove the amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset as a basis adjustment. Paragraph B89 of IFRS 18 states that reclassification adjustments do not arise if a cash flow hedge results in amounts that are removed from the cash flow hedge reserve or a separate component of equity and included directly in the initial cost or other carrying amount of an asset. In subsequent periods, the amount previously recorded in the cash flow hedge reserve may be recognised in profit or loss when the asset (liability) is being recovered (settled). Furthermore, other comprehensive income arising from a cash flow hedge of a future transaction of a non-financial item may not always result in a basis adjustment. These amounts might be reclassified to profit or loss in the case of a loss that is expected not to be partially or fully recovered under paragraph 6.5.11(d)(iii) of IFRS 9, or if the future cash flows are no longer expected to occur under paragraph 6.5.12(b) of IFRS 9. The Group concluded that it should present other comprehensive income arising from cash flow hedges consistently with the requirements for items of other comprehensive income that may be reclassified subsequently to profit or loss when specified conditions are met.

Under paragraphs 88-89 of IFRS 18 and the Illustrative Examples to IFRS 18, entities must present the share of the OCI items of equity method investees (i.e., associates and joint ventures), in aggregate as single line items within the 'may be reclassified' and the 'will not be reclassified' groups. As of 31 December 2026, the Group's associate has financial assets at fair value through OCI and an office building located in Euroland that is accounted for under the revaluation model. Consequently, the Group presents items of other comprehensive income related to the associate in two separate line items in the consolidated statement presenting comprehensive income.

Consolidated statement of financial position

as at 31 December 2026

		2026	2025	As at 1 January 2025	IFRS 18.10(b), 10(g), 27(c)
	Notes	€000	€000	€000	
			Restated (Note 2C)	Restated (Note 2C)	IFRS 18.27(d), (e)
Assets					IFRS 18.37, 38
Non-current assets					IFRS 18.96, 100
Property, plant and equipment	6A	32,979	24,329	18,940	IFRS 18.103(a)
Right-of-use assets	6O	2,908	2,732	2,915	IFRS 16.47
Investment properties	6B	8,893	7,983	7,091	IFRS 18.103(b)
Intangible assets	6C	3,738	2,211	1,995	IFRS 18.103(c)
Goodwill	6C	2,281	250	119	IFRS 18.103(d)
				1,878	IFRS 18.103(g)
Investment in an associate and a joint venture	3H	3,187	2,516		IAS 28.38
Other individually immaterial financial assets	6D	3,761	2,816	2,273	IFRS 18.103(e), IFRS 7.8
Deferred tax assets	6N	389	365	321	IFRS 18.98, 103(r)
		58,136	43,202	35,532	
Current assets					IFRS 18.96, 99
Inventories	6E	26,027	23,830	24,296	IFRS 18.103(i)
Right of return assets	3A	1,124	929	856	IFRS 15.B21
				25,537	IFRS 18.103(j), IFRS 15.105
Trade receivables	3A,6F	25,672	22,290		IFRS 15.105
Contract assets	3A,6F	4,541	5,180	3,450	IFRS 18.24
Prepayments		244	165	226	IFRS 18.103(e), IFRS 7.8
Other individually immaterial financial assets	6D	551	153	137	IFRS 18.103(k)
Cash and short-term deposits	6G	17,528	14,916	11,066	
		75,687	67,463	65,568	
Assets held for sale	4B	13,554	–	–	IFRS 18.103(l), IFRS 5.38
		89,241	67,463	65,568	
Total assets		147,377	110,665	101,100	
Equity and liabilities					
Equity					IFRS 18.104(b), B111(f)
Issued capital	6H	21,888	19,388	19,388	
Share premium	6H	4,780	80	–	
Treasury shares	6H	(508)	(654)	(774)	
Share-based payment and compound instrument reserves	6H	1,171	864	566	
Retained earnings		31,622	25,929	21,582	
Other individually immaterial OCI	6H	(642)	(505)	(418)	
Reserves of a disposal group held for sale	4B	46	–	–	IFRS 5.38
Equity attributable to equity holders of the parent		58,357	45,102	40,344	
Non-controlling interests		2,410	740	208	IFRS 18.104(a)
Total equity		60,767	45,842	40,552	
Non-current liabilities					IFRS 18.96
Interest-bearing loans and borrowings	6D	19,441	20,760	18,730	IFRS 18.103(o), IFRS 7.8(g)
Lease liabilities	6O	2,706	2,553	2,628	IFRS 16.47
Financial liabilities at fair value through profit or loss	6D	806	–	–	IFRS 18.103(o), IFRS 7.8
Decommissioning provisions	6I	1,221	–	–	IFRS 18.103(n))
Restructuring provisions	6I	547	–	–	
Other individually immaterial provisions	6I	130	19	15	IFRS 18.103(n))
Government grants	6K	3,300	1,400	1,300	IAS 20.24
Contract liabilities	6L	2,962	888	692	IFRS 15.105
Net employee defined benefit liabilities	6J	3,050	2,977	2,526	IFRS 18.105, B111(e)
Deferred tax liabilities	6N	2,454	607	780	IFRS 18.98, 103(r)
		36,617	29,204	26,671	
Current liabilities					IFRS 18.96, 101
Trade, related party and other payables	6M	16,969	20,023	18,248	IFRS 18.103(m)
Contract liabilities	6L	2,880	2,486	1,836	IFRS 15.105
Refund liabilities	3A	6,242	5,844	3,796	IFRS 15.B21
					IFRS 18.103(o), IFRS 7.8(g)
Interest-bearing loans and borrowings	6D	2,377	2,724	4,373	IFRS 16.47
Lease liabilities	6O	455	418	461	
Financial liabilities at fair value through profit or loss	6D	2,953	254	303	IFRS 18.103(o), IFRS 7.8
Dividends payable	3D	410	–	–	
Restructuring provisions	6I	305	–	–	

as at 31 December 2026

		2026	2025	As at 1 January 2025	IFRS 18.10(b), 10(g), 27(c)
		€000	€000	€000	
	Notes		Restated	Restated	IFRS 18.27(d), (e)
Other individually immaterial provisions	6I	617	156	85	IFRS 18.103(n)
Government grants	6K	149	151	150	IFRS 18.105, IAS 20.24
Income tax payable	6N	3,511	3,563	4,625	IFRS 18.103(q)
		36,868	35,619	33,877	
Liabilities directly associated with the assets held for sale	4B	13,125	–	–	IFRS 18.103(s), IFRS 5.38
		49,993	35,619	33,877	
Total liabilities		86,610	64,823	60,548	
Total equity and liabilities		147,377	110,665	101,100	

Commentary on IFRS accounting standards

IFRS 18 requires an entity to present a statement of financial position at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or when it reclassifies items in its financial statements under paragraph 10(g) of IFRS 18, and the change has a material effect on the statement of financial position. In these situations, Paragraph 37 of IFRS 18 states that an entity must present, at a minimum, three statements of financial position, two of each of the other statements and the related notes. The three statements of financial position include the statement of financial position as at the current annual period year end, the statement of financial position as at the previous annual period year end, and the statement of financial position as at the beginning of the previous annual period ('the opening balance sheet', often referred to as the 'third balance sheet'). As the Group restated the financial statements to correct an error retrospectively, it has included a third balance sheet as at 1 January 2025. Such an additional balance sheet is only required if the adjustment to opening balances is considered to be material under paragraph 37(b) of IFRS 18. However, the notes related to the third balance sheet are not required, nor are additional statements of profit or loss and other comprehensive income, changes in equity or cash flows in accordance with paragraph 39 of IFRS 18.

There is no specific requirement to identify restatements to prior period financial statements on the face of the financial statements. IAS 8 requires details to be provided only in the notes. The Group illustrates how an entity may supplement the requirements of IAS 8 so that it is clear to the reader that amounts in the prior period financial statements have been adjusted in comparative period(s) of the current period financial statements.

Under IFRS 18, the Group consistently applies aggregation and disaggregation requirements across all primary financial statements. Items with similar characteristics are aggregated, while items with dissimilar characteristics are disaggregated when disaggregated information is material.

The Group uses the label 'other' in a statement of financial position if there is not a more informative label for the aggregated item than 'other'. To assess whether the label 'other' is appropriate, the Group has considered whether the total amounts of the line items included in this item are immaterial, as well as whether the disaggregated amounts are likewise immaterial on the assumption that, if they were not, there would be no valid reason to use 'other' in place of a more specific label. For example, the Group considered 'Other payables' to be immaterial compared to total line items. However, the label includes reference to some of these payables being towards related parties, as the Group has considered it to be a relevant characteristic to highlight.

Following the adoption of IFRS 18, the Group has presented goodwill separately from intangible assets. Goodwill is included in the list of line items required to be presented in the statement of financial position, as specified in paragraph 103 of IFRS 18. Additionally, the Group has separated decommissioning and restructuring provisions due to their distinct characteristics. Decommissioning relates to environmental damage from accidental events and involves legal obligations, while restructuring is a constructive obligation under the Group's control.

In accordance with paragraph 96 of IFRS 18, the Group has presented current and non-current assets, and current and non-current liabilities, as separate classifications in the statement of financial position. IFRS 18 does not require a specific order of the two classifications. The Group has elected to present non-current assets and liabilities before current assets and liabilities. IFRS 18 requires entities to present assets and liabilities in order of liquidity when this presentation is reliable and more relevant.

The Group presented 'contract assets' and 'contract liabilities' in the statement of financial position using the terminology from IFRS 15. Paragraph 109 of IFRS 15 allows an entity to use alternative descriptions. However, it must disclose sufficient information so that users of the financial statements can clearly distinguish between unconditional rights to receive consideration (receivables) and conditional rights to receive consideration (contract assets).

Paragraph B25 of IFRS 15 requires an entity to present the refund liability separately from the corresponding asset (on a gross basis, rather than a net basis). The Group presented 'right of return assets' and 'refund liabilities' separately in the statement of financial position.

Paragraph 47 of IFRS 16 requires a lessee to either present in the statement of financial position, or disclose in the notes, the right-of-use assets separately from other assets and lease liabilities separately from other liabilities. If a lessee does not present right-of-use assets separately in the statement of financial position, the lessee is required to include right-of-use assets within the same line item that the corresponding underlying assets would be presented if they were owned (e.g., under property, plant and equipment) and it is required to disclose which line items in the statement of financial position include those right-of-use assets. Similarly, if the lessee does not present lease liabilities separately in the statement of financial position, the lessee is required to disclose the line items in the statement of financial position which include those liabilities. The Group presented its 'Right-of-use assets' and 'Lease liabilities' as separate line items in the statement of financial position.

Under paragraph 48 of IFRS 16, right-of-use assets that meet the definition of investment property must be presented in the statement of financial position as investment property. The Group does not have right-of-use assets that meet the definition of investment property.

Consolidated statement of changes in equity

for the year ended 31 December 2026

Attributable to the equity holders of the parent

	Issued capital (Note 6H)	Share premium (Note 6H)	Treasury shares (Note 6H)	Share-based payment and compound instrument reserves (Note 6H)	Retained earnings	Cash flow hedge reserve	Cost of hedging reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Asset revaluation surplus	Reserve of disposal group held for sale	Total	Non-controlling interest	Total equity	IFRS 18.10(c) IFRS 18.25 IFRS 18.27(b),(c) IFRS 18.107(c)
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	IFRS 18.27(d),(e)
As at 1 January 2026	19,388	80	(654)	864	25,929	(70)	–	9	(444)	–	–	45,102	740	45,842	
Profit for the period	–	–	–	–	7,928	–	–	–	–	–	–	7,928	288	8,216	IFRS 18.107(c)(X)
Other comprehensive income (Note 6H)	–	–	–	–	257	(618)	(22)	(33)	(51)	592	–	125	–	125	IFRS 18.107(c)(Xii)
Total comprehensive income	–	–	–	–	8,185	(618)	(22)	(33)	(51)	592	–	8,053	288	8,341	IFRS 18.107(a)
Depreciation transfer for office properties in Euroland	–	–	–	–	80	–	–	–	–	(80)	–	–	–	–	IFRS 18.B89
Discontinued operations (Note 4B)	–	–	–	–	–	–	–	(46)	–	–	46	–	–	–	IFRS 5.38
Issue of share capital (Note 6H)	2,500	4,703	–	–	–	–	–	–	–	–	–	7,203	–	7,203	IFRS 18.107(c)(Xiii)
Exercise of options (Note 6H)	–	29	146	–	–	–	–	–	–	–	–	175	–	175	IFRS 18.107(c)(Xiii)
Share based payments (Note 5J)	–	–	–	307	–	–	–	–	–	–	–	307	–	307	IFRS 2.50 IAS 32.39, IFRS 18.110
Transaction costs related to issue of share capital (Note 4A)	–	(32)	–	–	–	–	–	–	–	–	–	(32)	–	(32)	IFRS 18.112
Cash dividends (Note 3D)	–	–	–	–	(2,389)	–	–	–	–	–	–	(2,389)	(30)	(2,419)	
Transfer of fair value reserve of equity instruments designated at FVOCI	–	–	–	–	7	–	–	(7)	–	–	–	–	–	–	
Transfer of cash flow hedge reserve to inventories	–	–	–	–	–	126	2	–	–	–	–	128	–	128	
Acquisition of a subsidiary (Note 4A)	–	–	–	–	–	–	–	–	–	–	–	–	1,547	1,547	IFRS 18.107(c)(Xiii)
Acquisition of non-controlling interests (Note 4A)	–	–	–	–	(190)	–	–	–	–	–	–	(190)	(135)	(325)	IFRS 18.107(c)(Xiii)
At 31 December 2026	21,888	4,780	(508)	1,171	31,622	(562)	(20)	(77)	(495)	512	46	58,357	2,410	60,767	

Consolidated statement of changes in equity

for the year ended 31 December 2025 (restated)

	Attributable to the equity holders of the parent										
	Issued capital (Note 6H)	Share premium (Note 6H)	Treasury shares (Note 6H)	Share-based payment and compound instrument reserves (Note 6H)	Retained earnings	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
As at 1 January 2025	19,388	–	(774)	566	22,282	(94)	3	(327)	41,044	208	41,252
Adjustment on correction of error (net of tax) (Note 2C)	–	–	–	–	(700)	–	–	–	(700)	–	(700)
As at 1 January 2025 (restated)	19,388	–	(774)	566	21,582	(94)	3	(327)	40,344	208	40,552
Profit for the period	–	–	–	–	6,220	–	–	–	6,220	239	6,459
Other comprehensive income (Note 6H)	–	–	–	–	(273)	24	6	(117)	(360)	–	(360)
Total comprehensive income	–	–	–	–	5,947	24	6	(117)	5,860	239	6,099
Exercise of options (Note 6H)	–	80	120	–	–	–	–	–	200	–	200
Share-based payments (Note 5J)	–	–	–	298	–	–	–	–	298	–	298
Dividends (Note 3D)	–	–	–	–	(1,600)	–	–	–	(1,600)	(49)	(1,649)
Non-controlling interests arising on a business combination (Note 4A)	–	–	–	–	–	–	–	–	–	342	342
At 31 December 2025 (restated)	19,388	80	(654)	864	25,929	(70)	9	(444)	45,102	740	45,842

IFRS 18.10(c)
IFRS 18.25
IFRS 18.27(b),(c)
IAS 8.28
IFRS 18.107(c)

IFRS 18.27(d),(e)

IFRS 18.107(b)

IFRS 18.107(c)(i)

IFRS 18.107(c)(ii)

IFRS 18.107(a)

IFRS 18.107(c)

(iii),

IFRS 2.50

IFRS 18.110

IFRS 18.107(c)(iii)

Commentary on IFRS accounting standards

There is no specific requirement to identify adjustments made retrospectively on the face of the financial statements, except for the effect of a retrospective application or restatement on each component of equity under paragraph 107(b) of IFRS 18. IAS 8 requires details to be given only in the notes. By labelling the comparatives 'Restated', the Group illustrates how an entity may supplement the requirements of IAS 8 so that it is clear to the user that adjustments to the amounts in prior financial statements have been reflected in the comparative periods as presented in the current period financial statements.

Under IFRS 18, the Group consistently applies aggregation and disaggregation requirements across all primary financial statements. Items with similar characteristics are aggregated, while those with material differences are disaggregated.

For equity-settled share-based payment transactions, IFRS 2 Share-based Payment, paragraph 7 requires entities to recognise an increase in equity when goods or services are received. However, IFRS 2 does not specify where in equity this should be recognised. The Group has chosen to recognise the credit in other capital reserves. In some jurisdictions, it is common to transfer amounts recognised in other capital reserves to share premium or retained earnings when the share options are exercised or expire. Such transfer is also permitted by paragraph 23 of IFRS 2. However, the transfer to share premium is subject to legal restrictions that are in force in each jurisdiction. The Group has elected to continue to present other capital reserves separately. The Group provided treasury shares to employees exercising share options and elected to recognise the excess of cash received over the acquisition cost of those treasury shares in share premium.

The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10 *Consolidated Financial Statements*. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognised in equity of the parent in transactions where the non-controlling interests are acquired or sold without loss of control. The Group has elected to recognise this effect in retained earnings. With respect to the subsidiary to which these non-controlling interests relate, there were no accumulated components recognised in OCI. If there had been such components, those would have been reallocated within equity of the parent (e.g., foreign currency translation reserve or fair value reserve of financial assets at FVOCI).

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, paragraph 38 requires that items recognised in other comprehensive income (OCI) related to discontinued operations must be separately disclosed. The Group presents this effect in the statement of changes in equity above. However, presentation of such items within discontinued operations does not change the nature of the reserve. Generally, reclassification to profit or loss will only occur if and when required by IFRS accounting standards.

The Group recognises remeasurement gains and losses arising on defined benefit pension plans in OCI in accordance with IAS 19 *Employee Benefits*. As they will never be reclassified into profit or loss, they are immediately recorded in retained earnings (refer to the statement presenting comprehensive income). IAS 19 does not require separate presentation of those components in the statement of changes in equity but an entity may choose to present the remeasurement gains and losses in a separate reserve within the statement of changes in equity.

The amounts presented as change in the asset revaluation surplus and the fair value reserve of financial assets at FVOCI include a share of other comprehensive income of the associate, which relates to the revaluation of an office building in Euroland and the remeasurement of debt instruments at fair value through OCI. IFRS 18 specifically requires that entities must present the share of other comprehensive income items of their equity method investees, in aggregate, as a single line item within the 'to be reclassified' and the 'not to be reclassified' groups in the other comprehensive income section. IAS 28, IFRS 18 and IFRS 12 *Disclosure of Interests in Other Entities* do not provide specific guidance on how the investor should present its accumulated share of other comprehensive income of equity-accounted investees.

Other individually immaterial OCI reserves in the statement of financial position comprise the cash flow hedge reserve, cost of hedging reserve, fair value reserve of financial assets at FVOCI, foreign currency translation reserve and asset revaluation surplus. These reserves are presented separately in the statement of changes in equity because they arise from different underlying transactions and events and are subject to different patterns of movement within equity.

The Group's associate has financial assets at fair value through OCI and an office building which is accounted for under revaluation model. In accordance with the requirements of aggregation and disaggregation under IFRS 18, the Group has aggregated the Group's asset revaluation surplus with the revaluation surplus included in other comprehensive income of associates, as those surpluses have similar nature and measurement basis. The fair value reserve of financial assets at FVOCI of the Group and the associates are treated in the same manner, for the same reason.

Paragraph B5.7.1 of IFRS 9 states that accumulated gains and losses recognised in OCI for equity financial assets must not be subsequently transferred to profit or loss. However, the entity may transfer the cumulative gain or loss within equity. The Group transferred the accumulated gain on its equity financial assets from OCI to retained earnings upon derecognition of the financial asset.

Paragraph 6.5.11(d)(i) of IFRS 9 requires that if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity must remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability. This is not a reclassification adjustment and, as such, it does not affect OCI. The Group has cash flow hedge reserve on its cash flow hedges of forecast inventory purchases that was included in the carrying amount of inventories.

Consolidated statement of cash flows

for the year ended 31 December 2026

		2026	2025	IFRS 18.25 IFRS 18.27(c) IFRS 18.10(d) IFRS 18.27(d),(e) IAS 7.10, 18(b)
	Notes	€000	€000	
Operating activities			Restated	
			(Note 2C)	
Operating profit from continuing operations		10,216	8,061	
Operating profit from discontinued operations	4B	848	326	
Operating profit		11,064	8,387	
Adjustments to reconcile operating profit to net cash flows:				IAS 7.20(b)
Depreciation and impairment of property, plant and equipment and right-of-use assets	6A	4,341	3,794	
Amortisation and impairment of intangible assets and impairment of goodwill	6C	325	174	
Equipment received from customers	6A	(190)	(150)	
Share-based payment expense	5J	412	492	
Net foreign exchange gains and losses		(95)	14	
Gain on disposal of property, plant and equipment	5A	(532)	(2,007)	IAS 7.20(c)
Fair value adjustment of a contingent consideration	4A	358	–	
Net loss on derivative instruments at fair value through profit or loss		652	–	
Movements in provisions, pensions and government grants		(815)	(65)	
Working capital changes:				IAS 7.20(a)
Decrease/(increase) in trade receivables, contract assets and prepayments		(7,102)	2,431	
Decrease in inventories and right of return assets		1,129	1,111	
Increase in trade related party and other payables, contract liabilities and refund liabilities		3,775	1,918	
		13,322	16,099	
Rental income received on investment properties	6B	1,404	1,377	IAS 7.20(d)
Income tax paid		(2,935)	(3,999)	IAS 7.35
Net cash flows from operating activities		11,791	13,477	
Investing activities				IAS 7.10, 21
Proceeds from sale of property, plant and equipment		1,990	2,319	IAS 7.16(b)
Purchase of property, plant and equipment	6A	(10,167)	(7,581)	IAS 7.16(a)
Purchase of investment properties	6B	(1,216)	(1,192)	IAS 7.16(a)
Purchase of financial instruments		(272)	(225)	IAS 7.16(c)
Proceeds from sale of financial instruments		328	145	IAS 7.16(d)
Development expenditures	6C	(587)	(390)	IAS 7.16(a)
Acquisition of a subsidiary, net of cash acquired	4A	230	(1,450)	IAS 7.39
Receipt of government grants	6K	2,951	642	
Interest received		250	221	IAS 7.31, 34A(b)
Net cash flows used in investing activities		(6,493)	(7,511)	
Financing activities				IAS 7.10, 21
Proceeds from exercise of share options	5J	175	200	IAS 7.17(a)
Acquisition of non-controlling interests	4A	(325)	–	IAS 7.42A
Transaction costs on issue of shares	6H	(32)	–	IAS 7.17(a)
Payment of principal portion of lease liabilities	6O	(406)	(341)	IAS 7.17(e)
Proceeds from borrowings	6D	5,649	4,871	IAS 7.17(c)
Repayment of borrowings	6D	(2,032)	(4,250)	IAS 7.17(d)
Interest paid		(1,067)	(1,173)	IAS 7.31, 34A(a)
Dividends paid to equity holders of the parent	3D	(1,979)	(1,600)	IAS 7.31
Dividends paid to non-controlling interests		(30)	(49)	IFRS 12.B10(a)
Net cash flows from/(used in) financing activities		(47)	(2,342)	
Net increase in cash and cash equivalents		5,251	3,624	
Net foreign exchange difference		339	326	IAS 7.28
Cash and cash equivalents at 1 January		12,266	8,316	
Cash and cash equivalents at 31 December	6G	17,856	12,266	IAS 7.45

Commentary on IFRS accounting standards

IAS 7 Statement of Cash flows, paragraph 18 allows entities to report cash flows from operating activities using either the direct method or the indirect method. The Group presents its cash flows using the indirect method. A statement of cash flows prepared using the direct method for operating activities is presented in [Appendix 3](#) for illustrative purposes.

Paragraph 18(b) of IAS 7 requires entities to use the 'operating profit' subtotal as the starting point for determining cash flows from operating activities under the indirect method. The Group has presented two operating profits. One is the operating profit from continuing operations, which is a subtotal comprising all profit or loss within the operating category in the statement of profit or loss. The operating profit from discontinued operations, however, is not included as a subtotal within the operating category in the statement of profit or loss. Since IAS 7 does not distinguish between continuing and discontinued operations, both operating profits are combined as the starting point for the indirect method.

There is no specific requirement to identify adjustments made retrospectively on the face of the financial statements, except for the effect of a retrospective application or restatement on each component of equity under paragraph 107(b) of IFRS 18. IAS 8 requires details to be given only in the notes. By labelling the comparatives 'Restated', the Group illustrates how an entity may supplement the requirements of IAS 8 so that it is clear to the user that adjustments to the amounts in prior financial statements have been reflected in the comparative periods as presented in the current period financial statements. This is consistent with the illustrative example in paragraph IG.1.6 of IAS 8. Additionally, following the adoption of IFRS 18, the Group demonstrates how it applies IFRS 18 and subsequent amendments to IFRS accounting standards retrospectively.

Under IFRS 18, the Group consistently applies aggregation and disaggregation requirements across all primary financial statements. Items with similar characteristics are aggregated, while those with material differences are disaggregated.

Entities with a specified main business activity of investing in assets or providing financing to customers will determine how to classify the total respective cash flows on dividends received, interest received and interest paid in the statement of cash flows by referring to the classification of the respective related income and expense in the statement of profit or loss.

The Group does not have a specified main business activity of investing in assets or providing finance to customers. Therefore, cash flows from interest received are classified in investing activities, while cash flows from interest paid are classified in financing activities. The group did not receive any material dividends in either the current or comparative period and, therefore, did not present a line item for 'Dividends received' within the investing activities of the statement of cash flows.

Certain working capital adjustments and other adjustments included in the statement of cash flows, reflect the change in balances between 2026 and 2025, including the 2026 balances of the discontinued operations grouped in line-items 'Assets classified as held for sale' and 'Liabilities directly associated with the assets classified as held for sale'.

Paragraph 50 of IFRS 16 requires that in the statement of cash flows, a lessee classifies: cash payments for the principal portion of the lease liability within financing activities, Cash payments for the interest portion of the lease liability are classified within financing activities applying the requirements in IAS 7 for interest paid while short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified within operating activities. Non-cash activity (e.g., the initial recognition of the lease at commencement) is required to be disclosed as a supplemental non-cash item in accordance with paragraph 43 of IAS 7 (see [60](#)).

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Notes to the consolidated financial statements

Section 1: Corporate and Group information

This section provides corporate and group information about Good Group (International) Limited and its subsidiaries.

1A. Corporate information

IFRS 18.10(e)

IFRS 18.25

IFRS 18.114

The consolidated financial statements of Good Group (International) Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2026 were authorised for issue in accordance with a resolution of the directors on 29 January 2027. Good Group (International) Limited (the Company or the parent) is a limited company incorporated and domiciled in Euroland and whose shares are publicly traded. The registered office is located at Fire House, Ashdown Square in Euroville.

IFRS 18.27(a)

IFRS 18.27(b)

IFRS 18.27(c)

IFRS 18.116(a)

IAS 10.17

The Group is principally engaged in the provision of fire prevention and electronic equipment and services (see [Note 3E](#)). Information on the Group's structure is provided in [Note 1B](#). Information on other related party relationships of the Group is provided in [Note 4D](#).

IFRS 18.116(b)

IFRS 18.116(c)

Commentary on IFRS accounting standards

Entities are required to provide a cross-reference from each item presented in the primary financial statements to the related information in the notes in accordance with paragraph 114 of IFRS 18. If amounts disclosed in the notes are included in one or more-line items in the primary financial statements, entities are required to disclose in the note the line item(s) in which those amounts are included.

1B. Group information

Subsidiaries

IAS 24.13

The consolidated financial statements of the Group include:

IFRS12.10(a)

IFRS12.12(a)

IFRS12.12(b)

Name	Principal activities	Country of incorporation	% equity interest	
			2026	2025
Extinguishers Limited	Fire prevention equipment	Euroland	80	–
Bright Sparks Limited	Fire prevention equipment	Euroland	95	95
Fire Equipment Test Lab Limited	Fire prevention equipment	Euroland	100*	–
Wireworks Inc.	Fire prevention equipment	United States	98	98
Sprinklers Inc.	Fire prevention equipment	United States	100	100
Lightbulbs Limited	Electronics	Euroland	87.4	80
Hose Limited	Rubber equipment	Euroland	100	100
Electronics Limited	Electronics	Euroland	48**	48

IFRS 12.9

IFRS 12.9

* Good Group (International) Limited holds 20% of the equity in Fire Equipment Test Lab Limited, but consolidates 100% of this entity. See [Note 3H](#) for details on interest held in Fire Equipment Test Lab Limited.

** Good Group (International) Limited consolidates this entity based on de facto control. See [Note 3H](#) for more details.

The holding company

IFRS 18.116(c)

The immediate and ultimate holding company of Good Group (International) Limited is S.J. Limited, which owns 58.22% (2025: 57.55%) of its ordinary shares is based and listed in Euroland.

IAS 24.13

Entity with significant influence over the Group

International Fires P.L.C. owns 31.48% of the ordinary shares in Good Group (International) Limited (2025: 31.48%).

Associate

The Group has a 25% interest in Power Works Limited (2025: 25%). For more details, refer to [Note 3H](#).

Joint arrangement in which the Group is a joint venturer

The Group has a 50% interest in Showers Limited (2025: 50%). For more details, refer to [Note 3H](#).

Commentary on IFRS accounting standards

Paragraph 10(a) of IFRS 12 requires entities to disclose information about the composition of the group. The list above discloses information about the Group's subsidiaries. Entities need to note that this disclosure is required for material subsidiaries only, rather than a full list of every subsidiary. The above illustrates one example as to how the requirements set out in IFRS 12 can be met. However, local legislation or listing requirements may require disclosure of a full list of all subsidiaries, whether material or not.

Notes to the consolidated financial statements

Section 2: Basis of preparation and other accounting policies

This section provides additional information about the overall basis of preparation that the directors consider is useful and relevant in understanding these financial statements:

- Summary of other accounting policies affecting the results and financial position of the Group, including changes in accounting policies and disclosures during the year
- Standards that have been issued but not yet adopted by the Group

Commentary on IFRS accounting standards

The identification of an entity's material accounting policies is an important aspect of the financial statements. Entities must carefully consider whether "standardised information, or information that only duplicates or summarises the requirements of the IFRSs" is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

The accounting policies disclosed in this note illustrate some of the more commonly applicable accounting policies. However, as these are illustrative financial statements, they include disclosures that may, in practice, be considered not material to Good Group. It is essential that entities consider their specific circumstances when determining which accounting policy information is material and relevant and therefore needs to be disclosed. Entities may find the publication [Applying IFRS: Disclosure of accounting policy information](#) helpful in assessing the impact of the amended standard on their accounting policy disclosures.

2A. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

IAS 8.6B

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

IFRS 18.113

IFRS 18.27(d),
(e)

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Commentary on IFRS accounting standards

Entities should refer to "IFRS accounting standards" when making a compliance statement in accordance with IFRS 18 in order to explicitly differentiate between the information disclosed under IFRS accounting standards and IFRS sustainability disclosure standards.

Entities in certain jurisdictions may be required to comply with IFRS accounting standards approved by local regulations, for example, listed companies in the European Union (EU) are required to comply with IFRS accounting standards as endorsed by the EU. These financial statements only illustrate compliance with IFRS accounting standards as issued by the IASB.

A statement that the financial statements are prepared on a going-concern basis is not a requirement of IFRS accounting standards. However, it is required by regulators in certain jurisdictions and may be considered a relevant disclosure. Therefore, the Group decided to disclose the basis of preparation. Entities should consider not only the specific disclosure requirements relating to going concern in paragraph 6K of IAS 8, but also the overarching disclosure requirements in IAS 8. These requirements include those in paragraph 27G of IAS 8 relating to judgements that have the most significant effect on the amounts recognised in the financial statements.

Notes to the consolidated financial statements

2A. Basis of preparation *continued*

Commentary on macroeconomic and geopolitical uncertainty

Going Concern

When making the going concern assessment, management takes into consideration the existing and anticipated effects of the current macroeconomic and geopolitical uncertainties on the entity's activities. These effects may result in material uncertainties that cast doubt on the entity's ability to operate as a going concern. Paragraph 6K of IAS 8 requires management, when preparing financial statements, to assess an entity's ability to continue as a going concern, and whether the going concern assumption is appropriate. In assessing whether the going concern assumption is appropriate, the standard requires an entity to consider all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. When an entity is aware, in making its going concern assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, it must disclose those uncertainties.

Entities will need to disclose the significant judgements made in the assessment of the existence of a material uncertainty.

When making that assessment, management takes into consideration the existing and anticipated effects of the macroeconomic and geopolitical uncertainty on the entity's activities. Management should consider all available information about the future that was obtained after the reporting date, up until the date of which the financial statements are issued in their assessment of going concern. As the IASB clarified in the educational material, [Going concern - a focus on disclosure \(updated in May 2025\)](#), if management concludes that there are material uncertainties relating to the entity's ability to continue as a going concern, paragraph 6K of IAS 8 requires the entity to disclose those uncertainties. If there are no material uncertainties, but significant judgement was required to arrive at this conclusion, this judgement is required to be disclosed in line with paragraph 27G of IAS 8.

Commentary on climate-related matters

Entities should consider the impact of climate-related matters on their going concern assessment. In making their going concern assessments, entities are required by paragraph 6L of IAS 8 to take into account all available information about the future for at least, but not limited to, twelve months beyond the end of the reporting period. Thus, even though most entities will not be subject to acute physical risk or other climate-related effects that may cause doubts about their ability to continue operating as a going concern, climate-related matters beyond the initial twelve-month period may create material uncertainties related to events or conditions that cast significant doubt upon an entity's ability to continue as a going concern. An example of such events or conditions could be an obstacle to obtaining replacement financing due to an entity operating in a carbon-intensive industry or climate-related legislation or regulations that result in an entity's business model no longer being feasible. In their educational material, [Effects of climate-related matters on financial statements \(updated in July 2023\)](#), the IASB clarifies that entities also need to consider any planned mitigating actions in the assessment.

Entities that operate in jurisdictions that have implemented emissions trading schemes need to determine the impacts of their emissions on their financial statements. The amounts recorded in a period may vary depending on the accounting policy adopted. The Group has determined that it has limited exposure to climate-related transition risks. Therefore, applying paragraph 20 of IFRS 18, the Group concluded that providing an explanation of why its emissions policy has no effect on its financial statements would not provide material information that could reasonably be expected to influence the decisions of the primary users of its financial statements. In forming this materiality judgement, the Group considered both entity-specific and external qualitative factors. These include the expectation that its emissions policy is not anticipated to have a significant impact on its future operations, and the fact that the Group operates within an industry characterised by low emissions and limited exposure to climate-related transition risks.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2025 is presented in these consolidated financial statements due to the retrospective correction of an error. See [Note 2C](#).

IFRS 18.37
IFRS 18.10 (g)
IFRS 18.31
IFRS 18.32

Accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the consolidated financial statements

2A. Basis of preparation *continued*

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

IAS 8.27G

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

IAS 8.31A

Commentary on IFRS accounting standards

IAS 8 requires an entity to disclose significant judgements applied in preparing the financial statements under paragraph 27G of IAS 8 and significant estimates that involve a high degree of estimation uncertainty under paragraph 31A of IAS 8. The disclosure requirements go beyond the requirements that exist in some other IFRS such as IAS 37.

These disclosures represent an important source of information in the financial statements because they highlight the areas in the financial statements that are most prone to change in the foreseeable future. Therefore, any information given should be sufficiently detailed to help readers of the financial statements understand the impact of possible significant changes.

The Group has, for illustrative purposes, included disclosures about significant judgements and estimates beyond what is normally required, and potentially also beyond what is decision useful. Under IAS 8, it is only those judgements that have the most significant effect on the amounts recognised in the financial statements and those estimates that have a significant risk of resulting in material adjustments in respect of assets and liabilities within the next financial year that should be addressed in this section.

It is important that entities carefully assess which judgements and estimates are most significant as required by IAS 8, and make the disclosures accordingly, to allow the users of the financial statements to appreciate the impact of the judgements and estimation uncertainties. Disclosures of judgements and estimation uncertainties that do not have a significant risk of resulting in material adjustments may clutter the financial statements in a way that reduces the users' ability to identify the key judgements and estimation uncertainties.

Commentary on climate-related matters

Entities should consider the impact of climate-related matters if those matters create uncertainties that affect assumptions used to develop estimates. IAS 8 requires disclosure of information about the assumptions an entity makes about the future and other sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. This information is intended to allow users to understand the judgements entities make about the future.

Entities also need to consider expectations of their local regulators, as the expected level of disclosures may vary between different jurisdictions. For example, some regulators might expect disclosures of the impact of climate-related matters that go beyond the typical disclosures required by paragraphs 27H, 31A of IAS 8, based on a broad understanding of the requirements in paragraph 113(c) of IFRS 18.

The impact of climate-related matters has been illustrated throughout this publication, but is not, on its own, determined to be a significant judgement or a major source of estimation uncertainty for the Group. Entities, however, need to make this judgement in light of their specific circumstances, please see our publication, *Applying IFRS - Accounting for Climate Change* for further guidance.

Commentary on macroeconomic and geopolitical uncertainty

Given the level of uncertainty and the sensitivity of judgements and estimates, clear disclosure of the key assumptions used, and judgements made is particularly important in financial statements prepared during the current period of macroeconomic and geopolitical uncertainty. Although assumptions may already have been updated in the previous year, entities should again carefully reconsider their existing judgements and estimates, as they may find additional areas in which they will need to make judgements and estimates.

Notes to the consolidated financial statements

2B. Summary of other accounting policies

Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method. IFRS 18.27(d)
IAS 21.9

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. IAS 21.21

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. IAS 21.23(a)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI. IAS 21.28
IAS 21.32

Foreign exchange gains and losses recognised in profit or loss are classified in the same category in the statement of profit or loss as the income or expense on the item that gave rise to the foreign exchange difference. If such classification would involve undue cost or effort, the Group classifies them in operating categories.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). IAS 21.23(b)
IAS 21.23(c)
IAS 21.30

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration. IFRIC 22.8
IFRIC 22.9

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss. IAS 21.39(a)
IAS 21.39(b)
IAS 21.39(c)
IAS 21.48

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. IAS 21.47

In accordance with IFRS 10, intragroup monetary assets or liabilities between the parent and its subsidiaries that do not constitute part of the net investment in a foreign operation are eliminated in full upon consolidation. However, any foreign exchange gains and losses arising from such balances continue to be recognised in the consolidated statement of profit or loss. The Group classifies these foreign exchange gains and losses in the operating category within the statement of profit or loss. IAS 21.45

Commentary on macroeconomic and geopolitical uncertainty

In April 2026, the IFRS IC issued an agenda decision on classifying foreign exchange gains and losses arising from intragroup monetary assets and liabilities in the consolidated statement of profit or loss. The income and expenses arising from the intragroup monetary assets and liabilities are eliminated on consolidation and no corresponding category exists under paragraph B65 of IFRS 18. Based on the IFRS IC agenda decision, the Group has classified the related foreign exchange gains and losses within the operating category in accordance with paragraph 52 of IFRS 18.

Alternatively, entities may classify the foreign exchange gains and losses in the category in which the related income and expenses would have been classified before elimination. If applying this approach would result in undue cost or effort, the foreign exchange gains and losses are classified within the operating category. The accounting policy must be applied consistently and appropriately disclosed.

Notes to the consolidated financial statements

2B. Summary of other accounting policies *continued*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

IAS 23.8
IAS 23.5

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2C. Changes in accounting policies and correction of errors

2C.1 New and amended standards and interpretations

IAS 8.14
IAS 8.28

The Group applied for the first time the amendments to IAS 21, which are effective for annual periods beginning on or after 1 January 2026 and has early adopted IFRS 18 and related consequential amendments, which is effective for annual periods beginning on or after 1 January 2027. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 18.C1

IFRS 18 *Presentation and Disclosure in Financial Statements*

The Group early adopted IFRS 18, which supersedes IAS 1 and made consequential amendments to other standards. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of management-defined performance measures (↪), disclosure about the nature of operating expense (Note 5F) when entities present at least one line item by function, and introduces new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, consequential amendments have been made to IAS 7, IAS 8 and IAS 33.

The adoption of IFRS 18 has resulted in changes to the presentation and classification of certain items in the Group's primary financial statements, reflecting the application of these aggregation and disaggregation requirements to provide a useful structured summary of the Group's financial position and performance.

The Group assessed whether it has a specified main business activity of investing in particular types of assets or providing of financing to customers and concluded that it does not.

In the statement of financial position, goodwill is presented separately from other intangible assets, and provisions are disaggregated into restructuring provisions, decommissioning provisions and other individually immaterial provisions, based on their differing characteristics. No changes were made to the measurement of these items.

In the statement of cash flows, the starting point for cash flows from operating activities has changed from 'Profit before tax' to 'Operating profit', resulting in corresponding changes to the reconciliation adjustments presented under the indirect method. As removing the optionality previously available for the classification of cash flows from interest, interest received and interest paid are presented within investing activities and financing activities, respectively. The comparative statement of cash flows has been restated accordingly. The effects of these changes are summarised below.

