

# **DINO FINO FINANCE P.L.C.**

## Annual Report and Consolidated Financial Statements

For the year ended 31 December 2023

Company Registration Number: C 100038

### **DINO FINO FINANCE P.L.C.**

Annual report and consolidated financial statements

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## Directors' Report

For the year ended 31 December 2023

The directors present their annual report and the consolidated audited financial statements of DINO FINO FINANCE P.L.C. (the "Company") and Dino Fino Operations Limited and Dino Fino Holdings Ltd (the "Subsidiaries") collectively referred to as (the "Group") for the year ended 31 December 2023.

### Principal activity

The principal activity of the Group is to carry on the business of importation, selling, trading in goods and material including household goods, leather goods, upholstery, furnishings and other interior goods.

### Review of business and results

During the year under review, the Group registered a loss after tax of €1,148,847 (period from 23 August 2021 to 31 December 2022: €1,177,775). This loss mainly resulted from the continuing effect of unanticipated price increases from suppliers and transportation costs due to international inflation and supply chain disruptions. Management has taken measures to deal with these matters and are confident that this will result in an improved performance during 2024. The company also registered lower than expected revenues. This is being attributed to the inflationary climate that has had an impact on consumer spending and in turn on the retail industry. During the year under review, the Group also continued to follow the progress of a number of new projects that had been launched in the previous year that should bear fruit in the current year. Furthermore, the shareholder is committed to make additional capital contributions should the need arise. The directors continue to actively monitor the operations of the Company and its Subsidiaries in order to safeguard the interest of the Group.

### Dividends and reserves

The directors do not recommend the payment of a dividend.

### Directors

The directors of the Company during the year were:

Mr. Benjamin Muscat - Independent Non-Executive Director and Chairman

Dr. Austin Gauci Maistre - Non-Executive Director

Mr. Dino Fino - Executive Director

Mr. Giuseppe Muscat - Executive Director

Mr. Joseph Caruana – Independent Non-Executive Director (appointed 22 April 2024)

Ms. Alexia Farrugia - Independent Non-Executive Director (resigned 22 April 2024)

The directors have served on the Board throughout the year 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 consolidated financial statements for each financial period which give a true and fair view of the financial position of the Group 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 Group 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 the consolidated 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement by the directors on the consolidated financial statements**

Pursuant to Capital Markets Rule 5.68, we, the undersigned, declare that to the best of our knowledge, the consolidated 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 Group, and that this report includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal risks and uncertainties that it faces.

### **Auditor**

The auditor 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 30 April 2024 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  
Malta

## Corporate Governance - Statement of Compliance

For the year ended 31 December 2023

Pursuant to Capital Markets Rules 5.94 and 5.97 issued by the Malta Financial Services Authority (the 'Rules'), the Group 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 2023.

The Group 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 year ended 31 December 2023.

The Group 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 Group, 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 Group's commitment to maintaining a high standard of good governance.

The Group 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 Group by virtue of Rule 5.101, that the directors of the Group are herein reporting on the corporate governance of the Group.

The Group confirms that it has complied with all applicable provisions of the Capital Markets Rules 5.94 and 5.97 during the financial year ended 31 December 2023, in accordance with the following:

### **The Board**

The Board is responsible for setting the Group's strategy and overseeing the Group's consolidated financial statements and annual report. The Board carries out these duties in a way that ensures effective supervision of the Group'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 Group 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 Group'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 Group's business. The Board is accountable to shareholders and other stakeholders for its own performance and that of its delegates.

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

### **The Group's Chairperson and Chief Executive Officer**

The Group 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 Group's Memorandum of Association. Two of these non-executive directors are independent from the Group. The Board has the responsibility for the Group's overall long-term strategy, as well as the general policies of the Group and its subsidiaries, including Dino Fino Operations Limited and Dino Fino Holdings Ltd. The Board is also responsible for monitoring the Group's control systems and financial reporting and communicating effectively with the market when necessary. The appointment procedures for directors are clearly outlined in the Group's Articles of Association.

### **Board responsibilities**

The Board recognises its legal obligation to manage and administer the Group. In fulfilling this obligation and acting as stewards of the Group, the Board takes responsibility for the Group'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 Group 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 Group's financial performance and overall strategy. The Group 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 Group's continuous obligations in accordance with the Companies Act (Cap. 386 of the Laws of Malta) and the Rules. To facilitate this, the Group 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 Group'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 Group's Articles of Association.

### **Relations with bondholders and the market**

The Group's Annual General Meeting is responsible for proposing and approving various matters in accordance with the Act, such as the Annual Report and Consolidated Financial Statements, the election of directors and approval of their fees, the appointment of auditors, and authorisation of their fees, as well as other special business. In compliance with the Rules, the Group 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 Group 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 Group. The directors are regularly reminded of their obligations with regards to dealing in securities of the Group 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 Group. It has been ensured that these do not create any conflicts of interests or duties towards the Group.

### **Corporate Social Responsibility**

The Group aims to follow ethical principles in its management practices and is dedicated to improving the well-being of all stakeholders of the Group through Corporate Social Responsibility. The Board acknowledges its accountability to the community and the environment in which it operates. The Group 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 Group'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 Group'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 Group'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 Group. Total fees of € 120,368 were paid to directors during the year 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 Group's size and nature of operations, the Board believes that a nomination committee is not required.

