9HCAPITAL P.L.C.

Annual Report and Consolidated Financial Statements

31 December 2024

Company Registration Number: C 57419

Directors' report

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

Principal activities

During the year, the principal activities of the Company underwent a strategic transition. All ordinary trading activities were transferred from 9hCAPITAL P.L.C. to its subsidiary, 9H Digital Limited. As a result, 9hCAPITAL P.L.C. now operates primarily as a finance and holding company, while commercial operations, including the provision of technology, creative, staff augmentation, and digital marketing services, are carried out by 9H Digital Limited.

Review of business

During the financial year, the Group (now consisting of 9HCAPITAL P.L.C. and its two subsidiaries, 9HDIGITAL LTD. and ANCHOVY Digital Ltd.) undertook significant restructuring initiatives aimed at simplifying its operational structure and streamlining its business model:

- **Merger by Acquisition:** Onest Limited was fully acquired and subsequently merged into 9hDIGITAL LTD. Ginger Limited, already wholly owned by the Group, was also merged into 9hDIGITAL LTD. These mergers consolidated operations under 9H Digital Ltd, enabling improved operational efficiency and alignment of core digital services.

- **Transfer of Trading Activities to 9H Digital:** All ordinary trading activities were transferred from 9hCAPITAL P.L.C. to 9hDIGITAL LTD. This strategic shift positions 9hCAPITAL P.L.C. as a finance and holding entity, while concentrating all commercial operations within 9H Digital Limited. Due to the nature of certain legacy project contracts, not all agreements could be novated to 9H Digital Limited; as a result, intra-group recharges were implemented to ensure that revenues and costs from such projects are reflected within 9H Digital's accounts, thereby consolidating trading performance under a single operating entity.

While 9hCAPITAL P.L.C. operates primarily as a holding and finance entity, the Directors' Report considers the performance and strategic direction of the Group as a whole, reflecting the consolidated results of its subsidiaries, most notably 9hDIGITAL LTD.

2024 Performance

2024 has been a critical year for the Group which continued to grow and expand its operations. This is a testament to the hard work and dedication of the team which achieved significant milestones and surpassed the set targets for the year under review.

Group revenues increased by 77% from €2,302,683 in 2023 to €4,082,321 in 2024, and operating profits increased by 38% from €240,373 in 2023 to €331,347 in 2024. This growth has largely been driven by the merger with NIU Ltd in December 2023, with 2024 being the first year of results reflecting combined operations. Growth has also been driven by continued demand for digital marketing, tech, ecommerce, and technology services, as well as successful expansion into new markets.

The Group's strategic focus on quality of service, efficiency, and successful collaborations with local partners in the Middle East, particularly through the investment in TAYB Creative Digital LLC (TAYB), have helped to drive momentum and accelerate the Company's growth trajectory.

The group is excited about the opportunities that lie ahead and remains committed to delivering exceptional value to all stakeholders.

Directors' report (continued)

2025 Outlook

Building on the strong foundation laid in 2024, the Group will continue scaling its operations throughout 2025, with a particular emphasis on expanding the 9H network and deepening strategic partnerships - especially in the Middle East, where the Group's investment in TAYB continues to yield promising results. Saudi Arabia remains a key growth market, and the Group will focus on securing a robust pipeline of recurring work programs alongside landmark flagship projects that further stretch the Group's delivery capabilities and expand its international footprint.

In addition, the Group has taken a significant step to strengthen its service offering through the acquisition of part of the portfolio and resources of MPS Ltd, a traditional media agency. Effective 1 May 2025, this acquisition will enable the Group to broaden its capabilities into traditional media buying and related creative services, complementing its existing digital and technology-led offering and further diversifying its revenue streams.

This dual focus—recurring engagements and high-impact projects—supports the Group's broader objective of growing a diversified and resilient client portfolio, while continuing to push the boundaries of its operational capacity. The Board sees this mix as essential to sustaining long-term growth and maintaining agility in a competitive global landscape.

Internally, the Group will continue to invest in talent, operational processes, and enabling technologies (including AI), ensuring that 9H Digital remains the Group's principal platform for delivering commercial value.

The Board remains confident in the Group's direction and capabilities and is committed to ensuring that the Company and Group remain both proactive and resilient in the face of an evolving market environment.

Going Concern

The directors have considered the Group's operating performance, the statement of financial position at year end, as well as the business plan for the coming year, and they have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Board continues to adopt the going concern basis in the preparation of the financial statements.

Events subsequent to statement of financial position date

On 27 March 2025, the Company signed an agreement to acquire part of the portfolio and resources of MPS Ltd, a traditional media agency. On 28 April 2025, approval was granted by the Office for Competition within the Malta Competition and Consumer Affairs Authority (MCCAA), satisfying the final condition precedent. Completion of the acquisition is scheduled to take effect on 1 May 2025. This acquisition is expected to expand the Company's service offerings into traditional media buying and related creative services.

Financial results

The Group's revenue and other income for the year amounted to €4,082,321 (2023: €2,302,683). The operating profit for the year amounted to €331,347 (2023: €240,373). The profit before tax for the year amounted to €252,275 (2023: €177,896).

Depreciation and amortisation for the year amounted to €88,353 (2023: €34,953) and finance costs were €79,072 (2023: €62,477). Finance costs for 2024 and 2023 mainly include the bond interest payable.

The Group's total asset base stands at €2,864,933 (2023: €2,754,324), the increase being principally due to an increase in the Group's trade and other receivables, as a natural result of the Groups' growth in revenue.

Total non-current liabilities amounted to €1,385,337 (2023: €1,376,942) and mainly comprise the bond issue of €1,000,000 less bond issue costs, as well as lease liability.

Directors' report (continued)

Company Financial Performance

During 2024, all ordinary trading activities were transferred from 9H Capital PLC to 9H Digital Ltd. Hence, the Company's operating activities during FY2024 were that of a holding and finance entity. The Company's principal income comprises intra-group recharges to its operating subsidiaries, which are designed to recover administrative centralised costs, allocated based on activity and resource usage.

Total comprehensive income for the year amounted to €62,365 (2023: €77,698). The Board is satisfied that the current recharge mechanism continues to appropriately allocate central costs, ensuring that the Company remains sustainably funded without drawing on external revenues.

Principal risks and uncertainties

The Company and Group are exposed to risks inherent to its operation and can be summarised as follows:

1. Strategy risk

   Risk management falls under the responsibility of the Board of Directors. The Board is continuously analysing its risk management strategy to ensure that risk is adequately identified and managed. The Audit Committee regularly reviews the risk profile adopted by the Board of Directors.

2. Operational risks

   The Group's revenue is mainly derived from technology, digital marketing and design services. Demand for such services is closely linked to the performance of the economic outlook, both locally and on a global scale. The Company's management is actively involved in spreading its client base to eliminate dependence on a particular industry or territory.

3. Legislative risks

   The Group is governed by a number of laws and regulations. Failure to comply could have financial and reputational implications and could materially affect the Group's ability to operate. The Group has embedded operating policies and procedures to ensure compliance with existing legislation.

Financial risk management

Information relating to the Group's financial risk management is disclosed in Note 5 to the financial statements.

Results, dividends and reserves

The financial results are set out in the statement of profit or loss and other comprehensive income on pages 13 to 14. The Company did not distribute a dividend in 2024 (2023: Nil). The Company's retained earnings carried forward at the end of the financial reporting period amounted to €382,099 (2023: €319,734).