	Previous 2025	Adjustments	Restated 2025
	€000	€000	€000
Cash flow from operating activities	12,525	952	13,477
Cash flow from investing activities	(7,732)	221	(7,511)
Cash flow from financing activities	(1,169)	(1,173)	(2,342)

IAS 8.28(f)

Notes to the consolidated financial statements

2C. Changes in accounting policies and correction of errors *continued*

The statement of profit or loss under IAS 1 for the year ended 31 December 2025 reconciles to the statement of profit or loss under IFRS 18, as follows:

Reconciliation on statement of profit or loss for the year ended 31 December 2025

IFRS 18.C3
IFRS 18.C6

	IAS 1 €000	Adjustments €000	IFRS 18 €000	Note ref.
Revenue from contracts with customers	159,088	–	159,088	
Rental income	1,377	(1,377)	–	(a)
Revenue / Revenue from contracts with customers	160,465	(1,377)	159,088	
Cost of sales	(128,386)	440	(127,946)	(a), (b)
Gross profit	32,079	(937)	31,142	
Other individually immaterial operating income	2,548	–	2,548	
Selling and distribution expenses	(12,964)	12,964	–	(c), (d)
Selling expenses		(8,875)	(8,875)	(c)
Distribution expenses		(4,041)	(4,041)	(c)
General and administrative expenses	(12,011)	607	(11,404)	(a), (b), (d), (e)
Research and development expenses		(1,034)	(1,034)	(e)
Foreign exchange losses		(222)	(222)	(b)
Other individually immaterial operating expenses	(353)	300	(53)	(a)
Operating profit	9,299	(1,238)	8,061	IFRS 18.69(a)
Share of profit of an associate and a joint venture	638	–	638	
Foreign exchange gains on cash and short-term deposits		254	254	(b)
Rental income		1,377	1,377	(a)
Change in fair value of investment properties		(300)	(300)	(a)
Other individually immaterial income from investments		144	144	(f)
Profit before financing and income taxes		237	10,174	IFRS 18.69(b)
Interest expenses on loans and borrowings		(1,020)	(1,020)	(g)
Interest expenses on other liabilities		(341)	(341)	(d), (g)
Foreign exchange gains on interest-bearing loans and borrowings		67	67	(b)
Finance costs	(1,268)	1,268	–	(g)
Finance income	145	(145)	–	(f)
Other income	66	(66)	–	(b), (f)
Profit before income tax	8,880	–	8,880	
Income tax expense	(2,233)	–	(2,233)	
Profit from continuing operations	6,647	–	6,647	
Discontinued operations				
Loss from discontinued operations	(188)	–	(188)	
Profit for the year / Profit	6,459	–	6,459	

Notes to the consolidated financial statements

2C. Changes in accounting policies and correction of errors *continued*

(a) The income and expenses from investment properties

Rental income from investment properties is classified in the investing category in the statement of profit or loss, as property rental operations are not a main business activity of the Group.

IFRS 18.53(c), 54

The maintenance expenses for investment properties, previously included in the cost of sales have been moved to general and administrative expenses.

Changes in the fair value of investment properties are classified in the investing category. As a result, the related amounts are excluded from other operating expenses.

(b) Foreign exchange gains and losses

Foreign exchange losses relating to operating items, which were previously recognised within operating expense line items such as cost of sales and general and administrative expenses, are now presented within the operating category under a separate line item. Foreign exchange gains on cash and short-term deposits, previously included in general and administrative expenses, are classified in the investing category. Foreign exchange gains on interest-bearing loans and borrowings, which were previously included in other income, are classified in the financing category.

IFRS 18.B65

(c) Selling and distribution expenses

Considering the dissimilarity of characteristics, selling and distribution expenses have been disaggregated into selling expenses and distribution expenses.

IFRS 18.B85

Commentary on IFRS accounting standards

Entities must disaggregate items that have dissimilar characteristics when the resulting information is material and exercise judgement to determine how much detail is necessary to provide useful information by considering their activities and functions. As selling expenses include items such as marketing and promotional costs, and distribution expenses cover expenses like warehouse and freight charges, the Group has concluded to present these separately.

(d) Net interest expense on a net defined benefit liability

Net interest expense on a net defined benefit liability is classified in the financing category. Consequently, the associated amounts are excluded from selling and distribution expenses, as well as general and administrative expenses.

IFRS 18.B54

(e) Research and development expenses

Following the assessment of characteristics, research and development expenses have been separated from general and administrative expenses.

IFRS 18.81(a)

(f) Interest, fair value gains and losses on financial assets

Interest income from debt instruments, fair value gain on equity instruments, loss on sale of debt instruments and impairment loss on debt instruments are classified in the investing category as these financial assets generate returns individually and largely independent of the Group's other resources.

IFRS 18.53, 54, B47

(g) Finance costs

Interest on debts and borrowings and other liabilities are classified in the financing category. Unwinding of discount and effect of changes in discount rate on provisions are reallocated to interest expenses on other liabilities.

IFRS 18.59, 60, 61

Commentary on IFRS accounting standards

IFRS 18 applies retrospectively, but entities are not required to present the quantitative information specified in paragraph 28(f) of IAS 8. Good Group has elected to apply the relief, which exempts entities from disclosing the adjustment for each financial statement line item affected and the related effect on basic and diluted earnings per share for the current period and each prior period presented. However, comparative cash flow information that has been disclosed because the relief in paragraph C2 of IFRS 18 does not apply to changes arising from the consequential amendments to IAS 7. Paragraph C3 of IFRS 18 requires that entities must disclose a reconciliation for each item in the statement of profit or loss between the restated amounts presented in accordance with IFRS 18 and the amount previously presented applying IAS 1 for the comparative period immediately preceding the period in which IFRS 18 is first applied in their annual financial statements. Entities are permitted, but not required, to provide the reconciliation described in paragraph C3 of IFRS 18 for the current reporting period or earlier comparative periods. Accordingly, the Group has determined to disclose the reconciliation between IAS 1 and IFRS 18 only for the immediately preceding comparative period.

IFRS 18.C2, C3

IFRS 18.C6

This illustration demonstrates one possible approach to presenting the reconciliation, and IFRS 18 does not prescribe a specific format or method. Entities may choose alternative approaches if they provide useful information to users of the financial statements.

Notes to the consolidated financial statements

2C. Changes in accounting policies and correction of errors *continued*

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued *Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Group's financial statements.

Commentary on IFRS accounting standards

As the Group had a policy to derecognise financial liabilities at the settlement date, it has concluded that the amendments relating to recognition and derecognition of financial assets and liabilities have no effect. Nevertheless, entities that derecognise financial liabilities prior to the settlement date may be impacted by the amendments. Where entities utilise electronic payment systems that satisfy the specified conditions, and the policy election is made, derecognition of financial liabilities before the settlement date is permitted. In such circumstances, entities are required to disclose their accounting policy accordingly.

The amendments apply retrospectively, with an adjustment to the opening balance of financial assets and financial liabilities and the cumulative effect as an adjustment to the retained earnings opening balance. Prior periods are not required to be restated and can only be restated without the use of hindsight.

The Group has also concluded that it does not hold any financial instruments affected by the other amendments, and therefore, the amendments do not have an impact.

Annual Improvements to IFRS accounting standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments had no impact on the Group's interim condensed financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments had no impact on the Group's financial statements.

Commentary on IFRS accounting standards

The Group has concluded that Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity* have no impact, as the Group does not have any contracts that are in its scope. However, if entities have contracts in scope of the amendments, their treatment will need to be reassessed. If relevant, the amendments concerning the own-use exception are applied retrospectively. Entities are not required to restate prior periods, and are only permitted to do so if this can be done without hindsight. The hedge accounting amendments must be applied prospectively to new hedging relationships designated from the initial application date. Entities must not present IFRS 7 comparative disclosures if they have not restated comparative information.

Notes to the consolidated financial statements

2C. Changes in accounting policies and correction of errors *continued*

IAS 8.14

Commentary on IFRS accounting standards

For illustrative purposes, the Group has listed all the disclosures of new and amended standards and interpretations that are effective from 1 January 2026 (unless otherwise stated), regardless of whether these have any impact on the Group's financial statements. To the extent that an entity is not affected by a particular amendment, standard or interpretation, it is sufficient to disclose that fact together with its title.

In some jurisdictions, the adoption of IFRS accounting standards for reporting purposes may be subject to a specific legal process (e.g., in the European Union or Australia). In those jurisdictions, the effective dates may therefore be different from the IASB's effective dates. Nevertheless, all new standards and interpretations must be considered for disclosure as standards issued but not yet effective, in accordance with paragraph 30 of IAS 8, when an entity provides a complete set of financial statements, irrespective of whether the legal process referred to above has been completed.

2C.2 Revaluation of office properties in Euroland (property, plant and equipment)

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

IAS 16.30

On 1 January 2026, the Group elected to change the method of accounting for office properties in Euroland classified as property, plant and equipment, as the Group believes that the revaluation model provides more relevant information to the users of its financial statements as it is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the office properties' fair value. The Group applied the revaluation model prospectively.

After initial recognition, office properties in Euroland are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For details refer to [Note 6A](#).

IAS 8.17

IAS 8.18

Commentary on IFRS accounting standards

Paragraphs 17-18 of IAS 8 exempt this change in accounting policy from the requirement to retrospectively apply the policy and to provide detailed disclosure as outlined in paragraphs 28 to 31 of IAS 8. Accordingly, the Group has applied its change in accounting policy for the measurement of office properties in Euroland to the revaluation model prospectively.

IAS 8.49

2C.3 Correction of an error

In July 2024, a subsidiary entered into a sales contract with a new customer to sell fire prevention equipment for a two-year period. As part of the negotiations, a variation was made to the standard terms and conditions to sell the equipment to this customer on a consignment basis, under which the Group does not relinquish control of the consigned product until it is sold to an end customer. However, the subsidiary continued to recognise revenue at the point before control transferred to the end customer. As a consequence, revenue was overstated. In January 2026, the subsidiary conducted a detailed review of the terms and conditions of its sales contracts and discovered the error.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on equity (increase/(decrease) in equity)

	31 December 2025	1 January 2025
	€000	€000
Inventories	1,000	500
Trade receivables	(3,500)	(1,500)
Total assets	(2,500)	(1,000)
Income tax payable	750	300
Total liabilities	750	300
Net impact on equity	(1,750)	(700)

Notes to the consolidated financial statements

2C. Changes in accounting policies and correction of errors *continued*

Impact on statement of profit or loss (increase/(decrease) in profit)

IAS 8.49(b)(i)

	<u>31 December 2025</u>
	€000
Revenue from contracts with customers	(2,000)
Cost of sales	500
Income tax expense	450
Net impact on profit for the year	<u>(1,050)</u>
Attributable to:	
Equity holders of the parent	(1,050)
Non-controlling interests	–

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)

IAS 8.49(b)(ii)

	<u>31 December 2025</u>
Earnings per share	
Basic, profit for the year attributable to ordinary equity holders of the parent	(€0.06)
Diluted, profit for the year attributable to ordinary equity holders of the parent	(€0.05)
Earnings per share for continuing operations	
Basic, profit from continuing operations attributable to ordinary equity holders of the parent	(€0.06)
Diluted, profit from continuing operations attributable to ordinary equity holders of the parent	(€0.05)

The change did not have an impact on OCI for the period or the Group's operating, investing and financing cash flows.

2D. Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

- Non-cash distribution [Note 3D](#)
- Contingent consideration [Note 4A](#)
- Investment in non-listed equity shares (discontinued operations) [Note 4B](#)
- Property, plant and equipment under revaluation model [Note 6A](#)
- Investment properties [Note 6B](#)

Accounting policy

IFRS13.9

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

IFRS 13.16

- In the principal market for the asset or liability
- Or

IFRS 13.22

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

IFRS 13.27

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

IFRS 13.61

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

IFRS 13.73

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

IFRS 13.95

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

IFRS 13.93(g)

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Valuation Committee is comprised of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

IFRS 13.94

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Commentary on IFRS accounting standards

The Group has not elected to apply the portfolio exception under paragraph 48 of IFRS 13. If an entity makes an accounting policy decision to use the exception, this fact is required to be disclosed, in accordance with paragraph 96 of IFRS 13.

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

2D.1 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

IFRS 7.25
IFRS 7.26
IFRS 7.29

	2026		2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	€000	€000	€000	€000
Financial assets				
Loans to an associate and a director	213	208	8	9
Non-listed equity investments	1,038	1,038	898	898
Listed equity investments	337	337	300	300
Quoted debt instruments	1,622	1,622	1,610	1,610
Foreign exchange forward contracts	640	640	–	–
Embedded derivatives	210	210	–	–
Foreign exchange forward contracts in cash flow hedges	252	252	153	153
Total	4,312	4,307	2,969	2,970
Financial liabilities				
Interest-bearing loans and borrowings				
Floating rate borrowings*	(12,666)	(12,666)	(11,877)	(11,877)
Fixed rate borrowings	(6,374)	(6,321)	(8,239)	(8,944)
Convertible preference shares	(2,778)	(2,766)	(2,644)	(2,621)
Contingent consideration	(1,072)	(1,072)	–	–
Derivatives not designated as hedges				
Foreign exchange forward contracts	(720)	(720)	–	–
Embedded derivatives	(782)	(782)	–	–
Derivatives in effective hedges	(1,185)	(1,185)	(254)	(254)
Total	(25,577)	(25,512)	(23,014)	(23,696)

* Includes an 8.25% secured loan carried at amortised cost adjusted for the fair value movement due to the hedged interest rate risk.

The fair value measurement hierarchy of all Group's financial assets and liabilities is provided in [Note 2D.2](#) below.

Commentary on IFRS accounting standards

IFRS 7.29 provides that disclosure of the fair values of financial instruments is not required:

- When the carrying amount is a reasonable approximation of fair value (e.g., short-term trade receivables and payables), or
- For lease liabilities

Valuation methods, assumptions and estimation uncertainty

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments and is discussed further below.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor (see [Notes 4A](#) for details).

As part of the accounting for the acquisition of Extinguishers Limited, contingent consideration with an estimated fair value of €714,000 was recognised at the acquisition date and remeasured to €1,071,500 as at the reporting date. Future developments may require further revisions to the estimate. The maximum consideration to be paid is €1,125,000. The contingent consideration is classified as other financial liability (see [Note 6D.2](#)).

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

IFRS 13.93(d)
IFRS 13.97
IFRS 7.29

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the non-listed equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.
- There is an active market for the Group's listed equity investments and quoted debt instruments.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. Some derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Group's own non-performance risk. As at 31 December 2026, the mark-to-market value of other derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from long-term sales contracts where the transaction currency differs from the functional currencies of the involved parties. However, as these contracts are not collateralised, the Group also takes into account the counterparties' credit risks (for the embedded derivative assets) or the Group's own non-performance risk (for the embedded derivative liabilities) and includes a credit valuation adjustment or debit valuation adjustment, as appropriate, by assessing the maximum credit exposure and taking into account market-based inputs concerning probabilities of default and loss given default.
- The fair values of the Group's interest-bearing loans and borrowings are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2026 was assessed to be insignificant.

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

2D.2 Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

IFRS 13.91(a)

IFRS 13.93(a)

IFRS 13.93(b)

IFRS 13.97

Fair value measurement hierarchy for assets as at 31 December 2026:

		Fair value measurement using			
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	Total			
		€000	€000	€000	€000
Assets measured at fair value:					
Investment properties (Note 6B):					
Office properties	31 December 2026	4,260	–	–	4,260
Retail properties	31 December 2026	4,633	–	–	4,633
Derivative financial assets (Note 6D):					
Foreign exchange forward contracts – US dollars	31 December 2026	492	–	492	–
Foreign exchange forward contracts – GB pounds sterling	31 December 2026	400	–	400	–
Embedded foreign exchange derivatives – Canadian dollars	31 December 2026	210	–	–	210
Listed equity investments (Note 6D)					
Power sector	31 December 2026	219	219	–	–
Telecommunications sector	31 December 2026	118	118	–	–
Non-listed equity investments (Note 6D)					
Power sector	31 December 2026	675	–	–	675
Electronics sector	31 December 2026	363	–	–	363
Quoted debt instruments (Note 6D)					
Euroland government bonds	31 December 2026	1,378	1,378	–	–
Corporate bonds – consumer products sector	31 December 2026	92	92	–	–
Corporate bonds – technology sector	31 December 2026	152	152	–	–
Revalued property, plant and equipment (Note 6A)*:					
Office properties in Euroland	31 January 2026	1,749	–	–	1,749
Discontinued operations (Note 4B)	1 October 2026	4,772	–	–	4,772
Assets for which fair values are disclosed (Note 6D):					
Loan at amortised cost					
Loan to an associate	31 December 2026	197	–	–	197
Loan to a director	31 December 2026	11	–	–	11

IFRS 13.9(c)

There were no transfers between Level 1 and Level 2 during 2026.

* Due to a change in accounting policy, revaluations of property, plant and equipment were recognised in Level 3 for the first time. Refer to [Note 6A](#) for more information.

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

Fair value measurement hierarchy for liabilities as at 31 December 2026:

		Fair value measurement using			
Date of valuation	Total	Quoted	Significant	Significant	
		prices in	observable	unobservable	
		active markets	inputs	inputs	
		(Level 1)	(Level 2)	(Level 3)	
	€000	€000	€000	€000	
Liabilities measured at fair value:					
Derivative financial liabilities (Note 6D):					
Interest rate swaps	31 December 2026	35	–	35	–
Foreign exchange forward contracts (GB pounds sterling)	31 December 2026	800	–	800	–
Embedded commodity derivatives (brass)	31 December 2026	600	–	–	600
Embedded commodity derivatives (chrome)	31 December 2026	182	–	–	182
Foreign exchange forward contracts - US dollars	31 December 2026	90	–	90	–
Commodity derivative (copper)	31 December 2026	980	–	980	–
Contingent consideration liability (Note 4A)	31 December 2026	1,072	–	–	1,072
Liabilities for which fair values are disclosed:					
Interest-bearing loans and borrowings (Note 6D):					
Floating rate borrowings (Euroland)	31 December 2026	10,420	–	10,420	–
Floating rate borrowings (US)	31 December 2026	2,246	–	2,246	– <i>IFRS 13.93(a)</i>
Convertible preference shares	31 December 2026	2,766	–	2,766	– <i>IFRS 13.93(b)</i>
Fixed rate borrowing	31 December 2026	6,321	–	6,321	– <i>IFRS 13.97</i>

There were no transfers between Level 1 and Level 2 during 2026.

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

Fair value measurement hierarchy for assets as at 31 December 2025:

	Date of valuation	Fair value measurement using			
		Quoted	Significant	Significant	
		prices in active markets (Level 1)	observable inputs (Level 2)	unobservable inputs (Level 3)	
		Total €000	€000	€000	€000
Assets measured at fair value:					
Investment properties (Note 6B):					
Office properties	31 December 2025	3,824	–	–	3,824
Retail properties	31 December 2025	4,159	–	–	4,159
Derivative financial assets (Note 6D):					
Foreign exchange forward contracts – US dollars	31 December 2025	100	–	100	–
Foreign exchange forward contracts – GB pounds sterling	31 December 2025	53	–	53	–
Listed equity investments (Note 6D)					
Power sector	31 December 2025	200	200	–	–
Telecommunications sector	31 December 2025	100	100	–	–
Non-listed equity investments (Note 6D)					
Power sector	31 December 2025	390	–	–	390
Electronics sector	31 December 2025	508	–	–	508
Quoted debt instruments (Note 6D)					
Euroland government bonds	31 December 2025	1,210	1,210	–	–
Corporate bonds – consumer products sector	31 December 2025	400	400	–	–
Assets for which fair values are disclosed (Note 6D):					
Loan at amortised cost					
Loan to a director	31 December 2025	9	–	–	9

There were no transfers between Level 1 and Level 2 during 2025.

Fair value measurement hierarchy for liabilities as at 31 December 2025:

	Date of valuation	Fair value measurement using			
		Quoted	Significant	Significant	
		prices in active markets (Level 1)	observable inputs (Level 2)	unobservable inputs (Level 3)	
		Total €000	€000	€000	€000
Liabilities measured at fair value:					
Derivative financial liabilities (Note 6D):					
Foreign exchange forward contracts – US dollars	31 December 2025	254	–	254	–
Liabilities for which fair values are disclosed:					
Interest-bearing loans and borrowings (Note 6D):					
Floating rate borrowings (Euroland)	31 December 2025	11,877	–	11,877	–
Convertible preference shares	31 December 2025	2,621	–	2,621	–
Fixed rate borrowing	31 December 2025	8,944	–	8,944	–

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

There were no transfers between Level 1 and Level 2 during 2025.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Group believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. The Group, therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties and revalued office properties.

Commentary on IFRS accounting standards

Paragraph 94 of IFRS 13 requires appropriate determination of classes of assets and liabilities on the basis of:

- The nature, characteristics and risks of the asset or liability; and
- The level of the fair value hierarchy within which the fair value measurement is categorised

The Group has applied the factors and disclosed the quantitative information under IFRS 13 *Fair Value Measurement* based on the classes of assets and liabilities determined as per paragraph 94 of IFRS 13. As judgement is required to determine the classes of properties, other criteria and aggregation levels for classes of assets may also be appropriate, provided they are based on the risk profile of the assets (e.g., the risk profile of properties in an emerging market may differ from that of properties in a mature market).

Inputs used in a valuation technique may fall into different levels of the fair value hierarchy. However, for disclosure purposes, the fair value measurement must be categorised in its entirety (i.e., depending on the unit of account) within the hierarchy. That categorisation may not be so obvious when there are multiple inputs used. Paragraph 73 of IFRS 13 clarifies that the hierarchy categorisation of a fair value measurement, in its entirety, is determined based on the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement and consideration of factors specific to the asset or liability (or group of assets and/or liabilities) being measured and any adjustments made to the significant inputs in arriving at the fair value. These considerations have a follow-on impact on the disclosures of valuation techniques, processes and significant inputs and entities should tailor their disclosures to the specific facts and circumstances.

For assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, paragraph 93(c) of IFRS 13 requires disclosure of the amounts of transfers between Level 1 and Level 2 of the hierarchy, the reasons for those transfers and the entity's policy for determining when the transfers are deemed to have occurred. Transfers into each level must be disclosed and discussed separately from transfers out of each level.

Commentary on macroeconomic and geopolitical uncertainty

There may be an impact on fair value measurement of certain assets arising from the current macroeconomic conditions. When valuations are subject to significant measurement uncertainty due to the current environment, and there is a wider range of estimates of fair value, the entity is required to apply judgement to determine the point within that range that is most representative of fair value in the circumstances. While market volatility may suggest that the prices are aberrations and do not reflect fair value, it would not be appropriate for an entity to disregard market prices at the measurement date, unless those prices are from transactions that are not orderly. A significant decrease in volume or activity in a market can also influence the valuation techniques used in the fair value measurement. Entities will need to assess how those techniques are applied and whether inputs are observable at the measurement date and provide additional disclosures if material.

Factors such as changes in interest rates and volatile commodity prices may have a significant impact on fair values. Entities should consider whether the credit risk of counterparties to the derivative contracts has changed, which may also impact the fair value. The increased uncertainty may require more extensive disclosure about valuation levels, fair valuation techniques and inputs.

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

Commentary on climate-related matters

Entities should ensure that the climate-related assumptions that are incorporated in a fair value measurement are those that market participants would consider when pricing the asset or liability to ensure it is an IFRS 13 fair value measurement. Entities may need to use significant judgement when considering whether climate-related factors should be adjusted for in their fair value measurements and this may lead to greater estimation uncertainty and a need for more transparent disclosure. For example, the fair value of real estate in certain geographical areas may be exposed to significant physical risk and this should be considered in the fair value determination and disclosures. Importantly, the information available to market participants will be affected by sustainability reporting. While entities cannot ignore information that is reasonably available to market participants, determining the impact of that information on market participant assumptions, inputs and sensitivities, is likely to require significant judgement.

2D.3 Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2026 and 2025 are shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value	IFRS 13.93(d) IFRS 13.93(h)(i) IFRS 13.93(h)(ii) IFRS 13.97
Non-listed equity investments – power sector	DCF method	Long-term growth rate for cash flows for subsequent years	2026: 3.1% - 5.2% (4.2%) 2025: 3.1% - 5.1% (4%)	5% (2025: 5%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by €17,000 (2025: €15,000)	
		Long-term operating margin	2026: 5.0% - 12.1% (8.3%) 2025: 5.2% - 12.3% (8.5%)	15% (2025: 12%) increase (decrease) in the margin would result in an increase (decrease) in fair value by €21,000 (2025: €19,000)	
		WACC	2026: 11.2% - 14.3% (12.6%) 2025: 11.5% - 14.1% (12.3%)	1% (2025: 2%) increase (decrease) in the WACC would result in a decrease (increase) in fair value by €10,000 (2025: €15,000)	
		Discount for lack of marketability	2026: 5.1% - 15.6% (12.1%) 2025: 5.4% - 15.7% (12.3%)	2% (2025: 3%) increase (decrease) in the discount would decrease (increase) the fair value by €8,000 (2025: €9,000)	

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

IFRS 13.93(d)
IFRS 13.93(h)(i)
IFRS 13.93(h)(ii)
IFRS 13.97

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Non-listed equity investments – electronics sector	DCF method	Long-term growth rate for cash flows for subsequent years	2026: 4.4% - 6.1% (5.3%) 2025: 4.6% - 6.7% (5.5%)	3% (2025: 3%) increase (decrease) in the growth rate would result in an increase (decrease) in fair value by €23,000 (2025: €25,000)
		Long-term operating margin	2026: 10.0% - 16.1% (14.3%) 2025: 10.5% - 16.4% (14.5%)	5% (2025: 4%) increase (decrease) in the margin would result in an increase (decrease) in fair value by €12,000 (2025: €13,000)
		WACC	2026: 12.1% - 16.7% (13.2%) 2025: 12.3% - 16.8% (13.1%)	1% (2025: 2%) increase (decrease) in the WACC would result in a decrease (increase) in fair value by €21,000 (2025: €22,000)
		Discount for lack of marketability	2026: 5.1% - 20.2% (16.3%) 2025: 5.3% - 20.4% (16.4%)	1.5% (2025: 2%) increase (decrease) in the discount would decrease (increase) the fair value by €7,500 (2025: €8,200)
Embedded derivative assets	Forward pricing model	Discount for counterparty credit risk	2026: 0.02% - 0.05% (0.04%) 2025: -	0.5% increase (decrease) would result in an increase (decrease) in fair value by €23,000
Embedded derivative liabilities	Forward pricing model	Discount for non-performance risk	2026: 0.01% - 0.05% (0.03%) 2025: -	0.4% increase (decrease) would result in an increase (decrease) in fair value by €20,000
Loans to an associate and a director	DCF method	Constant prepayment rate	2026: 1.5% - 2.5% (2.0%) 2025: 1.6% - 2.7% (2.2%)	1% (2025: 2%) increase (decrease) would result in an increase (decrease) in fair value by €25,000 (2025: €21,000)
		Discount for non-performance risk	2026: 0.08% 2025: 0.09%	0.4% (2025: 0.4%) increase (decrease) would result in an increase (decrease) in fair value by €21,000 (2025: €20,000)

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value	IFRS 13.93(d) IFRS 13.93(h)(i) IFRS 13.93(h)(ii) IFRS 13.97
Contingent consideration liability	DCF method	Assumed probability-adjusted profit before tax of Extinguishers Limited	2026: €1,514,000 2025: –	10% decrease in the assumed probability-adjusted profit before tax of Extinguishers Limited results in a decrease in fair value of the contingent consideration liability by €390,000. 5% increase in the assumed probability-adjusted profit before tax of Extinguishers Limited would not change fair value of the contingent consideration liability	
		Discount rate	2026: 14% 2025: –	2% increase (decrease) in the discount rate would result in an increase (decrease) in fair value of the contingent consideration liability by €25,000.	
		Discount for own non-performance risk	2026: 0.05% 2025: –	0.4% increase (decrease) in the discount for own non-performance risk would result in an increase (decrease) in fair value of the contingent consideration liability by €5,000	

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

2D.4 Reconciliation of fair value measurement under Level 3 hierarchy

Non-listed equity investments classified as equity instruments designated at fair value through OCI:

	Power	Electronics	Total	
	€000	€000	€000	
As at 1 January 2025	386	502	888	IFRS 13.93(e)(ii)
Remeasurement recognised in OCI	4	6	10	IFRS 13.93(e)(iii)
Purchases	–	–	–	
Sales	–	–	–	
As at 1 January 2026	390	508	898	
Remeasurement recognised in OCI	54	(80)	(26)	
Purchases	231	293	524	
Reclassified in assets held for sale	–	(308)	(308)	
Sales	–	(50)	(50)	
As at 31 December 2026	675	363	1,038	

Notes to the consolidated financial statements

2D. Fair value measurement *continued*

Embedded derivative assets and liabilities:

	Embedded foreign exchange derivative asset	Embedded commodity derivative liability	
	Canadian dollar	Brass	Chrome
	€000	€000	€000
As at 1 January 2025 and 2026	–	–	–
Remeasurement recognised in statement of profit or loss during the period	(363)	(209)	(80)
Purchases	573	809	262
Sales	–	–	–
As at 31 December 2026	210	600	182

The remeasurement is included within the line items 'Other individually immaterial operating income' and 'Other individually immaterial operating expenses' in the statement of profit or loss. IFRS 18.114

Commentary on IFRS accounting standards

An entity should provide additional information that will help users of its financial statements to evaluate the quantitative information disclosed. An entity might disclose some or all of the following to comply with paragraph 92 of IFRS 13:

- The nature of the item being measured at fair value, including the characteristics of the item being measured that are taken into account in the determination of relevant inputs. For example, if the Group had residential mortgage-backed securities, it might disclose the following:
 - The types of underlying loans (e.g., prime loans or sub-prime loans)
 - Collateral
 - Guarantees or other credit enhancements
 - Seniority level of the tranches of securities
 - The year of issue
 - The weighted-average coupon rate of the underlying loans and the securities
 - The weighted-average maturity of the underlying loans and the securities
 - The geographical concentration of the underlying loans
 - Information about the credit ratings of the securities
- How third-party information such as broker quotes, pricing services, net asset values and relevant market data was taken into account when measuring fair value

The Group does not have any liabilities measured at fair value and issued with an inseparable third-party credit enhancement. If the Group had such liabilities, paragraph 98 of IFRS 13 requires disclosure of the existence of credit-enhancement and whether it is reflected in the fair value measurement of the liability.

Paragraph 99 of IFRS 13 requires an entity to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in tabular format, above.

Paragraph 93(h)(ii) of IFRS 13 requires a quantitative sensitivity analysis for financial assets and financial liabilities that are measured at fair value on a recurring basis. For all other recurring fair value measurements that are categorised within Level 3 of the fair value hierarchy, an entity is required to provide:

- A narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement
- If there are inter-relationships between the inputs and other unobservable inputs used in the fair value measurement, a description of the inter-relationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement

For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in OCI, total equity. The Group included the quantitative sensitivity analyses in tabular format, above.

Notes to the consolidated financial statements

2E. Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group closely monitors relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures. See [Note 6A](#) for further information.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2026 test of goodwill, the Group considered expectations for increased costs of emissions, increased demand for goods sold by the Group's fire prevention equipment CGU and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts. See [Note 4C.2](#) for further information.
- Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. See [Note 2D](#) for further information.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning one of the Group's manufacturing facilities. See [Note 6I](#) for further disclosures.
- Emission rights. The Group receives free emission rights on an annual basis and, in return, it is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted. See [Note 6I](#) for further information.

2F. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IAS 8.30
IAS 8.31(d)

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21

In November 2025, the IASB issued *Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21*. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted. The amendments are not expected to have a material impact on the Group's financial statements.

Notes to the consolidated financial statements

2F. Standards issued but not yet effective *continued*

IFRS 20 *Regulatory Assets and Regulatory Liabilities*

In May 2026, the IASB issued IFRS 20 *Regulatory Assets and Regulatory Liabilities*, which sets out the requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expense. IFRS 20 introduces new requirements designed to provide users of financial statements with information about an entity's total allowed compensation for regulatory goods or services supplied in a reporting period, as well as the related rights and obligations arising from rate regulation.

IFRS 20 is effective for annual reporting periods beginning on or after 1 January 2029, with early application permitted. IFRS 20 is not expected to have a material impact on its financial statements of the Group.

Commentary on IFRS accounting standards

Paragraph 30 of IAS 8 requires disclosure of standards that have been issued but are not yet effective. These disclosures are required to provide known or reasonably estimable information to enable users to assess the possible impact of the application of such IFRS accounting standards on an entity's financial statements. The Group has listed all standards and interpretations that are not yet effective, primarily for illustrative purposes in these financial statements. An alternative that entities may consider would be to only list and address those which are expected to have an impact on the Group's financial position, performance, presentation and/or disclosures.

Notes to the consolidated financial statements

Section 3: Group business, operations and management

This section provides additional information about the Group's business and management policies that the directors consider are most relevant in understanding the business, operations and management of the Group, including:

- Revenue from contracts with customers
- Objectives and policies of how the Group manages its financial risks, liquidity positions and capital structure
- Distributions made and proposed by the Group
- Analysis of the segment information
- Basis of consolidation and summarised financial information on material partly-owned subsidiaries within the Group, interests in an associate and a joint venture

3A. Revenue from contracts with customers

Accounting policy

The Group is in the business of providing fire prevention and electronic equipment and installation services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the procurement services below, because it typically controls the goods or services before transferring them to the customer.

IFRS 15.2
IFRS 15.B34

Sale of fire prevention and electronic equipment

Revenue from sale of fire prevention and electronic equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is 30 to 90 days upon delivery.

IFRS 15.31
IFRS 15.32
IFRS 15.38

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of fire prevention and electronic equipment, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

IFRS 15.22
IFRS 15.48

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of electronic equipment provide customers with a right to return the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity of electronic equipment purchased during the period exceeds the threshold specified in the contract. The rights of return and volume rebates give rise to variable consideration.

IFRS 15.50

► Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

IFRS 15.51
IFRS 15.53
IFRS 15.55
IFRS 15.56

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

▸ *Volume rebates*

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price).

IFRS 15.51

IFRS 15.53

IFRS 15.56

Commentary on IFRS accounting standards

The Group recognised refund liabilities for the goods expected to be returned and the expected volume rebates. While the most common form of refund liabilities may be related to sales with a right of return, the refund liability requirements also apply if an entity expects to have to provide retrospective price reductions to a customer.

Entities must assess whether volume rebates are to be accounted for as variable consideration or as customer options to acquire additional goods or services at a discount. Generally, if a volume rebate is applied prospectively, the rebate would be accounted for as a customer option. Entities will need to evaluate whether the volume rebate or discount provides the customer with an option to purchase goods or services in the future at a discount that represents a material right (and is, therefore, accounted for as a performance obligation). However, a volume rebate that is applied retrospectively is accounted for as variable consideration, because the final price of each good or service sold depends upon the customer's total purchases that are subject to the rebate programme.

Entities need to determine whether a refund liability should be characterised as a contract liability based on the specific facts and circumstances of the arrangement. A refund liability will not typically meet the definition of a contract liability. When an entity concludes that a refund liability is not a contract liability, it would present the refund liability separate from any contract liability (or asset) and it would not be subject to the disclosure requirements in paragraphs 116-118 of IFRS 15. The Group has determined that its refund liabilities are not contract liabilities.

(ii) Significant financing component

The Group receives advance payments from customers for the sale of customised fire prevention equipment with a manufacturing lead time of two years after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the equipment, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the equipment to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

IFRS 15.60

IFRS 15.64

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

IFRS 15.63

(iii) Non-cash consideration

The Group receives moulds and other tools from certain customers to be used in manufacturing fire prevention equipment to be sold to them. The fair value of such non-cash consideration received from the customer is included in the transaction price and measured when the Group obtains control of the equipment.

IFRS 15.66

The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the fire prevention equipment.

IFRS 15.67

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

Commentary on IFRS accounting standards

Paragraph 48 of IFRS 15 requires that an entity considers the effects of: variable consideration; constraining estimates of variable consideration; the existence of a significant financing component in the contract; non-cash consideration; and consideration payable to a customer in determining the transaction price.

The Group did not incur any consideration payable to a customer. Consideration payable to a customer includes cash amounts that an entity pays, or expects to pay, to the customer. The consideration payable to a customer is accounted for as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity under paragraph 70 of IFRS 15. Entities need to include this in their accounting policy disclosures if material.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as warranty provisions. Refer to the accounting policy on warranty provisions in [Note 6I. Provisions](#).

The Group also provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of fire prevention equipment. Contracts for bundled sales of equipment and service-type warranty comprise two performance obligations because the equipment and service-type warranty are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service-type warranty is provided based on the time elapsed.

IFRS 15.B28
IFRS 15.B30

IFRS 15.B29
IFRS 15.B32
IFRS 15.74
IFRS 15.76

Commentary on IFRS accounting standards

If the customer has the option to purchase the warranty separately or if the warranty provides a service to the customer, beyond fixing defects that existed at the time of sale, paragraph B29 of IFRS 15 states that the entity is providing a service-type warranty that is a separate performance obligation. Otherwise, it is an assurance-type warranty, which provides the customer with assurance that the product complies with agreed-upon specifications. In some cases, it may be difficult to determine whether a warranty provides a customer with a service in addition to the assurance that the delivered product is as specified in the contract. To help entities make that assessment, paragraphs B31-B33 of IFRS 15 provides relevant application guidance.

Loyalty points programme

The Group has a loyalty points programme, *GoodPoints*, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Installation services

The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services do not significantly customise or modify the fire prevention equipment.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

IFRS 15.B39
IFRS 15.B40
IFRS 15B.42
IFRS 15.74
IFRS 15.76

IFRS 15.22

IFRS 15.74
IFRS 15.76

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

The Group recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the installation services because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

IFRS 15.39
IFRS 15.41
IFRS 15.B18

Procurement services

The Group has contracts with customers to acquire, on their behalf, special fire prevention equipment produced by foreign suppliers. Under these contracts, the Group provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported equipment). The Group does not have control of the equipment before it is being transferred to the customer. The Group is acting as an agent and recognises revenue at the net amount that is retained for these arrangements. Revenue is recognised at a point in time (i.e., upon receipt by the customer of the equipment) because this is when the customer benefits from the Group's procurement services.

Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain for bundled sales of equipment and installation services. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits.

IFRS 15.8
IFRS 15.91
IFRS 15.94

Commentary on IFRS accounting standards

IFRS 15 requires incremental costs of obtaining a contract and certain costs to fulfil a contract to be recognised as an asset if certain criteria are met. Any capitalised contract costs assets must be amortised on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer. The Group does not incur any costs to obtain a contract and costs to fulfil a contract that are eligible for capitalisation.

Entities with costs to obtain a contract and costs to fulfil a contract recognised as an asset will need to consider the requirement in paragraph 128 of IFRS 15 to separately disclose the closing balances and the amount of amortisation and impairment losses recognised during the period.

In the absence of a standard that specifically deals with classification of capitalised contract costs within the statement of financial position, management would need to develop an appropriate accounting policy. An entity needs to apply the aggregation requirements of IFRS 18 to determine whether separate classes of asset or expenses can be presented together. The classification of capitalised contract costs within the statement of financial position is driven by the underlying economic characteristics of the asset and has a consequential impact on the presentation of the related amortisation in the statement of profit or loss.

Statement of financial position

- Capitalised costs to obtain a contract - Depending on the nature of the costs to obtain a contract, these costs are classified in the statement of financial position as either:
 - A separate class of inventory-like asset (if similar in nature to work in progress or inventory); or
 - A separate class of intangible assets (if similar in nature to those within the scope of IAS 38 Intangible Assets).

Capitalised costs to fulfil a contract - These costs are similar in nature to work in progress or inventory and are, therefore, classified as a separate class of inventory-like asset in the statement of financial position.

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

Commentary on IFRS accounting standards *continued*

Statement of profit or loss

In most cases, capitalised contract costs would not generate a return individually and largely independently of the entity's other resources. As a result, the amortisation of such costs would, in most cases, be in the operating category of the statement of profit or loss applying the requirement of IFRS 18. The line item presentation within the statement of profit or loss depends on the nature of the underlying asset. Therefore, the amortisation of capitalised costs to:

- Obtain a contract that is similar in nature to work in progress or inventory is presented the same way as, or aggregated within, cost of sales, changes in contract costs, or a similar line item
- Obtain a contract that is similar in nature to intangibles within the scope of IAS 38 is presented the same way as, or aggregated within, the same line item as amortisation of intangible assets
- Fulfil a contract is presented the same way as, or aggregated within, cost of sales, changes in contract costs, or a similar line item

The impairment losses on capitalised contract costs are recognised in profit or loss under IFRS 15 and would generally be presented consistently with the related amortisation expense.

If certain contract costs were directly expensed rather than first being capitalised, applying IFRS 15, the presentation of such costs in the statement of profit or loss follows the nature of the expense (e.g., some interest expense might be classified within the financing category).

