Easysell Limited

Report & Financial Statements

31 December 2024

Company registration number: C 9778

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General information

Registration

Easysell Limited is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 9778.

Directors

Mr Anthony Fenech
Mr Silvan Fenech
Mr Matthew Fenech

Registered office

TUM Invest Head Office,
Zentrum Business Centre,
Mdina Road,
Qormi QRM 9010,
Malta

Auditors

Grant Thornton
Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2024.

Principal activity

The company's principal activity is to hold and manage immovable property.

Results

The statement of profit or loss is set out on page 5. During the year, the company generated profit before tax of € 1,487,840 (2023: € 1,218,374).

Dividends

During the year ended 31 December 2024, the company declared a dividend amounting to € 1,000,000 (2023: nil).

Financial risk management

The company's activities expose it to a variety of financial risks, which includes credit risk, market risk and liquidity risk, as described in detail in note 25 to these financial statements.

Future developments

The directors expect that the present level of activity will remain the same in 2025. Rental agreements are in place with tenants, ensuring significant occupancy of the premises.

Directors

The names of the directors of the company who held office during the year to date are set out on page 2. In accordance with the company's Memorandum of Articles of Association, the present directors remain in office.

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- as far as the directors are aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap. 386 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 enacted in Malta. This responsibility includes designing, implementing, and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.

Anthony Fenech
Director

Silvan Fenech
Director

30 April 2025

Statement of profit or loss

	Notes	2024	2023
		€	€
Rental income	5	1,748,436	1,771,121
Other operating income	6	171,111	146,603
Administrative and other operating expenses	7	(318,206)	(619,986)
Operating profit		**1,601,341**	**1,297,738**
Other income		-	30,705
Finance costs	8	(113,501)	(110,069)
Profit before tax		**1,487,840**	**1,218,374**
Tax expense	9	(701,713)	(353,362)
Profit for the year	10	**786,127**	**865,012**

Statement of financial position

	Notes	2024	2023
		€	€
Assets			
Non-current			
Investment properties	11	33,367,045	30,500,451
Property, plant and equipment	12	320,630	315,831
		33,687,675	**30,816,282**
Current			
Trade and other receivables	13	429,967	145,290
Amounts due from related parties	14	1,828,586	414,146
Cash and cash equivalents	15	1,544,597	44,285
		3,803,150	**603,721**
Total assets		**37,490,825**	**31,420,003**

Statement of financial position – continued

	Notes	2024	2023
		€	€
Equity			
Share capital		1,164,687	1,164,687
Other equity		6,300,076	6,300,076
Retained earnings		16,642,094	16,855,967
Total equity	16	**24,106,857**	**24,320,730**
Liabilities			
Non-current			
Lease liabilities	18	191,736	191,737
Other financial liabilities	19	6,263,044	2,538,044
Deferred tax liabilities	22	3,318,124	3,031,303
		9,772,904	**5,761,084**
Current			
Trade and other payables	20	294,387	335,613
Amounts due to related parties	21	2,804,559	615,165
Tax payable		512,118	387,411
		3,611,064	**1,338,189**
Total liabilities		**13,383,968**	**7,099,273**
Total equity and liabilities		**37,490,825**	**31,420,003**

The financial statements on pages 5 to 29 were approved, authorised for issue by the board of directors on 30 April 2025 and signed on its behalf by:

Anthony Fenech
Director

Silvan Fenech
Director

Statement of changes in equity

	Share capital €	Retained earnings €	Other equity €	Total €
At 1 January 2024	1,164,687	16,855,967	6,300,076	24,320,730
Profit for the year	-	786,127	-	786,127
Dividends paid	-	(1,000,000)	-	(1,000,000)
At 31 December 2024	**1,164,687**	**16,642,094**	**6,300,076**	**24,106,857**
At 1 January 2023	1,164,687	15,990,955	6,300,076	23,455,718
Profit for the year	-	865,012	-	865,012
At 31 December 2023	**1,164,687**	**16,855,967**	**6,300,076**	**24,320,730**

