Smartcare Holdings Ltd

Report & Financial Statements

31 December 2024

Company registration number: C 90121

Contents

Director's report

The director presents his report and the audited financial statements for the year ended 31 December 2024.

Principal activity

The principal activity of the company is to hold shares in group companies and interest in other companies.

Review and results of business

During 2024 and 2023, the company did not receive dividend income from its subsidiary.

Director

Mr Andrew Debattista Segond has served as director of the company during the year under review.

In accordance with the company's Articles of Association, the present director remains in office.

Disclosure of information to the auditor

At the date of making this report, the director confirms the following:

- As far as the director is 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 director has taken all steps that he ought to have taken as a director in order to make himself 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 director's responsibilities

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

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap. 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. He is also responsible for safeguarding the assets of the company and 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.

Andrew Debattista Segond
Director

Registered address:
326, Mdina Road
Qormi
Malta

24 April 2025

Statement of profit or loss

	Notes	2024	2023
		€	€
Management fee income	5	4,865	15,905
Administrative expenses		(5,042)	(15,905)
Loss for the year	6	**(177)**	-

Statement of financial position

	Notes	2024	2023
		€	€
Assets			
Non-current			
Investment in subsidiary	7	249,999	249,999
Loan receivable	8	1,440,223	1,435,367
		1,690,222	**1,685,366**
Current			
Receivables	9	765,331	765,331
Cash and cash equivalents	10	914	1,127
		766,245	**766,458**
Total assets		**2,456,467**	**2,451,824**

Statement of financial position - continued

	Notes	2024	2023
		€	€
Equity			
Share capital	11	2,374,526	2,374,526
Accumulated losses		(15,675)	(15,498)
Total equity		**2,358,851**	**2,359,028**
Non-current			
Loan payable	12	78,891	76,896
		78,891	**76,896**
Current			
Trade and other payables	13	18,725	15,900
		18,725	**15,900**
Total liabilities		**97,616**	**92,796**
Total equity and liabilities		**2,456,467**	**2,451,824**

The financial statements on pages 4 to 20 were approved, authorised for issue and signed by the director on 24 April 2025.

Andrew Debattista Segond
Director

Statement of changes in equity

	Share capital €	Accumulated losses €	Total equity €
At 1 January 2024	2,374,526	(15,498)	2,359,028
Loss for the year	-	(177)	(177)
At 31 December 2024	**2,374,526**	**(15,675)**	**2,358,851**
At 1 January 2023	2,374,526	(15,498)	2,359,028
Profit for the year	-	-	-
At 31 December 2023	**2,374,526**	**(15,498)**	**2,359,028**

Statement of cash flows

	Notes	2024	2023
		€	€
Cash flows from operating activities			
Loss before tax		(177)	-
Adjustments	14	(3,270)	-
Net changes in working capital	14	2,734	11,442
Net cash flows (used in) generated from operating activities		**(713)**	**11,442**
Cash flows from investing activity			
Advances from related party		100	-
Advances to related party		-	(6,872)
Net cash flows generated from (used in) investing activity		**100**	**(6,872)**
Cash flows from financing activity			
Advances from related party		400	-
Payments to related party		-	(4,580)
Net cash flows generated from (used in) financing activity		**400**	**(4,580)**
Net change in cash and cash equivalents		(213)	(10)
Cash and cash equivalents, beginning of the year		1,127	1,137
Cash and cash equivalents, end of the year	10	**914**	**1,127**

Notes to the financial statements

1 Nature of operations

Smartcare Holdings Ltd (the 'company') was incorporated on 7 January 2019. The principal activity of the company is the holding of shares and other ownership interests in other companies. The company serves as the ultimate holding company of the Smartcare Group of Companies.

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

Smartcare Holdings Ltd, a private limited liability company, is incorporated and domiciled in Malta. The registered office is located at 326, Mdina Road, Qormi, Malta.

The ultimate beneficial owner of Smartcare Holdings Ltd is Mr Andrew Debattista Segond.

The company prepares consolidated financial statements which are filed together with these separate financial statements and are available for public inspection at the Malta Business Registry. Accordingly, these financial statements present information about the company as an individual undertaking and not about its group.

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

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

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 have been 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 company. 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 below are appropriate.

4.1 Overall considerations and presentation of financial statements

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

The accounting policies are consistent with those applied in previous years.

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The company did not have any items classified as 'other comprehensive income' and consequently, management has elected to present only a statement of profit or loss.

4.2 Income and expense recognition

Dividend income from investments is recognised at the time the right to receive payment is established.

Management fee is charged in relation to the administrative functions rendered by the company to its related parties.

Administrative expenses are recognised in the statement of profit or loss upon utilisation of the service or at the date of their origin.

4.3 Investment in subsidiary

Investment in subsidiary is included in the company's statement of financial position at cost less any impairment loss that may have arisen. Dividend income from investment in subsidiary is recognised only to the extent of distributions received by the company from post-acquisition profits. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognised as a reduction of the cost of the investment.

At the end of each reporting period, the company reviews the carrying amount of its investment in subsidiary to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in the statement of profit or loss.

