D FOODS FINANCE P.L.C.

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

Company Registration No: C 94912

Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo
Secretary :	Ms Diane Izzo
Company number :	C 94912
Registered office :	Dizz Buildings Carob Street St. Venera Malta
Auditors :	CLA Malta The Core Valley Road Msida MSD 9021 Malta (EU)
Banker :	Bank of Valletta P.L.C. 58, Zachary Street Valletta Malta

Contents

Report of the Directors
For the year ended 31 December 2024

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

Incorporation
D Foods Finance P.L.C. was incorporated on 21 May 2020. The Company is a fully owned subsidiary of Dizz Group of Companies Limited.

Principal Activity
The principal activity of D Foods Finance P.L.C. is to carry on business of a holding company of the food and beverage companies within the Group (composed of D Foods Finance P.L.C. and its subsidiaries). The Group operates the Caffe Pascucci, Nespresso and Salad Box brands through various outlets in Malta. The activities of the Company and its subsidiaries are expected to remain consistent for the foreseeable future.

Review of Business
In 2024, the Group achieved strong revenue growth of 12.17% to €4.9 million (2023: €4.4 million), with a gross profit decline to €2.44 million (2023: €2.48) due to higher costs incurred in procurement of food and beverages. Additionally, administrative expenses rose by 10.23% to €1.99 million (2023: €1.8 million). Consequently, the Group's EBIDTA decreased from €1.1 million to € 677k and after taking into consideration the amortisation and depreciation, which remain in line with last year, the Group made a loss before tax of €18k (2023: profit of €401,532).

Principal Risks and Uncertainties
The Group is mainly dependent on the business prospects of its subsidiaries, and consequently, the operating results of the subsidiaries have a direct effect on the Group's consolidated financial position and performance.

The Group's main assets are the investment in subsidiaries. Therefore, the ability of these subsidiaries to distribute dividends to the Company will depend on their respective cash flows and earnings.

The food and beverage industry is marked by strong and increasing competition and many of the Group's current and potential competitors may have longer operating histories, bigger name recognition, larger customer base and greater financial and other resources than the companies within the Group. Thus, the principal risks faced by the Group are loss of market share as a result of other participants entering the market, and negative developments in the economic environment.

The Group will continue to monitor developments in sales, customer preferences and the market in general, introducing new product offerings with the aim of sustaining profitability.

Dividends and Reserves
The directors do not recommend the payment of a dividend.

Future Developments
The Directors intend to continue to operate in line with the current business plan and therefore do not foresee significant changes to future operations.

Report of the Directors (continued)
For the year ended 31 December 2024

Financial Risk Management

The Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in note 20.2 and 20.3 of these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2025 through 29 April 2025, the date these financial statements were approved. Through such an assessment, the directors have determined that no events subsequent since balance sheet date have occurred.

Directors

The following have served as directors of the holding company during the year under review:

Ms Diane Izzo
Mr Karl Izzo

In accordance with the Company's Articles of Association the present directors remain in office.

Directors' Interest

The Directors' beneficial interest in the shares of the Company as at 31 December 2024 is equal to a nominal value of 1 ordinary share of €1 each, held by Ms Diane Izzo. The directors are also the ultimate beneficial owners of the Dizz Group of Companies Limited.

Statement of Directors' Responsibilities

The Companies Act (Cap. 386) requires the directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these consolidated financial statements, the directors are required to:

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

Report of the Directors (continued)
For the year ended 31 December 2024

Statement of Directors' Responsibilities (continued)

The directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement by the Directors on the Financial Statements and Other Information included in the Annual report

In pursuant to the Institutional Financial Securities Market (IFSM) rules, the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group at 31 December 2024, 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 EU; and

- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Going Concern Statement

After making enquiries and having taken into consideration the future plans of the Group, the directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopted the going concern basis in the preparation of the financial statements. The directors intend to continue to operate in line with the current business plan.

Financial Reporting Framework

The directors have prepared the Group's financial statements for the year ended 31 December 2024 in accordance with International Financial Reporting Standards as adopted by the EU.

Auditors

CLA Malta have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Ms Diane Izzo	Mr Karl Izzo
Director	Director

29 April 2025

Corporate Governance - Statement of Compliance
For the year ended 31 December 2024

Introduction

The WSM Capital Markets Rules issued by the Listing Authority of the Malta Financial Services Authority, require listed companies to observe The Code of Principles of Good Corporate Governance (the 'Code'). Although the adoption of the Code is not obligatory, Listed Companies are required to include in their Annual Report, a Directors' Statement of compliance which deals with the extent to which the Company has adopted the Code of Principles of Good Corporate Governance and the effective measures that the Company has taken to ensure compliance with the Code, accompanied by a report of the auditors thereon.

Compliance

The Board of Directors (the 'Board') of D Foods Finance P.L.C. ('the Company') believe in the adoption of the Code and has endorsed them except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendations. The Company has issued Notes to the public and has no employees, accordingly some of the provisions are not applicable whilst others are applicable to a limited extent.

In this context it is relevant to note that: (a) the Company is a subsidiary of Dizz Group of Companies Limited, whereby the latter is the guarantor of the €8 million 5% unsecured bond issued by Dizz Finance P.L.C.. Dizz Finance P.L.C. is a company listed on the Malta Stock Exchange which has a strong corporate governance in place; (b) the terms of reference of the audit committee of Dizz Finance P.L.C. also include Dizz Group of Companies Limited and all its underlying subsidiaries. Consequently, the audit committee of Dizz Finance P.L.C., through its oversight of the Dizz Group of Companies Limited, has an overseeing responsibility of the Company.

The Board

The Board of Directors is responsible for devising a strategy, setting policies and the management of the Company. 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. It is also responsible for reviewing internal control procedures, financial performance and business risks facing the Company. The Board is also responsible for making relevant public announcements, decisions relating to the redemption of the Bond, and for monitoring that its operations are in conformity with the Prospectus and all relevant rules and regulations.

Following the issue of debt securities on 3 August 2020, the Board has monitored the performance of the Company. As Company's board consists solely of two executive directors, the audit committee set up at Dizz Finance P.L.C. which consist of three non-executive directors, oversees the Company on an ongoing basis.