Statement of cash flows

An entity needs to consider the requirements in IAS 7, when determining the classification of cash flows arising from costs to obtain and costs to fulfil a contract.

Under paragraph 101 of IFRS 15, assets recognised for costs to obtain a contract and costs to fulfil a contract are subject to impairment testing. An impairment exists if the carrying amount of the asset exceeds the amount of consideration the entity expects to receive in exchange for providing the associated goods or services, less the remaining costs that relate directly to providing those goods or services. The Group does not incur any costs to obtain a contract or costs to fulfil a contract that are eligible for capitalisation. Entities need to include an accounting policy for impairment if such information is deemed to be material.

Commentary on IFRS

Paragraph 123 of IFRS 15 requires an entity to disclose the judgements, and changes in the judgements, made in applying the standard that significantly affect the determination of the amount and timing of revenue from contracts with customers.

The Group included in its accounting policy disclosures those judgements that significantly affect the determination of the amount and timing of its revenue from contracts with customers. Entities will need to apply judgement to ensure the information disclosed is sufficient to meet the disclosure objective.

Estimation uncertainty - variable consideration for returns and volume rebates

IFRS 15.126

The Group estimates variable considerations to be included in the transaction price for the sale of electronic equipment with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer is likely to be entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 December 2026, the amount recognised as refund liabilities for the expected returns and volume rebates was €6,242,000 (2025: €5,844,000).

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

3A.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

IFRS 15.114-115

Segments	For the year ended 31 December 2026		
	Fire prevention equipment	Electronics	Total
	€000	€000	€000
Type of goods or service			
Sale of fire prevention equipment	85,438	–	85,438
Sale of electronic equipment	–	69,263	69,263
Installation services	17,131	–	17,131
Others*	7,226	–	7,226
Total revenue from contracts with customers	109,795	69,263	179,058
Geographical markets			
Euroland	76,413	50,421	126,834
United States	33,382	18,842	52,224
Total revenue from contracts with customers	109,795	69,263	179,058
Timing of revenue recognition			
Goods and services transferred at a point in time	90,141	69,263	159,404
Services transferred over time	19,654	–	19,654
Total revenue from contracts with customers	109,795	69,263	179,058

* Includes revenue from procurement services and service-type warranties.

Segments	For the year ended 31 December 2025		
	Fire prevention equipment	Electronics	Total
	€000	€000	€000
Type of goods or service			
Sale of fire prevention equipment	69,107	–	69,107
Sale of electronic equipment	–	66,621	66,621
Installation services	16,537	–	16,537
Others*	6,823	–	6,823
Total revenue from contracts with customers	92,467	66,621	159,088
Geographical markets			
Euroland	62,239	48,968	111,207
United States	30,228	17,653	47,881
Total revenue from contracts with customers	92,467	66,621	159,088
Timing of revenue recognition			
Goods and services transferred at a point in time	73,696	66,621	140,317
Services transferred over time	18,771	–	18,771
Total revenue from contracts with customers	92,467	66,621	159,088

* Includes revenue from procurement services and service-type warranties.

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information ([Note 3E](#)): IFRS 15. 115

	For the years ended 31 December			
	2026		2025	
	Fire prevention equipment	Electronics	Fire prevention equipment	Electronics
	€000	€000	€000	€000
Revenue				
External customer	139,842	69,263	121,905	66,621
Inter-segment	–	7,465	–	7,319
	139,842	76,728	121,905	73,940
Inter-segment adjustments and eliminations	(30,047)	(7,465)	(29,438)	(7,319)
Total revenue from contracts with customers	109,795	69,263	92,467	66,621

Commentary on IFRS accounting standards

The Group presented disaggregated revenue based on the type of goods or services provided to customers, the geographical region, and the timing of transfer of goods and services. Entities will need to make this determination based on entity-specific and/or industry-specific factors that would be most meaningful to their business such as internal reporting and external reporting to shareholders.

The Group presented a reconciliation of the disaggregated revenue with the revenue information disclosed for each reportable segment. Entities may find it appropriate to provide disaggregated revenue information within the segment reporting disclosures.

3A.2 Contract balances

Accounting policy

Contract balances

IFRS 15.105

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

IFRS 15.107

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section [Note 3B. Financial instruments risk management objectives and policies](#).

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section [Note 6D. Financial assets and financial liabilities](#).

IFRS 15.108

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

IFRS 15.106

The Group's contract balances are, as follows:

	31 December		1 January
	2026	2025	2025
	€000	€000	€000
Trade receivables (Note 6F)	25,672	22,290	25,537
Contract assets	4,541	5,180	3,450
Contract liabilities (Note 6L)	5,842	3,374	2,528

IFRS 15.116(a)

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

The acquisition of a subsidiary resulted in increase in trade receivables of €1,716,000 in 2026 (2025: €853,000) ([Note 4A](#)). In 2026, €179,000 (2025: €71,000) was recognised as provision for expected credit losses on trade receivables.

IFRS 15.117
IFRS 15.118

Contract assets relate to revenue earned from ongoing installation services. As such, the balances of this account vary and depend on the number of ongoing installation services at the end of the year. In 2026, €6,000 (2025: €5,000) was recognised as provision for expected credit losses on contract assets.

IFRS 15.117
IFRS 15.118

Contract liabilities include long-term advances received to deliver special fire prevention equipment and short-term advances received to render installation services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed. The outstanding balances of these accounts increased in 2026 and 2025 due to the continuous increase in the Group's customer base ([Note 6L](#)).

IFRS 15.117
IFRS 15.118

The significant increase in contract liabilities in 2026 was mainly due to the €2,200,000 long-term advances received from customers during the year. In 2026, €109,000 (2025: €62,000) was recognised as interest on long-term advances increasing the contract liabilities balance and was included within '[Interest expenses on other liabilities](#)' in the statement of profit or loss ([Note 5C](#)). The acquisition of a subsidiary also resulted in increase in contract liabilities of €428,000 in 2026 (2025: €Nil) ([Note 4A](#)).

Set out below is the amount of revenue recognised from:

	2026	2025	
	€000	€000	
Amounts included in contract liabilities at the beginning of the year	2,486	1,836	IFRS 15.116(b)
Performance obligations satisfied in previous years	516	252	IFRS 15.116(c)

Commentary on IFRS accounting standards

Paragraph 116 of IFRS 15 requires the disclosure of the opening balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed. The Group has presented the balances as at 1 January 2025 to comply with this requirement.

The Group disclosed its receivables arising from contracts with customers separately from other receivables. It will be necessary for entities that have material receivables from non-IFRS 15 contracts to separate these balances for disclosure purposes. For example, an entity may have accounts receivable relating to leasing contracts that would need to be disclosed separately from accounts receivable related to contracts with customers.

Paragraph 116 of IFRS 15 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods'. Entities can also present this in a tabular or narrative format.

The Group provided qualitative and quantitative disclosures of its contract balances and changes on those balances during the period. Entities are permitted to disclose information about contract balances, and changes therein, as they deem to be most appropriate, which would include a combination of tabular and narrative information.

3A.3 Right of return assets and refund liabilities

Accounting policy

Right of return assets

A right of return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

IFRS 15.B21(c)
IFRS 15.B25

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from its customers' right of return and volume rebates. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

IFRS 15.B21(b)
IFRS 15.B24

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

	2026	2025	
	€000	€000	
Right of return assets	<u>1,124</u>	<u>929</u>	IFRS 15.B21(c)
Refund liabilities			IFRS 15.B21(b)
Arising from retrospective volume rebates	4,658	4,504	
Arising from rights of return	<u>1,584</u>	<u>1,340</u>	
	<u>6,242</u>	<u>5,844</u>	

3A.4 Performance obligations

Information about the Group's performance obligations is summarised below:

IFRS 15.119

Fire prevention equipment

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 90 days from delivery.

The performance obligation to deliver fire prevention equipment with a manufacturing lead time of two years has two alternative payment options. The customer can pay the transaction price equal to the cash selling price upon delivery of the equipment or pay a lower transaction price upon signing the contract. There is a significant financing component for those contracts where the customer elected to pay in advance.

In some contracts, a one-year warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The performance obligation for the warranty service is satisfied over the coverage period based on time elapsed.

Electronic equipment

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Customers are entitled to loyalty points which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed.

In addition, the Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Installation services

The performance obligation is satisfied over-time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

Procurement services

There are contracts with customers to acquire, on their behalf, special fire prevention equipment produced by foreign suppliers. The Group is acting as agent in these arrangements. The performance obligation is satisfied, and payment is due upon receipt of the equipment by the customer.

Commentary on IFRS accounting standards

IFRS 15 requires an entity to provide more descriptive information about its performance obligations. Paragraph 119 of IFRS 15 requires an entity to include a description of all of the following:

- When the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement
- The significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the amount of consideration is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56 to 58 of IFRS 15)
- The nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (i.e., if the entity is acting as an agent)
- Obligations for returns, refunds and other similar obligations
- Types of warranties and related obligations

The Group provided this required information in this section of the notes. This is one way that entities can comply with the disclosure requirement of paragraph 119 of IFRS 15. Entities may also decide to disclose the required information as part of its disclosure of accounting policies.

Notes to the consolidated financial statements

3A. Revenue from contracts with customers *continued*

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows: IFRS 15.120

	2026	2025	IFRS 15.120(b)(i)
	€000	€000	
Within one year	12,915	8,793	
More than one year	7,216	2,152	
	20,131	10,945	

The remaining performance obligations expected to be recognised in more than one year relate to the delivery of special fire prevention equipment that is to be satisfied within two years and the customer loyalty programme. The customer loyalty points have no expiration and redemptions can go beyond two years ([Note 6L](#)). All the other remaining performance obligations are expected to be recognised within one year. IFRS 15.120(b)(ii)

Commentary on IFRS accounting standards

As a practical expedient provided in paragraph 121 of IFRS 15, an entity can decide not to disclose the amount of the remaining performance obligations for contracts with original expected duration of less than one year or those that meet the requirements of the right to invoice practical expedient in paragraph B16 of IFRS 15. If an entity uses this practical expedient, it is required to disclose that fact.

The Group used a quantitative approach to disclose information about remaining performance obligations and did not use this practical expedient.

3B. Financial instruments risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade, related party and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments and enters into derivative transactions. IFRS 7.33
IFRS 7.21A(a)

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

3B.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments. IFRS 7.33

The sensitivity analyses in the following sections relate to the position as at 31 December in 2026 and 2025.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2026. IFRS 7.40

The analyses exclude the impact of movements in market variables on: the carrying values of pension and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for the contingent consideration liability is provided in [Note 4A](#).

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2026 and 2025 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign operation at 31 December 2026 for the effects of the assumed changes of the underlying risk.

3B.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain borrowings at fixed rates of interest of not more than 50%, excluding borrowings that relate to discontinued operations. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2026, after taking into account the effect of interest rate swaps, approximately 44% of the Group's borrowings are at a fixed rate of interest (2025: 50%).

IFRS 7.21A(a)
IFRS 7.22A

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	IFRS 7.40(a)
2026		€000	
Euro	+45	(48)	
US dollar	+60	(13)	
Euro	-45	33	
US dollar	-60	12	
2025			
Euro	+10	(19)	
US dollar	+15	–	
Euro	-10	12	
US dollar	-15	–	

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

3B.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

IFRS 7.21A(a)
IFRS 7.22A

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases and 24-month period for net investment hedges.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into euros of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps and forwards.

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

At 31 December 2026 and 2025, the Group hedged 75% and 70%, for 9 and 12 months, respectively, of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Commentary on IFRS accounting standards

For hedges of forecast transactions, useful information to help users understand the nature and extent of such risks may include:

- Time bands in which the highly probable forecast transactions are grouped for risk management purposes
- The entity's policies and processes for managing the risk (for example, how the cash flows of the hedging instruments and the hedged items may be aligned, such as using foreign currency bank accounts to address differences in cash flow dates)

Entities should tailor these disclosures to the specific facts and circumstances of the transactions.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollars (USD) and GB pounds sterling (GBP) exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity	IFRS 7.40(a)
		€000	€000	
2026	+5%	(30)	(154)	
	-5%	20	172	
2025	+4%	(40)	(146)	
	-4%	40	158	
	Change in GBP rate	Effect on profit before tax	Effect on pre-tax equity	
		€000	€000	
2026	+5%	26	102	
	-5%	(15)	(113)	
2025	+4%	31	92	
	-4%	(28)	(96)	

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

The movement in pre-tax equity arises from changes in US dollar borrowings (net of cash and cash equivalents) in the hedge of net investments in US operations and cash flow hedges. These movements will offset the translation of the US operations' net assets into euros.

3B.4 Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of electronic parts and therefore require a continuous supply of copper. The Group is exposed to changes in the price of copper on its forecast copper purchases.

IFRS 7.21A(a)
IFRS 7.22A

The Group's Board of Directors has developed and enacted a risk management strategy for commodity price risk and its mitigation. Based on a 12-month forecast of the required copper supply, the Group hedges the purchase price using forward commodity purchase contracts. The forward contracts do not result in physical delivery of copper but are designated as cash flow hedges to offset the effect of price changes in copper. The Group hedges approximately 45% of its expected copper purchases considered to be highly probable.

The Group also entered into various purchase contracts for brass and chrome (for which there is an active market). The prices in these purchase contracts are linked to the price of electricity.

Forward contracts with a physical delivery that qualify for normal purchase, sale or usage and that are therefore not recognised as derivatives are disclosed in [Note 3B](#).

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

Commodity price sensitivity

The following table shows the effect of price changes in copper net of hedge accounting impact.

	Change in year-end price	Effect on profit before tax	Effect on equity	IFRS 7.40(a)
2026		€000	€000	
Copper	+15%	(220)	(585)	
	-15%	220	585	
Brass	+4%	(8)	(8)	
	-4%	8	8	
Chrome	+2%	(10)	(10)	
	-2%	10	10	

3B.5 Equity price risk

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

IFRS 7.33(b)

At the reporting date, the exposure to non-listed equity investments at fair value was €1,038,000. Sensitivity analyses of these investments have been provided in [Note 2D](#).

IFRS 7.33(a)

At the reporting date, the exposure to equity investments at fair value listed on the NYSE was €337,000. Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the NYSE market index, the Group has determined that an increase/(decrease) of 10% on the NYSE market index could have an impact of approximately €55,000 increase/(decrease) on the income and equity attributable to the Group.

IFRS 7.40

3B.6 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

IFRS 7.33
IFRS 7.35B

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. At 31 December 2026, the Group had 55 customers (2025: 65) that owed it more than €250,000 each and accounted for approximately 51% (2025: 56%) of all the receivables and contract assets outstanding. There were five customers (2025: seven customers) with balances greater than €1 million accounting for just over 10% (2025: 12%) of the total amounts of receivable and contract assets.

IFRS 7.34(c)
IFRS 7.B8

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

IFRS 7.35F(c)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about ECLs on the Group's trade receivables and contract assets is disclosed below.

Commentary on IFRS accounting standards

Under IFRS 7.35G(b), an entity must disclose how forward-looking information has been incorporated into the determination of ECL, including the use of macroeconomic information. The Group did not provide detailed information on how the forecast economic conditions have been incorporated in the determination of ECL because the impact is not significant. Entities are expected to provide more detailed information if the forward-looking information has a significant impact in the calculation of ECL.

Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in [Note 6F](#). The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and the calculation of impairment. At 31 December 2026, 60% (2025: 65%) of the Group's trade receivables are covered by letters of credit and other forms of credit insurance. These credit enhancements obtained by the Group resulted in a decrease in the ECL of €22,000 as at 31 December 2026 (2025: €21,000). The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

IFRS 7.35F(e)
IFRS 7.35K

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

IFRS 7.35M
IFRS 7.35N

31 December 2026

31 December 2026	Trade receivables						Total
	Contract assets	Current	Days past due				
			<30	30-60	61-90	>91	
			days	days	days	days	
	€000	€000	€000	€000	€000	€000	€000
Expected credit loss rate	0.13%	0.12%	1.5%	4%	7%	12%	
Estimated total gross carrying amount at default	4,547	16,787	4,864	2,700	1,151	514	26,016
Expected credit loss	6	20	73	108	81	62	344

31 December 2025

31 December 2025		Trade receivables					
		Days past due					
	Contract assets	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	€000	€000	€000	€000	€000	€000	€000
Expected credit loss rate	0.10%	0.10%	1.2%	3%	5%	10%	
Estimated total gross carrying amount at default	5,185	15,603	3,482	1,897	995	531	22,508
Expected credit loss	5	16	42	57	50	53	218

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

IFRS 7.33
IFRS 7.36
IFRS 7.B10(c)

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at fair value through OCI comprised solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments. The Group recognised provision for expected credit losses on its debt instruments at fair value through OCI of €7,000 in 2026 (2025: €6,000).

IFRS 7.16A

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2026 and 2025 is the carrying amounts as illustrated in [Note 6D](#) except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

Commentary on IFRS accounting standards

As required by IFRS 9, the Group used the simplified approach in calculating ECL for trade receivables and contract assets that did not contain a significant financing component. The Group applied the practical expedient to calculate ECL using a provision matrix. In practice, many entities use a provision matrix to calculate their current impairment allowances. However, in order to comply with the IFRS 9 requirements, corporates would need to consider how current and forward-looking information might affect their customers' historical default rates and, consequently, how the information would affect their current expectations and estimates of ECLs.

The Group applied the low credit risk operational simplification in assessing the significant increase in credit risk of its debt instruments at fair value through OCI. This simplification is optional and can be elected on an instrument-by-instrument basis. For low risk instruments for which the simplification is used, an entity would recognise an allowance based on 12-month ECLs. However, if a financial instrument is not, or no longer, considered to have low credit risk at the reporting date, it does not follow that the entity is required to recognise lifetime ECLs. In such instances, the entity has to assess whether there has been a significant increase in credit risk since initial recognition which requires the recognition of lifetime ECLs.

The ECLs relating to cash and short-term deposits of the Group rounds to zero. In practice, an ECL may need to be charged on cash and short-term deposits.

Refer to our publication, [Good Bank \(International\) Limited \(December 2025\)](#), for the illustrative disclosures on the general approach of measuring ECLs.

Commentary on climate-related matters

Entities should assess the impact of climate-related matters on the creditworthiness of customers and other debtors. Debtors' ability to pay debts may be reduced if they are also impacted by climate-related matters. While physical risks may take longer to manifest, transition risks could trigger a more rapid deterioration of credit quality in counterparties, sectors or countries, which should be factored in when assessing a borrower's ability to repay and service debt. For further discussion of the impact of climate risk on credit risk, see our publication [Good Bank International Limited \(December 2025\)](#).

3B.7 Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

IFRS 7.33
IFRS 7.39(c)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, and lease contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Group's debt will mature in less than one year at 31 December 2026 (2025: 11%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

IFRS 7.B8

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

A substantial portion of the Group's trade payables are included in the Group's supplier finance arrangement and are, thus, with a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Group's payment terms for trade payables covered by the arrangement are identical to the payment terms for other trade payables. Management does not consider the supplier finance arrangement to result in excessive concentrations of liquidity risk, and the arrangement has been established to ease the administrative burden of managing invoices from a significant number of suppliers, rather than to obtain financing. Please refer to [Note 6M](#) for further disclosures about the arrangement.

IFRS 7.B11F(d)
IFRS 7.B11F(j)

Commentary on macroeconomic and geopolitical uncertainty

Entities with concentrations of risk may face greater risk of loss than other entities. Paragraph 34(c) of IFRS 7 requires that concentration of risk should be disclosed if not otherwise apparent from other risk disclosures provided.

Therefore, entities should consider including the following information:

- A description of how management determines concentrations of risk;
- A description of the shared characteristic that identifies each concentration. For instance, the shared characteristic may refer to geographical distribution of counterparties by groups of countries, individual countries or regions within countries and/or by industry; and
- The amount of the risk exposure associated with all financial instruments sharing that characteristic.

Entities that identified concentrations of activities in areas or industries affected by the macroeconomic and geopolitical uncertainty and have not previously disclosed the concentration because they did not believe that the entity was vulnerable to the risk of a near-term severe impact, should now reconsider making such a disclosure.

Therefore, it is expected that the disclosure required under IFRS 7 in this area will reflect any significant changes in the liquidity position as a result of the macroeconomic and geopolitical uncertainty and its development. Entities should be mindful that this disclosure is consistent with their assessment of the going concern assumption.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 31 December 2026	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	IFRS 7.39(a)(b)
	€000	€000	€000	€000	€000	€000	
Interest-bearing loans and borrowings (excluding items below)	966	–	1,422	10,554	8,000	20,942	
Lease liabilities (Note 6O)	48	117	290	2,454	1,473	4,382	IFRS 16.58
Convertible preference shares	–	–	–	676	2,324	3,000	
Contingent consideration	–	–	1,125	–	–	1,125	
Other financial liabilities	–	–	–	150	–	150	
Trade, related party and other payables	3,620	12,547	802	–	–	16,969	
Derivatives and embedded derivatives	1,970	2,740	391	1,191	1,329	7,621	
	6,604	15,404	4,030	15,025	13,126	54,189	
Year ended 31 December 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	
	€000	€000	€000	€000	€000	€000	
Interest-bearing loans and borrowings (excluding items below)	2,650	–	76	8,872	11,600	23,198	
Lease liabilities (Note 6O)	32	90	296	2,386	1,432	4,236	IFRS 16.58
Convertible preference shares	–	–	–	624	2,376	3,000	
Trade, related party and other payables	4,321	13,959	1,743	–	–	20,023	
Other financial liabilities	–	–	–	202	–	202	
Derivatives and embedded derivatives	549	1,255	–	–	–	1,804	
	7,552	15,304	2,115	12,084	15,408	52,463	

Commentary on IFRS accounting standards

Paragraph 58 of IFRS 16 requires disclosure of the maturity analysis of lease liabilities applying paragraphs 39 and B11 of IFRS 7 separately from the maturity analyses of other financial liabilities. As such, the Group presented a separate line item for lease liabilities in the maturity analysis of its financial liabilities.

The maturity analysis should include the remaining contractual maturities for derivative financial liabilities, for which contractual maturities are essential to an understanding of the timing of the cash flows.

IFRS 7.B11B

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The financial derivative instruments disclosed in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying amounts:

Year ended 31 December 2026	On demand €000	Less than 3 months €000	3 to 12 months €000	1 to 5 years €000	Over 5 years €000	Total €000	IFRS 7.39(a)(b)
Inflows	800	1,000	250	700	950	3,700	
Outflows	(1,970)	(2,740)	(391)	(1,191)	(1,329)	(7,621)	
Net	(1,170)	(1,740)	(141)	(491)	(379)	(3,921)	
Discounted at the applicable interbank rates	(1,170)	(1,731)	(139)	(463)	(343)	(3,846)	

Year ended 31 December 2025	On demand €000	Less than 3 months €000	3 to 12 months €000	1 to 5 years €000	Over 5 years €000	Total €000	IFRS 7.39(a)(b)
Inflows	500	1,000	–	–	–	1,500	
Outflows	(549)	(1,255)	–	–	–	(1,804)	
Net	(49)	(255)	–	–	–	(304)	
Discounted at the applicable interbank rates	(49)	(255)	–	–	–	(304)	

Collateral

The Group has pledged part of its short-term deposits in order to fulfil the collateral requirements for the derivatives contracts. At 31 December 2026 and 2025, respectively, the fair values of the short-term deposits pledged were €5,000,000 and €2,000,000, respectively. The counterparties have an obligation to return the securities to the Group. The Group also holds a deposit in respect of derivative contracts of €565,000 as at 31 December 2026 (2025: €385,000). The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral.

IAS 7.48
IFRS 7.14
IFRS 7.38
IFRS 7.15
IFRS 7.36(b)

3B.8 Hedging activities and derivatives

Accounting policy

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

IFRS 9.5.1.1
IFRS 7.21

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

IFRS 9.6.5.2(a)

IFRS 9.6.5.2(b)

IFRS 9.6.5.2(c)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

IFRS 9.6.4.1

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

IFRS 9.6.4.1

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described in the below sections.

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk.

IFRS 7.21A

Commentary on IFRS accounting standards

The disclosure requirements for entities applying hedge accounting are set out in paragraphs 21A-24G of IFRS 7. The objective of the hedge accounting disclosures is for entities to disclose information about:

- The risk management strategy and how it is applied to manage risks
- How the risk management activities may affect the amount, timing and uncertainty of future cash flows
- The effect hedge accounting had on the statement of financial position, the statement presenting comprehensive income and the statement of changes in equity

IFRS 7.22A-22C

IFRS 7.23A-23F

IFRS 7.24A-24F

In applying this objective, an entity has to consider the necessary level of detail, the balance between different disclosure requirements, the appropriate level of disaggregation and whether additional explanations are necessary to meet the objective.

The hedge accounting disclosures should be presented in a single note or a separate section of the financial statements.

An entity may include information by cross-referencing to information presented elsewhere, such as a risk report, provided that information is available to users of the financial statements on the same terms as the financial statements and at the same time.

3B.8.1 Derivatives not designated as hedging instruments

The Group uses foreign currency-denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 24 months.

3B.8.2 Cash flow hedges

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices.

Accounting policy

IFRS 9.6.5.11

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as 'Other individually immaterial operating expense' and the ineffective portion relating to commodity contracts is recognised in 'Other individually immaterial operating income or expenses'.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

IFRS 9.6.5.16

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

IFRS 9.6.5.11

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollars and forecast purchases in GBP. These forecast transactions are highly probable, and they comprise about 25% of the Group's total expected sales in US dollars and about 65% of its total expected purchases in GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

IFRS 7.22B(a)

Commodity price risk

The Group purchases copper on an ongoing basis as its operating activities in the electronic division require a continuous supply of copper for the production of its electronic devices. The increased volatility in copper price over the past 12 months has led to the decision to enter into commodity forward contracts.

IFRS 7.22B(a)

These contracts, which commenced on 1 July 2026, are expected to reduce the volatility attributable to price fluctuations of copper. Hedging the price volatility of forecast copper purchases is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

IFRS 7.22B(b)
IFRS 7.22B(c)
IFRS 7.22C

The hedge ineffectiveness can arise from:

IFRS 7.22B(c)

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The Group is holding the following foreign exchange and commodity forward contracts:

	Maturity					IFRS 7.23B
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
As at 31 December 2026						
Foreign exchange forward contracts (highly probable forecast sales)						
Notional amount(in €000)	2,950	3,000	3,150	3,450	3,250	15,800
Average forward rate (EUR/USD)	1.166	1.169	1.172	1.175	1.185	–
Foreign exchange forward contracts (highly probable forecast purchases)						
Notional amount(in €000)	1,450	1,330	1,880	1,750	1,550	7,960
Average forward rate (EUR/GBP)	0.876	0.877	0.878	0.879	0.881	–
Commodity forward contracts						
Notional amount (in tonnes)	–	–	450	530	–	980
Notional amount (in €000)	–	–	2,600	3,000	–	5,600
Average hedged rate (in €000 per tonne)	–	–	5.77	5.66	–	–
As at 31 December 2025						
Foreign exchange forward contracts (highly probable forecast sales)						
Notional amount(in €000)	2,650	2,850	3,000	3,200	2,900	14,600
Average forward rate (EUR/USD)	1.200	1.203	1.206	1.209	1.211	–
Foreign exchange forward contracts (highly probable forecast purchases)						
Notional amount(in €000)	1,250	1,150	1,500	1,600	1,450	6,950
Average forward rate (EUR/GBP)	0.882	0.883	0.884	0.885	0.886	–

The impact of the hedging instruments on the statement of financial position is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period	IFRS 7.24A(a) IFRS 7.24A(b) IFRS 7.24A(c) IFRS 7.24A(d)
	€000	€000		€000	
As at 31 December 2026					
Foreign exchange forward contracts	15,800	252	Other current financial assets	386	
Foreign exchange forward contracts	7,960	(170)	Other current financial liabilities	(99)	
Commodity forward contracts	5,600	(980)	Other current financial liabilities	(980)	
As at 31 December 2025					
Foreign exchange forward contracts	14,600	153	Other current financial assets	137	
Foreign exchange forward contracts	6,950	(254)	Other current financial liabilities	(31)	

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

The impact of hedged items on the statement of financial position is, as follows:

	31 December 2026			31 December 2025			IFRS 7.24B(b)
	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	
	€000	€000	€000	€000	€000	€000	
Highly probable forecast sales	386	165	12	137	107	–	
Highly probable forecast purchases	(99)	(110)	(9)	(31)	(177)	–	
Copper purchases	(915)	(617)	(23)	–	–	–	

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

	Total hedging gain/(loss) recognised in OCI	Ineffective-ness recognised in profit or loss	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss	IFRS 7.24C(b)
	€000	€000		€000	€000		
Year ended 31 December 2026							
Highly probable forecast sales	386	–	–	21	(283)	Revenue	
Highly probable forecast purchases	(99)	–	–	(16)	–	–	
Copper purchases	(915)	65	Other operating expenses	(33)	–	–	
Year ended 31 December 2025							
Highly probable forecast sales	137	–	–	–	(125)	Revenue	
Highly probable forecast purchases	(31)	–	–	–	53	Cost of sales	

Commentary on IFRS accounting standards

Paragraph 24C(b)(iv) of IFRS 7 requires that the amount reclassified from cash flow hedge reserve into profit or loss as a reclassification adjustment be differentiated between: (a) amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur; and (b) the amounts that have been transferred because the hedged item has affected profit or loss. The amounts reclassified by the Group from OCI to profit or loss only relates to the latter.

Commentary on macroeconomic and geopolitical uncertainty

Hedging

An entity's transactions may be postponed or cancelled, or occur in significantly lower volumes than initially forecast as a result of the macroeconomic and geopolitical uncertainty, including factors such as lower economic growth and rising inflation rates. If the entity designated such transactions as a hedged forecast transaction in a cash flow hedge, it would need to consider whether the transaction was still a 'highly probable forecast transaction'.

That is, if the macroeconomic and geopolitical uncertainty affects the probability of hedged forecast transactions occurring and/or the time period designated at the inception of a hedge, an entity would need to determine whether it can continue to apply hedge accounting to the forecast transaction or a proportion of it, and for continuing hedges whether any additional ineffectiveness has arisen.

- If an entity determines that a forecast transaction is no longer highly probable, but still expected to occur, the entity must discontinue hedge accounting prospectively
- If an entity determines that the timing of a forecast transaction has changed, and the cash flows are now expected to occur at a different time than initially forecast, the outcome would depend on the nature of the hedged item and how the hedge relationship was documented, and judgement will be needed in considering the appropriate accounting treatment
- If an entity determines that a forecast transaction is no longer expected to occur, in addition to discontinuing hedge accounting prospectively, it must immediately reclassify to profit or loss any accumulated gain or loss on the hedging instrument that has been recognised in other comprehensive income

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

3B.8.3 Fair value hedge

Accounting policy

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss. As the Group uses interest rate swap agreements to hedge exposure to interest rate fluctuations on its secured loan, the changes in the fair value of the hedging instrument and hedged item are classified within the financing category in the statement of profit or loss within 'Interest expenses on loans and borrowings'. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate (EIR) method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

IFRS 9.6.5.8
IFRS 9.6.5.10

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

IFRS 9.6.5.9

At 31 December 2026, the Group had an interest rate swap agreement in place with a notional amount of USD3,600,000 (€2,246,000) (2025: €Nil) whereby the Group receives a fixed rate of interest of 8.25% and pays interest at a variable rate equal to SOFR+0.2% on the notional amount. The swap is being used to hedge the exposure to changes in the fair value of its fixed rate 8.25% secured loan.

IFRS 7.22B(a)

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

IFRS 7.22B(b)
IFRS 7.22B(c)
IFRS 7.22C

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

The impact of the hedging instrument on the statement of financial position as at 31 December 2026 is, as follows:

IFRS 7.24A

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
	US\$000	€000		€000
Interest rate swap	3,600	35	Other current financial liability	35

IFRS 7.24A(a)
IFRS 7.24A(b)
IFRS 7.24A(c)
IFRS 7.24A(d)

The impact of the hedged item on the statement of financial position as at 31 December 2026 is, as follows:

IFRS 7.24B(a)

	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
	€000	€000		€000
Fixed-rate borrowing	2,246	35	Interest-bearing loans and borrowings	35

The ineffectiveness recognised in the statement of profit or loss was immaterial.

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

3B.8.4 Hedge of net investments in foreign operations

Accounting policy

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

IFRS 9.6.5.13
IFRS 9.6.5.13

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Included in interest bearing loans at 31 December 2026 was a borrowing of USD3,600,000 which has been designated as a hedge of the net investments in the two subsidiaries in the United States, Wireworks Inc. and Sprinklers Inc. beginning in 2026. This borrowing is being used to hedge the Group's exposure to the USD foreign exchange risk on these investments. Gains or losses on the retranslation of this borrowing are transferred to OCI to offset any gains or losses on translation of the net investments in the subsidiaries.

IFRS 7.22B(a)

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate borrowing.

IFRS 7.22B(b)
IFRS 7.22B(c)
IFRS 7.22C

The impact of the hedging instrument on the statement of financial position as at 31 December 2026 is, as follows:

IFRS 7.24A

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
	US\$000	€000		€000
Foreign currency denominated borrowing	3,600	2,246	Interest-bearing loans and borrowings	278

IFRS 7.24A(a)
IFRS 7.24A(b)
IFRS 7.24A(c)
IFRS 7.24A(d)

The impact of the hedged item on the statement of financial position is, as follows:

IFRS 7.24B(b)

	Change in fair value used for measuring ineffectiveness	Foreign currency translation reserve
	€000	€000
Net investment in foreign subsidiaries	278	195

The hedging gain recognised in OCI before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

IFRS 7.24B(b)

Notes to the consolidated financial statements

3B. Financial instruments risk management objectives and policies *continued*

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

IFRS 7.24E
IFRS 7.24F

	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve
	€000		€000
As at 1 January 2025	(94)	–	(327)
Effective portion of changes in fair value arising from:			
Foreign exchange forward contracts - forecast sales	137	–	–
Foreign exchange forward contracts - forecast purchases	(31)	–	–
Amount reclassified to profit or loss	(72)	–	–
Foreign currency revaluation of the net foreign operations*	–	–	(117)
Tax effect	(10)	–	–
As at 1 January 2026	(70)	–	(444)
Effective portion of changes in fair value arising from:			
Foreign exchange forward contracts - forecast sales	365	21	–
Foreign exchange forward contracts - forecast purchases	(83)	(16)	–
Commodity forward contracts	(882)	(33)	–
Amount reclassified to profit or loss	(283)	(4)	–
Amount transferred to inventories	180	3	–
Foreign currency revaluation of the USD borrowing	–	–	278
Foreign currency revaluation of the net foreign operations	–	–	(246)
Tax effect	211	9	(83)
As at 31 December 2026	(562)	(20)	(495)

* Hedging of net investment in foreign operations only started in 2025.

3B.8.5 Embedded derivatives

In 2026, the Group entered into long-term sale contracts with a customer in Canada. The functional currency of the customer is USD. The selling prices in the contracts are fixed and set in Canadian dollars (CAD). The contracts require physical delivery and will be held for the purpose of the delivery of the commodity in accordance with the buyer's expected sales requirements. The contracts have embedded foreign exchange derivatives that are required to be separated.

IFRS 9.4.3.3

The Group also entered into various purchase contracts for brass and chrome (for which there is an active market) with a number of suppliers in the United States and South Africa. The prices in these purchase contracts are linked to the price of electricity. The contracts have embedded commodity swaps that are required to be separated.

The embedded foreign currency and commodity derivatives have been separated and are carried at fair value through profit or loss. The carrying values of the embedded derivatives at 31 December 2026 amounted to €210,000 (other financial assets) (2025: €Nil) and €782,000 (other financial liabilities) (2025: €Nil). The effects on profit or loss are reflected in operating income and operating expenses, respectively.

3C. Capital management

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

IFRS 18.126
IFRS 18.127
IFRS 18.128

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 40%. The Group includes within net debt, interest bearing loans and borrowings, trade, related party and other payables, less cash and short-term deposits, excluding discontinued operations. The Group has established a supplier finance arrangement to manage its working capital. See [Note 3B](#) and [Note 6M](#) for further details.

Notes to the consolidated financial statements

3C. Capital management *continued*

	2026 €000	2025 €000
Interest-bearing loans and borrowings other than convertible preference shares (included in ' Interest-bearing loans and borrowings ', Note 6D)	22,201	23,811
Trade, related party and other payables (Note 6M)	16,969	20,023
Less: cash and short-term deposits (Note 6G)	(17,528)	(14,916)
Net debt	21,642	28,918
Convertible preference shares (included in ' Interest-bearing loans and borrowings ', Note 6D)	2,778	2,644
Equity	58,357	45,102
Total capital	61,135	47,746
Capital and net debt	82,777	76,664
Gearing ratio	26%	38%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2026 and 2025.

Commentary on IFRS accounting standards

Paragraphs 126-128 of IFRS 18 require entities to make qualitative and quantitative disclosures regarding their objectives, policies and processes for managing capital. The Group has disclosed its gearing ratio as this is the measure it uses to monitor capital. The Group considers both capital and net debt as relevant components of funding, hence, part of its capital management. However, other measures or a different type of gearing ratio may be more suitable for other entities.

Paragraph 18-19 of IFRS 7 requires disclosures in the event of a default or breaches as at the end of a reporting period and during the year. Although there are no explicit requirements addressing the opposite situation, the Group has disclosed the restriction on capital represented by financial covenants as it considers it relevant information to the users of the financial statements. The Group did not provide additional information on its debt covenants because the likelihood of the breach occurring is remote.

3D. Distributions made and proposed

Accounting policy

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws of Euroland, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

IFRIC 17.10

	2026 €000	2025 €000
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2025: 5.66 cents per share (2024: 3.93 cents per share)	1,089	749
Interim dividend for 2026: 4.66 cents per share (2025: 4.47 cents per share)	890	851
	1,979	1,600
Special cash dividends on ordinary shares declared but not paid:		
Special dividends for 2026: 2.14 cents per share (2025: Nil)	410	–
Proposed dividends on ordinary shares:		
Final cash dividend for 2026: 5.01 cents per share (2025: 5.66 cents per share)	1,087	1,082

IFRS 18.110

IFRS 18.132(a)

Special dividends were approved by an extraordinary shareholders meeting on 15 December 2026 and are included as a separate line item in the statement of financial position. Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

Notes to the consolidated financial statements

3E. Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

IFRS 18.116(b)
IFRS 8.22(a)
IFRS 8.22(b)

- The fire prevention equipment segment, which produces and installs extinguishers, fire prevention equipment and fire retardant fabrics
- The electronics segment, which is a supplier of electronic equipment for defence, aviation, electrical safety markets and consumer electronic equipment for home use. It offers products and services in the areas of electronics, safety, thermal and electrical architecture

Commentary on IFRS accounting standards

Paragraph 22(a) of IFRS 8 requires entities to disclose factors used to identify the entity's reportable segments, including the basis of organisation, as well as factors considered in determining aggregation of operating segments. Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. For example, similar long-term average gross margins for two operating segments would be expected if their economic characteristics were similar. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

- The nature of the products and services
- The nature of the production processes
- The type or class of customer for their products and services
- The methods used to distribute their products or provide their services
- If applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities

This analysis requires significant judgement as to the circumstances of the entity.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured broadly in line with profit or loss in the consolidated financial statements. However, the performance of Showers Limited, the Group's joint venture is evaluated using proportionate consolidation. Also, the Group's financing (for example, other individually immaterial income from investments and interest expenses on loans and borrowings) and income taxes are managed on a Group basis and are not allocated to operating segments.