Directors

The Directors of the Company who held office during the year were:

Mr. Joseph Sultana – Chairman (appointed 1 February 2024)
Dr. Lawrence Gonzi – Chairman (resigned 1 February 2024)
Mr. Benjamin Borg
Mr. Zachary Borg
Mr. Julian Mamo (resigned 1 February 2024)
Mr. Christopher Mifsud
Mr. James Abela
Mr. Matthew Sammut
Dr. Etienne Borg Cardona (appointed 1 February 2024)

Directors' report (continued)

Directors (continued)

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association do not require any director to retire.

Statement of Directors' responsibilities for the financial statements

The Directors are required by the Companies Act, (Cap 386) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

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

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing, and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, (Cap 386). They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of 9H Capital p.l.c. for the year ended 31 December 2024 are included in the Annual Report 2024, which is published in hard-copy printed form and may be made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

Forvis Mazars have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Directors' report (continued)

Statement by the Directors on the financial statements and other Information included in the annual report

Pursuant to the requirements of the Prospects MTF Rules and the Companies Act, Chapter 386 of the Laws of Malta, the Directors declare that, to the best of their knowledge:

- the financial statements included in the Annual Report have been prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU and the provisions of the Companies Act (Chapter 386 of the Laws of Malta); and
- the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- this Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces.

On behalf of the Board

Joseph Sultana	Etienne Borg Cardona
Chairman	Director

Registered office:
53,
Triq Tigne',
Sliema, SLM 3173,
Malta

29 April 2025

Corporate Governance – Statement of compliance

Preliminary

The Prospect MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to the listing venue to observe relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance (the “Code”).

Although the adoption of the Code is not obligatory, companies are required by Prospects MTF Rules to include, in their Annual Report, a Directors’ Statement of Compliance which deals with the extent to which the Company has adopted the Code, accompanied by a report of the auditors thereon.

Part 1: Compliance with the Code

The Board of Directors (the “Board") of the Company believe in the adoption of the Code and has endorsed it except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendations. Accordingly, some of the provisions of the Code are not applicable whilst others are applicable to a limited extent.

Principle 1 and 4: The Board

The Board of Directors of the Company is responsible for the overall long-term direction and strategy of the Company, assessing and evaluating the performance of the Company's executive functionaries, ascertaining that control systems suitable to the Company are implemented, that financial reporting is carried out to the highest attainable standards and to ascertain that the Company maintains open communication channels with the market and stakeholders. The Board is also responsible for decisions relating to the redemption of the Bond, and for monitoring that its operations are in conformity with the Company Admission Document and all relevant rules and regulations.

Clear internal and external reporting lines are established with a view to ensuring that the Board can properly discharge its obligation to take decisions in the best interests of the Company. In fact, throughout the year under review, the Board has provided the necessary leadership in the overall direction of the Company and the administration of its resources to enhance the prosperity of the business over time, and therefore the value of the shareholders' investment.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities. The Directors, individually and collectively, are of the appropriate caliber, with the necessary skills and experience to contribute effectively to the decision-making process. All directors have access to independent professional advice, at the expense of the Company, should they so require.

The Directors have determined the Company's strategic aims and organisational structure and always ensure that the Company has the appropriate mix of financial and human resources to meet its objectives.

Principle 2: Chairman and Chief Executive

The Board of Directors is responsible to set the Company’s strategic direction and governance framework, and providing oversight over the Management of the Company. The day-to-day management of the Company is vested in the Chief Executive Officer (Benjamin Borg). The Chairman of the Board is responsible to lead the Board and set its agenda and also ensures that the Directors of the Board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company.

Corporate Governance – Statement of compliance (continued)

Part 1: Compliance with the Code (continued)

Principle 3: Composition of the Board

The Board is composed of a mix of executive directors and non-executive directors, and considers that the size of the Board, whilst not being too large as to be unwieldy, is appropriate, taking into account the size of the Company, its operations, its business risks and key performance indicators. The combined and varied knowledge, experience and skills of the Board members provide a balance of competences thatare required and add value to the proper functioning of the Board and gives direction to the Company.

The board is composed as follows:

Mr. Joseph Sultana – Chairman (appointed 1 February 2024)
Dr. Lawrence Gonzi – Chairman (resigned 1 February 2024)
Mr. Benjamin Borg
Mr. Zachary Borg
Mr. Julian Mamo (resigned 1 February 2024)
Mr. Christopher Mifsud
Mr. James Abela
Mr. Matthew Sammut
Dr. Etienne Borg Cardona (appointed 1 February 2024)

The Company has an appropriate balance of Executive and Non-Executive Directors on the Board. The non-executive directors are Mr Christopher Mifsud, Mr Joseph Sultana, and Dr Etienne Borg Cardona, with the latter two being independent within the meaning provided by the Code.

None of the Independent Non-Executive Directors:

a) are or have been employed in any capacity by the Company;
b) have, or had within the last three years, a significant business relationship with the Company;
c) have received or receive significant additional remuneration from the Company;
d) have close family ties with any of the executive members of the Board;
e) have served on the Board for more than twelve consecutive years; or
f) have been within the last three years an engagement partner or a member of the audit team of the present or past external auditors of the Company.

The process of appointment of Directors is transparent, is set out in the Company's Articles of Association and it is conducted during the Company's AGM where all the shareholders of the Company are entitled to participate in the voting process to elect the Board of Directors. Furthermore, in terms of the Company's Memorandum and Articles of Association, a Director is prohibited from voting on any contract or arrangement or any other proposal in which he has a material interest.

Principle 5: Board Meetings

Board meetings concentrate mainly on strategy, operational performance, and financial performance of the Company. The Chairperson ensures that all relevant items are set on the agenda and ensures that all board members partake in discussions of complex and contentious issues. Board members are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting reading materials, which are circulated well in advance of the meeting. After each Board meeting and before the next, Board minutes that faithfully record attendance, key issues and decisions are sent to the directors.

Corporate Governance – Statement of compliance (continued)

Part 1: Compliance with the Code (continued)

Principle 5: Board Meetings – continued

The Board aims to meet a minimum of four times every calendar year. It is currently composed of seven individuals, three of whom are non-executive completely independent of the Company or any other related companies. The Board met seven times during the period under review. The number of board meetings attended by directors for the year under review is as follows:

Benjamin Borg	seven times
Zachary Borg	seven times
Christopher Mifsud	six times
Etienne Borg Cardona	six times
Joseph Sultana	seven times
James Abela	seven times
Matthew Sammut	six times

Board meetings are attended by Grant Thornton Limited, the Corporate Advisors of the Company, andthe Company Secretary. The Company ensures that sufficient information is provided to the attendees to effectively contribute during meetings of the board, and to take informed decisions on the manner in which the Company's affairs are being administered.

Principle 6: Information and Professional Development

On joining the Board, a Director is provided with briefings by the Executive Directors on the activities of the Company. From time to time, the Executive Directors may meet other Board members or organise information briefing sessions to ensure that the Directors are made aware of the general business environment and the Board's expectations, to ensure that it provides directors with relevant information to enable them to effectively contribute to board decisions. Consequently, each director is made aware of the Company's on-going obligations in terms of the Companies Act, the Prospects MTF Rules and other relevant legislation.

Principle 8: Committees

Audit Committee

The Audit Committee's primary objective is to assist the board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

The members of the Audit Committee have discussed various matters during the meetings held in 2024 and have formally set out the Terms of Reference of the Audit Committee. The purpose of the Committee is to set parameters of its remit as well as the basis for the process that it is required to comply with, such that it protects the interest of the Company's share and bond holders and assists the directors in conducting their role effectively. The Audit Committee also monitors the financial reporting process, the effectiveness of internal control and the audit of the annual financial statements.

