Klikk Finance p.l.c

Annual Financial Report and Consolidated Financial Statements

31 December 2025

Company Registration Number: C52833

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Directors' report

The Directors present their annual financial report and consolidated financial statements for the year ended 31 December 2025. The Group constitute Klikk Finance p.l.c (the "company"), and its subsidiary, Klikk Limited.

Principal activities

The principal activities of the Company consist of carrying on the business of a finance and holding company while Klikk Limited operates two computer retail outlets serving both retail and corporate clients, with locations in Birkirkara and Zejtun. No significant changes in the nature of these activities occurred during the financial year.

Business review and performance

The Group generated revenue amounting to €11,896,239 for the year ended 31 December 2025, compared to €8,191,419 in 2024. This increase reflects higher commercial activity arising from expanded operations and integration efforts. Despite higher revenue, gross profit decreased to €951,240 as a result of margin pressures and product mix. Operating results shifted from a profit in 2024 to a loss of €461,948 in 2025. After finance costs and a tax (credit)/charge, the Group recorded a total comprehensive loss of €533,185. On a standalone basis, the Company recorded a loss of €92,737, primarily due to administrative and financing-related expenses.

Financial position

Total Group assets amounted to €5,643,994 at year-end, with inventories and trade receivables forming a significant part of current assets. The Group reported negative equity of €982,199 due to accumulated losses. Total Group liabilities stood at €6,626,193, comprising borrowings, lease liabilities, and trade payables. Comparative financial information for 2024 has been restated in accordance with IAS 8 and detailed within the accompanying notes.

Liquidity and Capital Resources

The Group actively manages liquidity through cash flow forecasting, working capital measures, and the maintenance of suitable banking facilities. Despite reporting negative equity and a net current liability position, the Directors consider available resources adequate for the foreseeable future, including the availability of funding support from the intermediary holding company.

Principal Risks and Uncertainties

The Group faces market, supply chain, credit, liquidity, operational, and regulatory risks. These are managed through product mix optimization, vendor collaboration, credit risk assessments, financing oversight, internal control mechanisms, and regular compliance monitoring.

Financial Risk Management

The Group's activities potentially expose it to various financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management, covering risk exposure for subsidiary, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the respective company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Accordingly, the Company's Board of Directors provides principles for overall Group risk management, as well as risk management policies covering risks referred to above and specific areas such as investment of excess liquidity. A detailed review of the risk management policies employed by the Group is included in Note 2 to the financial statements.

Going Concern

The Directors have assessed the Group's ability to continue as a going concern, taking into consideration the unwavering support and commitment of the intermediary holding company of the Group, available financing, cash flow projections, and planned mitigation strategies. Although uncertainties exist, the Directors conclude that the Group will continue operating for the foreseeable future.

Directors' report - continued

Post-Balance Sheet Events

No events have occurred between the reporting date and the approval of this report that require adjustment or disclosure within the financial statements.

Future Developments

Management intends to improve profitability through margin enhancement, stock level optimization, and operational efficiency improvements, while selectively investing in initiatives that support digital transformation and increased customer engagement.

Dividends

In view of the Group's financial results and equity position, the Directors do not recommend the payment of a dividend for the year ended 31 December 2025.

Directors

The Board is composed of five (5) Directors, all of which are non-executive Directors. The maximum permitted in terms of the Company's Memorandum of Association is seven (7). The Board is responsible for the overall long-term strategy and general policies of the Group, monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary. In accordance with the Company's Articles of Association, the appointment of directors to the Board is exclusively reserved to the Company's shareholders, except insofar as appointment is made by the Board to fill in casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office for a period of three (3) years from the date of appointment, at which point the Director shall retire but be eligible for re-election

The Directors of the Company from the beginning of the year up to the date of this report were

Mr. Reuben Attard – Chairman and Non-Executive Director
Ms. Elaine Fenech – Non-Executive Director
Mr. Mario P. Galea – Independent Non-Executive Director
Dr. Michael Borg Costanzi – Independent Non-Executive Director
Mr. Sandro Gauci – Non-Executive Director (Appointed on 6 February 2025)

Remuneration committee and corporate governance

During the period under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related.

Directors' responsibilities

The Directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Group and parent Company as at the end of each reporting period and of the profit and loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying consistently suitable accounting policies;
- making accounting judgements and estimates that are reasonable; and

Directors' report - continued

Directors' responsibilities - continued

- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining such internal control, as they deem necessary for the preparation of financial statements that are free from financial misstatements, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements Klikk Finance p.l.c for the year ended 31 December 2025 are included in the Annual Financial Report 2025, which is published in hard-copy printed form and is also available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Financial Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The Company is not party to any contract, not being a contract entered into in the Company's ordinary course of business, giving rise to an obligation or entitlement which is material to the Company as at the date of this report.

Statement of Responsibility pursuant to Prospects MTF Rules

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and

- in accordance with Prospects MTF Rules, the annual financial report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that the Group and the Company face.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution to re-appoint the auditors and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The financial statements on pages 30 to 76 were approved and authorised for issue by the Board of Directors and signed on their behalf on 9 March 2026 by:

Mr. Reuben Attard - Director

Ms. Elaine Fenech - Director

Corporate governance - Statement of compliance

1. Introduction

The Prospects MTF Rules issued by the Malta Stock Exchange (the "Rules") require companies admitted to Prospects MTF to include a Corporate Governance Statement (the "Statement") explaining its compliance with the provisions of the Code (as hereunder defined), in their Annual Financial Report. This should provide amongst others, an explanation of the extent of adherence to and non-compliance with the Code of Principles of Good Corporate Governance (the "Code"). The Company is hereby reporting on the extent of its adoption of the Code.

The Company acknowledges that the Code does not prescribe mandatory rules but recommends principles to provide proper incentives for the Board of Directors ('the Board') and the Company's management to pursue objectives that are in the interests of the Company and its shareholders. Good corporate governance is the responsibility of the Board, and in this regard, the Board has carried out a review of the Company's compliance with the Code during the period under review, and hereby provides its report thereon.

As demonstrated by the information set out in this statement, the Company believes that it has, save as indicated herein the section entitled Non-Compliance with the Code, throughout the period under review, applied the principles and complied with the provisions of the Code.

2. Compliance

Principle 1: The Board

The Board, the members of which are appointed by the shareholders, is primarily tasked with the overall direction, administration and management of the Company in such a way as to enhance the prosperity of the business over time, and therefore the value of the shareholders' investment. The Board is currently composed of five non-executive Directors.

The Board is in regular contact with the Chief Executive Officer and is continuously informed of any decisions taken in order to ensure an effective contribution to the decision-making process, whilst at the same time exercising prudent and effective controls. Directors, individually and collectively, are of appropriate calibre, with the necessary skill and experience to assist them in providing leadership, integrity and judgement in directing the Company towards the maximisation of shareholder value.

The Board delegates specific responsibilities to the Audit Committee, which operates under formal terms of reference approved by the Board.

Further detail in relation to the Audit Committee and the responsibilities of the Board is found in paragraph 'Principles 4 and 5' of this statement.

Principle 2: Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are filled by separate individuals, and the Chief Executive Officer is appointed by the Board for an indefinite period of time.

The responsibilities and roles of the Chairman and the Chief Executive Officer are clearly established and agreed to by the Board of Directors. The Chairman is responsible for leadership of the Board and for setting its agenda. The Chairman ensures that the Board's discussions on any issue put before it are addressed with adequate depth, that the opinions of all the Directors are taken into account, and that all the Board's decisions are supported by adequate and timely information. The Chairman also ensures that the Chief Executive Officer develops a strategy for subsequent approval by the Board.

Corporate governance - Statement of compliance - continued

Principle 2: Chairman and Chief Executive Officer - continued

The Chairman ensures that it is in receipt of precise, timely and objective information and also encourages active engagement by all members of the Board for discussion of complex and contentious issues. During the period under review, Mr Reuben Attard was the Chairman and Mr Gordon Zammit was the Chief Executive Officer.

Principle 3: Composition of the Board

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made to fill a casual vacancy on the Board, and which appointment would expire at the Company's Annual General Meeting following appointment. Any vacancy among the Directors may be filled by the co-option of another person to fill such vacancy. Such co-option shall be made by the Board of Directors. In terms of the Articles of Association, Director shall hold office for a period of three (3) years from the date of his appointment, at which point he shall retire but be eligible for re-election.

The Board has the overall responsibility for the activities carried out within the Company and the Group and thus decides on the nature, direction, strategy and framework of the activities and sets the objectives for the activities.

The Board of Directors is currently made up of five (5) non-executive directors. The following Directors served on the Board during the period under review:

Non-executive Directors
Reuben Attard
Sandro Gauci (Appointed on 6 February 2025)
Elaine Fenech
Mario P. Galea
Michael Borg Costanzi

For the purposes of the Code, Mr. Mario Galea and Dr. Michael Borg Costanzi are independent non-executive Directors.

Principles 4 and 5: The Responsibilities of the Board and Board Meetings

The Board has a formal schedule of matters reserved to it for decisions, but also delegates specific responsibilities to Board committees, the most prominent being the Audit Committee. Directors receive Board and committee papers in advance of meetings and have access to the advice and services of the Company Secretary. Directors may, in the course of their duties, take independent professional advice on any matter at the Company's expense. The Directors are fully aware of their responsibility always to act in the best interests of the Company, its bondholders and its shareholders as a whole, irrespective of whoever appointed or elected them to serve on the Board. As delegated and monitored by the Board, the Company Secretary keeps detailed records of all dealings by Directors and senior executives of the Company and its subsidiaries in the Company's shares and bonds and all minutes of meetings of the Board and its sub-committees.