Chairman and Chief Executive Officer

Due to the size structure of the Company and nature of its operations, the Company does not employ a Chief Executive Officer (CEO). This function is taken by its director, Diane Izzo.

The day-to-day running of the business is vested with Diane Izzo.

The Chairperson is responsible to lead the Board and sets its agenda.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Complement of the Board

As at 31 December 2024, the Board consists of two executive directors as follows:

Diane Izzo – Executive Director / Chairperson
Karl Izzo – Executive Director

The Directors of the Company shall be appointed by the shareholders in the annual general meeting of the Company. Save for the provisions included in Article 55 of the Articles of Association of the Company, an election of Directors shall take place every year.

Internal Controls

The Board is responsible for the internal control system of the Company and for reviewing its effectiveness. The internal control system is designed to achieve business objectives and to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses and fraud.

Systems and procedures are in place to control, monitor, report and assess risks and their financial implications. Management accounts, budgets and strategic plans are prepared on a regular basis and are presented to the Board to monitor the performance of the Company on an on-going basis.

Composition of the Board and Committees

Directors meet regularly, mainly to review the financial performance of the Company and its subsidiaries, and to review internal control processes. Board members are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated well in advance of the meeting. The directors have access to independent professional advice at the Company's expense should they so require.

The Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest.

Composition of the Board and Committees

The Board formally met five times during the year under review. The number of board meetings attended by directors for the year ended 31 December 2024 is as follows:

	Meetings
Diane Izzo	4
Karl Izzo	4

Committees

The Directors believe that, due to the Company's size and operation, the remuneration, evaluation and nominations committees that are suggested in the Code are not required, and that the function of these can efficiently be undertaken by the Board itself. However, going forward, the Board shall on an annual basis undertake a review of the remuneration paid to the Directors and shall carry out an evaluation of their performance and of the audit committee. The shareholders approve the remuneration paid to the Directors at the annual general meeting.

Corporate Governance - Statement of Compliance (continued)
For the year ended 31 December 2024

Audit Committee

As the Issuer's shareholders are private stakeholders, and also given the size, nature and (lack of) complexity of the Issuer's business, the Directors have determined that it is not necessary, appropriate or feasible to establish an audit committee. The functions normally assigned to an audit committee were performed by the Board of Directors as a whole. Furthermore, as previously stated, the terms of reference of the audit committee of Dizz Finance P.L.C. also include Dizz Group of Companies Limited and all its underlying subsidiaries. Consequently, the audit committee of Dizz Finance P.L.C, through its oversight of the Dizz Group of Companies Limited, had an oversight responsibility of the Company.

In the year under review, the Audit Committee met four times.

Remuneration Statement

The Directors have not received remuneration during the year 31 December 2024. Going forward, it is the shareholders of the Company in General Meeting who shall determine the maximum annual aggregate remuneration of the Directors.

None of the Directors are employed or have a service contract with the Company.

Relations with Bondholders and the Market

The Company prepares annual financial statements. Following the listing of the Company's €10 million Secured Convertible Notes Program on the Institutional Financial Securities Market (IFSM) of the Malta Stock Exchange in August 2020 of which €3 million have been subscribed to as at year end, the Company shall publish annual financial statements and, when required, company announcements.

Conflicts of Interest

The Directors are aware of their responsibility to always act in the interest of the Company and its shareholders as a whole, irrespective of who appointed them to the Board. In accordance with the Company's Articles of Association, the Directors shall be obliged to disclose their interest in a contract, arrangement or proposal with the Company in accordance with Article 145 of the Act and a Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest, whether direct or indirect.

During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company. Both Diane Izzo and Karl Izzo have a direct beneficial interest in the share capital of the Company, given that they are the ultimate beneficial owners of the Dizz Group. Consequently, they are susceptible to conflicts arising between the potentially diverging interests of themselves as shareholders and the interests of the Company.

Corporate Social Responsibility

The Directors are committed to high standards of ethical conduct and to contribute to the development of the well-being of the local community and society at large.

Signed on behalf of the Board of Directors on 29 April 2025 by:

Ms Diane Izzo
Director

Mr Karl Izzo
Director

Independent Auditors' Report

To the shareholders of D Foods Finance P.L.C.

Opinion

We have audited the accompanying consolidated financial statements of D Foods Finance P.L.C. (the holding Company), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly in all material respects the Group's financial position as at 31 December 2024, and of the Group's financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

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 Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1.1 to these financial statements, dealing with the basis of preparation which describes the Board of Directors' assessment on the ability of the Group to continue operating as a going concern. The note states that the directors recognise that the Group is intrinsically dependent on the liquidity position of the wider group of companies owned and controlled by Dizz Group of Companies Limited in order to meet its own obligations, and there remains uncertainty should the required financing not materialise within a reasonable timeframe. These events and conditions, along with other matters as set forth in Note 3.1.1, indicate that a material uncertainty exists that may cast significant doubt on the ability the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditors' Report (continued)

Key Audit Matters

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

Valuation and Depreciation of Property, Plant and Equipment – refer to Note 9

We identified the valuation and depreciation of property, plant and equipment (PPE) as a key audit matter due to the materiality of the balance and the level of judgement involved in determining their useful lives and residual values. As at 31 December 2024, the Group reported PPE amounting to € 1,142,478 (2023: € 1,090,496), representing a significant component of its total assets. The assets primarily relate to leasehold improvements, kitchen equipment, and furniture used in the Group's catering establishments.

Management is required to exercise judgement in estimating the useful lives of assets, especially in a sector that may experience frequent refurbishments or shifts in consumer trends. The valuation of PPE also depends on identifying indicators of impairment, particularly where outlets are underperforming or being restructured.

Our audit procedures included:

- Evaluating the Group's accounting policies relating to PPE, including the basis for determining useful lives and the depreciation method used;
- Testing additions and disposals during the year by tracing transactions to supporting documentation and verifying classification within asset categories;
- Assessing the reasonableness of useful lives and residual values assigned to asset classes by comparing them with industry benchmarks and historical asset replacement cycles within the Group;
- Testing depreciation charges for accuracy and consistency across periods and asset categories;
- Reviewing the disclosures in Note 9 to ensure compliance with IAS 16 *Property, Plant and Equipment*, particularly in respect of depreciation policies, asset classes, and impairment considerations.

