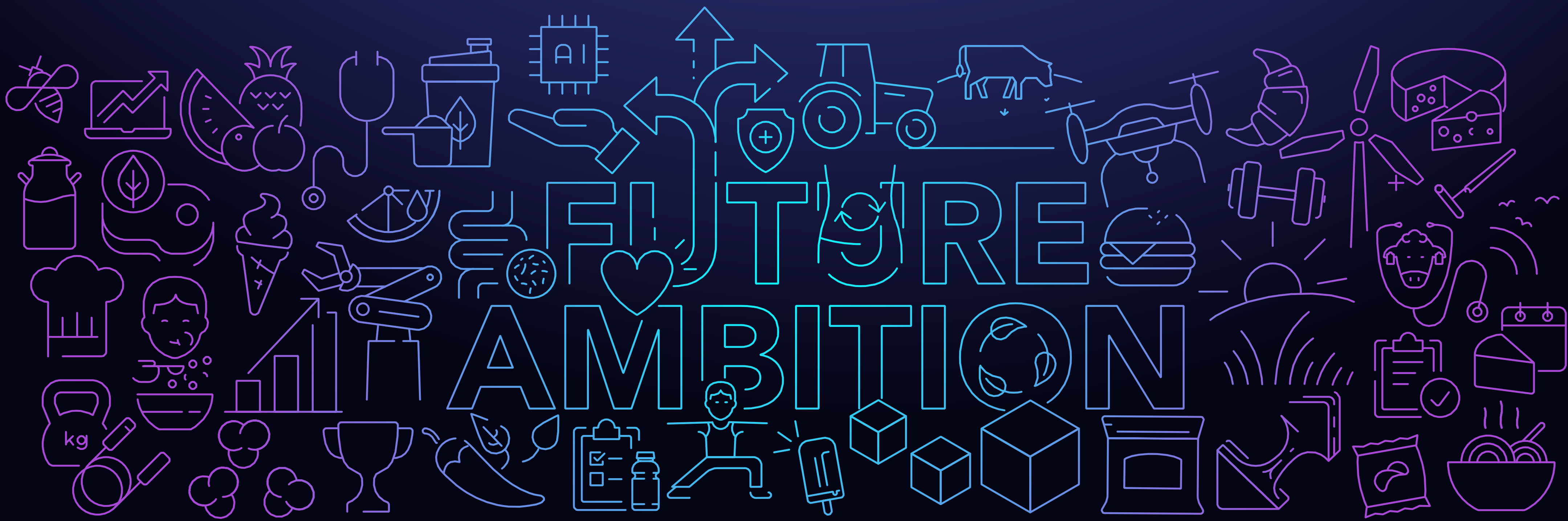
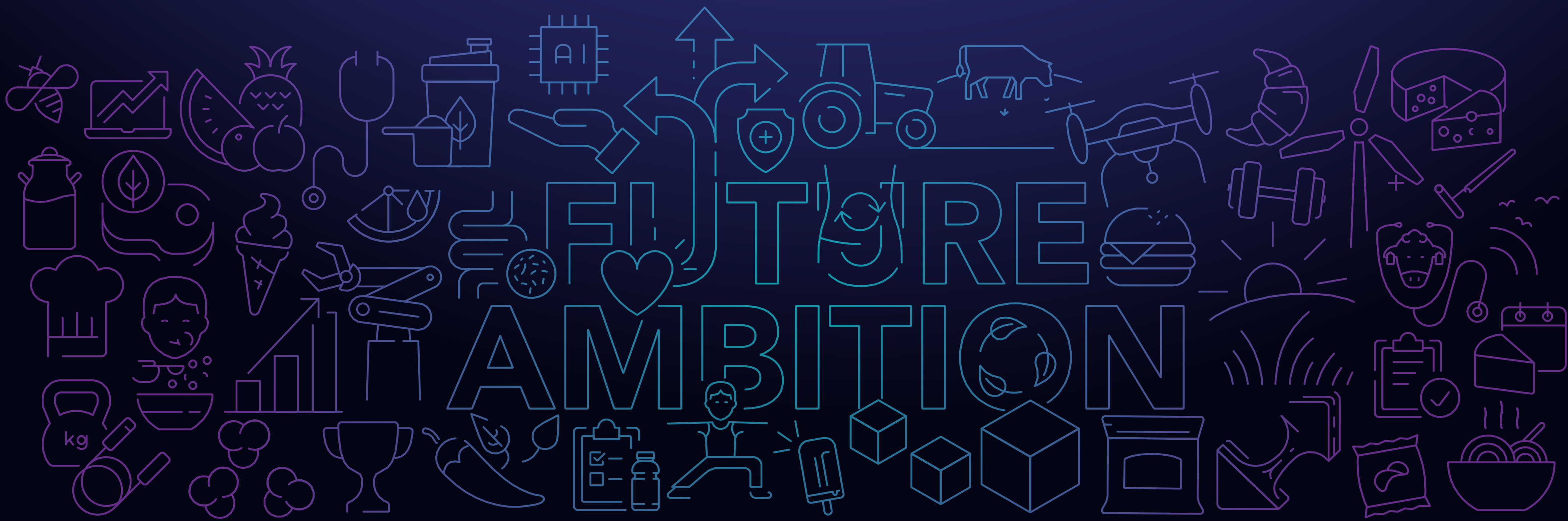
CARBERY

Annual Report 2024



Carbery Annual Report 2024



OUR PURPOSE

Enriching Lives, Together

11 GLOBAL FACILITIES

1,168 FARMER SHAREHOLDERS

1,000 GLOBAL EMPLOYEES

Performance Overview

Key Performance Metrics

Environmental

We are committed to a programme of emissions reduction, water optimisation and responsible waste management across our organisation.

FIND OUT MORE

Our Environment - Pg. 39

Carbon Emissions

(-3.09%)

Since 2023

This is our total 2024 Scope 1 and 2 emissions - those attributed to operations and fuel use.

On farm emissions

(-1.56%)

Since 2023

This figure is for Scope 3 emissions from our farms only, excludes other supply chain.

Waste to landfill
+42.44%

Water
+11.3%

Milk Processing

After a slow start at the beginning of 2024 due to bad weather conditions, our milk supply recovered well in late 2024.

574m

Litres Processed

(-2% on 2023)

Financial

We are pleased to report a strong business performance this year, with growth across revenue, EBITDA and EBITA.

FIND OUT MORE

Financials - Pg. 65

REVENUE
€668m
(+8%)

EBITDA
€52m
(+12%)

EBITA
€30.5m
(+20%)

Figures in € Euros

5 Year Review

	2020	2021	2022	2023	2024
Revenue	€459.5m	€535.7m	€700.8m	€616.1m	**€668.0m**
EBITDA*	€44.9m	€50.1m	€52.1m	€46.4m	**€52.0m**
EBITA*	€28.3m	€31.2m	€32.8m	€25.5m	**€30.5m**
Operating Profit (EBIT)	€24.2m	€25.3m	€26.4m	€19.6m	**€24.8m**
Net Debt	€57.8m	€79.6m	€71.8m	€60.4m	**€39.5m**
Cumulative Capital Expenditure	€45.9m	€72.3m	€99.3m	€128.6m	**€155.1m**

*Before exceptional items

Chairperson's Statement

2024 in Review

While paying a leading milk price is essential to support farmers, we also give support in other ways.

With local councillor John Michael Foley, Minister Patrick O'Donovan, Jason Hawkins, Sen Tim Lombard, and Cllr Noel O'Donovan at the Farm Zero C Open Day

I want to first take the opportunity to introduce myself to any shareholders I haven't yet had the chance to meet this year. It was my honour to take over as Chairperson of the board of Carbery in June this year. I have met many of you since that time and hope to meet many more throughout the course of my time in this role.

Having been a member of the Carbery Board for a few years prior to taking on the role of Chairperson, I have seen firsthand the huge collective effort it takes to keep Carbery growing, successful, and delivering returns for shareholders. I also recognise the immense effort that our farmer shareholders make to supply great quality milk and to maintain their own businesses. I want to take this opportunity to recognise the achievements on both the farm and the Carbery side over the course of 2024 and to thank everyone involved.

Reviewing 2024

The start of the year was a difficult one for farmers, with an extreme and prolonged period of wet weather extending well into April, leaving many farmers unable to put cows out or grow significant grass. Recognising this difficulty, the board took the decision to support farmers with a payment of 5cpl for milk supplied in March to offset some of the additional costs that this weather had brought. As we look at planning into the future, the science will tell us that these milder, but longer and wetter winters and springs may be the norm. As farmers, we need to factor that into our planning as best we can.

Of course, that long wet spring was offset at the end of the year by an extended mild and dry autumn, with milk supplies which had been forecast to be well below 2023 levels, eventually recovering and almost catching up. Dairy markets too had a recovery late in the year after a slow start and slow recovery of prices in the middle of the year. We continued to make decisions at board in line with our commitment to pay a leading milk price, and I am happy to say that we succeeded in this, paying a leading milk price in 2024 and paying the second highest average milk price on record, second only to 2022. We were also able, driven by the growth across all of our business in 2024, to allocate €8.6m into the Stability Fund.

While paying a leading milk price is essential to support farmers, we also give support in other ways. In January, we started the year with positivity, holding our fifth annual Farmer Welfare event, organised with the aim of inspiring our farming audience, and giving space to talk about the importance of physical and mental health and wellbeing. With a great panel, comprising Karl Henry, Kevin O'Connor (BiOrbic) and social media personalities and farmers Katie Shanahan and Tomás Duffy, we got great tips on health, resilience, representing farming positively and making the most of what we have.

We also held an event with prospective candidates for the European Parliament elections, which gave

CARBERY

FutureProof

€4.7m paid for FutureProof 2024

€12.2m paid out under FutureProof to date

93% of our milk pool covered by FutureProof in 2024

Sustainability Progress

Support and action around driving sustainability on farms continues to be of critical importance for the board and the Carbery team. It is also a priority for farmers, to ensure that farming continues to be viable. We had a second very successful year of FutureProof and will revise the criteria for 2025 in order to continue to ensure that these measures have an impact for farmers and for the environment.

Several of our environmental activities centred around water quality, which is the most critical issue for us to solve together. From lobbying our political representatives, to education events for farmers (including our very well attended Slurry Solutions event in June), to a record number of applications for water quality measures under the European Innovation Partnership (EIP) programme, we have continued to make action on water quality a top priority.

Farm Zero C (FZC) continues to be our flagship project for research and actions across all areas of sustainability, the open day in September attracted large crowds again.

While we have made a lot of progress here, it is imperative that we continue to invest and engage with Carbery advisors to build on this progress and secure our future.

FIND OUT MORE

Our Sustainability Journey – Pg. 37

members of the boards of the four West Cork co-ops the opportunity to put their questions to European election candidates on the issues that matter for farmers, including water quality, derogation, bank lending and promoting farming.

Listening to our shareholders

This year, for the first time, we had an extensive survey of our farmer shareholders. This was intended to gather information to allow us to understand the potential impact of derogation, to gauge supplier plans in terms of retirement, succession and to plan accordingly for support around milk supply, sustainability efforts and areas of investment.

We had a fantastic response to the survey, which was completed by 80% of our shareholder base, and what we have found is that, overall, the outlook is positive for dairying in West Cork. We know there is concern from farmer shareholders around the future of farming, specifically around the impact of a loss of the nitrates derogation. We also know that farmers are concerned about future milk supply, succession, farming as a viable career choice for young people and the impact of climate measures.

While there are certainly areas that need to be addressed, overall farmer shareholders are well positioned in terms of successors, investment, and future-proofing their farms. Milk supply also looks stable into the future, with any reduction well in line with previous years, and counter-balanced by those hoping to increase production.

A global business with world-class standards

I have connected with our teams both in Ireland and around the world during my time on the board and since taking over as Chairperson. Meeting with the teams producing the products that we sell all over the world is a great reminder of Carbery's reach, and how many diverse groups of people we interact with in our business. This means we have very high standards to meet on quality and sustainability to keep our various customers and partners alongside us. It is also a testament to the reputation of the organisation and of what we produce, that we have customers in so many places globally – more than 50 countries. Seeing our products on

Presenting our Milk Quality and Sustainability Award to The Forde Family

Meeting the Irish Ambassador to Singapore

Representing shareholder views to European Parliament candidates

Seeing our products on shelves everywhere from Chicago to Tokyo is something we should be very proud of.

shelves everywhere from Chicago to Tokyo is something we should be very proud of. The commitment and energy of our teams abroad who support this work is remarkable.

Board updates and thanks

When I took over as Chairperson in June we also had some other changes in board members. I would like to welcome James Healy, Lisavaird; John Hurley, Drinagh and Michael Sexton, Barryroe, on to the Board. My sincere thanks to those they replaced, Peter Fleming and Raymond Collins, for their commitment to Carbery. A special word of thanks to Cormac O'Keeffe for his great work as Chairperson over the past three years. Best of luck in all you do next Cormac.

Finally, a big thank you to the executive team of Carbery, and especially to the employees who give their best for our organisation around the world to add maximum value to every litre of milk supplied. Without you and your work, your ideas and your commitment, there is no Carbery, so I express my appreciation on behalf of all the board.

A final word of thanks to all our farming families, who keep the show on the road and the milk flowing. Thank you to all our farmer shareholders for continuing to back the company, to support our decisions and most of all for supplying a world-class product that we are all proud to consume.

Vincent O'Donovan, Cathaoirleach

2024 Highlights

Business Performance

Growth across all business divisions

Our business performance was strong in 2024 with growth across all divisions of our business.

FIND OUT MORE

CEO Statement- Pg. 10

Embedding Digital

A business powered by data

We continued to bring our ambition of being a data-driven business to life by embracing AI, upskilling our people and investing in technology and capability in digital.

FIND OUT MORE

Our Digital Journey- Pg. 35

People & Culture

Doing our best work

Our strength is the people who work with us, and in 2024 we focused on supporting them, creating clarity across the business and equipping our leaders with the skills they need to bring our business into the future.

FIND OUT MORE

Our People – Pg. 31

Delivering for Shareholders

Adding value

In 2024, we again delivered a leading milk price in addition to paying over €4.7m in a sustainability bonus, and added €8.6m to our Stability Fund to secure future milk price for shareholders.

FIND OUT MORE

Financial Information – Pg. 65

CEO Statement

Setting our future goals

"The flexibility of the Carbery portfolio as well as the continued focus on value-add opportunities across the businesses enables us to maximise the return for our milk for our shareholders.

Ballineen employees at the off site day in February 2024 to launch our new three-year strategy

What are the key points to note on Carbery's business performance this year?

Performance this year was strong across all three of our business divisions, with significant growth driven by the very strong performance of our Taste Division in several markets.

Group turnover increased by 8% to €668.0m (2023: €616.1m), while on a constant currency basis turnover increased by 8% year-on-year

Group EBITDA (Earnings before interest, tax, depreciation (net of grants), amortisation of goodwill and other intangibles and exceptional items) increased by 12% to €52.0m (2023: €46.4m). On a constant currency basis EBITDA increased by 12%.

Group EBITA (Operating Profit before interest, tax, amortisation of goodwill and other intangibles and exceptional items) increased to €30.5m (2023: €25.5m) reflecting a year-on-year increase of 20%. On a constant currency basis EBITA increased by 20%.

Commitment to progress on our sustainability targets, across our sites and also with our suppliers, continued to be of the highest importance in 2024. We made progress on the emissions front, with a decrease of 3.09% in our Scope 1 and 2 emissions from 2023. We are also very proud to report a reduction of 1.56% in the carbon footprint of our farmer shareholders. They deserve the highest praise here for continuing to prioritise sustainable actions on their farms, while balancing weather challenges, input costs, quality standards and regulation. We are delighted to support this work through our FutureProof bonus, under which we have paid out more than €12m since it started in 2022.

With a view towards being well positioned to support our farmer shareholders into the future, and through potentially difficult periods like weather, or challenged dairy markets, the board allocated €8.6million to the Stability Fund.

2024 saw 574m litres of milk processed on the Ballineen site into cheese, nutrition ingredients and bioethanol. While the poor weather at the start of the year impacted milk supply right up until the middle of 2024, in the end, a long, mild autumn meant that overall milk levels were only 2% behind 2023 levels. The second half of the year showed strong year on year growth in comparison to 2023. All this points to a year of adapting to maximise the return for our milk while balancing customer commitments, especially in the first half of the year.

The flexibility of the Carbery portfolio as well as the continued focus on value-add opportunities across the businesses enables us to maximise the return for our milk for our shareholders.

In the second half of the year, market prices which had been subdued in the first half of the year continued to rise based on good global demand and muted global supply growth.

Showcasing our products in Thailand to the Carbery board

On the Nutrition side of our business, we had good performance across our target segments of sports, infant, and clinical nutrition. I was pleased with new business wins around the world and our ongoing focus on delivering innovation in this area.

Our Taste Division continued to perform strongly in all regions, with our teams capitalising on increased consumer demand and delivering record performance in some markets. Our focus in this business is to balance our growth potential and aspirations with ensuring we can continue to deliver to the highest standards for our customers, through prioritisation, efficiency and some required capital investment.

Market performance had a significant impact on turnover in 2023. Can you comment on the markets in 2024 and what this has meant for performance and milk price paid?

Dairy markets in 2024 were marked by fluctuating global demand and persistent cost pressures. Milk prices softened in the first half of the year, as global supply outpaced demand, influenced by economic uncertainty and shifting consumer trends. To manage these conditions and to continue delivering value for our shareholders, Carbery leveraged innovation and diversification in our product portfolio to navigate market volatility. We saw a recovery in market pricing towards the end of the year, and current 2025 forecasts indicate a steady performance.

Weather, continuing high input costs and environmental regulation all had an impact on farmers this year. How has Carbery supported its shareholders in the face of these pressures?

We are guided in our activities across the business by prioritising the welfare of our farmer shareholders, whether this is through maximising returns for their milk, supporting them through challenges and providing relief, education, and support in other ways. The board's decision to pay an additional 5cpl on milk supplied in March was specifically to provide relief on additional costs being incurred by farmers due to the long period of poor weather. We also prioritised and delivered on our goal of paying a leading milk price in 2024.

This year also saw a significant programme of activity, both in terms of public advocacy and initiatives, highlighting the importance of water quality, and the importance of retaining the nitrates derogation in support of that. We engaged publicly and privately with Irish and European politicians, election candidates and media outlets to influence this discussion. This was in tandem with a range of initiatives to educate and support our shareholders on water quality, including the continuation of the ASSAP programme and organising a calendar of on-farm events. We also devoted significant resources to encourage uptake on the funding for water quality initiatives available under the European Innovation Partnership (EIP). By the end of 2024, Carbery suppliers had submitted the highest number of applications in the country under that initiative. This shows our farmers are serious about investing to protect water quality.

Announcing our partnership with Olympian Phil Healy

Our annual welfare event, in January, continues to create space for the farming community to focus on mental and physical health and wellbeing.

You are coming to the end of your second full year of paying a sustainability bonus to farmers. How has that been performing and what impact has it been having?

By the end of 2024, our farmer shareholders will have received €12.2 million in bonus payments since the introduction of FutureProof. More importantly, 93% of our milk pool coming from suppliers implementing these measures has had a significant impact on emissions and on productivity. I have been very encouraged by the uptake of this bonus and the actions associated with it. From the beginning, we chose to focus on a small number of actions that we knew would have the most significant impact for our farmer shareholders in terms of economic performance, efficiency and climate. I think the data shows we took the right approach here. FutureProof has relaunched for 2025 with new measures focused on soil fertility and animal welfare, and with more funding available for farmers (1.25cpl). I look forward to working with our shareholders to implement those and continue to financially support the great work they are doing on environmental sustainability.

What other initiatives is Carbery prioritising to maintain its focus on sustainability?

Water quality continues to be one of our key priorities under FutureProof and is a mandatory measure, meaning farmer shareholders have to undertake it to receive any bonus. It will continue to be a focus of our activities beyond the FutureProof programme. Other initiatives we focused on in 2024 were to more broadly support our farmers which included our annual welfare event, which continues to create space for the farming community to focus on mental and physical health and wellbeing.

Our school visits programme continues to grow and be very well received by pupils and teachers alike. This is essential to create a connection between young generations and the farmers that produce their food, as well as helping them to understand the Irish farming system. Our shareholder census for 2024 was an invaluable insight into the priorities and mindset of our shareholders and gives us great and tangible information to plan for the future.

At the Farmer Welfare event with panellist Karl Henry

Your new three-year strategy began this year. How has performance been against targets in the first year of that, and what impact has it had on your performance internationally?

We are pleased to report that the first year of our new three-year strategy has delivered strong results, with performance firmly on track. We have met our financial targets and made significant progress across our key strategic pillars. This achievement is a testament to the commitment of our teams and the robust processes we have established, which ensure alignment and consistency throughout our operations.

Our regional leadership teams have played a critical role in providing governance and driving execution at the local level, helping us maintain agility and responsiveness to market dynamics. Their contributions have ensured that our strategy aligns globally and resonates regionally.

Looking ahead, we remain dedicated to organisational excellence, prioritising operational efficiency, innovation, and collaboration across all markets. By keeping the customer at the core of everything we do, this approach fosters sustainable growth and strengthens our long-term vision.

Carbery has placed a lot of importance on digital-led innovation in recent years. Why is this important for you and what returns are you seeing from it?

Digital innovation is essential to any organisation with ambitions to grow into the future, but our ambition in relation to digital goes beyond growth and efficiency. We see digital as a means to unlock new directions and opportunities for Carbery. Seeing our ambition in this area start to deliver returns was very rewarding in 2024, with some of the highlights including the roll out of a citizen developer programme, empowering employees to become their own developers for their teams. We also saw increased use of AI, including some exciting projects that could revolutionise our customer relationships, and a digital skills training programme for our teams to make sure that with our investments in technology, we continue to invest in upskilling our people.

What do you think Carbery has to offer prospective employees and how are you prioritising attracting and retaining employees?

At Carbery, we're proud to offer prospective employees the chance to be part of something truly exceptional. With over 50 years of heritage in innovation and excellence, we're not just a company – we're a community driven by shared purpose, strong values, and bold ambition. We're focused on sustainability, innovation, and creating real, measurable impact, which resonates with people looking to drive change and grow in their careers.