### **Institutional Shareholders**

The Group does not have any institutional shareholders.

Signed on behalf of the Board of Directors on 30 April 2024 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 CONSOLIDATED FINANCIAL POSITION

As at 31 December 2023

		2023	2022
	Notes	Euro	Euro
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	5,544,029	5,731,263
Goodwill	4	3,030,637	3,030,637
Deferred tax asset	7	1,039,732	791,335
Receivables		436,451	450,000
Intangible asset	6	1,773,333	1,853,333
Right-of-use assets	8	270,551	-
		<b>12,094,733</b>	<b>11,856,568</b>
<b>Current assets</b>			
Inventories	10	623,081	579,051
Trade and other receivables	9	2,376,121	3,559,439
Cash and cash equivalents	11	427,319	536,336

		<u>3,426,521</u>	<u>4,674,826</u>
<b>Total assets</b>		<u><u>15,521,254</u></u>	<u><u>16,531,394</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	3,620,000	3,620,000
Shareholder's loan	24	980,435	980,435
Accumulated losses		<u>(2,326,622)</u>	<u>(1,177,775)</u>
		<u><u>2,273,813</u></u>	<u><u>3,422,660</u></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Debt securities in issue	14	7,614,237	7,595,425
Borrowings	12	465,136	318,801
Lease liabilities	8	165,928	-
		<u><u>8,245,301</u></u>	<u><u>7,914,226</u></u>
<b>Current liabilities</b>			
Trade and other payables	15	4,648,884	5,077,521
Borrowings	12	234,930	116,987
Lease liabilities	8	118,326	-
		<u><u>5,002,140</u></u>	<u><u>5,194,508</u></u>
<b>Total liabilities</b>		<u><u>13,247,441</u></u>	<u><u>13,108,734</u></u>
<b>Total equity and liabilities</b>		<u><u>15,521,254</u></u>	<u><u>16,531,394</u></u>

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

Signed on behalf of the Board of Directors on 30 April 2024 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 CONSOLIDATED COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	From 23 August 2021 to 31 December 2022
Notes	Euro	Euro

Revenue	16	<b>3,337,642</b>	5,401,852
Cost of sales	17	<b>(2,010,341)</b>	(4,025,022)
<b>Gross profit</b>		<b>1,327,301</b>	1,376,830
Other direct costs	18	<b>(898,328)</b>	(1,086,875)
Other income		<b>147,920</b>	282,023
Administrative expenses		<b>(1,665,357)</b>	(1,821,811)
<b>Operating loss</b>		<b>(1,088,464)</b>	(1,249,833)
Net finance costs	20	<b>(420,976)</b>	(449,995)
<b>Loss before tax</b>	3	<b>(1,509,440)</b>	(1,699,828)
Income tax credit	7, 21	<b>360,593</b>	522,053
<b>Loss for the year / (period)</b>		<b>(1,148,847)</b>	(1,177,775)

## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital	Accumulated losses	Shareholder's loan	Total
	Euro	Euro	Euro	Euro
As at 23 August 2021	-	-	-	-
Issue of share capital	3,620,000	-	-	3,620,000
Shareholder's loan	-	-	980,435	980,435
Loss for the period	-	(1,177,775)	-	(1,177,775)
As at 31 December 2022	3,620,000	(1,177,775)	980,435	3,422,660
<b>As at 1 January 2023</b>	<b>3,620,000</b>	<b>(1,177,775)</b>	<b>980,435</b>	<b>3,422,660</b>
<b>Loss for the year</b>	<b>-</b>	<b>(1,148,847)</b>	<b>-</b>	<b>(1,148,847)</b>
<b>As at 31 December 2023</b>	<b>3,620,000</b>	<b>(2,326,622)</b>	<b>980,435</b>	<b>2,273,813</b>

## STATEMENT OF CONSOLIDATED CASH FLOWS

For the year ended 31 December 2023

	2023	From 23 August 2021 to 31 December 2022
	Euro	Euro
<b>Operating activities</b>		
Loss for the year/period before taxation	<b>(1,509,440)</b>	(1,699,828)

**Adjustments for:**

Depreciation and amortisation	531,875	283,379
Amortisation of bond issue costs	18,812	21,163
Provision for bad debts	15,081	-
Finance costs	426,263	459,839
	<u>(517,409)</u>	<u>(935,447)</u>

**Working capital changes:**

Movements in inventories	(44,030)	(579,051)
Movements in trade and other receivables	1,168,134	(3,559,439)
Movements in trade and other payables	(415,480)	4,808,239

**Net cash generated from/(used in) operations**

Interest paid	(33,824)	(45,085)
Tax paid	103	-

**Net cash generated from/(used in) operating activities**

157,494 (310,783)

**Investing activities**

Acquisition of intangible assets	-	(4,950,637)
Acquisition of property, plant and equipment	(63,868)	(5,947,975)

**Net cash used in investing activities**

(63,868) (10,898,612)

**Financing activities**

Proceeds from bond issuance	-	7,800,000
Payments related to bond issuance	-	(225,738)
Payment of interest related to debt securities in issue	(368,442)	(414,754)
(Repayment)/proceeds of bank loan	(105,722)	435,788
Payments of lease obligations	(112,028)	-
Issue of share capital	-	3,620,000
Capital contribution	-	980,435
Proceeds/(repayments) to related parties	383,549	(450,000)

**Net cash (used in)/generated from financing activities**

(202,643) 11,745,731

Net movements in cash and cash equivalents (109,017) 536,336

Cash and cash equivalents at start of year/period 536,336 -

**Cash and cash equivalents at end of year/period** 11 **427,319** 536,336

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

## 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 and its subsidiaries (the "Group") is to carry on the business of importation, selling, trading in goods and material including household goods, leather goods, upholstery, furnishings and other interior goods.