Corporate governance - Statement of compliance - continued

Principles 4 and 5: The Responsibilities of the Board and Board Meetings - continued

There were five (5) board meetings held during the year under review. Attendance by Board members was as follows:

Non-executive Directors	Attended
Reuben Attard	5 of 5
Sandro Gauci	5 of 5
Elaine Fenech	5 of 5
Mario P. Galea	5 of 5
Michael Borg Costanzi	5 of 5

The Board has the responsibility to ensure that the activities are organised in such a way that the accounts, management of funds and financial conditions in all other respects are controlled in a satisfactory manner and that the risks inherent in the activities are identified, defined, measured, monitored and controlled in accordance with external and internal rules, including the Articles of Association of the Company. The Board of Directors, continuously assesses and monitors the Company's operational and financial performance, assesses and controls risk, and monitors competitive forces in all areas of operation. It also ensures that both the Company and its employees maintain the highest standards of corporate conduct.

During the period under review, the functions of the Remuneration Committee were carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related.

Board Committees

Audit Committee

The Audit Committee supports the work of the Board in terms of quality control of the Group's financial reports and internal controls. The Audit Committee is currently chaired by Mr Mario P. Galea , with the other members being Mr Reuben Attard and Dr Michael Borg Costanzi. The Audit Committee is independent and is constituted in accordance with the requirements of the Code, with Mr Mario P. Galea being chosen as the member competent in accounting and/or auditing in view of his experience in the field. The Chief Finance Officer and the external auditors of the Company attend the meetings of the Committee by invitation. Other executives are requested to attend when required. The Company Secretary also acts as Secretary to the Audit Committee. The Committee scrutinises and monitors related party transactions. It considers the materiality and the nature of the related party transactions carried out by the Company to ensure that the arm's length principle is adhered to at all times. The Committee held six (6) meetings during the year. The external auditors attended five (5) out of six (6) of these meetings.

The Audit Committee is a sub-committee of the Board constituted to fulfil an overseeing role in connection with the quality and integrity of the Company's financial statements. In performing its duties, the Audit Committee is to maintain effective working relationships with the Board of Directors, management and the external auditors of the Company. The Committee shall also consider the arm's length nature of related party transactions that the Company carries out. The primary purposes of the Audit Committee shall be to protect the interests of the Company's shareholders as well as to assist the Board in fulfilling its obligations and effectively discharging its responsibilities in connection with the following matters:

a. ensuring that the Company adopts, maintains and, at all times, applies appropriate accounting and financial reporting processes and procedures;

Corporate governance - Statement of compliance - continued

Principles 4 and 5: The Responsibilities of the Board and Board Meetings - continued

Board Committees - continued

b. monitoring of the audit of the Company's annual financial report, in particular, its performance, taking into account any findings and conclusions by the competent authority pursuant to Article 26 (6) of the Statutory Audit Regulation;

c. facilitating the independence of the external audit process and addressing issues arising from the audit process;

d. reviewing of the systems and procedures of internal control implemented by management and of the financial statements, disclosures and adequacy of financial reporting;

e. making of recommendations to the Board in relation to the appointment of the external auditors and the approval of the remuneration and terms of engagement of the external auditors, following the relative appointment by the shareholders in the annual general meeting;

f. monitoring and reviewing of the external auditors' independence and, in particular, the provision of additional services to the Company;

g. considering and evaluating the arm's length nature of related party transactions that the Company carries out to ensure that the execution of any such transactions are, indeed, at arm's length and on a sound commercial basis and ultimately in the best interests of the Company; and

h. ensuring that the Company, at all times, maintains effective risk management and internal control systems, including compliance functions.

As part of its duties, the Committee receives and considers the audited statutory financials statements of all companies comprising the Group.

Principle 6: Information and Professional Development

The Board is responsible for the appointment of the Chief Executive Officer. The Chief Executive Officer, although responsible for the recruitment and selection of senior management, consults with the Board on the appointment of senior management.

On joining the Board, Board members are informed in writing by the Company Secretary of the Directors' duties and obligations, relevant legislation as well as rules and bye-laws. In addition, Directors have access to the advice and services of the Company Secretary and the Board is also advised directly, as appropriate, by its the Corporate Advisor, who is responsible to ensure adherence to the Company's continuing obligations as laid down in the Rules. Directors are also provided with a presentation on the activities of the Company and subsidiaries. On a regular basis, the Directors receive periodic information on the Group's financial performance and position. The Company Secretary ensures effective information flows within the Board, committees and between senior management and Directors, as well as facilitating professional development. The Company Secretary advises the Board through the Chairman on all governance matters. Directors may, in the course of their duties, take independent professional advice on any matter at the Company's expense. The Company will provide for additional individual Directors' training on a requirements basis.

Corporate governance - Statement of compliance - continued

Principle 7: Evaluation of the Board's Performance

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the bondholders and the Company's shareholders.

The maximum annual aggregate emoluments that may be paid to the Directors is, pursuant to the Company's Memorandum and Articles of Association, approved by the shareholders in the general meeting.

The remuneration policy for directors has been consistent since inception; no Director (including the Chairman) is entitled to profit sharing, share options or pension benefits. There is no linkage between the remuneration and the performance of Directors. A fixed annual honorarium is payable to the non-executive Directors.

For the financial year under review the aggregate remuneration of the Directors of the Group was as follows:

Fixed remuneration	€18,000

Principle 8: Committees

The Company has opted not to set up a Remuneration Committee and a Nomination Committee. Further explanation is provided under the section entitled Non-Compliance with the Code of this Statement.

Principle 9: Relations with Bondholders and with the Market

The Company recognises the importance of maintaining a dialogue with its shareholders, and bondholders and of keeping the market informed to ensure that its strategies and performance are well understood.

The Company also communicates with its shareholders through the Company's Annual General Meeting ('AGM'). The Chairman of the Board ensures that all Directors attend the AGM and that both the Chairman of the Board and the Chairman of the Audit Committee are available to answer questions.

Apart from the AGM, the Company communicates with its shareholders and bondholders by way of the Annual Financial Report and Consolidated Financial Statements and through the Company's website (www.klikk.com.mt) which also contains information about the Company and its business, including an Investor Relations section.

Principle 11: Conflicts of Interest

The Directors are fully aware of their responsibility to always act in the best interests of the Company and its shareholders irrespective of whoever appointed or elected them to serve on the Board.

On joining the Board and regularly thereafter, the Directors are informed of their obligations on dealing in securities of the Company within the parameters of law, and Directors follow the required notification procedures. None of the Directors held any shares in the Company or any disclosable interest in any contracts or arrangements either subsisting at the end of the last financial year or entered during this financial year.

The Company has also adopted a document entitled 'Code of Dealing for Directors & Selected Officers and Employees' addressed to all Directors and selected officers of the Company and the Group. The aim behind this Code is to ensure compliance with the dealing rules applicable to such persons. The Company recently reminded all Directors and senior officers of their obligation to conform to the Code of Dealing on a regular basis.

Corporate governance - Statement of compliance - continued

Principle 12: Corporate Social Responsibility

The Directors also seek to adhere to accepted principles of corporate social responsibility in their management practices of the Company in relation to the Company's workforce and the community in general.

3. Non-compliance with the code

Principle 3: Executive and Non-Executive Directors on the Board

As explained in Principle 3 in Section B, the Board is composed entirely of non-executive Directors. Notwithstanding this, it is considered that the Board, as composed, provides for sufficiently balanced skills and experience to enable it to discharge its duties and responsibilities effectively. In addition, no cases of conflict of interest among the Directors are foreseen. Furthermore, none of the Directors have a direct or indirect beneficial interest in the share capital of the Company.

Principle 4: Succession Policy for the Board (code provision 4.2.7)

This Code Provision recommends 'the development of a succession policy for the future composition of the Board of Directors and particularly the executive component thereof, for which the Chairman should hold key responsibility'.

In the context of the appointment of Directors being a matter reserved exclusively to the Company's shareholders (except where the need arises to fill a casual vacancy) as explained under Principle 3 in Section B, considering that every Director retires from office at the AGM and on the basis of the Directors' non-executive role, the Company does not consider it feasible to have in place such a succession policy.

Principle 6: Succession Plan for Senior Management

Although the Chief Executive Officer is responsible for the recruitment and appointment of senior management, the Company has not established a formal succession plan.

Principle 8 B: Remuneration Committee and Nomination Committee

The Board deems that the setting up of a Remuneration Committee is not necessary within the context of the size, nature and operations of the Company. Its function is carried out by the Board of Directors.

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders. Within this context, the Board believes that the setting up of a Nomination Committee is currently not suited to the Company since it will not be able to undertake satisfactorily its full functions and responsibilities as envisaged by the spirit of the Code.

Principle 9: Conflicts between Shareholders (code provision 9.3)

Currently there is no established mechanism disclosed in the Company's Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. However, since the Company currently has only two shareholders, this lack of mechanism is considered permissible.

Corporate governance - Statement of compliance - continued

3. Non-compliance with the code - continued

Principle 10: Institutional Shareholders

The Company does not have any institutional shareholders.

4. Internal controls

The key features of the Group's system of internal controls are as follows:

Organisation

The Group operates through boards of directors of subsidiaries with clear reporting lines and delegation of powers. The Company's Chairman is also the chairman of the board of directors of the Company's subsidiary.

Control environment

The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all its operations. Group policies and employee procedures are in place for the reporting and resolution of fraudulent activities.

The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Group objectives. Lines of responsibility and delegation of authority are documented.

The Group and the individual companies comprising it have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management and the external auditors.

Risk identification

Group management is responsible together with each of the subsidiary company's management, for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

Information and communication

Group companies participate in periodic strategic reviews, which include consideration of long-term financial projections and the evaluation of business alternatives.

Monitoring and corrective action

There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Audit Committee plans to meet regularly during the year and, within its terms of reference as approved by the Board, reviews the effectiveness of the Group's systems of internal financial controls. The committee receives reports from management and the external auditors.