In today's competitive market, we know attracting and retaining top talent means offering more than just a job. We prioritise competitive rewards, opportunities for significant growth, and a culture that supports ambition, well-being, inclusion, and collaboration. At Carbery, you're not just joining a business; you're joining a dynamic team that's shaping the future of our industry and reaching for new heights. We're passionate about ensuring every employee feels valued, empowered, and has the tools they need to thrive – because when our people succeed, Carbery achieves even greater things.

Sincere thanks and appreciation to everyone who contributed in 2024 to growing our business across the globe.

Jason Hawkins, CEO

What are your key priorities in 2025 and beyond for Carbery and your farmer shareholders?

We were pleased that our strong performance in 2024 allowed us to allocate €8.6m to the Stability Fund.

Dairy Business Review

We began 2024 with some challenges with milk supply constrained due to weather conditions, which affected cheese production. However, as the weather improved through the summer and into the autumn, we saw increased grass growth, leading to a recovery in milk intake. This set the stage for a strong finish to the year, with sales surpassing expectations. Additionally, better pricing in the second half of the year contributed to a positive return for the business.

In both supply and from a market pricing point of view 2024 was another volatile year. The ability to shift between producing mozzarella, which reacts more quickly to the market, and cheddar which is more stable, helped Carbery manage that volatility.

That flexibility to produce both mozzarella and cheddar has become crucial to how we manage the cheese business and maximise the return we see in the market. In 2024 we increased the production of mozzarella versus what was initially planned in order to maximise the returns for the year.

> Better pricing in the second half of the year contributed to a positive return for the business.

Total Cheese Production

61,000 mT

Mozzarella

14,000 mT

Cheddar Types

47,000 mT

Global Activity

Throughout 2024, we have continued to engage closely with our strategic customers around the world. Our focus remains on developing our value-add portfolio in response to our customers' needs.

Our mozzarella sales exceeded our expectations in 2024, achieved through strengthening relationships with long standing customers while also attracting new strategic customers both domestically and globally. We increased our mozzarella supply across Irish retail, with the major players leveraging our Irish grass-fed status. Mozzarella has continued to open doors to new customers and categories, as it is used by more consumers globally than cheddar.

Due to the growth of at-home dining, business-to-business customers have become very important to our business, with our mozzarella being used across a range of fresh and frozen pizzas domestically and across Europe.

We saw significant growth in our speciality range through the launch of a second limited edition in our Carbery Cracker range – Cracked Black Pepper – and our range including Fajita, Pepper and Chilli being available in private label sliced and grated offerings in Ireland and Germany.

Continued growth in the Japanese market

The Japanese market continues to be a key strategic focus for Carbery. Our commercial and technical teams visited the market regularly in 2024, which helped strengthen our relationships and develop new opportunities. One-third of customer visits to Carbery in 2024 were from Japanese customers, and the impact of these visits is evident in the successful introduction of our speciality cheeses to the market.

In recognition of the importance of the Japanese market for our business, the board of Carbery included Japan in a business development trip to the region in November. They visited customers, distributors and saw our products on-shelf in Japan.

Collaborating to unlock new application opportunities for our customers

Innovation has always been at the heart of Carbery. Our Research and Development team work to develop specific cheese recipes and processes which meet our customers' unique taste and functionality requirements. 2024 saw new speciality cheeses from that development work launch into markets.

In 2024, we undertook a review of our marketing strategy, which involved researching and discussing our customers' needs, and significant R&D work across our portfolio. On the basis of this review, we took the decision that our customers would be best served with an application-led approach, where we can we advise the most suitable product for the end application.

We have also increased our focus on developing market and product insights, which we in turn share with our customers which allows us work more collaboratively.


国際

カーベリーのチーズが魅力的な商品開発に貢献

インタビュー 輸出

アイルランド有数のチーズ生産量を誇る乳業メーカー、カーベリー社のジェイソン・ホーキンスCEO（最高経営責任者）は、同社のナチュラルチーズ（NC）を通じ、日本の食品企業の課題解決や、魅力ある商品開発に積極的に貢献していく考えを強調した。持続可能性に配慮した同社のNCについて、より多くの消費者にPRしていく意向も示した。プロモーションで来日した際、酪農乳業速報の単独インタビューに答えた。

◇

ーカーベリー社はアイルランド有数のチーズメーカーとして知られています。企業概要を教えてください。

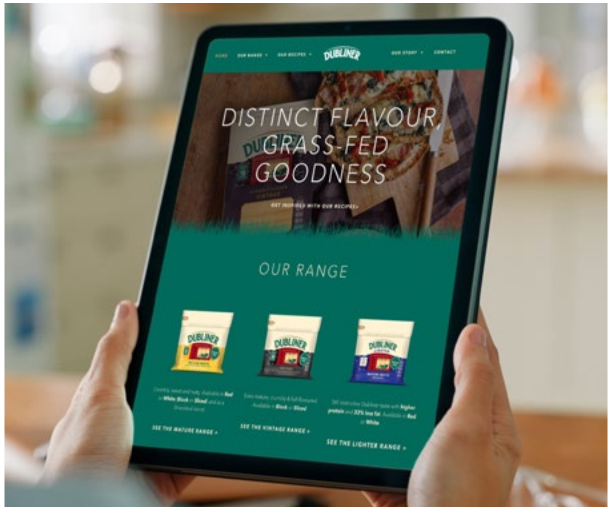
Interview carried out with Japan's largest dairy trade publication

Olympian Phil Healy came on board this year as a brand ambassador for Carbery Cracker

Hosting a delegation of 17 Japanese buyers, including key distributors and target customers

Ireland Activity

Private label continues to take market share from brands in many categories, including cheese. Irish consumers are savvy, they are looking for quality products that are value for money, as a result there has been a significant rise in 'premium private label' offerings. Buying Irish remains important to consumers, and as a result, origin is being called out more on pack.



Dubliner

Following our successful marketing campaign in 2023, we continued our strategy of presenting Dubliner as a premium brand in 2024. As a result, the brand has held the market share gained in 2023. Social media remains a key platform for the brand as our activity has a large reach.

Carbery Cracker

In April our second Limited Edition Cracked Black Pepper was launched into SuperValu, Tesco and Dunnes. It replaced the Fajita Spice, and sales have significantly surpassed expectations. Cracked Black Pepper sales coupled with a new marketing campaign that leans into our Cork origin have led to brand growth of 2.5%.

A recipe for success

Our recipes series for Dubliner, where popular Irish food Instagrammers create recipes, continues to be a very successful marketing tactic. An 'Irish Nachos' recipe posted in partnership with influencer Lilly Higgins had a reach of more than 1 million people in 2024.

Ingredients

1kg Potatoes	1 pack of Bacon	Jalapenos
Smoked Paprika	200g Dubliner	Chives
Salt	Mature Red grated	
Olive Oil	Sour Cream	

Simply slice your potatoes, dry them well with a tea towel then season with smoked paprika, salt and a drizzle of olive oil. Mix well and spread in a single layer on 2 sheets. Bake at 200ºC for 20 mins, turning halfway through till golden.

Meanwhile spread the bacon on a tray and bake in the oven till crispy while the potatoes cook. Cool slightly then chop up finely.

Layer 1 tray of potatoes in the base of an ovenproof dish. Scatter over half the bacon and Dubliner Cheese followed by some chopped chives.

Add the second layer of potatoes, bacon & finish with Dubliner Cheese. Return the whole tray to the oven for 10 mins for the cheese to melt.

Stir 2 tbsp chives through sour cream. Dollop this on top of the potatoes and cheese. Scatter with a little more chives and jalapeños.

Serve right away.

An 'Irish Nachos' recipe posted in partnership with influencer Lilly Higgins had a reach of over 1 million people.

Case Studies

Customer Visits

A cornerstone of our business is our collaborative relationship with our customers. Customer visits to Carbery play an integral role in building and maintaining these relationships. In 2024 we hosted customers and visitors from all over the world at our facility in Ballineen, demonstrating our operational excellence, innovation and culinary expertise. Our Farm to Fork customer visit strategy ensures that customers gain a complete understanding of every stage of our supply chain.

FARM VISITS

Highlighting the sustainable commitment from our farmers and sustainability team.

FACILITY TOURS

Demonstrating our state-of-the-art cheese making process.

BUSINESS PRESENT-ATIONS

Giving our customers a deeper understanding of the overall business and our portfolio.

APPLICATION SESSIONS

Showcasing our cheese in our consumers' end applications.

Protein Cheese – Healthier Choice for Consumers

For many years high protein snacks have been popular with athletes and fitness enthusiasts, however the desire among consumers for high protein offerings has become mainstream. High protein is believed to help with weight management by increasing satiety and reducing appetite and also helps regulate blood sugar levels and reduce cravings for sugary or high – carb snacks. Consumers are looking for alternative solutions to protein powder while getting a high quality taste experience. Carbery's Cheese Extra 10, has 35g of protein per 100g, which is 40% more than standard cheddar. This cheese was launched in an Irish retailer in September in a sliced and grated offering, called 'Protein Cheese'. It is targeting the everyday health conscious consumer and is being promoted as a perfect on the go snack, as part of a sandwich, added to scrambled eggs or a replacement for a meat source in a salad.

Awards

Carbery was very successful in 2024, securing awards for a range of cheeses, underlining its commitment to quality and innovation.

International Cheese Awards
The International Cheese Awards is the world's biggest platform to champion world class producers of cheese and dairy products attracting over 5,500 entries every year.

Mature Cheddar
3 Gold
1 Sliver

Cheese Extra 22
1 Sliver

Vintage Cheddar
1 Sliver

Dubliner Cheese
1 Bronze

Great Taste Awards

Great Taste is the world's largest and most trusted food and drink accreditation scheme. Great Taste stars are highly respected seals of approval. Aldi Specially Selected Irish Vintage White Cheddar and Simply Better West Cork Co-Op Vintage Drinagh Cheddar Block both picked up stars.

Blas na hÉireann

Blas na hÉireann, The Irish Food Awards is the biggest competition for quality Irish produce on the island of Ireland. Ardagh Additions' Black Pepper Irish Cheddar Slices was successful again this year winning bronze.

Customers taste products using our cheese in the demonstration kitchen

A brochure showcasing our inclusion cheese

Nutrition Business Review

Carbery's nutritional ingredients business demonstrated robust performance across all targeted segments, including infant nutrition, sports nutrition, and clinical nutrition. With an extensive portfolio of products under the Optipep® brand, Carbery is recognised as a well-established and trusted supplier of hydrolysed proteins.

The continued consumer interest in health and wellness globally and in particular in high quality protein sources across multiple market categories underpins the premium position for the quality proteins that Carbery offers such as WPI (Isolac®) and HWP (Optipep®).

Global Activity

The global whey protein market, currently estimated at €7 billion, continued to experience significant growth in 2024. The market is well-positioned for continued expansion, driven by innovation and rising global demand for high-quality protein. We continued to see expanding applications of whey protein in various categories such as food, beverages and dietary supplements.

Carbery is well positioned to capitalise on this growth with an extensive range of products under the Optipep® and Isolac® brands, catering to various segments, including infant formula, sports nutrition, and clinical nutrition. This diversity helps Carbery tap into multiple market segments and drive growth. Carbery's nutritional ingredients are distributed to global customers in over 30 geographical markets, and remain at the forefront of innovation, utilising proprietary technology to modify whey proteins for specific nutritional applications.

The demand for whey protein has been driven by several key rising trends:

Health and Fitness

Increased awareness about healthy lifestyles and fitness has led to higher demand for whey protein to support muscle growth and recovery. Rich in essential amino acids and highly bioavailable, whey protein is a popular choice for those looking to improve their overall nutrition.

Aging Population

As the global population ages, whey protein is effective in combating age-related muscle loss. It also supports patients recovering from surgery, illness, or malnutrition.

Weight Loss Applications

The demand for weight loss drugs such as Ozempic and Wegovy has also boosted protein consumption as consumers seek ways to boost nutritional intake despite reduced appetite.

Infant Nutrition

There is increasing incorporation of whey protein in infant nutrition products, ensuring that infants receive high-quality, easily digestible, and nutritionally complete formulas.

Market Review

Infant Nutrition

The infant nutrition market remains a dynamic sector, driven by a growing population of working mothers, increased spending on baby health, and rising demand for organic baby food.

Additionally, urbanisation and changing lifestyles are driving the demand for specialised infant nutrition products. Despite a falling birth rate and frequent policy changes, Asia Pacific remains a significant market, with China being a major contributor. North America and Europe also show strong growth due to advanced healthcare infrastructure and high consumer awareness.

Carbery supplies both Optipep® hydrolysed protein and Isolac® for infant formula applications. We partner with leading infant formula companies in the US, Asia, and Europe. Our Optipep® hydrolysed whey protein is a key ingredient in 'comfort formulas', which are designed to help manage dietary issues in babies.

Sports & Wellness

The sports and wellness nutrition market continues to grow, fuelled by rising health awareness, lifestyle shifts, increasing consumer demand, and continuous product innovation.

In 2024, the global sports nutrition market was valued at €30.5 Billion, with a projected compounded annual growth rate (CAGR) of 7.8% from 2025-2028 with over 80% of revenue driven by protein products.

The rise of protein as a trend has been significant over the past few decades. Protein-rich foods have transitioned from niche nutritional components to mainstream staples, driven by growing awareness of the role protein plays in health, fitness, and disease prevention. Sports nutrition products, originally consumed mainly by athletes and fitness enthusiasts, are now being embraced by a broader audience interested in nutrition, performance, and aesthetics. As well as a broader consumer base, there is a growing demand for convenience and on-the-go products such as RTD (ready to drink) protein shakes and portable supplements. Consumers are also seeking out natural and clean label ingredients demanding more transparent food choices. There is also a rising interest in personalised nutrition with products tailored to specific needs and goals, such as weight management, muscle recovery, and female-focused formulations.

Overall, the intersection of medical advice, health trends, and the effectiveness of whey protein in supporting muscle health has significantly boosted the demand for high-quality whey products.

Clinical Nutrition

The clinical nutrition industry continues to expand, with the enteral nutrition market valued at over €10 billion and a compound annual growth rate (CAGR) of 8.8%.

Clinical nutrition helps prevent, diagnose, and manage nutritional issues in patients with chronic diseases. The demand for these products is growing due to an ageing population and more cases of diseases like diabetes and inflammatory bowel disease. Improved healthcare systems in developed countries also mean more use of clinical nutrition products in hospitals and care homes. Carbery is well-equipped to meet the growing demand for clinical nutrition. Our Optipep® hydrolysed whey protein helps people with specific needs like protein malnutrition, critical care, and digestive issues.

When patients are recovering from surgery or have trouble eating or digesting food, they need the right balance of nutrients. Clinical products such as oral nutrition supplements leverage the easy absorption and nutritional benefits of Optipep® to meet the specific needs of various consumer groups.

International Whey Conference (IWC) 2024

The 11th International Whey Conference (IWC 2024) took place over three days in September at the RDS in Dublin, Ireland. Themed *The Whey Forward*, the conference gathered global experts in whey processing to discuss the latest trends, technologies, and applications in the industry.

Carbery, as gold sponsors, rebranded the Plenary Hall as Carbery Hall for the duration of the conference. The stage in the auditorium featured Carbery signage, and sponsored merchandise such as Optipep® branded notebooks made from recycled milk carton paper were issued to all attendees.

The event covered a wide range of topics, including nutrition, market trends, technology advancements, sustainability, and regulatory issues. It also provided excellent networking opportunities for participants to connect with industry leaders and innovators.

Carbery CEO Jason Hawkins delivered a keynote address on *The Future of Dairy*, offering insights into the forces reshaping the dairy industry over the next decade. As global challenges like climate change and evolving consumer expectations reshape the food landscape, Jason highlighted innovations in sustainable practices, personalised nutrition, and emerging bio actives (non-essential nutrients) poised to transform the sector. Our insights piece on *The Future of Dairy* is available to download on the Carbery website.

From prototype to finished product in Clinical Nutrition

Innovation and technical expertise are essential to Carbery's competitive edge. Ensuring our ingredients perform across diverse recipes and manufacturing conditions is key to driving both innovation and growth. To effectively demonstrate to customers the functional, sensory and nutritional benefits of our ingredients, Carbery formulates prototype recipes containing Optipep® hydrolysed whey proteins. This highlights to customers the suitability of Optipep® as a superior and stable protein source for use in clinical ready to drinks (RTDs) that are prescribed to vulnerable patients.

A clinical nutrition customer based in France, was delighted to collaborate with Carbery to expand their range and launch a higher protein offering. With extensive technical support from Carbery, the company commercialised an impressive all whey, 14% protein, Vanilla and Chocolate drink using Optipep® RTD as the sole protein source. This high protein, high calorie range was launched at the start of 2024. Optipep® RTD hydrolysed whey protein is rapidly absorbed, easily digested, sourced from milk produced by grass-fed cows and suitable for vegetarians.

Marketing activity

Nutrition Tradeshows

Trade shows continue to be a valuable platform for Carbery and a cost-effective marketing tool. They facilitate customer meetings, generate quality leads, and provide networking opportunities with industry professionals. Additionally, they offer insights into the latest market trends and innovations, help raise brand awareness, and enable competitor analysis.

Nutrition Team at key Clinical Shows in Europe and the US

Building on the success of the past three years, Carbery showcased its Optipep® range of hydrolysed whey protein ingredients at the European Society for Parental and Enteral Nutrition (ESPEN) Congress in Milan, in September. The annual event provides a platform for Carbery to showcase its Optipep® range of hydrolysed whey protein ingredients and their suitability for products in the clinical nutrition industry.

Food Ingredients and Nutraceutical Tradeshows Europe

Vitafoods Europe took place in May in Geneva, Switzerland. The event was a premier gathering for the global nutraceutical industry, bringing together over 20,000 visitors from more than 160 countries and featuring 1,100 exhibitors. It spotlighted key trends such as healthy aging, women's health, sustainability initiatives, and technological innovations in nutrition.

Food Ingredients Europe (Fi Europe) 2024 took place in November in Frankfurt, Germany. The focus area was on emerging ingredients and solutions, with a significant emphasis on functional and sustainable sourcing. This event is a key gathering for professionals in the food and beverage industry, focusing on the latest trends, innovations, and solutions in food ingredients. Members of the Carbery team attended the event, gathering market insights and engaging with industry professionals to explore new opportunities and collaborations.

Carbery also attended the ASPEN (American Society for Parental and Enteral Nutrition) Nutrition Science & Practice Conference in Florida, this year.

Colleagues from Carbery's Nutrition and Taste teams in the UK and Italy showcased an impressive booth at Vitafoods Europe 2024. This collaborative effort highlighted Carbery's innovative products and solutions, attracting significant interest from attendees and fostering valuable connections within the nutraceutical industry.

Promoting sustainable dairy to Carbery customers

A global showcase for sustainable dairy

Farm Zero C at Shinagh, near Bandon, has become a key site for media visits, showcasing our innovative model for climate-neutral dairy farming. This project, a collaboration between Carbery, BiOrbic, Shinagh Farm, Teagasc and others, aims to reduce greenhouse gas emissions and enhance farm sustainability. Last autumn, Bord Bia hosted journalists from the UAE and the US, and influencers from China, who visited Carbery's Nutrition and Cheese teams at Farm Zero C. They learned about technologies and practices to reduce emissions and increase farm productivity. Content was published on Chinese social media platforms WeChat and Weibo, with US coverage in October and UAE coverage expected in 2025.

The collaboration with Bord Bia highlights the importance of industry partnerships in promoting sustainability goals in agriculture, enhancing customer trust by showcasing Carbery's commitment to sustainable practices.

Taste Business Review

Our Taste Division, which produces and supplies flavours for beverages, nutrition, bakery, confectionery, savoury, and dairy products worldwide, continues to deliver strong performance and returns.

Our Taste business in the Americas had a strong year with significant volume growth in both the US and Brazil in particular. Supporting this strong growth has also meant continued investment in our people and capital in the Americas to capitalise on the short and long term outlook for consumer demand.

Our Taste division in Europe continues to consolidate its position with existing customers and accelerate further our business in the selected growth categories. A fit-for-purpose organisation and renewed ways of working enhanced cross-functional alignment, optimised resource use, and established a clear three-year investment plan. The team continues to drive cost and pricing disciplines, supply chain mitigation strategies and operational efficiencies and improvements.

Performance in Asia has seen continued growth across our target segments with both existing customers and new business. Our Create-Make-Sell operating model (where we innovate and manufacture within the region for customers in the region) is starting to deliver results. We are in a good position to service and support our key customers more efficiently and promptly.

Cocoa Replacement

In 2024, the US team introduced an Ice Cream Innovation presentation aimed at deepening engagement with both existing and prospective customers in the category. The presentation aligned the dairy sector with key macro trends—such as nostalgia, mood, and international influence—while also addressing critical challenges like the surge in global cocoa prices, which reached $12,200 per tonne in April. This initiative opened new avenues for collaboration and reinforced our role as a strategic partner for customers navigating the impact of rising prices.

Savoury production underway in Morgan St, Chicago

Overall Performance

Our business in the Americas had a strong year, with revenue growing year over year from 2023. This growth was driven by increased volume, new business wins in the US, and significant growth in Brazil. Pricing actions were less pronounced compared to previous years, with volume growth outpacing pricing – reversing the trend of recent years. We also made solid progress in commercialising our savoury portfolio, securing new wins and onboarding new customers.

The final integration of the savoury facilities (acquired in 2021 with the purchase of Innova) was completed in late 2024 with the final transfer of processing technology and customers from the Canadian facility.

Based on the particularly strong performance of our teams in Wauconda and Brazil in 2024, we have plans to invest in capital, personnel and operational elements to ensure this performance can be supported.

In Europe the Synergy Taste Modulation portfolio continues to present opportunities in masking and sweetness enhancement in particular, due to consumer interest in performance nutrition applications, functional ingredients and sugar-free claims.

As consumers focus on convenient formats, customer interest across the sports nutrition and beverage categories has increased significantly. In responding to this, our European team have focused on opportunities in flavoured/functional water and ready to drink or low/no alcoholic beverages.

In Asia, we have a focus on growing our teams. New talent has joined all our teams in the region to support our growth ambitions. The teams in Thailand, Indonesia and Singapore have also taken time to contribute to the communities where we take part in CSR events across multiple countries throughout the year.