IFRS 8.27(b)

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

IFRS 8.27(a)

Year ended 31 December 2026	Fire prevention equipment €000	Electronics €000	Total segments €000	Adjustments and eliminations €000	Consolidated €000	
Revenue						
External customers	141,246	69,263	210,509	(31,451)	179,058	IFRS 8.23(a)
Inter-segment	–	7,465	7,465	(7,465)	–	IFRS 8.23(b)
Total revenue	141,246	76,728	217,974	(38,916)	179,058	
Cost of sales	(108,278)	(61,404)	(169,682)	33,186	(136,496)	IFRS 8.23(f)
Selling expenses	(6,238)	(3,702)	(9,940)	–	(9,940)	IFRS 8.23(f)
Distribution expenses	(3,783)	(226)	(4,009)	–	(4,009)	IFRS 8.23(f)
General and administrative expenses (Note 5)	(10,739)	(5,750)	(16,489)	378	(16,111)	IFRS 8.23(f)
Share of profit of an associate and a joint venture (Note 3H)	83	–	83	588	671	IFRS 8.23(g)
Segment profit	9,988	2,884	12,872	(1,784)	11,088	IFRS 8.23
Total assets	87,347	44,772	132,119	15,258	147,377	IFRS 8.23
Total liabilities	33,191	8,836	42,027	44,583	86,610	IFRS 8.23

Notes to the consolidated financial statements

3E. Segment information continued

Year ended 31 December 2026	Fire prevention equipment	Electronics	Total segments	Adjustments and eliminations	Consolidated	
	€000	€000	€000	€000	€000	
Other disclosures						
Depreciation and amortisation	(3,852)	(489)	(4,341)	–	(4,341)	IFRS 8.23(e)
Goodwill impairment (Note 6C)	–	(200)	(200)	–	(200)	IFRS 8.23(i)
Investment in an associate and a joint venture (Note 3H)	3,187	–	3,187	–	3,187	IFRS 8.24(a)
Capital expenditure	8,541	2,842	11,383	–	11,383	IFRS 8.24(b)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'Adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

Year ended 31 December 2025	Fire prevention equipment	Electronics	Total segments	Adjustments and eliminations	Consolidated	
	€000	€000	€000	€000	€000	
	Restated		Restated		Restated	
Revenue						
External customers	123,282	66,621	189,903	(30,815)	159,088	IFRS 8.23(a)
Inter-segment	–	7,319	7,319	(7,319)	–	IFRS 8.23(b)
Total revenue	123,282	73,940	197,222	(38,134)	159,088	
Cost of sales	(100,475)	(59,827)	(160,302)	32,356	(127,946)	IFRS 8.23(f)
Selling expenses	(6,104)	(2,771)	(8,784)	(91)	(8,875)	IFRS 8.23(f)
Distribution expenses	(2,752)	(1,289)	(4,041)	–	(4,041)	IFRS 8.23(f)
General and administrative expenses (Note 5I)	(7,394)	(4,134)	(11,528)	124	(11,404)	IFRS 8.23(f)
Share of profit of an associate and a joint venture (Note 3H)	81	–	81	557	638	IFRS 8.23(g)
Segment profit	4,701	5,142	9,843	(963)	8,880	IFRS 8.23
Total assets	69,730	40,409	110,139	526	110,665	IFRS 8.23
Total liabilities	31,855	5,754	35,921	28,902	64,823	IFRS 8.23
Other disclosures						
Depreciation and amortisation	(2,860)	(610)	(3,470)	(324)	(3,794)	IFRS 8.23(e)
Impairment of property, plant and equipment (Note 6A)	(301)	–	(301)	–	(301)	IFRS 8.23(i) IAS 36.129
Investment in an associate and a joint venture (Note 3H)	2,516	–	2,516	–	2,516	IFRS 8.24(a)
Capital expenditure	5,260	3,513	8,773	–	8,773	IFRS 8.24(b)

Commentary on IFRS accounting standards

In July 2024, the agenda decision on paragraph 23 of IFRS 8 was published by the IFRS IC. As the agenda decision notes, additional disclosure may be required if the Chief Operating Decision Maker (CODM), which is the Executive Management Committee of the Group in the case of Good Group (International) Limited, regularly reviews certain other items recorded in the statement of profit or loss, i.e., depreciation and amortisation, even if they are not included in the measure of segment profit or loss. In addition, an entity is required to disclose certain specified amounts for each reportable segment when they are included in the measure reviewed by CODM even if they are not separately reviewed by CODM. Impairments and the share of profit in associates are only included for illustrative purposes and are not required to be included as those amounts are immaterial. Paragraph 23(f) of IFRS 8 requires the disclosure of material items of segment income and expense. This requirement applies to all material items of income or expense in accordance with paragraphs 42 and B79 of IFRS 18 but not limited to unusual or non-recurring items. The Group assesses whether the segment amount for an item of income or expense is material in its specific circumstances by considering qualitative and quantitative factors. In particular, the Group considered selling, distribution expenses and general and administrative expenses to be material. In contrast, research and development expenses were assessed as immaterial, based on all relevant facts and circumstances. Materiality is assessed in the context of the Group's financial statements as a whole and requires the use of judgement.

Notes to the consolidated financial statements

3E. Segment information *continued*

Adjustments and eliminations

Interest expenses on liabilities, foreign exchange gains on interest-bearing loans and borrowings, foreign exchange gains on cash and short-term deposits, other individually immaterial income from investments and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

IFRS 8.28

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit

	2026	2025	
	€000	€000	
		Restated	
Segment profit	12,872	9,843	IFRS 8.28(b)
Gain on derivative instruments at fair value through profit or loss (Note 5A)	850	–	
Loss on derivative instruments at fair value through profit or loss (Note 5B)	(1,502)	–	
Foreign exchange gains on cash and short-term deposits (Note 5H)	270	254	
Other individually immaterial income from investments (Note 5C)	243	144	
Interest expenses on debts and borrowings	(1,036)	(1,020)	
Interest expenses on other liabilities (Note 5D)	(431)	(341)	
Foreign exchange gains on interest-bearing loans and borrowings (Note 5H)	57	67	
Inter-segment sales (elimination)	(235)	(67)	
Profit before tax and discontinued operations	11,088	8,880	

Reconciliation of assets

	2026	2025	
	€000	€000	
Segment operating assets	132,119	110,139	IFRS 8.28(c)
Deferred tax assets (Note 6N)	389	365	
Loan to an associate (Note 6D)	200	–	
Loan to a director (Note 6D)	13	8	
Derivatives	1,102	153	
Assets held for sale (Note 4B)	13,554	–	
Total assets	147,377	110,665	

Reconciliation of liabilities

	2026	2025	
	€000	€000	
		Restated	
Segment operating liabilities	42,027	35,921	
Deferred tax liabilities (Note 6N)	2,454	607	
Current tax payable	3,511	3,563	
Interest-bearing loans and borrowings	22,806	24,478	
Derivatives	2,687	254	
Liabilities held for sale (Note 4B)	13,125	–	
Total liabilities	86,610	64,823	IFRS 8.33(a)

Notes to the consolidated financial statements

3E. Segment information *continued*

Adjustment and eliminations *continued*

Geographic information

	2026	2025
	€000	€000
Revenue from external customers		Restated
Euroland	128,238	112,584
United States	52,224	47,881
Total	180,462	160,465

The revenue information above is based on the locations of the customers.

Revenue from one customer amounted to €25,521,000 (2025: €21,263,000), arising from sales in the fire prevention equipment segment.

IFRS 8.33(a)
IFRS 8.34

Non-current operating assets:

	2026	2025
	€000	€000
Euroland	40,934	29,684
United States	9,865	7,821
Total	50,799	37,505

Non-current assets for this purpose consist of 'Property, plant and equipment', 'Right-of-use assets', 'Investment properties', 'Intangible assets' and 'Goodwill'. IFRS 18.114

Commentary on IFRS accounting standards

Other individually immaterial income from investments, interest expenses on liabilities, etc., have not been disclosed by segment as these items are managed on a group basis and are not provided to the CODM at the operating segment level. Disclosure of operating segment assets and liabilities is only required when such measures are provided to the CODM.

The Group provides information about operating assets and liabilities to the CODM. The other operations (e.g., treasury) do not constitute an individual operating segment and may be presented in a separate category 'all other segments' under paragraph 16 of IFRS 18. The results of these operations are reflected in 'Adjustments and eliminations'.

The Group's internal reporting is set up to report in accordance with IFRS accounting standards. The segment disclosures could be significantly more extensive if internal reports had been prepared on a basis other than IFRS accounting standards (e.g. national GAAP or tax basis). In this case, a reconciliation between the internally reported items and the externally communicated items needs to be presented.

The Group has classified an operating segment as a discontinued operation in 2026. IFRS 8 Operating Segments does not provide guidance as to whether segment disclosures apply to discontinued operations. Although the disposed segment is material, the Group has not disclosed the results within the segment disclosures under IFRS 8. Paragraph 5B of IFRS 5 states that the requirements of other standards do not apply to discontinued operations, unless they specify disclosures applicable to them. Since IFRS 8 does not refer to discontinued operations, entities are not required to include them as a reportable segment. This would be the case even if the CODM continued to monitor the discontinued operation until disposal. Nevertheless, an entity would not be prohibited from disclosing such information, if desired.

The Group's CODM regularly reviews the segment information related to the joint venture based on its share of revenue, profits, assets and liabilities to make decisions about resources to be allocated to the segment and assess its performance. However, as required by IFRS 11 Joint Arrangements, the Group's interest in the joint venture is accounted for in the consolidated financial statements using the equity method. The eliminations arising on account of differences between proportionate consolidation and equity method are included in 'Adjustments and eliminations'.

Notes to the consolidated financial statements

3F. Management-defined performance measures

The Group uses two management-defined performance measures (MPMs) in its public communications to convey management's view of an aspect of the operating performance of the Group as whole. The Group's MPMs are: (i) adjusted operating profit, and (ii) adjusted OPDAI. Two MPMs are not defined by IFRS accounting standards, which means they may not be directly comparable to similar measures used by other entities.

IFRS 18.121
IFRS 18.122

The income tax effect of each reconciling item is determined using the statutory tax rate of 30% that applies in Euroland, applied consistently to each reconciling item.

IFRS 18.123(e)

(i) Adjusted operating profit

The Group's management believes that this adjusted operating profit measure offers a relevant alternative perspective on the Group's underlying operating performance by excluding the effects of items that are not indicative of ongoing business activities. The Group's management considers this useful for understanding profitability trends and for evaluating the Group's ability to generate sustainable earnings from its core operations.

IFRS 18.123(a)

Operating profit has been adjusted to exclude income and expense items considered to only occur infrequently. Typically, the Group adjusts operating profit by excluding the following income and expenses:

IFRS 18.123(b)

- Impairment losses (or reversals) related to property, plant, and equipment (including right-of-use assets), intangible assets and goodwill ([Note 6A](#), [6C](#))
- Government grants related to property, plant, and equipment ([Note 5A](#), [6K](#))
- Gains or losses from the disposal of property, plant, and equipment, as well as intangible assets ([Note 5A](#))

The reconciliation of adjusted operating profit to operating profit is set out below.

	Reconciliation	Income tax expense	Profit attributable to NCI	
Year ended 31 December 2026	€000	€000	€000	IFRS 18.31 IFRS 18.123(c) IFRS 18.123(d)
Operating profit	10,216			
Impairment of goodwill	200	(60)	–	
Government grants	(1,053)	316	–	
Gains on the disposal of property, plant, and equipment	(532)	160	(24)	
Adjusted operating profit (MPM)	8,831			

	Reconciliation	Income tax Expense	Profit attributable to NCI	
Year ended 31 December 2025	€000	€000	€000	IFRS 18.31 IFRS 18.123(c) IFRS 18.123(d)
Operating profit	8,061			
Impairment of property, plant, and equipment	301	(90)	–	
Government grants	(541)	162	–	
Gains on the disposal of property, plant, and equipment	(2,007)	602	(124)	
Adjusted operating profit (MPM)	5,814			

Impairment of goodwill is included in 'General and administrative expense'. Government grants and gains on the disposal of property, plant, and equipment are included in 'Other individually immaterial operating income'.

Commentary on IFRS accounting standards

Local regulators may take different views on the disclosure of multiple adjusted operating performance measures, particularly when those measures appear to communicate similar aspects of performance. In such circumstances, questions may arise as to whether the objectives of the measures are sufficiently distinct and whether the disclosures clearly explain why each measure provides useful information about management's view of an aspect of the entity's financial performance. Therefore, consideration of local regulatory views may be important when assessing the appropriateness of presenting multiple adjusted operating performance measures and the adequacy of the related disclosures.

Notes to the consolidated financial statements

3F. Management-defined performance measures *continued*

(ii) Adjusted OPDAI

The Group's management believes that adjusted OPDAI provides a relevant perspective on the Group's operating cash-generating capability by excluding non-cash items, such as depreciation, amortisation, impairment, share-based payment expenses and government grants, which do not reflect cash generation. The Group's management provides this measure, together with commonly applied cash flow and leverage ratios, to assess the cash-generating capacity of the Group's operation.

IFRS 18.123(a)

Adjusted OPDAI is calculated by adjusting operating profit before depreciation, amortisation, and impairments within the scope of IAS 36 (OPDAI) for:

IFRS 18.123(b)

- Government grants related to property, plant, and equipment ([Note 5A, 6K](#))
- Share-based payment expenses ([Note 5J](#))

Operating profit before depreciation, amortisation and impairments within the scope of IAS 36 (OPDAI) is calculated by adjusting operating profit for:

- Depreciation of property, plant, and equipment and right-of-use assets ([Note 6A](#))
- Amortisation of intangible assets ([Note 6C](#))
- Impairment losses (or reversals) related to property, plant, and equipment (including right-of-use assets), intangible assets and goodwill ([Note 6A, 6C](#))

The reconciliation of adjusted OPDAI to operating profit is set out below:

	Reconciliation	Income tax expense	Profit attributable to NCI	
	€000	€000	€000	
Year ended 31 December 2026				IFRS 18.31
Operating profit	10,216			IFRS 18.123(c)
Depreciation charge of property, plant, and equipment and for right-of-use assets	4,231	—	—	IFRS 18.140(b)
Amortisation of intangible assets	125	—	—	IFRS 18.140(b)
Impairment of goodwill	200	—	—	IFRS 18.140(b)
OPDAI	14,772			IFRS 18.118(b)
Government grants	(1,053)	316	—	
Share-based payment expenses	412	(124)	—	
Adjusted OPDAI (MPM)	14,131			

	Reconciliation	Income tax Expense	Profit attributable to NCI	
	€000	€000	€000	
Year ended 31 December 2025				IFRS 18.31
Operating profit	8,716			IFRS 18.123(c)
Depreciation charge of property, plant, and equipment and for right-of-use assets	3,493	—	—	IFRS 18.140(b)
Amortisation of intangible assets	174	—	—	IFRS 18.140(b)
Impairment of property, plant, and equipment	301	—	—	IFRS 18.140(b)
OPDAI	12,684			IFRS 18.118(b)
Government grants	(541)	162	—	
Share-based payment expenses	492	(148)	—	
Adjusted OPDAI (MPM)	12,334			

Depreciation, amortisation, impairments and share-based payments expenses are included in 'Cost of sales', 'Selling expenses', 'Distribution expenses', 'Research and development expenses' and 'General and administrative expenses'. Government grants are included in 'Other individually immaterial operating income'.

Commentary on IFRS accounting standards

For the purposes of the reconciliation required by paragraph 123(c) of IFRS 18, the Group has used 'Operating profit before depreciation, amortisation and impairments within the scope of IAS 36 (OPDAI)', a subtotal listed in paragraph 118 of IFRS 18. Therefore, the reconciliation is disclosed from adjusted OPDAI to OPDAI and from OPDAI to operating profit. In accordance with paragraph B140 of IFRS 18, income tax effects and effects on non-controlling interests are disclosed only for 'the reconciling items between the MPM (Adjusted OPDAI) and OPDAI, and not for the reconciling items between OPDAI and operating profit.

Notes to the consolidated financial statements

3F. Management-defined performance measures *continued*

Commentary on IFRS accounting standards

IFRS 18 defines a Management-defined Performance Measure (MPM) as a subtotal of income and expenses that an entity uses in public communications outside financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole to users. Adjusted operating profit is extensively quoted by the management of the Group in its management commentary, press releases, and investor presentations.

IFRS 18 requires disclosure of the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation between an MPM and the most directly comparable total or subtotal specifically required by an IFRS accounting standard or one of the subtotals listed in paragraph 118 of IFRS 18. The Group has determined the income tax effect of each reconciling item by calculating the income tax effects for the underlying transactions at the statutory tax rates applicable to the transactions in Euroland. Paragraph of B141 of IFRS 18 allows entities to calculate the tax effects for the underlying transactions using alternative methods. If entities use multiple methods to calculate the income tax effects of its reconciling items, the methods taken for each reconciling item shall be disclosed.

The Group has disclosed MPM notes that include all required information. It is also allowed to combine MPM disclosures with other information (for example, segmental reporting) in the same note. If entities disclose other information in the same note, the MPM information needs to be labelled in such a way that it can be clearly distinguished from the other information.

An entity may change how it calculates an MPM, start using a new MPM, stop using a previously disclosed MPM, or change how it determines the income tax effects of any items disclosed in the reconciliation required for each MPM. Entities must disclose an explanation for users to understand its related effects, the reasons for change and restated comparative information reflecting the change unless it is impracticable to restate comparatives. If entities cannot disclose the restated comparative information because it is impracticable to do so, the entities must disclose that fact.

3G. Basis of consolidation and financial information on material partly-owned subsidiaries

Accounting policy

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

IFRS 10.7

IFRS10.B38

IFRS 10.B80
IFRS 10.B86
IFRS 10.B99

IFRS 10.B94
IFRS 10.B87
IFRS 10.B86

IFRS 10.B96
IFRS 10.B98
IFRS10.B99

Notes to the consolidated financial statements

3G. Basis of consolidation and financial information on material partly-owned subsidiaries *continued*

Commentary on IFRS accounting standards

When applying an IFRS accounting standard, such as IFRS 18, entities need to assess whether disclosing accounting policy information will provide useful information, even if not required on a recurring basis. This assessment involves applying materiality to determine which policies should be disclosed, and the Group follows paragraph 19 of IFRS 18 in making this judgement. For further guidance, please refer to [Appendix 4](#) and our publication, [Applying IFRS: Disclosure of accounting policy information](#).

Significant judgements

Consolidation of a structured entity

In February 2026, the Group and a third-party partner formed an entity, Fire Equipment Test Lab Limited, to acquire land and construct and operate a fire equipment safety facility. The Group holds 20% of the voting shares in this entity. The third-party partner contributed approximately €2,700,000 in 2026, representing 80% of the voting shares, for the acquisition and construction of the fire safety test facility. The third-party partner is committed to provide approximately €1,000,000 in each of the following two years to complete the project. The construction is expected to be completed in 2028 at a total cost of approximately €4,700,000. The partner is entitled to a 22% return on the outstanding capital upon the commencement of operations. Under the contractual arrangement with the third-party partner, the Group has a majority representation on the entity's board of directors and the Group's approval is required for all major operational decisions. At the end of the fourth annual period, the partner is entitled to a 100% capital return. The EIR is 11% and the interest accumulated on the contributed amount totalled €303,000 at 31 December 2026. The Group is effectively guaranteeing the returns to the third-party partner. On completion of the construction, the operations of Fire Equipment Test Lab Limited will be solely carried out by the Group.

Based on the contractual terms, the Group assessed that the voting rights in Fire Equipment Test Lab Limited are not the dominant factor in deciding who controls the entity. Also, it is assessed that there is insufficient equity financing (€200,000) to allow the entity to finance its activities without the non-equity financial support of the Group. Therefore, the Group concluded Fire Equipment Test Lab Limited is a structured entity under IFRS 10 *Consolidated Financial Statements* and that the Group controls it with no non-controlling interests. The voting shares of the third-party partner are accounted for as a financial liability.

Therefore, Fire Equipment Test Lab Limited is consolidated in the Group's consolidated financial statements. The shares of the third-party partner are recorded as a long-term loan and the return on investment is recorded as interest expense.

Consolidation of entities in which the Group holds less than a majority of voting rights (de facto control)

The Group considers that it controls Electronics Limited even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Electronics Limited with a 48% equity interest. The remaining 52% of the equity shares in Electronics Limited are widely held by many other shareholders, none of which individually hold more than 1% of the equity shares (as recorded in the company's shareholders' register from 1 October 2017 to 31 December 2026). Since 1 October 2017, which is the date of acquisition of Electronics Limited, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

IFRS 12.7(a)
IFRS 12.9
IFRS 12.17
IFRS 12.8
IFRS 12.9
IFRS 12.14

IFRS 10.B41,
IFRS 10.B42
IFRS 12.7(a)
IFRS 12.8
IFRS 12.9

Commentary on IFRS accounting standards

Paragraph 27G of IAS 8 requires an entity to disclose the judgements that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements. For some items, it will be necessary to provide disclosures both in the context of estimation uncertainty and significant judgements. Entities need to determine the most appropriate disclosure for such items. For example, Good Group has determined that disclosures about deferred tax assets primarily relate to judgements, even though also estimation uncertainty is involved.

IFRS 12 adds to the general requirements of IAS 8 by specifically requiring an entity to disclose all significant judgements and estimates made in determining the nature of its interest in another entity or arrangement, and in determining the type of joint arrangement in which it has an interest. Paragraph 7 of IFRS 12 requires that an entity disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining:

- That it has control of another entity
- That it has joint control of an arrangement or significant influence over another entity
- The type of joint arrangement (i.e., joint operation or joint venture) when the arrangement has been structured through a separate vehicle.

Notes to the consolidated financial statements

3G. Basis of consolidation and financial information on material partly-owned subsidiaries continued

Commentary on IFRS continued

An entity must disclose, for example, significant judgements and assumptions made in determining that

- It does not control another entity even though it holds more than half of the voting rights of the other entity
- It controls another entity even though it holds less than half of the voting rights of the other entity
- It is an agent or principal as defined by IFRS 10
- It does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity
- It has significant influence even though it holds less than 20 per cent of the voting rights of another entity

The Group assessed that it controls Electronics Limited, despite having less than a majority of the voting rights, based on the guidance under paragraph B42 of IFRS 10.

The Group does not have any interest in unconsolidated structured entities. Interests in such entities require the disclosures under paragraphs 24 to 31 of IFRS 12.

Financial information of subsidiaries that have material non-controlling interests is provided below:

IFRS 12.10(ii)
IFRS 12.12

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2026	2025
Electronics Limited	Euroland	52%	52%
Extinguishers Limited	Euroland	20%	–
Lightbulbs Limited	Euroland	12.6%	20%

	2026	2025
	€000	€000

IFRS 12.12(f)
IFRS 12.B10

Accumulated balances of material non-controlling interest:

Electronics Limited	490	277
Extinguishers Limited	1,696	–
Lightbulbs Limited	263	344

Profit allocated to material non-controlling interest:

Electronics Limited	243	192
Extinguishers Limited	149	–
Lightbulbs Limited	54	2

The summarised financial information of these subsidiaries is provided below. The information is based on amounts before inter-company eliminations.

IFRS 12.B11
IFRS 12.12(g)
IFRS 12.B10

Summarised statement of profit or loss for 2026:

	Electronics Limited	Extinguishers Limited	Lightbulbs Limited
	€000	€000	€000
Revenue from contracts with customers	2,546	17,857	5,748
Cost of sales	(1,450)	(15,678)	(4,090)
General and administrative expenses	(354)	(1,364)	(1,020)
Interest expenses on loans and borrowings	(250)	(65)	(132)
Profit before tax	492	750	506
Income tax	(25)	(6)	(80)
Profit for the year from continuing operations	467	744	426
Total comprehensive income	467	744	426
Attributable to non-controlling interests	243	149	54
Dividends paid to non-controlling interests	30	–	–

Notes to the consolidated financial statements

3G. Basis of consolidation and financial information on material partly-owned subsidiaries continued

IFRS 12.B11
IFRS 12.12(g)
IFRS 12.B10

Summarised statement of profit or loss for 2025:

	Electronics Limited	Lightbulbs Limited
	€000	€000
Revenue from contracts with customers	2,100	476
Cost of sales	(1,250)	(360)
General and administrative expenses	(150)	(85)
Interest expenses on loans and borrowings	(350)	(11)
Profit before tax	350	20
Income tax	20	(8)
Profit for the year from continuing operations	370	12
Total comprehensive income	370	12
Attributable to non-controlling interests	192	2
Dividends paid to non-controlling interests	49	–

Summarised statement of financial position as at 31 December 2026:

	Electronics Limited	Extinguishers Limited	Lightbulbs Limited
	€000	€000	€000
Inventories and cash and bank balances (current)	971	7,043	2,348
Property, plant and equipment and other non-current assets (non-current)	1,408	10,273	1,409
Trade, related party and other payables (current)	(417)	(5,822)	(1,182)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(1,019)	(3,016)	(485)
Total equity	943	8,478	2,090
Attributable to:			
Equity holders of parent	453	6,782	1,827
Non-controlling interest	490	1,696	263

Summarised statement of financial position as at 31 December 2025:

	Electronics Limited	Lightbulbs Limited
	€000	€000
Inventories and cash and bank balances (current)	698	1,668
Property, plant and equipment and other non-current assets (non-current)	1,280	1,359
Trade, related party and other payables (current)	(350)	(822)
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	(1,095)	(485)
Total equity	533	1,720
Attributable to:		
Equity holders of parent	256	1,376
Non-controlling interest	277	344

Summarised cash flow information for year ended 31 December 2026:

	Electronics Limited	Extinguishers Limited	Lightbulbs Limited
	€000	€000	€000
Operating	507	809	558
Investing	(15)	(280)	6
Financing	(250)	(65)	(132)
Net increase in cash and cash equivalents	242	464	432

Notes to the consolidated financial statements

3G. Basis of consolidation and financial information on material partly-owned subsidiaries *continued*

Summarised cash flow information for year ended 31 December 2025:

	Electronics Limited	Lightbulbs Limited
	€000	€000
Operating	460	23
Investing	(10)	(20)
Financing	(350)	(11)
Net increase/(decrease) in cash and cash equivalents	100	(8)

Commentary on IFRS accounting standards

Paragraph 12 of IFRS 12 requires the above information only in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e., the Group). A subsidiary may have significant non-controlling interest *per se*, but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually. In addition, it should be noted that the above information should be provided separately for each individual subsidiary with a material non-controlling interest. The Group has concluded that Extinguishers Limited, Lightbulb Limited and Electronics Limited are the only subsidiaries with non-controlling interests that are material to the Group.

When there is a change in the ownership of a subsidiary, paragraph 18 of IFRS 12 requires disclosure of a schedule that shows the effects on equity of any changes in its ownership interest in the subsidiary that did not result in a loss of control. When there are significant restrictions on the Group's or its subsidiaries' ability to access or use the assets and settle the liabilities of the Group, paragraph 13 of IFRS 12 requires disclosure of the nature and extent of significant restrictions. The Group did not have any such restrictions.

Paragraph 10(b)(iv) of IFRS 12 requires disclosure of information to enable the users to evaluate the consequences of losing control of a subsidiary during the period. The Group did not lose control over a subsidiary during the period.

3H. Interest in a joint venture and investment in an associate

Accounting policy

The group holds an interest in a joint venture, Showers Limited, and an interest in an associate, Power Works Limited.

IAS 28.3

The financial statements of Showers Limited and Power Works Limited are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

IFRS 11.16
IFRS 11.7

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss in the investing category and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments.

IAS 28.10

IAS 28.26-29

Notes to the consolidated financial statements

3H. Interest in a joint venture and investment in an associate *continued*

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

IFRS
18.75(a)(iii)

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value.

IAS 28.40-43

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

IAS 28.22(b)

Commentary on IFRS accounting standards

The Group does not have an interest in a joint operation. If the Group had an interest in a joint operation, in accordance with paragraph 20 of IFRS 11, it would recognise in relation to its interest its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

3H.1 Interest in a joint venture

The Group has a 50% interest in Showers Limited, a joint venture involved in the manufacture of some of the Group's main product lines in fire prevention equipment in Euroland. The Group's interest in Showers Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements prepared in accordance with IFRS accounting standards, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

IFRS 12.20
IFRS 12.21
IFRS 12.B14

Summarised statement of financial position of Showers Limited:

	2026 €000	2025 €000	
Current assets, including cash and cash equivalents €989,000 (2025: €743,000) and prepayments €1,030,000 (2025: Nil)	3,226	2,808	IFRS 12.B12 IFRS 12.B13
Non-current assets	2,864	2,964	
Current liabilities, including tax payable €89,000 (2025: €143,000)	(224)	(1,102)	
Non-current liabilities, including deferred tax liabilities €278,000 (2025: €325,000) and long-term borrowing €500,000 (2025: €500,000)	(1,020)	(1,000)	
Equity	4,846	3,670	
Group's share in equity - 50% (2025: 50%)	2,423	1,835	
Goodwill	—	—	
Group's carrying amount of the investment	2,423	1,835	IFRS 12.B14(b)

Notes to the consolidated financial statements

3H. Interest in a joint venture and investment in an associate *continued*

Summarised statement of profit or loss of Showers Limited:

	2026	2025	
	€000	€000	
Revenue from contracts with customers	60,094	58,876	
Cost of sales	(54,488)	(53,420)	
General and administrative expenses, including depreciation €1,236,000 (2025: €1,235,000)	(2,638)	(2,586)	IFRS 12.B13
			IFRS 12.B13
Operating profit	2,968	2,870	
Profit before financing and income taxes	2,968	2,870	
Interest expenses on other liabilities	–	(50)	IFRS 12.B13
Interest expenses on loans and borrowings	(204)	(150)	IFRS 12.B13
Profit before income taxes	2,764	2,670	
Income tax expense	(1,588)	(1,556)	IFRS 12.B13
Profit (continuing operations)	1,176	1,114	
Total comprehensive income (continuing operations)	1,176	1,114	IFRS 12.B12(b)
Group's share of profit	588	557	

The joint venture had no other contingent liabilities or commitments as at 31 December 2026 and 2025, except trade purchase commitments of €620,000 (2025: €1,032,000), for which the Group has a corresponding commitment, as disclosed in [Note 7A](#). Showers Limited cannot distribute its profits without the consent from the two venture partners.

IFRS 12.22(a)
IFRS 12.23(a)
IFRS 12.B18-B19

Commentary on IFRS accounting standards

Paragraph B14 of IFRS 12 requires separate presentation of goodwill and other adjustments to the investments in joint ventures and associates in the above reconciliation. The Group does not have goodwill or other adjustments.

Paragraph 21(a) of IFRS 12 requires the separate disclosure of information for joint operations, as it relates to all types of joint arrangements. The Group does not have any joint operations.

The Group has presented the summarised financial information of the joint venture based on its financial statements prepared in accordance with IFRS accounting standards.

Paragraph B15 of IFRS 12 allows this information to be provided using alternative bases, if the entity measures its interest in the joint venture or associate at fair value, and if the joint venture or associate does not prepare financial statements in accordance with IFRS accounting standards and preparation on that basis would be impracticable or cause undue cost. Applying both the impracticable and undue cost thresholds involves significant judgement and must be carefully considered in the context of the specific facts and circumstances. In either case, the entity is required to disclose the basis on which the information is provided.

Paragraph 22(b) of IFRS 12 requires additional disclosures when the financial statements of the joint venture or associate used in applying equity method are as of a different date or for a different period from that of the entity. This is not applicable to the Group.

Paragraph 22(c) of IFRS 12 requires disclosure of unrecognised share of losses of a joint venture and associate. This is not applicable to the Group.

Entities will need to consider whether there is any impairment of their investments in joint ventures. Impairment charges relating to investments in joint ventures should be accounted for in accordance with the equity method under IAS 28. IAS 28 requires the investment in a joint venture to be considered as a single cash-generating unit, rather than 'drilling down' into the separate cash-generating units determined by the joint venture. The impairment test should be undertaken in accordance with the requirements of IAS 36.

Notes to the consolidated financial statements

3H. Interest in a joint venture and investment in an associate *continued*

3H.2 Investment in an associate

IFRS 12.20
IFRS 12.21(a)

The Group has a 25% interest in Power Works Limited, which is involved in the manufacture of fire prevention equipment for power stations in Euroland. Power Works Limited is a private entity that is not listed on any public exchange. The Group's interest in Power Works Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Power Works Limited:

	2026	2025	
	€000	€000	IFRS 12.B12
Current assets	6,524	6,324	
Non-current assets	13,664	12,828	
Current liabilities	(4,488)	(3,904)	
Non-current liabilities	(12,644)	(12,524)	
Equity	3,056	2,724	
Group's share in equity - 25% (2025: 25%)	764	681	
Goodwill	–	–	
Group's carrying amount of the investment	764	681	

3G. Interest in a joint venture and investment in an associate *continued*

	2026	2025	
	€000	€000	
Revenue from contracts with customers	33,292	32,640	
Cost of sales	(27,299)	(26,765)	
General and administrative expenses	(1,665)	(1,632)	
Operating profit	4,328	4,243	
Profit before financing and income taxes	4,328	4,243	
Interest expenses on loans and borrowings	(2,996)	(2,938)	
Profit before income taxes	1,332	1,305	
Income tax expense	(1,000)	(981)	
Profit (continuing operations)	332	324	
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(120)	–	
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	120	–	
Total comprehensive income (continuing operations)	332	324	IFRS 12.B12(b)
Group's share of profit	83	81	

The associate requires the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

IFRS 12.22(a)

The associate had no contingent liabilities or capital commitments as at 31 December 2026 and 2025.

IFRS 12.23

Commentary on IFRS accounting standards

Paragraphs 21(c) and B16 of IFRS 12 require disclosure of the aggregated information of associates and joint ventures that are accounted for using the equity method and are not individually material. The Group did not have any immaterial associates or joint ventures.

The Group has presented the summarised financial information of the associate based on its financial statements prepared in accordance with IFRS accounting standards. Paragraph B15 of IFRS 12 allows this information to be provided using alternative bases.

Entities will need to consider whether there is any impairment of their investments in associates. Impairment charges relating to investments in associates should be accounted for in accordance with the equity method under IAS 28. IAS 28 requires the investment in an associate to be considered as a single cash-generating unit, rather than 'drilling down' into the separate cash-generating units determined by the associate. The impairment test should be undertaken in accordance with the requirements of IAS 36.

Notes to the consolidated financial statements

Section 4: Significant transactions and events

This section provides additional information which will help users understand how changes in the Group structure has impacted the financial position and performance of the Group as a whole and the significant events that have occurred during the year impacting the financial position and performance of the Group.

4A. Business combinations and acquisition of non-controlling interests

Accounting policy

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in 'General and administrative expenses'.

IFRS 3.4
IFRS 3.18
IFRS 3.19

IFRS 3.53
IFRS 3.B64(m)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

IFRS 3.B8
IFRS 3.B12

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

IFRS 3.15
IFRS 3.16

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

IFRS 3.39
IFRS 3.58

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

IFRS 3.32

IFRS 3.36

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

IFRS 3.B63(a)
IAS 36.80

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

IAS 36.86

4A.1 Acquisitions in 2026

IFRS 3.59-60

Acquisition of Extinguishers Limited

On 1 May 2026, the Group acquired 80% of the voting shares of Extinguishers Limited, a non-listed company based in Euroland and specialising in the manufacture of fire retardant fabrics, in exchange for the Company's shares. The Group acquired Extinguishers Limited because it significantly enlarges the range of products in the fire prevention equipment segment that can be offered to its clients.

IFRS 3.B64(a)
IFRS 3.B64(b)
IFRS 3.B64(c)
IFRS 3.B64(d)

IFRS 3.B64(o)(i)

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

Notes to the consolidated financial statements

4A. Business combinations and acquisition of non-controlling interests *continued*

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Extinguishers Limited as at the date of acquisition were:

	Fair value recognised on acquisition	<i>IFRS 3.B64(i) IAS 7.40(d)</i>
Assets	€000	
Property, plant and equipment (Note 6A)	7,042	
Right-of-use assets (Note 6O)	248	
Cash and cash equivalents	230	<i>IAS 7.40(c)</i>
Trade receivables (Note 6F)	1,716	
Inventories	3,330	
Patents and licences (Note 6C)	1,200	
	13,766	
Liabilities		
Trade payables (Note 6M)	(1,901)	
Lease liabilities (Note 6O)	(213)	
Contract liabilities (Note 6L)	(428)	
Contingent liability (Note 6I)	(380)	
Provision for restructuring (Note 6I)	(900)	
Provision for decommissioning costs (Note 6I)	(1,200)	
Deferred tax liability (Note 6N)	(1,511)	
	(6,533)	
Total identifiable net assets at fair value	7,233	
Non-controlling interest measured at fair value	(1,547)	<i>IFRS 3.B64(o)(i)</i>
Goodwill arising on acquisition (Note 6C)	2,231	
Purchase consideration transferred	7,917	<i>IAS 7.40(a)</i>

The acquisition date fair value of the trade receivables amounts to €1,716,000. The gross amount of trade receivables is €1,754,000 and it is expected that the full contractual amounts can be collected. *IFRS 3.B64(h)*

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms. *IFRS 3.28B*

Commentary on IFRS accounting standards

Paragraph 28B of IFRS 3 requires the lease liability to be measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. That is, the acquirer applies IFRS 16's initial measurement provisions using the present value of the remaining lease payments at the acquisition date. The right-of-use asset is measured at an amount equal to the lease liability, adjusted to reflect the favourable or unfavourable terms of the lease when compared with market terms. Because the off-market nature of the lease is captured in the right-of-use asset, the acquirer does not separately recognise an intangible asset or liability for favourable or unfavourable lease terms relative to market terms.

Prior to the acquisition, Extinguishers Limited decided to eliminate certain product lines (further details are given in [Note 6I](#)). The restructuring provision recognised was a present obligation of Extinguishers Limited immediately prior to the business combination. The execution of the restructuring plan was not conditional upon it being acquired by the Group.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of €2,231,000 comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. Goodwill is allocated entirely to the fire prevention segment. Due to the contractual terms imposed on acquisition, the customer list is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes. *IFRS 3.B64(e)*
IFRS 3.B64(k)

Notes to the consolidated financial statements

4A. Business combinations and acquisition of non-controlling interests *continued*

A contingent liability at fair value of €380,000 was recognised at the acquisition date resulting from a claim of a supplier whose shipment was rejected, and payment was refused by the Group due to deviations from the defined technical specifications of the goods. The claim is subject to legal arbitration and is only expected to be finalised in late 2027. As at the reporting date, the contingent liability was re-assessed and is determined to be €400,000, based on the expected probable outcome (see [Note 6I](#)). The charge to profit or loss has been recognised.

IFRS 3.B64(j)
IFRS 3.56(a)
IAS 37.85

The fair value of the non-controlling interest in Extinguishers Limited, a non-listed company, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

IFRS 3.B64 (o)(ii)

- An assumed discount rate of 14%
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 2% to 4%, which has been used to determine income for the future years
- A reinvestment ratio of 60% of earnings

From the date of acquisition, Extinguishers Limited contributed €17,857,000 of revenue and €750,000 to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been €22,582,000 and profit before tax from continuing operations for the Group would have been €1,285,000.

IFRS 3.B64(q)(i)
IFRS 3.B64(q)(ii)

Purchase consideration

Shares issued, at fair value

Contingent consideration liability

Total consideration

€000

7,203

714

7,917

IFRS 3.B64(f)(iv)

IFRS 3.B64(f)(iii)

IAS 7.40(a)

Analysis of cash flows on acquisition:

Transaction costs of the acquisition (included in 'General and administrative expenses' in the statement of profit or loss)

(600)

Net cash acquired with the subsidiary (presented in 'Acquisition of a subsidiary, net of cash acquired' in the statement cash flows)

230

IAS 7.40(c)

Transaction costs attributable to issuance of shares (presented in 'Transaction costs on issue of shares' in the statement cash flows)

(32)

Net cash flow on acquisition

(402)

The Company issued 2,500,000 ordinary shares as consideration for the 80% interest in Extinguishers Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was €2.88 per share. The fair value of the consideration given was therefore €7,203,000.

IFRS 3.B64(f)(iv)

Transaction costs of €600,000 were expensed and are included in general and administrative expenses. The attributable costs of the issuance of the shares of €32,000 have been charged directly to equity as a reduction in share premium.

IFRS 3.B64(m)

Contingent consideration

As part of the purchase agreement with the previous owner of Extinguishers Limited, a contingent consideration has been agreed. There will be additional cash payments to the previous owners of Extinguishers Limited of:

IFRS 3.B64(g)(ii)
IFRS 13.93(h)(ii)

- a) €675,000, if the entity generates up to €1,500,000 of profit before tax in a 12-month period after the acquisition date

IFRS 3.B64(g)(iii)
IFRS 3.B64(g)(i)

Or

- b) €1,125,000, if the entity generates €1,500,000 or more of profit before tax in a 12-month period after the acquisition date

IFRS 3.58(b)(i)

As at the acquisition date, the fair value of the contingent consideration was estimated to be €714,000. The contingent consideration is classified as other financial liability (see [Note 6D](#)).

IFRS 13.93(d)

Notes to the consolidated financial statements

4A. Business combinations and acquisition of non-controlling interests *continued*

As at 31 December 2026, the key performance indicators of Extinguishers Limited show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised. The fair value of the contingent consideration determined at 31 December 2026 reflects this development, among other factors and a remeasurement charge has been recognised through profit or loss. The fair value is determined using a DCF method. The significant unobservable inputs used in the fair value measurements, together with a quantitative sensitivity analysis as at 31 December 2026 are provided in [Note 2D.3](#). A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

IFRS 13.93(h)(i)

	€000	
As at 1 January 2026	–	IFRS 13.93(e)
Liability arising on business combination	714	
Unrealised fair value changes (included in 'General and administrative expenses' in the statement profit or loss)	358	IFRS 13.93(f)
As at 31 December 2026	1,072	

The fair value of the contingent consideration liability increased due to a significantly improved performance of Extinguishers Limited compared with the budget. The contingent consideration liability is due for final measurement and payment to the former shareholders on 30 September 2027.

Commentary on IFRS accounting standards

The classification of a contingent consideration requires an analysis of the individual facts and circumstances. It may be classified as follows: equity or a financial liability in accordance with IAS 32 and IFRS 9; a provision in accordance with IAS 37; or in accordance with other standards, each resulting in different initial recognition and subsequent measurement. The Group has determined that it has a contractual obligation to deliver cash to the seller and therefore it has assessed it to be a financial liability under paragraph 11 of IAS 32. Consequently, the Group is required to remeasure that liability at fair value at each reporting date with changes in fair value recognised in profit or loss in accordance with IFRS 9 under paragraph 58(b)(i) of IFRS 3.