Statement of cash flows

	Notes	2024	2023
		€	€
Operating activities			
Profit before tax		1,487,840	1,218,374
Adjustments	23	169,180	160,126
Net changes in working capital	23	1,471,974	(350,776)
Taxes paid		(290,185)	(501,949)
Net cash generated from operating activities		**2,838,809**	**525,775**
Investing activities			
Additions to investment properties	11	(2,868,205)	(30,317)
Additions to property, plant and equipment	12	(58,867)	(271,291)
Net cash used in investing activities		**(2,927,072)**	**(301,608)**
Financing activities			
Proceeds from related party	19	1,599,142	-
Loan repayments to related parties		-	(182,000)
Repayment of lease liabilities	18	(10,567)	(10,565)
Net cash generated from (used in) financing activities		**1,588,575**	**(192,565)**
Movement in cash and cash equivalents		1,500,312	31,602
Cash and cash equivalents, beginning of year		44,285	12,683
Cash and cash equivalents, end of year	15	**1,544,597**	**44,285**

Notes to the financial statements

1 Nature of operations

Easysell Limited (the company) was incorporated on 5 July 1988. The company's principal activity is to hold and manage immovable property.

2 Basis of preparation

2.1 General information and statement of compliance with International Financial Reporting Standards (IFRS)

Easysell Limited is a limited liability company incorporated and domiciled in Malta. The registered office is located at TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi QRM 9010, Malta.

The financial statements have been prepared in accordance with the requirements of IFRS, as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and in accordance with the Companies Act, Cap. 386.

The financial statements are presented in euro (€), which is also the company's functional currency.

2.2 Going concern

As of 31 December 2024, the company's current assets exceeded current liabilities by € 192,086 (2023: net current liabilities of € 734,468). As at the same date, the company's total assets exceed its total liabilities by € 24,106,857 (2023: € 24,320,730) and it held € 1,544,597 (2023: € 44,285) in cash and cash equivalents. Furthermore, the company registered a profit after tax of € 786,127 (2023: € 865,012) for the year ended 31 December 2024.

The directors have assessed the appropriateness of the going concern on the basis of cash forecasts prepared by management. These projections indicate that the company will have sufficient resources to meet its obligations as they fall due. The shareholders of the group, of which the company forms part of, have further confirmed their commitment to financially support the company.

At the time of approving these financial statements, the directors have determined that there is reasonable expectation that the company has adequate resources to continue operating for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

3 New or revised Standards or Interpretations

3.1 New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these financial statements and therefore no disclosures have been made.

3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations published by the IASB or IFRIC include.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

None of these Standards or amendments to existing Standards have been adopted early by the Easysell Limited. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The company will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027. The company is not expected to early adopt this new standard.

4 Material accounting policies

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity's material accounting policies in the succeeding pages are appropriate.

4.1 Overall considerations and presentation of financial statements

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income, and expense. The measurement bases are more fully described in the accounting policies below.

The material accounting policies applied by the company are consistent with those used in previous years.

4.2 Presentation of financial statements

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The company has elected to present the statement of profit or loss in one statement.

4.3 Revenue

Revenue is measured at fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the company, and these can be measured reliably.

To determine whether to recognise revenue, the company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The company recognises revenue from the following major sources:

- Rental income from the renting of investment property
- Recharge of expenses

The following specific recognition criteria must also be met before revenue is recognised.

i. Rental income from investment property is recognised in profit or loss on a straight-line basis over the lease term.
ii. Expenses and costs incurred to properties are recharged to tenants in the period in which they are incurred.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by providing the promised services to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in the statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

4.5 Property, plant and equipment

Items of property, plant and equipment are initially recognised at acquisition cost. Subsequently, they are carried at acquisition cost less accumulated depreciation and impairment losses.

Depreciation is calculated, using the straight-line method, to write off the cost of assets over their estimated useful lives on the following bases:

	%
Plant machinery	6.67 – 25
Office furniture and fittings	10

Material residual value estimates and estimates of useful lives are updated as required, but at least annually, whether or not the asset is revalued. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'administrative and other operating expenses'.

Subsequent costs are included in the carrying amount of the asset or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

4.6 Investment properties

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined by a professionally qualified architect/surveyor on the basis of market values.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the de-recognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Rental income and operating expenses from investment property are reported within 'revenue' and 'administrative and other operating expenses'.

