

DINO FINO FINANCE P.L.C.

Annual Report and Separate Financial Statements

For the period 23 August 2021 to 31 December 2022

Company Registration Number: C 100038

DINO FINO FINANCE P.L.C.

Annual report and financial statements

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Directors' Report

For the period 23 August 2021 to 31 December 2022

The directors present their annual report and the audited financial statements of DINO FINO FINANCE P.L.C. (the "Company") for the period 23 August 2021 to 31 December 2022. The company is a registered public limited liability company under the companies Act (Cap.386) with registration number C 100038.

Principal activity

The principal activity of the Company is to carry on the business of a holding and finance company. The activities of the Company are expected to remain consistent in the foreseeable future.

Review of business

The results for the period are set out in the statement of comprehensive income on page 10.

Company results and dividends

During the period under review, the company registered a loss after tax of €202,718. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the period were:

Mr. Benjamin Muscat - Independent Non-Executive Director and Chairman
Ms. Alexia Farrugia - Independent Non-Executive Director
Dr. Austin Gauci Maistre - Non-Executive Director
Mr. Dino Fino - Executive Director
Mr. Giuseppe Muscat - Executive Director

The directors have served on the Board throughout the period and shall continue in office in accordance with the company's Memorandum and Articles of Association.

Disclosure of information to auditor

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

- As far as each 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
- Each director has taken all steps that he/she ought to have taken as a director in order to make himself/herself 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) enacted in Malta, requires the directors to prepare financial statements for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss for that year. In preparing these, the directors are required to:

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

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 the directors 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 what 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.

Statement by the directors on the financial statements

Pursuant to Capital Markets Rule 5.68, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the annual report are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company, and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Auditor

The auditors, Grant Thornton Malta, have expressed their willingness to hold office and a resolution proposing their re-appointment will be put before the members at the annual general meeting.

Signed on behalf of the Board of Directors on 28 April 2023 by Mr. Dino Fino (Executive Director) and Mr. Benjamin Muscat (Chairman and Non-Executive Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered address:

Dino Fino Home + Contract,
Msida Valley Road,
Birkirkara, BKR 9025

Corporate Governance - Statement of Compliance

For the period 23 August 2021 to 31 December 2022

Pursuant to Capital Markets Rules 5.94 and 5.97 issued by the Malta Financial Services Authority (the 'Rules'), Dino Fino Finance P.L.C. (the 'Company') should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Rules (the 'Code'), and accordingly, is hereby reporting on the extent of its adoption of the Code for the year ended 31 December 2022.

The Company became subject to the Rules when its bonds were admitted to listing and subsequent trading on the Malta Stock Exchange, accordingly, this report covers the period commencing 23 August 2021 up to and including the 31 December 2022.

The Company acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders, bondholders and other stakeholders, and that compliance with the Code, is not only expected by investors but also evidences the directors' and the Company's commitment to maintaining a high standard of good governance.

The Company has only issued debt securities which have been admitted to trading on the Malta Stock Exchange, and accordingly, in terms of Rule 5.101, is exempt from reporting on the matters prescribed in Rules 5.97.1 to 5.97.3, 5.97.6 and 5.97.7 in this corporate governance statement (the 'Statement'). It is in the light of this exemption afforded to the Company by virtue of Rule 5.101, that the directors of the Company are herein reporting on the corporate governance of the Company.

The Company confirms that it has complied with all applicable provisions of the Capital Markets Rules 5.94 and 5.97 during the financial period ended 31 December 2022, in accordance with the following:

The Board

The Board is responsible for setting the Company's strategy and overseeing the Company's financial statements and annual report. The Board carries out these duties in a way that ensures effective supervision of the Company's operations and protects the interests of stakeholders, including Bondholders. During the financial year under review, the directors have provided strong leadership in the direction of the Company and fulfilled their responsibilities with honesty, competence, and integrity. Individually and collectively, the directors possess the necessary skills and experience to contribute effectively to the Company's decision-making processes and the implementation of its strategy and policies. The Board is well-informed of the statutory and regulatory requirements relevant to the Company's business. The Board is accountable to shareholders and other stakeholders for its own performance and that of its delegates.

The Chief Executive Officer is a member of the Board, which allows the Board to be given direct information regarding the Company's performance and business activities.