As part of the business combination, contingent payments to employees or selling shareholders are common methods of retention of key people for the combined entity. The nature of such contingent payments, however, needs to be evaluated in each individual circumstance as not all such payments qualify as contingent consideration, but are accounted for as a separate transaction. For example, contingent payments that are unrelated to the future service of the employee are deemed contingent consideration, whereas contingent payments that are forfeited when the employment is terminated are deemed remuneration. Paragraphs B54-B55 of IFRS 3 (in connection with paragraphs 51, 52(b) of IFRS 3 provide further guidance.

Acquisition of additional interest in Lightbulbs Limited

On 1 October 2026, the Group acquired an additional 7.4% interest in the voting shares of Lightbulbs Limited, increasing its ownership interest to 87.4%. Cash consideration of €325,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Lightbulbs Limited (excluding goodwill on the original acquisition) was €1,824,000. Following is a schedule of additional interest acquired in Lightbulbs Limited:

IFRS10.B96
IFRS12.18
IFRS12.10(b)(iii)

	€000
Cash consideration paid to non-controlling shareholders (presented in 'Acquisition of non-controlling interests' in the statement of cash flows)	325
Carrying value of the additional interest in Lightbulbs Limited	(135)
Difference recognised in retained earnings	190

Notes to the consolidated financial statements

4A. Business combinations and acquisition of non-controlling interests *continued*

4A.2 Acquisitions in 2025

On 1 December 2025, the Group acquired 80% of the voting shares of Lightbulbs Limited, a company based in Euroland, specialising in the production and distribution of lightbulbs. The Group acquired this business to enlarge the range of products in the electronics segment.

IFRS 3.59
IFRS 3.B64(a)
IFRS 3.B64(b)
IFRS 3.B64(c)
IFRS 3.B64(d)
IFRS 3.B64(o)(i)

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The fair value of the identifiable assets and liabilities of Lightbulbs Limited as at the date of acquisition were:

	Fair value recognised on acquisition	IFRS 3.B64(i) IAS 7.40(d)
	€000	
Land and buildings (Note 6A)	1,280	
Cash and cash equivalents	50	IAS 7.40(c)
Trade receivables (Note 3A.2)	853	
Inventories	765	
Total assets	2,948	
Trade payables	(807)	
Deferred tax liability (Note 6N)	(380)	
Provision for maintenance warranties	(50)	
Total liabilities	(1,237)	
Total identifiable net assets at fair value	1,711	
Non-controlling interest (20% of net assets)	(342)	
Goodwill arising on acquisition (Note 6C)	131	
Purchase consideration transferred	1,500	IAS 7.40(a)
	Cash flow on acquisition	
	€000	IAS 7.40(b)
Net cash acquired with the subsidiary	50	IAS 7.40(c)
Cash paid	(1,500)	IFRS 3.B64(f)(i)
Net cash flow on acquisition	(1,450)	

The net assets recognised in the 31 December 2025 financial statements were based on a provisional assessment of their fair value while the Group sought an independent valuation for the land and buildings owned by Lightbulbs Limited. The valuation had not been completed by the date the 2025 financial statements were approved for issue by the Board of Directors.

IFRS 3.45
IFRS 3.B67(a)(i)
IFRS 3.B67(a)(ii)

In April 2026, the valuation was completed, and the acquisition date fair value of the land and buildings was €1,280,000, an increase of €200,000 over the provisional value. The 2025 comparative information was restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in the deferred tax liability of €60,000 and an increase in the non-controlling interest of €28,000. There was also a corresponding reduction in goodwill of €112,000, resulting in €131,000 of total goodwill arising on the acquisition. The increased depreciation charge on the buildings from the acquisition date to 31 December 2025 was not material.

IFRS 3.49
IFRS 3.B67(a)(iii)

From the date of acquisition, Lightbulbs Limited contributed €476,000 of revenue and €20,000 to profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of 2025, the Group's revenue from continuing operations would have been €19,078,000 and the profit before tax from continuing operations would have been €785,000.

IFRS 3.B64(q)
IFRS 3.B64(e)

The goodwill of €131,000 comprises the fair value of expected synergies arising from acquisition.

Commentary on IFRS accounting standards

In the 2025 business combination, the Group elected to value the non-controlling interest using its proportionate share of the acquiree's identifiable net assets. In the 2026 business combination, the Group elected to value the non-controlling interest at fair value. This election can be made separately for each business combination and is not a policy choice that determines an accounting treatment for all business combinations the Group will carry out under paragraph 19 of IFRS 3.

Notes to the consolidated financial statements

4B. Non-current assets held for sale and discontinued operations

Accounting policy

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding 'Interest expenses on debts and borrowings' and 'Income tax expense'.

IFRS 5.6
IFRS 5.15
IFRS 5.15A
IFRS 5.
Appendix A

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

IFRS 5.7
IFRS 5.8

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

IFRS 5.25

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

IFRS 18.103(l)
IFRS 18.103(s)

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in [Note 4B](#). The Group includes proceeds from disposal in cash flows from discontinued operations.

IFRS 5.33

All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Significant judgement

On 1 October 2026, the Board of Directors announced its decision to discontinue the rubber segment consisting of Hose Limited, a wholly owned subsidiary. The Board considered the subsidiary to meet the criteria to be classified as held for sale as at that date for the following reasons:

IFRS 5.7
IFRS 5.8

- Hose Limited was available for immediate sale and could be sold to the buyer in its current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification
- A potential buyer had been identified and negotiations were at an advanced stage, with a letter of intent having been agreed between the two parties as of 1 October 2026

IFRS 5.BA
IFRS 5.9

For more details on the discontinued operation, refer to [Note 4B.1](#).

4B.1 Discontinued operations

On 1 October 2026, the Group publicly announced the decision of its Board of Directors to sell Hose Limited, a wholly owned subsidiary. On 14 November 2026, the shareholders of the Company approved the plan to sell. The sale of Hose Limited is expected to be completed within a year from the reporting date.

IFRS 5.30
IFRS 5.41

At 31 December 2026, Hose Limited was classified as a disposal group held for sale and as a discontinued operation. The business of Hose Limited represented the entirety of the Group's Rubber Equipment operating segment until 1 October 2026. With Hose Limited being classified as discontinued operations, the Rubber Equipment segment is no longer presented in the segment note.

Notes to the consolidated financial statements

4B. Non-current assets held for sale and discontinued operations continued

The results of Hose Limited for the year are presented below:

	2026	2025	IFRS 5.33(b)(i)
	€000	€000	IFRS 5.34
Revenue from contracts with customers	42,809	45,206	
Expenses	(41,961)	(44,880)	
Operating profit	848	326	
Interest expenses on debts and borrowings	(525)	(519)	
Impairment loss recognised on the remeasurement to fair value less costs to sell	(110)	–	IFRS 5.33(b)(iii)
Profit/(loss) before tax from discontinued operations	213	(193)	
Tax benefit/(expense):			
Related to pre-tax profit/(loss) from the ordinary activities for the period	(26)	5	IFRS 5.33 (b)(ii) IAS 12.81(h)(ii)
Related to remeasurement to fair value less costs to sell	33	–	IFRS 5.33 (b)(iv) IAS 12.81(h)(i)
Profit/(loss) for the year from discontinued operations	220	(188)	

Gain/(loss) on equity instruments designated at fair value included in OCI – 4 IFRS 5.38

Other comprehensive income for the year from discontinued operations – 4

The major classes of assets and liabilities of Hose Limited classified as held for sale as at 31 December are, as follows:

	2026	IFRS 5.38
	€000	IFRS 5.40
Assets		
Intangible assets (Note 6C)	135	
Property, plant and equipment (Note 6A)	4,637	
Debtors	7,180	
Equity investments - non-listed	308	
Cash and short-term deposits (Note 6G)	1,294	
Assets held for sale	13,554	
Liabilities		
Creditors	(7,241)	
Deferred tax liability	(75)	
Interest-bearing liabilities (Note 6D)	(5,809)	
Liabilities directly associated with assets held for sale	(13,125)	
Net assets directly associated with disposal group	429	
Amounts included in accumulated OCI:		
Fair value reserve of equity investments - non-listed	66	IFRS 5.38
Deferred tax on fair value reserve	(20)	
Reserve of disposal group classified as held for sale	46	

The net cash flows incurred by Hose Limited are, as follows:

	2026	2025	IFRS 5.33(c)
	€000	€000	
Operating	(1,999)	3,192	
Investing	–	–	
Financing	(436)	(335)	
Net cash (outflow)/inflow	(2,435)	2,857	
Earnings per share from discontinued operations:	2026	2025	
Basic, earnings/(loss) per share	€0.01	(€0.01)	IAS 33.68
Diluted, earnings/(loss) per share	€0.01	(€0.01)	

Interest-bearing liabilities comprise a fixed rate bank loan of €5,809,000 having an EIR of 7.5% that is repayable in full on 1 January 2027. IFRS 7.7

Notes to the consolidated financial statements

4B. Non-current assets held for sale and discontinued operations *continued*

Commentary on IFRS accounting standards

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* specifies certain disclosures required in respect of discontinued operations and non-current assets held for sale. Paragraph 5B of IFRS 5 states that the requirements of other standards do not apply to discontinued operations, unless the other standards specify disclosures that are applicable to them.

Paragraph B17 of IFRS 12 clarifies that disclosures of summarised information specified in paragraphs B10-B16 of IFRS 12 are not required when an entity's interest in a subsidiary, joint venture or associate (or a portion of its interest in a joint venture or an associate) is classified as held for sale in accordance with IFRS 5. The other disclosure requirements in IFRS 12 apply to an entity's held-for-sale interests. The Group concluded that there is no additional information that it needs to disclose about its wholly-owned subsidiary, Hose limited, which is classified as disposal group held for sale as at 31 December 2026.

Paragraph 68A of IAS 33 provides an option to present the earnings per share from discontinued operations either on the face of the statement of profit or loss or in the notes. The Group has opted to present the earnings per share from discontinued operations in the notes.

Write-down of property, plant and equipment

Immediately before the classification of Hose Limited as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and no impairment loss was identified. Following the classification, a write-down of €110,000 (net of tax €77,000) was recognised on 1 October 2026 to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the statement of profit or loss. Fair value measurement disclosures are provided in [Note 2D](#).

IFRS 5.33(b)(iii)
IFRS 5.33(b)(iv)

As at 31 December 2026, there was no further write-down as the carrying amount of the disposal group did not fall below its fair value less costs to sell.

Investment in non-listed equity shares

The disposal group includes an investment in non-listed equity shares (Level 3 in the fair value hierarchy) of Electronic Test Ltd with a carrying amount of €308,000. The group collaborates with Electronic Test Ltd, this is closely related to the discontinued operation of Hose Limited and is, therefore, reclassified as part of the discontinued operations. This investment is classified as equity instruments designated at fair value through OCI. The Group did not pledge the financial assets nor receive any collateral for them. As at the reporting date, the carrying amount equals the fair value of the instrument. Refer [Note 2D](#) for the details on the recognition, measurement valuation techniques and inputs used for this investment.

IFRS 7.8(d)
IFRS 7.14
IFRS 7.15
IFRS 7.25

4B.2 Reconciliation of fair value measurement of the investment in non-listed equity shares

IFRS 13.93(e)

	€000
As at 1 January 2025	304
Sales	–
Purchases	–
Total gains and losses recognised in OCI	4
As at 1 January 2026 and 1 October 2026	308
Sales	–
Purchases	–
Total gains and losses recognised in OCI	–
As at 31 December 2026	308

There were no gains or losses recognised in profit or loss with respect to these assets.

IFRS 13.93(f)

Refer to [Note 3B](#) for details on the nature and extent of risks arising from financial instruments.

Commentary on IFRS accounting standards

IFRS 5 explains that disclosures in other standards do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those other standards require:

- Specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations
- Disclosures about the measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirements of IFRS 5 and such disclosures are not already provided in the other notes to the financial statements

Notes to the consolidated financial statements

4B. Non-current assets held for sale and discontinued operations *continued*

Commentary on IFRS *continued*

The requirement in the second bullet above reflects the fact that such assets continue to be measured in accordance with the specific standard dealing with them. In practice, much of the requirements will be satisfied by the disclosure of accounting policies. The requirement for other disclosures will depend on the standard concerned. The illustration above reflects this circumstance, as the non-listed equity instruments is a financial instrument as defined in IFRS 9 and is therefore scoped out of the measurement requirements of IFRS 5.

While the assets of discontinued operations are non-recurring fair value measurements under paragraph 93(a) of IFRS 13, equity instruments designated at fair value through OCI held by the discontinued operations are recurring fair value measurements since they are required to be measured at fair value at the end of each reporting period.

4C. Goodwill and intangible assets with indefinite useful lives

Accounting policy

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

IAS 36.6
IAS 36.9
IAS 36.66

IAS 36.59

IAS 36.30
IAS 36.55
IAS 36.6

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

IAS 36.33
IAS 36.35

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

IAS 36.60
IAS 36.61

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

IAS 36.110
IAS 36.114
IAS 36.117
IAS 36.119

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.

IAS 36.10(b)

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

IAS 36.104
IAS 36.124

IAS 36.10(a)

Intangible assets with indefinite useful lives are also tested for impairment annually as at 31 October at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts. See [Note 4C.2](#) for further discussion of the impact of climate-related risks on the value in use.

Notes to the consolidated financial statements

4C. Goodwill and intangible assets with indefinite useful lives *continued*

Commentary on IFRS accounting standards

Paragraph 96 of IAS 36 permits the annual impairment test for a CGU to which goodwill has been allocated to be performed at any time during the year, provided it is at the same time each year. Different CGUs and intangible assets may be tested at different times.

For impairment testing goodwill acquired through business combinations and licences with indefinite useful lives are allocated to the electronics and fire prevention equipment CGUs, which are also operating and reportable segments.

4C.1 Carrying amount of goodwill and licences allocated to each of the CGUs:

	Electronics unit		Fire prevention equipment unit		Total	
	2026	2025	2026	2025	2026	2025
	€000	€000	€000	€000	€000	€000
Goodwill	50	250	2,231	–	2,281	250
Licences	360	–	1,050	240	1,410	240

IAS 36.134(a)

IAS 36.134(b)

The Group performed its annual impairment test in October 2026 and 2025. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2026, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of the operating segments. In addition, the overall decline in construction and development activities around the world, as well as the ongoing economic uncertainty, have led to a decreased demand in both the fire prevention equipment and electronics CGUs.

Electronics CGU

The recoverable amount of the electronics CGU, €37,562,000 as at 31 December 2026, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to cash flow projections is 15.5% (2025: 12.1%) and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate (2025: 5.0%) that is the same as the long-term average growth rate for the electronics industry. It was concluded that the fair value less costs of disposal did not exceed the value in use. As a result of this analysis, management has recognised an impairment charge of €200,000 in the current year against goodwill with a carrying amount of €250,000 as at 31 December 2025. The impairment charge is recorded within administrative expenses in the statement of profit or loss.

IAS 36.130(e)
IAS 36.134(d)(iii)
IAS 36.134(d)(iv)
IAS 36.134(d)(v)
IAS 36.126(a)

Fire prevention equipment CGU

The recoverable amount of the fire prevention equipment CGU is also determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the decreased demand for products and services. The pre-tax discount rate applied to the cash flow projections is 14.4% (2025: 12.8%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 4.1% (2025: 3.8%). This growth rate exceeds the industry average growth rate by 0.75%. Management of the fire prevention equipment unit believes this growth rate is justified based on the acquisition of Extinguishers Limited. This acquisition has resulted in the Group obtaining control of an industry patent, thereby preventing other entities from manufacturing a specialised product for a period of 10 years. The Group has an option to renew the patent after the 10 years have expired. As a result of the analysis, there is headroom of €5,674,000 and management did not identify an impairment for this CGU.

IAS 36.130(e)
IAS 36.130(c)
IAS 36.134(d)(iii)
IAS 36.134(d)(iv)
IAS 36.134(d)(v)

IAS 36.134(f)(i)

Notes to the consolidated financial statements

4C. Goodwill and intangible assets with indefinite useful lives *continued*

4C.2 Estimation uncertainty and key assumptions used in value in use calculations and sensitivity to changes in assumptions

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value-in-use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

IAS 36.6

IAS 36.33(b)

The calculation of value in use for both electronics and fire prevention equipment units is most sensitive to the following assumptions:

IAS 36.134(d)(i)

IAS 36.134(d)(ii)

IAS 36.134(f)

IAS 36.134(f)(ii)

IAS 36.134(f)(iii)

- Gross margins
- Discount rates
- Raw materials price inflation
- Market share during the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period

Climate-related matters - The Group constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount. While the Group does not believe its operations are currently significantly exposed to physical risk, the value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the 2026 test of goodwill, the Group has incorporated its expectations for the following: increased costs of emissions under the emission trading scheme it is subject to; expectations for increased demand for goods sold by the Group's fire prevention equipment CGU; and expected cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.

Commentary on climate-related matters

When measuring the value-in-use, paragraph 33(a) of IAS 36 requires an entity to "base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset". Entities must consider whether climate-related risks, including physical risks and transition risks, will have an impact on the viability of their business going forward, and whether and how such risks will impact the legal, technological and market environment in which they operate.

For example, the business models of some entities may no longer be viable in the jurisdiction in which they operate as a result of the transition to a climate-neutral future, and existing business models might be replaced or become obsolete. Other entities may be impacted by changing trends in consumer behaviour or rising costs due to stricter demands regarding emissions and recycling.

To the extent that an asset or CGU's recoverable amount is sensitive to climate-related assumptions, entities must consider whether those assumptions must be disclosed separately as key assumptions potentially together with, e.g., sensitivity disclosures. See [Note 2D.2](#) for further discussion of the impact of climate-related matters on fair value measurement.

Gross margins – Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. The gross margins for the electronics CGU and the fire prevention equipment CGU were 22.17% and 26.03%, respectively. These are increased over the budget period for anticipated efficiency improvements. An increase of 1.5% per annum was applied for the electronics unit and 2% per annum for the fire prevention equipment unit.

Decreased demand can lead to a decline in the gross margin. Any decrease in the gross margin would result in a further impairment in the electronics unit. A decrease in the gross margin by 5.0% would result in impairment of €1,730,000 in the fire prevention equipment unit.

Notes to the consolidated financial statements

4C. Goodwill and intangible assets with indefinite useful lives continued

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Any rise in the pre-tax discount rate from the current level of 15.5% in the electronics unit would result in a further impairment. A rise in the pre-tax discount rate to 15.6% (i.e. +1.2%) in the fire prevention equipment unit would result in impairment of €1,150,000.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available (principally for Euroland and the United States), otherwise past actual raw material price movements are used as an indicator of future price movements.

Management has considered the possibility of greater-than-forecast increases in raw material price inflation. This may occur if anticipated regulatory changes result in an increase in demand that cannot be met by suppliers. Forecast price inflation lies within a range of 1.9% to 2.6% for the electronics unit and 2.1% to 4.5% for the fire prevention equipment unit, depending on the country from which materials are purchased. In the electronics unit, any increases in the prices of raw materials would result in a further impairment. If prices of raw materials increase on average by 0.5% more than the forecast price inflation the fire prevention equipment unit will have a further impairment of €640,000.

Market share assumptions – When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the electronics market (20%) to be stable over the forecast period. Management expects the Group's position in the fire prevention equipment market relative to its competitors to strengthen following the acquisition of Extinguishers Limited. The Group's market share in the fire prevention equipment market is currently 37%.

Although management expects the Group's market share of the electronics market to be stable over the forecast period, any decline in the market share would result in a further impairment in the electronics unit. Similarly, a decline in market share in the fire prevention equipment market by 20% would result in impairment of €1,441,000 in the fire prevention equipment unit.

Growth rate estimates – Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the budget for the fire prevention equipment unit includes an adjustment on account of the acquisition of a significant industry patent.

Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts, but could yield a reasonably possible alternative to the estimated long-term growth rate of 5.2% for the electronics unit and 8.4% for the fire prevention equipment unit. Any reduction in the long-term growth rate in the electronics unit would result in a further impairment. For the fire prevention equipment unit, a reduction by 0.3% in the long-term growth rate would result in impairment of €783,000.

Notes to the consolidated financial statements

4C. Goodwill and intangible assets with indefinite useful lives *continued*

Commentary on IFRS accounting standards

The Group has determined the recoverable amounts of its cash generating units (CGUs) based on value in use under IAS 36. If the recoverable amounts are determined using fair value less costs of disposal, paragraph 134(e) of IAS 36 requires disclosure of the valuation technique(s) and other information including: the key assumptions used; a description of management's approach to each key assumption; the level of fair value hierarchy and the reason(s) for changing valuation techniques, if there is any change. Furthermore, if fair value less cost of disposal is determined using discounted cash flow projections, additional information such as the period of cash flow projections, growth rate used to extrapolate cash flow projections and the discount rate(s) applied to the cash flow projections are required to be disclosed. An entity is not required to provide disclosures required under IFRS 13, these disclosures under paragraph 134(e) of IAS 36 are similar to those under IFRS 13.

Paragraph 134(d)(i) of IAS 36 requires disclosure of key assumptions made for each CGU for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. While the disclosures above have been provided for illustrative purposes, companies need to evaluate the significance of each assumption used for the purpose of this disclosure.

Paragraph 134(f) of IAS 36 requires disclosures of sensitivity analysis for each CGU for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that CGU is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. These disclosures are made if a reasonably possible change in a key assumption used to determine the CGU's recoverable amount would cause its carrying amount to exceed its recoverable amount. The Group has made these disclosures for all the key assumptions for the electronics unit, since there is an impairment charge during the year and the carrying amount equals recoverable amount, and for the fire prevention equipment unit, as it is believed that a reasonably possible change in the key assumptions may cause impairment. Entities need to also take into account the consequential effect of a change in one assumption on other assumptions, as part of the sensitivity analyses when determining the point at which the recoverable amount equals the carrying amount under paragraph 134(f)(iii) of IAS 36. The Group has considered this in the disclosures herein.

Commentary on macroeconomic and geopolitical uncertainty

As the current environment remains uncertain, it is important that entities continue to provide detailed disclosure of the assumptions made, including any updates since prior period, the evidence they are based on and the impact of a change in the key assumptions (sensitivity analysis).

Given the inherent level of uncertainty and the sensitivity of judgements and estimates, disclosures of the key assumptions used, and judgements made in estimating recoverable amounts is important.

It is possible that macroeconomic and geopolitical uncertainty is a triggering event for some entities that requires them to perform an impairment test in accordance with IAS 36. Entities will need to assess the key assumptions used to determine the recoverable amount for the different CGUs. Key inputs to both the value in use and the fair value less cost of disposal models used to undertake the impairment assessment should be reassessed to factor in any impact.

The non-financial assets that may be subject to such impairment triggers include: property, plant and equipment; intangible assets (including those with indefinite lives); goodwill; and inventories.

Notes to the consolidated financial statements

4D. Related party disclosures

[Note 1B](#) provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties €000	Purchases from related parties €000	Amounts owed by related parties* €000	Amounts owed to related parties* €000	IAS 24.18 IAS 24.21
Entity with significant influence over the Group:						
International Fires P.L.C.	2026	7,115	–	620	–	
	2025	5,975	–	550	–	
Associate:						
Power Works Limited	2026	2,900	–	551	–	
	2025	2,100	–	582	–	
Joint venture in which the parent is a venturer:						
Showers Limited	2026	–	590	–	30	
	2025	–	430	–	12	
Key management personnel of the Group:						
Other directors' interests	2026	225	510	–	10	
	2025	135	490	–	10	

* The amounts are classified as trade receivables and trade payables, respectively (see [Notes 6F](#) and [6M](#)).

		Interest received €000	Amounts owed by related parties €000	IAS 24.13 IAS 24.18
Loans from/to related parties				
Associate:				
Power Works Limited	2026	20	200	
	2025	–	–	
Key management personnel of the Group:				
Directors' loans	2026	1	13	
	2025	–	8	

There were no transactions other than dividends paid between the Group and S.J. Limited, the ultimate parent during the financial year (2025: €Nil).

Loan to an associate ([Note 6D](#))

The loan granted to Power Works Limited is intended to finance an acquisition of new machines for the manufacturing of fire prevention equipment. The loan is fully secured and repayable in full on 1 June 2027. Interest is charged at 10%.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2026, the Group recognised provision for expected credit losses of €2,000 relating to amounts owed by related parties (2025: €1,000).

IAS 24.21
IAS 24.18(b)

Commentary on IFRS accounting standards

The disclosure that transactions with related parties are made on terms equivalent to an arm's length transaction is only required if an entity can substantiate such terms, but paragraph 23 of IAS 24 does not require such a disclosure. The Group was able to substantiate the terms and therefore provides the disclosure.

Notes to the consolidated financial statements

4D. Related party disclosures continued

Commitments with related parties

On 1 July 2026, Bright Sparks Limited entered into a two-year agreement ending 30 June 2028 with Power Works Limited to purchase specific electrical and optical cables that Bright Sparks Limited uses in its production cycle. Bright Sparks Limited expects the potential purchase volume to be €750,000 in 2027 and €250,000 in the first 6 months of 2028. The purchase price is based on Power Works Limited's actual cost plus a 5% margin and will be settled in cash within 30 days of receiving the inventories.

IAS 24.18(b)
IAS 24.21(i)

The Group has provided a contractual commitment to Fire Equipment Test Lab Limited, whereby if the assets held as collateral by Fire Equipment Test Lab Limited for its borrowing fall below a credit rating of 'AA', the parent will substitute assets of an equivalent of 'AA' rating. The maximum fair value of the assets to be replaced is €200,000 as at 31 December 2026 (2025: €210,000).

IFRS 12.14-15

Transactions with key management personnel

Director's loans

The Group offers senior management a facility to borrow up to €20,000, repayable within five years from the date of disbursement. Such loans are unsecured, and the interest rate is based on EURIBOR plus 0.8%. Any loans granted are included in financial instruments on the face of the statement of financial position.

IAS 24.18

Other directors' interests

During both 2026 and 2025, Group companies made purchases at market prices from Gnome Industries Limited, of which the spouse of one of the directors of the Group is a director and controlling shareholder.

IAS 24.18
IAS 24.19(f)

One director has a 25% (2025: 25%) equity interest in Home Fires Limited. The Group has a contract for the supply of fire extinguishers to Home Fires Limited. During 2026 and 2025, the Group supplied fire extinguishers to Home Fires Limited at market prices.

Compensation of key management personnel of the Group

IAS 24.17

	2026	2025
	€000	€000
Short-term employee benefits	435	424
Post-employment pension and medical benefits	110	80
Termination benefits	40	–
Share-based payment transactions	18	12
Total compensation paid to key management personnel	603	516

The amounts disclosed in the table are the amounts presented as 'General and administrative expenses' during the reporting period related to key management personnel. Senior management personnel of the Group, excluding non-executive directors, are included in an annual cash bonus scheme. Bonuses in this scheme are determined on the basis of both financial and non-financial KPIs, such as emission reduction targets and recycling targets, depending on their roles. Amounts awarded under this scheme are included in short-term employee benefits in the table above.

Generally, the non-executive directors do not receive pension entitlements from the Group. During 2026, an amount of €40,000 was paid to a director who retired from an executive director's position in 2025.

Directors' interests in the Senior Executive Plan

Share options held by executive members of the Board of Directors under the Senior Executive Plan to purchase ordinary shares have the following expiry dates and exercise prices:

Date of grant	Expiry date	Exercise price	2026	2025
			Number outstanding	Number outstanding
2025	2028	€2.33	10,000	10,000
2025	2028	€3.13	83,000	83,000
2026	2029	€3.85	27,000	–
Total			120,000	93,000

IAS 24.17(e)

No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to [Note 5J](#) for further details on the scheme.

Notes to the consolidated financial statements

4D. Related party disclosures *continued*

Commentary on IFRS accounting standards

Certain jurisdictions may require additional and more extensive disclosures, e.g., remuneration and benefits of key management personnel and members of the Board of Directors.

4E. Events after the reporting period

Accounting policy

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

IAS 10.21
IAS 10.10

Non-adjusting event

On 14 January 2027, a building with a net book value of €1,695,000 was severely damaged by flooding and inventories with a net book value of €857,000 were destroyed. It is expected that insurance proceeds will fall short of the costs of rebuilding and loss of inventories by €750,000.

IAS 10.21
IAS 10.10

Notes to the consolidated financial statements

Section 5: Detailed information on statement of profit or loss and OCI items

This section provides additional information about individual line items in the statement of profit or loss and statement presenting comprehensive income, including its relevant accounting policies, other income and expenses by type.

5A. Other individual immaterial operating income

	2026	2025	
	€000	€000	
Government grants (Note 6K)	1,053	541	IAS 20.39(b)
Gain on derivative instruments at fair value through profit or loss	850	—	IFRS 7.20(a)(i)
Net gain on disposal of property, plant and equipment	532	2,007	IFRS 18.42
Total other operating income	2,435	2,548	IFRS 18. B79

The net gain on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

5B. Other individually immaterial operating expenses

	2026	2025	
	€000	€000	
Bid defence costs	579	31	IFRS 18.42
Cost of waste electrical and electronic equipment (Note 6I)	102	22	IFRS 18.42
Loss on derivative instruments at fair value through profit or loss	1,502	—	IFRS 7.20(a)
Ineffectiveness on forward commodity contracts designated as cash flow hedges (Note 3B)	65	—	IFRS 7.24(b)
Total other operating expenses	2,248	53	

Bid defence costs were incurred in respect of obtaining advice in defending a hostile takeover bid by a competitor. The competitor did not proceed with the bid.

Net loss on derivative instruments at fair value through profit or loss relates to foreign exchange forward contracts that did not qualify for hedge accounting and embedded derivatives which have been separated.

Commentary on IFRS accounting standards

Paragraph 52 of IFRS 18 sets out the operating category as the default classification for all items not included in the investing, financing, income taxes, or discontinued categories. The operating category includes supporting activities that generate income and expenses, even if they do not directly produce revenue, as well as an entity's main business activities.

The Group classifies income and expenses arising from the derecognition of property, plant and equipment within the operating category, as the related income and expenses were classified in the same category immediately prior to derecognition, in accordance with paragraph B60 of IFRS 18.

The Group has entered into long-term foreign currency sales contracts with customers, as well as various commodity purchase contracts. Gains and losses on designated hedge instruments and other derivatives used to manage foreign exchange and commodity price risks arising from these contracts are classified within the operating category, in accordance with paragraphs B70 and B72 of IFRS 18. In addition, the ineffective portion of gains or losses on forward commodity contracts designated as cash flow hedges is also classified within the operating category, as required by paragraph B71 of IFRS 18.

If derivatives are not used to manage identified risks, entities must consider whether the transactions are related to raising finance. When transactions are only associated with raising finance, gains or losses are classified in the financing category; otherwise, gains or losses are classified in the operating category. On the other hand, classification of income and expenses of a hybrid contract with a host liability will depend on whether the embedded derivative is separated from the host contract. If it is separated, income and expenses arising from the host liability will be classified in accordance

with the requirements for classifying a similar liability that is not a host in a hybrid contract. Otherwise, entities without a specified main business activity must adhere to the guidance in paragraph B56 of IFRS 18.

Notes to the consolidated financial statements

5C. Other individually immaterial income from investments

	2026	2025	
	€000	€000	
Interest income on a loan to an associate	17	–	
Interest income on cash and short-term deposits (Note 25)	83	76	
Interest income from debt instruments at fair value through OCI	102	69	IFRS 7.20(b)
Fair value gain on equity instruments at fair value through profit or loss	37	9	IFRS 7.20(a)(i)
Gain (loss) on sale of debt instruments at fair value through OCI	8	(4)	IFRS 7.20(a)(viii)
Dividend income from equity instruments at fair value through OCI	3	–	IFRS 7.20(a)(vii)
Impairment loss on debt instruments at fair value through OCI	(7)	(6)	
Total other individually immaterial income from investment	243	144	

Commentary on IFRS accounting standards

Entities are required to classify the income and expenses arising from assets that generate a return individually and largely independently of other resources they hold in the investing category according to paragraph 53 of IFRS 18. The income and expenses in the investing category comprise the income generated from assets, as well as the income and expenses arising from the initial and subsequent measurement, derecognition, and the incremental expenses directly attributable to the acquisition and disposal of these assets in the statement of profit or loss.

Income is defined in paragraph 4.68 of the Conceptual Framework as “increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to contributions from holders of equity claims”. In this case, the Group does not consider this to be offsetting as it is for presentation purposes only and the balances are not material enough to warrant separate presentation. Paragraph 44 of IFRS 18 does not permit the offsetting income and expenses unless required or permitted by an IFRS accounting standard. In the note above, the Group presents immaterial expenses that do not warrant separate presentation together with other individually immaterial income from investments.

5D. Interest expenses on other liabilities

	2026	2025	
	€000	€000	
Interest arising from revenue contracts (Note 6L)	109	62	IFRS 15.65
Interest on lease liabilities (Note 6O)	178	185	
Unwinding of discount and effect of changes in discount rate on provisions (Note 6I)	43	1	IAS 37.60
Net interest expense from pensions and other post-employment benefit plans (Note 6J)	101	93	
Total interest expenses on other liabilities	431	341	

Commentary on IFRS accounting standards

Paragraph 65 of IFRS 15 requires the effects of financing (interest revenue or interest expense) to be presented separately from revenue from contracts with customers in the statement presenting comprehensive income. In accordance with paragraph B54(b) of IFRS 18, the Group has classified the interest expenses on contract liabilities within the financing category.

The Group has recognised liabilities that arise from transactions that do not involve only the raising of finance such as contract liabilities, lease liabilities, defined benefit liabilities, restructuring and decommissioning liabilities and other provisions. The Group has classified interest income and expenses, including any income and expenses arising from changes in interest rates from these liabilities in the financing category. However, income and expenses that are not interest income or expenses arising because of applying IFRS accounting standards to these liabilities must be classified in the operating category under IFRS 18.

5E. Nature of expenses included in functional expense line items in the operating category

Judgement for aggregation and disaggregation

The Group assesses the identified expenses within operating category in the statement of profit or loss to determine whether they share similar characteristics. The Group considers the function or role of individual transactions within its activities. As research and development, selling, distribution and general and administrative functions have been identified, the Group disaggregate these into four line items in the statement of profit or loss. The remaining expenses, which all are considered to be individually immaterial, are aggregated in ‘Other individually immaterial operating expenses’.

The Group presents operating expenses by function in the statement of profit or loss. In applying this presentation, the Group disaggregates expenses that have dissimilar characteristics when such disaggregation provides material and useful information to users, exercising judgement by considering the nature of its activities and functions.

IFRS 18.82(b)

Notes to the consolidated financial statements

5E. Nature of expenses included in functional expense line items in the operating category *continued*

Cost of sales comprises mainly the cost of inventories that have been sold, costs directly related to providing installation and other services provided to customers, unallocated production overheads, and abnormal costs. The Group also presents inventory write-downs and impairment losses on property, plant and equipment as part of cost of sales.

Commentary on IFRS accounting standards

The nature and composition of costs included within cost of sales may vary between entities. Entities need to consider whether, in their particular circumstances, further qualitative and/or quantitative information would help users to understand the nature of costs included in, or excluded from, cost of sales.

Selling expenses mainly include expenses related to marketing and sales activities, such as employee benefit expenses of sales and marketing personnel, and marketing and promotional costs. Distribution expenses include expenses associated with warehousing and logistics activities, including warehouse costs and freight charges. The Group has concluded that selling and distribution expenses have dissimilar characteristics and are therefore presented separately.

General and administrative expenses consist mainly of employee benefit expenses of administrative personnel, depreciation of assets used for administrative purposes, professional fees, information technology costs and other general corporate overheads that are not directly attributable to production, selling, distribution or research and development activities.

Research and development expenses comprise costs incurred in connection with research activities and development projects that do not meet the criteria for capitalisation. These expenses primarily include employee benefit expenses of research and development personnel, consumables and other directly attributable expenditures incurred during research and development activities.

Foreign exchange losses presented within the operating category arise from the translation of operating assets and liabilities denominated in foreign currencies and are presented separately due to their distinct nature.

Commentary on IFRS accounting standards

Within each category, the Group presents foreign exchange gains and losses as a separate line item as the Group's management considers that they have characteristics that are sufficiently dissimilar from the underlying income and expenses to provide a useful structured summary of performance. This reflects the Group's judgement considering own facts and circumstances and the requirements of IFRS 18. Other entities may determine, based on their specific facts and circumstances, that foreign exchange gains and losses within the same functional line item as the income or expense from the transaction that gave rise to those gains or losses. In determining the appropriate presentation, entities exercise judgement in applying the aggregation and disaggregation requirements and considering all relevant facts and circumstances, with the objective of presenting a useful structured summary within the statement of profit or loss.

5F. Specified expenses by nature in the operating category

	2026	2025	
	€000	€000	IFRS 18.83
Depreciation:			
Cost of sales	3,802	3,063	
Selling expenses	170	180	
Distribution expenses	130	120	
Research and development expenses	23	34	
General and administrative expenses	106	96	
Total depreciation	4,231	3,493	
Amortisation:			
Cost of sales	125	174	IAS 38.118(d)
Total amortisation	125	174	
Employee benefits:			
Cost of sales	7,706	7,628	
Selling expenses	9,766	9,067	
Distribution expenses	1,952	1,978	
Research and development expenses	2,031	987	
General and administrative expenses	13,224	9,385	
Total employee benefits	34,679	29,045	

Notes to the consolidated financial statements

5F. Specified expenses by nature in the operating category *continued*

	2026	2025	IFRS 18.83
	€000	€000	
Impairment losses:			
Cost of sales	-	301	IAS 36.126(a)
General and administrative expenses	200	-	IAS 36.126(a)
Total impairment losses	200	301	
Write-down of inventories:			
Cost of sales	286	242	IAS 2.36(e)
Total write-down of inventories	286	242	

The amounts disclosed are specified expenses recognised in the statement of profit or loss for the year, apart from depreciation and employee benefits. The amounts disclosed for depreciation and employee benefits include those that have been capitalised by incorporating them into the carrying amount of inventory at the end of the reporting period.

IFRS 18.B84

Commentary on IFRS accounting standards

The principle of providing a useful structured summary informs the requirements for the classification and presentation of line items in the operating category of the statement of profit or loss. Entities must present income and expenses either by function, nature, or both in the operating category of the statement of profit or loss.

Entities that present one or more line items comprising expenses classified by function in the operating category of the statement of profit or loss must disclose in a single note: depreciation, amortisation, employee benefits, impairment losses and reversals, and write downs of inventories. The total amount for each of these, along with a list of any line items outside the operating category that also include amounts related to the total, must be disclosed under paragraph 83 of IFRS 18.

The Group has disclosed only the above expenses, despite the existence of other nature items such as changes in inventories of finished goods and work in progress are material in accordance with paragraph 84(a) of IFRS 18.

5G. Research and development costs

The Group's electronics business research and development concentrates on the development of internet-enabled safety equipment. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred (in 2026, this was €2,235,000 (2025: €1,034,000)).

IAS 38.126

5H. Foreign exchange gains and losses

The total amount of net foreign exchange gains is €89,000 (2025: €99,000), which is presented within 'Foreign exchange losses', 'Foreign exchange gains on cash and short-term deposits' and 'Foreign exchange gains on interest-bearing loans and borrowings'.

IAS 21.52(a)
IFRS 18.84(b)

Commentary on IFRS accounting standards

Paragraph B65 of IFRS 18 requires that foreign exchange gains and losses should be included in the same category in which the income and expenses on the item that gave rise to the foreign exchange gains and losses have been classified, unless doing so would incur undue cost or effort. In such cases, all foreign exchange gains and losses are classified in the operating category. For example, foreign exchange differences on a trade receivable denominated in a foreign currency will be classified in the operating category, whereas foreign exchange differences arising from interest-bearing loans and borrowings (to be settled in cash) denominated in a foreign currency will be classified in the financing category. If income and expenses from liabilities arise from transactions that do not involve only the raising of finance, they may be classified in two different categories. In such cases, judgement is required to determine to which of the two amounts the foreign exchange gains and losses relate. Disaggregation of the foreign exchange gains and losses arising from these liabilities is prohibited.

The Group has classified foreign exchange gains and losses in the same category as the income and expense on the item gave rise to the foreign exchange gains and losses. Cash and short-term deposits are included in the investing category under paragraph 53(b) of IFRS 18. Therefore, foreign exchange gains and losses from cash and short-term deposits are also classified in the investing category. If the Group has a specified main business activity of investing in financial assets or providing finance to customers, it is required to classify the income and expenses from cash and short-term deposits in the operating category.

The Group has assessed how the income and expenses giving rise to the foreign exchange gains and losses should be classified. As a result, the Group presented foreign exchange gains on interest-bearing loans and borrowings in the financing category and those on cash and short-term deposits in the investing category. The remaining foreign exchange gains and losses have been included in the operating category.