4.7 Leases

Company as a Lessee

The company considers whether a contract is or contains a lease at inception of a contract. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (underlying asset) for a period of time in exchange for a consideration'. To apply this definition, the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company,
- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the company has the right to direct the use of the identified asset throughout the period of use. The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

Measurement and recognition of lease

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit or loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, the company has opted to disclose right-of-use asset as part of the investment properties, and lease liabilities as a separate financial statement line item.

Company as a Lessor

Leases for which the company is a lessor continue to be classified as finance or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

When the company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leased assets are presented in the statement of financial position according to their nature and are tested for impairment in accordance with the company’s accounting policy on impairment. Depreciable leased assets are depreciated in accordance with the company’s accounting policy on depreciation. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

4.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

• amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

The company does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

• the entity's business model for managing the financial asset; and
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of profit or loss are presented within 'finance income (cost)'.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

The company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

The company's financial liabilities include loans due to related parties, trade and other payables and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designates a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the statement of profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

4.9 Income taxes

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the company and it is probable that reversal will not occur in the foreseeable future.

In addition, tax losses available to be carried forward are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised directly in equity, in which case the related deferred tax is also recognised in equity.

4.10 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting period.

4.11 Impairment of non financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the company's management estimates expected future cashflows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cashflows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the company's management.

Impairment losses are recognised immediately in the statement of profit or loss. Impairment losses for cash-generating units are charged pro-rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.12 Significant management judgements in applying accounting policies and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

Significant management judgement

The following is the significant management judgement in applying the accounting policies of the company that has the most significant effect on the financial statements.

Determining whether an arrangement contains a lease

The company uses judgment in determining whether an arrangement contains a lease, based on the substance of the arrangement and makes assessment of whether it is dependent on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the company.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the company. The carrying amounts are analysed in notes 11 and 12. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Fair value of investment properties

The company uses the services of professional valuers to revalue the investment properties. The professional valuers consider market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g., the location or size of a property).
- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g., the zoning regulations applicable to a property).

- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. As described in note 11, the company uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of the investment properties. Detailed information regarding these valuation methods and key assumptions used in performing such valuations are described in note 11.

5 Revenue

	2024	2023
	€	€
Rental income	**1,748,436**	**1,771,121**

6 Other operating income

	2024	2023
	€	€
Sundry charges	20,257	14,859
Recharges of expenses	150,854	131,744
	171,111	**146,603**

7 Administrative and other operating expenses

	2024	2023
	€	€
Wages and salaries	26,206	51,822
Social security costs	13,208	18,119
Wages and salaries recharged by related parties	46,498	66,934
Audit fees	10,200	9,500
Water and electricity	14,428	186,053
Repairs and maintenance	47,175	67,615
Other expenses	160,491	219,943
	318,206	**619,986**

The company had an average of 2 (2023: 4) employees during the year under review.

8 Finance costs

	2024	2023
	€	€
Interest on loans	97,807	99,531
Interest on lease liabilities	10,566	10,538
Interest on preference shares	5,128	-
	113,501	**110,069**

9 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the company at 35% and the tax expense recognised in the statement of profit or loss can be reconciled as follows:

	2024 €	2023 €
Profit before tax	1,487,840	1,218,374
Tax rate	35%	35%
Expected tax expense	**(520,744)**	**(426,431)**
Adjustments for the tax effects of:		
Non-deductible expenses	(91,610)	(137,078)
Income taxed on different basis at different rates	135,407	173,364
Revaluation of investment property	(286,821)	-
Other	62,055	36,783
Actual tax expense, net	**(701,713)**	**(353,362)**
Current tax expense	(414,892)	(352,020)
Deferred tax expense	(286,821)	(1,342)
	(701,713)	**(353,362)**

10 Profit for the year

The profit for the year is stated after charging the following:

	2024 €	2023 €
Auditor's remuneration	**10,200**	**9,500**

11 Investment properties

	Building €	Right-of-use asset €	Total €
Cost			
At 1 January 2023	30,282,716	195,452	30,478,168
Additions resulting from subsequent expenditure	30,317	-	30,317
At 31 December 2023	**30,313,033**	**195,452**	**30,508,485**
At 1 January 2024	30,313,033	195,452	30,508,485
Additions resulting from subsequent expenditure	2,868,205	-	2,868,205
At 31 December 2024	**33,181,238**	**195,452**	**33,376,690**
Accumulated Depreciation			
At 1 January 2023	-	6,427	6,427
Depreciation for the year	-	1,607	1,607
At 31 December 2023	**-**	**8,034**	**8,034**
At 1 January 2024	-	8,034	8,034
Depreciation for the year	-	1,611	1,611
At 31 December 2024	**-**	**9,645**	**9,645**
Carrying amount			
At 31 December 2024	**33,181,238**	**185,807**	**33,367,045**
At 31 December 2023	**30,313,033**	**187,418**	**30,500,451**

The company continued to develop its investment properties during the year. Additions for the year consisted of new acquisition of property and modifications to current properties held. The right-of-use asset pertains to ground rents payable on the land over which the property is constructed. The remaining term of the lease is until 30 April 2138.

Investment properties are revalued by professionally qualified architects or surveyors based on assessments of the fair value of the property in accordance with international valuations standards and professional practice.

In the years where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary. The most recent valuation has been reflected in the 2020 financial statements. For property held, the current use equates to the highest and best use.

Rental income derived from the investment property amounted to € 1,748,436 (2023: € 1,771,121). Direct operating expenses incurred in the generation of this rental income amounted to € 270,753 (2023: € 534,918).

The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements.

The company's investment properties have been determined to fall within level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in note 4.10.

The company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

Description of valuation techniques used and key inputs to valuation of investment properties

The valuation was determined based on the income approach (discounted projected cash flows, "DCF"). Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including a terminal value. This method involves the projection of cash flows to which a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. Rental values and rent growth rates have been determined based on contractual agreements currently in place used as a benchmark for the calculation of the terminal value.

	Valuation technique	**Significant unobservable inputs**	**Range**	**Narrative sensitivity**
Investment properties	Income approach	Discount rate	6%	The higher the discount rate, the lower the fair value
		Rental value per square meter	€93	The higher the price per square meter, the higher the fair value
		Rent growth per annum	2.9%	The higher the rent growth, the higher the fair value

Sensitivity analysis

	Change in rate	**Change in value €'million**
Discount rate sensitivity	1%/(1%)	(5.6)/8.5
Rental value per square meter sensitivity	+5%/(5%)	1.5/1.5

12 Property, plant and equipment

	Plant and machinery	Office furniture and fittings	Total
	€	€	€
Cost			
At 1 January 2023	66,464	66,001	132,465
Additions	233,691	37,600	271,291
At 31 December 2023	**300,155**	**103,601**	**403,756**
At 1 January 2024	300,155	103,601	403,756
Additions	15,611	43,256	58,867
At 31 December 2024	**315,766**	**146,857**	**462,623**
Accumulated depreciation			
At 1 January 2023	31,213	8,262	39,475
Depreciation	35,239	13,211	48,450
At 31 December 2023	**66,452**	**21,473**	**87,925**
At 1 January 2024	66,452	21,473	87,925
Depreciation	35,280	18,788	54,068
At 31 December 2024	**101,732**	**40,261**	**141,993**
Carrying amount			
At 31 December 2024	**214,034**	**106,596**	**320,630**
At 31 December 2023	**233,703**	**82,128**	**315,831**

13 Trade and other receivables

	2024	2023
	€	€
Trade receivables	36,195	14,623
Other receivables	380,598	105,322
Financial assets	**416,793**	**119,945**
Advanced payments	13,174	25,345
Total trade and other receivables	**429,967**	**145,290**

Trade receivables are non-interest bearing and are generally on terms of 30 days. As at 31 December, no receivable balance was past due.

Included with other receivables, the company has in place deposits made in respect of guarantees amounting to € 71,360 (2023: € 71,360).

14 Amounts due from related parties

	2024	2023
	€	€
Amount due from ultimate parent company	-	70,158
Amount due from related parties	1,828,586	343,988
	1,828,586	**414,146**

The amounts due from ultimate parent company and related parties are unsecured, interest-free and repayable on demand.

15 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows reconcile to the amounts shown in the statement of financial position sheet as follows:

	2024 €	2023 €
Cash at bank	1,544,597	44,285
Cash and cash equivalents in the statement of cash flows	**1,544,597**	**44,285**

The company did not have any restrictions on its cash at bank balances at year-end.