Additionally, it is responsible for monitoringthe performance of the trade debtors of the Company, to ensure that budgets are achieved and if not that corrective action is taken as necessary. It also scrutinises and supervises related party transactions for materiality and ensures that these are carried out on an arm's length basis.

The Malta Stock Exchange reviewed the Audit Committee's Terms of Reference as part of the admission process with respect to the Bonds issued by the Company.

Corporate Governance – Statement of compliance (continued)

Part 1: Compliance with the Code (continued)

Principle 8: Committees – continued

Audit Committee – *continued*

During the financial period under review, the Audit Committee met four times. The Audit Committee is composed of both executive and non-executive directors as follows:

Executive Director

Zachary Borg (resigned 1 February 2024)
Benjamin Borg (appointed 1 February 2024)

Non-Executive Director

Julian Mamo (Chairman of the Audit Committee) (resigned 1 February 2024)
Etienne Borg Cardona (Chairman of the Audit Committee) (appointed 1 February 2024)
Dr Lawrence Gonzi (resigned 1 February 2024)
Joseph Sultana (appointed 1 February 2024)

The Board considers the Chairman of the Audit Committee to be independent and competent in financial knowledge.

Internal Control

While the Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness, the authority to determine day-to-day non-material operational aspects that fall within the ordinary course are delegated to the Executive Directors.

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.

Controls are designed to manage risk, to achieve business objectives and to provide reasonable assurance against normal business risks.

Through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls.

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the Executive Directors with clear reporting lines and delegation of powers.

Control Environment

The Company is committed to strong standards of business conduct and seeks to maintain these across allof its operations.

Corporate Governance – Statement of compliance (continued)

Part 1: Compliance with the Code (continued)

Principle 8: Committees – continued

The Company has an appropriate organisational structure for planning, executing, controlling, and monitoring business operations in order to achieve its objectives.

Risk Identification

The Executive Directors and Company management are responsible for the identification and evaluation ofkey risks applicable to their respective areas of business - this is sufficient, given the nature and scale of the Company's operations.

The Company has an appropriate organisational structure for planning, executing, controlling, and monitoring business operations in order to achieve its objectives, given its size and the nature of its activities to date.

Principles 9: Relations with Shareholders and with the Market

The Company recognises the importance of keeping investors informed to ensure that they are able to make informed investment decisions. The Company communicates with the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year, and by way of Company announcements to the market in general when necessary.

These reports are also available on the Company's website which also contains information about the Company. The Company's website also contains an 'Investor relations' section which includes press releases and investor information sub-sections.

Principle 10: Institutional Shareholders

The Directors are of the view that this Principle is not applicable to the Company.

Principle 11: Conflicts of Interest

Mr Zachary Borg, Mr Benjamin Borg, Mr James Abela and Mr Matthew Sammut are executive officers of the Company and also have a direct beneficial interest in the share capital of the Company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. All the Directors of the Company recognise their responsibility to act in the interest of the Company and its shareholders as a whole irrespective of who appointed them to serve on the Board. It is the practice of the Board that when a potential conflict of interest arises in connection with any transaction or other matter, the potential conflict of interest is declared so that steps may be taken to ensure that such items are appropriately dealt with. Directors who have a conflict of interest do not participate in discussions concerning such matters unless the Board finds no objection to the presence of such Directors. The Directors are obliged to keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Company. In any event, Directors refrain from voting on the matters where conflicts of interest arise. There were no such matters in the year under review.

During the year, Christopher Mifsud, a non-executive director of the Company, had an interest in a transaction whereby the Group entered into negotiations to acquire part of the portfolio and resources of MPS Limited, a company owned and controlled by him. The transaction was agreed and completed after the year end. The director declared his interest to the Board, and took no part in discussions or decisions relating to the transaction.

Corporate Governance – Statement of compliance (continued)

Part 1: Compliance with the Code (continued)

Principle 11: Conflicts of Interest – continued

The Directors are informed of their obligations on dealing in securities of the Company within the parameters of the law and subsidiary legislation, as well as the Prospects MTF Rules.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company is under the duty to fully declare his interestin the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle 12: Corporate Social Responsibility

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

Part 2: Non-Compliance with the Code

Principle 7 and 8: Remuneration and Nomination Committees

Under the present circumstances the Company does not consider it necessary to appoint a Remuneration Committee and a Nomination Committee as decisions on these matters are more adequately taken by the Company's Board and at shareholders' level.

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

The fee payable to directors is not a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

None of the directors are employed or had a service contract with the Company at year end.

Total fees of €464,698 (2023: €227,545) were paid to directors during the year under review.

Principle 9: Relations with Shareholders and with the Market

Currently there is no established mechanism disclosed in the Company's Memorandum and Articles of Association, as recommended in Code Provision 9(k), to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. The Board believes, considering the current shareholder profile, the measures currently available for shareholders, such as the right to ask questions, and the continuous dialogue with shareholders provide the necessary safeguards.

Approved by the Board of Directors on 29 April 2025 and signed on its behalf by:

Joseph Sultana

Joseph Sultana
Chairman

Etienne Borg Cardona
Director

Statements of financial position

		Group		Company	
	Notes	**As at 31 December 2024 €**	As at 31 December 2023 €	**As at 31 December 2024 €**	As at 31 December 2023 €
ASSETS					
Non-current assets					
Property, plant & equipment	6	**45,004**	61,861	**-**	15,639
Right of use asset	23	**396,476**	434,379	**-**	434,379
Deferred tax asset	15	**6,288**	-	**6,288**	-
Intangible assets	7	**81,083**	98,690	**-**	30,778
Investments in subsidiaries	8	**-**	-	**12,708**	72,948
Investment in joint venture	9	**-**	-	**12,207**	12,081
Trade and other receivables	11	**-**	56,348	**-**	-
Total non-current assets		**528,851**	651,278	**31,203**	565,825
Current assets					
Loans and receivables	10	**-**	**-**	**214,500**	-
Trade and other receivables	11	**1,668,767**	1,258,000	**773,521**	1,048,762
Current tax asset		**40,613**	85,186	**4,254**	5,465
Cash and cash equivalents	12	**626,702**	750,860	**548,089**	592,254
Total current assets		**2,336,082**	2,090,046	**1,540,364**	1,646,481
Total assets		**2,864,933**	2,745,324	**1,571,567**	2,212,306

Statements of financial position (continued)

		Group		Company	
	Notes	**As at 31 December 2024 €**	As at 31 December 2023 €	**As at 31 December 2024 €**	As at 31 December 2023 €
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	**23,968**	23,968	**23,968**	23,968
Retained earnings		**329,801**	188,911	**382,099**	319,734
Translation reserve		**(8,005)**	545	**-**	-
Equity attributable to the owners of the parent		**345,764**	212,334	**406,067**	343,702
Non-controlling interest		**(84,681)**	(79,838)	**-**	-
Total equity		**261,083**	132,496	**406,067**	343,702
Non-current liabilities					
Deferred tax liability	15	**-**	5,045	**-**	5,045
Borrowings	14	**992,531**	989,372	**992,531**	989,372
Lease liability	23	**392,806**	382,525	**-**	382,525
Total non-current liabilities		**1,385,337**	1,376,942	**992,531**	1,376,942
Current liabilities					
Borrowings	14	**220,675**	237,454	**3,693**	3,669
Trade and other payables	16	**978,198**	951,954	**169,276**	441,515
Lease liability	23	**19,640**	46,478	**-**	46,478
Total current liabilities		**1,218,513**	1,235,886	**172,969**	491,662
Total liabilities		**2,603,850**	2,612,828	**1,165,500**	1,868,604
Total equity and liabilities		**2,864,933**	2,745,324	**1,571,567**	2,212,306

The notes on pages 19 to 51 are an integral part of these financial statements.