R & D activity in Chicago

US customer event at IFT, Chicago

The Taste team in action at a trade show

Market Trends

Daily Wellness at SupplySide West 2024

The nutrition, health and wellness industry has undergone a major transformation, shifting its focus from athletes to everyday consumers. Wellness has evolved from a luxury to an essential part of daily life, driving rapid growth in innovative products that support physical, mental, and emotional well-being. At SupplySide West 2024 in Las Vegas, NV, Synergy's theme, "Inspiring Taste for Daily Wellness," highlighted this shift by showcasing how we support the creation of products that cater to consumers' evolving wellness needs.

Sweetness Modulation

The UK legislation HFSS, restricting promotions of products high in fat, sugar or salt, and increased consumer interest in healthier products is moving customers to reformulate products to become compliant with the legislation. This year the team has worked with a major UK retailer to demonstrate and quantify the effect of the addition of our sweetness modulator on an orange flavoured product. Taste modulation solutions are ingredients that can modify the flavour profile of a product by altering the way certain flavour attributes are perceived.

Major campaigns

Responding to market dynamics and major consumer trends, the European team launched a campaign focused on Functional Beverages and launched the inspiring Heat & Fire campaign targeting the savoury category.

Innovation activity

The focus of our US innovation activities was on clean label natural extract process enhancement, optimising spray drying with new techniques focused on sustainability, capacity expansion and lowering cost to our customers. A surge in demand for spray dry products created a bottleneck for our Illinois business in 2024. One of the many initiatives explored to add capacity was spray dry concentration which, in addition to adding capacity, would also have a big sustainability impact, i.e., less energy and water consumption, reduced freight and packaging, reduced warehouse storage needs, CIU reduction, etc. We are currently piloting this approach with select nutrition customers.

Partnering for innovation

In 2024 the US team joined The Monell Chemical Senses Centre at the "Partner" level. Monell is a leading independent research institute in Philadelphia, USA, dedicated to studying taste, smell, and chemesthesis (chemical irritation). Founded in 1968, Monell conducts interdisciplinary research to understand how the chemical senses function and how they affect nutrition, health, and behaviour. The centre's research explores a wide range of topics, including flavour perception, food preferences, olfactory receptors, and sensory contributions to health-related issues such as obesity and aging. We look forward to collaborative projects and new learnings from this important partnership.

Exhibiting at SupplySide West

The Hydration Revolution

The post-COVID focus on wellness has sparked a surge in demand for innovative hydration solutions. Once dominated by traditional sports drinks, the market is now embracing new formats and products that pair electrolytes with additional benefits for a more holistic approach to hydration. To support this growing trend, Synergy collaborated with Mintel and Innova Market Insights to create a consumer report on the Hydration Revolution, complemented by application demos featuring trending flavours to help our customers stand out in this expanding market.

Capital Investment

Thailand

In Asia, we have completed Phase 1 at our manufacturing site in Thailand where the liquid production facility has been upgraded to support bigger production runs and volume demands, improving our efficiency and competitiveness in the market. Further upgrade and enhancement will continue into 2025 as part of Phase 2.

Brazil

The Vinhedo II project aims to significantly expand our operational capacity by constructing a new manufacturing plant and additional office space in Vinhedo, São Paulo. This strategic initiative is designed to meet increasing market demand and enhance our operational efficiency.

Hamilton

In 2024 we invested in our Ohio facility in the form of a new automated filler and packaging line in support of our Bag-in-Box products. This investment added significant capacity for these products in support of our current growth trajectory.





Our teams in Thailand, Vinhedo and Hamilton

Our People

Accelerating Success

Our People strategy underpins Carbery Group's ambitious growth plans. We are committed to driving growth, developing future capability and delivering results through our dedicated teams.

This year, building on a programme of capability and culture-focused initiatives, we brought renewed focus and drive to our activities. These projects are intended to deliver the capabilities and leadership that the business needs to be successful into the future.

Group Highlights

During 2024, we focused on key initiatives to support our people and align their performance with our strategic objectives:

Goal Setting

We introduced a new, leader-led approach to goal setting, ensuring alignment with strategic objectives across all regions. This is now effectively implemented and measured through a digital platform.

Empowering Leadership

Recognising the crucial role of our leaders, we defined clear expectations and integrated the 'Role of the Leader' into performance and talent management processes. This empowers our leaders to inspire and guide their teams effectively.

Talent Management

To ensure we have the right talent in the right roles, we standardised talent reviews across all regions and leveraged digital capacity via our HR Information System to optimise our talent management process.

Succession Planning

We identified critical roles and prioritised succession planning to safeguard business continuity and build robust leadership pipelines for the future.

Onboarding Excellence

We enhanced our onboarding experience, ensuring new employees feel welcomed and equipped for success through a streamlined process and a dedicated onboarding guide for managers.

Delivering Results: Investing in Our People

We are dedicated to creating a rewarding and engaging environment for our people, investing in their well-being, development, and career growth.

Efficiency through digital

Training sessions in Ballineen

Our unified global platform, Workday, continues to streamline people processes, increasing efficiency in talent management, recruitment, onboarding, performance management, and payroll. Enhanced data accuracy provides valuable insights to inform our decision-making.

Employee Retention

Recognising our people as our greatest asset, we intensified our focus on employee retention. Through industry benchmarking and data analysis, we identified trends and implemented targeted initiatives to reduce voluntary turnover.

Celebrating Our People

We are committed to recognising and rewarding our employees' contributions. In 2024, we celebrated numerous long service anniversaries, supported employees with educational assistance, and facilitated internal promotions and transfers.

Celebrating retirements in Wauconda

Fostering an Inclusive and Engaging Culture

We are building a diverse and inclusive workplace where everyone can thrive and succeed.

Gathering for local holidays in Vinhedo, Brazil

Inclusion and Diversity Taskforce

We formed an Inclusion and Diversity Taskforce with representatives from across the company to promote an inclusive environment.

Employee Engagement

Our new global employee engagement survey through Peakon provided valuable feedback, empowering teams to co-create action plans and improve key focus areas.

Championing Wellbeing

Our commitment to employee well-being extends across all our locations.

Ireland

We encouraged employee well-being through local initiatives like the Skibbereen Charity Adventure Race, free flu vaccines and a Nature and Nurture fundraiser in the Ballineen walled garden. Our "Peaks to Pedals" challenge raised funds for Special Olympics Ireland, fostering community engagement.

Employees in Ireland take part in a Nature and Nurture fundraiser for First Light in the Ballineen walled garden.

US

We focused on benefits education, helping employees maximise healthcare and utilise company benefits like on-site flu vaccines.

Brazil

Our October Pink and November Blue campaigns raised awareness of breast and prostate cancer prevention, emphasising early detection and healthy lifestyle choices.

Recruiting for new talent

Dairy stand-up session in Ballineen

Communicating Effectively

We leverage digital tools and innovative methods to keep our employees informed and connected.

Interactive Town Halls
We hosted interactive town hall events, both in-person and virtual, ensuring all employees could participate and engage.

Internal Communication Huddles
We revamped our daily communication huddles to facilitate efficient and timely information sharing.

Attracting and Developing Top Talent

We continue to attract, hire, and develop top talent to support our growth.

Recruitment Open House (US)
Our first on-site Recruitment Open House resulted in new hires for our Wauconda production facility.

Enhanced External Brand Awareness
We enhanced our external brand awareness to highlight Carbery's culture and career opportunities.

Leadership Development
We provided leadership development opportunities to support our leaders' growth.

Synergy Fall Fest (US)
Our Culture Champions committee, formed by nearly 40 employees, organised the successful Synergy Fall Fest in Chicago, showcasing our culture of collaboration and community engagement.

Enabling and Protecting

We believe that digital innovation is the key to achieving our full potential and ambition. Carbery has consistently innovated in our adoption of new technology supporting our 2024 – 2026 company-wide strategy.

This commitment is reflected in our increase in digital investments and the delivery of key initiatives in the first year of our three-year plan. These investments will deliver increased value and efficiency, both internally and externally, in the years ahead.

> At Carbery, we believe digital transformation is not just about staying relevant – it is about shaping the future of food manufacturing.

Data Driven

Carbery is evolving into a truly data-driven organisation. In 2024, we launched Pulse, our new global data analytics platform, marking a transformative step in harnessing insights from the wealth of data across our operations. By integrating these insights into decision-making and operations, we aim to optimise processes, drive sustainability, and deliver enhanced value to customers and stakeholders.

Artificial Intelligence

Embracing the transformative potential of AI, we initiated multiple applications across our business in 2024. A standout achievement was the launch of the first phase of a project to enhance innovation in flavours.

Smart Factory

Digital innovation has the potential to revolutionise operational efficiency, elevate product quality, and support our sustainability goals. This is an area where we are establishing partnerships between our digital experts and our production and engineering experts to see where the opportunities lie for us.

Digital Literacy

To empower our workforce, we launched comprehensive digital literacy programmes in 2024, focusing on data, automation, and emerging technologies. Building on this foundation, we plan to scale these initiatives further in 2025, embedding digital capabilities across all functions and fostering a culture of innovation.

In 2025, we will continue to build a smarter, more sustainable, and consumer-focused business, enhancing experiences for employees, stakeholders, and customers alike.

Cybersecurity

Recognising the ever-evolving threat landscape, we strengthened our cybersecurity infrastructure in 2024 with the implementation of advanced detection and prevention solutions. These enhancements ensure the resilience of our systems, safeguard sensitive data, and uphold the trust of our stakeholders.

Case Study

Our Citizen Developer Programme

We have a Citizen Developer Programme in place across the Carbery Group. There are currently six employees working on this programme globally in the Group, with plans for further expansion. One of our citizen developers, a member of the finance team, has completed a number of projects for the accounts payable team and the wider finance team, assisting colleagues in other departments to automate everyday manual tasks.

Our Sustainability Goals

The Carbery approach to sustainability is simple; to produce and deliver food responsibly, in a way that has a positive impact on people, including our shareholders, on our environment and on our local communities.

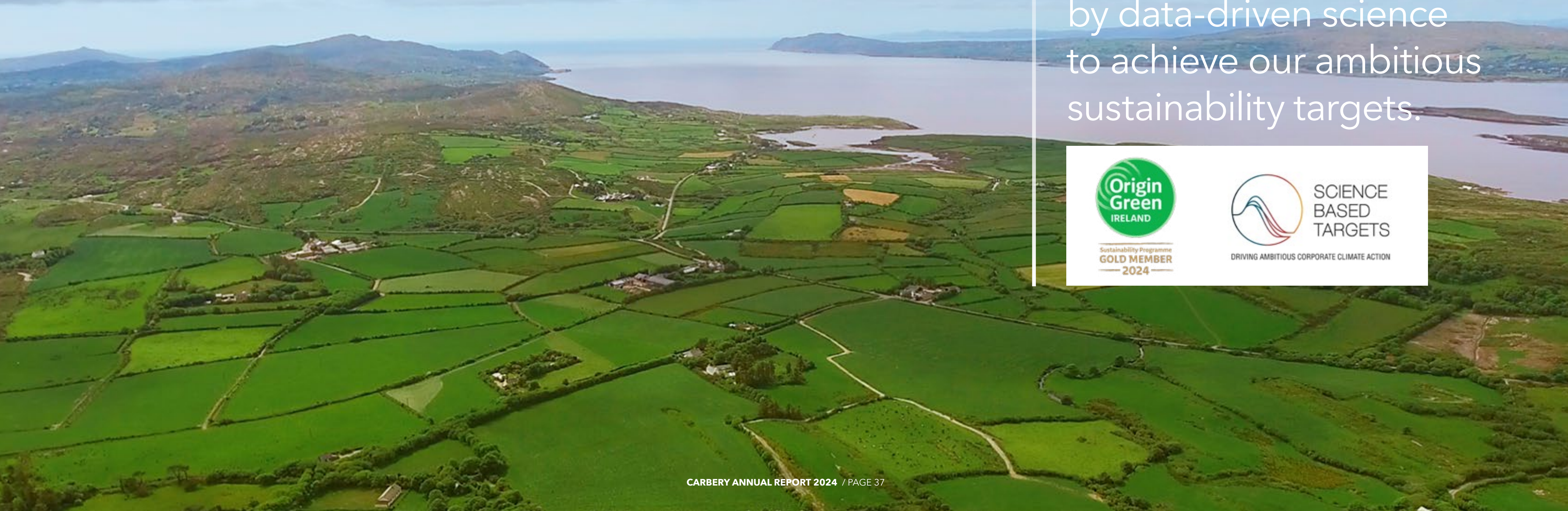
With an ethos of cooperation and delivering returns all along the value chain, rooted in our history as a farmer-owned business, we apply global standards to drive and measure our activities in this area. We acknowledge our obligations as a responsible business leader and ensure our collective efforts are considered, meaningful and making a difference everywhere we operate.

We are signed up to the Science Based Targets initiative (SBTi), and a proud member of Origin Green. We were honoured to once again receive Origin Green Gold membership in 2024 for our efforts in biodiversity, supplier certification, and supplier sustainability initiatives. The accreditation also acknowledged work done on packaging, emissions, product health and nutrition and community engagement.

We are committed to responsible resource management, social impact and transparent governance, supported by data-driven science to achieve our ambitious sustainability targets.

Origin Green IRELAND Sustainability Programme GOLD MEMBER 2024

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Our new targets

Throughout 2023 we worked as a business to develop new Environmental, Social, and Governance / Sustainable Growth (ESG) targets that align with and support our ambitious growth targets. This year, 2024, saw the first year of the roll out of our new ESG strategy. We have made significant progress on a number of our sustainability targets, while other areas will require more work.

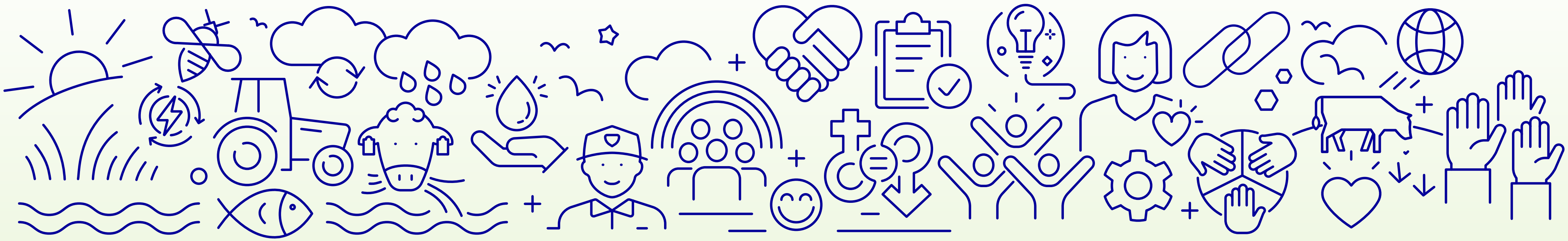
Our commitment to operating as a responsible business remains to the forefront of our work, while we acknowledge that there is work to do across some of our target areas.

Our progress on reducing our carbon footprint across Scope 1, 2, and 3 emissions has been consistent with a 3.09% reduction in scope 1 and 2 emissions in 2024. Our metrics on water usage and waste to landfill went the wrong direction in 2024, but it must be noted major progress was made on both areas in the preceding five years. Most of these increases are linked to the growth in our business across all divisions.

Managing our resources efficiently while we continue to grow our business will be a key focus of our attention and efforts in 2025 and beyond.

Our new targets set out our activity under the pillars of Environment, Social, and Sustainable Growth, and are supported by a commitment to governance and structure to support our work in these areas.

Our new strategy



ENVIRONMENT

Minimising environmental impact, promoting a shift to a sustainable business and economy.

- Emissions reduction
- Energy management
- Water stewardship
- Waste and circular economy
- Sustainable agriculture
- Biodiversity and ecosystems

SOCIAL

Focusing on relationships and responsibilities across our workforce, customer and communities to ensure positive impact and an inclusive culture.

- Ethical employer
- People in the value chain
- Community outreach and support

SUSTAINABLE GROWTH

Ensuring long-term business growth through investment in innovative sustainable solutions and supply chains.

- Consumer health and nutrition
- Innovation and sustainable product solutions
- Animal health and welfare
- Sustainable supply chain
- Collaboration with strategic partners

Our Environment

Our environmental targets include significant reductions across Scope 1 & 2, to achieve Net Zero carbon by 2035. We also have an ambitious target for our Scope 3 emissions, with an aim to be Net Zero across all of our supply chain by 2043.

Science Based Targets Initiative

Carbery Group has commenced its validation with SBTi to ratify our ambitious emissions reduction targets of 4.2% for Scope 1 and 2 emissions, and approximately 3% for Scope 3 emissions annually. These targets are in line with the Paris Agreement goals to limit global warming to below 1.5 Degrees Celsius above pre-industrial levels. This will be submitted for validation in 2025.

Corporate Social Responsibility Directive

Carbery Group has continued its preparations for CSRD reporting in line with evolving regulatory requirements. Recent developments at the EU level indicate potential adjustments to reporting timelines. Regardless of regulatory changes, the Group remains committed to responsible sustainability reporting and transparency, showcasing our environmental and community impacts. The implementation of reporting processes have strengthened internal capabilities, including advancements in Scope 3 analysis and Climate Scenario Analysis, supporting the Group's long-term resilience to climate-related risks.

Net Zero Training

Ballineen commenced a training programme for its employees to formulate a Net Zero Pathway for the Ballineen facility. This training programme is aligned with ISO 14068-1, an international standard focused on Climate Change management and achieving Carbon Neutrality. The completion of this training is aimed at strengthening Carbery's sustainability culture and will lead to the establishment of a carbon neutral plan, with short and long-term targets for the Irish business to achieve.

Our ESG activity aligns with the Sustainable Development Goals

6 CLEAN WATER AND SANITATION

We are invested in water stewardship both on farm, through our engagement with farmers on water quality, and through our water reduction and recycling on our sites.

7 AFFORDABLE AND CLEAN ENERGY / 13 CLIMATE ACTION

We are committed to climate action via our responsible energy use and carbon reduction programmes, our circular economy and our ISO50001 certification.

15 LIFE ON LAND

Through our Farm Zero C projects we are working to create a sustainable, climate neutral model for dairy farming.

3 GOOD HEALTH AND WELL-BEING

We promote wellbeing and resilience through our many employee initiatives and through our farmer welfare programmes, including our annual welfare event.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 8 DECENT WORK AND ECONOMIC GROWTH

Our FutureProof sustainability bonus scheme, commitment to paying a leading milk price and our commitment to ESG targets contribute to goals 8 and 12.

Environmental Performance

2024 Environmental Performance across the Group (all compared to 2023 performance)

Emissions

CO_2

(Scope 1 & 2) **-3.09%**

(Scope 3) **-1.56%** farm only

Water **+ 11.3%**

Waste to landfill **+42.44%**

Global Environmental Indicators

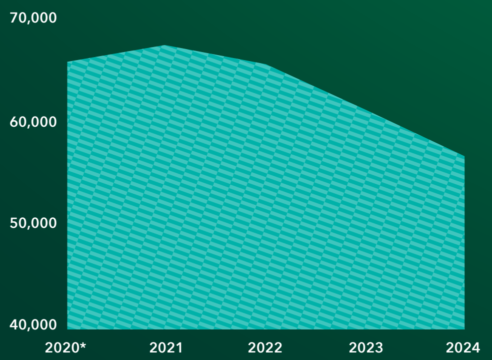
We are continuing our journey to reduce our global Scope 1 and 2 emissions footprint in line with our ultimate target of a 4.2% reduction annually. With a 3.09% reduction, we have eliminated approximately 1,900tCO2eq from our operations in 2024 vs 2023. Since our acquisition of Innova in 2021, Carbery has reduced its operational carbon footprint by 10,082.49tCO_2eq, a reduction of 14.46%.

Progressing well on our commitment to Net Zero Emissions

Focused on helping our farmers achieve emissions reductions

Committed to driving water usage reductions across all sites in 2025

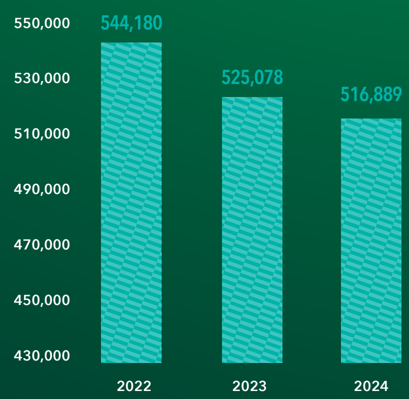
Ambitious targets for reducing waste to landfill



Scope 1 and 2 emissions in thousand co_2-eq tonnes

Emissions are trending downwards across the majority of our sites globally, even while production increases. A series of energy decarbonisation projects have left a positive impact on group carbon footprint and the temporary shutdown of our CHP plant in Ballineen aided carbon savings made. Other concrete actions include the transition to a renewable energy guarantee for electricity at one of our Synergy facilities. As part of our commitment to achieving net zero, we are participating in a dedicated Net Zero training to establish a clear pathway for reducing our emissions. Decarbonisation of our facility in Ballineen will continue to be a critical component of work in this regard.

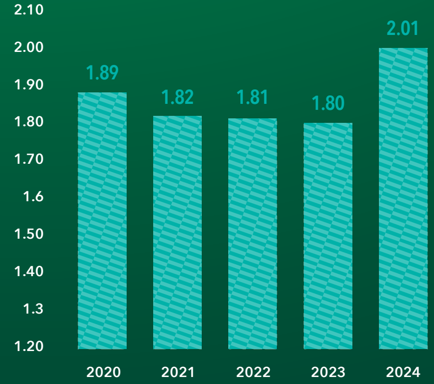
*Carbery Group's 2020 CO_2 emissions have been re-stated to incorporate more accurate emission factors and corrected energy data conversions. This update ensures greater accuracy and reflects advances in our emissions accounting methodologies, aligning our reporting with the SBTi standards.



Farm Scope 3 Emissions usage in thousand co_2-eq tonnes*

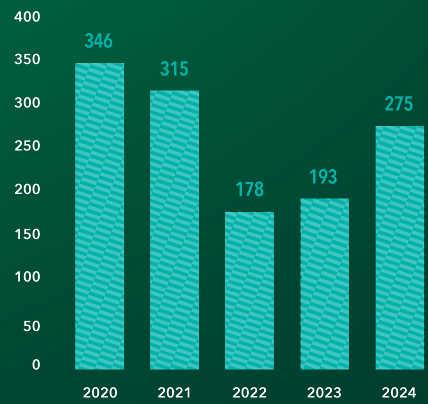
We continue to direct a lot of our focus towards helping our farmers to achieve emissions reductions on their farms. The majority of Carbery's scope 3 emissions emanate from farm related activity. Good progress to report on this front as farm-related emissions reduced in 2024 by 1.56% vs 2023. This can be attributed to the continuous efforts of our suppliers who are implementing sustainable initiatives supported by our FutureProof sustainability scheme.