Corporate governance - Statement of compliance - continued

5. General meetings (code provision 5.97.6)

Shareholders' influence is exercised at the Annual General Meeting (AGM), which is the highest decision-making body of the Company.

Business at the Company's AGM will cover the Annual Financial Report and Financial Statements, the declaration of dividends, election of Directors and the approval of their remuneration, the appointment of the auditors and the authorisation of the Directors to set the auditors' fees. The Company clearly recognises the importance of maintaining a regular dialogue with its shareholders in order to ensure that its strategies and performance are understood. It communicates with the shareholders through the AGM by way of the Annual Financial Report and Financial Statements and by publishing its results on a regular basis during the year. This is done through the Investor Relations Section on the Company's internet site, the office of the Company Secretary, and Company announcements to the market in general.

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Independent auditor's report

To the Shareholders of Klikk Finance p.l.c

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of Klikk Finance p.l.c give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and

- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Klikk Finance p.l.c's financial statements, set out on pages 30 to 76, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2025;

- the Consolidated and Parent Company statements of comprehensive income for the year then ended;

- the Consolidated and Parent Company statements of changes in equity for the year then ended;

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

Independence

We are independent of the Group and the Parent Company in accordance 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 audits of financial statements in Malta and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these Codes.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Our audit approach

Overview

Overall group materiality: €88,000, which represents approximately 0.75% of revenue.

The Parent Company and its subsidiary are based in Malta, and the financial statements of these entities have been audited by the Group Auditor.

The Group auditor performed a full scope audit on all components.

Existence and valuation of inventory held by the Group

Assessment of carrying amount of goodwill attributable to the Group

Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Overall group materiality	€88,000
How we determined it	Approximately 0.75% of revenue
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because, in our view, it is the more appropriate measure for a group reporting fluctuating levels of profitability with plans for growth. Revenue is a key metric used by the shareholders as a body in assessing the group's performance. We selected 0.75% based on our professional judgement, noting that it is within the range of quantitative materiality thresholds that we consider acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €4,400 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of inventory held by the Group	
Inventory for the Group as at 31 December 2025 amounted to €2.6 million and represented 46% of total assets. Inventory is valued at the lower of cost and net realisable value applying the weighted average cost method. Due to the nature of the Group's operations, the number of transactions recorded through the inventory cycle during the year is significant and dependant on the reliability of the Group's operating system related to this cycle. We focused on this area because of the materiality of the balance and the related impact on working capital as well as on the cost of items sold. Relevant references in the Annual Financial Report: Accounting policy: Note 1.9 Note on inventories: Note 8	We tested the existence of inventory by attending the year-end counts held for selected locations. We performed test counts on a sample basis, and compared the quantities counted by us with the stock list maintained by management. We also checked that the variances arising from the test count were followed up by management and reflected in the accounting records. As part of our opening balance sheet procedures, we obtained comfort on the existence of inventory at the beginning of the year, by evaluating the stock count procedures performed by management and the resulting inventory adjustments. Furthermore, we re-extracted the list of inventory adjustments posted during the year and assessed whether such inventory adjustments are indicative of material corrections to inventory balances relating to prior periods. Our procedures on the valuation of inventory included testing the inventory's net realisable value on a sample basis. We evaluated the basis of management's impairment assessment which considered, inter alia, the impact of technologically obsolete products. Furthermore, we also assessed the valuation of slow-moving items held by the Group as at year end.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Key audit matter	How our audit addressed the key audit matter
	Based on the procedures performed, we conclude that inventories as at year end are reasonably stated in the financial statements.
Assessment of carrying amount of goodwill attributable to the Group	
Goodwill with a carrying amount of €417,951 as at 31 December 2025, has arisen on acquisitions effected during the preceding financial years. An assessment is required annually to establish whether goodwill that has an indefinite useful life 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). Goodwill arising from acquisitions has been allocated to the Group's sole CGU. The impairment assessment relied on the calculation of a value in use for the CGU.	Our work relating to the goodwill impairment assessment included the following: We evaluated the suitability and appropriateness of the impairment methodology applied and the discounted cash flow model as prepared by management. Through the involvement of valuation experts, we assessed the methodology and assumptions used. The model's calculations were re-performed to check accuracy and key inputs in the model were tested to relevant sources. Management's cash flow forecasts used in the model were assessed by: • testing that the forecasts agreed to the most recent business plan which had been approved by management; • considering present levels of performance against the plan and enquiring on reasons for any deviation also through discussion with management;

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Key audit matter	How our audit addressed the key audit matter
This calculation was based on estimated future cash flows for the CGU, including assumptions around revenue growth, margins and EBITDA levels, discounted at an appropriate weighted average cost of capital. The Group used its business plan as the basis for the first 5 years of cash flow projections and then extrapolated the net cash flows into perpetuity using a terminal growth factor. The assumptions supporting the underlying forecast cash flows are subjective as they are affected by unexpected future market or economic conditions. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement. The extent of judgement and the size of the goodwill resulted in this matter being identified as an area of audit focus.	• assessing historical forecasting accuracy through back-testing by reviewing cash flow results with previous forecasts, including forecast profit margins to historical margins; and • evaluating management's future plans for the CGU and how projected cash flows were developed. Our discussions with the Audit Committee in respect of this key audit matter focused on the key assumptions, both individually and when combined together. During these discussions, the Audit Committee confirmed their view that the forecast for the CGU remained appropriate and that the key assumptions were subject to oversight. We critically assessed whether or not a reasonably possible change to the assumptions could result in an impairment considering the sensitivity of the valuation to these assumptions.

pwc

Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Key audit matter	How our audit addressed the key audit matter
Relevant references in the Annual Financial Report: Accounting policies: Note 1.6 and 1.7 Critical accounting estimates and judgements: Note 3.1 Note on intangible assets: Note 6	We evaluated the sensitivity of the Value in Use calculation to changes in key assumptions, including forecast performance, long-term growth rates and the discount rate. We determined that a material deterioration in performance or a significant increase in the discount rate would be required to result in impairment. Our sensitivity analyses did not indicate that reasonably possible changes in these assumptions would give rise to an impairment. The value in use of the CGU remains in excess of the carrying amount. The disclosures made in relation to goodwill were also reviewed and were deemed appropriate.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

pwc

Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group's accounting process is structured around the Group finance function at its head office. The Group auditor in Malta carried out a full scope audit on all components.

The Group auditor performed all of this work by applying the overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report and the Corporate governance - Statement of compliance (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

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

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent 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.

pwc

Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

- 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 or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

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 relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

The *Annual Financial Report and Consolidated Financial Statements 2025* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Financial Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Area of the *Annual Financial Report and Consolidated Financial Statements 2025* and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report (on pages 1 to 3) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Area of the *Annual Financial Report and Consolidated Financial Statements 2025* and the related Directors' responsibilities	Our responsibilities	Our reporting
Corporate governance - Statement of compliance The Prospects MTF Rules issued by the Malta Stock Exchange require the directors to prepare and include in the Annual Financial Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Markets Rules issued by the Malta Financial Services Authority. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.	We read the Statement of Compliance and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to express an opinion on the Statement of Compliance in accordance with Prospects MTF Rules. We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.	In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange. We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.

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Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Area of the *Annual Financial Report and Consolidated Financial Statements 2025* and the related Directors' responsibilities	Our responsibilities	Our reporting
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or 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 which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Independent auditor's report - *continued*

To the Shareholders of Klikk Finance p.l.c

Other matter - use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Stefan Bonello

Principal

For and on behalf of

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi

Malta
9 March 2026

Statements of financial position

		Group			Company		
		As at 31 December		As at 1 January	As at 31 December		As at 1 January
		2025	2024 Restated	2024 Restated	**2025**	2024 Restated	2024 Restated
	Notes	**€**	€	€	**€**	€	€
ASSETS							
Non-current assets							
Property, plant and equipment	4	**166,361**	137,893	120,726	**-**	-	-
Right-of-use assets	5	**412,055**	439,766	502,059	**-**	-	-
Intangible assets	6	**418,747**	432,650	493,812	**-**	-	-
Investment in subsidiary	7	**-**	-	-	**1,329,367**	1,329,367	1,329,367
Other non-current financial assets	10	**-**	-	-	**455,237**	1,146,599	1,367,539
Deferred tax asset	12	**508,450**	451,378	322,024	**-**	5,137	2,314
Total non-current assets		**1,505,613**	1,461,687	1,438,621	**1,784,604**	2,481,103	2,699,220
Current assets							
Inventories	8	**2,623,054**	1,063,783	1,385,888	**-**	-	-
Trade and other receivables	9	**797,328**	262,404	641,607	**12,425**	46,379	119,969
Other current financial assets	10	**-**	-	-	**558,666**	-	-
Current tax assets		**-**	15	-	**-**	-	-
Cash and cash equivalents	11	**717,999**	456,925	463,534	**440,926**	35,717	81,182
Total current assets		**4,138,381**	1,783,127	2,491,029	**1,012,017**	82,096	201,151
Total assets		**5,643,994**	3,244,814	3,929,650	**2,796,621**	2,563,199	2,900,371

Statements of financial position - continued

		Group			Company		
		As at 31 December		As at 1 January	As at 31 December		As at 1 January
		2025	2024 Restated	2024 Restated	**2025**	2024 Restated	2024 Restated
	Notes	**€**	€	€	**€**	€	€
EQUITY AND LIABILITIES							
Equity							
Share capital	13	**350,000**	350,000	350,000	**350,000**	350,000	350,000
Additional contributed capital	14	**399,879**	399,879	649,368	**399,879**	399,879	649,368
Accumulated losses/ retained earnings		**(1,732,078)**	(1,198,893)	(1,336,087)	**55,237**	147,974	96,156
Total equity		**(982,199)**	(449,014)	(336,719)	**805,116**	897,853	1,095,524
Non-current liabilities							
Lease liabilities	15	**330,464**	429,389	502,971	**-**	-	-
Borrowings	16	**1,518,951**	1,595,108	1,626,698	**1,518,951**	1,595,108	1,626,698
Total non-current liabilities		**1,849,415**	2,024,497	2,129,669	**1,518,951**	1,595,108	1,626,698
Current liabilities							
Lease liabilities	15	**141,281**	86,510	70,177	**-**	-	-
Borrowings	16	**-**	690	336,197	**-**	-	118,239
Trade and other payables	17	**4,634,444**	1,579,986	1,728,974	**471,486**	68,092	58,558
Current tax liabilities		**1,053**	2,145	1,352	**1,068**	2,146	1,352
Total current liabilities		**4,776,778**	1,669,331	2,136,700	**472,554**	70,238	178,149
Total liabilities		**6,626,193**	3,693,828	4,266,369	**1,991,505**	1,665,346	1,804,847
Total equity and liabilities		**5,643,994**	3,244,814	3,929,650	**2,796,621**	2,563,199	2,900,371

The notes on pages 36 to 76 are an integral part of these consolidated financial statements.