The financial statements on pages 19 to 51 were authorised for issue by the Board on 29 April 2025 and were signed on its behalf by:

Joseph Sultana

Joseph Sultana
Chairman

Etienne Borg Cardona
Director

Statements of profit or loss and other comprehensive income

		Group		Company	
	Notes	**Year ended 31 December 2024 €**	Year ended 31 December 2023 €	**Year ended 31 December 2024 €**	Year ended 31 December 2023 €
Revenue	17	**4,082,321**	2,302,683	**860,253**	2,283,887
Direct costs		**-**	-	**(860,253)**	-
Gross profit		**4,082,321**	2,302,683	**-**	2,283,887
Personnel expenses	18	**(2,802,468)**	(1,607,704)	**(45,500)**	(1,607,704)
Depreciation and amortisation		**(88,381)**	(34,953)	**-**	(30,775)
Other operating expenses	19	**(873,777)**	(561,240)	**(45,883)**	(513,147)
(Loss) on lease modification		**(5,376)**	(2,186)	**(5,376)**	(2,186)
Net impairment gains / (losses) on financial assets		**(2,584)**	26,817	**1,302**	21,493
Total operating expenses		**(3,772,586)**	(2,179,266)	**(955,710)**	(2,132,319)
Other Income		**21,612**	40,383	**200,000**	29,973
Gain on bargain purchase		**-**	88,654	**-**	-
Share of losses on joint venture		**-**	(12,081)	**-**	-
		-	76,573	**-**	-
Operating profit		**331,347**	240,373	**104,543**	181,541
Net finance income/(costs)	20	**(79,072)**	(62,477)	**1,841**	(62,477)
Profit before tax		**252,275**	177,896	**106,384**	119,064
Tax expense	21	**(111,254)**	(41,366)	**(44,019)**	(41,366)
Profit for the year		**141,021**	136,530	**62,365**	77,698
Profit attributable to:					
Owners of 9hCAPITAL P.L.C.		**144,411**	142,438	**-**	-
Non-controlling interests		**(3,390)**	(5,908)	**-**	-
		141,021	136,530	**-**	

Statements of profit or loss and other comprehensive income (continued)

		Group		Company	
	Notes	**Year ended 31 December 2024 €**	Year ended 31 December 2023 €	**Year ended 31 December 2024 €**	Year ended 31 December 2023 €
Other comprehensive income:					
Exchange differences on translation of foreign operations		**(12,434)**	(6,685)	**-**	-
Total comprehensive income for the year		**128,587**	136,530	**62,365**	77,698
Total comprehensive income for the year is attributable to:					
Owners of 9hCAPITAL P.L.C.		**136,951**	139,764	**-**	-
Non-controlling interests		**(8,364)**	(3,234)	**-**	-
		128,587	136,530	**-**	-

The notes on pages 19 to 51 are an integral part of these financial statements.

Statements of changes in equity

Group:

	Share capital €	**Retained earnings** €	**Translation reserve** €	**Total** €	**Non-controlling interest** €	**Total** €
Balance at 1 January 2023	11,984	46,473	(4,556)	53,901	(76,604)	(22,703)
Increase in share capital	11,984	-	-	11,984	-	11,984
Profit/(loss) for the year	-	142,438	-	142,438	(5,908)	136,530
Other comprehensive income	-	-	4,011	4,011	2,674	6,685
Total comprehensive income for the year	-	142,438	4,011	146,449	(3,234)	143,215
Balance at 31 December 2023	**23,968**	**188,911**	**(545)**	**212,334**	**(79,838)**	**132,496**
Profit/(loss) for the year	-	144,411	-	144,411	(3,390)	141,021
Other comprehensive income	-	-	(7,460)	(7,460)	(4,974)	(12,434)
Total comprehensive income for the year	-	144,411	(7,460)	136,951	(8,364)	128,587
Transfer of non-controlling interest on additional acquisition in subsidiary	-	(3,521)	-	(3,521)	3,521	-
Balance at 31 December 2024	**23,968**	**329,801**	**(8,005)**	**345,764**	**(84,681)**	**261,083**

Statements of changes in equity (continued)

Company:

	Share capital €	**Retained earnings** €	**Total** €
Balance at 1 January 2023	11,984	242,036	254,020
Increase in share capital	11,984	-	11,984
Total comprehensive income for the year	-	77,698	77,698
Balance at 31 December 2024	**23,968**	**319,734**	**343,702**
Total comprehensive income for the year	-	62,365	62,365
Balance at 31 December 2024	**23,968**	**382,099**	**406,067**

The notes on pages 19 to 51 are an integral part of these financial statements.

Statements of cash flows

	Notes	Group Year ended 31 December 2024 €	Group Year ended 31 December 2023 €	Company Year ended 31 December 2024 €	Company Year ended 31 December 2023 €
Cash flows from operating activities					
Cash (used in)/generated from operations	19	**221,695**	77,959	**100,884**	(44,848)
Interest paid		**(55,000)**	(58,304)	**(55,000)**	(58,304)
Foreign tax paid		**(62,200**	(5,592)	**(41,003)**	(5,592)
Income tax paid		**(13,138)**	(31,948)	**(13,138)**	(19,182)
Net cash used in operating activities		**91,357**	(17,885)	**(8,257)**	(127,926)
Cash flows from investing activities					
Acquisition of property, plant, and equipment	4	**(24,956)**	(2,726)	**-**	(2,726)
Proceeds from disposal of property, plant, and equipment	4	**14,026**	1,210	**15,639**	1,090
Proceeds from disposal of intangible assets		**(38,881)**	-	**-**	-
Acquisition of intangible assets	5	**30,778**	(4,261)	**30,778**	(2,262)
Net disposal of investment in subsidiaries and joint venture		**-**	(12,081)	**60,240**	-
Net cash used in investing activities		**(19,033)**	(17,858)	**106,657**	(3,898)
Cash flows from financing activities					
Lease payments	20	**(69,909)**	(22,368)	**-**	(22,368)
Movement in loans receivable		**-**	-	**(214,500)**	-
Movement in related party balances		**(22)**	-	**157,691**	-
Movement in amounts with jointly controlled entity		**(109,772)**	-	**(85,780)**	-
Movement in borrowings		**(16,803)**	(51,234)	**124**	-
Net cash used in financing activities		**(62,197)**	(73,602)	**(142,589)**	(22,368)
Net movement in cash and cash equivalents		**(124,182)**	(109,345)	**(44,189)**	(154,192)
Cash and cash equivalents at beginning of year		**747,191**	748,898	**588,585**	742,777
Cash balance acquired through business combination		**-**	110,904	**-**	-
Cash and cash equivalents at end of year	9	**623,009**	750,457	**544,396**	588,585

The notes on pages 19 to 51 are an integral part of these financial statements.

Notes to the financial statements

1. Basis of preparation

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

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Directors to exercise their judgment in the process of applying the Group's accounting policies (see Note 3 - Critical accounting estimates and judgments).