Based on the procedures performed, we did not identify material exceptions with respect to the recognition, measurement, or disclosure of property, plant and equipment in the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Statement of Directors' Responsibilities. Our opinion on the consolidated financial statements does not cover this information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Independent Auditors' Report (continued)

Responsibilities of the Directors

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

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

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

Matters on which we are required to report by exception under the Companies Act

Our Responsibilities

We have responsibilities under the Companies Act (Cap. 386) enacted in Malta to report to you if, in our opinion:

- The information given in the Report of the Directors is not consistent with the consolidated financial statements.
- Adequate accounting records have not been kept.
- The consolidated financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

Matters on which we are required to report by exception under the Companies Act (continued)

Our Opinion

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

Use of this Report

Our report, including the opinions, has been prepared for and only for the Group'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.

Bernard Charles Gauci (Partner) for and on behalf of

CLA Malta
Certified Public Accountants
Msida
Malta

29 April 2025

Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Revenue	4	4,938,653	4,402,708	-	-
Cost of sales	5.2	(2,489,588)	(1,915,780)	-	-
Gross profit		2,449,065	2,486,928	-	-
Other income	5.1	373,313	618,244	-	-
Administrative expenses	5.2	(1,994,310)	(1,809,292)	(53,803)	(38,501)
Marketing expenses	5.2	(150,923)	(156,608)	-	-
EBITDA		677,145	1,139,272	(53,803)	(38,501)
Amortisation of intangible assets	5.2	(8,800)	(8,800)	-	-
Depreciation of right of use assets	5.2	(247,853)	(243,762)	-	-
Depreciation of property, plant and equipment	5.2	(244,049)	(252,651)	-	-
Finance costs	6	(195,103)	(232,527)	(98,651)	(103,225)
(Loss)/Profit before tax		(18,660)	401,532	(152,454)	(141,726)
Income tax	7	(64,448)	(116,396)	-	-
(Loss)/Profit for the year		(83,108)	285,136	(152,454)	(141,726)
Total comprehensive (loss)/income for the year		(83,108)	285,136	(152,454)	(141,726)
Earnings/(Loss) per share	8	(0.03)	0.09	(0.05)	(0.04)

The notes on pages 18 to 60 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Assets					
Property, plant and equipment	9	1,142,478	1,090,496	-	-
Right of use assets	10	918,804	1,166,657	-	-
Intangible assets	11	26,400	35,200	-	-
Investment in subsidiaries	12	-	-	6,140,561	6,140,561
Deferred tax assets	7	11,224	75,672	-	-
Goodwill on investment in subsidiaries	12	6,445,062	6,445,062	-	-
Total non-current assets		8,543,968	8,813,087	6,140,561	6,140,561
Inventories	13	711,126	548,683	-	-
Other financial assets at amortised cost	14.2	6,606,026	5,505,712	2,927,363	2,965,257
Trade and other receivables	15	312,876	348,928	-	101
Cash and cash equivalents	16	49,941	49,498	-	80
Total current assets		7,679,969	6,452,821	2,927,363	2,956,438
Total assets		16,223,937	15,265,908	9,067,924	9,096,999
Equity					
Share capital	17.1	3,279,286	3,279,286	3,279,286	3,279,286
Accumulated losses	17.2	(831,278)	(748,170)	(603,949)	(451,495)
Total equity		2,448,008	2,531,116	2,675,337	2,827,791

Consolidated Statement of Financial Position (continued)
As at 31 December 2024

	Notes	Group 2024 €	Group 2023 €	Company 2024 €	Company 2023 €
Liabilities					
Lease liability	10.1	907,659	1,167,314	-	-
Borrowings	14.3	3,115,998	3,155,136	2,967,799	2,961,359
Trade and other payables	18	-	210,836	-	-
Total non-current liabilities		4,023,657	4,533,286	2,967,799	2,961,359
Borrowings	14.3	5,633,900	5,230,857	3,388,366	3,232,796
Lease liability	10.1	255,257	240,589	-	-
Trade and other payables	18	3,761,872	2,632,765	36,422	75,053
Current tax liabilities	7	101,243	97,295	-	-
Total current liabilities		9,752,272	8,201,506	3,424,788	3,307,849
Total liabilities		13,775,929	12,734,792	6,392,587	6,269,208
Total equity and liabilities		16,223,937	15,265,908	9,067,924	9,096,999

The consolidated financial statements on pages 18 to 60 were approved and authorised for issue by the Board of Directors on 29 April 2025 and were signed on its behalf by:

Ms Diane Izzo
Director

Mr Karl Izzo
Director

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

Group

	Share capital €	Accumulated losses €	Total €
Changes in equity for the year			
Balance as at 1 January 2023	3,279,286	(1,033,306)	2,245,980
Profit for the year	-	285,136	285,136
Balance at 31 December 2023	3,279,286	(748,170)	2,531,116
Changes in equity for the year			
Balance as at 1 January 2024	3,279,286	(748,170)	2,531,116
Loss for the year	-	(83,108)	(83,108)
Balance at 31 December 2024	3,279,286	(831,278)	2,448,008

Company

	Share capital €	Accumulated losses €	Total €
Changes in equity for the year			
Balance as at 1 January 2023	3,279,286	(309,769)	2,969,517
Loss for the year	-	(141,726)	(141,726)
Balance at 31 December 2023	3,279,286	(451,495)	2,827,791
Changes in equity for the year			
Balance as at 1 January 2024	3,279,286	(451,495)	2,827,791
Loss for the year	-	(152,454)	(152,454)
Balance at 31 December 2024	3,279,286	(603,949)	2,675,337