## 2. 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 consolidated financial statements.

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

### 2.1 Basis of preparation

#### *Statement of compliance*

These consolidated 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 European Union (EU) and the requirements of the Maltese Companies Act (Cap. 386).

IFRS 10, *Consolidated Financial Statements*, requires a parent company to prepare consolidated financial statements in which it consolidates its investments in subsidiaries. The consolidated financial statements of the Group for the year ended 31 December 2023, comprise the Company and its subsidiaries, Dino Fino Operations Limited and Dino Fino Holdings Ltd.

#### *Going concern*

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue its operations for the foreseeable future and will be able to meet its obligations as they become due. The Group is still facing financial challenges that may cast doubt on its ability to continue as a going concern. Management is actively pursuing measures to address these challenges, including cost cutting and refinancing initiatives, intended to improve the Group's financial performance and liquidity position. In this respect, the Group is close to concluding an agreement with a substantial creditor for the deferment of balances due which is intended to reduce short-term cash flow pressures. As at 31 December 2023, it is to be noted that within current liabilities, Deposits on Orders which amount to € 982,604 (2022: € 1,212,197) are not refundable. The ability of the Group

to continue as a going concern is dependent on the successful implementation of its plans to address the challenges it faces. The directors are closely monitoring the Group's financial position and is committed to taking further actions as necessary to ensure its viability.

### ***Basis of measurement***

The consolidated financial statements are prepared on the historical cost.

### ***Use of estimates and judgements***

The preparation of consolidated financial statements in conformity with IFRSs, as adopted by the EU, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies (refer to Note 2.4 – Critical accounting estimates and judgements).

### ***Functional and presentation currency***

The consolidated financial statements are presented in Euro, which is also the Group's functional currency.

Transactions in foreign currencies are translated to the functional currency of the Group 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 year, adjusted for the effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in the consolidated statement of comprehensive income.

### ***Consideration of the effects of war in Ukraine***

The conflict in Ukraine has resulted in an increase in costs and significant supply chain disruptions.

### ***Preparation of consolidated financial statements***

IFRS 10, Consolidated Financial Statements, requires a parent company to prepare consolidated financial statements in which it consolidates its investments in subsidiaries.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is at cost less impairment. Cost includes directly attributable costs of the investments. Provisions are recorded where, in the opinion of the directors, there is an

impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

### ***Business combination***

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the statements of comprehensive income.

A merger of entities under common control is accounted for by applying the pooling of interests method (predecessor accounting). Under this method, the financial statement items of the combining entities for the period in which the combination occurs and for any comparative periods disclosed are included in the financial statements of the company (the acquirer) as if they had been combined from the beginning of the earliest period presented. Any difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount recorded for the share capital acquired is adjusted against reserves.

## **2.2 New standards adopted as at 1 January 2023**

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted do not have a significant impact on the Group's financial results or position. Other standards and amendments that are effective for the first time in 2023 and could be applicable to the Group are:

- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12)
- Disclosure of accounting policies (amendments to IAS 8 and IFRS Practice Statement 2)
- Definition of accounting estimates (amendments to IAS 8)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

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

### **2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group**

At the date of authorisation of these consolidated 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 Group.

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

- 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)
- Lack of Exchangeability (Amendments to IAS 21)

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 year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

### **2.4 Critical accounting estimates and judgments**

The preparation of consolidated 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 consolidated 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.

*Impairment of goodwill, property, plant and equipment, intangible assets and investment property*

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

#### *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 depreciable assets.

#### *Leases - Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

## **2.5 Financial risk management**

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

### *(a) Credit risk*

The Group 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 Group 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.

## **2.6 Financial instruments**

### **Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Group 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 year/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 the consolidated statement of comprehensive income are presented within 'net finance costs'.

### **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 Group's cash and cash equivalents, trade and other receivables except prepayments and indirect taxes, 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 FVTPL.

## **Impairment of financial assets**

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group 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 Group's financial liabilities include trade and other payables except deposits on order and statutory liabilities, lease liabilities, borrowings and debt securities in issue.

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

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the consolidated statement of comprehensive income (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 consolidated statement of comprehensive income are included within 'net finance costs'.

Debt securities in issue are recognised 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 amortised cost, using the effective interest method, less any impairment losses. Interest income is recognised 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 consolidated 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.