The financial statements are presented in Euro which is also the functional currency of the Group.

The material accounting policies adopted are set out below.

Basis of consolidation

These consolidated financial statements include all the subsidiary undertakings that are controlled by the Group.

Control is presumed to exist where either more than one half of an undertaking's voting power is controlled, directly or indirectly, by the Company, or the Company is able to govern the financial and operating policies of the undertaking, or, alternatively, determines the removal or appointment of a majority of the undertakings' board of directors while holding a participating interest in the undertaking.

The Group applies the acquisition method of accounting to account for business combinations that fall within the scope of IFRS 3. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. Acquisition related costs are recognised as an expense as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at their acquisition date.

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

All intra-group balances, transactions, unrealized profits and unrealized losses where costs cannot be recovered, have been eliminated on consolidation.

Investments in joint ventures are accounted for using the equity method.

2. Material accounting policies

Foreign currency translation

<u>Functional and presentation currency</u>

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Euro is the Group's functional and presentation currency.

<u>Transactions and balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Property, plant, and equipment

All property, plant and equipment is initially recorded at historical cost and subsequently carried at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Improvements to premises – 10 %
- Furniture and fittings – 10%
- Computer and office equipment – 25%
- Air conditioners – 16.67%

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

Property, plant, and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Property, plant and equipment that suffered impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

Intangible assets

Acquired intangible assets

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

An intangible asset is initially measured at cost. Cost comprises the purchase price and any directly attributable costs of preparing the asset for its intended use, when the asset is acquired separately. When the asset represents a contribution in kind made by the shareholder, the cost represents the fair value of the asset at the date of the contribution.

Intangible assets with finite useful lives are subsequently 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 are carried at cost less accumulated impairment losses.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Intangible assets (continued)

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset is recognised only if all of the following can be demonstrated by the Company:

- the technical feasibility, the availability of resources and the intention and ability of completing the asset so that it will be available for use or sale;
- how the asset will generate probable future economic benefits, and;
- the ability to measure reliably the expenditure attributable to the asset during its development.

Internally generated intangible assets are initially measured at cost, being the sum of the expenditure incurred from the date when the recognition criteria are met.

After initial recognition, internally-generated intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. When the intangible asset will become available for use, it will be amortised on a straight-line basis over its estimated useful life.

Estimated useful lives of intangible assets

The following are the classes of intangible assets for the financial period in question, as well as their estimated useful lives from the date of acquisition.

- Trademarks – 20%
- Software development – 20%
- Websites – 25%

Amortisation is calculated on a pro-rata basis.

Investments in subsidiaries

A subsidiary is an entity which is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is initially measured at cost. After initial recognition, the investment in subsidiary is measured using the cost method, which is at cost less impairment. Under the cost method, cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Provisions for impairment are recorded where, in the opinion of the Directors, there is an impairment in the value of the investment.

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

Investment in joint venture

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in joint ventures are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Financial instruments

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset, or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Loans receivable

Loans receivable are classified within current assets, given that they are repayable on demand, and are stated at their nominal value unless the effect of discounting is material, in which case these financial assets are measured at amortised cost using the effective interest rate method.

Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Trade and other payables

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

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

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Share capital

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

Impairment

Non-financial assets

The Group's property, plant, and equipment and intangible assets and the Company's investment in subsidiaries are tested for impairment.

The carrying amounts of the Group's property, plant, and equipment and intangible assets, and the Company's investment in subsidiaries are reviewed at each balance sheet date to determine whether there is any indication of impairment. Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each period.

Financial assets

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

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand and deposits held with banks and the bank overdraft.

Subsequent to initial recognition, interest bearing bank overdrafts are carried at their face value due to their short-term maturity.

Offsetting financial instruments

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

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

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

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

Provisions

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

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

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer arises from the provision of services (performance obligations) and is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax, rebates, and discounts, where applicable. Revenue is recognised when it is probable that future economic benefits will flow to the company and the amount of revenue, and theassociated costs can be measured reliably.

a) Rendering of services

Revenue from services is generally recognised in the period the services are provided, based on the services performed to date as a percentage of the total services to be performed. Accordingly, revenue is recognised by reference to the stage of completion of the transaction under the percentage of completion method.

b) Interest income

Interest income is recognised as the interest accrued using the effective interest method, unless collectability is in doubt.

Notes to the financial statements (continued)

2. Material accounting policies (continued)

Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant, and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate and lease payments in an optional renewal period that the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets within non-current assets and lease liabilities within current and non-current liabilities accordingly in the statement of financial position.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs attributable to the business combination.

The non-controlling interest in the acquiree is initially measured at the non- controlling proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes to the financial statements (continued)

3. Changes in accounting policies and disclosures

Initial Application of an International Financial Reporting Standard

The Group and Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2024:

- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020), Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) and Non-Current Liabilities with Covenants (issued on 31 October 2020) (effective on 1 January 2024)

  The amendments require that the right to defer settlement for at least 12 months must exist at the reporting date and have substance. This right may be subject to compliance with conditions specified in a loan arrangement and only those existing at the reporting date are to be considered. However, information about conditions or covenants that apply in future periods is to be disclosed. Also, liabilities relating to convertible debt may become current. The amendments apply retrospectively.

  The application of these amendments did not have a material effect on the Group's consolidated financial statements and the Company's financial statements.

- Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback (issued on 22 September 2022) (effective on 1 January 2024)

  The narrow scope amendment impacts how a seller-lessee accounts for variable payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and require seller-lessees to reassess and potentially restate retrospectively as from date of application of IFRS 16.

  The application of these amendments did not have a material effect on the Group's consolidated financial statements and the Company's financial statements.

- Amendments to IAS 7, Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023) (effective on 1 January 2024)

  The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.

  The application of these amendments did not have a material effect on the Group's consolidated financial statements and the Company's financial statements.

Standards, interpretations and amendments to published standards as adopted by the EU in issue but not yet effective for financial periods beginning on 1 January 2024:

- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023) (effective on 1 January 2025)

  The amendments specify when a currency is exchangeable into another currency and when not. It also specifies how an entity can determine the exchange rate to apply when a currency is not exchangeable and requires additional disclosures when a currency is not exchangeable.

  The directors are of the opinion that these amendments will not have a material impact on the financial statements of the Group and Company.

Notes to the financial statements (continued)

3. Changes in accounting policies and disclosures (continued)

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- Contracts Referencing Nature-dependent Electricity **–** Amendment to IFRS 9 and IFRS 7 (issued on 18 December 2024).
- Annual improvements Volume 11 (issued on 18 July 2024)

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Group and Company in the period of initial application.

4. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of affecting the reported amount of assets and liabilities within the next financial year are discussed below.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 5.

5. Financial risk management

Financial risk factors

Cash flow and fair value risk

The Group's and Company's significant instruments which are subject to fixed interest rates represent the bonds issued to the general public (Note 14). In this respect, the Group is exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

The Directors consider that the Group is not significantly exposed to cash flow interest rate risk since financial instruments subject to variable interest rates are not material. Management monitors the impact of changes in market interest rates on the amounts reported in profit or loss in respect of these instruments and considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, which include outstanding debtors and amounts receivable from related parties.

The Group and Company has two types of financial assets that are subject to the expected credit loss model:

Notes to the financial statements (continued)

5. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

- Loans receivable
- Trade and other receivables
- Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group and Company banks only with financial institutions with high quality standing or ratings. At 31 December 2024 and 31 December 2023, cash and cash equivalents are held with reputable counterparties and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group and Company.