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash flows from operating activities:				
(Loss)/Profit before tax	(18,660)	401,532	(152,454)	(141,726)
Adjustments for:				
Depreciation	244,049	252,651	-	-
Depreciation of right of use assets	247,853	243,762	-	-
Finance cost	159,107	221,662	90,110	90,000
Amortisation of intangible assets	8,800	8,800	-	-
Amortisation of notes expenses	6,440	6,440	6,440	6,440
Expected credit losses	49,872	-	8,168	-
Operating profit/(loss) before working capital changes:	697,461	1,134,847	(47,736)	(45,286)
Movement in receivables	36,647	(124,936)	101	11,515
Movement in payables	922,219	670,800	(38,631)	(14,249)
Movement in inventories	(162,443)	(188,395)	-	-
Loan interest paid	(10,663)	(42,251)	(110)	-
Net cash generated from/(used in) operating activities	1,483,221	1,450,065	(86,376)	(48,020)
Cash flows used in investing activities				
Additions to property, plant and equipment	(296,031)	(346,584)	-	-
Net cash used in investing activities	(296,031)	(346,584)	-	-

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Note	€	€	€	€
Cash flows from financing activities					
Notes interest paid		(90,000)	(90,000)	(90,000)	(90,000)
Payment of lease liabilities		(303,430)	(242,445)	-	-
Payment of bank loans		(43,805)	(44,679)	-	-
Proceeds from related parties		(744,774)	(656,424)	176,291	138,100
Net cash (used in)/generated from financing activities		(1,182,009)	(1,033,548)	86,291	48,100
Net movement in cash and cash equivalents		5,181	69,933	(85)	80
Cash and cash equivalents at beginning of year		44,455	(25,478)	80	-
Cash and cash equivalents at end of year	16	49,636	44,455	(5)	80

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

1 REPORTING ENTITY AND OTHER INFORMATION

D Foods Finance P.L.C. is a limited liability company domiciled and incorporated in Malta. The company's registered office is Dizz Buildings, Carob Street, Santa Venera, Malta. The company is to act as a finance, investment and property-holding company for lease to third parties and related companies. The consolidated financial statements are presented in Euro, which is the Company's functional currency.

1.1 STATEMENT OF COMPLIANCE WITH IFRS AND GOING CONCERN ASSUMPTION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board (IASB). These consolidated financial statements also comply with the requirements of the Companies Act (Cap. 386) of the Laws of Malta.

The consolidated financial statements have been prepared under the going concern assumption, which assumes that the Group will continue in operational existence and meet its obligations as they fall due for the foreseeable future.

The financial statements for the year ended 31 December 2024 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 April 2025.

1.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Euro, which is the company's functional currency.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) AND IFRS SUSTAINABILITY DISCLOSURE STANDARDS

New Standards adopted as at 1 January 2024

Some accounting pronouncements which have been effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Group's financial results or position. Standards that have been applied for the first time in the current period are:

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

These amendments do not have a significant impact on these consolidated financial Statements and therefore the disclosures have not been made. However, whilst they do not affect these consolidated financial Statements they will impact some entities. An entity should assess the impact of these new Standards on their consolidated financial statements based on their own facts and circumstances and make appropriate disclosures.

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

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group and no Interpretations have been issued that are applicable and need to be taken into consideration by the Group at either reporting date.

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

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

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

These amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made. However, whilst they do not affect these Financial Statements, they will impact some entities. An entity should assess the anticipated impact of these new Standards and amendments on their financial statements based on their own facts and circumstances and make appropriate disclosures.

3 MATERIAL ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared on the accruals basis and under the historical cost convention, except for the following items which are measured on an alternative basis in accordance with IFRSs:

- Property, plant and equipment comprising land and buildings is measured using the revaluation model in accordance with *IAS 16;*

The preparation of the consolidated 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 Company's and the Group's accounting policies. 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.

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

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

Monetary amounts are expressed in Euro (€) and are rounded to the nearest thousand, except when otherwise indicated (e.g. earnings per share).

3.1.1 Going Concern

D Foods Finance P.L.C. forms part of the Dizz Group of Companies Limited and was set up as the holding entity of food operations within the Group. As at 31 December 2024, the Group reported total assets of € 16.2 million (2023: € 15.3 million) and a loss before tax of € 18,660 (2023: profit before tax of € 401,532).

Nevertheless, the Group is economically dependent on the performance of related operating entities within the Dizz Group of Companies ('The Dizz Group') to service intercompany balances that are essential to cover outstanding payables. The Dizz Group is currently undergoing refinancing/strategic realignment to support the operational and financial stability of its catering and retail segments. While the Dizz Group has reported losses, the ability to meet liabilities as they fall due is intrinsically linked to its financial condition and its ability to revert to profitability.

At Dizz Group level, its borrowing levels remain significant, and management has been actively pursuing additional financing initiatives and restructuring efforts to improve liquidity and repay its debt obligations as they fall due. These include ongoing discussions with financial institutions for credit facilities and refinancing arrangements. While the Dizz Group continues to explore strategic opportunities to enhance its financial position, these initiatives had not yet resulted in binding agreements as at the date of approval of these financial statements.

The Board of Directors has reviewed the projected forecasts covering the operations of the Dizz Group and in particular the food division, over a period of at least twelve months from the reporting date. These forecasts have been prepared on the basis of the following assumptions:

a) continued income from the Group's operating entities;
b) no significant capital expenditure or expansion of operations;
c) availability of current financing lines as required.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.1 BASIS OF PREPARATION (continued)

3.1.1 Going Concern (continued)

While the Directors are confident in the Group's ability to meet its obligations, they acknowledge that the Company's going concern status is dependent on the timely and successful implementation of Group-level financing initiatives. Accordingly, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Nevertheless, after making appropriate enquiries and taking into account the Group's ongoing efforts to secure financing and optimise its operations, the Directors have a reasonable expectation that the Company will continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

3.2 BASIS OF CONSOLIDATION

The Group's consolidated financial statements consolidate those of the parent company and all of its subsidiaries as at 31 December 2024. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealized losses on intra-group sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3.3 GOODWILL

Goodwill represents the future economic benefits arising from business acquisition that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 3.9 for a description of impairment testing procedures.

3.4 REVENUE RECOGNITION

The Company recognises revenue from the following major sources as detailed here under:

3.4.1 Dividend income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

3.4.2 Operation of Cafeterias and Retail Stores

Revenue is measured at the fair value of the consideration received. Revenue from sale of food, beverages and retails items is recognised at the point of sale in the various coffee shops and retail shops of the Group at a point in time.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 LEASES

3.5.1 The Group as a Lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

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

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 LEASES (continued)

3.5.2 The Group as a Lessor

As a lessor the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Finance Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset.

Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

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

See note 10 in the consolidated financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element is charged to profit or loss, as finance costs over the period of the lease.

Operating Leases

Rental income is recognised on a straight-line basis over the term of the lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

3.6 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 TAXATION

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

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (e.g. as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

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

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Company does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

3.8 INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries are measured at cost. Dividends received from subsidiaries are recognised in profit or loss when the right to receive payment is established.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

The annual rates used:

	%
Furniture and fittings	10
Improvements to premises	10
Electrical installations	6.67
Office equipment	25
Air-condition	16.67
Plant and machinery	10

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each end of the 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.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.10 IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT

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

Cash-generating units that has an indefinite useful life or is not yet available for use has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT (continued)

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.11 FINANCIAL INSTRUMENTS

3.11.1 Recognition and derecognition

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

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

3.11.2 Classification and initial measurement of financial assets

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

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

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

The classification is determined by both:

- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 FINANCIAL INSTRUMENTS (continued)

3.11.3 Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is 'hold to collect' the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 FINANCIAL INSTRUMENTS (continued)

3.11.4 Impairment of financial assets (continued)

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

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

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

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

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

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2).

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

Trade and other receivables

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

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 20.2 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Where consistent with the provisioning horizon, the possible impact of climate risks on the determination of expected credit losses has been integrated.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 FINANCIAL INSTRUMENTS (continued)

3.11.5 Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.
Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.
Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

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

3.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

3.13 EQUITY

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

Accumulated losses includes all current and prior period losses.

3.14 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions for other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

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

3 MATERIAL ACCOUNTING POLICIES (continued)

3.15 INTANGIBLE ASSETS

3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.15.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

3.16 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

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

3.16.1 Significant management judgements

The preparation of the consolidated financial statements requires management to make judgements that have the most significant effect on the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. The judgements listed below do not involve estimations (which are addressed in Note 3.14), but rather reflect areas where the exercise of professional judgement was necessary.

Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognised depends on the assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. Significant judgement is also applied in evaluating the impact of legal or economic limitations in the relevant tax jurisdictions (see Note 3.7).

Useful Lives and Residual Values of Depreciable Assets

Management reviews the useful lives and residual values of property, plant and equipment at each reporting date. Judgement is required to assess the expected pattern of economic benefits from these assets, and to consider the impact of factors such as technological change or regulatory developments, particularly for IT equipment and environmentally sensitive assets.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (continued)

3.16 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

3.16.1 Significant management judgements (continued)

Leases – Determination of the Discount Rate

In determining lease liabilities under IFRS 16, the Group applies its incremental borrowing rate when the interest rate implicit in the lease is not readily determinable. This rate is derived using guidance from the Company's primary bankers and adjusted for credit risk and lease-specific factors. Judgement is involved in estimating a rate that reflects the terms and conditions of each lease and the credit standing of the lessee.

Recoverability of Loans Receivable

The Group holds loans to related parties which are assessed for recoverability in accordance with IFRS 9 – Financial Instruments, using the expected credit loss (ECL) model. Judgement is applied in assessing the borrower's credit risk, financial condition, and ability to repay, including reference to the borrower's historic performance and expected future cash flows. Where relevant, this includes consideration of qualitative factors, guarantees, and macroeconomic outlook. No impairment loss was recognised in the current year as management concluded the balances are recoverable in full.

3.16.2 Key Sources of Estimation Uncertainty

The preparation of these financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future and are reviewed on an ongoing basis. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 3.10).

Useful Lives of Property, Plant and Equipment (IAS 16)

The determination of useful lives requires estimation of the period over which assets will generate economic benefits. Technical obsolescence and changes in business strategy may lead to revisions in depreciation schedules.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (continued)

3.16 SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY (continued)

3.16.2 Key Sources of Estimation Uncertainty (continued)

Deferred Tax Assets (IAS 12)

The recognition of deferred tax assets depends on the availability of future taxable profits against which unused tax losses and deductible temporary differences can be utilised. Estimating these profits requires assessing future cash flows and profitability trends (see Note 3.7).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

4 REVENUE

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Sale of food, beverages and ancillary coffee products	4,938,653	4,402,708	-	-

5 OTHER INCOME AND EXPENSES ITEM

This note provides a breakdown of the items included in other gains and losses, finance income and costs and an analysis of expenses by nature.

5.1 Other income

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Management fee	-	308,020	-	-
Rental income	124,105	123,150	-	-
Marketing contribution	101,961	125,324	-	-
Other general income	143,480	61,750	-	-
Beverage container refund scheme	3,767	-	-	-
	373,313	618,244	-	-

5.2 Breakdown of expenses by nature

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Stock movement	(162,443)	(188,395)		
Purchases	2,652,031	2,104,175	-	-
Depreciation	491,902	496,413	-	-
Amortisation	8,800	8,800	-	-
Expected credit losses	49,872	-	8,168	-
Staff costs (note 5.3)	593,490	637,046	-	-
Audit fee	21,604	23,885	17,582	16,579
Other expenses	1,480,267	1,304,969	28,053	21,922
Total cost of sales and administrative expenses	5,135,523	4,386,893	53,803	38,501

Other expenses include fines and penalties (€248,287), freight expenses (€86,922), service charges (€173,303), rent expenses (€328,521), water & electricity (€94,581), cleaning expenses (€36,545), IT expenses (€36,703), legal and professional fees (€42,979).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

5 OTHER INCOME AND EXPENSES ITEM (continued)

5.3 Staff Costs

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Wages and salaries	552,135	596,707	-	-
Social security funds	41,355	40,339	-	-
	593,490	637,046	-	-

6 FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Amortisation of notes expenses	6,440	6,440	6,440	6,440
Bank interest	10,663	10,335	110	-
Notes interest	90,000	90,000	90,000	90,000
Finance interest on finance lease	58,444	89,411	-	-
Listing fees	-	6,785	2,101	6,785
Other interests	29,556	29,556	-	-
	195,103	232,527	98,651	103,225

7 INCOME TAX

7.1 Income tax

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Current tax:				
In respect of current year	-	-	-	-
Deferred tax:				
In respect of current year	64,448	116,396	-	-
Total tax recognised in the current year	64,448	116,396	-	-