Notes to the consolidated financial statements

5I. General and administrative expenses

	2026	2025	IFRS 18.83
	€000	€000	
Employee benefits expense (Note 5F)	13,224	9,385	
Acquisition-related transaction costs (Note 4A)	600	–	
Depreciation	429	430	
Expected credit losses of trade receivables and contract assets (Note 6F)	185	76	
Impairment of goodwill (Note 4C)	200	–	
Expense relating to leases of low-value assets (Note 6O)	18	17	
Remeasurement of contingent consideration (Note 4A)	358	–	
Other individually immaterial general and administrative expenses	1,097	1,496	
Total general and administrative expenses	16,111	11,404	

5J. Share-based payments

Accounting policy

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions). Employees working in the business development group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

IFRS 2.44

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in [Note 5J.3](#).

IFRS 2.7
IFRS 2.10

That cost is recognised in employee benefits expense ([Note 5F](#)), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

IFRS 2.19
IFRS 2.20

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

IFRS 2.21

IFRS 2.21A
IFRS 2.27
IFRS 2.28
IFRS 2.B42-B44

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

IAS 33.45

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in [Note 5K](#)).

Notes to the consolidated financial statements

5J. Share-based payments *continued*

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense (see [Note 5F](#)). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in [Note 5J.3](#). The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

IFRS 2.30
IFRS 2.32
IFRS 2.33

Significant estimates and assumptions for cash-settled transactions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a binomial model for Senior Executive Plan (SEP) and a Monte-Carlo simulation model for General Employee Share Option Plan (GESP).

The assumptions and models used for estimating fair value for share-based payment transactions are discussed further below in [Note 5J.3](#).

5J.1 Description of the share-based payments plans

IFRS 2.45(a)

Senior Executive Plan

Under the Senior Executive Plan (SEP), share options of the parent are granted to senior executives of the parent, including members of key management personnel, with more than 12 months' service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest if and when the Group's EPS (non-market condition) increases by 10% within three years from the date of grant and the senior executive remains employed on such date. The share options granted will not vest if the EPS performance condition is not met.

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions on which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

IFRS 2.46

The share options can be exercised up to two years after the three-year vesting period and therefore, the contractual term of each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the SEP as an equity-settled plan.

General Employee Share Option Plan

IFRS 2.45(a)

Under the General Employee Share Option Plan (GESP), the Group, at its discretion, may grant share options of the parent to employees other than senior executives, once the employee has completed two years of service. Vesting of the share options is dependent on the Group's total shareholder return (TSR) as compared to a group of principal competitors. Employees must remain in service for a period of three years from the date of grant.

The fair value of share options granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance.

IFRS 2.46
IFRS 2.47(a)(iii)

The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The contractual term of the share options is five years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

IFRS 2.46

Notes to the consolidated financial statements

5J. Share-based payments *continued*

Share Appreciation Rights

The Group's business development employees are granted share appreciation rights (SARs), settled in cash. The SARs vest when a specified target number of new sales contracts (non-market vesting condition) are closed within three years from the date of grant and the employee continues to be employed by the Group at the vesting date. The SARs can be exercised up to three years after the three-year vesting period and therefore, the contractual term of the SARs is six years. The liability for the share appreciation rights is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

IFRS 2.45(a)
IFRS 2.46
IFRS 2.47 (a)(iii)

The carrying amount of the liability relating to the SARs at 31 December 2026 was €299,000 (2025: €194,000). No SARs had vested, granted or forfeited at 31 December 2026 and 2025, respectively.

The expense recognised for employee services received during the year is shown in the following table:

IFRS 2.51(b)

	2026	2025
	€000	€000
Expense arising from equity-settled share-based payment transactions	307	298
Expense arising from cash-settled share-based payment transactions	105	194
Total expense arising from share-based payment transactions	412	492

IFRS 2.51(a)

The expense arising from share-based payment transactions is allocated to 'Cost of sales', 'Selling expenses', 'Distribution expenses', 'Research and development expenses' and 'General and administrative expenses'.

There were no cancellations or modifications to the awards in 2026 or 2025.

IFRS 2.47(c)

5J.2 Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	2026 Number	2026 WAEP	2025 Number	2025 WAEP
Outstanding at 1 January	575,000	€2.85	525,000	€2.75
Granted during the year	250,000	€3.85	155,000	€3.13
Forfeited during the year	–	–	(25,000)	€2.33
Exercised during the year	(75,000) ²	€2.33	(65,000) ¹	€3.08
Expired during the year	(25,000)	€3.02	(15,000)	€2.13
Outstanding at 31 December	725,000	€3.24	575,000	€2.85
Exercisable at 31 December	110,000	€2.98	100,000	€2.51

IFRS 2.45(c)

IFRS 2.45(d)

IFRS 2.45(b)

¹ The weighted average share price at the date of exercise of these options was €4.09.

IFRS 2.45(c)

² The weighted average share price at the date of exercise of these options was €3.13.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2026 was 2.94 years (2025: 2.60 years).

IFRS 2.45(d)

The weighted average fair value of options granted during the year was €1.32 (2025: €1.18).

IFRS 2.47(a)

The range of exercise prices for options outstanding at the end of the year was €2.33 to €3.85 (2025: €2.13 to €3.13).

IFRS 2.45(d)

Notes to the consolidated financial statements

5J. Share-based payments *continued*

IFRS 2.47(a)(i)

5J.3 Valuation models and key assumptions used

The following tables list the inputs to the models used for the three plans for the years ended 31 December 2026 and 2025, respectively:

	2026 SEP	2026 GESP	2026 SAR
Weighted average fair values at the measurement date	€3.45	€3.10	€2.80
Dividend yield (%)	3.13	3.13	3.13
Expected volatility (%)	15.00	16.00	18.00
Risk-free interest rate (%)	5.10	5.10	5.10
Expected life of share options/SARs (years)	4.25	3.00	6.00
Weighted average share price (€)	3.10	3.10	3.12
Model used	Binomial	Monte Carlo	Binomial

	2025 SEP	2025 GESP	2025 SAR
Weighted average fair values at the measurement date	€3.30	€3.00	€2.60
Dividend yield (%)	3.01	3.01	3.01
Expected volatility (%)	16.30	17.50	18.10
Risk-free interest rate (%)	5.00	5.00	5.00
Expected life of options/SARs (years)	4.25	3.00	6.00
Weighted average share price (€)	2.86	2.86	2.88
Model used	Binomial	Monte Carlo	Binomial

The expected life of the share options and SARs is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

IFRS 2.47(a)(ii)

5K. Earnings per share (EPS)

Accounting policy

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2026 €000	2025 €000 Restated
Profit attributable to ordinary equity holders of the parent:		
Continuing operations	7,708	6,408
Discontinued operations	220	(188)
Profit attributable to ordinary equity holders of the parent for basic earnings	7,928	6,220
Interest on convertible preference shares	247	238
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	8,175	6,458

IAS 33.70(a)

IAS 33.70(a)

Notes to the consolidated financial statements

5K. Earnings per share (EPS) *continued*

	2026	2025	
	Thousands	Thousands	IAS 33.70(b)
Weighted average number of ordinary shares for basic EPS*	20,797	19,064	
Effects of dilution from:			
Share options	112	177	
Convertible preference shares	833	833	
Weighted average number of ordinary shares adjusted for the effect of dilution *	<u>21,742</u>	<u>20,074</u>	IAS 33.70(b)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements. IAS 33.70(d)

To calculate the EPS for discontinued operations ([Note 4B](#)), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:

	2026	2025
	€000	€000
Profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations for the basic and diluted EPS calculations	<u>220</u>	<u>(188)</u>

Commentary on IFRS accounting standards

Entities should be aware of the requirement in paragraph 70(c) of IAS 33 to disclose "Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented".

Paragraph 73B of IAS 33 permits entities to disclose additional amounts per share in the notes. Entities can use only a total or subtotal specified in paragraphs 69, 86 and 118 of IFRS 18 or an MPM as defined by IFRS 18 as a numerator. If additional amounts per share are disclosed, such amounts per share cannot be presented in the primary financial statements. If entities use an MPM as a numerator, it must follow the disclosure guidance required for MPMs for that numerator.

Notes to the consolidated financial statements

Section 6: Detailed information on statement of financial position items

This section provides additional information about individual line items in the statement of financial position, including its relevant accounting policies, financial instruments held by the group and non-financial assets and liabilities.

6A. Property, plant and equipment

Accounting policy

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to provisions ([Note 6I](#)) for further information about the recognised decommissioning provision and the significant accounting judgements, estimates and assumptions made. For the Group's accounting policy on impairment, refer to [Note 4C](#). The impairment accounting policy for goodwill and intangible assets with indefinite lives similarly applies to other non-financial assets, including property, plant and equipment.

IAS 16.73(a)
IAS 16.30
IAS 16.15
IAS 16.16

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

IFRIC 18.11
IAS 16.24
IAS 16.73(a)
IAS 16.31

Office properties in Euroland are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

IAS 16.39
IAS 16.40

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the statement of profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

IAS 16.41

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

IAS 16.73(b)
IAS 16.73(c)

- Buildings 15 to 20 years
- Plant, machinery and equipment 5 to 15 years
- Office properties in Euroland 15 to 20 years

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, it considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks. Specifically, it determines whether climate-related legislation and regulations might impact either the useful life or residual values, e.g., by banning or restricting the use of the Group's fossil fuel-driven machinery and equipment or imposing additional energy efficiency requirements on the Group's buildings and office properties.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

IAS 16.67
IAS 16.68
IAS 16.71

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

IAS 16.51

Notes to the consolidated financial statements

6A. Property, plant and equipment *continued*

Commentary on IFRS accounting standards

Under IAS 16 *Property, Plant and Equipment* an entity has a policy choice for the measurement of property, plant and equipment after initial recognition.

An entity may choose either the cost model or the revaluation model for entire classes of property, plant and equipment. The Group has elected to use the revaluation model for office properties in Euroland, while other classes of property, plant and equipment are measured using the cost model. The Group has also elected to transfer the revaluation surplus to retained earnings as the asset is being used. Alternatively, the amount could have been transferred, in full, upon disposal of the asset.

On disposal of property, plant and equipment:

- The date of disposal of the asset is the date the recipient obtains control of the asset in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15 in accordance with paragraph 69 of IAS 16.
- The amount of consideration to be included in the gain or loss arising from the derecognition is determined in accordance with the requirements for determining the transaction price in IFRS 15. Subsequent changes to the estimated amount of the consideration included in the gain or loss shall be accounted for in accordance with the requirements for changes in transaction price in IFRS 15 in accordance with paragraph 72 of IAS 16.

The above requirements also apply to disposals of investment properties under paragraphs 67 and 70 of IAS 40 and intangible assets under paragraphs 114 and 116 of IAS 38.

Commentary on climate-related matters

Paragraph 51 of IAS 16 requires entities to review the residual values and useful lives of items of property, plant and equipment at least at each financial year-end. In performing these reviews, entities need to consider whether climate-related matters have an impact. If relevant, entities should include both physical risks, e.g., recurring floods, rising sea levels and wildfires, and transitional risks, such as legal or regulatory restrictions on the future use of assets and the potential obsolescence of assets due to changes in consumer demand.

A growing number of entities have developed highly detailed roadmaps or plans to achieve specific ESG-targets, such as targets for reductions in emissions from their operations. The impact of such plans and potential changes in an entity's business models must also be considered when reviewing useful lives and residual values, as this might change the Group's future use of the related asset, the related depreciation and the amount to be obtained from their disposal. In addition, entities need to consider whether climate-related matters impact the fair value of property, plant and equipment, which is relevant for the application of the revaluation method and for determining fair value less costs of disposal in the context of impairment testing.

Entities that own and use items of property, plant and equipment that only differ in terms of their emissions generated during use need to consider whether disaggregated information is material in accordance with paragraphs 41-42 and B110 of IFRS 18. For further information, please refer to our publication, [IFRS Developments 244: Disclosures about Uncertainties in the Financial Statements](#)

Notes to the consolidated financial statements

6A. Property, plant and equipment *continued*

6A.1 Reconciliation of beginning and ending balances by classes of assets

	Freehold land and buildings	Office properties in Euroland	Construction in progress	Plant and machinery	Other equipment	Total	IFRS 18.B111(a) IAS 16.73(e) IAS 16.73(d)
	€000	€000	€000	€000	€000	€000	
Cost or valuation							
At 1 January 2025	10,765	1,122	–	17,657	5,500	35,044	
Additions	1,587	–	–	6,048	150	7,785	
Acquisition of a subsidiary (Note 4A)	1,280	–	–	–	–	1,280	
Disposals	(3,381)	–	–	(49)	–	(3,430)	
Exchange differences	10	–	–	26	–	36	
At 31 December 2025	10,261	1,122	–	23,682	5,650	40,715	
Additions	1,612	–	4,500	4,403	190	10,705	
Acquisition of a subsidiary (Note 4A)	2,897	–	–	4,145	–	7,042	
Disposals	–	–	–	(4,908)	–	(4,908)	
Assets held for sale (Note 4B)	(4,144)	–	–	(3,980)	–	(8,124)	
Revaluation adjustment	–	846	–	–	–	846	IFRS13.93(e)(ii)
Transfer*	–	(219)	–	–	–	(219)	IAS 16.35(b)
Exchange differences	30	–	–	79	–	109	
At 31 December 2026	10,656	1,749	4,500	23,421	5,840	46,166	
Depreciation and impairment							
At 1 January 2025	4,061	99	–	11,044	900	16,104	
Depreciation charge for the year	351	3	–	2,278	450	3,082	
Impairment (Note 4C)	–	–	–	301	–	301	
Disposals	(3,069)	–	–	(49)	–	(3,118)	
Exchange differences	5	–	–	12	–	17	
At 31 December 2025	1,348	102	–	13,586	1,350	16,386	
Depreciation charge for the year**	383	117	–	2,827	470	3,797	
Disposals	–	–	–	(3,450)	–	(3,450)	
Assets held for sale (Note 4B)	(1,283)	–	–	(2,094)	–	(3,377)	
Transfer*	–	(219)	–	–	–	(219)	
Exchange differences	20	–	–	30	–	50	
At 31 December 2026	468	–	–	10,899	1,820	13,187	
Net book value							
At 1 January 2025	6,704	1,023	–	6,613	4,600	18,940	
At 31 December 2025	8,913	1,020	0	10,096	4,300	24,329	
At 31 December 2026	10,188	1,749	4,500	12,522	4,020	32,979	

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

** Depreciation for the year excludes an impairment loss of €110,000 (see [Note 4B](#)).

Commentary on IFRS accounting standards

If a lessee does not present right-of-use assets separately in the statement of financial position, paragraph 47 of IFRS 16 requires the right-of-use assets to be included within the same line item that the corresponding underlying assets would be presented in if they were owned. If the Group had included its right-of-use assets within property, plant and equipment, a column for the right-of-use assets would have been included in the above table with a cross-reference to the details in [Note 6O](#).

Notes to the consolidated financial statements

6A. Property, plant and equipment *continued*

In 2025, the impairment loss of €301,000 represented the write-down of certain property, plant and equipment in the fire prevention segment to the recoverable amount as a result of technological obsolescence. This was recognised in the statement of profit or loss as 'Cost of sales'. The recoverable amount of €5,679,000 as at 31 December 2025 was based on value in use and was determined at the level of the CGU. The CGU consisted of the Euroland-based assets of Sprinklers Limited, a subsidiary. In determining value in use for the CGU, the cash flows were discounted at a rate of 12.4% on a pre-tax basis. IAS 36.126(a)
IAS 36.130

Capitalised borrowing costs

The Group started the construction of a new fire safety facility in February 2026. This project is expected to be completed in February 2027. The carrying amount of the fire safety facility at 31 December 2026 was €3,000,000 (2025: Nil). The fire safety facility is financed by a third party in a common arrangement. The amount of borrowing costs capitalised during the year ended 31 December 2026 was €303,000 (2025: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 11%, which is the EIR of the specific borrowing. IAS 23.26(a)
IAS 23.26(b)

Land and buildings

Land and buildings with a carrying amount of €7,400,000 (2025: €5,000,000) are subject to a first charge to secure two of the Group's bank loans. IAS 16.74(a)

Assets under construction

Included in property, plant and equipment at 31 December 2026 was an amount of €1,500,000 (2025: Nil) relating to expenditure for a plant in the course of construction. IAS 16.74(b)

Equipment received from customers

In 2026, the Group received €190,000 (2025: €150,000) of equipment from customers to be utilised in the production process. The initial gross amount was estimated at fair value by reference to the market price of these assets on the date on which control is obtained. IAS 16.73(a)
IFRS 15.66
IFRS 15.69

Disposals of property, plant and equipment

In 2026, the Group sold equipment with a total net carrying amount of €1,458,000 for a cash consideration of €1,990,000. In 2025, the Group sold freehold land and a building with a net carrying amount of €312,000 for a cash consideration of €2,319,000. The net gains on these disposals were recognised as part of other operating income in the statement of profit or loss ([Note 5A](#)).

Revaluation of office properties in Euroland

Management determined that the office properties in Euroland constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property. IFRS 13.94

The fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation on 1 January and 31 December 2026, the properties' fair values are based on valuations performed by Chartered Surveyors & Co., an accredited independent valuer who has valuation experience for similar office properties in Euroland since 2014. A net gain from the revaluation of the office properties in Euroland of €846,000 in 2026 was recognised in OCI. IAS 16.77(b)
IFRS 13.93(d)

Fair value measurement disclosures for the revalued office properties are provided in [Note 2D](#).

Significant unobservable valuation input:	Range	IFRS 13.93(h)(i)
Price per square metre	€325 - €350	

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

Notes to the consolidated financial statements

6A. Property, plant and equipment *continued*

Reconciliation of carrying amount

Carrying amount as at 1 January 2026*

Level 3 revaluation gain recognised due to change in accounting policy to revaluation model as at 1 January 2026

Carrying amount and fair value as at 1 January 2026

Depreciation for the year

Level 3 revaluation loss on revaluation as at 31 December 2026

Carrying amount and fair value as at 31 December 2026

* The Group changed the accounting policy with respect to the measurement of office properties in Euroland as at 1 January 2026 on a prospective basis. Therefore, the fair value of the office properties in Euroland was not measured at 1 January 2025.

If the office properties in Euroland were measured using the cost model, the carrying amounts would be, as follows:

	2026
	€000
Cost	1,122
Accumulated depreciation and impairment	(105)
Net carrying amount	1,017

€000

1,020 IFRS 13.93(e)

1,210

2,230

(117)

(364)

1,749

IAS 16.77(e)

2026

€000

1,122

(105)

1,017

Commentary on IFRS accounting standards

The Group has changed its accounting policy to measure the office properties in Euroland at the revalued amount in accordance with IAS 16. Under paragraph 36 of IAS 16, if an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs should be revalued. Paragraph 37 of IAS 16 defines a class of property, plant and equipment as a grouping of assets of similar nature and use in an entity's operations. The Group determined that office properties in Euroland constitute separate class of property, plant and equipment, based on their nature, characteristics and risks.

Under paragraph 31 of IAS 16, the revalued amount of an item of property, plant and equipment is its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period. Due to significant volatility of the fair value of office properties in Euroland during 2026 the Group performed a revaluation as at 31 December 2026.

Fair value was determined using the market comparable method. This means that valuations performed are based on prices of transactions involving properties of a similar nature, location and condition. Since this valuation was performed using a significant non-observable input, the fair value was classified as a Level 3 measurement.

Since revaluations of property, plant and equipment in accordance with IAS 16 represent a recurring fair value measurement, the Group disclosed the information required by paragraph 93 of IFRS 13 for recurring fair value measurements. The disclosures provided are based on Example 17 from the Illustrative examples to IFRS 13. It is assumed in these illustrative financial statements that only one unobservable input, price per square metre, was used by the valuers. In practice, the market comparable method may require the use more than one unobservable input. In such cases, the disclosures would cover the additional significant unobservable inputs,

Paragraph 99 of IFRS 13 requires an entity to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in a tabular format.

Commentary on climate-related matters

Entities should consider the impact of climate-related matters on the useful life and residual value of property, plant and equipment. The introduction of legislation or other regulations may result in a reduction of the useful life of assets, compared to original forecasts. Entities may also need to assess depreciation rates to increase the rate of depreciation of these assets. Furthermore, new legislation may introduce new or stricter obligations to decommission assets and, as a result, may give rise to new or remeasured provisions for decommissioning.

For further commentary, see [Note 6A](#) and [Note 2D](#) above.

Notes to the consolidated financial statements

6B. Investment properties

Accounting policy

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

IAS 40.20
IAS 40.33
IAS 40.75(a)
IAS 40.35
IAS 40.75(e)

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

IAS 40.66
IAS 40.69
IAS 40.70

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

IAS 40.57
IAS 40.60
IAS 40.61

Commentary on IFRS accounting standards

The Group has elected to state investment properties at fair value in accordance with IAS 40 *Investment Property*. As an alternative, IAS 40 permits investment properties to be carried at historical cost less accumulated depreciation and impairment. IAS 40 requires disclosure of the fair value of investment property recorded at cost. Therefore, entities would still need to determine the fair value of investment properties regardless of the policy choice.

6B.1 Qualitative and quantitative disclosures of the investment properties

	2026	2025	IAS 40.76
	€000	€000	
Opening balance at 1 January	7,983	7,091	
Additions (subsequent expenditure)	1,216	1,192	
Net loss from fair value remeasurement	(306)	(300)	
Closing balance at 31 December	8,893	7,983	

The Group's investment properties consist of two commercial properties in Euroland. Management determined that the investment properties consist of two classes of assets – office and retail – based on the nature, characteristics and risks of each property.

As at 31 December 2026 and 2025, the fair values of the properties are based on valuations performed by Chartered Surveyors & Co., an accredited independent valuer. Chartered Surveyors & Co. is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

IAS 40.75(e)

	2026	2025	IAS 40.75(f)
	€000	€000	
Rental income derived from investment properties	1,404	1,377	
Direct operating expenses (including repairs and maintenance) generating rental income (included in 'General and administrative expenses')	(101)	(353)	IAS 40.75(f)(ii)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in 'General and administrative expenses')	(37)	(127)	IAS 40.75(f)(iii)
Profit arising from investment properties carried at fair value	1,266	897	

Notes to the consolidated financial statements

6B. Investment properties continued

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

IAS 40.75(g)
IAS 40.75(h)

6B.2 Fair value

Fair value hierarchy disclosures for investment properties are provided in [Note 2D](#).

Reconciliation of fair value:

	Investment properties	
	Office properties	Retail properties
	€000	€000
As at 1 January 2025	3,397	3,694
Remeasurement recognised in the statement of profit or loss as a change in fair value of investment properties	(144)	(156)
Purchases	571	621
As at 31 December 2025	3,824	4,159
Remeasurement recognised in the statement of profit or loss as a change in fair value of investment properties	(147)	(159)
Purchases	583	633
As at 31 December 2026	4,260	4,633

IFRS 13.93(e)(i)

IFRS 13.93(e)(iii)

IFRS 13.93(f)

6B.3 Estimation uncertainty and key assumptions

Description of valuation techniques used and key inputs to valuation of investment properties:

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. In addition, the Group measures the office properties in Euroland at revalued amounts, with changes in fair value being recognised in OCI. The office properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist to assess fair values as at 31 December 2025 for the investment properties and at 1 January and 31 December 2026 for the office properties in Euroland. The key assumptions used to determine the fair value of the properties and sensitivity analyses are further discussed below.

IFRS 13.93(d)

	Valuation technique	Significant unobservable Inputs	Range (weighted average)	
			2026	2025
Office properties	DCF method (refer below)	Estimated rental value per sqm per month	€10 - €25 (€20)	€9 - €23 (€16)
		Rent growth p.a.	1.75%	1.76%
		Long-term vacancy rate	3% - 10% (5%)	3% - 9% (4%)
		Discount rate	6.5%	6.3%
Retail properties	DCF method (refer below)	Estimated rental value per sqm per month	€15 - €35 (€22)	€14 - €33 (€21)
		Rent growth p.a.	1%	1.2%
		Long-term vacancy rate	4% - 12% (7%)	4% - 13% (8.5%)
		Discount rate	6.5%	6.3%

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Notes to the consolidated financial statements

6B. Investment properties *continued*

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

IFRS13.93(h)(i)

Commentary on IFRS accounting standards

The Group has elected to value investment properties at fair value in accordance with IAS 40.

If, for recurring and non-recurring fair value measurements, the highest and best use of a non-financial asset differs from its current use, an entity must disclose that fact and the reason why the asset is being used in a manner that differs from its highest and best use under paragraph 93(i) of IFRS 13. The Group has assessed that the highest and best use of its properties does not differ from their current use. An example of what might be disclosed if the highest and best use of the Group's retail property is determined to be other than its current use is, as follows:

- The Group has determined that the highest and best use of the property used for office space is its current use.
- The highest and best use of the retail property at the measurement date would be to convert the property for residential use. For strategic reasons, the property is not being used in this manner.

In addition to the disclosure requirements in IFRS 13, IAS 8 requires disclosure of the significant judgements management has made about the future and sources of estimation uncertainty. Paragraph 31E(b) of IAS 8 includes, as an example of such a disclosure, the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity. As such, information beyond that required by paragraph 93(h) of IFRS 13 may be needed in some circumstances.

IAS 40 permits investment properties to be carried at historical cost less accumulated depreciation and any accumulated impairment losses. If the Group accounted for investment properties at cost, information about the cost basis and depreciation rates (similar to the requirement under IAS 16 for property, plant and equipment) would be required. Paragraph 79(e) of IAS 40 requires disclosure of fair value of the properties. For the purpose of this disclosure, the fair value is required to be determined in accordance with IFRS 13. Also, in addition to the disclosures under IAS 40, paragraph 97 of IFRS 13 requires disclosure of:

- The level at which fair value measurement is categorised i.e., Level 1, Level 2 or Level 3
- A description of valuation technique and inputs, for Level 2 or Level 3 fair value measurement
- If the highest and best use differs from the current use of the asset, that fact and the reason

Paragraph 99 of IFRS 13 requires an entity to present the quantitative disclosures of IFRS 13 in a tabular format, unless another format is more appropriate. The Group included the quantitative disclosures in tabular format, above.

Commentary on macroeconomic and geopolitical uncertainty

The impact on fair value measurement arising from the current macroeconomic and geopolitical uncertainty and market disruptions varies across countries, markets and industries. When valuations are subject to significant measurement uncertainty due to the current environment and there is a wider range of estimates for FVM, the entity is required to apply judgement to determine the point within that range that is most representative of FVM in the circumstances.

While market volatility may suggest that the prices are aberrations and do not reflect fair value, it would not be appropriate for an entity to disregard market prices at the measurement date, unless those prices are from transactions that are not orderly.

A significant increase or decrease in volume or activity in a market can also influence the valuation techniques used in the FVM. Entities will need to assess how those techniques are applied and whether inputs are observable at the measurement date.

Notes to the consolidated financial statements

6C. Intangible assets

Accounting policy

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

IAS 38.24
IAS 38.74
IAS 38.54
IAS 38.57

The useful lives of intangible assets are assessed as either finite or indefinite.

IAS 38.88

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

IAS 38.97
IAS 36.9
IAS 38.104

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

IAS 38.107
IAS 38.108
IAS 38.109

For the Group's accounting policy on impairment for goodwill and intangible assets with indefinite lives, refer to [Note 4C](#).

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

IAS 38.113

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

IAS 38.54
IAS 38.57

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

IAS 38.74
IAS 36.10(a)

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 December 2026, the carrying amount of capitalised development costs was €2,178,000 (2025: €1,686,000).

This amount includes significant investment in the development of an innovative fire prevention system. Prior to being marketed, it will need to obtain a safety certificate issued by the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the certificate will be obtained.

Notes to the consolidated financial statements

6C. Intangible assets *continued*

Patents and licences

The Group made upfront payments to acquire patents and licences. The patents have been granted for a period of 10 years by the relevant government agency with the option of renewal at the end of this period. Licences for the use of intellectual property are granted for periods ranging between five and ten years depending on the specific licences. The licences may be renewed at little or no cost to the Group. As a result, those licences are assessed as having an indefinite useful life.

IAS 38.122(a)

A summary of the policies applied to the Group's intangible assets is, as follows:

IAS 38.118 (a)(b)

	Licences	Patents	Development costs
Useful lives	Indefinite	Finite (10 years)	Finite (10-20 years)
Amortisation method used	No amortisation	Amortised on a straight-line basis over the period of the patent	Amortised on a straight-line basis over the period of expected future sales from the related project
Internally generated or acquired	Acquired	Acquired	Internally generated

6C.1 Reconciliation of beginning and ending balances by classes of assets

	Development costs	Patents and licences with definite useful life	Licences with indefinite useful life	Intangible assets total	Goodwill	Total	
	€000	€000	€000	€000	€000	€000	
Cost							
At 1 January 2025	1,585	395	240	2,220	119	2,339	
Additions - internally developed	390	-	-	390	-	390	
Acquisition of a subsidiary (restated*)	-	-	-	-	131	131	
At 31 December 2025	1,975	395	240	2,610	250	2,860	IAS 38.118(c)
Additions - internally developed	587	-	-	587	-	587	
Acquisition of a subsidiary	-	30	1,170	1,200	2,231	3,431	
Assets held for sale	-	(138)	-	(138)	-	(138)	IAS 38.118(e)
At 31 December 2026	2,562	287	1,410	4,259	2,481	6,740	
Amortisation and impairment							
At 1 January 2025	165	60	-	225	-	225	
Amortisation	124	50	-	174	-	174	
At 31 December 2025	289	110	-	399	-	399	
Amortisation	95	30	-	125	-	125	
Impairment (Note 4C)	-	-	-	-	200	200	
Assets held for sale	-	(3)	-	(3)	-	(3)	
At 31 December 2026	384	137	-	521	200	721	
Net book value							
At 1 January 2025	1,420	335	240	1,995	119	2,114	
At 31 December 2025	1,686	285	240	2,211	250	2,461	
At 31 December 2026 (restated*)	2,178	150	1,410	3,738	2,281	6,019	

* The amount of goodwill is restated and does not correspond to the figures in 2025 financial statements since adjustments to the final valuation of acquisition of Lightbulbs Limited were made, as detailed in [Note 4A](#).

Notes to the consolidated financial statements

6C. Intangible assets *continued*

There are two fire prevention research and development projects: one is to improve fire detection and sprinkler systems and the other is related to fire-retardant fabrics for motor vehicles and aircraft.

Acquisition during the year

Patents and licences include intangible assets acquired through business combinations. The patents have been granted for a minimum of 10 years by the relevant government agency, while licences have been acquired with the option to renew at the end of the period at little or no cost to the Group. Previous licences acquired have been renewed and have allowed the Group to determine that these assets have indefinite useful lives. As at 31 December 2026, these assets were tested for impairment ([Note 4C](#)).

Acquisition of development costs is presented in 'Development expenditures' in the statement of cash flows. IFRS 18.114

6D. Financial assets and financial liabilities

Accounting policy

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. IAS 32.11

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. IFRS 7.21
IFRS 9.4.1.1

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in [Note 3A](#). IFRS 9.4.1.1
IFRS 15.108

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. IFRS 9.4.1.2(b)
IFRS 9.4.1.2(b)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. IFRS 9.B4.1.1

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. IFRS 9.3.1.2

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories: IFRS 9.5.2.1

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. IFRS 9.5.4

The Group's financial assets at amortised cost includes trade receivables, loan to an associate and loan to a director included under other non-current financial assets.

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Commentary on IFRS accounting standards

For entities that have more complex financial instruments, the SPPI assessment can be particularly challenging. The application guidance for IFRS 9 and EY's *International GAAP 2026* provide specific examples of instruments that pass or fail the SPPI test. Such entities should also consider providing more detailed accounting policies in relation to their SPPI and business model assessments. Only equity instruments that meet the definition of equity from the issuer's perspective can be designated at fair value through OCI at initial recognition. IFRS 9 also allows entities to elect to designate non-financial contracts such as commodity contracts held for own use as financial assets at FVPL under certain circumstances.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

IFRS 9.4.1.2A

IFRS 9.5.7.10

IFRS 9.5.7.11

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

IFRS 9.5.7.5

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

IFRS 9.5.7.1A

IFRS 9.B5.7.1

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Having considered the disaggregation requirements under IFRS 18, the Group has concluded that separate presentation of realised and unrealised components does not provide materially useful information to users of the financial statements. Accordingly, gain and losses on financial assets at fair value through profit or loss are presented on an aggregated basis, and no separate line item or note disclosure is provided.

IFRS 18.41, 42

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs

IFRS 9.4.3.3

if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

IFRS 9.3.2.3(a)

- The rights to receive cash flows from the asset have expired
Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

IFRS 9.3.2.4(a)

IFRS 9.3.2.4(b)

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Derecognition *continued*

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

IFRS 9.3.2.6(a)
IFRS 9.3.2.6(c)
IFRS 9.3.2.4(b)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IFRS 9.3.2.16

Impairment of financial assets

IFRS 9.5.5.1

Aside from this note, other disclosures relating to impairment of financial assets (trade receivables) are included in [Note 6F](#).

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

IFRS 9.5.5.3
IFRS 9.5.5.3

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

IFRS 9.5.5.15
IFRS 9.B5.5.35

Commentary on IFRS accounting standards

An entity is required to apply the simplified approach for trade receivables or contract assets that do not contain a significant financing component, or when the entity applies the practical expedient for contracts that have a maturity of one year or less. However, an entity has a policy choice to apply either the simplified approach or the general approach for the following:

- All trade receivables or contract assets that contain a significant financing component in accordance with IFRS 15. The policy choice may be applied separately to trade receivables and contract assets.
- All lease receivables that result from transactions that are within the scope of IFRS 16. The policy choice may be applied separately to finance and operating lease receivables.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

IFRS 9.5.5.3
IFRS 9.5.5.5
IFRS 9.A

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the *Good Credit Rating Agency* and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the *Good Credit Rating Agency* both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

IFRS 7.35F(a)
IFRS 7.35G(a)(ii)
IFRS 9.B5.5.22-27

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Commentary on IFRS accounting standards

IFRS 9 contains an important simplification that, if a financial instrument has a low credit risk, then an entity is allowed to assume at the reporting date that no significant increases in credit risk have occurred. The low credit risk concept was intended to provide entities relief from tracking changes in the credit risk of high-quality financial instruments. This simplification is optional, and the low credit risk simplification can be elected on an instrument-by-instrument basis.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

IFRS 7.35F(b)
IFRS 9.5.5.9
IFRS 9.B5.5.37

Financial liabilities

Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

IFRS 7.6
IFRS 7.21

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

IFRS 9.5.1.1

The Group's financial liabilities include trade, related party and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

The Group classifies financial liabilities that arise from supplier finance arrangement within Trade, related party and other payables in the statement of financial position if they have a similar nature and function to trade payables.

This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade, related party and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

IFRS 9.4.2.1(a)

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

IFRS 9.5.7.1

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

IFRS 9.4.2.1
IFRS 9.5.7.2

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as 'Interest expenses on loans and borrowings' in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as

IFRS 9.3.3.1

IFRS 9.3.3.3
IFRS 9.3.3.2

the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

IAS 32.42

Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

IFRS 7.21
IAS 32.18
IAS 32.28

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

IAS 32.35
IAS 32.AG31(a)

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

IAS 32.38

Transaction costs are apportioned between the liability and equity components of the convertible preference shares, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

6D.1 Financial assets

	2026	2025	IFRS 7.6 IFRS 7.8
	€000	€000	
Derivatives not designated as hedging instruments			
Foreign exchange forward contracts	640	–	
Embedded derivatives	210	–	
Derivatives designated as hedging instruments			
Foreign exchange forward contracts	252	153	
Financial assets at fair value through profit or loss			
Listed equity investments	337	300	
Equity instruments designated at fair value through OCI			
Non-listed equity investments			IFRS 7.11A(a)
Power Limited	417	205	IFRS 7.11A(c)
Power Supplier Inc.	258	185	
Electronics Manufacturing Inc.	70	151	
Electronics Seller Inc.	293	–	
Electronic Test Ltd.	–	308	
Electronics Supplier Ltd.	–	49	
	1,038	898	
Debt instruments at fair value through OCI			
Quoted debt instruments	1,622	1,610	
Total financial assets at fair value	4,099	2,961	
Debt instruments at amortised cost:			
Trade receivables (Note 6F)	25,672	22,290	
Loan to an associate	200	–	
Loan to a director	13	8	
Total financial assets*	29,984	25,259	
Total current	26,223	22,443	
Total non-current	3,761	2,816	

* Financial assets, other than cash and short-term deposits

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

IFRS 7.32A

Derivatives designated as hedging instruments reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars (USD).

Financial assets at fair value through profit or loss include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Equity instruments designated at fair value through OCI include investments in equity shares of non-listed companies. The Group holds non-controlling interests (between 2% and 9%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

IFRS 7.11A(b)

In 2026, the Group sold its equity interest in Electronics Supplier Ltd. as this investment no longer coincides with the Group's investment strategy. The fair value on the date of sale is €50,000 and the accumulated gain recognised in OCI of €7,000 was transferred to retained earnings. In 2025, the Group received dividends in the amount of €3,000 from Power Limited.

IFRS 7.11A(e)
IFRS 7.11B

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Debt instruments at fair value through OCI include investments in quoted government and corporate bonds. Fair values of these debt instruments are determined by reference to published price quotations in an active market.

Debt instruments at amortised cost include trade receivables and receivables from related parties.

Commentary on IFRS accounting standards

Paragraph 11A of IFRS 7 requires disclosure of which investments in equity instruments have been designated to be measured at fair value through OCI and the fair value of each such investment at the end of the reporting period. For illustrative purposes, the Group provided disclosure for each individual investment.

Entities will need to apply the concept of materiality for this disclosure requirement, such that disclosures are provided separately for investments that are themselves material and aggregated disclosures may suffice for immaterial items.

6D.2 Financial liabilities: Interest-bearing loans and borrowings

	Interest rate	Maturity	2026	2025	IFRS 7.7
	%		€000	€000	
Current interest-bearing loans and borrowings					
Bank overdrafts	EURIBOR+1.0	On demand	966	2,650	
€1,500,000 bank loan	EURIBOR+0.5	1 Nov 2027	1,411	–	
€2,200,000 bank loan	EURIBOR+0.5	31 Mar 2026	–	74	
Total current interest-bearing loans and borrowings			2,377	2,724	
Non-current interest-bearing loans and borrowings					
8% debentures	8.2	2028-2033	3,374	3,154	
8.25% secured loan of USD3,600,000	*SOFR+0.2	31 May 2031	2,246	–	
Secured bank loan	SOFR+2.0	31 Jul 2031	3,479	3,489	
€1,500,000 bank loan (2025: €1,400,000)	EURIBOR+0.5	1 Nov 2027	–	1,357	
€2,750,000 bank loan (2025: €2,500,000)	EURIBOR+1.1	2028-2031	2,486	2,229	
€2,200,000 bank loan	EURIBOR+0.5	31 Mar 2029	2,078	2,078	
€5,809,000 bank loan	7.5	1 Jan 2030	–	5,809	
Loan from a third-party investor in Fire Equipment Test Lab Limited	11.0	2028	3,000	–	
Convertible preference shares	11.6	2031	2,778	2,644	
Total non-current interest-bearing loans and borrowings			19,441	20,760	
Total interest-bearing loans and borrowings			21,818	23,484	

*Includes the effects of related interest rate swaps.

Commentary on IFRS accounting standards

Paragraph 7 of IFRS 7 requires disclosure of information that enables users of the financial statements to evaluate the significance of financial instruments for its financial position and performance. As the Group has a significant amount of interest-bearing loans and borrowings on its statement of financial position, it has decided to provide detailed information to the users of the financial statements about the EIR as well as the maturity of the loans.

Bank overdrafts

The bank overdrafts are secured by a portion of the Group's short-term deposits.

€1,500,000 bank loan

This loan is unsecured and is repayable in full on 1 November 2027.

IFRS 7.7

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

8% debentures

The 8% debentures are repayable in equal annual instalments of €350,000 commencing on 1 January 2028. The debentures include a requirement to increase Good Group's use of recycled materials in the production of its products to 30%. If this requirement is not met by 1 January 2028, the interest rate will rise by 100 basis points to 9%.

The 8% debentures are subject to a covenant that requires the Group to maintain €1,500,000 in minimum balance of cash and short-term deposits on a consolidated basis during the repayment period of the loan. The covenant is tested at the end of each quarter until the maturity of the 8% debentures. The Group has no indication that it will have difficulty complying with this covenant.

IFRS
18.B106(a), (b)

Commentary on climate-related matters

Entities that issue financial liabilities with ESG-features will need to carefully assess the accounting treatment of such contracts, particularly as financial liabilities with ESG features that impact the cash flows of the liability may contain embedded derivatives.

Firstly, it will need to be determined if the liability will be carried at amortised cost, or fair value through profit and loss. If the liability is carried at fair value through profit and loss, then separation of an embedded derivative will not be required.