The maximum credit exposure to credit risk at the reporting date in respect of the financial assets was as follows:

		Group		Company
	As at 31 December 2024 €	As at 31 December 2023 €	**As at 31 December 2024 €**	As at 31 December 2023 €
Loans receivable	**-**	-	**214,500**	-
Trade and other receivables	**1,668,767**	1,258,000	**773,521**	1,048,762
Cash and cash equivalents	**623,136**	747,191	**544,520**	592,254
	2,291,903	2,055,191	**1,523,541**	1,641,016

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold significant collateral as security in this respect.

The Group assesses the credit quality of its customers, considering financial position, past experience and other factors. It has policies in place to ensure that sales of services are affected with customers with an appropriate credit history. The Group's management monitors the performance of its trade and other receivables on a regular basis to identify expected credit losses, considering historical experience in the collection of accounts receivable. In measuring the expected credit losses on trade receivables, the expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period while also taking into consideration a forward-looking rate which was determined based on country risk. On that basis, the impairment provision as at the date of the statement of financial position was determined as follows for trade receivables and accrued income:

Notes to the financial statements (continued)

5. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

Group:

	Current	**30 - 60 days overdue**	**61 - 90 days overdue**	**91 - 120 days overdue**	**More than 120 days overdue**	**Total**
31 December 2024						
Expected loss rate	0.75%	0.54%	1.85%	0.83%	10.36%	
Gross carrying amount	274,975	192,691	28,351	34,647	312,689	843,352
Impairment provision	2,052	1,040	524	286	32,380	36,282

	Current	30 - 60 days overdue	61 - 90 days overdue	91 - 120 days overdue	More than 120 days overdue	Total
31 December 2023						
Expected loss rate	1.30%	1.08%	1.17%	1.22%	9.70%	
Gross carrying amount	484,654	59,469	57,588	45,366	263,283	910,360
Impairment provision	6,301	643	672	554	25,528	33,698

Company:

	Current	**30 - 60 days overdue**	**61 - 90 days overdue**	**91 - 120 days overdue**	**More than 120 days overdue**	**Total**
31 December 2024						
Expected loss rate	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**29.47%**	
Gross carrying amount	**325,508**	**-**	**-**	**-**	**49,137**	**374,645**
Impairment provision	**357**	**-**	**-**	**-**	**14,479**	**14,836**

	Current	30 - 60 days overdue	61 - 90 days overdue	91 - 120 days overdue	More than 120 days overdue	Total
31 December 2023						
Expected loss rate	1.39%	1.07%	1.13%	1.04%	14.66%	
Gross carrying amount	305,067	33,413	30,266	4,236	83,575	456,554
Impairment provision	4,231	357	328	44	11,184	16,144

Notes to the financial statements (continued)

5. Financial risk management (continued)

Financial risk factors (continued)

Credit risk (continued)

The closing impairment provision for trade receivables as at 31 December 2024 reconciles to the opening impairment provisions as follows:

Group:

	2024	2023
	€	€
Opening impairment provision as at 1 January under IFRS 9	**33,698**	42,961
Additions to opening provisions from business combinations	**-**	17,554
Impairment expense/ (release) recognised in profit or loss during the year	**2,584**	(26,817)
31 December - closing impairment provision	**36,282**	33,698

Company:

	2024	2023
	€	€
Opening impairment provision as at 1 January under IFRS 9	**16,144**	37,637
Impairment expense/ (release) recognised in profit or loss during the year	**(1,308)**	(21,493)
31 December - closing impairment provision	**14,836**	16,144

The loss allowance in relation to the loans receivable, other debtors and amounts due from subsidiaries was not considered to be material.

Liquidity risk

The Group and Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings (Note 14) and trade and other payables (Note 16). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's and Company's obligations.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Group's and Company's liquidity risk is actively managed taking cognizance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's and Company's committed bank borrowing facilities and other financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Group and Company as significant considering the liquidity management process referred to above.

The following table analyses the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period at 31 December 2024 and 2023 to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the financial statements (continued)

5. Financial risk management (continued)

Financial risk factors (continued)

Liquidity risk (continued)

Group:

	Less than 1 year €	**Between 1 and 2 years €**	**Between 2 and 5 years €**	**Over 5 years €**	**Total €**
31 December 2024					
Bonds	**55,000**	**55,000**	**1,027,500**	**-**	**1,137,500**
Bank overdraft	**3,693**	**-**	**-**	**-**	**3,693**
Trade and other payables	**978,198**	**-**	**-**	**-**	**978,198**
Total	**1,036,891**	**55,000**	**1,027,500**	**-**	**2,119,391**

	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
31 December 2023					
Bonds	55,000	55,000	1,082,500	-	1,192,500
Bank overdraft	3,669	-	-	-	3,669
Trade and other payables	951,954	-	-	-	951,954
Total	1,010,623	55,000	1,082,500	-	2,148,123

Company:

	Less than 1 year €	**Between 1 and 2 years €**	**Between 2 and 5 years €**	**Over 5 years €**	**Total €**
31 December 2024					
Bonds	**55,000**	**55,000**	**1,027,500**	**-**	**1,137,500**
Bank overdraft	**3,693**	**-**	**-**	**-**	**3,693**
Trade and other payables	**169,276**	**-**	**-**	**-**	**169,276**
Total	**227,969**	**55,000**	**1,027,500**	**-**	**1,310,469**

Notes to the financial statements (continued)

5. Financial risk management (continued)

Financial risk factors (continued)

Liquidity risk (continued)

	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
31 December 2023					
Bonds	55,000	55,000	1,082,500	-	1,192,500
Bank overdraft	3,669	-	-	-	3,669
Trade and other Payables	441,515	-	-	-	441,515
Total	500,184	55,000	1,082,500	-	1,637,684

Fair value estimation

The fair value information of the Group's non-current interest-bearing borrowings is disclosed in Note 14.

At 31 December 2024 and 2023, the carrying amounts of cash at bank, receivables, short term borrowings, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

Capital risk management

The Group's and Company's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;
- to maintain an optimal capital structure to reduce the cost of capital; and
- to comply with requirements of the Admission document issued in relation to the 5.5% 2027 bonds.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of business. The Board of Directors monitors the return on capital, which the Group and Company defines as the results for the year divided by total equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

In view of the nature of the Group's and Company's activities and the extent of borrowings or debt, the capital level at the end of the reporting period determined by reference to the financial statements is deemed adequate by the Directors.

The Group's and Company's policy for managing capital has remained unchanged from the prior year.