7 INCOME TAX (continued)

7.2 Reconciliation of income tax expense

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to the Group's taxable income. The reconciliation is as follows:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
(Loss)/Profit before tax	(18,660)	401,532	(152,454)	(141,726)
Theoretical taxation expense at 35%	(6,531)	140,536	(53,359)	(49,604)
Effect of expenses that are not deductible in determining taxable profit	72,658	(23,185)	53,359	49,604
Effect of income that is exempt from taxation	(1,679)	(955)	-	-
	64,448	116,396	-	-

8 EARNINGS PER SHARE

8(a) Basic earnings per share

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
From continuing operations	(0.03)	0.09	(0.05)	(0.04)

8(b) Reconciliation of earnings used in calculating earnings per share

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
(Loss)/Profit for the year	(83,108)	285,136	(152,454)	(141,726)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

8 EARNINGS PER SHARE (continued)

8(c) Number of shares used as the denominator

	Group		Company	
	2024	2023	2024	2023
Ordinary shares	3,279,286	3,279,286	3,279,286	3,279,286

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Improvements to premises €	Air-conditioning €	Furniture & fittings €	Motor vehicles €	Computer hardware & software €	Electrical plumbing €	Catering €	Total €
Cost								
At 1 January 2023	130,642	25,549	1,552,700	105,506	201,982	20,204	132,829	2,169,412
Additions	-	-	323,363	-	7,716	305	15,200	346,584
At 31 December 2023	130,642	25,549	1,876,063	105,506	209,698	20,509	148,029	2,515,996
Depreciation								
At 1 January 2023	20,257	16,090	791,580	91,872	157,529	5,392	90,129	1,172,849
Charge for the year	3,373	4,259	187,207	13,634	13,827	1,368	28,983	252,651
At 31 December 2023	23,630	20,349	978,787	105,506	171,356	6,760	119,112	1,425,500
Carrying amounts								
At 31 December 2023	107,012	5,200	897,276	-	38,342	13,749	28,917	1,090,496

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

9 PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

	Improvements to premises €	Air-conditioning €	Furniture & fittings €	Motor vehicles €	Computer hardware & software €	Electrical plumbing €	Catering €	Total €
Cost								
At 1 January 2024	130,642	25,549	1,876,063	105,506	209,698	20,509	148,029	2,515,996
Additions	-	2,298	259,866	-	10,720	7,260	15,887	296,031
At 31 December 2024	130,642	27,847	2,135,929	105,506	220,418	27,769	163,916	2,812,027
Depreciation								
At 1 January 2024	23,630	20,349	978,787	105,506	171,356	6,760	119,112	1,425,500
Charge for the year	3,373	4,638	194,440	-	13,369	1,941	26,288	244,049
At 31 December 2024	27,003	24,987	1,173,227	105,506	184,725	8,701	145,400	1,669,549
Carrying amounts								
At 31 December 2024	103,639	2,860	962,702	-	35,693	19,068	18,516	1,142,478

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

10 RIGHT OF USE ASSETS

Group	Buildings €
Cost	
At 1 January 2023	1,918,921
Additions	640,027
Modification	(571,755)
Written off	(337,627)
At 31 December 2023	1,649,566
At 1 January 2024	1,649,566
Additions	-
At 31 December 2024	1,649,566
Amortisation	
At 1 January 2024	698,404
For the year	243,762
Release on modification	(121,630)
Release on write off	(337,627)
At 31 December 2023	482,909
At 1 January 2024	482,909
For the year	247,853
At 31 December 2024	730,762
Carrying amounts	
At 31 December 2024	918,804
At 31 December 2023	1,166,657

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

10 RIGHT OF USE ASSETS (continued)

10.1 Lease Liabilities

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Current	255,257	240,589	-	-
Non-current	907,659	1,167,314	-	-
	1,162,916	1,407,903	-	-

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

11 INTANGIBLE ASSETS

Group	€
Cost	
At 1 January 2023	88,000
At 31 December 2023	88,000
At 1 January 2024	88,000
At 31 December 2024	88,000
Amortisation	
At 1 January 2023	44,000
For the year	8,800
At 31 December 2023	52,800
At 1 January 2024	52,800
For the year	8,800
At 31 December 2024	61,600
Carrying amount	
At 31 December 2024	26,400
At 31 December 2023	35,200

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

12 INVESTMENTS IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Company
	€
<u>Cost</u>	
At 1 January 2023	6,141,761
Disposals	(1,200)
At 31 December 2023	6,140,561
At 1 January 2024	6,140,561
Additions/Disposals	-
At 31 December 2024	6,140,561

Details of the Company's subsidiaries at the end of the reporting year are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2024	2023
DK Pascucci Limited	Sale of food and beverage	Dizz Building, Carob Street, Santa Venera	100%	100%
D Kitchen Lab Limited	Sale of food and beverage	Dizz Building, Carob Street, Santa Venera	100%	100%
D Caffe Ltd	Sale of food and beverage	Dizz Building, Carob Street, Santa Venera	100%	100%
D Food House Limited	Sale of food and beverage	Dizz Building, Carob Street, Santa Venera	0%	100%

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

12 INVESTMENTS IN SUBSIDIARIES (continued)

Goodwill on investment in subsidiaries

	Group
	€
Cost	
At 1 January 2023	6,445,062
Impairment	-
At 31 December 2023	6,445,062
At 1 January 2024	6,445,062
Impairment	-
At 31 December 2024	6,445,062

During FY2020 Dizz Group of Companies Limited acquired DK Pascucci Limited, D Kitchen Lab Limited and Xilema Limited through a non-cash consideration. Upon acquisition of these companies, a goodwill of €6,445,062 was created.