*derived from Bord Bia SDAS data



Group water usage in million m³

Carbery Group recorded an 11.3% increase in water footprint for FY2024. This rise is primarily attributed to higher production throughput at several sites, as well as increased water usage for enhanced cleaning processes to meet stricter customer and regulatory audit requirements. Water management has always been a critical focus for us, and we will look at it with renewed focus to address this increase. Great progress has been made in the past 5 years through water reduction measures, metering, water recycling and recovery. Building on the progress made we are committed to driving water usage reductions across all sites in 2025 with our 2026 target in mind.



Group waste to landfill in metric tonnes

We have a very ambitious target of reducing Waste to Landfill across the Group by 50% by 2026 (compared to 2020). We saw a significant increase in our waste to landfill figures in 2024. A major contributory factor to the increase in our waste to landfill has been the increased growth in output from our US sites. We are confident we can find a means to reduce our waste to landfill tonnages in 2025 and that we will remain on track to meet our 2026 target.

Building a sustainable business

Ireland

Our Green Team was reinvigorated this year with new members, an expanded programme of activity and a monthly newsletter updating employees on Green initiatives. Some of the activities undertaken by the team in 2024 included a knowledge exchange visit to learn about Irish Distillers' sustainability programmes.

Throughout the year a range of experts from Voice Ireland, our own energy coordinator Joe O'Leary and Sarah Kelly from the All Ireland Pollinator Plan provided guest presentations educating the team on waste awareness, energy management and biodiversity for pollinators.

In 2024, Carbery Group strengthened its commitment to sustainability by becoming a Smarter Travel Partner under the Transport for Ireland (TFI) programme. As part of this initiative, we conducted a Sustainable Travel Survey. The findings from this survey will inform the development of an action plan aimed at improving sustainable commuting options.

To minimise plastic use on-site, our Green Teams successfully introduced two mains-fed water systems in high-consumption refill areas. This initiative eliminated six plastic drum water stations across the site, eliminating approximately 312 plastic drums annually.

Our sustainable packaging project is ongoing, with the objective of finding more sustainable packaging solutions for our cheese blocks. Some of this work has kindly been funded by Enterprise Ireland.

Global

Our UK site has taken a significant step to reduce Scope 2 emissions by purchasing Renewable Electricity Guarantees of Origin (REGOs) from May 2024. In addition, the site has revitalised its Green Team, a dedicated group of employees passionate about driving sustainability initiatives and making a positive impact.

Both the UK and Italy sites have enhanced water management practices by installing additional water meters. This improvement increases data transparency regarding water usage across the sites, enabling more effective monitoring.

To further promote environmental awareness, employees at both the UK and Italy sites participated in litter-picking activities. These efforts not only contribute to cleaner surroundings but also highlight the importance of proper waste disposal in fostering a sustainable future.

The team in Hamilton marked Earth Day by distributing native trees and shrubs to the team.

The walled garden, Ballineen, in full bloom

FutureProof 2024

Carbery FutureProof is a sustainability bonus to support our suppliers in the drive to improve sustainability on their farm and help accelerate the necessary changes to ensure the successful future of dairy farming in West Cork. Carbery paid out €4.7m to our suppliers and shareholders in 2024. As a result of actions undertaken under FutureProof, we saw a significant increase in Protected Urea purchases and Economic Breeding Index (EBI) gains across our West Cork catchment. The implementation of these criteria will play a key role in achieving our Scope 3 decarbonisation targets and assist the Irish agricultural industry in attaining its overarching goal of a 25% reduction in GHG emissions by 2030.

The measures will also improve animal welfare, soil health and reduce pollutants in our environment. 93% of Carbery Ireland's milk supply qualified for our FutureProof scheme in 2024.

In 2025 our FutureProof bonus is increasing to a possible 1.25 cent per litre, and with new measures focused on soil fertility and animal welfare.

Long-term impact projections suggest FutureProof could deliver over 5,000 tonnes of CO_2 reductions in the next 10 years, aligning with national and EU sustainability targets.

Spotlight on the importance of breeding gains to reduce emissions.

CARBERY FutureProof

Since 2019, Carbery farmers have achieved an average genetic gain of €12 per year in EBI. (ICBF, 2024).

Research shows that every €1 increase in EBI delivers €2 in additional farm profit translating to €24 per cow annually for the average Carbery herd.

Across FutureProof participating farms, this equates to over €4 million in profitability gains over the past two years.

Higher EBI herds are more efficient, reducing emissions per kg of milk solids.

Carbery's progress in EBI has lowered farm-level carbon footprints by 1.2% per year.

Over two years across FutureProof herds, use of protected urea and improved EBI alone have saved 5,501 metric tons of CO_2. - the equivalent to taking 174 cars off the road annually or 1780 one-way flights from Dublin to New York.

To note: These figures are based on Teagasc research and industry benchmarks. Actual financial and environmental impacts may vary depending on farm management and operational conditions.

Farm Zero C update

Updates on activity in 2024

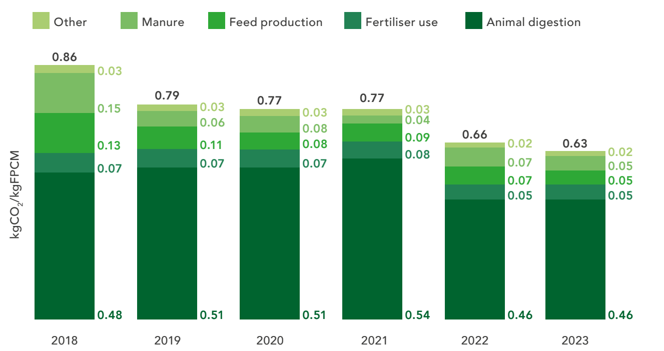
Monitor farmers

The project is looking to expand its reach and deploy some of the technologies at Shinagh on the Carbery-Teagasc monitor farms. The group met throughout the year as part of the programme co-ordinated by Teagasc. Work is under way in 2025 to expand this further and measure and reduce the carbon footprint of the monitor farmer group, while also improving the quality and quantity of biodiversity on their farms.

Soil carbon sequestration project

In 2023, Shinagh and the ten monitor farms had their Soil Organic Carbon stocks measured as a baseline by SENUS. The farm now has some preliminary data from this. By using geo-satellite imagery and pre-existing data points, SENUS has estimated that Shinagh has removed carbon from the atmosphere by sequestering it through soil. We will continue to measure this throughout the project and take physical samples again in 2026 on all 11 farms.

Carbon footprint reduction at Shinagh



Final figures for 2024 carbon footprint not yet available. A small increase is expected due to increased feeding and fertiliser use, caused by adverse weather conditions in 2024.

Phase 2.0 Kick Off

2024 saw the conclusion of phase 1 of the Farm Zero C project and the initiation of phase 2.0. FZC phase 2.0 will centre on four separate work packages listed below. The project is collaborating with University College Dublin, University College Cork and Teagasc on these work packages:

Work Package 1: Management

The management work package is overseen by the Project Manager, Padraig Walsh. Management activities include coordination of all the work packages and associated teams, as well as working very closely with the farm team to ensure the project can be done in harmony with the activities of a commercial farm. This includes any technology being deployed at Shinagh, soil carbon sequestration measurement and climate scenario analysis.

Work Package 2: Enteric Methane Mitigation

The enteric methane work package is being led by UCD on the Lyons Estate research farm. The primary focus of this work package is to identify an additive or collection of additives which can be incorporated into a grass-based system to reduce methane emissions.

Work Package 3: Soil Health

The soil health work package is being led by UCC and will focus on four different pillars. These pillars will look at slurry separation, lime application and soil biostimulants.

Work Package 4: Social Science

The social science work package is led by Teagasc Ashtown and will collect the views of farmers and consumers on what 'sustainable dairy' means to them.

These areas of research were selected because they are key areas of focus to achieve our objective of climate-neutrality at Shinagh Estates dairy farm.

Sharing of knowledge

Farm Zero C held its second open day on Shinagh in September 2024. The farm welcomed a wide group of visitors with speakers sharing information about the farm performance, carbon footprint reduction, enteric methane mitigation, grass biorefining, soil carbon sequestration, biodiversity and carbon insetting potential from farms. The open day was also attended by the Minister for Higher Education at the time, Patrick O'Donovan, TD.

The team also welcomed 38 visitor groups to the farm throughout 2024. The groups included farmers, industry experts, schools and universities. Some of the notable visits included the board of Ornua and the board of AIB.

Farm Performance

The first half of the year was challenging for grass growth as was seen across the country. Grass growth began to revive around September and was very good for the rest of the year, with cows out grazing until December. The farm milked 239 cows in 2024 on 102 hectares. The herd EBI also improved, with the herd now in the top 1% in the country. The herd averaged 442 MS Kg/Cow @ 4.76% Fat and 3.77% Protein with 91% calved in 6 weeks in 2024.

Funding and partners

Farm Zero C welcomed Dairy Research Ireland as a funding partner for the second phase of the project. The project continues to be supported by Carbery, BiOrbic and AIB. The project received €3 million in funding from the Department of Agriculture, Food and the Marine (DAFM) for an integrated grass biorefinery AD pilot unit.

Grass Biorefinery and Anaerobic Digestion Unit

The team continues to work on developing an integrated grass biorefinery and anaerobic digestion unit at Shinagh Estates dairy farm. The unit has been designed and planning permission granted with building set to commence in 2025. This unit will be a crucial part of the HORIZON Europe project, Rural BioReFarmeries in which Carbery, Barryroe Co-op and Farm Zero C are members.

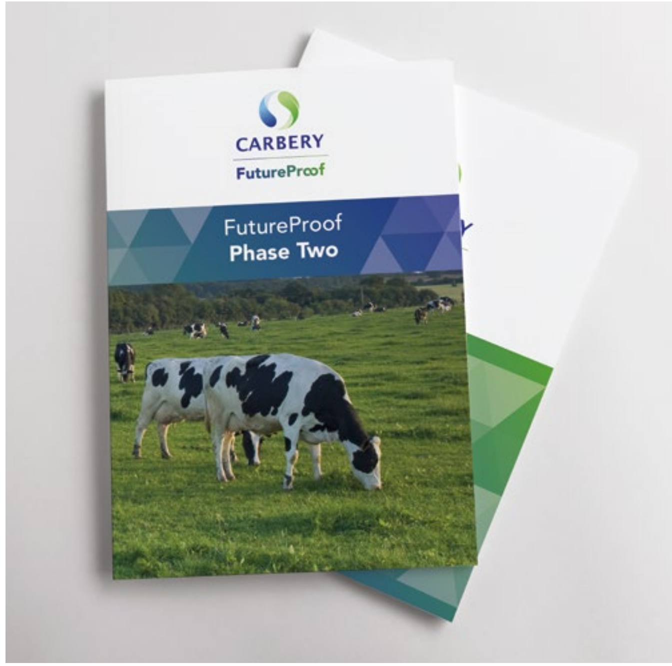
Timmy McCarthy and Padraig Walsh of Carbery accept the Best Dairy Research Programme Award at the National Dairy Awards in June 2024

An Award Winning Project

The team was delighted to be recognised for the project's work so far. Farm Zero C won the Sustainable Agrifood project of the year at the PwC/Business Post Awards in March. The project also took home the Best Dairy Research Programme/Project and the Best Dairy Sustainability Initiative of the Year at the National Dairy Awards. Finally, the project's steering committee were awarded for their contribution to the sector, jointly winning the Sustainability Leaders award at the Better Farming Awards for their work on Farm Zero C.

Dairy Supply Chain

At Carbery, we are committed to building a vibrant, sustainable, and resilient dairy supply chain. Supporting our farmer suppliers is central to our approach, ensuring they can continue to farm sustainably while maintaining the highest standards of milk quality, animal welfare, and environmental stewardship. Paying a leading milk price remains a key priority, and in 2024, Carbery once again demonstrated its commitment by continuing to pay a leading milk price to farmer shareholders, reinforcing financial support for our suppliers.



FutureProof Sustainability Bonus

2024 marked the second full year of the FutureProof Carbery Sustainability Bonus Scheme (1cpl), with 82% of suppliers participating. This resulted in an additional €4.7 million paid out to support the adoption of sustainability measures on farms, up from €4.5 million in 2023. (see more details on page 42).

Water Quality Initiatives

Water quality remained a key focus in 2024, with further support and funding opportunities provided for farmers. The Farming for Water European Innovation Project (EIP), launched in March 2024, saw strong engagement, with 146 submissions from Carbery farmers, highlighting a proactive approach within the supply chain. The Farming for Water project is a collaboration with Teagasc, Dairy Industry Ireland and Local Authority Waters Programme (LAWPRO) in partnership with industry. This initiative enables farmers to apply for additional funding to implement water protection measures on their farms. Funding is provided for measures that are over and above regulatory requirements, i.e. supplementary measures like sediment traps, riparian areas and catch crops. The Water EIP initiative will continue into 2025.

Carbery also conducted an additional 200 ASSAP assessments in 2024, reinforcing its dedication to improving water quality. Almost all Carbery suppliers have at least one ASSAP assessment conducted on their farms. ASSAP – the Agricultural Sustainability Support and Advisory Programme is working with farmers in a free and confidential advisory service to help improve water quality.

At the Farm Walk of 2023 Milk Quality and Sustainability Award winner Seán Deasy

Visitors from Darrara National School on Seán Deasy's farm

Carbery Greener Dairy Farmers Group

In 2024, the Carbery Greener Dairy Farmers Group played a leading role in the Farming for Water EIP programme, implementing farm-level water protection measures to demonstrate what can be done on farm. The group were part of a technical workshop where AgNav, Ireland's farm sustainability toolkit, was showcased, demonstrating how emissions can be reduced and efficiencies improved. AgNav is a new sustainability toolkit being jointly developed by Teagasc, ICBF and Bord Bia - with the support of the Department of Agriculture, Food and Marine (DAFM) - that provides farmers with accurate and verifiable data to support decision making on farm to help meet agriculture's Climate Action measures. Many of these farmers also collaborated with UCC researchers, mapping biodiversity on their farms as part of a research initiative.

School to Farm Pilot Programme

The Carbery School to Farm Pilot Programme expanded in 2024, with four additional farmers joining, bringing the total number of participating farms to eight. As part of this initiative, 10 schools in the West Cork catchment (across the four co-ops) visited farms to gain insights into food production from field to finished product. Students learned about grassland management, milking equipment, Carbery's production process and their local co-op, finishing with a cheese tasting session. Feedback from schools was overwhelmingly positive, helping foster a strong connection between young students and farming. Teagasc also participated, showcasing the diverse career opportunities available in the agricultural sector.

Carbery Supplier Census

Carbery conducted a supplier census in Q3 2024 to support long-term business planning. The census achieved an 80% participation rate, providing valuable insights into succession planning, farm regulations, costs, and sustainability challenges. The overall feedback from the census was cautious optimism for dairying in West Cork. See more detail on page 47.

Slurry Solutions Event

Carbery, in conjunction with the West Cork Co-ops, organised a Slurry Solutions Event at the Celtic Ross Hotel, Rosscarbery, in June, showcasing practical farm-level solutions for slurry management. Over 300 suppliers attended, engaging with expert speakers:

- Ted Massey (DAFM) – Discussed farm regulations and upcoming changes.
- Pat Tuohy – Provided insights into current research on slurry storage requirements and the economic value of effective slurry use.
- William Burchill – Spoke on slurry separation and nutrient-use efficiency.

The event provided valuable insights into why, how, and what to invest in for better farm-level slurry management, with strong engagement from attendees.

Some key findings from our farmer survey

In 2024 Carbery shareholders were asked to participate in a landmark survey of farmer shareholders, to allow us to gather information to plan for the future.

We know there is concern from farmer shareholders around the future of farming, specifically around the impact of a loss of the nitrates derogation. We also know that farmers are concerned about future milk supply, succession, farming as a viable career choice for young people and the impact of climate measures.

This survey was completed by 80% of our shareholder base, and what we have found is that, overall, the outlook is positive for dairying in West Cork. While there are certainly areas that need to be addressed, overall, farmer shareholders are well positioned in terms of successors, investment, and future-proofing their farms. Milk supply also looks stable into the future, with any reduction well in line with previous years, and counter-balanced by those hoping to increase production.

There is a wealth of other data available to us from this survey that will be instrumental in our future planning. Thanks to everyone who participated.

ABOUT OUR FARMERS

67% of farmers **over 65** have identified a successor

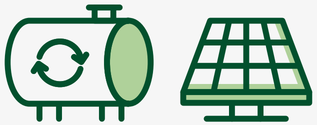
61% are open to engaging with co-ops on succession

76% **45–65 years old**

12% of our farmers are 35 years or under, and 12% are 65 or over. Biggest proportion are between **45–65 years old**

10% of our suppliers have plans to retire in the next 3 years

PLANNING FOR THE FUTURE

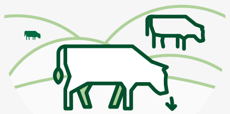


48% of farmers are interested in **solar panels**, with **76%** seeing value in investing in **slurry storage**

47% say they would reduce cow numbers if nitrates derogation is reduced

FUTURE OF MILK SUPPLY

Of those planning to exit or decrease milk production over the next five years, this is balanced by those who state they will increase milk output



Average cow numbers **will remain steady to 2028** with a small increase

Nature-Based Solutions

In November Carbery organised an event which was presented by Feidhlim Harty, focusing on nature-based solutions to mitigate nutrient losses at farm level. Topics covered included installation of willow beds and the implementation of farm ponds and buffer zones. These solutions offer sustainable approaches to improving water quality while enhancing biodiversity.

Farmer Welfare Conference

2024 marked the fifth consecutive year of Carbery's Farmer Welfare Conference. This year's event featured:

- Karl Henry, offering advice on maintaining health during busy farming periods.
- Kevin O'Connor, discussing advancements in the bioeconomy and how he manages a busy lifestyle.
- A panel discussion featuring social media farm influencers Tomás Duffy and Katie Shanahan, sharing insights on effectively engaging audiences about farming on social media platforms.

Animal Welfare Initiatives

Carbery continued its commitment to animal health and welfare through active participation in Animal Health Ireland (AHI) programmes. Main activities included:

- Coordinating the national CellCheck programme with AHI, ensuring high milk quality and promoting responsible antibiotic use.
- Partnering with AHI and Teagasc to organise dry cow preparation workshops and calf care events.

The farming families behind our Schools to Farm visits programme at the National Dairy Awards, receiving a highly commended award. They also received a West Cork Farming Award from the Southern Star in 2024.

A captivated audience at the willow bed showcase event on Jerome O'Mahoney's Farm, Drimoleague.

Congratulations to our 2024 Milk Quality and Sustainability Award finalists.

Bandon co-op


Forde Family Farm
OVERALL WINNER


Gleasure Family Farm


Hurley Family Farm

Drinagh


Wolfe Family Farm
WINNER


Pyburn Family Farm


Duggan Family Farm

Lisavaird


Le Chéile Dairy Ltd.
WINNER


McCarthy Family Farm


Feen Family Farm

Barryroe CO-OPERATIVE LIMITED


Cullinane Family Farm
WINNER


Galvin Family Farm


Barry Family Farm

CARBERY
MILK QUALITY & SUSTAINABILITY AWARDS

Promoting Milk Quality

Glenn Forde and family were the overall winners of the 2024 Carbery Milk Quality and Sustainability Awards. Glenn, along with his wife Pamela and their twin sons Conor and Shea (12) are farming on Horsehill, overlooking the Bandon River near Ballinadee, Co Cork.

The Awards, now in its 20th year, showcases the best of Irish dairy farming and serves as an opportunity for Carbery to recognise its milk suppliers and their commitment to achieving the highest standards in milk quality and sustainability.

With 250 cows, Glenn's milk solids average 523kg per cow. His parents Maynard and Margaret remain involved in a supporting role, on hand to help and advise. The farm has always taken on apprentices and

Glenn is a very positive ambassador for farming as a career, stating: "It gives me great pep in my step to see young people getting an interest in farming. Yes there is sometimes pressure and stress but the hours can be flexible, and can give a good quality of life. It's important to me to go training to matches with the kids and farming allows me to do that."

The Carbery Milk Quality and Sustainability Awards have recognised and celebrated farming families and custodians of the land in West Cork for the past 20 years. Farmers are the backbone of the rural economy, and, in my first year as Chairperson, it's a privilege to showcase the work they do.

Vincent O'Donovan, Cathaoirleach

Group 2024 Community Highlights

Our Community

We seek to contribute to and positively impact the communities where we operate. In all of our locations, we aim to be a good neighbour and a positive contributor to the locality. Supporting educational and community groups including charities, sporting groups, schools, community, neighbourhood and agricultural organisations is part of our DNA. This support is sometimes in the form of financial donations, otherwise we support with time, skills and product donations.

Strategic and long-term partnerships

SCAR

Carbery Group is proud to once again be the headline sponsor of the Skibbereen Charity Adventure Race (SCAR), a vital community event organised by the Lions Club. SCAR plays an important role in supporting local charities and initiatives, with 100% of the funds raised going directly back into our community to help those who need it most. Since 2017, Carbery has supported SCAR as the main sponsor, and we are thrilled to continue this partnership. As a company based in Ballineen, with a strong connection to the local area, we are committed to giving back. Donations were allocated to Pieta House and Bandon Hyperbaric Oxygen Centre.

UK - Supporting the Community Through Partnership with One Can Trust

In December 2023, our UK High Wycombe site partnered with One Can Trust, a vital local food bank serving High Wycombe and the broader South Buckinghamshire area. One Can Trust collaborates with local organisations, including Bucks Council and housing associations, to provide weekly food parcels to individuals and families facing hardship.

Amid the ongoing cost-of-living crisis, demand for their support has surged. Beyond food distribution, One Can Trust offers advice and assistance to help families address the root causes of financial challenges.

This partnership underscores our commitment to supporting the local community during challenging times.

US

Our US team continues their partnership with the Boys and Girls Club of America, an organisation which provides voluntary after-school programs for young people. They also continued their programme of school-building in Madagascar, with the Madagascar Development Fund, with 13 schools completed since 2016.