The Company's Chairperson and Chief Executive Officer

The Company has separated the roles of Chairman and CEO, with each role being performed by different individuals. The Chairman's responsibility is to lead the Board and set its agenda. The Chairman ensures that the Board's discussions on any issue are comprehensive and that all Directors' opinions are considered, with decisions based on sufficient and timely information. In addition, the Chairman oversees the CEO's development of a strategy for subsequent approval by the Board.

Board composition

The Board is comprised of three (3) non-executive directors and two (2) executive directors, which is within the maximum limit of seven (7) permitted by the Company's Memorandum of Association. Two of these non-executive directors are independent from the Company. The Board has the responsibility for the Group's overall long-term strategy, as well as the general policies of the Company and its subsidiaries, including Dino Fino Operations Limited and Dino Fino Holdings Ltd. The Board is also responsible for monitoring the Company's control systems and financial reporting, and communicating effectively with the market when necessary. The appointment procedures for directors are clearly outlined in the Company's Articles of Association.

Board responsibilities

The Board recognizes its legal obligation to manage and administer the Company. In fulfilling this obligation and acting as stewards of the Company, the Board takes responsibility for the Company's strategies and decisions regarding the issuance, servicing, and redemption of its outstanding bonds, as well as ensuring that its operations comply with its commitments to bondholders, shareholders, and all applicable laws and regulations. The Board is also accountable for ensuring that the Company establishes and implements efficient internal control and management information systems, as well as effective communication with the market.

Board meetings

The directors convene on a regular basis to evaluate the Company's financial performance and overall strategy. The company secretary provides notice of the meetings to the Board members, along with an agenda circulated in advance of the meeting. During the Board meetings, minutes are produced to record attendance, and any resolutions passed. The Chairman guarantees that all relevant issues are included in the agenda, supported by all available information, and encourages the presentation of views related to the matter at hand. All directors are given the opportunity to contribute to the relevant issues on the agenda. The agenda for the meeting strives to achieve a balance between addressing long-term strategic goals and short-term performance issues.

Information and Professional Development

The Board ensures that each director is informed about the Company's continuous obligations in accordance with the Companies Act (Cap. 386 of the Laws of Malta) and the Rules. To facilitate this, the company secretary, who is responsible for maintaining compliance with Board procedures and promoting effective communication within the Board and the Audit Committee, and the Corporate Advisor, who is

responsible for ensuring compliance with the Company's ongoing obligations as set out in the Rules, provide guidance and assistance to the directors.

Committees

The Board of Directors established an Audit Committee that has the role of overseeing the Board's professional growth, assessing its performance, and handling conflicts of interest. In addition, conflicts of interest are managed according to the provisions of the Company's Articles of Association.

Relations with bondholders and the market

The Company's Annual General Meeting is responsible for proposing and approving various matters in accordance with the Act, such as the Annual Report and Financial Statements, the election of directors and approval of their fees, the appointment of auditors, and authorization of their fees, as well as other special business. In compliance with the Rules, the Company made several announcements during the financial year under review to keep bondholders and the market informed.

Conflicts of interest

It is the duty of the directors to always act in the best interest of the Company and its shareholders and investors. In the event of any actual, potential, or perceived conflict of interest, the director must declare it immediately to the other Board members and the Audit Committee, who will determine if such a conflict exists. The Audit Committee is responsible for ensuring that any potential conflicts of interest are resolved in the best interests of the Company. The directors are regularly reminded of their obligations with regards to dealing in securities of the Company within the parameters of the law and subsidiary legislation and Rules. During the financial year in review, the directors disclosed any private interests or duties that were unrelated to the Company. It has been ensured that these do not create any conflicts of interests or duties towards the Company.

Corporate Social Responsibility

The Company aims to follow ethical principles in its management practices and is dedicated to improving the well-being of all stakeholders of the Company through Corporate Social Responsibility. The Board acknowledges its accountability to the community and the environment in which it operates. The Company also recognizes the importance of preserving the environment and consistently revises its policies to promote environmental stewardship, social responsibility, and accountability.

Non-compliance with the Code

Evaluation of the Board's Performance

The Code suggests the appointment of a committee led by a non-executive director to evaluate the performance of the Board. However, the Board does not view it as essential to establish such a committee, as the performance of the Board is continuously monitored by the Company's shareholder.