4.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial 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 expires.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets other than those designated and effective as hedging instruments, are classified into the following categories:

• amortised cost;
• fair value through profit or loss (FVTPL); or
• 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' and 'finance costs', except for impairment of receivables which is presented within 'administrative expenses'.

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 most 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 loss – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements include loans and receivables.

The company considers a broad range of information when assessing credit risk and measuring expected credit loss, including past events, current conditions, and 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 loss is determined by a probability-weighted estimate of credit loss over the expected life of the financial instrument.

Receivables

The company makes use of a simplified approach in accounting for expected credit losses on receivables. 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 their historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics. Refer to note 16.1 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

The company's financial liabilities include loans payable and trade and other payables.

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 profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss are included within 'finance income (cost)'.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise demand deposits with banks.

4.6 Equity and dividend distributions

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current and prior period results as disclosed in the statement of profit or loss less dividend distributions.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included with short-term financial liabilities when the dividends are approved in a general meeting prior to the end of the reporting period.

4.7 Provisions and contingent liabilities

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the company, and they can be measured reliably. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, such as product warranties, legal disputes or onerous contracts. Provisions are not recognised for future operating losses. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term obligations are discounted to their present values, where the time value of money is material.

Any reimbursement that the company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting period and adjusted to reflect the current best estimate of management.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.8 Significant management judgements in applying accounting policies and estimation uncertainties

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Except as disclosed below, in the opinion of the director, 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 judgements

Measurement of the expected credit loss

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviours.

A number of significant judgements are required when measuring the ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL; and
- establishing the number and relative weightings of forward-looking scenarios and associated ECL.

5 Revenue

	2024 €	2023 €
Management fee income	4,865	15,905

6 Loss for the year

The loss for the year is stated after charging:

	2024 €	2023 €
Auditor's remuneration	1,900	1,750

7 Investment in subsidiary

Movement in the company's investment in subsidiary is as follows:

	2024 €	2023 €
At 1 January and 31 December	**249,999**	**249,999**

At 31 December 2024 and 2023, Smartcare Holdings Ltd has investment in the following subsidiary:

Name of company	Description of shares	% Holding 2024	% Holding 2023	Nature of business
Smartcare Finance p.l.c.	Ordinary shares of €1 each	99.99	99.99	Financing and holding company

At 31 December 2024 and 2023, the company has indirect investments in the companies mentioned below through its shareholding in Smartcare Finance p.l.c.:

Name of company	Description of shares	% Holding 2024	% Holding 2023	Nature of business
Smartcare Group Investments Ltd	Ordinary shares of €1 each	100	100	Holding company
Smartcare Developments Ltd	Ordinary shares of €1 each	100	100	Acquire, develop and sell property
Segond Boutique Hotels Limited	Ordinary shares of €1 each	100	100	Accommodation
Smartcare Pinto Ltd	Ordinary shares of €1 each	100	100	Care home service
Smartcare Properties Limited	Ordinary shares of €1 each	100	100	Acquire, develop and sell property
Smart Suites Limited	Ordinary shares of €1 each	100	100	Non trading

The registered addresses and principal place of business of the above mentioned companies is 326, Mdina Road, Qormi, Malta.

8 Loan receivable

	2024 €	2023
Loan receivable from subsidiary	1,440,223	1,435,367
	1,440,223	**1,435,367**

The loan receivable from subsidiary is unsecured, interest-free, has no fixed date of repayment and has a limit of € 2,000,000.

9 Receivables

	2024 €	2023 €
Amounts due from related parties	779,169	779,169
Expected credit loss	(13,838)	(13,838)
Total receivables	**765,331**	**765,331**

Amounts due from related parties are unsecured, interest-free and repayable on demand.

The carrying values of financial assets are considered a reasonable approximation of fair value.

No increase in expected credit loss was necessary.

The movement in the expected credit loss is presented below:

	2024 €	2023 €
At 1 January and 31 December	**13,838**	**13,838**

The company continuously monitors defaults of counterparties and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy counterparties.

The company's management considers that all the above financial assets that are not impaired or past due are of good credit quality.

10 Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2024 €	2023 €
Cash at bank	**914**	**1,127**

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

11 Share capital

The share capital of Smartcare Holdings Ltd consists only of ordinary shares with a par value of € 1. All shares are equally eligible to receive dividends and repayment of capital and represent one vote at the shareholder's meeting of the company.

	2024 €	2023 €
Shares authorised, issued and fully paid at 31 December		
2,374,526 Ordinary shares at € 1 each	**2,374,526**	**2,374,526**

12 Loan payable

	2024 €	2023
Loan payable to group company	78,891	76,896
	78,891	**76,896**

The loan payable to group company includes an amount of € 78,891 (2023: € 76,896) which is unsecured, interest-free, has no date of repayment and has a limit of € 100,000.

13 Trade and other payables

	2024	2023
	€	€
Trade payables	64	9,055
Amounts due to group companies	13,115	3,215
Accruals	5,546	3,630
Total trade and other payables	**18,725**	**15,900**

Amounts due to group companies are unsecured, interest-free and repayable on demand.

Financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

14 Cash flow adjustments and net changes in working capital

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

	2024	2023
	€	€
Adjustments:		
Management fee income from subsidiary	(4,865)	-
Expenses recharged from group company	1,595	-
	(3,270)	-
Net changes in working capital:		
Receivables	-	8,850
Trade and other payables	2,734	2,592
	2,734	11,442

15 Related party transactions

All companies forming part of Smartcare Group of Companies, entities ultimately owned by Mr. Andrew Debattista Segond, ultimate beneficial owner and key management personnel are considered by the director to be related parties.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related companies are generally effected on a cost plus basis. Outstanding balances are usually settled in cash. Amounts due from/to related parties are shown separately in notes 8, 9, 12 and 13.

Details of transactions between the company and its related companies are disclosed below.

15.1 Transactions with related parties

	2024	2023
	€	€
Management fee income from subsidiary	4,865	15,905
Expenses recharged from group company	1,595	2,592

16 Risk management objectives and policies

The company is exposed to various risks in relation to financial instruments. The company's financial assets and liabilities by category are summarised in note 16.4. The main types of risks are credit risk, liquidity risk and market risk.

The company's business involves taking on risks in a targeted manner and managing them professionally. The cost functions of the company's risk management are to identify all key risks for the company, measure these risks, manage the risk positions and determine capital allocations. Management regularly reviews the policies and systems in place to reflect changes in markets, products and best market practice. The company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the company's financial performance. The company defines risk as the possibility of losses or profits forgone, which maybe be caused by internal or external factors.

The most significant financial risks to which the company is exposed are described below.

16.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the company.

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Notes	2024	2023
		€	€
Classes of financial assets – carrying amounts			
- Loan receivables	8	1,440,223	1,435,367
- Receivables	9	765,331	765,331
- Cash and cash equivalents	10	914	1,127
		2,206,468	**2,201,825**

Credit risk with respect to receivables is internally contained as the receivables are due from group companies with no past default experience and considered to be creditworthy counterparties. In view of this, management considers that the receivables are fully recoverable and not impaired.

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. None of the company's financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered negligible, since the counterparty is a reputable bank with whom the company enjoys a healthy commercial relationship and has high quality external credit ratings.

Bank balances at year end are mainly held with a reputable local financial institution. Management considers that expected credit loss on bank balances is not significant.

The company applies IFRS 9 simplified model of recognising expected credit losses for all receivables as these items do not have a significant financing component.

In measuring expected credit loss, 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.

Based on the length of time a receivable is outstanding, counterparty's payment history as well as current and forward-looking information on macroeconomic factors affecting the counterparty's ability to pay, management concluded that the credit quality of receivables including those that are past due but not impaired to be good. The company provided for an expected credit loss on its related party balances amounting to € 13,838 (2023: € 13,838).

16.2 Liquidity risk

As at 31 December 2024 and 2023, the company's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Notes	Current Within 1 year €	Non-current 2 to 5 years €	later than 5 years €
31 December 2024				
Trade and other payables	13	18,725	-	-
Loan payable	12	-	-	78,891
		18,725	-	**78,891**
31 December 2023				
Trade and other payables	13	15,900	-	-
Loan payable	12	-	-	76,896
		15,900	-	**76,896**

16.3 Market risk

Foreign currency risk

The company transacts business mainly in euro and had no foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the company is not exposed to foreign currency risk.

Interest rate risk

The company does not have any significant banking or other variable interest-bearing borrowing facilities and therefore is not subject to interest rate fluctuations.

16.4 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 4.4 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2024 €	2023 €
Non-current assets			
Loan receivable	8	**1,440,223**	**1,435,367**
Current assets			
Financial assets at amortised cost:			
- Receivables	9	765,331	765,331
- Cash and cash equivalents	10	914	1,127
		766,245	**766,458**
Non-current liabilities			
- Loan payable	12	**78,891**	**76,896**
Current liabilities			
Financial liabilities at amortised cost:			
- Trade and other payables	13	**18,725**	**15,900**

17 Contingent liabilities

The company serves as a guarantor of Smartcare Finance p.l.c.'s debt securities in issue.

18 Capital management policies and procedures

The company's objectives when managing capital, which is a broader concept than the 'equity' on the statement of financial position, are:

- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for the shareholder and benefits to other stakeholders; and
- to maintain a strong capital base to support the development of its business.

Accordingly, the purpose of the company's capital management is essentially that of ensuring efficient use of capital taking cognisance of the company's risk appetite and profile as well as its objectives for business development.

19 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation by the director.

Grant Thornton

Grant Thornton Malta
Fort Business Centre, Level 2
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD1050 Malta
T +356 20931000

Independent auditor's report

To the shareholders of Smartcare Holdings Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Smartcare Holdings Ltd set out on pages 4 to 20 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 cash flows for the year then ended, and notes to the financial statements, 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 year 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 director is responsible for the other information. The other information comprises the director's report shown on pages 2 to 3 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 director's report, we also considered whether the director's 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's 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 director's 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 director is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The director is 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.

Grant Thornton

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.

Grant Thornton

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

24 April 2025