Ireland

Our Charities Committee undertook a project this year to review our Community Outreach Strategy with an external consultant. The review looked at benchmarking our level of charity support, surveying employees to gauge their views on the areas our donations should be focused on, and selecting the issues we wanted to make the most impact on with our donations. The outcome of the project was a framework to guide future donations, and the process for selecting new strategic charity partners.

In Ballineen there were four fundraisers throughout the year led by employees to support charity causes, including the Irish Cancer Society, Special Olympics Ireland, First Light and Cork Simon Community. One of the most exciting events was a 'Peak to Pedals' challenge with teams of employees running on a treadmill and a bike to raise money to support a fundraiser for Special Olympics Ireland. Finbarr Desmond from the Carbery team undertook the Four Peaks Challenge, cycling between all four peaks, managing to complete within 72 hours.

Carbery also undertook some major sponsorships this year, continuing our second year as headline sponsor of the Southern Star West Cork Business and Tourism Awards. These Awards celebrate the innovation and entrepreneurial skills found in abundance in West Cork.

We were also delighted to sponsor Olympian Phil Healy as she pursued the next phase of her career and turned in superb performances at the European Championships, earning a silver medal and narrowly losing out on a bronze medal as part of the 4 x 400 relay team at the 2024 Olympics. Phil took part in a meet and greet with employees and their families, as well as some promotion for our Carbery Cracker brand.

Our regular sponsorship of many community groups in 2024 continued, including; Tidy Towns, agricultural shows and local community and sports groups. We also donated surplus food to YMCA, Cork Penny Dinners and FoodCloud.

We were delighted to welcome four female board members from the West Cork Co-ops into Carbery for International Women's Day to meet our team and discuss their views on women in agriculture.

The annual Carbery Family Day again took place with a great attendance. Our Sports and Social club turned this into a viewing party when the event clashed with Cork's appearance in the All-Ireland hurling final.

The annual Carbery Family Day

Fundraiser for the Irish Cancer Society in Ballineen

Supporting students at Ballymoney NS with their booklet about the local area

Presenting a donation to Pieta House with SCAR

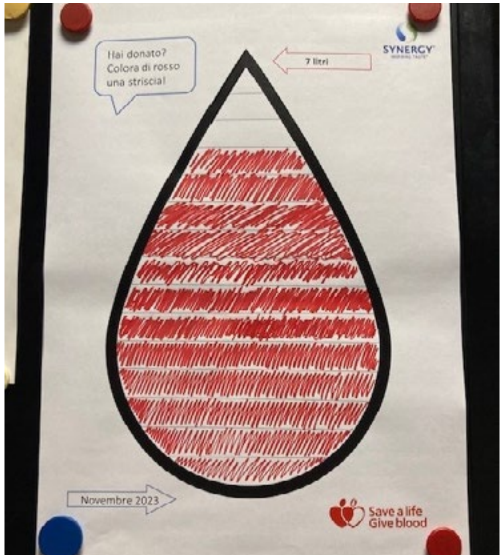
Asia

Our team in Thailand gave some really meaningful support to a school in their local area. Klong Bang Ka See School in Thailand is located very close to the plant in Bangkok. The school has around 200 students in kindergarten and primary school, most from families with a disadvantaged background. Working with the school, the Thailand team identified that the school was in need of sports equipment to better offer a variety of sports activities to the students, and gardening equipment.

The team made a presentation to the students which included donations of sports and gardening equipment, snacks, seeds and plants.

The Thai team have supported the school with other donations this year and hope to maintain a lasting relationship with the school and assist them further with requests and support into the future.

Our team in Singapore packed donated food for The Food Bank Singapore (FBSG). FBSG helps fight food insecurity by sourcing and rescuing more than 800,000kg of food annually for family service centres, various types of homes, soup kitchens and schools with children from low-income families.



Italy blood donations target

Italy – Community Children Hospital sponsored event

The team in Italy sponsored a fund raising event, organised by ASTRO, Associazione Triestina Ospedaliera per il Sorriso dei Bambini, that aimed to purchase a stretcher and a wheelchair for the surgical ward of the children's hospital "Burlo Garofolo" in Trieste, making a difference by addressing specific needs.

UK and Italy - Blood Donation Awareness: Making a Difference

Raising awareness about blood donation is a key focus for the Purpose Culture Influencers group in Europe, encompassing both our High Wycombe and Trieste sites. We're proud to share that our team across Europe has collectively donated 34 pints (19 Litres) of blood this year. It's a reminder that small, consistent actions can make a meaningful impact in saving lives.

In the UK, the Purpose Team launched an inspiring initiative to recycle unused or unwanted reading glasses, giving them a second life through charity. The glasses are being distributed in countries where individuals lack access to glasses that could dramatically improve their quality of life.


Hamilton volunteers committed time and energy to uncovering and restoring local history


Synergy is proud to have been one of the sponsors of the Arca Run

US

Our Culture Champions committee, formed by nearly 40 employees, organised the successful Synergy Fall Fest, showcasing our culture of collaboration and community engagement.

A group of Hamilton volunteers committed time and energy to uncovering and restoring local history by cleaning up and restoring Fairfield Baptist/Line-Shafer Farm Cemetery.

Volunteers also provided time to a historic site cleanup at Chrisholm Farmstead Historic Site. This was the first Amish Mennonite settlement in Ohio dating back to the 1800s. Nine Hamilton volunteers removed approx 3,300lbs of dirt rock and rubble.

Brazil

In Brazil, our October Pink campaign featured a breast cancer awareness lecture, while November Blue focused on prostate cancer prevention, emphasising early detection and healthy lifestyle choices. November Blue also focused on mental health with prostate cancer awareness talks and screening.

Arca run

The event was organised by Arca, an association committed to supporting vulnerable children in Vinhedo, São Paulo. All proceeds were directed to the institution’s social project. Synergy is proud to have been one of the sponsors of this initiative.

Report of the Committee

for the year ended
31 December 2024

Principal Activities

Carbery Creameries Limited and Subsidiaries ("the Group") is a leader in the development, manufacture and supply of cheeses, dairy and nutritional ingredients and flavours. Innovation is central to each of our strategic business platforms where we are continuing to develop our next generation of nutritional ingredients, natural cheese and flavour solutions for a growing global customer base.

The Group operates across many global geographies with facilities comprising research and development, manufacturing and commercial capabilities in Ireland, the UK, mainland Europe, the USA, South America, and Southeast Asia.

The Group continues to grow both organically and acquisitively from its European, Asian and Americas based businesses.

Review Of The Business

Results and dividends

Group turnover increased by 8% in 2024 to €668.0m (2023: €616.1m). On a constant currency basis turnover increased by 8%. Group EBITA (operating profit before interest, exceptional costs, amortisation of goodwill and other intangibles, share of profit/losses in joint ventures and tax) increased by 20% to €30.5m (2023: €25.5m). On a constant currency basis EBITA increased by 20%. Profit before taxation on ordinary activities (excluding exceptional and once off items) in the financial year amounted to € 21.0m compared with a profit of €16.0m in the year ended 31 December 2023.

After recognising a taxation charge of €6.9m (2023: €4.6m) a profit of €14.2m has been transferred to reserves (2023: €11.3m).

Group net debt decreased to €39.5m at 31 December 2024 (2023: €60.4m). Group debt is presently funded by bank term debt and revolving credit facility borrowings with repayments of between one- and seven-year duration.

Dividends

Other than dividends of €0.9m paid during the year to "A" shareholders on shares held in wholly owned subsidiary companies, the Committee does not propose to pay a dividend. Free cash flow for the Group increased in 2024 by €11.8m to €23.2m (2023: €11.4m) (non-GAAP).

Results for the year

Details of the results for the year are set out in the consolidated income statement on page 65 and in the related notes forming part of the financial statements.

Report of the Committee

for the year ended
31 December 2024

Capital structure

The Group finances its operations principally through cash generation, working capital facilities and bank debt.

In February 2022, the Group completed a refinancing of its primary bank facilities with Allied Irish Banks, Bank of Ireland and Rabobank comprising term debt, revolving credit facilities (RCFs) and ancillary lines of credit. As part of this refinancing, we were proud to take an industry leading position in signing up to Sustainability Linked Loan principles by agreeing ambitious Sustainability Performance Targets (SPTs) through 2022 to 2026 for water consumption, waste to landfill and Scope 1, 2 and 3 related sustainability indicators.

Share capital

Details of the share capital are shown in note 19 of the financial statements.

The share capital is divided into 'A' and 'B' ordinary shares, the respective rights of which are detailed in note 19. During the year ended 31 December 2024, 46,553 'B' ordinary shares were issued, 7,401 'B' ordinary shares were converted from processing notes and 166,890 'B' ordinary shares were repurchased by the society under the terms of "The Milk Supply Share Scheme".

Milk Supply Share Scheme

The Milk Supply Share Scheme was launched for the milk suppliers of the Group's parent society 'A' shareholders during 2012.

The purpose of the milk supply share scheme was to ensure that Carbery was well positioned to efficiently manage the growth in milk supply volumes subsequent to the removal of milk quota limits which occurred on 1 April 2015. In addition, the scheme is designed to enable milk suppliers share in the future growth of Carbery by the provision of an exit mechanism for suppliers retiring from milk supply in the future.

From 1 April 2015, milk suppliers are now obliged to have a minimum shareholding of 16 'B' shares per 1,000 litres of pre-April 2015 permanent milk quota (Existing Milk) and a minimum shareholding of 25 'B' shares per 1,000 litres of extra milk (New Milk).

Following a review of the Scheme in 2016 the Board decided to decouple the entry price for New Milk from the 'B' share price with effect from 1 January 2017. As a result, suppliers now have a choice of purchasing 25 Processing Notes or 25 'B' shares per 1,000 litres of New Milk. Alternatively, suppliers may purchase any combination of 'B' shares and Processing Notes provided that the combined number amounts to 25 per 1,000 litres of New Milk. Each year there is an annual supply trading window for suppliers to purchase shares in respect of New Milk supplied in the preceding calendar year and a general trading window where suppliers may, if eligible, sell 'B' shares in Carbery.

In 2021, the Board of Carbery introduced the Share Redemption Exit Plan (SREP) as part of the Milk Supply Share Scheme. The purpose of the SREP is to enhance the manner in which long term milk suppliers can share in the equity value being created by Carbery. Under the SREP, retiring milk suppliers whose milk has been supplied to Carbery for not less than 20 years will receive an enhanced value (equivalent to one bonus B share for each two B shares held) at retirement for each B share held under the Milk Supply Share Scheme should they apply to have their shares redeemed (and subject to their application being approved by the Board).

Shares were issued and redeemed under the SREP scheme in 2023 and 2024.

Report of the Committee

for the year ended
31 December 2024

Other Committees

The Board has established committees to help it discharge its responsibilities in compliance with appropriate corporate governance standards. Two such committees established by the board are the Audit Committee and the Remuneration Committee.

These committees have specified terms of reference outlining their respective roles and the delegated authority of the board.

Audit Committee

The Audit Committee is chaired by Mr. Michael Sexton and in 2024 its other members included Mr. Seamus Daly, Mr. Peter Fleming, Mr. Martin Dineen, Mr. Vincent O'Donovan, Mr. Gerard Brickley and Mr. Donal McCarthy. All members of the Committee are determined by the Board to be independent non-executive directors. The Audit Committee met six times during the 2024 financial year. Under its terms of reference, the Audit Committee monitors the integrity of the Group's financial statements, the independence of the external auditor, and internal audit and risk management functions. The Committee is also responsible for monitoring the effectiveness of the external audit process and making recommendations to the board in relation to the appointment, reappointment and remuneration of the external auditor. As appropriate, the Audit Committee is supported by expert independent professional advice on industry best practice.

Remuneration Committee

The Remuneration Committee is chaired by Mr. Vincent O'Donovan and in 2024 its other members included Mr. Cormac O'Keeffe, Mr. Raymond Collins, Mr. Peter Fleming, Mr. Michael Sexton, Mr James Healy, Mr John Hurley and Mr. Donal McCarthy. All of whom are determined by the Board to be independent non-executive directors. In delivering its responsibilities regarding remuneration policy for the Carbery Group, the Remuneration Committee applies robust governance standards to its decisions.

As appropriate, it is supported by expert independent professional advice on industry best practice, including benchmarking and other remuneration matters within its remit. The principal responsibilities of the Remuneration Committee are to establish and maintain a remuneration policy for the Group and to approve the remuneration arrangements for certain senior executives, including the Chief Executive. The Committee is also responsible for the remuneration policy in regard to the Group's international senior executives, including those working with Synergy in global markets.

A key objective of the Groups remuneration policy is to attract, retain and incentivise senior executives to grow shareholder value for the long-term benefit of Carbery's shareholders. In this regard, the Committee is responsible for approving the terms of the Long Term Incentive Plans (LTIP) for certain senior executives responsible for the strategic development and future growth of the business.

The Committee, at its discretion, is also responsible for making recommendations to the Board in respect of the remuneration and expenses payable to Board members.

The Remuneration Committee met three times during the 2024 financial year.

Attendance at scheduled Board and Committee meetings during the financial year under review was as follows:

Board Member	Board	Audit Committee	Remuneration Committee
Cormac O'Keeffe	5/5		2/2
Vincent O'Donovan	12/12	3/3	3/3
Gerard Brickley	12/12	3/3	
Raymond Collins	6/6		2/2
Seamus Daly	12/12	3/3	
Peter Fleming	6/6	3/3	2/2
Peadar Murphy	12/12		
Donal McCarthy	12/12	3/3	3/3
Martin Dineen	12/12	6/6	
Michael Sexton	6/6	3/3	1/1
James Healy	7/7		1/1
John Hurley	6/6		1/1

Mr. Cormac O'Keeffe resigned as Board member and Chairperson of Carbery on 17 June 2024. Mr. Vincent O'Donovan was appointed Chairperson in his stead. Mr Raymond Collins, Mr Peter Fleming and Mr Cormac O'Keeffe resigned from the Board of Carbery in 2024, they were replaced by Mr John Hurley, Mr Michael Sexton and Mr James Healy.

Report of the Committee

for the year ended
31 December 2024

Important Events Since the Year End

Since the year end, participating shareholders have received the FutureProof bonus payment from Carbery. 93% of the annual milk volume supplied for 2024 qualified for a FutureProof payment.

Dairy commodity markets continue to be finely balanced and the Group continues to monitor markets closely to minimise any financial impact to the Group's operations.

No other significant events affecting the group since year end.

Future Developments in the business

The Group completed a comprehensive strategic planning process in 2023, with 2024 representing the first year of the new three year strategic cycle. A core tenet of this process and the strategy is to best position Carbery to maximise growth, while being prepared for, and responding to, changes that may impact the business such as milk supply, markets, environmental targets, consumer preferences and input costs.

For the Dairy business, this strategy has focused on maximising the flexibility of our portfolio of products to respond to strongest market prices, alongside a programme of operational excellence and a right-first-time approach, designed to ensure the fundamental principles of quality and efficiency are central to our operations. We have also continued to prioritise improving sustainability of our farmers, in order to ensure the stability of our milk supply into the future.

In the Nutrition business, we continue to pursue a strategy of expansion into new markets and new customers. With production of our nutrition products limited by the milk supply available, in 2024 the Group has done work on looking into alternative sources of whey protein, while also focusing on R&D and innovation to generate new products for customers.

Building on another year of impressive performance in 2024, the Group is confident that its Taste business will continue to build on its increasing international presence and benefit from continuing strong growth rates in the years ahead. In addition to driving further organic growth within the existing business and further to the acquisition of Innova in the North American market during 2021, the Group is committed to continuing its acquisitive growth strategy on the Flavours side, seeking further suitable acquisitions in its pursuit of growing market share internationally.

As an international food and food ingredients business, the Group will continue to focus and invest in its success enabling platforms of technologies, innovation, research and development and people talent to ensure it is well positioned to outperform market growth rates.

Committee and Secretary's Interests

The committee members are as listed on page 61.

Mr Raymond Collins, Mr Peter Fleming and Mr Cormac O'Keeffe resigned as Committee members in 2024 and Mr John Hurley, Mr Michael Sexton and Mr James Healy were appointed as Committee members.

Mr Cormac O'Keeffe resigned as Chairperson of the Board on 17 June 2024 and Mr Vincent O'Donovan was appointed Chairperson of the Board in his stead.

Except for an indirect interest held by certain committee members in the four Co-Op 'A' shareholders and an interest in the 'B' ordinary shares received under the Patronage Loyalty Scheme and purchased under the Milk Supply Share Scheme, the Committee members and the secretary had no interest in the shares of Carbery Creameries Limited or any of its trading subsidiaries at any time during the year.

Research and Development

Research and development plays a critical role in the success of the Group's activities. The Group continues to develop existing and new technologies and processes, establish centres of excellence in its critical markets and invest in procuring the best people to meet the ever-changing needs of its global customer base.

Corporate Responsibility

Employees

Carbery Group's success is dependent on the commitment, skills and creativity of its employees. Retaining employees and developing their skills is therefore central to the execution of the Group's strategy in the years ahead.

The Group will continue to pursue and ensure excellence in management and staff practices through the continued development and implementation of training and development programmes.

The Group is committed to the principle of equality and diversity and complies with all relevant equality and anti-discrimination legislation.

Environment

The Group is committed to all social and legal responsibilities with regard to the environment at large and is committed to growing its business in an environmentally responsible and sustainable manner.

This is borne out by the Group's continued programme of investment in facilities, processes and systems that monitor and manage waste emission, energy consumption, materials and packaging conservation. Our Sustainability report (see p37) which is included provides further details and information on this.

Report of the Committee

for the year ended
31 December 2024

Marketplace

Food quality and safety is of paramount importance to Carbery. The Group continues to invest in people, technologies, processes and facilities to ensure that the highest standards are maintained.

Communities

Carbery is committed to the local communities in which its facilities operate and encourages its businesses and people to support and participate in community-based initiatives and projects.

Principal Risks and Uncertainties

As a significant manufacturer of cheese and to a lesser extent cream and milk powder, a significant proportion of the Group's revenues are dependent on international dairy markets. Past experiences clearly illustrate the susceptibility of global dairy markets to periods of volatility. Notwithstanding the generally positive broader outlook for global food demand and consumption in the long term, there remains much uncertainty regarding dairy market returns in the medium and long term due to the ever-present susceptibility to market volatility. The Group proactively monitors market returns and systematically reviews carrying balances of dairy inventories for net realisable value.

Global economic and geo-political factors continue to influence the dynamics of international markets. The impacts of such factors are varied but can have a consequence in terms of market demand, market access or market returns which in turn has the potential to impact Carbery's business. Carbery continues to broaden its product portfolio as well as endeavouring to develop new markets thereby reducing both product and market specific risk. The Group takes an active role in ensuring its interests are advocated within appropriate industry and governmental forums.

Geo-political factors including potential future changes in international governmental policies, international relations, and global conflicts could impact the business operations, supply chain, or customer demand of the Group. While the post Brexit situation has been stable, the business continues to monitor and manage any emerging implications closely, taking all necessary measures to minimise any impact on our suppliers and shareholders.

The Group is a major user of energy in the form of steam and electricity. Due to several geopolitical developments in the recent past, increasing uncertainty surrounding the global energy environment has resulted in significant volatility on energy prices. The Group continues to monitor the situation closely and is taking any appropriate measures available to minimise the financial impact to the Group's operations. Energy price movements will continue to have a material impact on the business' cost base. Where appropriate the Group has fixed price contracts in place in respect of energy purchases from time to time.

Certain parts of the Group's activities have trade related foreign currency exposure most notably in Sterling and US Dollar. Where possible the Group manages these exposures by way of forward hedges. Further and sustained weakening in these currencies would lead to a deterioration in market returns and a possible decline in margins for elements of the Group's dairy and dairy ingredients businesses.

Cyber risk poses an increasingly significant challenge to international business organisations like Carbery. The threat of malicious acts aimed at damaging or stealing data, or disrupting business operations, is becoming ever more prevalent in today's business environment. To address these challenges, Carbery is committed to safeguarding its business interests by investing in the necessary resources and technologies to mitigate cyber risks. The Group's Chief Information Officer and Global Cyber Security Lead actively oversee and implement strategies to protect Carbery's global operations from potential cyber threats.

The evolving environmental and regulatory landscape has created uncertainty for both the short-term and long-term outlook of dairy supply volumes. The Group has a Director of Sustainability who actively monitors all regulatory changes to assess the potential impact on Group operations. In partnership with the leadership teams across the Group, appropriate activities are in place to ensure compliance with regulatory requirements and to manage any associated risks identified. Carbery conducted a supplier census in Q3 2024 to support long-term business planning. The census achieved an 80% participation rate, providing valuable insights into succession planning, farm regulations, costs, and sustainability challenges. The census asked numerous questions on the topic of the nitrates derogation which Carbery are following very closely and implementing measures which will enhance Ireland's chances of retaining a derogation. The overall feedback from the census was cautious optimism for dairying in West Cork.

Carbery continues to manage any residual supply chain constraints with minimised disruption evident to date for the Group and its customers' needs.

The Group has procedures in place to enable management and directors to continually monitor the performance of all areas of the business. These include the preparation of a detailed annual budget which is used for comparison with monthly management accounts throughout the year. In addition, such procedures include the reporting of key performance indicators such as EBITDA, gross margins, operating margins, free cash flow and return on capital employed (ROCE).

Report of the Committee

for the year ended
31 December 2024

Financial Instruments

The Group has an active approach to treasury and financial risk management, operating a centralised treasury function to manage the financial risks of the Group. Key executives monitor the Group's foreign exchange rate and interest rate risks and ensure that the Group has sufficient credit facilities available. Financial exposures are managed by using appropriate and approved financial instruments.

Principal foreign currency exposures arise on Sterling and US Dollar purchases and receivables. Transaction exposure is managed by netting receivables and payables and then by hedging net flows. Translation exposure is not hedged. The Group minimises statement of financial position translation exposure by matching foreign currency investments with foreign currency borrowings.

The Group's exposure to interest rate risk is typically managed by optimising the mix of fixed and floating rate borrowings.

Group liquidity is presently funded from operating cash generation and term debt that is maturing between one and seven years. The Group is considered a prime borrower and maintains strong relationships with key debt providers. The Group has performed strongly over recent years on key funding measurements of debt to EBITDA and EBITDA to interest. The Group completed a refinancing of its primary bank facilities with Allied Irish Banks, Bank of Ireland and Rabobank comprising term debt, revolving credit facilities (RCFs) and ancillary lines of credit in early 2022. The Group had already put additional funding in place during 2019 with the European Investment Bank to part fund the investment in our Irish operations.