Remuneration Committee

The Code advises that the Board should create a policy for the remuneration of directors and senior executives, as well as formal and transparent procedures for developing the policy and setting individual remuneration packages. However, based on the size and nature of the Company's operations, the Board does not see the need for a separate remuneration committee. Instead, the Board assumes the responsibilities of the remuneration committee outlined in Principle Eight A of the Code, as the remuneration of directors is not based on performance.

The shareholders in a general meeting have the authority to approve the maximum annual aggregate emoluments that can be paid to the Directors, in accordance with the Company's Memorandum and Articles of Association.

The remuneration paid to directors is a fixed amount per annum and does not comprise any variable component linked to profit sharing, share options, or pension benefits. The directors are employed with the Company. Total fees of € 67,719 were paid to directors during the period under review.

Nomination Committee

The Code suggests that a formal and transparent procedure should be in place for the appointment of new Directors to the Board, which ensures sufficient information on the candidates' personal and professional qualifications. However, considering the Company's size and nature of operations, the Board believes that a nomination committee is not required.

Institutional Shareholders

The Company does not have any institutional shareholders.

Signed on behalf of the Board of Directors on 28 April 2023 by Mr. Dino Fino (Executive Director) and Mr. Benjamin Muscat (Chairman and Non-Executive Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		2022
ASSETS	Notes	Euro
Non-current assets		
Investment property	4	5,190,310
Property, plant and equipment	5	605
Investment in subsidiaries	6	4,720,000
Trade and other receivables	7	2,049,435

		11,960,350

Current assets		
Trade and other receivables	7	136,130
Cash and cash equivalents		53,403

		189,533

Total assets		12,149,883
		=====
EQUITY AND LIABILITIES		
Equity		
Share capital	8	3,620,000
Shareholder's loan	18	980,435
Loss for the period		(202,718)

		4,397,717

Liabilities		
Non-current liabilities		
Debt securities in issue	9	7,595,425

Current liabilities		
Trade and other payables	10	156,741

Total liabilities	7,752,166
Total equity and liabilities	12,149,883

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

Signed on behalf of the Board of Directors on 28 April 2023 by Mr. Dino Fino (Executive Director) and Mr. Benjamin Muscat (Chairman and Non-Executive Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

STATEMENT OF COMPREHENSIVE INCOME

For the period 23 August 2021 to 31 December 2022

	Notes	From 23 August 2021 to 31 December 2022 Euro
Revenue		390,000
Administrative expenses	11	(118,225)
Depreciation	4,5	(115,042)
Operating profit		156,733
Finance income	12	76,466
Finance costs	12	(435,917)
Loss before tax		(202,718)
Income tax expense	14	-
Loss for the period		(202,718)

STATEMENT OF CHANGES IN EQUITY

For the period 23 August 2021 to 31 December 2022

	Share capital Euro	Accumulated losses Euro	Shareholder's loan Euro	Total Euro
As at 23 August 2021	-	-	-	-
Issue of share capital	3,620,000	-	-	3,620,000
Loss for the period	-	(202,718)	-	(202,718)
Capitalisation of loan	-	-	980,435	980,435
As at 31 December 2022	3,620,000	(202,718)	980,435	4,397,717

STATEMENT OF CASH FLOWS

For the period 23 August 2021 to 31 December 2022

	From 23 August 2021 to 31 December 2022 Euro
Operating activities	
Loss for the period before taxation	(202,718)
Adjustments for:	
Depreciation	115,042
Amortisation of bond issuance costs	21,163
Finance costs	414,754
Finance income	(76,466)

	271,775
Working capital changes:	
Movement in trade and other receivables	(59,664)
Movement in trade and other payables	156,741
Movement in financial assets - other than cash	-
Movement in due to players	-

Net cash provided by operating activities	368,852
Interest payment	(414,754)

Net cash used in operating activities after interest	(45,902)

Investing activities	
Acquisition of investment property	(5,305,257)
Acquisition of property, plant and equipment	(700)
Acquisition of subsidiaries	(1,100,000)

Cash used in investing activities	(6,405,957)

Financing activities	
Proceeds from bond issuance	7,800,000
Issue of share capital	-
Payments to related parties	(1,069,000)
Payments related to bond issuance	(225,738)

Cash generated from financing activities	6,505,262

Net movement in cash and cash equivalents	53,403
Cash and cash equivalents at the beginning of the period	-

Cash and cash equivalents at end of period	53,403
	=====

Notes to the Financial Statements

For the period 23 August 2021 to 31 December 2022

1. General information

DINO FINO FINANCE P.L.C. (the "Company") is a public limited liability company and is domiciled and incorporated in Malta in terms of the Companies Act (Cap. 386).