16 Equity

Share capital	Authorised, issued and called up No. of shares	€
At 1 January 2023 and 31 December 2023 and 2024	500,000	1,164,687

The total authorised numbers of ordinary shares are 500,000 with a par value of € 2.329373 each and all of which are issued and called up at 100%.

Other equity

Other equity represents amounts due to the parent which are repayable exclusively at the option of the company. These amounts are unsecured and interest-free. Capital contribution also includes the impact of discounting on the interest-free loan provided by the parent.

Retained earnings

This reserve represents accumulated retained profits less dividend distribution.

17 Dividends

No dividends were declared and paid to the ordinary shares for the year amounting to € 1,000,000 (2023: nil).

18 Leases

Company as a lessee

Disclosures about right-of-use assets that meet the definition of investment properties are provided in note 11.

Lease liabilities

	2024 €	2023 €
As at 1 January	191,737	191,764
Accretion of interest	10,566	10,538
Payments	(10,567)	(10,565)
Amounts included in non-current liabilities	**191,736**	**191,737**

The total cash outflow leases amount to € 10,567 for the year 2024 (2023: € 10,565). The amounts recognised in the statement of profit or loss as interest expense is disclosed in note 8. No other changes in relation to leases were recorded in the statement of profit or loss.

The maturity analysis of undiscounted lease liabilities is presented below:

	2024 €	2023 €
Within one year	10,567	10,565
Between two-five years	42,262	42,262
After five years	1,141,058	1,151,629
	1,193,887	**1,204,456**

Right-of-use assets	**No of right-of-use assets leased**	**Range of remaining term**	**Average remaining lease term**	**No of leases with extension options**	**No of leases with termination options**
Leased property	1	113 years	113 years	-	1

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2024 for the company were as follows:

	Minimum lease payments			
	Not later than one year €	**Later than one year but not later than five years €**	**Later than five years €**	**Total €**
31 December 2024				
Lease payments	10,567	42,262	1,141,058	1,193,887
Finance charges	(10,536)	(42,159)	(949,456)	(1,002,151)
Net present values	**31**	**103**	**191,602**	**191,736**

	Minimum lease payments			
	Not later than one year €	**Later than one year but not later than five years €**	**Later than five years €**	**Total €**
31 December 2023				
Lease payments	10,565	42,262	1,151,626	1,204,453
Finance charges	(10,565)	(42,165)	(959,986)	(1,012,716)
Net present values	**-**	**97**	**191,640**	**191,737**

Company as a lessor

The company has entered into operating leases on its investment properties consisting of office and warehouses. These leases have terms of between 5 and 20 years. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2024 €	2023 €
Within one year	1,373,234	1,734,980
Between one and two years	1,427,970	1,554,910
Between two and three years	1,427,970	1,532,895
Between three and four years	1,363,474	1,511,412
Between four and five years	1,417,723	1,482,288
More than five years	3,172,931	1,489,275
	10,183,302	**9,305,760**

19 Other financial liabilities

	2024	2023
	€	€
Loan from parent company	2,538,044	2,538,044
Preference shares	3,725,000	-
	6,263,044	**2,538,044**

The loan from parent company due as at 31 December 2024 and 2023 is unsecured, denominated in €, interest free and repayable by 20 June 2029. Discounting at the rate of 3.75% has been applied on this loan. The undiscounted loan due on 20 June 2029 amounts to € 4,500,000 (2023: € 4,500,000).

The company has also provided a corporate guarantee in favour of the bondholders of TUM Finance Plc, to affect the due and punctual performance of all payment obligations under the bond if it fails to do so.

Preference shares are classified as redeemable preference shares. The company has received € 1,599,142 with the remaining balance recorded as part of amounts due from related parties. They are redeemable on the 25 November 2035.

20 Trade and other payables

	2024	2023
	€	€
Trade payables	124,750	151,863
Accruals	61,509	95,947
Security deposits	44,000	44,000
Financial liabilities measured at amortised cost	**230,259**	**291,810**
VAT payable	61,289	43,803
FSS payable	2,839	-
Total trade and other payables	**294,387**	**335,613**

The carrying value of financial liabilities is considered a reasonable approximation of fair value.