The financial statements on pages 30 to 76 were approved and authorised for issue by the Board of Directors and signed on their behalf on 9 March 2026 by:

Mr. Reuben Attard - Director

Ms. Elaine Fenech - Director

Statements of comprehensive income

		As at 31 December			
		Group		Company	
	Notes	**2025** €	2024 €	**2025** €	2024 €
Revenue	18	**11,896,239**	8,191,419	**-**	-
Cost of sales	19	**(10,944,999)**	(7,229,278)	**-**	-
Gross profit		**951,240**	962,141	**-**	-
Selling and administrative expenses	19	**(1,412,878)**	(995,478)	**(55,555)**	(7,870)
Other expenses		**(2,502)**	(797)	**-**	(794)
Other income		**2,192**	109,920	**-**	143
Operating (loss)/profit		**(461,948)**	75,786	**(55,555)**	(8,521)
Gain on disposal of subsidiary		**-**	251	**-**	-
Finance income	22	**-**	-	**58,666**	98,159
Finance costs	23	**(128,608)**	(132,502)	**(90,710)**	(96,151)
Loss before tax		**(590,556)**	(56,465)	**(87,599)**	(6,513)
Tax credit/(expense)	24	**57,371**	138,151	**(5,138)**	2,823
(Loss)/profit for the year		**(533,185)**	81,686	**(92,737)**	(3,690)
Attributable to:					
Owners of the Company		**(533,185)**	81,686	**(92,737)**	(3,690)

The notes on pages 36 to 76 are an integral part of these consolidated financial statements.

Statements of changes in equity

Group		Attributable to the owners of the Company			
	Note	Share capital €	Additional contributed capital €	Accumulated losses €	Total €
Balance at 1 January 2024 (as previously stated)		350,000	649,368	(957,462)	41,906
Prior period adjustment		-	-	(378,625)	(378,625)
Opening balances as restated		350,000	649,368	(1,336,087)	(336,719)
Comprehensive income					
Profit for the year		-	-	81,686	81,686
Total comprehensive income		**-**	**-**	**81,686**	**81,686**
Reduction in additional contributed capital	14	-	(249,489)	55,508	(193,981)
Balance at 31 December 2024		350,000	399,879	(1,198,893)	(449,014)
Balance at 1 January 2025		350,000	399,879	(1,198,893)	(449,014)
Comprehensive income					
Loss for the year		-	-	(533,185)	(533,185)
Total comprehensive loss		**-**	**-**	**(533,185)**	**(533,185)**
Balance at 31 December 2025		**350,000**	**399,879**	**(1,732,078)**	**(982,199)**

Statements of changes in equity - continued

Company	Note	Share capital €	Attributable contributed capital €	Retained earnings €	Total €
Balance at 1 January 2024 (as previously stated)		350,000	649,368	137,562	1,136,930
Prior period adjustment		-	-	(41,406)	(41,406)
Opening balances as restated		350,000	649,368	96,156	1,095,524
Comprehensive income					
Loss for the year		-	-	(3,690)	(3,690)
Total comprehensive loss		**-**	**-**	**(3,690)**	**(3,690)**
Reduction in additional contributed capital	14	-	(249,489)	55,508	(193,981)
Balance at 31 December 2024		350,000	399,879	147,974	897,853
Balance at 1 January 2025		350,000	399,879	147,974	897,853
Comprehensive income					
Loss for the year		-	-	(92,737)	(92,737)
Total comprehensive loss		**-**	**-**	**(92,737)**	**(92,737)**
Balance at 31 December 2025		**350,000**	**399,879**	**55,237**	**805,116**

The notes on pages 36 to 76 are an integral part of these consolidated financial statements.

Statements of cash flows

		As at 31 December			
		Group		Company	
	Notes	**2025** €	2024 €	**2025** €	2024 €
Cash flows from operating activities					
Cash (used in)/generated from operations	25	**(1,387,615)**	453,842	**330,165**	(14,673)
Interest paid on lease liabilities	23	**(22,190)**	(26,204)	**-**	-
Interest paid on bank charges	23	**(3,907)**	(809)	**-**	-
Other interest paid	23	**(11,801)**	(10,148)	**-**	-
Income tax paid		**(785)**	-	**(1,078)**	-
Net cash (used in)/generated from operating activities		**(1,426,298)**	416,681	**329,087**	(14,673)
Cash flows from investing activities					
Purchase of property, plant and equipment	4	**(84,940)**	(74,365)	**-**	-
Proceeds from disposal of property, plant and equipment		**-**	42,000	**-**	-
Purchase of intangible assets	6	**-**	(1,135)	**-**	-
Reduction in additional contributed capital	14	**-**	(193,981)	**-**	(193,981)
Proceeds from sale of subsidiary		**-**	124,000	**-**	-
Net cash used in investing activities		**(84,940)**	(103,481)	**-**	(193,981)
Cash flows from financing activities					
Repayments of bank loans		**-**	(52,935)	**-**	(52,935)
Bond buybacks	16	**(85,200)**	(41,000)	**(85,200)**	(41,000)
Advances from other undertakings		**-**	(58,005)	**-**	-
Advances from related parties		**2,030,785**	245,000	**203,000**	319,099
Loan and bond interest paid		**(41,678)**	(85,779)	**(41,678)**	(85,779)
Principal elements of lease payments	15	**(130,905)**	(107,618)	**-**	-
Payments to shareholders		**-**	-	**-**	26,008
Net cash generated from/(used in) financing activities		**1,773,002**	(100,337)	**76,122**	165,393
Net movement in cash and cash equivalents		**261,764**	212,863	**405,209**	(43,261)
Cash and cash equivalents at beginning of year		**456,235**	243,372	**35,717**	78,978
Cash and cash equivalents at end of year	11	**717,999**	456,235	**440,926**	35,717

The notes on pages 36 to 76 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements include the financial statements of Klikk Finance p.l.c. and its subsidiary and are prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

Financial position of the Group and the Group's cash flow forecasting process

As at 31 December 2025, the Group's total liabilities exceeded its total assets by €982,199 (Group 2024: €449,014) and its current liabilities exceeded it current assets by €638,397 (2023: net current asset position of €113,796). Included in the liabilities of the Group, are amounts due to the immediate parent of the Group amounting to €2.3 million. As at year-end, the immediate parent company has undertaken not to demand repayment of amounts due until the Group has sufficient funds to be able to do so and to also provide any additional liquidity to enable the Group to honour other commitments as and when they fall due, as required.

Following the change in shareholding in 2024, during the year-ended 31 December 2025, management and the Board of Directors have devised a strategy for the Group intended to significantly improve the Group's performance in the coming years, of which some of these initiatives have already been implemented during the financial year under review.

Furthermore, management prepared projections for profitability and cashflows, taking into account the impact of the Group's revised strategy. The Group's profitability and cashflow projections indicate that, with the resources that are available and will be generated, as well as with the above-mentioned support of the immediate parent company, the Group will cover its commitments for the next 12 months and will continue operating as a going-concern.

With respect to the bond maturing in 2027, management and the Board of Directors are assessing the options available to the Group to raise finance to enable the Group to repay this bond.

Standards, interpretations and amendments to published standards effective in 2025

In 2025, the Group and Company adopted amendments to existing standards that are mandatory for the Group and Company's accounting period beginning on 1 January 2025. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group and Company's accounting policies impacting the financial performance and position.

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards that are not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 January 2025. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Directors are of the opinion that there are no requirements which will have a material impact on the Group's financial statements in the period of initial application, other than what is described below.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 (issued on 9 April 2024) was endorsed for use in the European Union on 16 February 2026 and is set to replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance. IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements.

Management is currently assessing the implications of applying IFRS 18 on the Group and Company's financial statements. The new standard will be applicable from its mandatory effective date of 1 January 2027, with retrospective application, meaning that comparative information will be restated to reflect the new presentation and disclosure requirements introduced.

Prior period error

During the current financial year, management identified prior period errors relating to the incorrect recognition and measurement of certain assets and liabilities. These included (i) inventory items carried at cost despite having a lower net realisable value (NRV), (ii) trade receivables deemed unrecoverable but previously not impaired, and (iii) incorrect creditor balances due to incomplete records. These errors, in their totality, have resulted in an overstatement of assets and understatement of liabilities and have been corrected retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with restatements made to the comparative financial information presented.