The principal activity of the Company is to act as a holding company and finance the operations of its subsidiaries.

2. Significant accounting policies

2.1 Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention basis.

2.2 Functional and presentation currency

The financial statements are presented in €, which is also the Company's functional currency.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

2.3 New standards adopted as at 1 January 2022

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted do not have a significant impact on the company's financial results or position. Accordingly, the Company has made no changes to its accounting policies in 2022.

Other standards and amendments that are effective for the first time in 2022 and could be applicable to the Company are:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle):
 - Subsidiary as a First-time Adopter (Amendments to IFRS 1)
 - Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9)
 - Lease Incentives (Amendments to IFRS 16)
 - Taxation in Fair Value Measurements (Amendments to IAS 41).

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

2.4 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 International Accounting Standards Board (IASB). None of these standards or amendments to existing standards have been adopted early by the Company.

Other standards and amendments that are not yet effective and have not been adopted early by the company include:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)

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.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

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 2007).

Estimation uncertainty

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

Useful lives of depreciable assets

Management reviews its estimate of useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain plant and equipment.

2.6 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk: interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Credit risk

The company has no significant concentrations of credit risk. It has policies in place to ensure that wholesales of products are made to customers with an appropriate credit history.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(c) Market risk (interest rate risk)

The Company closely monitors changes in market interest rates and explores various hedging strategies to manage its exposure to interest rate risk. It may employ interest rate swaps or other derivative instruments to lessen the impact of fluctuations in interest rates on its outstanding bonds.

2.7 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.

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 Group does not have any financial assets categorised as FVTPL and FVOCI in the period 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 profit or loss are presented within 'finance costs', 'finance income' or 'other financial items'.

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, trade receivables and most other receivables fall into this category of financial instruments.

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included 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 fair value through profit or loss.

Impairment of financial assets

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader 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.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and debt securities in issue.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designates a financial liability at fair value through profit or loss.

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 profit or loss are included within 'finance costs' or 'finance income'.

Debt securities in issue are recognized initially at fair value, which is the sum of the present value of the principal amount and the present value of the future interest payments.

Debt securities in issue classified as "held to maturity" are measured at amortized cost, using the effective interest method, less any impairment losses. Interest income is recognized using the effective interest rate, which is the rate that exactly discounts the expected cash flows through the expected life of the debt securities in issue.

The fair value of the debt securities in issue is determined based on market prices or other valuation techniques, as appropriate.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits repayable on demand less bank balances overdrawn. Bank balances overdrawn that are repayable on demand and form part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.9 Equity and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity.

Accumulated losses include current period results.

2.10 Investment property

Investment property consists of land or buildings held by the Company for the production of rental income or for capital appreciation, or both. The Company measures investment property at cost less accumulated depreciation and any impairment losses.

Investment property is initially recognized at cost, which includes the purchase price and any directly attributable costs such as legal fees and brokerage commissions. After initial recognition, the Company measures investment property at cost less accumulated depreciation and any impairment losses. Depreciation is calculated using the straight-line method over the estimated useful life of the property, which is determined on an individual property basis. The estimated useful life of the property is reviewed annually and any changes in the estimated useful life are accounted for prospectively.

The carrying amount of investment property is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment losses are recognized in profit or loss.

When the use of a property changes from investment property to owner-occupied property, the Company reclassifies the property as property, plant, and equipment and measures it at cost less accumulated depreciation and impairment losses. Any difference between the carrying amount of the investment property and the cost of the property as owner-occupied property is recognized in profit or loss.

When the use of a property changes from owner-occupied property to investment property, the Company measures the property at its fair value and recognizes any gain or loss in profit or loss.

2.11 Investment in subsidiary

A subsidiary is an entity over which the Company has control, i.e., when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The investment in a subsidiary is initially recognised at cost, being the fair value of the consideration given, including acquisition costs and is subsequently carried at cost less accumulated impairment losses, if any.

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

2.12 Property, plant and equipment

The company's property, plant and equipment consist of computer software. Property, plant and equipment are initially recorded at cost. They are subsequently stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the statement of comprehensive income in the period of derecognition.