Political contributions

The Group made no political donations or incurred any political expenditure during the current year or in the prior year.

Accounting Records

The Committee is responsible for ensuring that proper books and accounting records are kept by the Group. To achieve this, the Committee has appointed appropriate personnel to ensure that those requirements are complied with. These books and accounting records are maintained at Dromidiclough, Ballineen, Co. Cork.

Relevant audit information

The Committee believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware.

On behalf of the Committee:

Vincent O'Donovan
Chairperson
14th March 2025

Michael Sexton
Vice Chairperson
14th March 2025

Society Information

Committee

Vincent O'Donovan [1,2]
(Chairperson)

Michael Sexton [1,2]
(Vice Chairperson)
(appointed 18 July 2024)

Seamus Daly[1]

Martin Dineen [1]

James Healy[2]
(appointed 17 June 2024)

John Hurley [2]
(appointed 18 July 2024)

Eilis Mahon [1]
(appointed 15 January 2025)

Donal McCarthy [1,2]

Peadar Murphy

Cormac O'Keeffe[2]
(Chairperson)
(resigned 17 June 2024)

Gerard Brickley[1]
(resigned 15 January 2025)

Raymond Collins [2]
(resigned 18 July 2024)

Peter Fleming[1,2]
(resigned 18 July 2024)

1. Audit Committee Member
2. Remuneration Committee Member

Jason Hawkins
(CEO)

Liam Hughes
(Secretary & CFO)

Registered Office

Dromidiclough,
Ballineen,
Co. Cork.

Bankers

Allied Irish Banks plc,
10 Molesworth Street,
Dublin 2

Rabobank Dublin,
76 Sir John Rogerson's Quay, Dublin Docklands, Dublin 2

Bank of Ireland plc,
40 Mespil Road,
Dublin 4

European Investment Bank,
98-100, Boulevard Konrad Adenauer,
L-2950 Luxembourg

Solicitor

Ronan Daly Jermyn,
85 South Mall, Cork

Auditor

KPMG, 85 South Mall,
Cork.

Committee Responsibilities Statement

for the year ended
31 December 2024

The Committee are responsible for preparing the Committee report and the financial statements in accordance with applicable law and regulations.

The Industrial and Provident Societies Acts 1893 to 2021 requires the Committee to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Society's financial statements are required by law to give a true and fair view of the assets, liabilities and financial position of the Society and of its surplus/deficit for that year.

In preparing the financial statements, the Committee are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The Committee are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and surplus or deficit of the Company and which enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1893 to 2021. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing the Annual report that complies with the requirements of the Industrial and Provident Societies Acts 1893 to 2021.

On behalf of the Committee:

Vincent O'Donovan
Chairperson
14th March 2025

Michael Sexton
Vice Chairperson
14th March 2025

Independent auditors' report to the members of Carbery Creameries Limited and Subsidiaries

for the year ended 31 December 2024

Opinion

We have audited the financial statements of Carbery Creameries Limited and Subsidiaries ('the Society') for the year ended 31 December 2024 set out on pages 65 to 107, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and related notes, including the material accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Society as at 31 December 2024 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Committee with respect to going concern are described in the relevant sections of this report.

Other information

The Committee are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, Chief Executive's Review and Committee report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report; and
- in our opinion, the information given in the directors' report is consistent with the financial statements.

Independent auditors' report to the members of Carbery Creameries Limited and Subsidiaries

for the year ended 31 December 2024

Our conclusions on the other matter on which we are required to report by the Industrial Provident Societies Act 1893 to 2021 is set out below

As required by Section 13(2) of the Industrial and Provident Societies Act 1893 to 2021, we examined the balance sheet showing the receipts and expenditure, fund and effects of the Society, and verified the same with books, deeds, documents, accounts and vouchers relating thereto, and found them to be correct, duly vouched, and in accordance with law.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Committee responsibilities statement set out on page 62, the Committee are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements

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

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

Barrie O'Connell

18 March 2025

for and on behalf of KPMG
Chartered Accountants,
Statutory Audit Firm
85 South Mall
Cork
T12 A3XN

Consolidated Income Statement

for the year ended
31 December 2024

	Note	2024 (€'000)	2023 (€'000)
Turnover	2	667,971	616,103
Cost of sales		(503,833)	(463,997)
Gross profit		164,138	152,106
Administrative expenses		(139,350)	(132,551)
Operating profit	3	24,788	19,555
Share of profit in joint ventures	9	51	173
Other interest receivable and similar income	5	633	215
Interest payable and similar charges	5	(3,595)	(4,076)
Other finance income - retirement benefit and other	5	83	97
Impairment on financial assets	9	(935)	–
Profit before taxation		21,025	15,964
Taxation on profit	6	(6,862)	(4,644)
Profit for the financial year attributable to the Owners of the parent society		14,163	11,320

On behalf of the Committee:

Vincent O'Donovan

Vincent O'Donovan
Chairperson
14th March 2025

Michael Sexton

Michael Sexton
Vice Chairperson
14th March 2025

Consolidated Statement of Other Comprehensive Income

for the year ended 31 December 2024

	Note	2024 (€'000)	2023 (€'000)
Profit for the financial year		14,163	11,320
Other comprehensive income			
Remeasurement (loss) recognised on defined benefit retirement benefit schemes	17	(356)	(299)
Movement on deferred tax relating to defined benefit pension schemes	17	34	(21)
Currency translation difference on net assets of subsidiary undertakings	20	9,265	(4,095)
Cash flow hedges:			
- Change in value of hedge instrument	20	(229)	135
- Reclassifications to income statement	20	(135)	354
Total other comprehensive income		**8,579**	**(3,926)**
Total comprehensive income for the year attributable to the Owners of the parent society		**22,742**	**7,394**

Consolidated Statement of Financial Position

at 31 December 2024

	Note	2024 (€'000)	2023 (€'000)
Non-current assets			
Intangible assets	7	32,309	36,017
Tangible assets	8	239,019	228,601
Financial assets	9	2,431	2,378
Pension surplus	17	2,161	2,434
		275,920	**269,430**
Current assets			
Stocks	10	111,016	98,851
Debtors (including amounts due after more than one year)	11	145,945	138,131
Cash at bank and in hand		24,042	18,669
		281,003	255,651
Creditors: falling due within one year	12	(133,061)	(110,264)
Net current assets		147,942	145,387
Total assets less current liabilities		423,862	414,817
Creditors: falling due after more than one year	13	(58,306)	(73,748)
Provisions for liabilities			
Deferred taxation	15	(10,315)	(9,661)
Other provisions	15	(10,719)	(7,506)
		344,522	**323,902**
Government grants	18	(5,375)	(5,701)
Net assets		**339,147**	**318,201**
Capital and reserves			
Called up share capital	19	86,477	86,589
Share reserve fund	20	1,867	2,660
Retained earnings		217,882	204,732
Other reserves	20	15,090	6,389
Other equity	24	17,831	17,831
Equity attributable to owners of the parent society		**339,147**	**318,201**

On behalf of the Committee:

Vincent O'Donovan

Vincent O'Donovan
Chairperson
14th March 2025

Michael Sexton

Michael Sexton
Vice Chairperson
14th March 2025

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

	Called up share capital (€'000)	Share reserve fund (Note 20) (€'000)	Retained earnings (€'000)	Other reserves (Note 20) (€'000)	Other equity (Note 24) (€'000)	Total equity (€'000)
At 1 January 2023	86,549	2,802	194,377	10,242	17,831	**311,801**
Profit for the financial year	–	–	11,320	–	–	**11,320**
Other comprehensive expense	–	–	(320)	(3,606)	–	**(3,926)**
Total comprehensive income for the year	–	–	11,000	(3,606)	–	**7,394**
Distribution in respect of SREP	–	(274)	–	–	–	**(274)**
Dividends paid	–	–	(892)	–	–	**(892)**
Transfer from revaluation reserves	–	–	247	(247)	–	**–**
Shares issued during the year	145	475	–	–	–	**620**
Shares repurchased during the year	(131)	(429)	–	–	–	**(560)**
Share conversions	26	86	–	–	–	**112**
At 31 December 2023	86,589	2,660	204,732	6,389	17,831	**318,201**
Profit for the financial year	–	–	14,163	–	–	**14,163**
Other comprehensive expense	–	–	(322)	8,901	–	**8,579**
Total comprehensive income for the year	–	–	13,841	8,901	–	**22,742**
Distribution in respect of SREP	–	(375)	–	–	–	**(375)**
Dividends paid	–	–	(891)	–	–	**(891)**
Transfer from revaluation reserves	–	–	200	(200)	–	**–**
Shares issued during the year	47	173	–	–	–	**220**
Shares repurchased during the year	(166)	(618)	–	–	–	**(784)**
Share conversions	7	27	–	–	–	**34**
At 31 December 2024	86,477	1,867	217,882	15,090	17,831	**339,147**

Consolidated Cash Flow Statement

for the year ended
31 December 2024

	2024 (€'000)	2023 (€'000)
Cash flows from operating activities		
Profit before tax	21,025	15,964
Working capital adjustments		
(Increase)/Decrease in stock	(9,336)	16,946
(Increase)/Decrease in debtors	(7,785)	12,590
Increase/(Decrease) in creditors	20,147	(10,492)
Adjustments		
Increase /(Decrease) in other provisions	3,213	(16,592)
Depreciation (net of grant amortisation)	20,160	19,409
Amortisation of intangibles	7,047	7,419
(Profit)/Loss on sale of fixed assets	(101)	(3)
Share of (profit) in joint ventures	(51)	(173)
Impairment on financial assets	935	–
Net finance cost	2,962	3,861
Retirement benefit adjustments	(322)	(320)
Interest received	633	215
Finance costs paid	(3,596)	(4,082)
Defined benefit employer contributions paid	–	(371)
Corporation tax paid	(2,966)	(5,547)
Net cash inflow from operating activities	51,965	38,824
Cashflows from investing activities		
Purchase of tangible fixed assets	(26,598)	(26,107)
Purchase of intangible fixed assets	(1,384)	(1,711)
Receipts from sale of tangible fixed assets	127	345
Increase in unlisted investments	(936)	–
Receipts from government capital grants	60	–
Net cash (outflow) from investing activities	(28,731)	(27,473)

Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2024

	2024 (€'000)	2023 (€'000)
Cashflows from financing activities		
Issue of 'B' ordinary shares	247	633
Repurchase of 'B' ordinary shares	(1,160)	(833)
Issue of processing notes	159	276
Dividends paid	(892)	(892)
Loan repayments	(17,025)	(8,363)
Net cash (outflow) from financing activities	(18,671)	(9,179)
Net increase in cash and cash equivalents	4,563	2,172
Effect of exchange rate fluctuations on cash held	826	(90)
Cash and cash equivalents at beginning of year	18,627	16,545
Cash and cash equivalents at end of year	24,016	18,627
Cash and cash equivalents		
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	24,042	18,669
Bank overdrafts (Note 14)	(26)	(42)
Cash and cash equivalents	24,016	18,627

Consolidated Cash Flow Statement (Continued)

for the year ended
31 December 2024

Analysis of Net Debt

(i)	**Reconciliation of net cash flow to movement in net debt**	(€'000)
	Increase in cash	4,563
	Loan repayments	17,025
	Change in net debt resulting from cash flows	21,588
	Translation adjustment	(689)
	Movement in net debt in year	20,899
	Net debt at 1 January 2024	(60,381)
	Net debt at 31 December 2024	(39,482)

(ii) Analysis of changes in net funds

	At 31/12/2023 (€'000)	Net cash flow (€'000)	Exchange movement (€'000)	At 31/12/2024 (€'000)
Cash at bank and in hand	18,669	4,546	826	24,042
Bank overdrafts	(42)	17	–	(26)
Total cash and demand debt	18,627	4,563	826	24,016
Loans repayable	(79,008)	17,025	(1,515)	(63,498)
Net debt	(60,381)	21,588	(689)	(39,482)

Notes to the Consolidated Financial Statements

for the year ended
31 December 2024

Accounting Policies

(a) Statement of compliance

Carbery Creameries Limited ("the Group") is a registered society, incorporated, domiciled and registered in the Republic of Ireland. The address of the registered office is Dromidiclough, Ballineen, Co. Cork.

The society Group financial statements have been prepared in compliance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Ireland as it applies to the financial statements of the Group for the year ended 31 December 2024.

(b) Basis of preparation

The financial statements are prepared in Euro (€) which is the presentational currency of the Group and rounded to the nearest €1,000.

The Committee prepared these financial statements on a going concern basis. In making this judgement, management considered the Group's budget and cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements which demonstrate that the Group will be in a position to meet its liabilities as they fall due. Accordingly, these financial statements do not include any adjustments to the carrying amount and classification of assets and liabilities that may arise if the Group was unable to continue as a going concern.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note (f).

(c) Basis of consolidation

The Group financial statements consolidate the financial statements of Carbery Creameries Limited and all its subsidiary undertakings drawn up to 31 December each year. A subsidiary is an entity that is controlled by the holding undertaking.

The results of the subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

An associate is an entity in which the Group has significant input but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

These financial statements are prepared for the Group on a consolidated basis. The parent entity society accounts are prepared separately.

(d) Measurement convention

The financial statements are prepared on the historical cost basis except for certain assets and liabilities that are stated at their fair value including derivative financial instruments.

(e) Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

Accounting Policies (Continued)

(f) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the Group's key sources of estimation uncertainty:

Revenue and stocks

The sales of some products to Ornua are based on "on account prices" which are subject to adjustment when the prices are finally agreed. In some cases the time period between the date when the product is invoiced at the on account price and when the prices are finally agreed could be as much as up to a year or more. Preparation of the consolidated financial statements requires management to make certain estimates and assumptions around the expected realisation of their stock and debtor balance which affect the reported profits and assets of the Group. As with any estimate the actual outturn may differ to the estimate.

At the year end management, having estimated the expected realisation, reviewed the stock and debtor values, and if required as a consequence reduce stock to the net realisable value and make the required adjustment to the "on account" pricing for their debtor balance.

In their estimation process management typically consider previous pricing trends, predicted market variables including milk output, production volumes, currency trends, supply/demand dynamics and general global economics to derive their best estimate of the expected realisation prices.

Retirement benefit

The cost of the defined benefit retirement plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future retirement benefit increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and retirement benefit increases are based on expected future inflation rates in the Republic of Ireland. Further details are given in note 17.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of non-financial assets

The Group assesses at each reporting date or when indications exist whether any non-financial asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. Value in use is determined as the discounted future cash flows of the cash generating unit (CGU). The key assumptions for the value in use calculations are discount rates, cash flows and growth rates during the forecasted period. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment charge in the income statement.

An impairment loss recognised for all non-financial assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(f) Judgements and key sources of estimation uncertainty (continued)

Taxation
The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

Long Term Incentive Plan
The cost used in the valuation of Long Term Incentive Plans ("LTIP") is subject to estimation. The terms of the plan are such that the participants are eligible to earn a bonus payment based on a calculation referenced to the growth in the profitability of the Synergy and Ingredients divisions. Management's estimation is required to determine the expected growth of the Synergy and Ingredients divisions. The 2023 LTIP is a cash based scheme and the value is determined by applying assumptions based on performance KPIs referenced to the additional shareholder value generated over the term of the plan.

(g) Turnover and revenue recognition and other income

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue is recognised when the risks and rewards of the underlying products have been substantially transferred to the customer, which is usually on delivery, at a fixed and determinable price, and when collectability is reasonably assured. Rebates to customers are provided for in the period that the related sales are recorded based on the contract terms. The sales of some products to Ornua are based on 'on account' prices which are subject to adjustment when the prices are finally agreed. Revenue in the year is adjusted for the estimated realisable value.

Interest income
Interest income is recognised as interest accrues using the effective interest method.

Dividend income
Dividends income is recognised when the Group's right to receive payment is established.

Convertible loan stock and trading bonus
Convertible loan stock and trading bonuses can be issued by Ornua to the Society, and other members, for each trading year based on qualifying trading activity. The trading bonus is recognised as income after approval by the Ornua board occurs and payment becomes irrevocable and unconditional. The loan stock is recognised as income, on a discounted basis, when approval by the Ornua board occurs and redemption becomes irrevocable and unconditional. Any loan stock approved for redemption not yet redeemed is recognised as a receivable.

(h) Goodwill

Goodwill is stated at cost less accumulated amortisation and accumulated impairment losses.

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the consolidated statement of financial position and amortised on a straight line basis over its expected or estimated useful life of 20 years.

Each year the goodwill will be reviewed for impairment indicators and an impairment loss will be booked where appropriate.

Goodwill is stated at cost less accumulated amortisation and accumulated impairment losses.

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the consolidated statement of financial position and amortised on a straight line basis over its expected or estimated useful life of 20 years.

Each year the goodwill will be reviewed for impairment indicators and an impairment loss will be booked where appropriate.

The fair value of the assets and liabilities are based on valuations using assumptions deemed by management to be appropriate. Professional valuers are engaged when it is deemed appropriate to do so.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(h) Goodwill (Continued)

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash generating unit that is expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any goodwill arising on acquisition that has not been amortised through the income statement is taken into account in determining the profit or loss on sale or discontinuance.

(i) Other intangibles

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives as follows:

Other intangibles

Intangible formulae	5 to 10 years
Intangible process technology	5 to 10 years
Customer relationships	5 to 10 years
ERP Systems/Software	5 to 10 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period, previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

(j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset, other than land, on a straight line basis over its expected useful life, as follows:

Buildings	40 years
Plant and machinery	3 to 20 years
Motor vehicles	5 years
IT systems and infrastructure	3 to 10 years

Depreciation methods, useful lives and residual values will be reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the society expects to consume an asset's future economic benefits.

Plant advances which are not in use, including buildings and equipment are not depreciated.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(k) Financial assets

Financial assets are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through income statement). Subsequently, they are measured at fair value through income statement except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value (which is typically considered to be transaction price - cost). Subsequent to initial recognition, other financial instruments are generally measured at fair value with changes in fair value recognised in the income statement.

Information regarding fair value measurement is given in note 9.

(l) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

- Raw materials and consumable stores comprise of purchase cost on a first-in, first out basis.
- In the case of finished goods, cost comprises purchase price of materials and an appropriate portion of labour and production overheads.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and disposal. Maintenance stocks are held in order to provide sufficient spare parts to ensure efficient operation of essential plant and equipment used for manufacturing and ancillary supporting services. The stock are allocated to repairs on consumption and have been recorded at cost.

(m) Debtors and creditors

Trade and other debtors and trade creditors and other creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price less attributable transaction costs. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Asset for carbon credits

Carbon credits purchased are accounted for at cost. Cost is determined on a first in first out basis. The cost of the asset is subject to impairment review.

Liability for carbon emissions

A liability is recorded as emissions are created. The liability is recognised at the cost of carbon credits on hand to the extent that there are sufficient credits on hand to meet the liability at any one time. Where there are insufficient carbon credits, then any excess liability is measured at the fair value of purchasing the additional carbon credits.

When the carbon credits are surrendered in settlement of a liability then both the asset and liability are derecognised.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(n) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand, bank overdrafts and short-term deposits with an original maturity of three months or less.

(o) Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings, including goodwill, are translated into the presentation currency at the rate of exchange ruling at the statement of financial position date. Key income and expenses within each overseas statement of comprehensive income are translated at the particular average exchange rates prevailing for the period.

Exchange differences resulting from the retranslation of the net investment in overseas subsidiaries and joint ventures at closing rates together with the differences on the translation of their income statements are recognised in the statement of comprehensive income in the period and accumulated in the deferred translation reserve in the statement of financial position.

Rates used for translation of significant results and net assets into Euro:

Average rates (Turnover)

	2024	2023
US$	1.0824	1.0810
GBP£	0.8466	0.8691

Closing Rates (31 December)

	2024	2023
US$	1.0353	1.1039
GBP£	0.8273	0.8669

(p) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/asset shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Corporation tax is provided on taxable profits at the current rates.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(q) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event that can be reliably measured and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

(r) Hedges of a net investment

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 other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

(s) Derivative financial instruments and hedging

The Group uses forward foreign currency contracts to reduce exposure on foreign exchange rates.

Derivative financial instruments are initially measured 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 assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Group applies hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. The forward foreign exchange contracts are designated as cash flow hedges of forecasted transactions.

The Group may use certain gas forward contracts to hedge its future cash flow risk from movement in gas prices. These contracts are determined by Management to be 'own use' as they are entered into in accordance with the Group's expected purchase, sale or usage requirements. Certain other gas forward contracts are fair valued and the gain/loss crystallised on such contracts is recorded in the income statement and any unrealised gain/loss is recognised at the balance sheet date.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in other comprehensive income. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is taken directly to the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged asset or liability is derecognised, or the hedging instrument is terminated.

(t) Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(u) Government and other grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the income statement over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to the income statement so as to match them with the expenditure to which they relate.

Research and development tax credits claimed under legislation are treated in the same way as government grants and credited to the income statement in the year in which the expenditure to which they relate is charged.

(v) Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate charges amortisation is included in finance charges in the income statement.

(w) Accounting for Long Term Incentive Plan

Synergy, the international flavours division of Carbery Group, has a Long-Term Incentive Plan (LTIP) in place. Phase 1 of the Synergy LTIP is in place since 2008 and allocations to participants under this phase ceased in 2014. Phase 2 commenced in 2015 with allocations to participants commencing the same year. The terms and conditions of the LTIP were approved by the Remuneration Committee under independent professional advice and in accordance with best governance standards.

Under the terms of the LTIP, certain senior executives in Ireland, the UK, Europe, and the US (including executive directors) are invited to participate. The terms of the plan are such that the participants are eligible to earn a bonus payment based on a calculation referenced to the growth in the profitability of the "Synergy Division".

The Plan is a long term one and amounts which may be determined as due to the participants will therefore accrue over the term of the plan. Provision is made at each year end using the same accounting methodology as used for defined benefit retirement plans as detailed in the following note and based on the terms of the plan and taking account of the expected growth of the "Synergy Division". Once paid the amounts are included in the wages and salaries disclosure of the Group.