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

These errors have been corrected by restating each affected financial statement line item for the prior periods as follows:

Group

	Statement of financial position (extract)		
As at December 2023	**As originally presented**	**Effect of correction**	**As restated**
	€	**€**	**€**
Inventories	1,511,667	(125,779)	1,385,888
Trade and other receivables	714,562	(72,955)	641,607
Trade and other payables	1,549,083	179,891	1,728,974
Net assets	**41,906**	**(378,625)**	**(336,719)**
Accumulated losses	(957,462)	(378,625)	(1,336,087)
Total equity	**41,906**	**(378,625)**	**(336,719)**

Group

	Statement of financial position (extract)		
As at December 2024	**As originally presented**	**Effect of correction**	**As restated**
	€	**€**	**€**
Inventories	1,189,562	(125,779)	1,063,783
Trade and other receivables	335,359	(72,955)	262,404
Trade and other payables	1,400,095*	179,891	1,579,986
Net assets	**(70,389)**	**(378,625)**	**(449,014)**
Accumulated losses	(820,268)	(378,625)	(1,198,893)
Total equity	**(70,389)**	**(378,625)**	**(449,014)**

**In addition to the effect of error correction, trade and other payables as originally presented includes a further reclassified amount of €250,095 from the borrowings.*

1. Summary of material accounting policies - continued

1.1 Basis of preparation - continued

Company

Statement of financial position (extract)

As at December 2023	As originally presented	Effect of correction	As restated
	€	€	€
Trade and other receivables	158,197	(38,228)	119,969
Trade and other payables	(55,380)	(3,178)	(58,558)
Net assets	**1,136,930**	**(41,406)**	**1,095,524**
Accumulated losses	137,562	(41,406)	96,156
Total equity	**1,136,930**	**(41,406)**	**1,095,524**

Company

Statement of financial position (extract)

As at December 2024	As originally presented	Effect of correction	As restated
	€	€	€
Trade and other receivables	84,607	(38,228)	46,379
Trade and other payables	(64,914)	(3,178)	(68,092)
Net assets	**939,259**	**(41,406)**	**897,853**
Accumulated losses	189,380	(41,406)	147,974
Total equity	**939,259**	**(41,406)**	**897,853**

The above errors only impacted the income statement for periods preceding the comparative period and had no incremental impact on the income statement of the comparative period. Therefore, no restated income statement is being presented in this respect.

1. Summary of material accounting policies - continued

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where, for instance the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Upon consolidation, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are 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, i.e. at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of acquiring the investment. 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 the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1. Summary of material accounting policies - continued

1.2 Consolidation - continued

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of Directors, which is the Group's chief operating decision-maker in accordance with the requirements of IFRS 8 'Operating Segments'.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance executing the function of the chief operating decision-maker.

The Group's internal reporting organisation and structure is such that its "computer electronics" business is treated as one business segment taking cognisance of market dynamics and consumer demand. The operations within the "computer electronics" segment comprise the Group's retail of computer electronics to consumer and corporate clients in Malta through its brick-and-mortar outlets and website. The Board of Directors considers the Group as one segment.

1.4 Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency.

1.5 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost.

Subsequent measurement of property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

1. Summary of material accounting policies - continued

1.5 Property, plant and equipment - continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful life.

The rates of depreciation used for the current and comparative periods are as follows:

	%
Improvements to premises	5-10
Office furniture and equipment	25
Computer equipment & software	25
Other equipment	10-16.67
Motor vehicles	20

Office furniture and equipment, Computer equipment & software and Other equipment have been aggregated under the Office fixtures furniture & equipment category in Note 4.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.7).

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in profit or loss.

When revalued assets are sold, the amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

1.6 Intangible assets

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'.

Goodwill that is recognised separately within 'intangible assets' is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and also whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. The recoverable amount is the higher of fair value less costs to sell and value in use. Impairment losses on goodwill are not reversed.

1. **Summary of material accounting policies** - continued

1.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or certain intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.8 Financial assets

1.8 (a) Classification

The Group classifies its financial assets at amortised cost.

1.8 (b) Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

1.8 (c) Measurement

Debt instruments

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

1.8 (d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2.1(b) for further details).

1. Summary of material accounting policies - continued

1.8 Financial assets – continued

1.8.1 Trade and other receivables

Trade receivables comprise amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less credit loss allowances.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.8.2 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

1.9 Inventories

Goods held for resale and other inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method, and comprises the invoiced value of goods, including transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.11 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities, other than derivative contracts and contingent considerations, are classified as financial liabilities measured at amortised cost, i.e. which are not at fair value through profit or loss. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1. Summary of material accounting policies - continued

1.11 Financial liabilities - continued

1.11.1 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.11.2 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.12 Offsetting financial instruments

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

1.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1. Summary of material accounting policies - continued

1.14 Provisions for legal and other claims

Provisions for legal and other claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.15 Revenue recognition

Revenues include all revenues from the ordinary business activities. Ordinary activities do not only refer to the core business but also to other recurring sale of goods or rendering of services. Revenues are recorded net of value added tax.

At contract inception, the goods or services promised in a contract with a customer are assessed and each promise to transfer to the customer the good or service is identified as a performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue is recognised when the Group satisfies a performance obligation, which occurs when it transfers control of a promised good or service to a customer. Control of a promised good or service is transferred to a customer when the customer is able to direct the use of the promised good or service. A performance obligation is satisfied at a point in time unless it meets certain criteria that indicate that it is satisfied over time.

Sale of goods

Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Sales are recognised when control of the products has been transferred, being when the products are delivered to the buyer, the buyer has full discretion over the products, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Financing

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Dividend income

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

1. Summary of material accounting policies - continued

1.16 Customer contract assets and liabilities

The timing of revenue recognition may differ from customer invoicing. Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to issuing an invoice. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet, such as customer vouchers.

1.17 Leases

The Group is the lessee

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The Group elected, by each class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

1. Summary of material accounting policies - continued

1.17 Leases - continued

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, where there is no third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

1.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

The Company measures a liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. Upon settlement of the dividend payable the Company recognises the difference between the carrying amount of the assets to be distributed and the carrying amount of the dividend payable in profit or loss.

1. Summary of material accounting policies - continued

1.19 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings.

2. Financial risk management

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's Board of Directors provides principles for overall Group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective entity's functional currency, which would be considered a foreign currency. The Group's revenues, purchases and operating expenditure, financial assets and liabilities, including financing, are mainly denominated in euro, and therefore foreign exchange risk is not considered significant.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets and liabilities except for a loan given to a subsidiary and bond payable, which are subject to fixed interest rates. Financial instruments at fixed interest rates expose the Group to fair value interest rate risk.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Cash flow and fair value interest rate risk - continued

The Group and Company's fair value interest rate risk principally arises from financial instruments, which are analysed below:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Financial assets measured at amortised cost				
Subject to fixed rates				
Loan given to subsidiary (Note 10)	**-**	-	**1,013,903**	1,146,599
Financial liabilities measured at amortised cost				
Subject to fixed rates				
Bond (Note 16)	**(1,518,951)**	(1,595,108)	**(1,518,951)**	(1,595,108)
Net fair value interest rate risk	**(1,518,951)**	(1,595,108)	**(505,048)**	(448,509)

The Group and Company's significant instruments which are subject to fixed interest rates consist principally of bonds issued. In this respect, the Group is potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

The Group and Company are not exposed to any variable interest rate risk.

(iii) Price risk

The Group is not exposed to equity securities price risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, loans and receivables, as well as credit exposures to customers, including outstanding receivables and committed transactions. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Carrying amounts				
Trade and other receivables (Note 9)	**616,463**	228,911	**-**	26,789
Cash and cash equivalents (Note 11)	**717,999**	456,925	**440,926**	35,717
	1,334,462	685,836	**440,926**	62,506

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral as security in this respect. The figures disclosed in the table above in respect of trade and other receivables exclude indirect taxation and prepayments.

Trade and other receivables (including contract assets)

The Group assesses the credit quality of its trade customers, the majority of which are unrated, taking into account financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of services are affected to customers with an appropriate credit history. Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The creditworthiness analysis for new customers includes a review through external creditworthiness databases when available. The Group monitors the performance of its trade and other receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

In view of the nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade and other receivables. Whilst no individual customer or group of dependent customers is considered by management as a significant concentration of credit risk with respect to contractual debts, these material exposures are monitored and reported more frequently and rigorously. These customers trade frequently with the respective Group undertaking and are deemed by management to have positive credit standing, usually taking cognisance of the performance history without defaults.

The Group manages credit limits and exposures actively in a practicable manner such that past due amounts receivable from customers are within controlled parameters. The Group's trade and other receivables, which are not impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect significant losses from non-performance by these customers.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Impairment of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. These rates are applied to the gross receivables less any deposits held currently classified as contract liabilities.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group adjusts the historical loss rates based on expected changes in these factors. On that basis, the loss allowance was determined for the Group as follows:

	Up to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	121 to 150 days past due	**Total**
31 December 2025						
Weighted average expected loss rate	**0%**	**2%**	**7%**	**37%**	**96%**	
Gross carrying amount - trade receivables and contract assets (€)	**214,992**	**47,021**	**19,500**	**4,790**	**2,942**	**289,245**
Loss allowance applied after netting off the deposits (€)	**392**	**903**	**1,407**	**1,781**	**1,450**	**5,933**
31 December 2024						
Weighted average expected loss rate*	0%	0%	0%	0%	14%	
Gross carrying amount – trade receivables and contract assets (€)	85,990	17,017	13,585	8,831	22,630	**148,053**
Loss allowance applied after netting off the deposits (€)	-	-	-	-	3,084	**3,084**

**The weighted average expected loss rate is applied to the net exposure after deducting customer deposits from gross receivables.*

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Group actively monitors information available on macroeconomic factors, affecting repayment ability, as well as the actual and projected impact of geopolitical, economic and other developments on the business model of the customers serviced by the Group. Payment patterns attributable to the Group's customers is thoroughly and regularly assessed to determine whether any deterioration in collection rates is being experienced. The Group determined that the expected credit losses have not materially changed taking cognisance of the projected impact on the repayment ability of the Group's customers, the repayment pattern actually experienced, and the estimated life of receivables.

Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables. The Group considers that there is evidence of impairment if any of the following indicators is present:
- significant financial difficulties of the debtor,
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 90 days overdue).