If the liability is carried at amortised cost, then the embedded derivative will need to be accounted for separately from the host liability if the economic characteristics and risk of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

This assessment will depend on the specific facts and circumstances. If the ESG features include metrics that are specific to the entity, for example, by setting specific targets for the entity's reduction in greenhouse gas emissions, the economic characteristics and risk of the embedded derivative will generally be closely related to those of the host contract, and the embedded derivative would not need to be accounted for separately. On the other hand, if the ESG features refer to broader metrics that are not specific to the issuer of the instruments, such as a broader ESG index or national reductions in greenhouse gas emissions, the economic characteristics and risk of the embedded derivative would generally not be closely related to those of the host contract, and the embedded derivative would need to be accounted for separately.

This assessment may be further complicated if an entity's financial instruments with ESG features refer to an ESG metric of the parent or of an entire group, rather than a metric specifically related to the stand-alone group entity that has issued the instruments.

If a liability is carried at amortised cost, and it is determined that the embedded derivative is not separated, the entity will estimate the cash flows as part of determination of the effective interest rate. If in the future these estimates change, say due to a change in the ESG metric effecting the cash flows, then this is treated as an adjustment to profit and loss.

8.25% secured loan

The loan is secured by a first charge over certain of the Group's land and buildings with a carrying value of €2,400,000 (2025: Nil).

Secured bank loan

This loan has been drawn down under a six-year multi-option facility (MOF). The loan is repayable within 12 months after the reporting date but has been classified as long term because the Group expects, and has the discretion, to exercise its rights under the MOF to refinance this funding. Such immediate replacement funding is available until 31 July 2031. The total amount repayable on maturity is €3,500,000. The facility is secured by a first charge over certain of the Group's land and buildings, with a carrying value of €5,000,000 (2025: €5,000,000).

IFRS 18.B101

IFRS
18.B106(a), (b)

The secured bank loan is subject to the following covenants:

- Interest cover ratio greater than 5. The interest cover ratio in the secured bank loan is calculated as operating profit divided by interests on debts and borrowings (see [Note 5C](#)). The interest cover ratio was 11.1 as at 31 December 2026 (2025: 9.1)
- Gearing ratio below 45%. See [Note 3C](#) for the definition and calculation of the Group's gearing ratio. The gearing ratio was 26% as at 31 December 2026 (2025: 38%)

Both covenants are tested half-yearly, at 30 June and 31 December. The Group has no indication that it will have difficulty complying with these covenants.

€2,750,000 bank loan

The Group increased its borrowings under this loan contract by €250,000 during the reporting period. This loan is repayable in two instalments of €1,250,000 due on 31 December 2029 and €1,500,000 due on 31 December 2031.

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

€2,200,000 bank loan

This loan is unsecured and is repayable in full on 31 March 2029. As of 31 December 2025, €74,000 was repayable on 31 March 2026.

€5,809,000 bank loan

This loan has been transferred to the net balance of the liabilities held for sale.

Commentary on IFRS accounting standards

The right to defer settlement of liabilities might be subject to the entity complying with covenants within twelve months after the reporting date. In such cases, paragraph B106 of IFRS 18 requires entities with liabilities classified as non-current to disclose information to enable users to understand the risk of liabilities becoming repayable within twelve months after the reporting period. Entities must disclose information about the covenants, as illustrated above. In addition, if facts and circumstances indicate that the entity may have difficulty complying with the covenants, they must be disclosed. To meet this requirement, factors entities must consider include whether it has acted to avoid or mitigate a potential breach, either during or after the reporting period, and whether it would have complied with future covenants, had they been tested at the end of the reporting period. When assessing the materiality of information about covenants, the guidance provided by the IASB in paragraphs 81-83 of IFRS Practice Statement 2 is relevant.

6D.3 Financial liabilities: Other financial liabilities

Convertible preference shares

At 31 December 2026 and 2025, there were 2,500,000 convertible preference shares in issue. Each share has a par value of €1 and is convertible at the option of the shareholders into ordinary shares of the parent of the Group on 1 January 2028 on the basis of one ordinary share for every three preference shares held. Any preference shares not converted will be redeemed on 31 December 2031 at a price of €1.20 per share. The preference shares carry a dividend of 7% per annum, payable half-yearly in arrears on 30 June and 31 December. The dividend rights are non-cumulative. The preference shares rank ahead of the ordinary shares in the event of a liquidation. The presentation of the equity portion of these shares is explained in [Note 6H](#) below.

IFRS
18.130(a)(v)

Other financial liabilities

	2026	2025	
	€000	€000	
Derivatives not designated as hedging instruments:			
Foreign exchange forward contracts	720	–	
Embedded derivatives	782	–	
Derivatives designated as hedging instruments:			
Foreign exchange forward contracts	170	254	
Commodity forward contracts	980	–	
Interest rate swaps	35	–	
Financial liabilities at fair value through profit or loss			
Contingent consideration (Note 4A)	1,072	–	
Total financial instruments at fair value	3,759	254	
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings			
Trade, related party and other payables (Note 6M)	16,969	20,023	
Total other financial liabilities	20,728	20,277	
Total current	19,922	20,277	
Total non-current	806	–	

IFRS 7.6
IFRS 7.8

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Derivatives not designated as hedging instruments reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases. IFRS 7.32A

Derivatives designated as hedging instruments reflect the negative change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases in GBP. This also includes the change in fair value of commodity forward contracts entered into during 2026. IFRS 7.32A

Contingent consideration

As part of the purchase agreement with the previous owner of Extinguishers Limited, a contingent consideration has been agreed. This consideration is dependent on the profit before tax of Extinguishers Limited during a 12-month period. The fair value of the contingent consideration at the acquisition date was €714,000. The fair value increased to €1,071,500 as at 31 December 2026 due to a significantly enhanced performance compared to budget. The contingent consideration is due for final measurement and payment to the former shareholders on 30 September 2027. IFRS 3.B64(g)

Commentary on IFRS accounting standards

IFRS 7 requires an entity to disclose information about rights to set off financial instruments and related arrangements (e.g., collateral agreements) and to provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position.

The Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements. However, if an entity has recognised financial instruments that are set off in accordance with IAS 32 or are subject to an enforceable master netting arrangement or similar agreement, even if the financial instruments are not set off in accordance with IAS 32, then the disclosures in paragraphs 13A-13E of IFRS 7 will be required.

Commentary on macroeconomic and geopolitical uncertainty

Entities may have obtained additional financing, amended the terms of existing debt agreements or obtained waivers if they no longer satisfied debt covenants. In such cases, they will need to consider the guidance provided in IFRS 9 to determine whether changes to existing contractual arrangements represented a substantial modification or, potentially, a contract extinguishment, which would have accounting implications in each case. Furthermore, entities may need to determine whether a breach of covenants will require non-current liabilities to be reclassified as current liabilities in their financial statements.

The macroeconomic and geopolitical uncertainty may also result in changes to an entity's expected purchase, sale or usage requirements for non-financial items, such as raw materials used in an entity's production. Entities that have applied the own-use scope exemption in IFRS 9 may need to reassess whether it continues to meet these requirements. If they are no longer met, the entity would be required to recognise related contracts as financial instruments under IFRS 9.

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

6D.4 Changes in liabilities arising from financing activities

IAS 7.44A
IAS 7.44C

	1 January 2026 €000	Cash flows €000	Reclassified as part of disposal group €000	Foreign exchange movement €000	Changes in fair values	New leases €000	Other €000	31 December 2026 €000	IAS 7.44B, IAS.44D
Current interest-bearing loans and borrowings (excluding items listed below)	2,724	(2,032)	–	(6)	–	–	1,691	2,377	
Current lease liabilities (Note 60)	418	(406)	–	–	–	42	401	455	
Non-current interest-bearing loans and borrowings (excluding items listed below)	20,760	5,649	(5,809)	(51)	–	–	(1,108)	19,441	
Non-current lease liabilities (Note 60)	2,553	–	–	–	–	551	(398)	2,706	
Dividends payable	–	–	–	–	–	–	410	410	
Derivatives	–	–	–	–	58	–	–	58	
Total liabilities from financing activities	26,455	3,211	(5,809)	(57)	58	593	996	25,447	

	1 January 2025 €000	Cash flows €000	Foreign exchange movement €000	New leases €000	Other €000	31 December 2025 €000	IFRS 18.31, IAS 7.44B, IAS 7.44D
Current interest-bearing loans and borrowings (excluding items listed below)	4,479	(4,250)	(10)	–	2,505	2,724	
Current lease liabilities	355	(341)	–	22	382	418	
Non-current interest-bearing loans and borrowings (excluding items listed below)	18,624	4,871	(57)	–	(2,678)	20,760	
Non-current lease liabilities	2,734	–	–	203	(384)	2,553	
Total liabilities from financing activities	26,192	280	(67)	225	(175)	26,455	

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current due to the passage of time, the accrual of special dividends that were not yet paid at year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities.

Cash flows relating to non-current interest-bearing loans and borrowings are presented within the line item 'Proceeds from borrowings' in the statement of cash flows. Cash flows relating to current interest-bearing loans and borrowings are presented within the line item 'Repayment of borrowings' in the statement of cash flows. Cash flows relating to current lease liabilities are presented within the line item 'Payment of principal portion of lease liabilities' in the statement of cash flows.

IFRS 18.114

Foreign exchange movements are presented within the line item 'Foreign exchange gains on interest-bearing loans and borrowings' in the statement of profit or loss. The amount reclassified as part of disposal group is included within 'Liabilities directly associated with the assets held for sale' in the statement of financial position.

Notes to the consolidated financial statements

6D. Financial assets and financial liabilities *continued*

Commentary on IFRS accounting standards

Paragraph 44A of IAS 7 requires an entity to provide disclosures that will enable the users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Group provided a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, which include the changes identified in paragraph 44B of IAS 7 as applicable. This reconciliation provides a link to the amounts recognised in the statement of cash flows under paragraph 44D of IAS 7.

An entity may provide the disclosure required by paragraph 44A of IAS 7 in combination with disclosures of changes in other assets and liabilities. However, it is required to disclose the changes in liabilities arising from financing activities separately from the changes on those other assets and liabilities under paragraph 44E of IAS 7.

There is no prescribed format for this disclosure, the Good has selected a tabular format as it considered it the most efficient and meaningful way of meeting the requirement in paragraph 44A of IAS 7 and its objective, given the facts and circumstances.

IAS 7.44A
IAS 7.44C

6E. Inventories

Accounting policy

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of sales comprises mainly the cost of inventories that have been sold, costs directly related to providing installation and other services provided to customers, unallocated production overheads, and abnormal costs. The Group also presents inventory write-downs and impairment losses on property, plant and equipment as part of cost of sales.

IAS 2.36(a)
IAS 2.9
IAS 2.10

IAS 2.25

IAS 2.12
IAS 2.13

IFRS 9.6.5.11(d)(i)

IAS 2.6

IAS 2.38

	2026	2025	IAS 2.36(b)
	€000	€000	IFRS 18.B111(c)
Raw materials (at cost)	6,240	7,136	
Work in progress (at cost)	13,357	9,722	
Finished goods (at lower of cost and net realisable value)	6,430	6,972	
Total inventories at the lower of cost and net realisable value	26,027	23,830	

The cost of inventories recognised as an expense is €131,107 (2025: €121,298). During 2026, €286,000 (2025: €242,000) was recognised as an expense for inventories carried at net realisable value. This is recognised in 'Cost of sales'. For a subsequent event related to inventories, refer to [Note 4E](#).

IAS 2.36(d), (e)

Commentary on climate-related matters

Inventories might be impacted by climate-related matters in multiple ways. Due to the short-term nature of inventories, they would typically be more exposed to physical risks than transition risks.

Notes to the consolidated financial statements

6F. Trade receivables and contract assets

Trade receivables

	2026	2025	IFRS 18.B111(b) IFRS 7.6
	€000	€000	
Receivables from third-party customers	24,845	21,376	
Receivables from an associate (Note 4D)	551	582	
Receivables from other related parties (Note 4D)	620	550	
	26,016	22,508	
Allowance for expected credit losses (Note 5I)	(344)	(218)	
	25,672	22,290	

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For terms and conditions relating to related party receivables, refer to [Note 4D](#).

IAS 24.18(b)

Contract assets

As at 31 December 2026, the Group has contract assets of €4,541,000 (2025: €5,180,000) which is net of an allowance for expected credit losses of €6,000 (2025: €5,000).

IFRS 7.37
IFRS 15.118(c)

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

IFRS 7.35H

	2026	2025	
	€000	€000	
As at 1 January	223	244	
Provision for expected credit losses ((included in 'General and administrative expenses', Note 5I)	185	76	
Write-off	(54)	(95)	IFRS 7.35I(c)
Foreign exchange movement	(4)	(2)	
As at 31 December	350	223	

The significant changes in the balances of trade receivables and contract assets are disclosed in [Note 3A](#) while the information about the credit exposures are disclosed in [Note 3B](#).

Commentary on IFRS accounting standards

Paragraph 35H of IFRS 7 requires tabular disclosure of a reconciliation from the opening balance to the closing balance of the loss allowance by class of financial instrument. The Group has provided this required reconciliation for trade receivables and contract assets. The reconciliation for debt instruments at fair value through OCI was not provided as the movement of the loss allowance is not material.

Paragraph 35I of IFRS 7 requires an entity to provide an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in the loss allowance. However, it does not explicitly require a reconciliation of movements in the gross carrying amounts in a tabular format and the requirement could be addressed using a narrative explanation.

Commentary on macroeconomic and geopolitical uncertainty

Large-scale business disruptions may give rise to liquidity issues for some entities and consumers. Changes in credit quality of loan portfolios and trade receivables (amongst other items) as a result of changes in interest rates, slowing or negative economic growth, introduction of trade restrictions and tariffs, geopolitical risks, rising inflation and other factors may have a significant influence on an entity's expected credit loss (ECL) measurement. Therefore, entities should consider the following in updating their ECL calculations:

- The use of reasonable and supportable information. Given the unprecedented circumstances, it is critical that entities provide transparent disclosure of the critical assumptions and judgements used to measure the ECL
- Re-segmentation of loan portfolios or groups or receivables
- Individual and collective assessment of loans, receivables and contract assets. In order to accelerate the detection of such changes in credit quality not yet detected at an individual level, it may be appropriate to adjust ratings and the probabilities of default on a collective basis, considering risk characteristics such as the industry or geographical location of the borrowers
- Changes in payment terms. If payment terms are extended or reduced in light of the current economic circumstances, the terms and conditions of the extension or reduction will have to be assessed to determine their impacts on the ECL estimate

The ECL calculation and the measurement of significant changes in credit risk both incorporate forward-looking information using a range of macroeconomic scenarios and, as such, entities need to reassess the inputs to their provision matrix used to calculate ECLs.

Notes to the consolidated financial statements

6G. Cash and short-term deposits

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

IAS 7.6
IAS 7.7

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

IAS 7.46

	2026	2025
	€000	€000
Cash at banks and on hand	11,732	11,125
Short-term deposits	5,796	3,791
	17,528	14,916

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates (Note 5C).

At 31 December 2026, the Group had available €5,740,000 (2025: €1,230,000) of undrawn committed borrowing facilities.

IAS 7.50(a)

The Group has pledged a part of its short-term deposits to fulfil collateral requirements. Refer to Note 3B for further details.

IAS 7.48

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

IAS 7.45

	2026	2025
	€000	€000
Cash at banks and on hand	11,732	11,125
Short-term deposits	5,796	3,791
Cash at banks and short-term deposits attributable to discontinued operations	1,294	–
	18,822	14,916
Bank overdrafts (included in 'Interest-bearing loans and borrowings')	(966)	(2,650)
Cash and cash equivalents	17,856	12,266

Commentary on IFRS accounting standards

The Group included its bank overdrafts as part of cash and cash equivalents. This is because these bank overdrafts are repayable on demand and form an integral part of the Group's cash management under paragraph 8 of IAS 7.

An entity would need to assess whether its banking arrangement is an integral part of its cash management. Cash management includes managing cash and cash equivalents for the purpose of meeting short-term commitments rather than for investment or other purposes. The Interpretations Committee concluded in June 2018 that if the balance of a banking arrangement does not often fluctuate from being negative to positive, then this indicates that the arrangement does not form an integral part of the entity's cash management and, instead represents a form of financing.

Notes to the consolidated financial statements

6H. Issued capital and reserves

6H.1 Authorised and issued capital

Authorised shares

	2026	2025	IFRS 18.B111(f)
	Thousands	Thousands	IFRS 18.130(a)(i)
Ordinary shares of €1 each	22,588	20,088	IFRS 18.130(a)(iii)
7% convertible preference shares of €1 each	2,500	2,500	
	25,088	22,588	

Ordinary shares issued and fully paid

	Thousands	€000	IFRS 18.130(ii),(iv)
At 1 January 2025 and 31 December 2025	19,388	19,388	
Issued on 1 May 2026 for acquisition of Extinguishers Limited (Note 4A)	2,500	2,500	
At 31 December 2026	21,888	21,888	

During 2026, the authorised share capital was increased by €2,500,000 by the issue of 2,500,000 ordinary shares of €1 each.

6H.2. Share premium

	€000	IFRS 18.B111(f)
At 1 January 2025	–	
Cash on exercise of share options in excess of cost of treasury shares	80	
At 31 December 2025	80	
Issuance of share capital for the acquisition of Extinguishers Limited (Note 4A)	4,703	
Cash on exercise of share options in excess of cost of treasury shares	29	
Transaction costs for issued share capital	(32)	
At 31 December 2026	4,780	

6H.3 Treasury shares

Accounting policy

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

IAS 32.33

	Thousands	€000	IFRS 18.130(a)(vi)
At 1 January 2025	335	774	
Issued for cash on exercise of share options	(65)	(120)	
At 31 December 2025	270	654	
Issued for cash on exercise of share options	(75)	(146)	
At 31 December 2026	195	508	

Share option schemes

The Group has two share option schemes under which options to subscribe for the Group's shares have been granted to certain senior executives and certain other employees. Refer to [Note 5J](#) for further details.

Share options exercised in each respective year have been settled using the treasury shares of the Group. The reduction in the treasury share equity component is equal to the cost incurred to acquire the shares, on a weighted average basis. Any excess of the cash received from employees over the reduction in treasury shares is recorded in share premium.

Notes to the consolidated financial statements

6H. Issued capital and reserves *continued*

6H.4 Share-based payment and compound instrument reserves

	Share-based payments	Convertible preference shares	Total
	€000	€000	€000
As at 1 January 2025	338	228	566
Share-based payments expense during the year	298	–	298
At 31 December 2025	636	228	864
Share-based payments expense during the year	307	–	307
At 31 December 2026	943	228	1,171

IFRS 18.130(b)

Nature and purpose of reserves

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to [Note 5I](#) for further details of these plans.

Convertible preference shares

The convertible preference share reserve covers the equity component of the issued convertible preference shares. The liability component is included in 'Interest-bearing loans and borrowings' (see [Note 6D](#)).

All other reserves are as stated in the consolidated statement of changes in equity.

6H.5 Other individually immaterial OCI reserves

	2026	2025
	€000	€000
Cash flow hedge reserve	(562)	(70)
Cost of hedging reserve	(20)	–
Fair value reserve of financial assets at FVOCI	(77)	9
Foreign currency translation reserve	(495)	(444)
Asset revaluation surplus	512	–
Other individually immaterial components of equity	(642)	(505)

6H.6 OCI items, net of tax:

The disaggregation of changes of OCI by each type of reserve in equity is shown below:

IFRS 18.109

Year ended 31 December 2026

	Cash flow hedge reserve	Cost of hedging reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Asset revaluation surplus	Retained earnings	Total
	€000	€000	€000	€000	€000	€000	€000
Net gain on a hedge of net investment	–	–	–	195	–	–	195
Exchange differences on translation of foreign operations	–	–	–	(246)	–	–	(246)
Currency forward contracts	197	4	–	–	–	–	201
Commodity forward contracts	(617)	(23)	–	–	–	–	(640)
Reclassified to statement of profit or loss	(198)	(3)	(6)	–	–	–	(207)
Fair value loss on debt instruments at FVOCI	–	–	(9)	–	–	–	(9)
Fair value loss on equity instruments designated at FVOCI	–	–	(18)	–	–	–	(18)
Remeasurement on defined benefit plan	–	–	–	–	–	257	257
Revaluation of office properties in Euroland	–	–	–	–	592	–	592
	(618)	(22)	(33)	(51)	592	257	125

Notes to the consolidated financial statements

6H. Issued capital and reserves *continued*

Year ended 31 December 2025

	Cash flow hedge reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Total
	€000	€000	€000	€000	€000
Exchange differences on translation of foreign operations	–	–	(117)	–	(117)
Currency forward contracts	(265)	–	–	–	(265)
Reclassification to statement of profit or loss	289	–	–	–	289
Fair value loss on debt instruments at FVOCI	–	(4)	–	–	(4)
Reclassification to statement of profit or loss	–	3	–	–	3
Fair value gain on equity instruments designated at FVOCI	–	7	–	–	7
Remeasurement on defined benefit plan	–	–	–	(273)	(273)
	24	6	(117)	(273)	(360)

6I. Provisions

Accounting policy

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

IAS 37.14

IAS 37.53

IAS 37.54

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expenses on other liabilities.

IAS 37.45

Warranty provisions

IAS 37.85

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline and (ii) the employees affected have been notified of the plan's main features.

IAS 37.71

IAS 37.72

Decommissioning liability

The Group records a provision for decommissioning costs to remediate the environmental damage of a manufacturing facility for the production of fire-retardant materials. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as interest expenses on other liabilities. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. The impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the decommissioning liability on the manufacturing facility. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

IAS 16.16(c)

IAS 37.45

IAS 37.47

IFRIC 1.8

IAS 37.59

IFRIC 1.5

Notes to the consolidated financial statements

6I. Provisions continued

Greenhouse gas emissions

IAS 8.10

The Group receives free emission rights in certain European countries as a result of the European Emission Trading Schemes. The rights are received on an annual basis and, in return, the Group is required to remit rights equal to its actual emissions. The Group has adopted the net liability approach to the emission rights granted. The Group recognises the received emission rights at the nominal amount (i.e., nil). The Group recognises a provision as emissions are made. As the Group intends to keep the emission rights received to settle its emission liability, the Group takes into consideration the value of received emission rights on a first-in first-out-basis when measuring a provision. Therefore, until the emission limit is exceeded, there is no impact on the consolidated statement of financial provision and the consolidated statement of profit or loss. The emission costs are recognised as other operating expenses. Where emission rights are purchased from other parties, the cost of obtaining the allowances determine the measurement of the provision.

Waste Electrical and Electronic Equipment (WEEE)

IFRIC 6

The Group is a provider of electrical equipment that falls under the EU Directive on Waste Electrical and Electronic Equipment. The directive distinguishes between waste management of equipment sold to private households prior to a date, as determined by each Member State (historical waste), and waste management of equipment sold to private households after that date (new waste). A provision for the expected costs of management of historical waste is recognised when the Group participates in the market during the measurement period, as determined by each Member State, and the costs can be reliably measured. These costs are recognised as other operating expenses in the statement of profit or loss.

With respect to new waste, a provision for the expected costs is recognised when products that fall within the directive are sold, and the disposal costs can be reliably measured. Derecognition takes place when the obligation expires, is settled or is transferred. These costs are recognised as part of costs of sales.

With respect to equipment sold to entities other than private households, a provision is recognised when the Group becomes responsible for the costs of this waste management, with the costs recognised as other operating expenses or cost of sales, as appropriate.

Contingent liabilities recognised in a business combination

IFRS 3.56

IFRS 3.22

IFRS 3.23

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

IAS 37.66

IAS 37.69

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

IAS 37.68

Commentary on IFRS accounting standards

IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* provides a choice of presenting expenditures to settle a provision either net of any reimbursement or on a gross basis. The Group has elected to present the expenses net of reimbursements.

IFRIC 3 *Emission Rights* was withdrawn in June 2005. In the absence of a specific standard, management must develop an accounting policy that results in information that is relevant and reliable. The Group has applied the net liability approach based on paragraph 23 of IAS 20. However, emission rights received could also be recognised as intangible assets at their fair value with all the disclosures required by IAS 38.

IFRS 15 contains no specific requirements to address contracts with customers that are, or have become, onerous. The requirements of IAS 37 apply to the identification and measurement of onerous customer contracts under paragraph 5(g) of IAS 37.

Notes to the consolidated financial statements

6I. Provisions continued

6I.1 Reconciliation of beginning and ending balances by types of provisions

	Assurance-type warranties	Restructuring	Decommissioning	Social security contributions on share options	Waste electrical and electronic equipment	Contingent liability recognised in a business combination (Note 4A)	Onerous contracts	Total	
	€000	€000	€000	€000	€000	€000	€000	€000	
At 1 January 2026	118	–	–	4	53	–	–	175	IAS 37.84(a)
Acquisition of a subsidiary (Note 4A)	–	900	1,200	–	–	380	–	2,480	
Arising during the year	112	–	–	26	102	20	20	280	IAS 37.84(b)
Utilised	(60)	(59)	–	(19)	(8)	–	–	(146)	IAS 37.84(c)
Unused amounts reversed	(6)	(6)	–	–	–	–	–	(12)	IAS 37.84(d)
Unwinding of discount and changes in the discount rate	2	17	21	1	2	–	–	43	IAS 37.84(e)
At 31 December 2026	166	852	1,221	12	149	400	20	2,820	
Current	166	305	–	3	28	400	20	922	
Non-current	–	547	1,221	9	121	–	–	1,898	

	Assurance-type warranties	Social security contributions on share options	Waste electrical and electronic equipment	Total	
	€000	€000	€000	€000	
At 1 January 2025	66	3	31	100	IAS 37.84(a)
Arising during the year	52	1	22	75	IAS 37.84(b)
At 31 December 2025	118	4	53	175	
Current	118	–	38	156	
Non-current	–	4	15	19	

Unwinding of discount and changes in the discount rates (Note 5D) are included within the line item 'Interest expenses on other liabilities' in the statement of profit or loss.

IFRS 18.114

Commentary on IFRS accounting standards

The above table shows the voluntary disclosure of provisions for the comparative period as paragraph 84 of IAS 37 does not require such disclosure.

Assurance-type warranties

A provision is recognised for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

Restructuring

Extinguishers Ltd recorded a restructuring provision prior to being acquired by the Group. The provision relates principally to the elimination of certain of its product lines. The restructuring plan was drawn up and announced to the employees of Extinguishers Limited in 2026 when the provision was recognised in its financial statements. The restructuring is expected to be completed by 2028.

Decommissioning

A provision has been recognised for decommissioning costs associated with a factory owned by Extinguishers Limited. The Group is committed to decommissioning the site as a result of the construction of the manufacturing facility for the production of fire retardant fabrics.

Social security contributions on share options

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date which is the best estimate of the market price at the date of exercise. It is expected that the costs will be incurred during the exercise period of 1 January 2027 to 31 December 2029.

Notes to the consolidated financial statements

6I. Provisions continued

Waste electrical and electronic equipment

The provision for waste electrical and electronic equipment is calculated based on sales after 13 August 2008 (new waste) and expected disposals of historical waste (sales up to 13 August 2008).

Onerous contracts

A provision is recognised for certain contracts with suppliers for which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received. It is anticipated that these costs will be incurred in the next financial year.

6I.2 Key assumptions and sensitivity to changes in assumptions

As part of the identification and measurement of assets and liabilities for the acquisition of Extinguishers Limited in 2026, the Group has recognised a provision for decommissioning obligations associated with a factory owned by Extinguishers Limited. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site in order to remediate the environmental damage caused and the expected timing of those costs. In estimating the expected cost, the Group takes into account changes in environmental legislation and regulations that may impact the process for dismantling and removing the plant. The carrying amount of the provision as at 31 December 2026 was €1,221,000 (2025: €Nil). The Group estimates that the costs would be realised in 15 years' time and calculates the provision using the DCF method based on the following assumptions:

- Estimated range of cost per sqm - €10 - €25
- Discount rate - 14%

If the estimated pre-tax discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been €94,000 lower.

6J. Pensions and other post-employment benefit plans

Accounting policy

The Group operates a defined benefit pension plan in Euroland, which requires contributions to be made to a separately administered fund. The Group also provides certain additional post employment healthcare benefits to employees in the United States. These benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements in the net defined benefit obligation in 'Cost of sales', 'General and administrative expenses' and 'Selling expenses' and 'Distribution expenses' in the consolidated statement of profit or loss. The net interest expense or income on the Group's defined benefit pension plan, which is not capitalised to the cost of an asset, is recognised as 'Interest expenses on other liabilities' in the statement of profit or loss.

IAS 19.135

IAS 19.67

IAS 19.120(c)
IAS 19.127
IAS 19.122

IAS 19.102

IAS 19.103

IAS 19.123

IAS 19.134

Commentary on IFRS accounting standards

Entities are required to state their policy for termination benefits, employee benefit reimbursements and benefit risk sharing. Since these are not applicable to the Group, the disclosures related to such benefits have not been made. Entities need to assess the nature of their employee benefits and make the relevant disclosures.

IAS 19 does not specify where in the statement of profit or loss service costs or net interest should be presented. However, IFRS 18 requires entities to classify in the financing category the net interest cost on a net defined benefit liability (asset) under IAS 19. Furthermore, IFRS 18 requires entities to classify in the operating category the current and past service cost arising from a defined benefit plan under IAS 19, as they do not involve the raising of finance.

IFRS 18.B54

IFRS 18.B55

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

6J.1 Description of the pensions and other post-employment benefit plans

Net employee defined benefit liabilities:

	2026	2025
	€000	€000
US post-employment healthcare benefit plan	339	197
Euroland pension plan	2,711	2,780
Total	3,050	2,977

The Group has a defined benefit pension plan in Euroland (funded). Also, in the United States, the Group provides certain post-employment healthcare benefits to employees (unfunded). The Group's defined benefit pension plan is a final salary plan for Euroland employees, which requires contributions to be made to a separately administered fund.

IAS 19.135
IAS 19.136
IAS 19.138

This plan is governed by the employment laws of Euroland, which require final salary payments to be adjusted for the consumer price index upon payment during retirement. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

IAS 19.139

Each year, the Board of Trustees reviews the level of funding in the Euroland pension plan as required by Euroland's employment legislation. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of a combined 40% in equity and property and 60% in debt instruments. Euroland's employment legislation requires the Group to clear any plan deficit (based on a valuation performed in accordance with the regulations in Euroland) over a period of no more than five years after the period in which the deficit arises. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed in accordance with the regulations in Euroland) will arise.

IAS 19.146
IAS 19.147(a)

Since the pension liability is adjusted to the consumer price index, the pension plan is exposed to Euroland's inflation, interest rate risks and changes in the life expectancy for pensioners. As the plan assets include significant investments in listed equity shares of entities in manufacturing and consumer products sector, the Group is also exposed to equity market risk arising in the manufacturing and consumer products sector.

6J.2 Changes in defined benefit obligations and fair value of plan assets

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the statement of financial position for the respective plans:

Post-employment healthcare benefit plan

Net benefit expense (recognised in profit or loss)

	2026	2025
	€000	€000
Current service cost (included in 'Cost of sales', 'Selling expenses', 'Distribution expenses', 'Research and development expenses' and 'General and administrative expenses')	142	108
Interest cost on benefit obligation (included in 'Interest expenses on other liabilities')	11	5
Net benefit expense	153	113

IFRS 18.114

IFRS 18.114

Changes in the present value of the defined benefit obligations:

	€000
Defined benefit obligation at 1 January 2025	88
Interest cost	5
Current service cost	108
Benefits paid	(34)
Exchange differences	30
Defined benefit obligation at 31 December 2025	197
Interest cost	11
Current service cost	142
Benefits paid	(21)
Exchange differences	10
Defined benefit obligation at 31 December 2026	339

IAS 19.141

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

Euroland Plan

2026 changes in the defined benefit obligation and fair value of plan assets

	Pension cost charged to profit or loss					Remeasurement gains/(losses) in OCI						31 December 2026
	1 January 2026	Service cost	Net interest expense	Sub-total included in profit or loss (Note 5G)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Defined benefit obligation	(5,610)	(1,267)	(256)	(1,523)	868	–	211	(80)	(20)	111	–	(6,154)
Fair value of plan assets	2,830	–	125	125	(868)	256	–	–	–	256	1,100	3,443
Benefit liability	(2,780)			(1,398)	–	256	211	(80)	(20)	367	1,100	(2,711)

IAS 19.140
IAS 19.141

2025 changes in the defined benefit obligation and fair value of plan assets

	Pension cost charged to profit or loss					Remeasurement gains/(losses) in OCI						31 December 2025
	1 January 2025	Service cost	Net interest expense	Sub-total included in profit or loss (Note 5G)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Defined benefit obligation	(5,248)	(1,144)	(283)	(1,427)	1,166	–	(201)	70	30	(101)	–	(5,610)
Fair value of plan assets	2,810	–	161	161	(1,166)	(289)	–	–	–	(289)	1,314	2,830
Benefit liability	(2,438)			(1,266)	–	(289)	(201)	70	30	(390)	1,314	(2,780)

Commentary on IFRS accounting standards

An entity must assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks under paragraph 138 of IAS 19. For example, an entity may disaggregate disclosure about plans showing one or more of the following features: different geographical locations, characteristics such as flat salary pension plans, final salary pension plans or post-employment medical plans, regulatory environments, reporting segments and/or funding arrangements (e.g., wholly unfunded, wholly or partly funded).

Entities must exercise judgement and assess the grouping criteria according to their specific facts and circumstances. In this case, the Group has only one defined benefit pension plan in Euroland, hence there is no further disaggregation shown.

Additional disclosures may also be provided to meet the objectives in paragraph 135 of IAS 19. For example, an entity may present an analysis of the present value of the defined benefit obligation that distinguishes the nature, characteristics and risks of the obligation. Such a disclosure could distinguish:

- (a) between amounts owing to active members, deferred members, and pensioners
- (b) between vested benefits and accrued but not vested benefits
- (c) between conditional benefits, amounts attributable to future salary increases and other benefits

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

6J.3 Categories of plan assets

The acquisitions of Extinguishers Limited in 2026 and Lightbulbs Limited in 2025 did not affect plan assets or the defined benefit obligation, as neither of the entities had defined benefit plans.

The fair values of each major class of plan assets are, as follows:

IAS 19.142

	Euroland plan	
	2026	2025
	€000	€000
Investments quoted in active markets:		
Listed equity investments		
Manufacturing and consumer products sector	830	655
Telecom sector	45	33
Bonds issued by Euroland Government	1,670	1,615
Cash and cash equivalents	400	250
Unquoted investments:		
Debt instruments issued by Good Bank International Limited	428	222
Property	70	55
Total	3,443	2,830

The plan assets include a property occupied by the Group with a fair value of €50,000 (2025: €50,000).

IAS 19.143

Commentary on IFRS accounting standards

Under paragraph 142 of IAS 19, the Group has separated the plan assets within different classes. The Group has a class – ‘property’, which has not been further classified into categories. The amount is not determined to be material to the consolidated financial statements.

The fair values of each class of plan assets were determined in accordance with the requirements of IFRS 13. However, the fair value disclosures required by IFRS 13 do not apply to plan assets measured at fair value in accordance with IAS 19.

6J.4 Key assumptions and quantitative sensitivity analyses

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The calculation is most sensitive to changes in the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an ‘AA’ rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

The key assumptions and their sensitivity analyses are discussed further below.

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

The principal assumptions used in determining pension and post-employment medical benefit obligations for the Group's plans are shown below:

IAS 19.144

	2026	2025
	%	%
Discount rate:		
Euroland pension plan	4.9	5.5
Post-employment medical plan	5.7	5.9
Future salary increases:		
Euroland pension plan	3.5	4.0
Future consumer price index increases:		
Euroland pension plan	2.1	2.1
Healthcare cost increase rate	7.2	7.4
Life expectation for pensioners at the age of 65:	Years	Years
Euroland pension plan		
Male	20.0	20.0
Female	23.0	23.0
Post-employment healthcare benefit plan		
Male	19.0	19.0
Female	22.0	22.0

A quantitative sensitivity analysis for significant assumptions as at 31 December is, as shown below:

IAS 19.145

	Impact on defined benefit obligation	
	2026	2025
	€000	€000
Assumptions for Euroland pension plan:		
Future pension cost increase:		
1% increase	70	60
1% decrease	(80)	(70)
Discount rate:		
0.5% increase	(90)	(100)
0.5% decrease	80	70
Future salary increases:		
0.5% increase	120	110
0.5% decrease	(110)	(130)
Life expectancy of male pensioners:		
Increase by 1 year	110	100
Decrease by 1 year	(120)	(130)
Life expectancy of female pensioners:		
Increase by 1 year	70	60
Decrease by 1 year	(60)	(70)
Assumptions for US post-employment healthcare benefit plan:		
Future pension cost increase:		
1% increase	110	105
1% decrease	(90)	(95)
Discount rate:		
0.5% increase	(90)	(120)
0.5% decrease	100	80

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

	Impact on defined benefit obligation		IAS 19.145
	2026	2025	
	€000	€000	
Assumptions for US post-employment healthcare benefit plan:			
Life expectancy of male pensioners:			
Increase by 1 year	130	125	
Decrease by 1 year	(150)	(155)	
Life expectancy of female pensioners:			
Increase by 1 year	90	75	
Decrease by 1 year	(80)	(95)	

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. IAS 19.145(b)

6J.5 Future expected contributions to the defined benefit plans

The following are the expected payments contributions to the defined benefit plan in future years:

	2026	2025	IAS 19.147(a)
	€000	€000	IAS 19.147(b)
Within the next 12 months (next annual reporting period)	1,500	1,350	IAS 19.147(c)
Between 2 and 5 years	2,150	2,050	
Between 5 and 10 years	2,160	2,340	
Beyond 10 years	3,000	2,600	
Total expected payments	8,810	8,340	

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.5 years (2025: 25.3 years).

Commentary on IFRS accounting standards

Paragraph 145(c) of IAS 19 also requires disclosure of changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes. The Group did not have such changes.

Paragraph 145(a) of IAS 19 requires disclosure of sensitivity analyses showing how the defined benefit obligation would be affected by reasonably possible changes in actuarial assumptions. The purpose of this publication is to illustrate the disclosures required and the changes in the assumptions provided in the sensitivity analyses above are not necessarily reflective of those in the current markets.

The standard includes some overarching disclosure objectives and considerations that provide a framework to identify the overall tone and extent of disclosures that should be included in the financial statement notes. For example, paragraph 136 of IAS 19 indicates that entities should consider the following when providing defined benefit plan disclosures:

- The level of detail necessary to satisfy the disclosure requirements
- How much emphasis to place on each of the various requirements
- How much aggregation or disaggregation to undertake
- Whether users of financial statements need additional information to evaluate the quantitative information disclosed

These considerations are meant to assist entities in reconciling the overriding disclosure objective along with the fact that an extensive list of required disclosures still remains in the standard. The Basis for Conclusions accompanying IAS 19 emphasises that immaterial information is not required to be disclosed under paragraph 19 of IFRS 18.

The addition of clear disclosure objectives provides entities with an opportunity to take a fresh look at their defined benefit plan disclosures. Eliminating immaterial disclosures would enhance the financial statement users' ability to focus on those transactions and details that truly matter.

Notes to the consolidated financial statements

6J. Pensions and other post-employment benefit plans *continued*

Commentary on macroeconomic and geopolitical uncertainty

Changes in interest rates, slowing or negative economic growth, the introduction of trade restrictions and tariffs, geopolitical risks, rising inflation and a reduction in asset values may have triggered the need for a re-measurement of the defined benefit obligation and pension plan assets. The current environment may continue to affect the values of the plan assets and obligations resulting in potential volatility in the amount of the net defined benefit pension plan surplus/deficit recognised.

The impact of the current macroeconomic and geopolitical environment will vary by entity, with some entities recognising increases in net pension assets, while others having to recognise decreases. Entities should ensure that sufficient disclosures are made such that users are able to understand the impacts on pension plans.

6K. Government grants

Accounting policy

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

IAS 20.39(b)
IAS 20.7
IAS 20.12
IAS 20.26

IAS 20.23
IAS 20.10A

Commentary on IFRS accounting standards

Paragraph 24 of IAS 20 permits two alternative ways of presenting a government grant relating to assets. The Group has elected to present the grant in the statement of financial position as deferred income, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset. Alternatively, it may choose to reduce the carrying amount of the asset. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. Whichever method is applied, no further disclosures are required.

The Group has chosen to present grants related to an expense item as income in the statement of profit or loss. Based on the business model and the nature of grants received, including their frequency and purpose, the Group has determined that grants related to expenses should not be recognised as revenue; instead, they are classified as other income within the default category, i.e., the operating category. Alternatively, Paragraph 29 of IAS 20 permits grants related to income to be deducted in reporting the related expense.

Government grant income that is netted against a related income, expense, asset, or liability is classified in accordance with IFRS 18, following the classification of the item it offsets.

Paragraph 23 of IAS 20 permits grant of a non-monetary asset to be accounted for in two alternative ways. The asset and the grant can be accounted for using a nominal amount. Alternatively, the asset and the grant can be accounted for at the fair value of the non-monetary asset. The Group accounts for grants of non-monetary assets at nominal value.