13 INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Food and beverages	711,126	548,683	-	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES

14.1 Categories of financial assets and financial liabilities

Note 3.10 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

Group

31 December 2024	Amortised cost €	Total €
Financial assets		
Trade receivables	150,231	150,231
Cash and cash equivalents	49,941	49,941
Total financial assets	200,172	200,172

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	3,115,998	3,115,998
Current borrowings	32,948	32,948
Trade and other payables	3,761,862	3,761,862
	6,910,808	6,910,808

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES (continued)

14.1 Categories of financial assets and financial liabilities (continued)

Group (continued)

31 December 2023	Amortised cost €	Total €
Financial assets		
Trade receivables	103,662	103,662
Cash and cash equivalents	49,498	49,498
Total financial assets	153,160	153,160

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	3,155,136	3,155,136
Current borrowings	35,911	35,911
Trade and other payables	2,843,601	2,843,601
	6,034,648	6,034,648

Note:

a) A description of the Group’s financial instrument risks, including risk management objectives and policies is given in Note 20.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES (continued)

14.1 Categories of financial assets and financial liabilities (continued)

Company

31 December 2024	Amortised cost €	Total €
Financial assets		
Trade and other receivables	-	-
Total financial assets	-	-

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	2,967,799	2,967,799
Current borrowings	5	5
Trade and other payables	36,422	36,422
	3,004,226	3,004,226

31 December 2023	Amortised cost €	Total €
Financial assets		
Trade and other receivables	101	101
Total financial assets	101	101

	Other liabilities (amortised cost) €	Total €
Non-current borrowings	2,961,359	2,961,359
Trade and other payables	75,053	75,053
	3,036,412	3,036,412

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES (continued)

14.2 Other financial assets at amortised cost

	Group		**Company**	
	2024	2023	2024	2023
	€	€	€	€
Loans to entities under common control of the Group's ultimate beneficial owners (Note a)	6,606,026	5,505,712	2,927,363	2,965,257
	6,606,026	5,505,712	2,927,363	2,965,257

Note:

(a) Amounts due from entities under common control of the ultimate beneficiary owners are unsecured, interest free and repayable on demand. These balances are measured at amortised cost, and no discounting has been applied using the effective interest method. Management has assessed that such discounting would not result in a materially different carrying amount given the nature, terms, and expected recoverability of the loans.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES (continued)

14.3 Borrowings

Borrowings include the following financial liabilities:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Secured				
Non-current				
Bank loans (ii)	148,199	193,777	2,967,799	2,961,359
3% Notes 2030 (iii)	2,967,799	2,961,359	-	-
	3,115,998	3,155,136	2,967,799	2,961,359
Current				
Bank overdrafts (i)	305	5,043	5	-
Bank loans (ii)	32,643	30,868	-	-
	32,948	35,911	5	-
Total secured borrowings	3,148,946	3,191,047	2,967,804	2,961,359

(i) The Group enjoys bank overdraft facilities with its bankers. These facilities are secured by general hypothecs over the Group's assets, by a special hypothec over properties of the Group, by pledges taken over various insurance policies and by personal guarantees of the directors and shareholders. The annual interest rate on bank overdrafts and bank balances is 5% (2023: 5%).

(ii) The bank loan represents a loan with BOV Bank Malta PLC. These facilities are secured by general hypothecs over the Group's assets, by a special hypothec over properties of the Group, by pledges taken over various insurance policies and by personal guarantees of the directors and shareholders. The loan was obtained for refurbishment purposes. The loan has to be repaid within a period of four years through monthly payments of € 4,700 including interest. The interest rate is 5%.

(iii) On the 21 of July 2020 the company issued a base prospectus for the issue of Euro 10,000,000 3% Secured convertible notes having a nominal value of € 100,000 each. On the 3 of August 2020, 30 Notes for the value of € 3,000,000 have been bought as per final terms dated 21 July 2020. The maturity date of the convertible notes is 2 August 2030 unless converted to equity beforehand. These Notes are secured by general hypothecs over the Group's assets, by a special hypothec over properties of the Group.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

14 FINANCIAL ASSETS AND LIABILITIES (continued)

14.3 Borrowings (continued)

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Unsecured				
Current				
Loans from entities under common control of the Group's ultimate beneficial owners (note a)	5,600,952	5,194,946	3,388,361	3,232,796
	5,600,952	5,194,946	3,388,361	3,232,796
Total unsecured borrowings	5,600,952	5,194,946	3,388,361	3,232,796

Note:

a) The above unsecured borrowings represent balances due to various related parties which are entities under common control of the Group's ultimate beneficial owners. Loans are unsecured, interest-free and with no fixed repayment terms.

The Group has assessed these borrowings for classification under *IFRS 9 – Financial Instruments* and has determined that they are measured at amortised cost. Due to the absence of interest and repayment terms, no discounting using the effective interest method has been applied, as the impact was deemed immaterial to the financial statements.

14.4 Other financial instruments

The carrying amounts of the following assets and liabilities are considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents, and
- trade and other payables.

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Trade receivables	150,231	103,662	-	-
Other receivables	111,322	231,341	-	101
Prepayment	51,323	13,925	-	-
Financial assets	312,876	348,928	-	101
Trade and other receivables	312,876	348,928	-	101

Note:

a) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash at bank and in hand	49,941	49,498	(5)	80

Reconciliation to statement of cash flows:

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Cash at bank and in hand	49,941	49,498	-	80
Bank overdraft	(305)	(5,043)	(5)	-
	49,636	44,455	(5)	80

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

17 EQUITY

17.1 Share capital

	Company 2024 €	Company 2023 €
Authorised		
10,000,000 ordinary shares of €1 each	€ 10,000,000	€ 10,000,000
Called-up, issued and fully paid		
3,279,286 ordinary shares of €1 each	€ 3,279,286	€ 3,279,286

The holders of ordinary shares are entitled to receive dividends as declared by time to time and are entitled to one vote per share at shareholder's meetings of the Company.

17.2 Retained earnings

Movement in retained earnings were as follows:

	2024 €	2023 €
Group		
Balance at 1 January	(748,170)	(1,033,306)
(Loss)/profit for the year	(83,108)	285,136
Balance at 31 December	(831,278)	(748,170)
Company		
Balance at 1 January	(451,495)	(309,769)
(Loss) for the year	(152,454)	(141,726)
Balance at 31 December	(603,949)	(451,495)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Trade payables	1,433,795	1,057,142	20,951	12,894
Other payables	39	-	-	-
Accruals	206,934	98,650	15,471	62,159
Total financial liabilities	1,640,768	1,155,792	36,422	75,053
Privileged creditors	2,121,104	1,687,809	-	-
Total non-financial liabilities	2,121,104	1,687,809	-	-
Total trade and other payables	3,761,872	2,843,601	36,422	75,053

Note:

a) All amounts are short-term. The carrying values of trade payables are considered to be a reasonable approximation of fair value.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

19 RELATED PARTY TRANSACTIONS

19.1 Parent entity

Balances and transactions between the related parties of the Group, have been eliminated in the consolidation and are not disclosed in this note.