The closing loss allowances for trade receivables as at 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

	Group	
	2025	2024
	€	€
Trade and other receivables		
Balance at 1 January	**3,084**	15,966
Net change in loss allowances recognised in profit or loss during the year	**2,849**	(12,882)
Balance at 31 December	**5,933**	3,084

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade and other receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, provisions for impairment in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of provisions for impairment of credit impaired receivables arise in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Group and the Company do not hold any significant collateral as security in respect of the credit impaired assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

Cash and cash equivalents

The Group principally banks with local and European financial institutions with high quality standing but which are unrated. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss allowance was insignificant.

Loan given to subsidiary

The Group and Company's receivables include amounts owed by subsidiary (Note 10). The Group and Company monitor intra-group credit exposures at individual entity level on a regular basis and ensure timely performance of these assets in the context of overall Group liquidity management. The Group and Company assess the credit quality taking into account financial position, and expected future performance and cash generation of the counter-party. The Group and Company take cognisance of the relationship with this subsidiary and management does not expect any losses from non-performance or default. Accordingly, the expected credit loss allowance attributable to such balances is insignificant.

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise lease liabilities, borrowings, trade and other payables and other financial liabilities (refer to Notes 15, 16 and 17 for further information). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts and ensures that no additional financing facilities are expected to be required over the coming year. This is performed at a central treasury function, which controls the overall liquidity requirements of the Group within certain parameters. The Group ensures that it has enough cash on demand, within pre-established benchmarks, to meet expected operational expenses and servicing of financial obligations over specific short-term periods, excluding the potential impact of extreme circumstances that cannot reasonably be predicted. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as support from the immediate parent as further detailed in Note 1.1.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

The following table analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

Group	Carrying amount €	Contractual cash flows €	Within one year €	Between one and two years €	Between two to five years €
31 December 2025					
Bond	**1,518,951**	**1,664,655**	**80,687**	**1,583,968**	**-**
Lease liabilities	**471,745**	**516,100**	**159,440**	**111,140**	**245,520**
Trade and other payables	**4,634,444**	**4,634,444**	**4,634,444**	**-**	**-**
	6,625,140	**6,815,199**	**4,874,571**	**1,695,108**	**245,520**
31 December 2024					
Bond	1,595,108	1,842,097	85,160	85,160	1,671,777
Bank overdraft	690	690	690	-	-
Lease liabilities	515,899	584,115	107,967	418,650	57,498
Trade and other payables	1,579,986	1,579,986	1,579,986	-	-
	3,691,683	**4,006,888**	**1,773,803**	**503,810**	**1,729,275**

Company	Carrying amount €	Contractual cash flows €	Within one year €	Between one and two years €	Between two to five years €
31 December 2025					
Bond	**1,518,951**	**1,664,655**	**80,687**	**1,583,968**	**-**
Trade and other payables	**471,486**	**471,486**	**471,486**	**-**	**-**
	1,990,437	**2,136,141**	**552,173**	**1,583,968**	**-**
31 December 2024					
Bond	1,595,108	1,842,097	85,160	85,160	1,671,777
Trade and other payables	68,092	68,092	68,092	-	-
	1,663,200	**1,910,189**	**153,252**	**85,160**	**1,671,777**

2. Financial risk management - continued

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt.

The figures in respect of the Group's equity and borrowings as at 31 December are reflected below:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Borrowings (Note 16)	**1,518,951**	1,595,798	**1,518,951**	1,595,108
Lease liabilities (Note 15)	**471,745**	515,899	**-**	-
Less: Cash and cash equivalents (Note 11)	**(281,099)**	(422,242)	**(4,026)**	(1,034)
Less: Sinking fund (Note 11)	**(436,900)**	(34,683)	**(436,900)**	(34,683)
Net debt	**1,272,697**	1,654,772	**1,078,025**	1,595,391
Total equity	**(982,199)**	(449,014)	**805,116**	**897,852**
Total capital	**290,498**	1,205,758	**1,883,141**	2,457,243
Net debt ratio	**438%**	137%	**57%**	63%

The Group and Company manage the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital, as reflected in the consolidated and stand-alone statement of financial position, is maintained by reference to the Group and Company's respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group and Company's activities and the extent of debt, the capital level at the end of the reporting period determined by reference to the consolidated and stand-alone financial statements is deemed adequate by the Directors.

2. Financial risk management - continued

2.3 Fair values of financial instruments not carried at fair value

At 31 December 2025 and 2024, the carrying amounts of certain financial instruments not carried at fair value comprising cash at bank, receivables, payables, accrued expenses and other short-term liabilities reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments, including borrowings and other financial liabilities, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Estimated fair values approximate carrying amounts.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions present a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group's management also makes judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that may have a significant effect on the amounts recognised in the financial statements.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements, other than the ones highlighted below, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

The Directors also draw attention to the fact that there are no assumptions and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Critical accounting estimates and judgements - continued

3.1 Impairment testing

IFRSs require management to undertake an annual test for impairment of goodwill and require management to test for impairment if events or changes in circumstances indicate that the carrying amount of a non-financial asset having a finite useful life may not be recoverable. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The Group also assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets or cash-generating units can be supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections, which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, in particular those derived from the Group's cash-generating units, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in revenue, earnings before interest, taxation, depreciation and amortisation (EBITDA); developments in number of customers; long-term growth rates; and the selection of discount rates to reflect the risks involved. Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results. Refer to further details in Note 6.

In assessing whether there has been an impairment in the carrying value of the investment in subsidiary reflected in the Company's separate financial statements (Notes 1.2(a) and 7), management makes reference to the same net present value of future cash flows derived from such investment as described above.

4. Property, plant and equipment

Group

	Improvements to premises €	Office fixtures furniture & equipment €	Motor Vehicles €	Total €
At 1 January 2024				
Cost	284,905	692,059	39,045	1,016,009
Accumulated depreciation and impairment charges	(217,158)	(639,080)	(39,045)	(895,283)
Net book amount	**67,747**	**52,979**	**-**	**120,726**
Year ended 31 December 2024				
Opening net book amount	67,747	52,979	-	120,726
Additions	-	74,365	-	74,365
Disposals and reversals	-	(248,677)	-	(248,677)
Depreciation charge	(7,552)	(49,646)	-	(57,198)
Depreciation released on disposals	-	248,677	-	248,677
Closing net book amount	**60,195**	**77,698**	**-**	**137,893**
At 31 December 2024				
Cost	284,905	517,747	39,045	841,697
Accumulated depreciation and impairment charges	(224,710)	(440,049)	(39,045)	(703,804)
Net book amount	**60,195**	**77,698**	**-**	**137,893**
Year ended 31 December 2025				
Opening net book amount	60,195	77,698	-	137,893
Additions	11,127	73,813	-	84,940
Depreciation charge	(17,088)	(39,384)	-	(56,472)
Closing net book amount	**54,234**	**112,127**	**-**	**166,361**
At 31 December 2025				
Cost	296,032	591,560	39,045	926,637
Accumulated depreciation and impairment charges	(241,798)	(479,433)	(39,045)	(760,276)
Net book amount	**54,234**	**112,127**	**-**	**166,361**

4. Property, plant and equipment - continued

Depreciation charge

The depreciation charge for the year is recognised in profit or loss as follows:

	Group 2025 €	2024 €
Selling and Administrative expenses	**56,472**	57,198

5. Right-of-use assets

The Group has lease contracts for its offices situated in Birkirkara and operating stores in Birkirkara and Zejtun. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in respect of managing contracts. The extension and termination options held are exercisable only by the Group and not by the respective lessor. In respect of the property lease arrangements, the extension periods have been included in determining lease term for the respective arrangement.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset (ROU) recognised on the balance sheet as at 31 December 2025 and 2024:

As at 31 December 2025

ROU asset	No of ROU assets	Range of remaining lease term (years)	Average remaining lease term (years)	Average extension option considered (years)	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Properties	2	1 - 5	3	5	1	-	2

As at 31 December 2024

ROU asset	No of ROU assets	Range of remaining lease term (years)	Average remaining lease term (years)	Average extension option considered (years)	No of leases with extension options	No of leases with option to purchase	No of leases with termination options
Properties	2	1 - 6	4	6	1	-	2

5. Right-of-use assets - continued

The statement of financial position reflects the following assets relating to leases:

Group	2025 €	2024 €
As at 1 January	**439,766**	502,059
Additions	**108,673**	50,369
Lease modification	**(1,814)**	-
Amortisation of right-of-use assets	**(134,570)**	(112,662)
Total right-of-use assets	**412,055**	439,766

Amounts recognised in profit and loss

The income statement reflects the following amounts relating to leases:

Group	2025 €	2024 €
Amortisation charge of right-of-use assets	**134,570**	112,662
Interest expense (included in finance costs)	**22,190**	26,204

6. Intangible assets

Group

	Website development cost €	Computer software €	Goodwill €	Total €
At 1 January 2024				
Cost	145,878	233,401	417,951	797,230
Accumulated amortisation and impairment charges	(113,696)	(189,722)	-	(303,418)
Net book amount	32,182	43,679	417,951	493,812
Year ended 31 December 2024				
Opening net book amounts	32,182	43,679	417,951	493,812
Additions	-	1,135	-	1,135
Disposals	-	(234,536)	-	(234,536)
Amortisation charge	(17,483)	(15,326)	-	(32,809)
Release of amortisation charge on disposal	-	205,048	-	205,048
Closing net book balance	**14,699**	**-**	**417,951**	**432,650**
At 31 December 2024				
Cost	145,878	-	417,951	563,829
Accumulated amortisation and impairment charges	(131,179)	-	-	(131,179)
Net book amount	14,699	-	417,951	432,650
Year ended 31 December 2025				
Opening net book amount	14,699	-	417,951	432,650
Amortisation charge	(13,903)	-	-	(13,903)
Closing net book balance	**796**	**-**	**417,951**	**418,747**
At 31 December 2025				
Cost	145,878	-	417,951	563,829
Accumulated amortisation and impairment charges	(145,082)	-	-	(145,082)
Net book amount	**796**	**-**	**417,951**	**418,747**

Amortisation

The amortisation charge of €13,903 for the year ended 31 December 2025 is recognised in profit or loss under "Selling and Administrative expenses".