Notes to the financial statements (continued)

6. Property, plant, and equipment

Group:

	Improvement to premises €	Furniture & fittings €	Computer & office equipment €	Computer software €	Total €
Cost					
As at 1 January 2023	2,604	83,883	214,198	7,507	308,192
Additions	-	-	2,726	-	2,726
Additions acquired on business combination	7,402	61,490	142,110	7,507	218,509
Disposals	-	(991)	(4,323)	-	(5,314)
As at 31 December 2023	8,538	74,122	210,236	7,507	300,403
Additions	-	4,478	20,478	-	24,956
Disposals	(2,604)	(57,612)	(66,770)	-	(126,986)
As at 31 December 2024	**5,934**	**20,988**	**163,944**	**7,507**	**198,373**
Depreciation					
As at 1 January 2023	27	6,912	52,147	-	59,086
Accumulated depreciation on business combination	887	46,227	119,061	6,262	172,437
Charge for the year	114	1,207	7,883	-	9,204
Depreciation released on disposal	-	-	(2,185)	-	(2,185)
As at 31 December 2023	1,028	54,346	176,906	6,262	238,542
Charge for the year	593	2,443	14,394	1,190	18,620
Depreciation released on disposal	(434)	(46,720)	(56,639)	-	(103,793)
As at 31 December 2024	**1,187**	**10,069**	**134,661**	**7,452**	**153,369**
Carrying amount					
As at 31 December 2024	**4,747**	**10,919**	**29,283**	**55**	**45,004**
As at 31 December 2023	7,510	19,776	33,330	1,245	61,861

Notes to the financial statements (continued)

6. Property, plant, and equipment (continued)

Company:

	Improvement to premises €	Furniture & fittings €	Computer & office equipment €	Total €
Cost				
As at 1 January 2023	1,136	13,623	66,033	80,792
Additions	-	-	2,726	2,726
Disposals	-	(991)	(1,989)	(2,980)
As at 31 December 2023	1,136	12,632	66,770	80,538
Additions	-	-	-	-
Disposals/transfers	(1,136)	(12,632)	(66,770)	(80,538)
As at 31 December 2024	-	-	-	-
Depreciation				
As at 1 January 2023	27	6,912	49,530	56,469
Charge for the year	114	1,207	7,109	8,430
As at 31 December 2023	141	8,119	56,639	64,899
Charge for the year	-	-	-	-
Depreciation released on disposal	(141)	(8,119)	(56,639)	(64,899)
As at 31 December 2024	-	-	-	-
Carrying amount				
As at 31 December 2024	-	-	-	-
As at 31 December 2023	995	4,513	10,131	15,639

Notes to the financial statements (continued)

7. Intangible assets

Group:

	Software development €	Trademarks €	Website €	IA under development €	Total €
Cost					
As at 1 January 2023	36,416	4,155	50,731	-	142,115
Additions acquired on business combination		2,909	-	59,139	62,048
Additions	-	2,262	2,000	-	4,262
As at 31 December 2023	36,416	9,326	52,731	59,139	157,612
Additions	-	2,653	5,463	30,765	38,881
Reclassification	89,904	-	-	(89,904)	-
Disposals	(36,416)	(2,577)	-	-	(38,993)
As at 31 December 2024	**89,904**	**9,402**	**58,194**	**-**	**157,500**
Amortisation					
As at 1 January 2023	607	73	47,000	-	47,680
Accumulated amortisation on business combination	-	303	-	-	303
Charge for the year	7,283	252	3,404	-	10,939
As at 31 December 2023	7,890	628	50,404	-	58,922
Charge for the year	22,392	1,390	1,928	-	25,710
Amortisation release on disposal	(7,890)	(325)	-	-	(8,215)
As at 31 December 2024	**22,392**	**1,693**	**52,332**	**-**	**76,417**
Carrying amount					
As at 31 December 2024	**67,512**	**7,709**	**5,862**	**-**	**81,083**
As at 31 December 2023	28,526	8,698	2,327	59,139	98,690

Notes to the financial statements (continued)

7. Intangible assets (continued)

Company:

	Software development €	**Trademarks €**	**Total €**
Cost			
As at 1 January 2023	36,416	315	36,731
Additions	-	2,262	2,262
As at 31 December 2023	36,416	2,577	38,993
Disposals	(36,416)	(2,577)	(38,993)
As at 31 December 2024	**-**	**-**	**-**
Amortisation			
As at 1 January 2023	607	73	680
Charge for the year	7,283	252	7,535
As at 31 December 2023	7,890	325	8,215
Charge for the year	-	-	-
Amortisation released on disposal	(7,890)	(325)	(8,215)
As at 31 December 2024	-	-	-
Carrying amount			
As at 31 December 2024	-	-	-
As at 31 December 2023	28,526	2,252	30,778

Intangible assets are made up of software and trademarks. Software includes capitalised labour incurred in the enhancement and development of software.

8. Investment in subsidiaries

Company

	2024 €	2023 €
Year end 31 December		
Opening cost and carrying amount	**72,948**	60,964
Additions	**-**	11,984
Disposals	**(60,240)**	-
Closing cost and carrying amount	**12,708**	72,948

Notes to the financial statements (continued)

8. Investment in subsidiaries (continued)

The subsidiaries at 31 December 2024 and 2023 are shown below:

Company:

Name	**Registered office**	**Percentage and class of shares held**	**Nature of business**
ANCHOVY Digital Ltd.	Dubai International Financial Centre, Dubai, United Arab Emirates	60% Ordinary Shares (2023 : 60%)	Digital marketing services
9hDIGITAL LTD.	53, Triq Tigne', Sliema, SLM 3173, Malta	100% Ordinary Shares (2023: 100%)	Digital marketing services
Onest Market Intelligence Limited	53, Triq Tigne', Sliema, SLM 3173, Malta	Nil (2023: 60% Ordinary Shares)	Provision of market research and data consultancy services

As at 31 December 2024, the subsidiary's net assets/liabilities and net profits/losses for the financial year then ended amounted to:

- ANCHOVY Digital Ltd. – net liabilities €211,702 and net loss of €4,329 (2023: net liabilities of €194,939 and net loss of €13,727).
- 9hDIGITAL LTD. – net assets €101,066 and net loss of €92,422 (2023: net assets of €100,638 and net profit of €54,098).

Notes to the financial statements (continued)

9. Investment in joint venture

Group:

	2024	2023
	€	€
Year end 31 December		
Opening net book amount	**-**	-
Additions	**-**	12,081
Share of profit/(loss) on joint venture	**-**	(12,081)
Closing net book amount	**-**	-

Company:

	2024	2023
	€	€
Year end 31 December		
Opening net book amount	**12,081**	-
Additions	**-**	12,081
Exchange differences	**126**	-
Closing net book amount	**12,207**	12,081

The Group's share of the results of the joint venture and its share of the assets and liabilities are as follows:

	Assets	**Liabilities**	**Loss**
	€	**€**	**€**
Year ended 31 December 2024			
TAYB Creative Digital LLC	**679,359**	**717,078**	**(2,606)**

Group and Company:

Name	**Registered office**	**Percentage and class of shares held**	**Nature of business**
TAYB Creative Digital LLC	Central Region, Riyadh City, Kingdom of Saudi Arabia	50% (2023 - 50%) Ordinary Shares	Digital marketing services

Notes to the financial statements (continued)

10. Loans receivable

	Group		Company	
	At 31 December 2024 €	At 31 December 2023 €	**At 31 December 2024 €**	At 31 December 2023 €
Loans due from subsidiary	**-**	-	**214,500**	-

The loans due from subsidiary are unsecured, interest-free, and have no fixed date of repayment.

11. Trade and other receivables

	Group		Company	
	At 31 December 2024 €	At 31 December 2023 €	**At 31 December 2024 €**	At 31 December 2023 €
Non-current				
Prepayments and accrued income	**-**	56,348	**-**	-
Current				
Trade net receivables	**807,071**	876,662	**359,809**	441,438
Other debtors	**10,232**	18,724	**2,700**	9,274
Amounts due from subsidiaries	**-**	2,106	**168,033**	325,723
Amounts due from shareholder companies	**63,109**	61,004	**61,003**	61,004
Amount due from jointly controlled entity	**97,691**	-	**73,699**	-
Amounts due from related party	**385**	362	**-**	-
Other taxes receivable	**102,816**	10,394	**102,816**	-
Prepayments and accrued income	**587,463**	288,748	**5,461**	211,323
	1,668,767	1,258,000	**773,521**	1,048,762

Trade receivables above are disclosed net of provisions for impairment for doubtful debts of €36,282 (2023: €33,698).