## **2.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits repayable on demand.

## **2.8 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 and prior period results.

## **2.9 Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

## **2.10 Intangible assets**

Intangible assets will be recognised in the future as a result of the recent restructuring, if they are probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, being the fair value at the acquisition date for intangible assets acquired in a business combination. Expenditure on an intangible asset is recognised as an expense in the year when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria or the item is acquired in a business combination and cannot be recognised as an intangible asset, in which case it forms part of goodwill at the acquisition date.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting year.

Intangible assets 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 profit or loss in the year of derecognition.

After initial recognition, each class of intangible assets may be carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight-line method over a period of 25 years.

## **2.11 Property, plant and equipment**

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 consolidated statement of comprehensive income in the year 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:

Building	2%
Improvements to premises	10%
Furniture and fittings	10%
Motor vehicle and other equipment	20%
Electrical and plumbing installations	15%
Computer equipment and software	25%
Air-conditioners	17%

## **2.12 Inventories**

Inventories are valued at the lower of cost and net realisable value (NRV). NRV is the estimated selling price in the ordinary course of the business, less the costs of completion and selling expenses. Any write-down to NRV should be recognised as an expense in the period in which the write-down occurs. Any reversal should be recognised in the consolidated statement of comprehensive income in the period in which the reversal occurs.

## **2.13 Leases**

### **The Group as a lessee**

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

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

### **Measurement and recognition of leases as a lessee**

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an

estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

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

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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

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

The Group has elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

On the consolidated statement of financial position, the Group has opted to disclose the right-of-use assets and lease liabilities as separate financial statement line items.

### **Operating leases as a lessee**

All leases are treated as operating leases. Payments made under operating leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term, where the lessee does not bear substantially all of the risks and rewards of ownership associated with the asset. Associated costs, such as maintenance and insurance, are expensed as incurred.

#### **2.14 Revenue recognition**

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied, excluding VAT and trade discounts.

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

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

The Group often enters into transactions involving a range of products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties, VAT and trade discounts.

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

### **2.15 Expenses**

Expenses are recognised in the statements of consolidated comprehensive income upon utilisation of the service or at the date of their origin.

### **2.16 Impairment**

The Group's goodwill, property, plant and equipment, and intangible assets are tested for impairment.

The carrying amounts of the Group'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 the consolidated statement of comprehensive income, 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 Group's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior years 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 years. Impairment reversals are recognised immediately in consolidated statement of comprehensive income, 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 consolidated statement of comprehensive income.

### **2.17 Income taxation**

Tax expense recognised in the consolidated statement of comprehensive income 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 consolidated statement of

comprehensive income 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 Group 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 Group 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 consolidated statement of comprehensive income, 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.

#### **2.18 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 Group 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 Group 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:

	2023	From 23 August 2021 to 31 December 2022
	Euro	Euro
Depreciation and amortisation	531,875	292,262
Directors' fees and remuneration	120,368	154,834
Audit fee	20,300	22,786

### 4. Goodwill

On 23 August 2021, Dino Fino Group Ltd, (the “transferor”), entered into a share transfer agreement with Dino Fino Finance P.L.C. (the “transferee”) to acquire 100% of the issued, fully paid ordinary shares of Dino Fino Operations Limited and Dino Fino Holdings Ltd (the “the acquired subsidiaries”). The non-cash consideration given to the transferor was €4,720,000. Upon transfer of shares, the transferee became the immediate parent of the acquired subsidiaries.

The following are the fair values of identifiable assets and liabilities acquired at the date of acquisition:

	Dino Fino Operations Limited	Dino Fino Holdings Ltd	Total
	Euro	Euro	Euro
<b>Assets</b>			
Intangible assets	-	1,960,000	1,960,000
Property plant and equipment	442,778	-	442,778
Right-of-use assets	1,495,930	-	1,495,930
Deferred tax asset	43,329	-	43,329
Inventories	541,344	-	541,344
Trade and other receivables	2,143,767	527	2,144,294
Cash and cash equivalents	548,837	-	548,837
<b>Total assets</b>	<b>5,215,985</b>	<b>1,960,527</b>	<b>7,176,512</b>
<b>Liabilities</b>			
Shareholder's loan	376,236	-	376,236
Bank borrowings	470,904	-	470,904
Lease liabilities	2,014,108	-	2,014,108
Trade and other payables	2,615,808	-	2,615,808
Income tax liability	10,093	-	10,093
<b>Total liabilities</b>	<b>5,487,149</b>	<b>-</b>	<b>5,487,149</b>
<b>Net (liabilities) assets acquired</b>	<b>(271,164)</b>	<b>1,960,527</b>	<b>1,689,363</b>

<b>Fair value of consideration</b>	<b>2,720,000</b>	<b>2,000,000</b>	<b>4,720,000</b>
<b>Goodwill</b>	<b>2,991,164</b>	<b>39,473</b>	<b>3,030,637</b>