	2026	2025
	€000	€000
At 1 January	1,551	1,450
Receipt of government grants (included in the statement of cash flows)	2,951	642
Released to the statement of profit or loss	(1,053)	(541)
At 31 December	3,449	1,551
Current	149	151
Non-current	3,300	1,400

IAS 20.39(b)

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants. Government grants recognised in the statement of profit or loss ([Note 5A](#)) are included within the line item 'Other individually immaterial operating income' in the statement of profit or loss.

IAS 20.39(c)

IFRS 18.114

Notes to the consolidated financial statements

6L. Contract liabilities

	2026	2025
	€000	€000
Long-term advances for equipment	2,820	844
Short-term advances for installation services	1,374	1,258
Customer loyalty points	900	678
Service-type warranties	524	410
Equipment received from customers	224	184
Total contract liabilities (Note 3A)	5,842	3,374
Current	2,880	2,486
Non-current	2,962	888

6L.1 GoodPoints transactions

	2026	2025
	€000	€000
At 1 January	678	551
Deferred during the year	1,381	1,256
Recognised as revenue during the year	(1,159)	(1,129)
At 31 December	900	678
Current	398	346
Non-current	502	332

These amounts relate to the accrual and release of *GoodPoints* transactions. As at 31 December 2026, the estimated liability for unredeemed points amounted to €900,000 (2025: €678,000).

Estimation uncertainty - stand-alone selling price of GoodPoints loyalty programme

IFRS 15.126

The Group estimates the stand-alone selling price of the loyalty points awarded under the *GoodPoints* programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Group ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required).

As points issued under the programme do not expire, estimates of the stand-alone selling price are subject to significant uncertainty. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. As at 31 December 2026, the estimated liability for unredeemed points was €900,000 (2025: €678,000). If the estimated redemption rate used had been higher by 1% than management's estimate, the carrying amount of the estimated liability for unredeemed points as at 31 December 2026 would have been higher by €7,000 (2025: €5,000).

6M. Trade, related party and other payables

	2026	2025
	€000	€000
		Restated
Trade payables	15,421	18,551
Other payables	1,508	1,450
Related parties	40	22
	16,969	20,023

Notes to the consolidated financial statements

6M. Trade, related party and other payables continued

Terms and conditions of the above financial liabilities:

IFRS 7.39

- Trade payables are non-interest bearing and are normally settled by the Group on 60-day terms, including those trade payables that are included in the Group's supplier finance arrangement
- Other payables are non-interest bearing and have an average term of six months
- Interest payable is normally settled quarterly throughout the financial year
- For terms and conditions with related parties, refer to [Note 4D](#)

IAS 7.44H(b)(iii)

IFRS 7.39(c)

For explanations on the Group's liquidity risk management processes, refer to [Note 3B](#).

The Group has established a supplier finance arrangement that is offered to some of the Group's key suppliers in Euroland. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group from the Group's external finance provider. If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Group is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date described above. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider.

IAS 7.44F

IAS 7.44H(a)

All trade payables subject to the supplier finance arrangement are included in 'Trade, related party and other payables' in the consolidated statement of financial position and within trade payables in the table above.

IAS 7.44H(b)(i)

	31 December 2026	31 December 2025	1 January 2025	
	€000	€000	€000	
			Restated	
Carrying amount of trade payables that are part of a supplier finance arrangement	8,278	7,437	6,238	IAS 7.44H(b)(i)
Of which suppliers have received payment	4,697	4,140	3,389	IAS 7.44H(b)(ii)

There were no significant non-cash changes in the carrying amount of the trade payables included in the Group's supplier finance arrangement.

IAS 7.44H(c)

Commentary on IFRS accounting standards

Paragraph 44F of IAS 7 requires entities to disclose information about supplier finance arrangements, which are also described with other terms, such as supply chain finance, payables finance and reverse factoring. While paragraph 44G of IAS 7 describes the characteristics of such arrangements, the standard does not provide a clear definition of an arrangement in the scope of the disclosure requirements, which can make their application more challenging and increase the amount of judgement that entities need to apply. If an entity has several supplier finance arrangements, the terms and conditions need to be disclosed separately for the dissimilar arrangements.

The IFRS Interpretations Committee, in December 2020, addressed relevant aspects related to supplier finance arrangements that need to be considered when determining whether to derecognise, and how to classify, the liability and related cash flows, which may impact the disclosures provided.

Notes to the consolidated financial statements

6N. Income tax

Accounting policy

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

IAS 12.46

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

IAS 12.61A(b)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

IAS 12.22(c)

IAS 12.39

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

IAS 12.34

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

IAS 12.24

IAS 12.44

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

IAS 12.56

IAS 12.37

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

IAS 12.47

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

IAS 12.61A

IAS 12.74

IAS 12.68

Notes to the consolidated financial statements

6N. Income tax continued

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

IAS 12.73

Commentary on IFRS accounting standards

As the Group's consolidated revenues are less than EUR 750 million, it is not in the scope of the Pillar Two model rules. Therefore, neither the mandatory recognition and disclosure exception in paragraph 4A of IAS 12 nor the disclosure requirements in paragraphs 88A-88D of IAS 12 apply to the Group. Illustrative disclosures relating to the Pillar Two Model Rules were included in Appendix 5 of the [Good Group \(International\) Limited 2025 edition](#) and may be referred to, where relevant.

IAS 8.6C(c)
IAS 12.88

Estimates and assumptions relating to deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has €427,000 (2025: €1,198,000) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

IAS 12.81(e)

If the Group had been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by €128,000.

Notes to the consolidated financial statements

6N. Income tax continued

6N.1 Current tax

The major components of income tax expense for the years ended 31 December 2026 and 2025 are:

IAS 12.79

Consolidated profit or loss

	2026	2025
	€000	€000
Current income tax:		Restated
Current income tax charge	2,883	2,770 IAS 12.80(a)
Adjustments in respect of current income tax of previous year	(18)	(44) IAS 12.80(b)
Deferred tax:		
Relating to origination and reversal of temporary differences	227	(493) IAS 12.80(c)
Income tax expense reported in the statement of profit or loss	3,092	2,233

Consolidated other comprehensive income

	2026	2025
	€000	€000
Deferred tax related to items recognised in OCI during in the year:		
Net (gain)/loss on cash flow hedges	265	(10) IAS 18.93
Net change in costs of hedging	10	–
Net loss on debt instruments at fair value through OCI	6	–
Net (gain)/loss on equity instruments designated at fair value through OCI	8	(3)
Revaluation of office properties in Euroland	(254)	–
Net gain on hedge of net investment	(83)	–
Remeasurement (gain)/loss on actuarial gains and losses	(110)	117
Deferred tax charged to OCI	(158)	104

Commentary on IFRS accounting standards

Deferred taxes related to the revaluation of office properties in Euroland have been calculated at the tax rate of the jurisdiction in which they are located (30% of the total revaluation of €846,000, see [Note 6A](#)).

The tax effect of cash flow hedge instruments reflects the change in balances from 2025 to 2026 only for the effective portion (ineffectiveness has been accounted for directly in profit or loss). The reconciliation of these changes to the notes is difficult to directly observe. For illustrative purposes, a reconciliation is provided below (please note that the net change is also included in the statement presenting comprehensive income):

	Assets		Liabilities	
	2026	2025	2026	2025
	€000	€000	€000	€000
Foreign exchange forward contract assets (Note 6D)	252	153	–	–
Foreign exchange forward contract liabilities (Note 6D)	–	–	170	254
Commodity forward contract (Note 6D)	–	–	980	–
Ineffectiveness of commodity contract (Note 5B)	–	–	(65)	–
Amount transferred to inventories (Note 6D)	–	–	183	–
Total balances	252	153	1,268	254
Net variation in OCI	99		1,014	
Net increase of cash flow hedge balances during 2026 (net liability and net loss)			915	
Tax rate			30%	
Tax gain			275	

Notes to the consolidated financial statements

6N. Income tax *continued*

Reconciliation of tax expense and the accounting profit multiplied by Euroland's domestic tax rate for 2025 and 2026:

IAS 12.81(c)(i)

	2026	2025
	€000	€000
		Restated
Accounting profit before tax from continuing operations	11,088	8,880
Profit/(loss) before tax from a discontinued operation	213	(193)
Accounting profit before income tax	11,301	8,687
At Euroland's statutory income tax rate of 30% (2025: 30%)	3,390	2,606
Adjustments in respect of current income tax of previous years	(18)	(44)
Government grants exempted from tax	(316)	(162)
Utilisation of previously unrecognised tax losses	(231)	(89)
Share of results of an associate and joint ventures	(201)	(191)
Non-deductible expenses for tax purposes:		
Impairment of goodwill	60	–
Contingent consideration remeasurement (Note 4A)	107	–
Other non-deductible expenses	10	–
Effect of higher tax rates in the United States	284	108
At the effective income tax rate of 27% (2025: 26%)	3,085	2,228
Income tax expense reported in the statement of profit or loss	3,092	2,233
Income tax attributable to a discontinued operation	(7)	(5)
	3,085	2,228

Commentary on IFRS accounting standards

The tax effects above can be reconciled using a 30% tax rate applied to the amounts in the following notes:

- Government grants ([Note 6K](#)) upon recognition in the income statement
- Unrecognised tax losses using the change in the amount mentioned in [Note 6N](#) under the sub-heading, *Significant judgements relating to deferred taxes*
- Impairment of goodwill in [Note 4C](#) and contingent consideration expense in [Note 4A](#)

Commentary on macroeconomic and geopolitical uncertainty

Changes in interest rates, slowing or negative economic growth, introduction of trade restrictions and tariffs, geopolitical risks, rising inflation and other factors may lead to an entity recognising asset impairments or forecasting future losses. These circumstances may involve uncertainties that an entity must consider in its analysis of the recoverability of deferred tax assets. Entities should update their projections of income for recent events. Tax losses that were otherwise expected to be utilised in the near term should be reviewed to determine if they might expire unutilised and how this would impact management's judgement

on the amount of deferred tax asset to be recognised. Entities should further consider whether they need to provide additional disclosures to more fully explain the use of estimates or management's judgement in reaching its conclusions on the amount of unrecognised deferred tax assets.

Such judgements may include whether the tax laws were substantively enacted as of the reporting date, and the determination of the accounting for income tax credits. Similarly, the impact of expected or already enacted curtailments of previously introduced measures must be considered.

Notes to the consolidated financial statements

6N. Income tax continued

6N.2 Deferred tax

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss		IAS 12.81(gXi)
	2026	2025	2026	2025	IAS 12.81(gXii)
	€000	€000	€000	€000	
		Restated		Restated	
Accelerated depreciation for tax purposes	(2,838)	(599)	723	(137)	
Revaluations of investment properties to fair value	(1,330)	(1,422)	(92)	(90)	
Revaluations of office properties in Euroland to fair value	(254)	–	–	–	
Revaluations of equity instruments to fair value through profit or loss	(16)	(5)	11	3	
Revaluations of financial assets at fair value through OCI	13	(4)	–	–	
Revaluation of forward contracts and embedded derivatives	196	–	(196)	–	
Revaluation of a hedged loan to fair value	(11)	–	11	–	
Net gain on hedge of a net investment	(83)	–	–	–	
Share based payments	51	100	49	–	
Post-employment medical benefits	102	59	(43)	(33)	
Pension	813	834	(89)	55	
Revaluations of an interest rate swap (fair value hedge) to fair value	11	–	(11)	–	
Revaluations of cash flow hedges	270	30	35	–	
Expected credit losses of debt financial assets	110	70	(40)	3	
Contract liabilities for customer loyalty points	270	203	(67)	(199)	
Right-of-use assets	(246)	(267)	(21)	(62)	
Lease liabilities	322	339	17	42	
Convertible preference shares	91	55	(36)	(31)	
Losses available for offsetting against future taxable income	389	365	(24)	(44)	
Deferred tax expense/(benefit)			227	(493)	
Net deferred tax liabilities	(2,140)	(242)			
Reflected in the statement of financial position as follows:					
Deferred tax assets	389	365			
Deferred tax liabilities:					
Continuing operations	(2,454)	(607)			
Included in liabilities directly associated with the assets held for sale	(75)	–			
Deferred tax liabilities, net	(2,140)	(242)			

Commentary on IFRS accounting standards

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group considers both the lease asset and liability separately. The Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

Notes to the consolidated financial statements

6N. Income tax continued

Reconciliation of deferred tax liabilities, net

	2026	2025
	€000	€000
		Restated
As of 1 January	(242)	(459)
Tax expense during the period recognised in profit or loss	(227)	493
Tax income/(expense) during the period recognised in OCI	(158)	104
Discontinued operation	(2)	–
Deferred taxes acquired in business combinations	(1,511)	(380)
As at 31 December	(2,140)	(242)

Commentary on IFRS accounting standards

Although not specifically required by IFRS 18 or IAS 12, the reconciliation of the net deferred tax liability may be helpful.

As in some other disclosures included in this note, the cross reference with the amounts from which they are derived is not direct. Nevertheless, the reasonableness of each balance may be obtained from the respective notes by applying a 30% tax rate. The exception being the accelerated depreciation for tax purposes whose change during the year is mainly explained by the acquisition of Extinguishers Limited (see [Note 4A](#)).

The Group has tax losses that arose in Euroland of €427,000 (2025: €1,198,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. IAS 12.81(e)

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. IAS 12.37
IAS 12.81(e)
If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by €128,000 (2025: €359,400).

The temporary differences associated with investments in the Group's subsidiaries, associate and joint venture, for which a deferred tax liability has not been recognised in the periods presented, aggregate to €1,745,000 (2025: €1,458,000). The Group has determined that the undistributed profits of its subsidiaries, joint venture or associate will not be distributed in the foreseeable future. The Group has an agreement with its associate that the profits of the associate will not be distributed until it obtains the consent of the Group. The Group does not anticipate giving such consent at the reporting date. Furthermore, the Group's joint venture will not distribute its profits until it obtains the consent of all venture partners. IAS 12.81(f)

There are no income tax consequences attached to the payment of dividends in either 2026 or 2025 by the Group to its shareholders. IAS 12.82A

Commentary on IFRS accounting standards

Paragraph 97 of IFRS 18 requires an entity to separately disclose the line items that are included in the amounts expected to be recovered or settled within 12 months and more than 12 months after the reporting date. Deferred tax assets and liabilities may be considered one example, for items comprising such amounts. However, paragraph 98 of IFRS 18, in contrast, does not permit presentation of those items as current, which suggests that providing the disclosures required by paragraph 97 of IFRS 18 does not apply to deferred tax assets and liabilities. Therefore, the Group did not provide disclosures of the expected recovery and settlement of its deferred tax assets.

Commentary on climate-related matters

Entities should assess the impact of climate-related matters on future taxable profits and whether they are sufficient to recover the deferred tax assets. The assumptions used in these estimations should be consistent with those used elsewhere in the financial statements. Entities should also consider whether there are enacted or substantively enacted climate-related changes to tax legislation that might have a significant impact on the income taxes that the entity expects to pay.

Notes to the consolidated financial statements

60. Leases

Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipment 3 to 5 years`

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

IFRS 16.9

IFRS 16.23
IFRS 16.24
IFRS 16.30
IFRS 16.32

IFRS 16.33

Commentary on IFRS accounting standards

Under IFRS 16 *Leases*, the cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period in accordance with paragraph 24(d) of IFRS 16.

The Group's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

Under paragraph 33 of IFRS 16, right-of-use assets are subject to the impairment requirements of IAS 36 *Impairment of Assets*.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense within in the operating category in the statement of profit or loss on a straight-line basis over the lease term and presented in 'Cost of sales' and 'General and administrative expenses', respectively.

IFRS 16.26
IFRS 16.27

IFRS 16.38(b)

IFRS 16.36
IFRS 16.39

IFRS 16.5
IFRS 16.6

Notes to the consolidated financial statements

60. Leases continued

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is classified within the investing category and presented as 'Rental income' in the statement of profit or loss as the underlying assets are assessed to generate individual and largely independent returns. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

IFRS 16.61
IFRS 16.62
IFRS 16.81
IFRS 16.83

Significant judgements

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

IFRS 16.18
IFRS 16.19

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Group as a lessee

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 15 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

IFRS 16.59(a)
IFRS 16.59(c)

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

IFRS 16.60

Commentary on IFRS accounting standards

Paragraph 52 of IFRS 16 requires lessees to disclose information in a single note or a separate section in the financial statements. However, there is no need to duplicate certain information that is already presented elsewhere, provided that information is incorporated by cross-reference in a single note or separate section. The Group provided most of the required disclosures by IFRS 16 in this section of the financial statements. Cross-references are provided for certain required information outside this section.

Notes to the consolidated financial statements

60. Leases continued

Estimation uncertainty - incremental borrowing rate

IFRS 16.26

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

IFRS 16.54

	Plant and machinery	Motor vehicles	Other equipment	Total	
	€000	€000	€000	€000	
As at 1 January 2025	1,552	699	664	2,915	
Additions (Note 4A)	124	58	46	228	IFRS 16.53(h)
Depreciation expense	(158)	(131)	(122)	(411)	IFRS 16.53(a)
As at 31 December 2025	1,518	626	588	2,732	IFRS 16.53(j)
Additions (Note 4A)	424	108	78	610	IFRS 16.53(h)
Depreciation expense	(173)	(136)	(125)	(434)	IFRS 16.53(a)
As at 31 December 2026	1,769	598	541	2,908	IFRS 16.53(j)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

IFRS 16.54

	2026	2025	
	€000	€000	
As at 1 January	2,971	3,089	
Additions	593	225	
Accretion of interest	178	185	IFRS 16.53(b)
Payments	(581)	(528)	
As at 31 December	3,161	2,971	
Current (Note 6D)	455	418	
Non-current (Note 6D)	2,706	2,553	

The maturity analysis of lease liabilities is disclosed in [Note 3B](#).

IFRS 16.58

The following are the amounts recognised in profit or loss:

IFRS 16.54

	2026	2025	
	€000	€000	
Depreciation expense of right-of-use assets (included in 'Cost of sales')	434	411	IFRS 16.53(a)
Interest expense on lease liabilities			IFRS 16.53(b)
(included in 'Interest expense on other liabilities', Note 5D)	178	185	
Expense relating to short-term leases (included in 'Cost of sales')	22	21	IFRS 16.53(c)
Expense relating to leases of low-value assets			IFRS 16.53(d)
(included in 'General and administrative expenses')	18	17	
Variable lease payments (included in 'Cost of sales')	32	28	IFRS 16.53(e)
Total amount recognised in profit or loss	684	662	

The Group had total cash outflows for leases of €653,000 in 2026 (€594,000 in 2025). The Group also had non-cash additions to right-of-use assets and lease liabilities of €593,000 in 2026 (€225,000 in 2025). The future cash outflows relating to leases that have not yet commenced are disclosed in [Note 7A](#).

IFRS 16.53(g)
IFRS 16.59(b)(iv)
IAS 7.43

Notes to the consolidated financial statements

60. Leases continued

Commentary on IFRS accounting standards

Paragraph 53 of IFRS 16 requires disclosure of the following information, which users of the financial statements have identified as being most useful to their analysis:

- Depreciation charge for right-of-use assets, split by class of underlying asset
- Interest expense on lease liabilities
- Short-term lease expense for such leases with a lease term greater than one month
- Low-value asset lease expense (except for portions related to short-term leases)
- Variable lease expense (i.e., for variable lease payments not included in the lease liability)
- Income from subleasing right-of-use assets
- Total cash outflow for leases
- Additions to right-of-use assets
- Gains and losses arising from sale and leaseback transactions
- Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset

All of the above disclosures are required to be presented in a tabular format, unless another format is more appropriate. The amounts to be disclosed must include costs that the lessee has included in the carrying amount of another asset during the reporting period (paragraph 54 of IFRS 16).

The standard requires disclosure of the total cash outflow for leases. The Group also included the cash outflow related to leases of low-value assets and short-term leases in the disclosure of the total cash outflow.

Paragraph 55 of IFRS 16 requires disclosure of the amount of lease commitments for short-term leases when short-term lease commitments at the end of the reporting period are dissimilar to the same period's short-term lease expense (that is otherwise required to be disclosed). This disclosure requirement is not applicable to the Group.

Paragraph 59 of IFRS 16 requires additional qualitative and quantitative information about a lessee's leasing activities necessary to meet the disclosure objective of the standard. This additional information may include, but is not limited to, information that helps users of the financial statements to assess:

- The nature of the lessee's leasing activities
- Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:
 - Variable lease payments
 - Extension options and termination options
 - Residual value guarantees
 - Leases not yet commenced to which the lessee is committed
 - Restrictions or covenants imposed by leases
- Sale and leaseback transactions

IFRS 16.59(b)(i)
IFRS 16.B49

The Group has lease contracts for machinery that contain variable payments based on the number of units to be manufactured. These terms are negotiated by management for certain machinery that is used to manufacture products without steady customer demand. Management's objective is to align the lease expense with the units manufactured and revenue earned. The following table provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments	Variable payments	Total
	€000	€000	€000
2026			
Fixed rent	352	–	352
Variable rent with minimum payment	176	47	223
Variable rent only	–	24	24
	528	71	599
2025			
Fixed rent	392	–	392
Variable rent with minimum payment	189	45	234
Variable rent only	–	21	21
	581	66	647

A 5% increase in units produced for the relevant products would increase total lease payments by 1%.

Notes to the consolidated financial statements

60. Leases continued

Commentary on IFRS accounting standards

Disclosures of additional information relating to variable lease payments could include (paragraph B49 of IFRS 16):

- The lessee's reasons for using variable lease payments and the prevalence of those payments
- The relative magnitude of variable lease payments to fixed payments
- Key variables upon which variable lease payments depend on how payments are expected to vary in response to changes in those key variables
- Other operational and financial effects of variable lease payments

Entities would need to exercise judgement in determining the extent of disclosures needed to satisfy the disclosure objective of the standard (i.e., to provide a basis for users to assess the effect of leases on the financial position, financial performance, and cash flows of the lessee).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

IFRS 16.59(b)(ii)
IFRS 16.B50

	Within five years	More than five years	Total
As at 31 December 2026	€000	€000	€000
Extension options expected not to be exercised	525	403	928
Termination options expected to be exercised	424	202	626
	949	605	1,554
As at 31 December 2025			
Extension options expected not to be exercised	504	398	902
Termination options expected to be exercised	388	176	564
	892	574	1,466

Commentary on IFRS accounting standards

Disclosures of additional information relating to extension and termination options could include :

IFRS 16.B50

- The lessee's reasons for using extension options or termination options and the prevalence of those options
- The relative magnitude of optional lease payments to lease payments
- The prevalence of the exercise of options that were not included in the measurement of lease liabilities
- Other operational and financial effects of those options

Entities would need to exercise judgement in determining the extent of disclosures needed to satisfy the disclosure objective of the standard (i.e., to provide a basis for users to assess the effect of leases on the financial position, financial performance, and cash flows of the lessee).

Group as a lessor

The Group has entered into operating leases on its investment property portfolio consisting of certain office and manufacturing buildings (see [Note 6B](#)). These leases have terms of between five and 20 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties. Rental income recognised by the Group during the year is €1,404,000 (2025: €1,377,000).

IFRS 16.90
IFRS 16.91
IFRS 16.92

Future undiscounted lease payments to be received under operating leases as at 31 December are, as follows:

	2026	2025
	€000	€000
Within one year	1,418	1,390
Between 1 and 2 years	1,387	1,371
Between 2 and 3 years	1,411	1,389
Between 3 and 4 years	1,452	1,420
Between 4 and 5 years	1,380	1,340
More than 5 years	5,901	5,864
	12,949	12,774

IFRS 16.97

Notes to the consolidated financial statements

Section 7: Commitments and contingencies

This section provides additional information about items not recognised in the financial statements that could potentially have a significant impact on the Group's financial position and performance.

7A. Commitments

At 31 December 2026, the Group had commitments of €2,310,000 (2025: €4,500,000) including €2,000,000 (2025: €Nil) relating to the completion of the fire equipment safety facility and €310,000, (2025: €516,000) relating to trade purchase commitments by the Group's joint venture.

IAS 16.74(c)
IFRS 12.23(a)
IFRS 12.B18-B19

The Group has various lease contracts that have not yet commenced as at 31 December 2026. The future lease payments for these non-cancellable lease contracts are €48,000 within one year, €195,000 within five years and €107,000 thereafter.

IFRS 16.59(b)(iv)

7B. Legal claim contingency

An overseas customer has commenced an action against the Group in respect of equipment claimed to be defective. The estimated payout is €850,000 should the action be successful. A trial date has not yet been set. Therefore, it is not practicable to state the timing of the payment, if any.

IAS 37.86

The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

7C. Guarantees

The Group has provided the following guarantees at 31 December 2026:

IAS 24.21(h)
IAS 24.19(d)
IAS 24.19(e)

- Guarantee to an unrelated party for the performance in a contract by the joint venture. No liability is expected to arise
- Guarantee of its share of €20,000 (2025: €13,000) of the associate's contingent liabilities which have been incurred jointly with other investors

IAS 37.86

7D. Other contingent liabilities

The Group recognised a contingent liability of €400,000 in the course of the acquisition of Extinguishers Limited (see [Notes 4A](#) and [6I](#)).

IFRS 12.23 (b)

Appendix 1 - Consolidated statement of profit or loss and other comprehensive income (example of a single statement)

for the year ended 31 December 2026

IFRS 18.25

Commentary on IFRS accounting standards

The Group presents the statement of profit or loss and statement presenting comprehensive income in two separate statements. For illustrative purposes, the statement of profit or loss and other comprehensive income is presented as a single statement in this Appendix.

		2026	2025	
		€000	€000	IAS 8.28
	Notes		Restated (Note 2C)	IFRS 18.10(a) IFRS 18.12(b) IFRS 18.27(c)
Continuing operations				IFRS 18.27(d),(e)
Revenue from contracts with customers	3A	179,058	159,088	IFRS 18.69
Cost of sales		(136,496)	(127,946)	IFRS 15.113
Gross profit		42,562	31,142	IFRS 18.81
Other individually immaterial operating income	5A	2,435	2,548	IFRS 18.24
Selling expenses		(9,940)	(8,875)	
Distribution expenses		(4,009)	(4,041)	
General and administrative expenses	5I	(16,111)	(11,404)	
Research and development expenses	5G	(2,235)	(1,034)	IFRS 18.81(a)
Foreign exchange losses	5H	(238)	(222)	IFRS 18.B28, B66(a)
Other individually immaterial operating expenses	5B	(2,248)	(53)	
Operating profit		10,216	8,061	IFRS 18.69(a), 70
Share of profit of an associate and a joint venture	3H	671	638	IFRS 18.75(a)(iii) IFRS 18.53(a)
Rental income	6B	1,404	1,377	IFRS 18.53(c), 54(a)
Change in fair value of investment properties	6B	(306)	(300)	IFRS 18.54(b)
Foreign exchange gains on cash and short-term deposits	5H	270	254	IFRS 18.53(b), B28
Other individually immaterial income from investment	5C	243	144	
Profit before financing and income taxes		11,088	8,880	IFRS 18.69(b)
Interest expenses on loans and borrowings		(1,036)	(1,020)	IFRS 18.60(a)
Interest expenses on other liabilities	5D	(431)	(341)	IFRS 18.61(a)
Foreign exchange gains on interest-bearing loans and borrowings	5H	57	67	IFRS 18.B28, B66(b)
Profit before income tax		7,966	6,647	IFRS 18.71
Income tax expense	6N	(3,092)	(2,233)	IFRS 18.67, 75(a)(iv), IAS 12.77
Profit from continuing operations		7,966	6,647	IFRS 18.24
Discontinued operations				
Profit/(loss) from discontinued operations	4B	220	(188)	IFRS 18.68, 75(a)(v) IFRS 5.33(a)
Profit		8,216	6,459	IFRS 18.72
Other comprehensive income				
Other comprehensive income that will be reclassified to profit or loss when specific conditions are met (net of tax):				IFRS 18.88(a)
Net gain on hedge of net investment	6H	278	–	IFRS 9.6.5.13
Exchange differences on translation of foreign operations	6H	(246)	(117)	IAS 21.32, 52(b)
Net gain/(loss) on cash flow hedges	6H	(883)	34	IFRS 7.23(c)
Net change in costs of hedging	6H	(32)	–	
Net loss on debt instruments at fair value through OCI	6H	(21)	1	IFRS 7.20(a)(vii)
Share of other comprehensive loss of an associate	3H	(30)	–	IFRS 18.89(a)
Income tax effect relating to the components of OCI	6N	198	(10)	IFRS 18.94(b)
Total other comprehensive loss that will be reclassified to profit or loss when specific conditions are met		(736)	(94)	
Other comprehensive income that will not be reclassified to profit or loss (net of tax):				IFRS 18.88(b)
Net gain/(loss) on equity instruments designated at fair value through OCI	6H	(26)	10	IFRS 7.20(a)(vii)
Remeasurement gain/(loss) on defined benefit plans	6J	367	(390)	IAS 19.120(c), 122
Revaluation of office properties in Euroland	6A	846	–	IAS 16.39
Share of other comprehensive income of an associate	3H	30	–	IFRS 18.89(a)

Appendix 1 – Consolidated statement of profit or loss and other comprehensive income (example of a single statement)

for the year ended 31 December 2026

IFRS 18.10(a)
IFRS 18.12(b)
IFRS 18.27(c)

		2026	2025	
		€000	€000	IAS 8.28
			Restated	
			(Note 2C)	
Income tax effect relating to the components of OCI	6N	(356)	114	IFRS 18.94(b)
Total other comprehensive income/(loss) that will not be reclassified to profit or loss		861	(266)	IFRS 18.88
Other comprehensive income/(loss), net of tax		125	(360)	IFRS 18.86(b)
Total comprehensive income		8,341	6,099	IFRS 18.86(c)
Profit attributable to:				
Equity holders of the parent		7,928	6,220	IFRS 18.76(b)
Non-controlling interests		288	239	IFRS 18.76(a)
		8,216	6,459	
Total comprehensive income attributable to:				
Equity holders of the parent		8,053	5,860	IFRS 18.87(b)
Non-controlling interests		288	239	IFRS 18.87(a)
		8,341	6,099	
Earnings per share for continuing operations	5K			
Basic earnings per share		€0.37	€0.34	
Diluted earnings per share		€0.37	€0.33	
Earnings per share	5K			IAS 33.66
Basic earnings per share		€0.38	€0.33	
Diluted earnings per share		€0.38	€0.32	

Commentary on IFRS accounting standards

The Group presents, for illustrative purposes, the disclosure of a single statement of profit or loss and OCI in this Appendix.

The different components of OCI are presented on a net basis in the statement above. Therefore, an additional note is required to present the amount of reclassification adjustments and current year gains or losses. Alternatively, the individual components could have been presented within the statement of profit or loss and OCI.

In this Appendix, the Group illustrates the presentation of the income tax effects on OCI items on an aggregated basis as allowed under paragraph 94(b) of IFRS 18.

Appendix 2 – Consolidated statement of profit or loss (example of expenses disclosed by nature)

for the year ended 31 December 2026

Commentary on IFRS accounting standards

The Group presents the statement of profit or loss disclosing expenses by function. For illustrative purposes, the statement of profit or loss disclosing expenses by nature is presented in this appendix.

IFRS 18.25
IFRS 18.10(b)
IFRS 18.12
IFRS 18.27(c)

		2026	2025	
		€000	€000	
	Notes		Restated	
			(Note 2C)	
Continuing operations				
Revenue from contracts with customers	3A	179,058	159,088	IAS 8.28
Other individually immaterial operating income	5A	2,435	2,548	IFRS 18.27(d)(e)
Changes in inventories of finished goods and work in progress		(1,133)	(3,342)	IFRS 18.69
Raw materials and consumables used		(129,454)	(116,905)	IFRS 15.113(b)
Employee benefits expense	5F	(33,648)	(29,085)	IFRS 18.80
Depreciation and amortisation	6A, 6C	(4,356)	(3,667)	IFRS 18.78, 80
Impairment of non-current assets	6A, 4C	(200)	(301)	IFRS 18.78, 80
Foreign exchange losses	5H	(238)	(222)	IFRS 18.78, 80
Other individually immaterial operating expenses	5B	(2,248)	(53)	IFRS 18.66(a)
Operating profit		10,216	8,061	IFRS 18.78, 80
Share of profit of an associate and a joint venture	3H	671	638	IFRS 18.69(a), 70
Rental income	6B	1,404	1,377	IFRS 18.75(a)(iii)
Change in fair value of investment properties	6B	(306)	(300)	IFRS 18.53(a)
Foreign exchange gains on cash and short-term deposits	5H	270	254	IFRS 18.53(c), 54(a)
Other individually immaterial income from investment	5C	243	144	IFRS 18.54(b)
Profit before financing and income taxes		11,088	8,880	IFRS 18.53(b), B28
Interest expenses on loans and borrowings		(1,036)	(1,020)	IFRS 18.69(b)
Interest expenses on other liabilities	5D	(431)	(341)	IFRS 18.60(a)
Foreign exchange gains on interest-bearing loans and borrowings	5H	57	67	IFRS 18.61(a)
Profit before income tax		7,966	6,647	IFRS 18.628, B66(b)
Income tax expense	6N	(3,092)	(2,233)	IFRS 18.71
Profit from continuing operations		7,966	6,647	IFRS 18.75(a)(iv), IAS 12.77
Discontinued operations				IFRS 18.24
Profit/(loss) from discontinued operations	4B	220	(188)	IFRS 18.68, 75(a)(v)
Profit		8,216	6,459	IFRS 5.33(a)
Attributable to:				
Equity holders of the parent		7,928	6,220	IFRS 18.72
Non-controlling interests		288	239	IFRS 18.76(b)
		8,216	6,459	IFRS 18.76(a)
Earnings per share for continuing operations	5K			IAS 33.66
▪ Basic earnings per share		€0.37	€0.34	
▪ Diluted earnings per share		€0.37	€0.33	
Earnings per share	5K			IAS 33.66
▪ Basic earnings per share		€0.38	€0.33	
▪ Diluted earnings per share		€0.38	€0.32	

Appendix 3 – Consolidated statement of cash flows (example of the direct method)

for the year ended 31 December 2026

IFRS 18.27(c)
IFRS 18.10(d)

Commentary on IFRS accounting standards

Paragraph 18 of IAS allows entities to report cash flows from operating activities using either the direct or indirect methods. The Group presents cash flows using the indirect method. However, the statement of cash flows prepared using the direct method for operating activities is presented in this Appendix for illustrative purposes.

		2026	2025	
	Notes	€000	€000	IFRS 18.27(c) IFRS 18.10(d)
			Restated	
Operating activities			(Note 2C)	IAS 7.10, IAS 7.18(a)
Receipts from customers		177,529	161,832	
Payments to suppliers		(129,054)	(115,205)	
Payments to employees		(33,749)	(29,151)	
Income tax paid		(2,935)	(3,999)	IAS 7.35
Net cash flows from operating activities		11,791	13,477	
Investing activities				IAS 7.10, IAS 7.21
Proceeds from sale of property, plant and equipment		1,990	2,319	IAS 7.16(b)
Purchase of property, plant and equipment	6A	(10,167)	(7,581)	IAS 7.16(a)
Purchase of investment properties	6B	(1,216)	(1,192)	IAS 7.16(a)
Purchase of financial instruments		(272)	(225)	IAS.16(c)
Proceeds from sale of financial instruments		328	145	IAS 7.16(d)
Purchase of intangible assets	6C	(587)	(390)	IAS 7.16(a)
Acquisition of a subsidiary, net of cash acquired	4A	230	(1,450)	IAS 7.39
Receipt of government grants	6K	2,951	642	
Interest received		250	221	IAS 7.31
Net cash flows used in investing activities		(6,493)	(7,511)	
Financing activities				IAS 7.10, IAS 7.21
Proceeds from exercise of share options	5J	175	200	IAS 7.17(a)
Acquisition of non-controlling interests	4A	(325)	–	IAS 7.42A
Transaction costs of issue of shares	6H	(32)	–	IAS 7.17(a)
Payment of principal portion of lease liabilities	6O	(406)	(341)	IAS 7.17(e)
Proceeds from borrowings	6D	5,649	4,871	IAS 7.17(c)
Repayment of borrowings	6D	(2,032)	(4,250)	IAS 7.17(d)
Interest paid		(1,067)	(1,173)	IAS 7.31
Dividends paid to equity holders of the parent	3D	(1,979)	(1,600)	IAS 7.31
Dividends paid to non-controlling interests		(30)	(49)	IFRS 12.B10(a)
Net cash flows from/(used in) financing activities		(47)	(2,342)	
Net increase in cash and cash equivalents		5,251	3,624	
Net foreign exchange difference		339	326	IAS 7.28
Cash and cash equivalents at 1 January		12,266	8,316	
Cash and cash equivalents at 31 December	6G	17,856	12,266	IAS 7.45

Appendix 3 – Consolidated statement of cash flows (example of the direct method)

Commentary on IFRS accounting standards

IAS 7 requires classification of interest and dividends received as cash flows from investing activities and interest and dividends paid as cash flows from financing activities. However, for entities whose main business activity involves investing in assets or providing finance to customers, the classification of cash flows from interest received, dividends received and interest paid aligns with the classification of related income and expenses in the profit or loss statement. These cash flows must be classified based on how the corresponding income and expenses of the statement of profit or loss are classified in single category (operating, investing, or financing). Even if the associated income and expenses fall into multiple categories in the profit or loss statement, all interest received, dividends received, interest paid should each be classified in the single category according to the entity's chosen accounting policy for the statement of cash flows. For example, if an entity classifies interest expenses in the operating category and the financing category of the statement of profit or loss, it would classify all of the interest paid in accordance with its accounting policy as either cash flows from operating activities or cash flows from financing activities.

The Group does not have a specified main business activity of investing in assets or providing finance to customers. Therefore, cash flows from interest received are classified in investing activities, while cash flows from interest and dividends paid are classified in financing activities.

Appendix 4 – Material accounting policy information – an illustrative example

As explained in the introduction to this publication, the primary purpose of these financial statements is to illustrate how the most commonly applicable disclosure requirements can be met. Therefore, they include disclosures that may, in practice, be deemed not material to Good Group. To illustrate how the requirement in IAS 8 to disclose material accounting policy information could be applied in practice to a specific accounting policy, we have included in the table below relevant considerations in a materiality analysis in the context of the wording included in [Note 3G](#) above regarding investments in associates and joint ventures. In preparing the analysis, the assumption is made that the application of the equity method is not considered to be complex, as paragraph 27C(e) of IAS 8 could otherwise have suggested that further disclosures about the application of the equity method are required. Furthermore, it is assumed that users of financial statements in the relevant market are familiar with IFRS accounting standards as other entities in the same market are also preparing financial statements in compliance with IFRS accounting standards, and have done so for over an extended period of time (paragraph 88F of PS 2). These assumptions are, however, specific to Good Group, and must be assessed by each entity considering their specific facts and circumstances. For further information on the amendments and how to apply them, please refer to our publication [Applying IFRS: Disclosure of accounting policy information](#).

Wording in Note 3G	Alternative wording	Commentary
The group holds an interest in a joint venture, Showers Limited, and an interest in an associate, Power Works Limited. The financial statements of Showers Limited and Power Works Limited are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.	The group holds an interest in a joint venture, Showers Limited, and an interest in an associate, Power Works Limited. The financial statements of Showers Limited and Power Works Limited are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.	New paragraph added in Note 3G in this version of Good Group (International) Limited to provide entity-specific context to the accounting policy disclosure.
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.		As the paragraph summarises the requirements of IAS 28 <i>Investments in Associates and Joint Ventures</i>, rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included). Paragraph 27D of IAS 8 clarifies that standardised information, or information that only duplicates or summarises the requirements of the IFRS accounting standards is less useful than entity-specific information.
A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.		As the paragraph summarises the requirements of IFRS 11 <i>Joint Arrangements</i>, rather than entity-specific information, it does not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).

Appendix 4 – Material accounting policy information – an illustrative example

Wording in Note 3G	Alternative wording	Commentary
The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.		As the paragraph does not provide entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss in the investing category and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.		As the paragraph summarises the requirements of IAS 28 and IFRS 18, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, for the purpose of illustration, the paragraph has not been included in the alternative wording column). If disposals are made in the period, disclosure of the basis for presenting gains and losses on the disposal of associates and joint ventures may also be material information.
Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments.	Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments.	The first two sentences of the wording in Note 3G primarily summarise the requirements of IAS 28 and may, therefore, not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, they have not been included). The third sentence reflects relevant context. In the alternative wording and in Note 3G , an explanation has been included to further explain the implications of the policy. Also the presentation policy has been disclosed since it is not specifically prescribed under IFRS accounting standards, and, therefore, is developed in accordance with IAS 8.

Appendix 4 – Material accounting policy information – an illustrative example

Wording in Note 3G	Alternative wording	Commentary
The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of the associate or joint venture in line with those of the Group.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).
Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.		As the paragraph summarises the requirements of IAS 28, rather than entity-specific information, it may not necessarily represent material accounting policy information (therefore, in the alternative wording column, for the purpose of illustration, the paragraph has not been included).

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