Depreciation is provided at rates intended to write down the cost of the assets or revalued amounts over their expected useful lives. The annual rates used are as follows:

Computer software	25%
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2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the services in the ordinary course of the Company's activities. Revenue is recognised upon the performance of services, and is stated net of sales tax, returns, rebates and discounts.

I. Rental income

The company earns rental income from an investment property related to a showroom located in Dino Fino Home + Contract, Msida Valley Road, Birkirkara BKR 9025.

2.14 Impairment

The Company's property, plant and equipment, investment in subsidiary and investment property are tested for impairment.

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amounts of Company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in profit or loss.

2.15 Income taxation

Tax expense recognised in the income statement comprises the sum of deferred tax and current tax not recognised in other comprehensive income or 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 the income statement 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.

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 the income statement 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 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 of 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 they will be able to be utilised against future taxable income. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

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

2.16 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated 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. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Any reimbursement that the company can be 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.

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.

3. Loss before tax

Total loss before tax is stated after charging the following:

	From 23 August 2021 to 31 December 2022 Euro
Depreciation	115,042
	=====
Directors' remuneration	67,719

Audit fee	=====
	6,500
	=====

4. Investment property

	Investment property Euro	Total Euro
At 23 August 2021		
Cost	-	-
Accumulated depreciation	-	-
	-----	-----
Net book amount	-	-
	=====	=====
Year ended 31 December 2022		
Opening net book amount	-	-
Additions	5,305,257	5,305,257
Depreciation	(114,947)	(114,947)
	-----	-----
Net book amount	5,190,310	5,190,310
	=====	=====

The investment property that is located in Dino Fino Home + Contract, Msida Valley Road, Birkirkara BKR 9025 is held under a security trust fund, as a guarantee in favour of bondholders until such time that these are repaid in accordance with the Company Admission Document.

5. Property, plant and equipment

	Computer software Euro	Total Euro
At 23 August 2021		
Cost	-	-
Accumulated depreciation	-	-
	-----	-----
Net book amount	-	-
	=====	=====
Year ended 31 December 2022		
Additions	700	700
Depreciation	(95)	(95)
	-----	-----
Net book amount	605	605
	=====	=====

6. Investment in subsidiaries

The carrying amount of the investment in subsidiaries at reporting date are as follows:

	2022
	Euro
At 31 December 2022	
Cost and carrying net book amount	4,720,000
	=====

The carrying amount of investment in subsidiaries is equivalent to the cost of the investment. The subsidiaries as at 31 December 2022 are shown below:

	Registered office	Percentage of shares held	2022	Nature of business
Dino Fino Operations Limited	Dino Fino Home + Contract Msida Valley Road Birkirkara, BKR 9025	100%	2,720,000	Retail of household and other interior goods
Dino Fino Holdings Ltd	Dino Fino Home + Contract Msida Valley Road Birkirkara, BKR 9025	100%	2,000,000	Holding company

			4,720,000	
			=====	

7. Trade and other receivables

	2022 Euro
Non-current	
Amount owed by parent company	450,000
Amount owed by subsidiary	1,599,435

Financial assets	2,049,435
	=====
Current	
Amount owed by parent company	9,844
Amount owed by subsidiary	122,855

Financial assets	132,699
Prepayments	3,431

	136,130
	=====

Noncurrent amounts owed by subsidiary and parent company are unsecured, have interest rate of 5.25% and have fixed date of repayment. Current amount owed to subsidiaries are unsecured, interest-free and repayable on demand.

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

8. Share capital

	2022 Euro
<i>Authorised:</i>	
4,999,999 ordinary A shares of Euro 1 each	4,999,999

1 ordinary B shares of Euro 1 each	1

	5,000,000
	=====
<i>Issued:</i>	
3,619,999 ordinary A shares of Euro 1 each - 100% paid up	3,619,999
1 ordinary B share of Euro 1 each - 100% paid up	1

	3,620,000
	=====

Ordinary A shares are entitled to one vote at a general meeting and are entitled to receive dividend distributions. Ordinary B shares do not carry voting rights and has no right to receive dividends nor is entitled to any assets upon dissolution or winding up of the company.