## 5. Property, plant and equipment

	<b>Building</b>	<b>Improvements to premises</b>	<b>Furniture and fittings</b>	<b>Other equipment</b>	<b>Electrical and plumbing</b>	<b>Computer equipment and software</b>	<b>Air conditioners</b>
	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>	<b>Euro</b>
<b>At 23 August 2021</b>							
Cost	-	40,421	291,094	43,389	168,554	116,024	41,951
Accumulated depreciation	-	(9,186)	(86,994)	(14,337)	(68,200)	(83,994)	(41,526)
<b>Net book amount</b>	<b>-</b>	<b>31,235</b>	<b>204,100</b>	<b>29,052</b>	<b>100,354</b>	<b>32,030</b>	<b>425</b>
<b>Year ended 31 December 2022</b>							
Opening net book amount	-	31,235	204,100	29,052	100,354	32,030	425
Additions	5,305,257	67,038	45,890	14,723	61,157	25,095	31,619
Depreciation	(114,947)	(4,141)	(31,826)	(5,376)	(29,054)	(20,880)	(10,488)
<b>Net book amount</b>	<b>5,190,310</b>	<b>94,132</b>	<b>218,164</b>	<b>38,399</b>	<b>132,457</b>	<b>36,245</b>	<b>21,556</b>
<b>At 31 December 2022</b>							
Cost	5,305,257	107,459	336,984	58,112	229,711	141,119	73,570
Accumulated depreciation	(114,947)	(13,327)	(118,820)	(19,713)	(97,254)	(104,874)	(52,014)
<b>Net book amount</b>	<b>5,190,310</b>	<b>94,132</b>	<b>218,164</b>	<b>38,399</b>	<b>132,457</b>	<b>36,245</b>	<b>21,556</b>
<b>Year ended 31 December 2023</b>							
Opening net book amount	<b>5,190,310</b>	<b>94,132</b>	<b>218,164</b>	<b>38,399</b>	<b>132,457</b>	<b>36,245</b>	<b>21,556</b>
Additions	-	10,005	26,244	14,015	3,379	10,225	-
Depreciation	(106,105)	(11,746)	(36,323)	(29,002)	(34,965)	(19,706)	(13,255)
<b>Net book amount</b>	<b>5,084,205</b>	<b>92,391</b>	<b>208,085</b>	<b>23,412</b>	<b>100,871</b>	<b>26,764</b>	<b>8,301</b>
<b>At 31 December 2023</b>							
Cost	<b>5,305,257</b>	<b>117,464</b>	<b>363,228</b>	<b>72,127</b>	<b>233,090</b>	<b>151,344</b>	<b>73,570</b>
Accumulated depreciation	<b>(221,052)</b>	<b>(25,073)</b>	<b>(155,143)</b>	<b>(48,715)</b>	<b>(132,219)</b>	<b>(124,580)</b>	<b>(65,269)</b>
<b>Net book amount</b>	<b>5,084,205</b>	<b>92,391</b>	<b>208,085</b>	<b>23,412</b>	<b>100,871</b>	<b>26,764</b>	<b>8,301</b>

The building that is located in Dino Fino Home + Contract, Msida Valley Road, Birkirkara BKR 9025, Malta 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.

## 6. Intangible asset

The intangible asset of the Group pertains to the brand and intellectual property.

	2023	2022
	Euro	Euro
<b>At 1 January/23 August</b>		
Cost	2,000,000	2,000,000
Accumulated depreciation	(146,667)	(66,667)
<b>Net book amount</b>	<b>1,853,333</b>	<b>1,933,333</b>
<b>Year ended 31 December</b>		
Opening net book amount	1,853,333	1,933,333
Amortisation	(80,000)	(80,000)
<b>Net book amount</b>	<b>1,773,333</b>	<b>1,853,333</b>
<b>At 31 December</b>		
Cost	2,000,000	2,000,000
Accumulated depreciation	(226,667)	(146,667)
<b>Net book amount</b>	<b>1,773,333</b>	<b>1,853,333</b>

## 7. Deferred tax asset

The movement in the deferred tax asset is as follows:

	2023	2022
	Euro	Euro
At the beginning of the year	791,335	269,282
Credited to profit or loss	248,397	522,053
At the end of the year	<b>1,039,732</b>	<b>791,335</b>
<i>Temporary differences arising on:</i>		
Property, plant and equipment	(12,252)	(16,049)
Unabsorbed tax losses	332,417	463,576
Unabsorbed capital allowances	33,688	39,575
Leases	25,724	34,951
Prior year adjustment	(131,180)	-
	<b>248,397</b>	<b>522,053</b>

## 8. Leases

### Right-of-use assets

	2023	2022
	Euro	Euro
<b>Cost</b>		
At 1 January	-	-
Additions	471,324	-
<b>At 31 December 2023</b>	<b>471,324</b>	-
<b>Accumulated depreciation</b>		
At 1 January	-	-
Charge for the year	200,773	-
<b>At 31 December 2023</b>	<b>200,773</b>	-
<b>Net book value</b>		
<b>At 31 December 2023</b>	<b>270,551</b>	-

### Lease liabilities

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at lease commencement date. The incremental borrowing rate reflects the rate of interest, that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease liabilities are presented in the statement of financial position of the Group as follows:

	2023	2022
	Euro	Euro
<b>Lease liabilities</b>		
Current	165,928	-
Non-current	118,326	-

Future minimum lease payments as 31 December were as follows:

	Not later than one year	Later than one year but not later than five years	Later than five years	Total
	Euro	Euro	Euro	Euro

**31 December 2023**

Lease payments	<b>122,341</b>	<b>175,972</b>	-	<b>298,313</b>
Finance charges	<b>(8,194)</b>	<b>(5,865)</b>	-	<b>(14,059)</b>
<b>Net present values</b>	<b>114,147</b>	<b>170,107</b>	-	<b>284,254</b>

**Depreciation on right-of-use-assets and interest expense**

	<b>2023</b>	<b>2022</b>
	<b>Euro</b>	<b>Euro</b>
Depreciation	<b>200,773</b>	-
Interest expense on lease liabilities (included as net finance costs - note 20)	<b>23,997</b>	-

At 31 December 2023 and 2022, the Group did not have short-term leases or leases of low value assets.