The final allocations under Phase 2 of the LTIP took place in 2022 and the scheme concluded in 2024. As a result, a new LTIP was put in place for performance periods beginning in 2023. The 2023 LTIP scheme retains similar objectives to the previous scheme to ensure the alignment of the interests of Executives and Key Management Personnel with that of the Shareholders. As with the previous scheme, benefits associated with the scheme are entirely performance based and are referenced to the additional shareholder value generated over the term of the plan. Under the 2023 LTIP scheme, each performance period shall last for three financial years, with the performance period for the first allocations under this scheme being 1 January 2023 to 31 December 2025.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(x) Retirement benefit costs

The Group operates both defined benefit pension schemes and defined contribution pension schemes for its employees which require contributions to be made to separately administered funds.

Defined benefit pension scheme assets are measured using fair values; retirement benefit scheme liabilities are measured using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the income statement as other finance income or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur.

Re-measurements are not reclassified to the income statement in subsequent periods.

The net defined benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly.

Fair value is based on market price information and in the case of quoted securities is the published bid price.

The value of a net defined benefit pension asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution pension schemes are recognised in the income statement in the period in which they become payable.

(y) Research and development

Expenditure on research and development is charged to the income statement in the year in which the expenditure is incurred.

Development expenditure is capitalised in accordance with the following accounting policy.

Initial capitalisation of costs is based on management's judgement that technical 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 assets, discount rates to be applied and the expected period of benefit.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

Accounting Policies (Continued)

(z) Shareholders' and milk suppliers' loans

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i.) There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable.

(ii.) The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

The Group's shareholders' loans are classified as equity as there is no contractual obligation to repay the loans and are non-derivative in nature.

(aa) Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation:

(i.) to deliver cash or another financial asset to another entity; or

(ii.) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and:

(i.) under which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii.) which will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

The Group's Processing Notes are classified as financial liabilities under Creditors: falling due after more than one year, as the notes may be redeemed, on cessation of milk supply, by milk supplier shareholders at an unspecified future date for cash at the price paid or may be settled by the delivery of a variable number of B Shares in the Society based on the prevailing share price as determined from the most recent valuation. The processing notes will be redeemed if milk supply falls below a minimum level.

(ab) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company. At the acquisition date, the company recognises goodwill as:

- the fair value of the consideration transferred plus
- estimated amount of contingent consideration if any plus
- the fair value of the equity instrument plus
- directly attributable transaction costs plus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

2. Turnover

The amount of each category of revenue recognised in the year is as follows:	**2024** (€'000)	**2023** (€'000)
Sale of goods	667,971	616,103

3. Operating Profit

Operating profit is stated after charging/(crediting):	**2024** (€'000)	**2023** (€'000)
Research and development expenditure	7,288	7,852
Foreign exchange differences	253	(151)
Depreciation charge:		
Depreciation of owned assets (Note 8)	20,546	19,792
Amortisation of intangibles (Note 7)	7,047	7,419
Amortisation of government grants (Note 18)	(386)	(383)
Operating lease rentals:		
Land and buildings	967	866
Plant and machinery	225	193
Motor vehicles	154	158
(Profit) on disposal of fixed assets	(101)	(3)

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

4. Employees

The average number of persons employed by the Group (including executive directors) during the year, analysed by category, was as follows:	**2024** Number	**2023** Number
Production/operations/technical	780	747
Sales	88	104
Administration	132	132
	1,000	983

The aggregate payroll costs of these employees were as follows:	**2024** (€'000)	**2023** (€'000)
Wages and salaries	73,025	66,875
Social welfare costs	6,514	6,291
Retirement benefit and related costs	3,232	2,812
Other costs	3,784	3,063
Total employee costs	86,555	79,041
Long term incentive plan paid during the year	134	–
Total payroll related costs	86,689	79,041

Other costs include health insurance and other benefits paid. Total wages and salary costs included above that were capitalised during the year were €1.1m (2023: €1.2m).

5. Interest

	2024 (€'000)	**2023** (€'000)
Other Interest receivable and similar income:		
Interest receivable on bank deposits	633	215
	633	215
Interest payable and similar charges:		
Interest payable on bank loans and overdrafts wholly repayable greater than five years	(3,595)	(4,076)
	(3,595)	(4,076)
Other finance income - retirement benefit and other:		
Retirement benefit finance (Note 17)	83	97

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

6. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity	**2024** (€'000)	**2023** (€'000)
(a) Tax on profit		
Current tax:		
Corporation tax on profit for the year	7,614	4,569
Adjustments in respect of prior years	314	(748)
Group current tax	7,928	3,821
Share of joint ventures' current tax	–	3
Total current tax	7,928	3,824
Deferred tax:		
Origination and reversal of timing differences	111	820
Recognition of tax losses	(1,177)	–
Adjustments in respect of prior years	–	–
Total deferred tax	(1,066)	820
Tax on profit	6,862	4,644
(b) Tax included in Consolidated Statement of Other Comprehensive Income ("OCI")		
Related to net actuarial gain on retirement benefit scheme	(34)	21
Total tax (credit)/charge recognised in OCI	(34)	21
(c) Factors affecting the total tax charge		
The tax assessed for the year is different from the standard rates of corporation tax in Ireland. The differences are explained below:		
Profit before tax	21,025	15,964
Profit multiplied by the Irish standard rate of tax 12.5%	2,628	1,995
Effects of:		
Tax depreciation in year in deficit of depreciation	2,338	800
Intangibles amortisation in excess of tax deduction	183	553
Tax exempt earnings and credits	371	(931)
Effect of tax rates in foreign jurisdictions	3,067	2,071
Expenses not deductible for tax purposes	836	1,669
Adjustments in respect of prior years	314	(748)
Recognition of tax losses	(1,177)	–
Others	(1,698)	(765)
Total Group tax	6,862	4,644

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

6. Taxation (Continued)

(d) Factors that may affect future tax charges

The Group has tax losses and credits arising in Ireland of €2m that are available indefinitely for offset against future taxable profits of those companies in which losses and credits arose and are recognised as part of current assets either falling due within one year or after more than one year based on management's estimation on timing of recoverability.

Current or deferred tax assets are not recognised in respect of losses that arise in certain subsidiaries if there is insufficient certainty as to the timing of the ultimate utilisation of such tax losses.

The Group's overseas tax rates are higher than those in the Republic of Ireland primarily because the profits earned by the Synergy division are taxed at headline rates of 26.28% in the US and 25% in the UK. For 2025 these headline rates are projected to be 26.44% and 25% respectively.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint venture as the Group has no commitment to repatriate funds that will be subject to taxation in Ireland in the foreseeable future.

As the Group's Turnover does not exceed the BEPs Pillar II threshold of €750m the legislation introduced in Ireland effective as of 1 January 2024 has no immediate impact on the Group. However, management continue to review and analyse the potential impact of BEPs Pillar II.

(e) Deferred tax The deferred tax included in the statement of financial position is as follows:	**2024** (€'000)	**2023** (€'000)
Included in debtors (note 11)	1,869	590
Included in provision for liabilities (note 15)	(10,315)	(9,661)
	(8,446)	(9,071)
Deferred tax is recognised on the following:		
Accelerated capital allowances and tax depreciation	(15,737)	(13,275)
Arising on pension asset	(270)	(304)
Tax amortisation of goodwill and intangibles less than book amortisation	(262)	(1,186)
Recognition of tax losses	1,581	–
Other timing differences/expenses	6,242	5,694
	(8,446)	(9,071)
The movement in the deferred tax included in the statement of financial position is as follows:		
At beginning of year - net	(9,071)	(8,321)
Deferred tax credit to income statement for the year	(368)	87
Deferred tax credit/(charge) to the statement of other comprehensive income for the year	34	(21)
Recognition of tax losses	1,177	–
(Utilisation) of tax losses in the year	257	(907)
Adjustments in respect of prior years'	–	–
Exchange adjustment	(475)	91
Provision at end of year - net	(8,446)	(9,071)

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

7. Intangible Assets

	Goodwill (€'000)	Acquisition related intangible assets (€'000)	Computer software & other intangibles (€'000)	Total (€'000)
Cost:				
At 1 January 2024	96,513	42,769	13,581	152,863
Additions	–	–	1,123	1,123
Transfers	–	–	261	261
Effect of movements in foreign exchange	6,057	2,668	689	9,414
At 31 December 2024	**102,570**	**45,437**	**15,654**	**163,661**
Amortisation:				
At 1 January 2024	70,742	37,037	9,067	116,846
Amortised during the year	3,255	2,503	1,289	7,047
Effect of movements in foreign exchange	4,568	2,415	476	7,459
At 31 December 2024	**78,565**	**41,955**	**10,832**	**131,352**
Net book value:				
At 31 December 2024	**24,005**	**3,482**	**4,822**	**32,309**
At 31 December 2023	25,771	5,732	4,514	36,017

Goodwill and other intangibles primarily result from prior acquisitions within the Synergy division. Other intangibles include formulas, process technology and customer relationships separately identifiable at the respective acquisition dates. Goodwill and other intangibles are amortised over their expected useful lives and are also subject to annual impairment testing or more frequently if there are indicators of impairment. The amortisation of Goodwill and Other Intangibles charged to the Consolidated Income Statement in 2024 is €7.0m.

Under FRS 102, investments in ERP systems software are classified as intangible assets.

The recoverable amount of goodwill and intangibles allocated to a cash generating unit (CGU) is determined based on a value in use computation. Goodwill and intangibles acquired in a business combination are allocated to CGU's that are expected to benefit from the business acquisition. Where practically measurable and identifiable, intangible assets are sub-allocated within CGU's at specific location or site level or otherwise they are grouped at a geographical or divisional level.

The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective as they are based on a combination of management's past experience and estimates of future outcomes. Key assumptions include management's estimates of future profitability, cash flow components and discount rates.

Cash flow forecasts, employed for the value in use calculations are for a five-year period approved by management and a terminal value which is applied to year five cash flows. The terminal value reflects the discounted present value of the cash flows beyond year five which is based on projected long term growth rates for the particular market in which the CGU operates. The present value of future cash flows is calculated using a pre-tax discount rate which is based on the Group's weighted average cost of capital (WACC) adjusted to reflect the risks associated with that specific CGU.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

8. Tangible Fixed Assets

	Land & buildings (€'000)	Leasehold improvements (€'000)	Plant & machinery owned (€'000)	Plant & machinery leased (€'000)	Motor vehicles (€'000)	Plant advances (€'000)	Total (€'000)
Cost:							
At 1 January 2024	135,946	8,047	312,300	184	266	3,691	460,434
Additions	900	3,206	18,493	–	–	2,752	25,351
Disposals	(43)	–	(1,049)	–	(120)	–	(1,212)
Transfers	4,049	–	(2,739)	–	–	(1,571)	(261)
Exchange adjustments	3,903	634	4,545	8	(19)	626	9,697
At 31 December 2024	**144,755**	**11,887**	**331,550**	**192**	**127**	**5,498**	**494,009**
Depreciation:							
At 1 January 2024	32,549	870	198,039	172	203	–	231,833
Charged during year	3,275	626	16,635	–	10	–	20,546
Disposals	(17)	–	(967)	–	(99)	–	(1,083)
Exchange adjustments	682	85	2,927	7	(7)	–	3,694
At 31 December 2024	**36,489**	**1,581**	**216,634**	**179**	**107**	**–**	**254,990**
Net book value:							
At 31 December 2024	**108,266**	**10,306**	**114,916**	**13**	**20**	**5,498**	**239,019**
At 31 December 2023	103,397	7,177	114,261	12	63	3,691	228,601

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

9. Financial Assets

Financial Assets	Note	2024 (€'000)	2023 (€'000)
Joint Ventures	(a)	1,004	1,888
Other Financial Assets	(b)	1,427	490
		2,431	2,378

(a) Joint ventures		
At beginning of year	1,888	1,677
Share of profit retained by joint ventures	51	173
Impairment on financial asset	(935)	–
Exchange movements	–	38
At end of year	1,004	1,888

During the year, the Group and its Joint Venture partner took the decision to discontinue the Barbery Limited Joint Venture operation for commercial reasons. Barbery Limited was a 50:50 whey processing joint venture with A.J. & R.G. Barber Limited, a cheese manufacture located in Somerset, England. The voluntary dissolution process is expected to commence formally in early 2025 and is projected to fully complete in approximately twelve months. Management have undertaken an exercise to estimate the future recoverable value of the joint venture asset at 31 December 2024. This has been estimated at €1.004 million, representing its fair value less cost of disposal. As a result, a book value impairment of €0.935 million has been recorded in 2024 through the income statement. The remaining estimated recoverable value of €1.004m is expected to be cash realised in 2025.

(b) Other financial assets	At fair value through profit or loss (€'000)	At cost less impairment (€'000)	Total (€'000)
At 1 January 2023	–	490	490
Additions	–	–	–
Fair value adjustments	–	–	–
At 1 January 2024	–	490	490
Additions	937	–	937
Fair value adjustments	–	–	–
At 31 December 2024	937	490	1,427
Carrying amount at 31 December 2024	937	490	1,427
Carrying amount at 31 December 2023	–	490	490

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

9. Financial Assets (Continued)

(b) Other financial assets (Continued)

The Group's investment in Ornua Co-operative Limited (Ornua) is recognised at the nominal value of the shares held based on the Group's share of "B" ordinary and bonus shares in Ornua at €1 each.

Details of principal subsidiaries and joint ventures are included in note 25 to the financial statements.

During the year, the Group invested in an unquoted fund as a Limited Partner (LP) with a term of 10 years with, subject to satisfying certain conditions, extensions to the term are possible for a further two years. The primary purpose of the fund is to generate financial returns through distributions from the long-term capital appreciation in scale up and commercialisation venture capital investments.

At 31 December 2024, the Group had an outstanding commitment to contribute capital (in cash) of up to US$5,525,000 (2023: €Nil) to an unquoted fund. This commitment can be called upon by the General Partner (GP) in the fund at their discretion, over an investment period of five years with, subject to satisfying certain conditions, extensions in the investment period are possible for a further two years.

The Group has designated this investment (which constitutes an Other Financial Instrument) at fair value through profit and loss. In November 2024, an initial capital investment of $1.0m (€0.9m) was made to the fund. The cost of this initial investment is a reasonable representation of the fair value of the investment at 31 December 2024. Going forward, the Group will determine the fair value of the investment based on the bi-annual fair value assessment performed by the investment manager, on the basis of independent valuation events.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In the absence of a quoted price for a financial asset, or the availability of the price of a recent transaction for a similar asset, fair value is estimated by using a valuation technique.

This investment represents a Level 3 investment.

10. Stocks

	2024 (€'000)	2023 (€'000)
Raw materials	32,920	32,499
Consumable and maintenance stores	7,385	7,844
Finished goods	70,711	58,508
	111,016	98,851

A material portion of the Group's product portfolio is commodity in nature. There is a requirement at period end to review the carrying value or cost of certain stocks and compare this to their estimated selling price less costs to complete and sell (net realisable value or NRV) to ensure that stocks are valued at the lower of cost or NRV. Where the carrying value is greater than the estimated NRV, the Group makes a provision resulting in a charge to the income statement in the period. Should the final selling price less costs to complete and sell exceed the previously estimated NRV then the Group will reverse or credit this to the income statement in the subsequent period. The net charge to the income statement in the year resulting from year end reviews of cost versus NRV together with prior year reversals was €1.2m (2023: €4.1m).

In addition, stocks written off as an expense in the year were €4.9m (2023: €4.3m) for the Group.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

11. Debtors

	2024 (€'000)	2023 (€'000)
Amounts falling due within one year:		
Trade debtors	121,289	112,628
Other debtors, prepayments and accrued income (i)	13,372	13,208
Convertible loan notes	165	189
Derivative financial instruments (note 26)	46	194
VAT receivable – Irish	3,969	2,450
Corporation tax:		
– Irish	749	1,079
– Overseas	3,963	7,050
	143,553	136,798
Amounts due after more than one year:		
Convertible loan notes	166	195
Corporation tax		
– Irish	358	548
Deferred tax		
– Irish	250	171
– Overseas	1,618	419
	2,392	1,333
	145,945	138,131

(i) included within prepayments is €2.6m (2023: €3.0m) relating to carbon credit assets.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

12. Creditors: falling due within one year

	2024 (€'000)	2023 (€'000)
Trade creditors	79,273	71,501
Other creditors including tax and social welfare (see below) (i)	36,404	29,445
Bank loans and overdrafts (note 14)	8,433	8,357
Amounts owed to related companies	369	902
Derivative financial instruments (note 26)	275	59
Long Term Incentive Plan (note15)	8,307	–
	133,061	110,264
Tax and social welfare included in other creditors:		
Corporation tax – Irish	1,092	519
Corporation tax – Overseas	240	658
PAYE	713	865
VAT payable -- Overseas	1,223	73
	3,268	2,115
Social welfare	508	486
	3,776	2,601

(i) included within other creditors is €1.5m (2023: €1.8m) relating to a liability for carbon emissions.

The bank facilities with AIB Bank plc, Bank of Ireland plc, Rabobank Ireland plc and European Investment Bank are secured by Group Composite Guarantees and Indemnities.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

13. Creditors: Falling Due After More Than One Year

	2024 (€'000)	2023 (€'000)
Processing notes	3,215	3,055
Bank loans (note 14)	55,091	70,693
	58,306	73,748

With effect from 1 January 2017 the Board agreed to the introduction of Processing Notes as an alternative to purchasing B shares for suppliers of New Milk i.e. in respect of all New Milk supplied from 1 January 2016. Each processing note costs €1.00 per unit and the Milk Supply Share Scheme requires each milk supplier to hold either 25 B shares or 25 Processing Notes per 1,000 litres of New Milk. The purchase of Processing Notes will rank equally with the purchase of B shares for the purpose of meeting the minimum standard under the Milk Supply Share Scheme.

The Processing notes will be redeemed on ceasing milk supply at the price at the time of purchase or if a supplier wishes to convert Processing Notes to B shares at a future date it is permitted to convert at the prevailing B share price at that date i.e. the price determined from the most recent B share valuation.

14. Bank Borrowings

	2024 (€'000)	2023 (€'000)
Bank overdrafts	26	42
Bank loans – amounts payable by equal instalments:		
Within one year	8,407	8,315
Between one and two years	8,407	8,315
Greater than two years	46,684	62,378
	63,524	79,050

Group loans wholly repayable are secured by a floating charge over the Group's assets.

The Group's bank borrowings are primarily denominated in Euro, US Dollar and Pound Sterling and amounts are borrowed at fixed and floating interest rates. Loans borrowed at floating rates are calculated by reference to Euribor, SOFR or SONIA of 1 to 6 months depending on the currency drawn plus an agreed margin that varies with the Group's net debt to EBITDA ratio. Following the completion, in February 2022, of the refinancing of the Group's multi-currency term and revolving credit facilities, these facilities are available for draw down by the Society and certain subsidiaries and mature in February 2027 with options to extend to February 2028 and February 2029 subject to certain conditions being met.

An amortising term loan facility with EIB was put in place and drawn down in 2019 to part fund the Group's cheese diversification capital project. This loan is repayable in equal instalments over a 10-year period from commencement in February 2022 with the final repayment scheduled for November 2031. Interest rates are fixed for the duration of the term of this facility.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

15. Provisions For Liabilities

		2024 (€'000)	2023 (€'000)
Deferred tax:			
Provision at beginning of year		9,661	9,818
Charge/(Credit) to the income statement for the year		(1,066)	(87)
(Credit)/Charge to the statement of other comprehensive income		34	21
Recognition of tax losses in the prior period		1,177	–
Exchange adjustments		509	(91)
Provision at end of year		10,315	9,661
Other provisions:	Note		
Long Term Incentive Plans (LTIP)	(i)	2,104	6,230
Stability Fund	(ii)	8,615	1,276
		10,719	7,506
(i) LTIP:			
Provision at beginning of year		6,230	4,238
Paid during the year		(134)	–
Current service cost		4,161	2,047
Exchange movements		154	(55)
Provision at end of year		10,411	6,230
Due within one year (Note 12)		8,307	–
Due greater than one year		2,104	6,230

Synergy, the international flavours division of Carbery Group, has a Long-Term Incentive Plan (LTIPs) in place. These plans were implemented with an objective to attract, retain and incentivise senior executives to grow shareholder value of the Synergy business for the long-term benefit of Carbery's shareholders. Phase 1 of the Synergy LTIP was in place since 2008 and allocations to participants under this phase ceased in 2014. Phase 2 commenced in 2015 with allocations to participants commencing the same year. As allocations to participants vest after three years, all allocations in Phase 1 of the scheme had vested in 2017. Phase 1 of the LTIP scheme concluded in 2019, when in accordance with the scheme rules, all vested allocations remaining unsold were fully divested. The final performance period for Phase 2 of the scheme concluded in 2024 with all remaining allocations vesting for payment in 2025. The LTIP is commensurate with similar schemes in various private and public companies and has been put in place under governance oversight by the Remuneration Committee of Carbery Group under independent advice. Benefits associated with the scheme are entirely performance based and are referenced to the additional shareholder value generated over the term of the plan. A provision was made over the lifetime of the plan for the estimated total cost and as 2024 was the final Synergy trading performance year, a final

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

15. Provisions For Liabilities (Continued)

remaining cost for the plan has been determined at €8.3m resulting in a charge of €2.8m being included in the 2024 financial statements. The final allocations under Phase 2 of the LTIP took place in 2022 and as the final performance year was 2024, under the rules of the scheme final disbursements are expected in 2025.

A new LTIP was put in place for performance periods beginning in 2023. The new LTIP scheme retains similar objectives to the previous scheme to ensure the alignment of the interests of Executives and Key Management Personnel with that of the Shareholders. As with the previous scheme, benefits associated with the scheme are entirely performance based and are referenced to the additional shareholder value generated over the term of the plan. Under the new LTIP scheme, each performance period shall last for three financial years, with the performance period for the first allocations under this scheme being 1 January 2023 to 31 December 2025 and second allocations under the scheme being 1 January 2024 to 31 December 2026. Whilst the actual cost of the LTIP cannot be determined until the scheme completion, which is 2025 and 2026, a provision is being made over the lifetime of the plan for the estimated total cost. A charge of €1.4m is included in the 2024 financial statements resulting in an aggregate provision recorded on balance sheet at 31 December 2024 of €2.1m.