9. Debt securities in issue

	2022
	Euro
€7,800,000 4.75% Secured Bonds due 2033	7,595,425

Bonds outstanding (face value)	7,800,000

Gross amount of bond issue costs	(225,738)
Amortisation of gross amount of bond issue costs:	
Amortisation charge for the period	21,163

Unamortised bond issue costs	(204,575)

Amortised cost and closing carrying amount	7,595,425
	=====
Unamortised bond issue costs:	
Falling due within one year	18,812
Falling due between 2 to 5 years	75,246
Falling due over five years	110,517

	204,575
	=====

On 19 November 2021, Dino Fino Finance P.L.C. issued 780,000 secured bonds with a nominal value of €100 per bond. The bonds are redeemable at their nominal value on 19 November 2033.

Interest

Interest on the 4.75% Secured Bonds 2033 is payable annually in arrears, on 19 November of each year.

Security

The Bonds shall constitute the general, direct and unconditional obligations of the Issuer to the Bondholders. It is secured by a special hypothec granting the Security Trustee (for the benefit of the bondholders) a right of preference and priority for repayment over the Hypothecated Property as disclosed in Note 4.

Guarantor

The bond is guaranteed by the company's subsidiary, Dino Fino Operations Limited, a private limited liability company registered under the laws of Malta with company registration number C81069 and having

its registered office situated at Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta.

The Guarantor, as primary obligor, jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee (for the benefit of the Bondholders) that if for any reason the Issuer fails to pay any Indebtedness as and when due, the Guarantor will, on first demand in writing made by the Security Trustee to the Guarantor, pay that sum to the Bondholders or to the Security Trustee for (the benefit of the Bondholders).

10. Trade and other payables

	2022
	Euro
Trade payables	37,478
Accruals	58,059

Financial liabilities	95,537
Indirect taxes	48,925
Withholding tax	12,279

	156,741
	=====

The carrying values of financial liabilities are considered to be a reasonable approximation of fair value.

11. Administrative expenses

	From 23 August 2021
	to
	31 December 2022
	Euro
Directors' fees	
Depreciation	
Amortisation	
Independent contractors and freelancers	
Advertising and marketing expenses	
Accountancy fees	5,500
Audit fees	6,500
Bank charges	154
Company formation expenses	2,554
Company registration fees	1,400
Professional fees	24,402
Directors' fees	67,719
Legal fees	4,750
Office rent	
Computer expenses	200
Fines and penalties	1,012
Subscriptions	10
MSE Listing fees	4,024
Realised foreign exchange losses	

	118,225
	=====

12. Finance income and finance costs

From 23 August 2021
to
31 December 2022
Euro

Finance income

Interest income charged to a subsidiary 76,466
=====

Finance costs

Interest expenses from debt securities in issue 414,754
Amortisation of bond issue cost 21,163

435,917
=====

13. Taxation

From 23 August 2021
to
31 December 2022
Euro

Current tax charge 13,243
Tax surrendered by group loss relief - Dino Fino Operations
Limited (13,243)

-
=====

Loss before tax (202,718)
=====

Tax at the domestic rate at 35% (70,951)

Tax effect of:
Expenses disallowed for tax purposes 70,951
Rental income (136,500)

Rental expenses: allowed deductible expenses 123,257

Tax charge (13,243)

Group loss relief: chargeable income to be surrendered by
related company 13,243

-
=====

14. Related parties

The company's parent company is Dino Fino Group Ltd, having its registered address at Msida Valley Road, Birkirkara BKR9025. The ultimate controlling party is Mr. Dino Fino, who is considered to be a related party. Outstanding balances are usually settled in cash. Amounts owed by related parties are shown separately in Note 7.

The company had the following related party transactions:

	2022
	Euro
<i>Transactions with related company</i>	
Rental income	390,000
	=====

15. Capital risk management

The capital structure of the Company consists of equity attributable to equity holders, comprising issued share capital and retained earnings as disclosed in Note 8 and in the statement of changes in equity.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

16. Financial instrument risk

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 17.3. The main types of risks are credit risk, liquidity risk and interest rate risk.

The company's risk management is coordinated by the directors and focuses on actively securing the company's short to medium term cash flows by minimising the exposure to financial risk.

The company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risk 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 reporting date, as summarised below:

	Note	2022
Classes of financial assets		Euro
Carrying amounts:		
Amount owed by subsidiary	7	1,722,290
Amount owed by parent company	7	459,844
Cash and cash equivalents		53,403

		2,235,537
		=====

The company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The company's policy is to deal only with creditworthy counterparties.

The company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

16.2 Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. The company manages its liquidity needs through yearly cash flow forecasts by carefully monitoring expected cash inflows and outflows on a monthly basis. The company's liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as the company's committed borrowing facilities that it can access to meet liquidity needs.