The total cash outflow in respect of leases during the year 2023 amounted to €112,028.

**9. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>Euro</b>	<b>Euro</b>
Trade receivables	<b>370,389</b>	495,138
Amount owed by related parties	<b>60,282</b>	27,563
Accrued income	<b>1,697,784</b>	2,734,543
<b>Financial assets</b>	<b>2,128,455</b>	3,257,244
Advances to suppliers	<b>226,347</b>	298,659
Prepayments	<b>20,812</b>	3,432
Indirect taxes and current tax asset	<b>507</b>	104
	<b>2,376,121</b>	3,559,439

Amount owed to parent company and related parties are unsecured, interest-free and repayable on demand.

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

**10. Inventories**

	<b>2023</b>	<b>2022</b>
	<b>Euro</b>	<b>Euro</b>
Furniture displayed in showroom and warehouse	<b>623,081</b>	579,051

## 11. Cash and cash equivalents

	2023	2022
	Euro	Euro
Cash in hand and at bank	<u>427,319</u>	<u>536,336</u>

## 12. Borrowings

The borrowings of the Group are as follows:

	2023	2022
	Euro	Euro
<b>Current</b>		
Related party loan	125,000	-
Bank borrowings	<u>109,930</u>	<u>116,987</u>
	<u>234,930</u>	<u>116,987</u>
<b>Non-current</b>		
Related party loan	245,000	-
Bank borrowings	<u>220,136</u>	<u>318,801</u>
	<u>465,136</u>	<u>318,801</u>

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

Bank loans are secured by a first general hypothec for €600,000 over the present and future assets of the Group and by pledges on cash held in savings account with FCM Bank for €60,000.

During 2023, the Dino Fino Group Ltd (the “parent company”) obtained a loan from a local bank in Malta and reassigned this loan to the Group.

## 13. Share capital

	2023	2022
	Euro	Euro
<i>Authorised:</i>		
4,999,999 ordinary A shares of Euro 1 each	4,999,999	4,999,999
1 ordinary B shares of Euro 1 each	<u>1</u>	<u>1</u>
	<u>5,000,000</u>	<u>5,000,000</u>
<i>Issued:</i>		
3,619,999 ordinary A shares of Euro 1 each - 100% paid up	3,619,999	3,619,999
1 ordinary B share of Euro 1 each - 100% paid up	<u>1</u>	<u>1</u>

<b>3,620,000</b>	3,620,000
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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 Group.

#### 14. Debt securities in issue

	2023	2022
	Euro	Euro
€7,800,000 4.75% secured bonds due 2033	<b>7,614,237</b>	7,595,425
Bonds outstanding (face value)	<b>7,800,000</b>	7,800,000
Gross amount of bond issue costs	<b>(225,738)</b>	(225,738)
Accumulated amortisation beginning of year	<b>21,163</b>	-
Amortisation charge for the year/period	<b>18,812</b>	21,163
Unamortised bond issue costs	<b>(185,763)</b>	(204,575)
Amortised cost and closing carrying amount	<b>7,614,237</b>	7,595,425
Unamortised bond issue costs:		
Falling due within 1 year	<b>18,812</b>	18,812
Falling due between 2 to 5 years	<b>75,246</b>	75,246
Falling due over 5 years	<b>91,705</b>	110,517
	<b>185,763</b>	204,575

On 19 November 2021, the Company 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 5.

#### *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 C 81069 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).

## 15. Trade and other payables

	<b>2023</b>	2022
	<b>Euro</b>	Euro
Trade payables	<b>1,489,531</b>	1,645,338
Accruals	<b>915,534</b>	1,146,224
Amount owed by related parties	<b>24,470</b>	32,791
<b>Financial liabilities</b>	<b>2,429,535</b>	2,824,353
Deposits on order	<b>982,604</b>	1,212,197
Statutory liabilities	<b>1,236,745</b>	1,040,971
	<b>4,648,884</b>	5,077,521

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

Amounts owed by related parties are unsecured, interest-free and are repayable on demand.