21 Amounts due to related parties

	2024	2023
	€	€
Amounts due to ultimate parent company	912,409	11,075
Amounts due to other related parties	1,840,845	196,862
Amounts due to parent company	-	347,327
Amounts due to ultimate shareholder	51,305	59,901
	2,804,559	**615,165**

The amounts owed to ultimate parent company, shareholders, parent company, and other related parties are unsecured, interest-free and repayable on demand.

22 Deferred tax liabilities

	2024	2023
	€	€
Arising on revaluation of investment properties		
Opening balance 1 January	3,031,303	3,029,961
Movement for the year	286,821	1,342
Closing balance as at 31 December	**3,318,124**	**3,031,303**

23 Cash flow adjustments and changes in working capital

The following cash flow adjustments and adjustments to changes in working capital have been made to the profit before tax to arrive at operating cash flow:

	2024	2023
	€	€
Adjustments:		
Interest expense	113,501	110,069
Depreciation	55,679	50,057
	169,180	**160,126**
Net changes in working capital:		
Trade and other receivables	(284,677)	(12,354)
Amounts due from related parties	(391,517)	(46,682)
Amounts due to related parties	2,189,394	(138,483)
Trade and other payables	(41,226)	(153,257)
	1,471,974	**(350,776)**

24 Related party transactions

The parent, intermediate, and ultimate parent company of Easysell Limited are TUM Operations Limited, TUM Finance plc, and TUM Invest Limited respectively. The registered office of these companies is TUM Invest Head Office, Zentrum Business Centre, Mdina Road, Qormi QRM 9010, Malta. The ultimate controlling party is Anthony Fenech.

Related party transactions

During the course of the year, the company entered into transactions with related parties which are detailed below. Furthermore, as outlined in Note 19, the company has also provided corporate guarantee in favour of the bondholders of TUM Finance plc. Other related parties are entities having the same ultimate parent.

	2024			2023		
	Related party activity	Total activity		Related party activity	Total activity	
	€	€		€	€	
Transactions with						
- Parent			%			%
Finance expense	97,807	95,442	100	99,531	99,531	100
Management fee	-	-		120,000	120,000	100
Transactions with						
- Other related parties						
Revenue	1,160,683	1,748,436	66	804,300	1,771,121	45
Salaries re-charged	46,498	46,498	100	66,934	66,934	100
Loans from						
Related party transactions with*:*						
- Parent	2,538,044	2,538,044	100	2,538,044	2,538,044	100

At year end, the company had outstanding balances with the shareholders and other related parties. The amounts due from/to these specific categories of related parties and shareholders at year-end are disclosed in notes 14, 19 and 21 respectively. The terms and conditions in respect of these balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received.

No directors' remuneration was paid during the year.

25 Risk management objectives and policies

The exposures to risk and the way risks arise, together with the company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the company's exposure to financial risks or the manner in which the company manages and measures these risks are disclosed below.

Where possible, the company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way through changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in detail in the notes to the financial statements.

The most significant financial risks to which the company are exposed are described below. See also note 25.4 for a summary of the company's financial assets and liabilities by category.

25.1 Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the company by failing to discharge an obligation. Financial assets which potentially subject the company to concentrations of credit risk consist principally of amounts due from related parties, trade and other receivables and cash at bank.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk with respect to receivables is limited due to credit control procedures and the minimal balance outstanding at year-end. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns (i.e., by customer type). The analysis did not result in material amounts and the company did not recognise any impairment allowance on trade receivables.

The company holds bank account with a local institution. At 31 December 2024, the company held cash and cash equivalents amounting to € 1,544,597 (2023: € 44,285) with a local counterparty with good credit ratings. The amounts held are callable on demand. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet its contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the company.

In measuring credit losses, the amounts due from related parties have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. The company assesses the credit quality of these related parties by taking into account financial position, performance and other factors. Management takes cognisance of the related party relationship with these entities and settlement arrangements in place and does not expect any losses from non-performance or default.

Carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk, as detailed below.

None of the company's financial assets are secured by collateral or other credit enhancements.