19.2 Related company balances

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Loans to entities under common control of the Group's ultimate beneficial owners (note)	5,600,952	5,194,946	3,388,361	3,232,796

Note:

Loans to entities under common control of the Group's ultimate beneficial owners as described above are unsecured, interest free and with no fixed repayment terms.

20 FINANCIAL INSTRUMENT RISK

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

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

20 FINANCIAL INSTRUMENT RISK (continued)

20.1 Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk and certain other price risks, which result from both its operating and investing activities.

20.1.1 Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 December 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 1% (2023: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year	
	+1%	- 1%
	€	€
31 December 2024	46,154	26,096
31 December 2023	72,731	40,639

20.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

20.2.1 Credit risk management

The credit risk is managed by management based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Trade receivables consist of a large number of customers in various industries and the government.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

20 FINANCIAL INSTRUMENT RISK (continued)

20.2 Credit risk analysis (continued)

Security

The Group does not hold any security on any trade receivables balance at each annual reporting date

20.2.2 Amounts due from entities under common control of the ultimate beneficiary owners

The Group has assessed its financial assets and determined that they fall under Stage 1. This stage includes financial instruments that have not experienced a significant increase in credit risk since their initial recognition, or those considered to have low credit risk as of the reporting date. For these assets, a 12-month expected credit loss (ECL) is recognised, which represents the losses expected from possible default events occurring within 12 months after the reporting date. The ECL provision was determined by assigning a credit risk score to Dizz Group of Companies Ltd (the Group), based on both the CAMEL framework and relevant non-financial information, and benchmarking this score against peer companies in the same industry.

The closing balance of the ECL on amounts due from entities under common control of the ultimate beneficial owners as at 31 December 2024 reconciles with the ECL on amounts due from entities under common control of the ultimate beneficial owners opening balance as follows:

Amounts due from entities under common control of the ultimate beneficiary owner	
Opening loss allowance at 1 January 2023	36,143
Loss allowance recognised during the year	-
Loss allowance as at 31 December 2023	36,143
Opening loss allowance at 1 January 2024	36,143
Loss allowance recognised during the year	49,872
Loss allowance as at 31 December 2024	86,015

20.3 Liquidity risk analysis

Liquidity risk is that the Gorup might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over both the lookout periods.

The Goup's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2024

20 FINANCIAL INSTRUMENT RISK (continued)

20.3 Liquidity risk analysis (continued)

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

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

Notes to the consolidated Financial Statements (continued)
For the year ended 31 December 2024

20 FINANCIAL INSTRUMENT RISK (continued)

20.3 Liquidity risk analysis (continued)

Group	Carrying amounts €	Contractual cash flows €	1month to 3months €	4 months to 1 year €	Between two and five years €	After five years €
At 31 December 2024						
Bank balance overdrawn	305	305	305	-	-	-
Bank loans	180,842	180,842	-	32,643	148,199	-
Bond Loan	2,967,799	2,967,799	-	-	-	2,967,799
Trade and other payables	3,761,872	3,761,872	3,761,872	-	-	-
Amounts due to related companies	5,600,952	5,600,952	-	-	-	5,600,952
	12,511,770	12,511,770	3,762,177	32,643	148,199	8,568,751
At 31 December 2023						
Bank overdrafts	5,042	5,042	5,042	-	-	-
Bank loans	224,646	224,646	-	30,869	-	193,777
Bond loan	2,961,359	2,961,359	-	-	-	2,961,359
Trade and other payables	2,632,765	2,632,765	2,632,765	-	-	2,632,765
Amounts due to related companies	5,194,946	5,194,946	-	-	-	5,194,946
	11,018,758	11,018,758	2,637,807	30,869	-	10,982,847

Notes to the consolidated Financial Statements (continued)
For the year ended 31 December 2024

20 FINANCIAL INSTRUMENT RISK (continued)

20.3 Liquidity risk analysis (continued)

Company	Carrying amounts €	Contractual cash flows €	1 month to 3 months €	4 months to 1 year €	Between two and five years €	After five years €
At 31 December 2024						
Bank balance overdrawn	5	5	5	-	-	-
Bank loans	2,967,799	2,967,799	-	-	-	2,967,799
Trade and other payables	36,422	36,422	36,422	-	-	-
Amounts due to related companies	3,388,361	3,388,361	-	3,388,361	-	-
	6,392,587	6,392,587	36,427	3,388,361	-	2,967,799
At 31 December 2023						
Bank loans	2,961,359	2,961,359	-	-	-	2,961,359
Trade and other payables	75,051	75,051	75,051	-	-	-
Amounts due to related companies	3,232,796	3,232,796	-	3,232,796	-	-
	6,269,206	6,269,206	75,051	3,232,796	-	2,961,359

Notes to the consolidated Financial Statements (continued)
For the year ended 31 December 2024

21 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented in the consolidated statement of financial position and cash flow hedges recognised in other comprehensive income.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

	2024 €	2023 €	2024 €	2023 €
Total equity	2,447,282	2,531,116	2,675,337	2,827,791
Cash and cash equivalents	49,941	49,498	-	80
Capital	2,497,223	2,580,614	2,675,337	80
Total equity	2,447,282	2,531,116	2,675,337	2,827,791
Borrowings	3,148,946	3,191,047	2,967,804	2,961,359
Lease liabilities	1,162,916	1,407,903	-	-
	6,759,144	7,130,066	5,643,141	5,789,150
Capital to overall financing ratio	0.37	0.36	0.47	-

Notes to the consolidated Financial Statements (continued)
For the year ended 31 December 2024

22 EVENTS AFTER THE REPORTING DATE

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

23 COMPARATIVE FIGURES

Comparative figures were adjusted to reflect this year presentation.