## 16. Revenue

Revenue represents the amounts receivable for sale of goods and services rendered, net of any indirect taxes, as follows:

	<b>2023</b>	From 23 August 2021 to 31 December 2022
	<b>Euro</b>	Euro
Retail sales	<b>3,337,642</b>	5,401,852

## 17. Cost of sales

	<b>2023</b>	From 23 August 2021 to 31 December 2022
	<b>Euro</b>	Euro
Opening stock	<b>579,051</b>	372,811
Retail and contract purchases	<b>1,837,077</b>	3,894,193
Freight	<b>217,294</b>	337,069
Less: closing stock	<b>(623,081)</b>	(579,051)
	<b>2,010,341</b>	4,025,022

## 18. Other direct costs

	<b>2023</b>	From 23 August 2021 to 31 December 2022
	<b>Euro</b>	Euro
Subcontracting fees (including installation costs)	<b>113,136</b>	143,242
Direct wages (including NI and maternity fund)	<b>542,852</b>	645,772
Consumables and surveying costs	<b>33,961</b>	50,183
Warehousing fees	<b>4,082</b>	119,449
Commissions	<b>36,364</b>	37,184
Local transport and lifter	<b>87,627</b>	91,045
Depreciation expense: right-of-use asset	<b>80,306</b>	-
	<b>898,328</b>	1,086,875

## 19. Staff costs

### 19.1 Directors' remuneration analysed as follows:

	<b>2023</b>	From 23 August 2021 to 31 December 2022
	<b>Euro</b>	Euro
Directors' fees	<b>54,000</b>	67,719
Director's remuneration	<b>66,368</b>	87,115
	<b>120,368</b>	154,834

The average number of persons employed during the year/period:

Direct nature (sales, operations and installations)	<b>19</b>	19
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Administrative nature (administrative including director)	14	12
	<u>33</u>	<u>31</u>

## 19.2 Staff salaries and wages analysed as follows:

	2023	From 23 August 2021 to 31 December 2022
	Euro	Euro
Salaries	1,018,900	1,087,265
Maternity fund	1,925	2,176
	<u>1,020,825</u>	<u>1,089,441</u>

## 20. Net finance costs

	2023	From 23 August 2021 to 31 December 2022
	Euro	Euro
<b>Finance income:</b>		
Interest income charged to parent company	23,368	9,844
Interest income - others	731	-
	<u>24,099</u>	<u>9,844</u>
<b>Finance costs:</b>		
Interest expense on bank borrowings	11,835	21,794
Interest expenses from debt securities in issue	387,254	414,754
Interest due to related party	21,989	23,291
Interest on lease liabilities	23,997	-
	<u>445,075</u>	<u>459,839</u>
<b>Net finance costs</b>	<u>(420,976)</u>	<u>(449,995)</u>

## 21. Taxation

	2023	From 23 August 2021 to 31 December 2022
	Euro	Euro
Income tax credit	<u>112,196</u>	-

Loss before tax	<b>(1,509,440)</b>	(1,699,828)
Tax at the domestic rate of 35%	<b>(528,304)</b>	(594,590)
Tax effect of:		
Expenses disallowed for tax purposes	<b>168,852</b>	76,618
Income subject to exemption	<b>(6,652)</b>	(17,140)
Absorbed trading loss	<b>332,417</b>	531,196
Capital allowances	<b>33,687</b>	30,402
Rental income	<b>(126,000)</b>	(136,500)
Rental expenses	<b>111,765</b>	123,257
Group loss relief	<b>14,235</b>	(13,243)
Reversal of income tax from prior year	<b>112,196</b>	-
	<b>112,196</b>	-

## 22. Capital risk management

The capital structure of the Group consists of equity attributable to equity holders, comprising issued share capital, shareholder's loan and retained earnings as disclosed in the statement of consolidated changes in equity.

The Group 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.

## 23. Financial instrument risk

### Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 23.4. The main types of risks are credit risk, liquidity risk and interest rate risk.

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

The Group 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 Group is exposed are described below.

### 23.1 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

**2023**

**2022**

	Notes	Euro	Euro
<b>Classes of financial assets</b>			
<b>Carrying amounts:</b>			
Receivables - noncurrent		<b>436,451</b>	450,000
Trade and other receivables	9	<b>2,128,455</b>	3,257,244
Cash and cash equivalent	11	<b>427,319</b>	536,336
		<b>2,992,225</b>	<b>4,243,580</b>

The Group 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 Group's policy is to deal only with creditworthy counterparties.

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

In respect of trade and other receivables, the Group 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.

## 23.2 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs through yearly cash flow forecasts by carefully monitoring expected cash inflows and outflows on a monthly basis. The Group'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 Group's committed borrowing facilities that it can access to meet liquidity needs.

As at 31 December 2023, the non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

		Current Within one year	Non- current After one year
	Notes	Euro	Euro
<b>31 December 2023</b>			
Lease liabilities	8	<b>122,341</b>	<b>175,972</b>
Borrowings	12	<b>234,930</b>	<b>465,136</b>
Trade and other payables	15	<b>2,429,535</b>	-
Debt securities in issue	14	<b>370,500</b>	<b>11,134,500</b>
		<b>3,157,306</b>	<b>11,775,608</b>
<b>31 December 2022</b>			
Lease liabilities	8	-	-
Borrowings	12	116,987	318,801

Trade and other payables	15	2,824,353	-
Debt securities in issue	14	370,500	11,505,000
		<u>3,311,840</u>	<u>11,823,801</u>

### 23.3 Market risk

#### Foreign currency risk

The Group transacts business mainly in euro. Exposure to currency exchange rates arise from the Group's sale and purchase of foreign currency to/from customers. However, foreign currency denominated financial assets and liabilities at the end of the financial reporting date under review are deemed negligible.