(ii) Stability Fund:	**2024** (€'000)	**2023** (€'000)
Provision at beginning of year	1,276	19,860
Increase in the period	8,615	–
Support payments to milk suppliers	(1,276)	(18,584)
Provision at end of year	8,615	1,276
Due within one year	–	1,276
Due greater than one year	8,615	–

It was agreed by the board of Carbery to increase the stability fund by €8.6m during the current year to € 8.6m from which it would make payments at a future date to Carbery's milk suppliers when it is required to lessen the impact of adverse milk price movements. There was € 1.3m (2023: €18.6m) in milk support payments to shareholder suppliers from the stability fund during the current year.

The board believes that, on the basis of recurring market volatility, payments from the stability fund are likely to arise within a three-year period. The parameters governing the payment of the stability fund are such that, in any regard, payment will have to be affected no later than three years from the date of provision. This is on the basis that the supplier co-ops to whom the stability fund will be paid may, at their discretion, request Carbery to effect payment of any balance remaining in the stability fund three years from the date of provision.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

16. Obligations Under Leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 December 2024		31 December 2023	
	Land & buildings (€'000)	**Other** (€'000)	**Land & buildings** (€'000)	**Other** (€'000)
Not later than one year	1,143	355	866	221
Later than one year and not later than five years	4,468	316	3,436	373
Greater than five years	11,150	–	11,795	–
	16,761	671	16,097	594

17. Retirement Benefit Commitments

The Group operates both a defined benefit pension scheme and defined contribution pension scheme for its employees that require contributions to be made to separately administered funds. The schemes are funded by the payment of contributions to separately administered trust funds.

Annual contributions to the defined benefit pension scheme are based on the advice of independent actuaries.

The contributions for funding purposes to the defined benefit pension scheme are determined, using the projected unit credit method, by Mercer who are actuaries to the schemes but are neither officers nor employees of the Group. The most recent actuarial valuation was carried out at 1 January 2023. The contribution made by the Group in respect of the current year was €Nil (2023: €371,000). The actuaries' reports are not available for public inspection but the results are advised to members of the various schemes.

The valuation used for the defined benefit scheme has been based on the most recent actuarial valuation at 1 January 2023 and was updated by Mercer to take account of the requirements of FRS 102 in order to assess the liabilities of the schemes at 31 December 2024 and 31 December 2023. Scheme assets are stated at their market values at the respective statement of financial position dates and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets.

As of 31 December 2013, service costs in respect of future service in the Group's defined benefit scheme terminated. Effective 1 January 2014 there is no further accrual of service in the defined benefit scheme, with all future service being provided in the defined contribution scheme.

The total contributions to the defined benefit scheme in 2025 are expected to be €Nil (2024: €nil).

The Group participates in an industry-wide Irish Co-operative Societies' Retirement Benefit Scheme. This is a multi-employer defined benefit retirement benefit scheme. However, as the underlying assets and liabilities attributable to individual employers cannot be identified on a consistent and reasonable basis, the Group has accounted for the retirement benefit scheme as if it was a defined contribution pension benefit scheme.

An Actuarial Funding Certificate was prepared with an effective date of 1 January 2023 and confirmed that the Scheme satisfied the Funding Standard set out in Section 44(1) of the Pensions Act, 1990 at that effective date. A Funding Standard Reserve Certificate was also prepared with an effective date of 1 January 2023 and confirmed that the Scheme held sufficient additional assets to satisfy the Funding Standard Reserve set out in Section 44(2) of the Pensions Act, 1990 at that effective date.

The financial assumptions relating to the return on investment, the rate of increase in pensionable pay or salaries, and price inflation are outlined in the actuarial valuation report.

The most recent full actuarial valuation of the Irish Co-operative Societies' Retirement Benefit Scheme was carried out on 1 January 2023. The report is available for inspection by Scheme members but is not available to the public.

The current contribution rate is 15.3% of pensionable pay (10.3% employer and 5% employee) for contributory members.

The defined benefit asset comprises €2.2m (2023: €2.4m) from plans that are wholly or partly funded.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

17. Retirement Benefit Commitments (Continued)

The net retirement benefit assets and liabilities are analysed as follows:	**2024** (€'000)	**2023** (€'000)
Scheme assets at fair value:		
Equity instruments	612	578
Debt instruments	15,941	16,836
Cash	115	101
Fair value of scheme assets	16,668	17,515
Present value of scheme liabilities	(14,507)	(15,081)
	2,161	2,434

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

17. Retirement Benefit Commitments (Continued)

The retirement benefit plans have not invested in any of the Group's own financial instruments nor in properties or other assets used by the Group.

The amounts recognised in the income statement and in the Group statement of other comprehensive income for the year are analysed as follows:

Movements in present value of the defined benefit obligation		
Recognised in the income statement	**2024** (€'000)	**2023** (€'000)
Current service cost	–	–
Recognised in arriving at operating profit	–	–
Net income on net defined benefit asset	83	97
Total recognised in the income statement	83	97
Recognised in other comprehensive income	**2024** (€'000)	**2023** (€'000)
Actual (loss)/gain on scheme assets	(432)	778
Less: amounts included in net interest on the net defined benefit liability (Note 5)	56	(159)
	(376)	619
Other actuarial (losses)/gains	54	(939)
Remeasurement (losses) recognised in other comprehensive income (including tax thereon)	(322)	(320)
Financial assumptions		
The major assumptions used by the actuaries are:	**2024** (%)	**2023** (%)
Inflation rate increase	1.80	2.0
Salary rate increase	n/a	n/a
Retirement benefit payment increase	0.00	0.00
Discount rate	3.40	3.40

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member who retires in 2046 at age 65 will live on average a further 24 years after retirement if they are male and a further 26 years after retirement if they are female.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

17. Retirement Benefit Commitments (Continued)

Changes in the present value of the defined benefit obligations are analysed as follows:	2024 (€'000)	2023 (€'000)
At beginning of year	15,081	14,841
Interest cost	496	579
Benefits paid	(994)	(1,416)
Remeasurement adjustments	(76)	1,077
At end of year	14,507	15,081

Changes in the fair value of scheme assets:	2024 (€'000)	2023 (€'000)
At beginning of year	17,515	17,104
Actual (loss)/gain on plan assets	(432)	778
Interest income	579	676
Employer contributions	–	373
Benefits paid	(994)	(1,416)
At end of year	16,668	17,515

Non-current assets	2024 (€'000)	2023 (€'000)
Pension surplus	2,161	2,434
Provisions for liabilities		
Deferred tax	(270)	(304)

The Income Statement and Statement of Other Comprehensive Income pension bookings are recorded as follows:	2024 (€'000)	2023 (€'000)
Pension (deficit)/surplus	(273)	171
Deferred tax	34	(21)
Pension costs and interest	(83)	(470)
	(322)	(320)

The contributions payable by Carbery Group to defined contribution schemes are charged to the income statement in the year in which they relate and amounted to €2.9m (2023: €2.8m) for the year. The amount outstanding at year end was €0.3 (2023: €0.2m).

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

18. Government Grants

	2024 (€'000)	2023 (€'000)
Cost:		
At beginning of year	16,488	16,488
Recognised during the year	60	–
At end of year	16,548	16,488
Amortisation:		
At beginning of year	10,787	10,404
Amortised during the year	386	383
At end of year	11,173	10,787
Net book value:		
At end of year	5,375	5,701
Between one and two years	387	381
Between two and five years	1,523	1,510
In more than five years	3,465	3,810
	5,375	5,701

The Group received a number of grants in 2024 and prior years which are being amortised over the useful economic lives of the tangible assets which they relate to. The cost at beginning of year includes a €5.8m Enterprise Ireland capital grant for the cheese diversification investment in the Ballineen facility that was fully recognised in 2020 (€3.8m) and 2021 (€2.0m).

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

19. Share Capital

	2024 (€'000)	2023 (€'000)
Allotted, called up and fully paid:		
'A' ordinary shares of €1 each	75,805	75,805
'B' ordinary shares of €1 each:		
At beginning of year	10,784	10,744
Issued during the period	47	145
Repurchased during the period	(166)	(131)
Share conversions	7	26
At end of year	10,672	10,784
	86,477	86,589

The Milk Supply Share Scheme was launched for the milk suppliers of the Group's parent Society 'A' shareholders during 2012. The purpose of the Milk Supply Share Scheme is essentially twofold. Firstly, to ensure that Carbery was well positioned to efficiently manage the expected growth in milk supply volumes subsequent to the removal of milk quota limits in 2015 and secondly, to enable milk suppliers share in the future growth of Carbery by the provision of an exit mechanism for suppliers retiring from milk supply in the future.

In 2021 the Board of Carbery introduced the Share Redemption Exit Plan (SREP) as part of the Milk Supply Share Scheme. The purpose of the SREP is to enhance the manner in which long term milk suppliers can share in the equity value being created by Carbery. Under the SREP retiring milk suppliers whose milk has been supplied to Carbery for not less than 20 years will receive an enhanced value (equivalent to one bonus B share for each two B shares held) at retirement for each B share held under the Milk Supply Share Scheme should they apply to have their shares redeemed (and subject to their application being approved by the Board).

During the year 46,553 'B' ordinary shares were issued, 7,401 'B' ordinary shares were converted from processing notes and 166,890 'B' ordinary shares were repurchased by the Society under the terms of the scheme.

Share rights

Voting rights:

'A' ordinary shareholders have full voting rights whilst 'B' ordinary shareholders are entitled only to vote on special resolutions.

Dividends:

'A' ordinary shareholders only have the right to receive dividends.

Winding up:

'A' and 'B' ordinary shareholders rank pari passu in the event of the winding up of the society.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

20. Other Reserves

	Non-distributable capital reserve (€'000)	Deferred translation reserve (€'000)	Cash flow hedge reserve (€'000)	Total (€'000)
At 1 January 2024	1,562	4,692	135	6,389
Translation gain	–	9,265	–	9,265
Change in value of hedge instrument	–	–	(364)	(364)
Reclassifications to retained earnings	(200)	–	–	(200)
At 31 December 2024	1,362	13,957	(229)	15,090

Non-distributable capital reserve

This reserve is used to record increases in the fair value of land, buildings, property, plant and equipment and decreases to the extent such decrease relates to an increase on the same asset. This non-distributable reserve will be released to retained earnings at the end of the remaining useful lives of the tangible assets that have been subject to fair value increases and decreases.

Deferred translation reserve

This reserve represents the exchange movements on foreign currency earnings, investments and borrowings in subsidiary undertakings.

Cash flow hedge reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date. €364,231 is made up of the net movements in cash flow hedges and the effective portion of the forward exchange contracts, net of tax.

Share reserve fund

Also, included in Other Reserves (presented separately in the Statement of Changes in Equity) is a share reserve fund. The balance at 31 December 2024 is €1.9m (2023: €2.7m). This reserve is used to record the premium arising on the subscription of the "B" ordinary shares and on the conversion of processing notes into "B" ordinary shares. This reserve is released when "B" ordinary shares are repurchased by the Society.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

21. Commitments

Future investments and capital expenditure approved by the Committee but not provided for in these financial statements is as follows:

	2024 (€'000)	2023 (€'000)
Contracted for	13,000	12,862
Authorised but not contracted for	17,410	22,737
	30,410	35,599

The Group has outstanding trade related gas forward purchase contracts for GBP £1.1m (€1.3m) at the year end. The fair value of these contracts was (GBP £1.2 m) (€1.5m) at the year end.

Fixed Milk Price Schemes (FMPS)

The Group operated voluntary Fixed Milk Price Schemes (FMPS) to offer all shareholder milk suppliers' price certainty, in the context of fluctuating and volatile market pricing, on a portion of their milk supply.

FMPS 7 commenced on 1 January 2021 and ended on 31 December 2023 and the total volume allocated and subscribed for approximates 3% of the 2020 milk supplied to the Group. FMPS 8 commenced on 1 January 2022 and ends on 31 December 2024 and the total volume allocated and subscribed for approximates 0.001% of the 2021 milk supplied to the Group.

The Group is committed to making the contracted fixed milk price payments under the FMPS but it does not carry any forward market hedging exposure on the sale of the Group's products, associated with the milk supplied under these schemes, as the sale of these products are hedged through the entry into forward sale agreements.

22. Contingencies

(a.) The Group's subsidiary bank borrowings and overdrafts are secured by a Group Composite Guarantee and Indemnity. The Group has guaranteed bank borrowings and overdrafts at year end of €63.5m (2023: €79.1m) and has in addition guaranteed performance bonds and letters of credit at the end of the year totalling €5.1m (2023: €5.1m). The Group has an ongoing funding requirement that is satisfied by bank facilities and trade related working capital facilities. Arising from the provision of these finance facilities the Group has to comply with certain loan covenants and during the year ended 31 December 2024, the Group has been in compliance with these loan covenants. The Group's primary bank facilities comprising term debt, revolving credit facilities (RCFs) and ancillary lines of credit now mature in February 2027.

(b.) The Group has recognised government grants amounting to €5.9m (2023: €5.8m) which may be revoked, rebated or cancelled in certain circumstances set out in the agreements. The Group has provided a parental guarantee for €5.8m to Enterprise Ireland related to an approved capital grant for the cheese diversification investment in the Ballineen facility that was fully recognised in 2020 (€3.8m) and 2021 (€2.0m).

(c.) In accordance with the provisions of Section 357(1(b)) of the Companies Act 2014, the Society has irrevocably guaranteed all liabilities and losses of its Irish subsidiary undertakings, Carbery Food Ingredients Limited, Carbery Cheese Services Limited, Carbery Group Treasury Operations Designated Activity Company, Carbery Investments (Bandon) Limited, Carbery Investments (Barryroe) Limited, Carbery Investments (Drinagh) Limited and Carbery Investments (Lisavaird) Limited in respect of the financial year as are referred to in Part III, Section A, Paragraph 14 of that Act, for purposes of enabling the subsidiaries to claim exemption from the requirement to file their own financial statements with the Registrar of Companies.

Valuable security has not been provided by the Society in respect of the guarantees. The above disclosure has been made merely to comply with statutory requirements concerning the filing exemption referred to, as, in the committee's opinion, the likelihood of crystallisation of the contingency is remote.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

23. Related party transactions and controlling parties

The majority of the Society is controlled and owned by four 'A' shareholders, Drinagh Co-Operative Limited, Bandon Co-Operative Agricultural & Dairy Society Limited, Barryroe Co-Operative Limited and Lisavaird Co-Operative Creamery Limited. The Group sources a substantial part of its raw materials from its 'A' shareholders who in turn source from the "B" shareholders.

During the year ended 31 December 2024, total raw material purchases from the 'A' shareholders were €307.8m (2023: €265.2m). At 31 December 2024, the Group was owed €0.1m (2023: €0.1m) by and owed €71.8m (2023: €61.0m) to its shareholders.

Carbery Food Ingredients Limited purchases whey protein concentrate from its joint venture company, Barbery Limited. Total purchases during the year amounted to €8.6m (2023: €11.9m). Amounts owed from Barbery Limited at 31 December 2024 amounted to €0.6m (2023: amounts owed to Barbery €0.6m) (Note 11).

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within normal market credit terms. The Group has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2024, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2023: €Nil).

Key management personnel

Executive directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. This includes individuals working across the Group and employed in markets in Ireland, UK, Europe and USA.

Total remuneration in respect of these individuals in 2024 (14 Executives) (2023: 16) is made up of the following components:

- Basic salary cost of €3.57m (2023: €3.96m) paid to individuals and which is normally set at market rates for equivalent roles.
- Employer social insurance costs (ancillary to salary costs) which amounted to €0.47m (2023: €0.54m).
- Retirement benefits paid by the employer to provide retirement benefits amounted to €0.51m (2023: €0.39m) for the year.
- Performance related bonus / provision for future LTIP / Other Benefits amounted to €5.17m (2023: €4.28m) for the year.

The total cost of the above components of remuneration in 2024 is €9.72m (2023: €9.17m). Cost attributable to overseas employees has been translated from the local currency to euro at average rates of exchange.

Non-Executive Directors

Total remuneration paid in 2024 to 12 (2023: 9) non-executive directors was €196,542 (2023: €201,122) and together with employer social insurance contributions of €18,735 (2023: €18,074), the total remuneration cost was €215,277 (2023: €219,196).

The majority of the Society is owned by four 'A' shareholders, Drinagh Co-Operative Limited, Bandon Co-Operative Agricultural & Dairy Society Limited, Barryroe Co-Operative Limited and Lisavaird Co-Operative Creamery Limited.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

24. Other Equity

	2024 (€'000)	2023 (€'000)
At beginning of year	17,831	17,831
Issuances	–	–
At end of year	17,831	17,831

During 2022, 17,831,487 "B" shares of €1.00 each were issued to the four "A" shareholders Drinagh Co-Operative Limited, Bandon Co-Operative Agricultural & Dairy Society Limited, Barryroe Co-Operative Limited and Lisavaird Co-Operative Creamery Limited by wholly owned subsidiary companies, Carbery Investments (Bandon) Ltd, Carbery Investments (Barryroe) Ltd, Carbery Investments (Drinagh) Ltd and Carbery Investments (Lisavaird) Ltd. These shares are redeemable, at par, at the separate option of the companies at any time on or after 17 February 2042 by notice in writing to the shareholders and the company.

During the year, €0.891m (2023: €0.892m) was paid in dividends to those "A" shareholders of the 'B' ordinary shares in subsidiary companies.

Notes to the Consolidated Financial Statements (Continued)

for the year ended
31 December 2024

25. Subsidiaries And Joint Ventures

At 31 December 2024 the Society had the following principal subsidiaries:

Principal subsidiaries

Company Name	Nature Of Business	Registered Office	% Voting Rights
Carbery Food Ingredients Limited	Food ingredients and alcohol	Ballineen, Co. Cork	100
Carbery Group Treasury Operations Designated Activity Company	Intercompany financing	Ballineen, Co. Cork	100
Carbery Investments (Bandon) Ltd	Investment Holding	Ballineen, Co.Cork	100
Carbery Investments (Barryroe) Ltd	Investment Holding	Ballineen, Co.Cork	100
Carbery Investments (Drinagh) Ltd	Investment Holding	Ballineen, Co.Cork	100
Carbery Investments (Lisavaird) Ltd	Investment Holding	Ballineen, Co.Cork	100
Carbery Asia PTE Limited	Flavour ingredients	111 North Bridge Road, #06-20 Peninsula Plaza, Singapore 179098	100
Carbery (UK) Limited	Investment holding company	2 Hillbottom Road, Sands Industrial Estate, High Wycombe, Buckinghamshire, UK	100
Synergy Flavours Limited	Flavour ingredients	2 Hillbottom Road, Sands Industrial Estate, High Wycombe, Buckinghamshire, UK	100
Synergy Flavours (Thailand) Limited	Flavour ingredients	888/22 Moo 9 Soi, Roongcharoen, Lieb Klong, Suvarnabhumi Road, Bangpla, Bangplee, Samutprakarn, Thailand 10540	100
Synergy Flavours (Italy) Societa'perAzioni	Flavour ingredients	Strada per i Laghetti, 34015 Muggia, Trieste, Italy	100
Synergy Flavors Inc.	Flavour ingredients	1500 Synergy Drive, Wauconda, Illinois, USA	100
Synergy Flavors NY LLC	Flavour ingredients	1500 Synergy Drive, Wauconda, Illinois, USA	100
Synergy Flavors (OH) LLC	Flavour ingredients	1500 Synergy Drive, Wauconda, Illinois, USA	100
Synergy Flavors Innova LLC	Flavour ingredients	1500 Synergy Drive, Wauconda, Illinois, USA	100
Synergy Aromas Ltda	Flavour ingredients	Rua Jose De Rezende Meirelles, 3835 Santa, Candida, Vinhedo, Sao Paulo, Brazil	100

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 December 2024

25. Subsidiaries And Joint Ventures (Continued)

Joint venture company

Company Name	Nature Of Business	Registered Office	% Voting Rights
Barbery Limited	Manufacture and sale of food ingredients	Maryland Farm, Ditcheat, Shepton Mallet, Somerset, UK	50

All shareholdings consist of ordinary shares.

26. Financial Instruments

	2024 (€'000)	2023 (€'000)
Financial assets measured at cost less impairment		
Unlisted investments	490	490
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	121,289	112,628
Other debtors	18,851	18,286
Loan notes	331	384
Financial liabilities measured at amortised cost		
Trade creditors	(79,273)	(72,404)
Other creditors	(32,628)	(26,846)
Bank overdraft	(26)	(42)
Loans	(63,498)	(79,008)

Cash flow hedges - foreign currency risk

The Group purchases forward foreign currency contracts to hedge currency exposure on highly probable forecast transactions denominated in a foreign currency. The expected future sales and purchases which are hedged are expected to occur throughout 2025 (2023: throughout 2024).

As at 31 December 2024, a net unrealised loss of € 0.4m (2023: gain of €0.5) was included in other comprehensive income in respect of the contracts. This amount which was retained in other comprehensive income at 31 December 2024 and 2023 is expected to mature and affect the income statement in 2025 and 2024 respectively. The amount that was reclassified from equity to the income statement for the periods is disclosed in note 20.

At 31 December 2024, the Group had derivative assets of €0.1m and derivative liabilities of €0.3m.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 December 2024

26. Financial Instruments (Continued)

Carrying amounts and fair values of financial instruments held at fair value

The fair value of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

Financial asset 2024	**Carrying amount 2024** (€'000)	**Fair Value 2024** (€'000)	**Level 1 2024** (€'000)	**Level 2 2024** (€'000)	**Level 3 2024** (€'000)
Derivative asset	46	46	–	46	–
Other Financial Assets (Note 9)	937	937	–	–	937
Total financial assets	983	983	–	46	937
Financial liability 2024					
Derivative liability	275	275	–	275	–
Total financial liabilities at fair value	275	275	–	275	–

Financial asset 2023	**Carrying amount 2023** (€'000)	**Fair Value 2023** (€'000)	**Level 1 2023** (€'000)	**Level 2 2023** (€'000)	**Level 3 2023** (€'000)
Derivative asset	194	194	–	194	–
Total financial assets	194	194	–	194	–
Financial liability 2023					
Derivative liability	59	59	–	59	–
Total financial liabilities at fair value	59	59	–	59	–

Level 2 valuation techniques

The derivative assets and liabilities are valued by reference to current forward exchange rates for contracts with similar maturity profiles.

27. Subsequent Events

There have been no significant events affecting the group after year end.

28. Approval Of The Financial Statements

The Committee approved the financial statements on 14 March 2025.

CARBERY

Ballineen, Co. Cork, Ireland