Goodwill

Goodwill reflected within the statement of financial position is attributable to business combinations effected in prior years.

6. Intangible assets - continued

Goodwill - continued

The Group's internal reporting to the Board of Directors and senior management is analysed by one segment: "computer electronics". This segment which comprises the Group's business activities, as further described in Note 1.3, is considered as the Group's only cash generating unit (CGU).

The recoverable amount of the Group's cash-generating unit has been estimated by management on the basis of value in use (VIU) reflecting the net present value of future cash flows derived from such cash-generating unit. The net present value of the future cash flows is based on a five-year cash flow forecast within the operational plan approved by the Board of Directors and the extrapolation of the cash flow forecast beyond the five-year period through the estimation of terminal values.

The key assumptions in the determination of the recoverable amount of the CGU are the levels of forecasted revenue, EBITDA, the terminal value growth rates applied to the estimated cash flows beyond the explicit forecast period and the discount rate.

Forecast EBITDA levels are based on past experience, adjusted for market developments and industry trends, in particular the following factors over a five-year period:

- forecast overall growth in turnover over the five-year period, taking advantage of the Group's competitive position in this respect and the introduction of new revenue streams; and
- expected increase in EBITDA margins mainly due to the fixed nature of certain key elements in the cost base of the CGU.

The estimated average annual increase in revenue, EBITDA, terminal value growth rate and post-tax discount rate for the CGU, applied as at year-end, are disclosed in the table below:

	Average annual increase in revenue %	Average annual increase in EBITDA %	Terminal value growth rate %	Post-tax discount rate %
31 December 2025	23.0	74.0	2.0	10.0

Management considers the timing of the future tax cash flows to have an immaterial impact on the impairment assessment performed. Accordingly, the pre-tax discount rate utilised can be derived from the post-tax discount rate utilised.

The two components of the discount rate are the cost of equity and the cost of debt. The cost of equity has been calculated by management by applying the CAPM formula (Ke=Rf+beta(Rm-Rf) where Rf is the risk-free rate of return and Rm is the market return). The cost of debt is the cost of raising debt finance through a financial intermediary.

These parameters have been principally based on market observable data. Management's estimation of the VIU indicates that there is sufficient headroom between the estimated recoverable amount and the carrying amount of the CGU. Accordingly, management's views are that there appear to be no reasonable possible changes in the key assumptions on which it has based its determination of the CGU's recoverable amount that would cause the carrying amount to exceed VIU.

7. Investment in subsidiary

Company	2025 €	2024 €
Cost and carrying amount		
At beginning of year and at end of year	**1,329,367**	1,329,367

The carrying amount of the investment at 31 December 2025 and 2024 is equivalent to the cost of the investment. An assessment for impairment of the investment in the subsidiary was performed by management during the year. Upon completion of the assessment, management determined that the value of the recoverable amount, as further detailed in Note 6, exceeds the carrying amount of the investment in subsidiary at year-end. Management's views are that there appear to be no reasonable possible changes in the key assumptions on which it has based its determination of the CGU's recoverable amount that would cause the carrying amount to exceed VIU.

The principal subsidiaries of the Group all of which are unlisted are shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2025	2024
Klikk Limited	GO, Triq Hal-Tarxien, Zejtun ZTN3000	306,755 Ordinary A at €2.5 per share (fully paid up) 312,193 Ordinary B at €2.5 per share (fully paid up)	**100%**	100%

The company acts as an importer, exporter, wholesaler, retailer, purchaser, seller, dealer, distributor, agent and supplier of computer equipment, peripherals, software and other related products.

8. Inventories

	Group		
	As at 31 December		As at 1 January
	2025	2024 Restated	2024 Restated
Goods held for resale	**2,623,054**	1,063,783	1,385,888

The cost of inventories recognised as expense is disclosed in Note 19. During the current financial year, an increase in provisions for obsolescence of inventories amounting to €186,617 (2024: €Nil) have been reflected in these financial statements. Inventory write-downs during the year amounted to €8,143 (2024: €Nil).

9. Trade and other receivables

	Group			Company		
	As at 31 December		As at 1 January	As at 31 December		As at 1 January
	2025	2024 Restated	2024 Restated	**2025**	2024 Restated	2024 Restated
	€	€	€	**€**	€	€
Trade receivables - gross	**133,059**	148,053	260,380	**-**	14,227	10,476
Expected credit loss allowances	**(5,933)**	(3,084)	(15,966)	**-**	-	-
Trade receivables - net	**127,126**	144,969	244,414	**-**	14,227	10,476
Amounts due from related companies	**4,515**	10,849	227,017	**-**	1,049	26,008
Other receivables	**-**	5,622	4,438	**-**	-	-
Indirect taxation	**-**	7,144	6,411	**-**	7,144	6,411
Shareholder's advances	**-**	-	26,008	**-**	-	53,758
Amounts paid in advance	**484,822**	67,471	-	**-**	11,513	-
Prepayments and accrued income	**180,865**	26,349	133,319	**12,427**	12,446	23,316
Total current trade and other receivables	**797,328**	262,404	641,607	**12,427**	46,379	119,969

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

10. Other financial assets

Amounts due from subsidiary is unsecured, bear interest at a rate of 6% per annum, and is payable by June 2027 in accordance with the repayment schedule outlined in the loan agreement.

	Company	
	2025	2024
	€	€
Loan given to subsidiary	**1,013,903**	1,146,599
Current	**558,666**	-
Non-current	**455,237**	1,146,599
Total other financial assets	**1,013,903**	1,146,599

11. Cash and cash equivalents

For the purposes of the statements of cash flows, the cash and cash equivalents at the end of the reporting period comprise the following:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Cash at bank and in hand	**717,999**	456,925	**440,926**	35,717
Bank overdraft	**-**	(690)	**-**	-
Cash and cash equivalents	**717,999**	456,235	**440,926**	35,717

Included within the cash at bank and in hand is an amount of €436,900 (2023: €34,683), which represents the amount set aside for the purposes of the sinking fund in accordance with the Treasury Management Policy. The cumulative sinking fund balance as at the year ended 31 December 2025 amounts to €900,000 (2024: €600,000) less cumulative bond buy-backs to date amounting to €463,100 (2024: €377,900), resulting in an required available balance of €436,900 (2024: €222,100).

12. Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2024: 35%).

The asset as at 31 December represents temporary differences attributable to:

	Group	
	2025	2024
	€	€
Excess of capital allowances over depreciation	**(10,110)**	(14,925)
Unutilised tax losses	**384,391**	229,408
Unutilised capital losses	**-**	108,850
Unabsorbed capital allowances	**111,195**	96,245
Provision for expected credit losses	**2,082**	5,153
Lease liability	**165,111**	180,565
Right-of-use assets	**(144,219)**	(153,918)
At end of year	**508,450**	451,378

Deferred tax assets arising on lease liabilities are being offset against deferred tax liabilities arising on right-of-use assets in line with the accounting policy as described in note 1.11.

Furthermore, as at 31 December 2025, the Group has unrecognised deferred tax assets of €108,850 arising on unutilised capital losses.

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months from the end of the reporting period.

12. Deferred taxation - continued

The movement in the deferred tax liability is as follows:

	Group	
	2025	2024
	€	€
At beginning of year	**451,378**	322,024
Disposal of subsidiary	**-**	(8,797)
Charge to profit or loss (Note 24)	**57,072**	138,151
At end of year	**508,450**	451,378

13. Share capital

	Group and Company	
	2025	2024
	€	€
Authorised:		
500,000 Ordinary shares of €1.00 each	**500,000**	500,000
Issued and fully paid:		
350,000 Ordinary shares of €1.00 each	**350,000**	350,000

14. Additional contributed capital

	Group and Company	
	2025	2024
	€	€
As at 1 January	**399,879**	649,368
Reduction in contribution capital	**-**	(249,489)
As at 31 December	**399,879**	399,879

This equity reserve is attributable to the equity holders of the parent.

15. Lease liabilities

	Group	
	2025	2024
	€	€
Non-current		
Properties	**330,464**	429,389
	330,464	429,389
Current		
Properties	**141,281**	86,510
	141,281	86,510
Total lease liabilities	**471,745**	515,899

Extension options in property leases have been included in the lease liability (Note 5).

The total cash outflows for leases in 2025 were €153,095 (2024: €133,822). The contractual undiscounted cash flows attributable to lease liabilities as at 31 December are analysed in Note 2.1(c).

Apart from the movements referred to above, the other movements in lease liabilities comprise additions of €108,673 (2024: €50,369), as disclosed in Note 5, and interest expense amounting to €22,190 (2024: €26,204), as disclosed in Note 23.

16. Borrowings

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current liabilities				
Bond	**1,518,951**	1,595,108	**1,518,951**	1,595,108
	1,518,951	1,595,108	**1,518,951**	1,595,108
Current liabilities				
Bank overdraft	**-**	690	**-**	-
	-	690	**-**	-
Total borrowings	**1,518,951**	1,595,798	**1,518,951**	1,595,108

The bank overdraft bear interest rate of 4.50% (2024: 4.50%) per annum and is repayable on demand. The Group enjoys an overdraft facility amounting to €200,000 out of which Nil (2024: €690) has been utilised. These facilities are secured by general hypothec over the Group's assets, general and special hypothecary guarantee over property owned by the related companies, pledges in insurance policies in the name of the related companies.