Accordingly, the Group's exposure to foreign exchange risk is not significant and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the reporting date is deemed not necessary.

#### Interest rate risk

The Group's exposure to interest rate risk is limited to the variable interest rate of bank borrowings. Based on observation of current market conditions, management considers a change of +/- 100 basis points to be reasonably possible. The calculations are based on the Group's financial instruments held at the end of the reporting period. All other variables are held constant. Consequently, the potential impact of such a shift in interest rates with effect from the beginning of the year on the net results for the reporting period presented is considered immaterial.

### 23.4 Summary of financial assets and financial liabilities by category

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

	2023	2023
	Euro	Euro
<b>Financial assets measured at amortised cost</b>		
Current:		
- Trade and other receivables	2,128,455	3,257,244
- Cash and cash equivalents	427,319	536,336
Non-current:		
- Amount owed by parent company	436,451	450,000
<b>Total</b>	<u>2,992,225</u>	<u>4,243,580</u>
<b>Financial liabilities measured at amortised cost</b>		
Current:		
- Trade and other payables	2,429,535	2,824,353
- Borrowings	234,930	116,987
- Lease liabilities	165,928	-
Non-current:		

- 7,800,000 4.75% secured bond 2033	<b>7,614,237</b>	7,595,425
- Borrowings	<b>465,136</b>	318,801
- Lease liabilities	<b>118,326</b>	-
<b>Total</b>	<b>11,028,092</b>	<b>10,855,566</b>

#### **24. Shareholder's loan**

The shareholder's loan is payable to the parent company, Dino Fino Group Ltd. The loan is unsecured, interest free and is repayable exclusively at the option of the Group.

#### **25. Reclassifications**

Comparative figures have been reclassified to conform with the current year's presentation of financial statements.

#### **26. Ultimate controlling party**

The company's parent company, Dino Fino Group Ltd, is ultimately controlled by Dino, who owns 100% of the parent company's issued share capital.

#### **27. 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.



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# Independent auditor's report

To the shareholders of Dino Fino Finance P.L.C.

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements Dino Fino Finance P.L.C. and its subsidiaries (the "Group"), which comprise the consolidated statement financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and of its financial performance and 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").

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 Group 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 consolidated 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 Group 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 Group during the year ended 31 December 2023.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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 consolidated 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.

## Impairment testing of Goodwill in the consolidated financial statements

### *Key audit matter*

Goodwill with a carrying amount of € 3 million as at 31 December 2023 is included in the Group's statement of financial position at that date.

Management is required to perform an assessment at least annually to establish whether goodwill should continue to be recognised, or if any impairment is required. The assessment was performed at the lowest level at which the Group could allocate and assess goodwill, which is referred to as a cash generating unit ("CGU").

The impairment assessment was based on the calculation of a value-in-use the CGU. This calculation was based on estimated future cash flows for the CGU, including assumptions concerning revenue growth, profit margins, weighted average cost of capital and effective tax rates.

Estimating future profitability requires the directors to apply significant judgements which include estimating future taxable profits, long term growth and discount rates. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement.

We focused on this area because of the significance of the amount of goodwill which is recognised at balance sheet date. Moreover, the director's assessment process is complex and highly judgemental and is based on assumptions which are affected by expected future market or 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 director's 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 the note 4 of the consolidated financial statements relating to goodwill 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 goodwill as at 31 December 2023 to be recoverable and there is no impairment in the value of goodwill.

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

## **Valuation of intangible assets in the consolidated financial statements**

### ***Key audit matter***

The Group's intangible assets having a carrying amount of € 1.77 million as at 31 December 2023 comprise the Intellectual Property and Brand. Details about this asset are given in note 6 of these financial statements. Management determined the fair values of these assets through internal assessments made by the directors by reference to external independent valuations made in previous year. The carrying value of intangible assets was significant in our audit because the amounts are material to the financial statements of the Group.

### ***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 director's forecasts and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We also assessed the adequacy of the disclosures made in the note 2.10 of the consolidated financial statements relating to intangible assets including those regarding the key assumptions used in assessing their carrying amount. Those disclosures specifically explain that the directors have assessed the carrying amount of

intangible assets as at 31 December 2023 to be recoverable and there is no impairment in the value of the intangible assets.

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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, including the Directors' report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 year for which the consolidated financial statements are prepared is consistent with the consolidated 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 group 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 consolidated 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 Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group 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 consolidated 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 Consolidated Financial Statements of Dino Fino Finance p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

## **Responsibilities of the directors**

The directors are responsible for the preparation of the Report and Consolidated 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 Consolidated Financial Statements and the relevant electronic tagging therein, 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 Consolidated Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Report and Consolidated Financial Statements and performing validations to determine whether the Report and Consolidated 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 Consolidated Financial Statements to determine whether all the required taggings therein have been applied and 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 Consolidated Financial Statements for the year ended 31 December 2023 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 Group, 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 consolidated 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 Group'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 second period of appointment.

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

### **GRANT THORNTON**

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Malta

Mark Bugeja  
Partner

30 April 2024

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Grant Thornton Malta

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