As at 31 December 2022, the non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

31 December 2022	Notes	
Trade and other payables:		
Within 1 year	10	95,537 =====
Debt securities in issue:		
Within one year	9	370,500
Two to five years		1,482,000
Later than five years		10,023,000 =====

16.3 Summary of financial assets and financial liabilities by category

The carrying amounts of the company's financial assets and financial liabilities as recognised at the reporting date of the reporting year under review may also be categorised as follows.

	2022
	Euro
Financial assets	
Current financial assets measured at amortised cost:	
- Amount owed by parent company	9,844
- Amount owed by subsidiary	122,855

	122,855
	=====
Non-current	
- Amount owed by parent company	450,000
- Amount owed by subsidiary	1,599,435

	1,599,435
	=====
Financial liabilities	

Financial liabilities measured at amortised cost:	
Current	
- Trade and other payables	95,537
	=====
Non-current	
- 7,800,000 4.75% Secured Bond 2033	7,595,425
	=====

17. Capital contribution

Capital contribution relates to contributions from the ultimate beneficiary owner, Mr. Dino Fino. These balances are unsecured, interest free and is repayable exclusively at the option of the Company.

18. Statutory information

DINO FINO FINANCE P.L.C. is a public limited liability Company incorporated in Malta with its registered address at Dino Fino Home + Contract, Msida Valley Road, Birkirkara, BKR 9025, Malta.

19. Events after reporting date

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

Independent auditor's report

To the shareholders of Dino Fino Finance p.l.c.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements Dino Fino Finance p.l.c. (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory 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 2022, and of its financial performance and 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").

Our opinion is consistent with our additional report to the audit committee.

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.

In conducting our audit we have remained independent of the Company and have not provided any of the non-audit services prohibited by article 18A of the Accountancy Profession Act, Cap. 281. We have also not provided any non-audit services to the Company during the year ended 31 December 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters, together with our response by way of the audit procedures we performed to address those matters in our audit.

Assessment of carrying amount of investments in subsidiaries

Key audit matter

During the period ended 31 December 2022 management carried out an assessment to establish whether the carrying amount of investments in subsidiaries in the financial statements of the Company at 31 December 2022 should continue to be recognised, or if any impairment is required.

We focused on this area because of the significance of the investments in subsidiaries which at 31 December 2022, amounted to € 4.72 million. Moreover, the directors' assessment process is complex and highly judgemental and is based on assumptions, such as forecast growth rates, profit margins, weighted average cost of capital and effective tax rate, which are affected by expected future market and economic conditions.

How the key audit matter was addressed in our audit

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of the directors' forecasts and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We also assessed the adequacy of the disclosures made in note 6 of the financial statements relating to investments including those regarding the key assumptions used in assessing its carrying amount. Those disclosures specifically explain that the directors have assessed the carrying amount of investments in subsidiaries as at 31 December 2022 to be recoverable and there is no impairment in the value of the investments.

We have no key observations to report, specific to this matter.

Other information

The directors are responsible for the other information. The other information comprises (i) the Directors' Report and (ii) Corporate Governance – Statement of Compliance 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, including the Directors' report.

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 the directors 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.

Those charged with governance 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 the directors' 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, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

- 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Reports on other legal and regulatory requirements

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Report and Financial Statements of the Company for the period ended 31 December 2022, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Report and Financial Statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Report and Financial Statements, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Report and Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Report and Financial Statements and performing validations to determine whether the Report and Financial Statements have been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Report and Financial Statements to determine whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.
- We believe that the evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion.

Opinion

In our opinion, the Report and Financial Statements for the period ended 31 December 2022 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Capital Market Rules require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Capital Market Rules also require us, as the auditor of the Company, to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance with the Code of Principles of Good Corporate Governance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance with the Code of Principles of Good Corporate Governance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate governance statement has been properly prepared in accordance with the requirements of the Capital Market Rules.

Other matters on which we are required to report by exception

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, or that returns adequate for our audit have not been received from branches not visited by us
 - the financial statements are not in agreement with the accounting records and returns
 - we have not received all the information and explanations we require for our audit
 - certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.
- in terms of Capital Market Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

Auditor tenure

We were first appointed as auditors of the Company on its incorporation on 23 August 2021 and therefore this is the first period of appointment.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.

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

Mark Bugeja
Partner

28 April 2023