	Notes	2024	2023
		€	€
Trade and other receivables	13	416,793	119,945
Amounts due from related parties	14	1,828,586	414,146
Cash at bank	15	1,544,597	44,285
		3,789,976	**578,376**

25.2 Market risk

Foreign currency risk

The company transacts business mainly in euro and had no significant foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the company's exposure to foreign currency risk is considered to be negligible.

Interest rate risk

The company has taken out loans to finance its operations from the related parties as mentioned in note 19. The interest rates thereon and the terms of such borrowings are disclosed accordingly.

Management monitors the movement in interest rates and, where possible, reacts to material movement in such rates by adjusting its selling prices or by restructuring its financing structure.

The carrying amounts of the company's financial instruments carrying a rate of interest at the end of the reporting period are disclosed in the notes to the financial statements.

25.3 Liquidity risk

The company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of lease liabilities, other financial liabilities, trade and other payables, and due to related parties (notes 18, 19, 20 and 21, respectively). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the company's obligations.

Undiscounted contractual cash flows for non-current financial liabilities are disclosed in notes 18 and 19.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash outflows over a twelve-month period. This approach ensures that the company is adequately financed and that no additional financing facilities are expected to be required over the coming year.

The company enjoys the full support of its shareholders and its other related parties. The shareholders' advances are expected to continue to form part of the company's effective financing structures. The directors are therefore confident that the company will be in a position to continue to meet its commitments as and when they fall due.

As at 31 December 2024, the company's financial liabilities have contractual maturities as summarised below.

	Current Within 1 year	Non-current 2 to 5 years	Later than 5 years
	€	€	€
Non-current			
Lease liabilities	31	103	191,602
Loans from related parties	-	-	2,538,044
Preference shares	-	-	3,725,000
	31	**103**	**6,454,646**
Current			
Trade and other payables	230,259	-	-
Amounts due to related parties	2,804,559	-	-
	3,034,818	**-**	**-**

As at 31 December 2023, the company's financial liabilities have contractual maturities as summarised below.

	Current Within 1 year €	Non-current 2 to 5 years €	Later than 5 years €
Non-current			
Lease liabilities	-	97	191,640
Loans from related parties	-	-	2,538,044
	-	**97**	**2,729,684**
Current			
Trade and other payables	291,810	-	-
Amounts due to related parties	615,165	-	-
	906,975	**-**	**-**

25.4 Summary of financial assets and liabilities by category

The carrying amounts of the company's financial assets and liabilities as recognised at the end of the reporting period under review may also be categorised as follows. See note 4.9 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2024 €	2023 €
Current assets			
Financial assets at amortised cost:			
- Trade and other receivables	13	416,793	119,945
- Amounts due from related parties	14	1,828,586	414,146
- Cash and cash equivalents	15	1,544,597	44,285
		3,789,976	**578,376**
Current liabilities			
Financial assets at amortised cost:			
- Trade and other payables	20	230,259	291,810
- Amounts due to related parties	21	2,804,559	615,165
		3,034,818	**906,975**
Non-current liabilities			
Financial assets at amortised cost:			
- Lease liabilities	18	191,736	191,737
- Other financial liabilities	19	6,263,044	2,538,044
		6,454,780	**2,729,781**

26 Capital management policies and procedures

The company's objective when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consist of shareholder's loans disclosed in note 19 and the items presented within equity in the statement of financial position.

The company's directors manage the company's capital structure and make adjustments, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on the recommendations of the directors, the company balances its overall capital structure through the new share issues as well as the issue of new debt.

The company's overall strategy remains unchanged from the prior year.

27 Post-reporting date events

There were no adjusting or significant non-adjusting events between the end of the reporting period and the date of authorisation by the directors.

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Independent auditor's report

To the shareholders of Easysell Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Easysell Limited set out on pages 5 to 29 which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of changes in equity and statement of cashflows and notes to the financial statements for the period then ended, including material accounting policies information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. 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.

Other information

The directors are responsible for the other information. The other information comprises the directors' report shown on pages 3 and 4 which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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 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.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The Principal on the audit resulting in this independent auditor's report is Sharon Causon.

Sharon Causon (Principal) for and on behalf of
GRANT THORNTON
Certified Public Accountants

Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

30 April 2025