16. Borrowings - continued

The bonds with a face value of €2,000,000 and a nominal rate of 5.25% (2023: 5.25%) per annum are unsecured and redeemable at par value of €100 per bond on 31 July 2027. During the years ended 31 December 2022, 2023, 2024, and 2025, the Company repurchased €200,000, €136,900, €41,000, and €85,200, respectively of its 5.25% unsecured bonds 2027 from its bondholders in accordance with the Company's Treasury Management Policy. These bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of the bonds, using effective yield method as follows:

	Group and Company	
	2025	2024
	€000	€000
Gross proceeds		
20,000 unsecured bonds 2027	**1,622,100**	1,663,100
Bond buyback	**(85,200)**	(41,000)
Balance at 31 December	**1,536,900**	1,622,100
Issue costs: gross amounts	**85,371**	85,371
Accumulated amortisation		
Balance at 1 January	**26,992**	36,555
Amortisation for the year	**(9,043)**	(9,563)
Balance at 31 December	**17,949**	26,992
Amortised cost and closing carrying amount	**1,518,951**	1,595,108

17. Trade and other payables

	Group			Company		
	As at 31 December		As at 1 January	As at 31 December		As at 1 January
	2025	2024	2024	**2025**	2024	2024
		Restated	Restated		Restated	Restated
	€	€	€	**€**	€	€
Current						
Trade payables	**1,720,588**	535,427	672,549	**39,988**	12,563	10,365
Amounts due to immediate parent	**2,275,785**	245,000	-	**-**	-	-
Amounts due to subsidiaries	**-**	-	191,194	**420,000**	-	-
Amounts due to fellow subsidiaries	**83,855**	-	-	**-**	-	-
Indirect taxes and social security	**266,772**	672,644	719,578	**298**	524	1,575
Amounts received in advance	**-**	39,570	-	**-**	6,309	-
Other payables	**-**	6,014	-	**-**	919	-
Accruals and deferred income	**287,444**	81,331	145,653	**11,200**	47,777	46,618
Total trade and other payables	**4,634,444**	1,579,986	1,728,974	**471,486**	68,092	58,558

Amounts due to immediate parent, subsidiaries and fellow subsidiaries are unsecured, repayable on demand and interest free.

18. Revenue

The Group derives revenue from the transfer of goods and services, in Malta, at a point in time as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Sale of goods	**11,896,239**	8,123,695	**-**	-
Provision of services	**-**	67,724	**-**	-
	11,896,239	8,191,419	**-**	-

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Timing of revenue recognition				
At a point in time	**11,896,239**	8,191,419	-	-

19. Expenses by nature

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Cost of goods sold	**10,621,090**	7,026,609	**-**	-
Depreciation of property, plant and equipment (Note 4)	**56,472**	57,198	**-**	-
Depreciation of right-of-use assets (Note 5)	**134,570**	112,662	**-**	-
Amortisation of intangible assets (Note 6)	**13,903**	32,809	**-**	-
Go IP charge	**118,962**	-	**-**	-
Directors' remuneration	**18,000**	66,205	**18,000**	-
Employee benefit expense (Note 20)	**854,734**	702,857	**-**	-
Selling expenses	**223,372**	58,747	**-**	-
Other expenses	**316,774**	167,669	**37,555**	7,870
Total cost of sales and administrative expenses	**12,357,877**	8,224,756	**55,555**	7,870

Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2025 relate to the following:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Annual statutory audit	**20,000**	7,988	**10,000**	4,450
	20,000	7,988	**10,000**	4,450

Other non-assurance services include:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Tax advisory and compliance services	**3,075**	1,275	**1,380**	425
Other services	**-**	810	**-**	270
	3,075	2,085	**1,380**	695

During 2024, the Group was audited by HLB CA Falzon and their appointment was terminated in April 2025.

20. Employee benefit expense

	Group	
	2025	2024
	€	€
Wages and salaries	**796,804**	648,560
Social security costs	**57,930**	54,297
	854,734	702,857

Average number of full-time equivalent employees during the year was as follows:

	Group	
	2025	2024
Direct	**20**	27
Administration	**8**	6
	28	33

21. Directors' emoluments

	Group and Company	
	2025	2024
	€	€
Fees	**18,000**	66,205

Directors' fees are included within 'selling and administrative expenses.

22. Finance income

	Company	
	2025	2024
	€	€
Interest income on loan to subsidiary (Note 10)	**58,666**	98,159

23. Finance costs

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Interest charges on lease liabilities (Note 15)	**22,190**	26,204	**-**	-
Interest charges on bond	**81,667**	85,779	**81,667**	85,779
Amortisation of bond	**9,043**	9,563	**9,043**	9,563
Bank charges	**3,907**	809	**-**	809
Other interest	**11,801**	10,147	**-**	-
Total finance cost	**128,608**	132,502	**90,710**	96,151

Interest paid on the bond is disclosed under the cash flows from financing activities, whilst the other interest categories are presented under the cash flows from operating activities.

24. Tax income

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Current tax refund	**(299)**	-	**-**	-
Deferred tax (credit)/charge (Note 12)	**(57,072)**	(138,151)	**5,138**	(2,823)
Tax (income)/charge	**(57,371)**	(138,151)	**5,138**	(2,823)

The tax on the Group's and the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Loss before tax	**(590,550)**	(56,465)	**(87,599)**	(6,513)
Tax on loss at 35%	**(206,693)**	(19,763)	**(30,660)**	(2,280)
Tax effect of:				
Expenses not deductible for tax purposes	**35,339**	(38,722)	**30,660**	(1,072)
Unabsorbed capital allowances	**-**	(7,393)	**-**	-
Derecognised capital losses	**108,850**	-	**-**	-
Provisions	**-**	(4,547)	**-**	-
Other	**5,133**	(67,726)	**5,138**	529
Tax (income)/charge	**(57,371)**	(138,151)	**5,138**	(2,823)

25. Cash (used in)/generated from operations

Reconciliation of profit before tax to cash (used in)/generated from operations:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Loss before tax	**(590,556)**	(56,465)	**(87,599)**	(6,513)
Adjustments for:				
Depreciation of property, plant and equipment (Note 4)	**56,472**	57,198	**-**	-
Depreciation of right-of-use assets (Note 5)	**134,570**	112,662	**-**	-
Amortisation of Intangible assets (Note 6)	**13,903**	32,809	**-**	-
Net movement in provisions and write-downs in relation to receivables and inventories	**189,466**	2,849	**(12,372)**	4,932
Lease modification	**(20,108)**	-	**-**	
Loss on disposal of property, plant and equipment	**-**	(12,453)	**-**	-
Gain on disposal of subsidiary	**-**	(251)	**-**	-
Finance income (Note 22)	**-**	-	**(58,666)**	(98,159)
Finance costs (Note 23)	**119,565**	122,939	**81,667**	86,588
Amortisation of bonds (Note 23)	**9,043**	9,563	**9,043**	9,563
Under-provision of tax in prior years	**-**	794	**-**	794
Changes in working capital:				
Inventories	**(1,745,889)**	322,105	**-**	-
Trade and other receivables	**(537,766)**	261,329	**34,448**	(21,411)
Trade and other payables	**983,685**	(399,237)	**363,644**	9,533
Cash (used in)/generated from operations	**(1,387,615)**	453,842	**330,165**	(14,673)

26. Contingencies

The group has no contingencies as of 31 December 2025.

27. Related party transactions

The Company and its subsidiaries have a related party relationship with the Company's immediate parent, GO p.l.c. (GO), is controlled by Société Nationale des Télécommunications. Dubai Holding LLC (GO's former ultimate parent) and all entities ultimately controlled by it are also considered to be related parties, in view of Dubai Holding LLC's interest in, and significant influence on, Société Nationale des Télécommunications.

The following transactions were carried out with related parties:

	Group		Company	
	2025	2024	**2025**	2024
	€	€	**€**	€
Transactions with immediate parent				
Sale of goods	**1,195,972**	23,688	**-**	-
Purchase of goods	**(155,425)**	-	**-**	-
Purchase of services	**(73,726)**	-	**-**	-
Payroll recharged	**(10,750)**	-	**-**	-
Transactions with fellow subsidiaries				
Sale of goods	**41,499**	-	**-**	-
Go IP charge	**(118,962)**	-	**-**	-
Transactions with subsidiaries				
Interest income from loan	**-**	-	**58,666**	98,159

The Group has not entered into material transactions with key management personnel which would warrant disclosure thereof for the purpose of understanding the Group's financial results or its financial position. Also, the Group has not entered into material transactions with entities in which the Group's key management personnel directly or indirectly have an interest or over which they have direct or indirect influence. Any such transactions would constitute normal operating transactions under normal market and commercial terms relating to provision of operational services by the Group, and would not comprise financing transactions.

Year-end balances with related parties, arising principally from the above transactions, are disclosed in Notes 9, 10 and 17 to these financial statements.

28. Statutory information

Klikk Finance p.l.c is a public limited liability company incorporated in Malta and is registered under the Prospects MTF Rules issued by Malta Stock Exchange. Its registered address is Go, Triq Hal Tarxien, Zejtun, ZTN 3000, Malta. The Company's immediate parent is GO p.l.c. with its registered address at GO, Triq Hal Tarxien, Zejtun, ZTN 3000, Malta, and its ultimate parent is Société Nationale des Télécommunications (Tunisie Telecom), the registered office of which is situated at Tunisie Telecom Building, 1053 Jardins du Lac II, Tunis, Tunisia, which owns 65.4% of GO's shares. GO's immediate parent is TT ML Limited, a fully owned subsidiary of Tunisie Telecom, established as a special purpose vehicle for holding GO's shares. The Tunisian Government holds a 65% shareholding in Tunisie Telecom, and Emirates International Telecommunications (EIT), a subsidiary of Dubai Holding LLC, owns the other 35%.

29. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.