At Company level, as at 31 December 2024, amounts due from subsidiaries are disclosed net of an impairment of €192,520 (2023: Nil).

Amounts due from subsidiaries, parent companies, jointly controlled entity and related parties are unsecured, interest-free, and have no fixed date of repayment.

Notes to the financial statements (continued)

12. Cash and cash equivalents

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the following:

		Group		Company
	At 31 December 2024	At 31 December 2023	**At 31 December 2024**	At 31 December 2023
	€	€	**€**	€
Cash at bank and in hand	**626,702**	750,860	**548,089**	592,254
Bank overdraft (Note 14)	**(3,693)**	(3,669)	**(3,693)**	(3,669)
	623,009	747,191	**544,396**	588,585

The Group has unutilised banking facilities amounting to €99,847 (2023: €96,302). No provision has been made in these financial statements in respect of any liabilities which may arise in respect of the following:

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Guarantees in favor of third parties	**500,000**	500,000	**500,000**	**500,000**

Such guarantees have been provided by the directors of the Company in favor of the bank to secure the Company's overdraft facility amounting to €100,000. No guarantees have been issued by the Company itself in favor of any third parties.

13. Share capital

Group and Company:

	At 31 December 2024	At 31 December 2023
	€	€
Authorised		
406,000 Ordinary shares of €1 each	**406,000**	406,000
47,000 Ordinary ‘A’ shares of €1 each	**47,000**	47,000
47,000 Ordinary ‘B’ shares of €1 each	**47,000**	47,000
	500,000	500,000
Issued		
47,000 Ordinary ‘A’ shares of €1 each – 46,688 Ordinary A shares of €1 each 25% paid up and 312 Ordinary A shares of €1 fully paid up	**11,984**	11,984
47,000 Ordinary ‘B’ shares of €1 each – 46,688 Ordinary B shares of €1 each 25% paid up and 312 Ordinary B shares of €1 fully paid up	**11,984**	11,984
	23,968	23,968

Notes to the financial statements (continued)

13. Share capital (continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In the prior year, the Group's and Company's authorised share capital was changed from €500,000 divided into 453,000 Ordinary Shares of €1 each, 34,780 Ordinary A shares of €1 each and 12,220 Ordinary B shares of €1 each to €500,000 divided into 406,000 Ordinary shares of €1 each, 47,000 Ordinary A shares of €1 each and 47,000 Ordinary B shares of €1 each. The Group's issued share capital increased from €47,000 divided into 34,780 Ordinary A shares of €1 each and 12,220 Ordinary B shares of €1 each to €94,000 divided into 47,000 Ordinary A shares of €1 each (46,688 Ordinary A shares of €1 each 25% paid up and 312 Ordinary A shares of €1 fully paid up) and 47,000 Ordinary B shares of €1 each (46,688 Ordinary B shares of €1 each 25% paid up and 312 Ordinary B shares of €1 fully paid up).

14. Borrowings

Group:

	At 31 December 2024 €	At 31 December 2023 €
Non-current		
10,000 5.5% unsecured bonds 2027	**992,531**	989,372
Current		
Bank overdraft	**3,693**	3,669
Loans from related parties	**216,982**	233,785
	220,675	237,454

Company:

	At 31 December 2024 €	At 31 December 2023 €
Non-current		
10,000 5.5% unsecured bonds 2027	**992,531**	989,372
Current		
Bank overdraft	**3,693**	3,669

By virtue of the Admission document dated 10 May 2017, the Group issued for subscription by the general public 10,000 unsecured bonds for an amount of €1,000,000.

The bonds have been admitted on Prospects MTF, a multilateral trading facility (MTF) operated by the Malta Stock Exchange (MSE).

Notes to the financial statements (continued)

14. Borrowings (continued)

The bonds have a nominal value of €100 per bond and have been issued at par. The bonds are subject to a fixed Interest rate of 5.5% per annum payable annually in arrears on 19 June of each year. All bonds are redeemable at par (€100 for each bond) on 19 June 2027.

The quoted market price of the bonds at 31 December 2024 was €101.00 (2023: €102.30) which in the opinion of the Directors fairly represented the fair value of these financial liabilities. The fair value estimate in this respect is deemed Level 1 of the fair value measurement hierarchy as it constitutes a quoted price in an active market.

The bonds are measured at the amount of net proceeds adjusted for the amortisation of the difference between net proceeds and the redemption value of the bonds using the effective interest method as follows:

Group:

	At 31 December 2024 €	At 31 December 2023 €
5.5% unsecured bonds 2027		
Original face value of bonds issued	**1,000,000**	1,000,000
Gross amount of bond issue costs	**(31,593)**	(31,593)
Amortisation of gross amount of bond issue costs:		
Amortisation charge for the year	**3,158**	3,160
Accumulated amortisation at end of year	**24,124**	20,966
Unamortised bond issue costs	**(7,469)**	(10,627)
Amortised cost and closing carrying amount	**992,531**	989,372

The Group's and Company's banking facilities as at 31 December 2024 amounted to €100,000 (2023: €100,000). Such facilities are mainly secured by guarantees from the Group's Directors. As at 31 December 2024, the bank overdraft is subject to a variable rate of interest of 6.15% (2023: 6.15%).

15. Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2023: 35%).

Notes to the financial statements (continued)

15. Deferred tax (continued)

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months.

At the end of the reporting period the Group and Company had the following temporary differences:

	2023	**Movement for the year**	**2024**
	€	**€**	**€**
Arises on:			
Provisions on receivables	**5,650**	**(455)**	**5,195**
Accelerated depreciation	**(12,203)**	**12,203**	**-**
Right of use asset	**(1,882)**	**1,882**	**-**
Unrealised foreign exchange differences	**3,390**	**(2,297)**	**1,093**
	(5,045)	**11,333**	**6,288**

	2022	**Movement for the year**	**2023**
	€	**€**	**€**
Arises on:			
Provisions on receivables	13,173	(7,523)	5,650
Accelerated depreciation	(5,911)	(6,292)	(12,203)
Right of use asset	(356)	(1,526)	(1,882)
Unrealised foreign exchange differences	-	3,390	3,390
	6,906	(11,951)	(5,045)

16. Trade and other payables

	Group		**Company**	
	At 31 December 2024	At 31 December 2023	**At 31 December 2024**	At 31 December 2023
	€	€	**€**	€
Trade payables	**110,724**	208,875	**93,706**	185,809
Other payables	**14,359**	58,830	**-**	23,510
Indirect taxation	**85,019**	43,104	**-**	14,393
Other taxes payable	**102,154**	-	**-**	-
Accrued bond interest payable	**33,690**	29,986	**33,690**	29,986
Other accruals	**161,393**	121,915	**14,949**	49,033
Deferred income	**470,829**	477,163	**26,931**	126,703
Amount due to jointly controlled entity	**-**	12,081	**-**	12,081
	978,198	951,954	**169,276**	441,515

Notes to the financial statements (continued)

16. Trade and other payables (continued)

The amount payable to jointly controlled entity is unsecured, interest free and repayable on demand.

17. Revenue

The Group's and Company's revenue is derived from the following sources:

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Management services	**-**	303,742	**-**	303,742
Commission	**60,388**	79,024	**-**	79,024
Marketing services	**4,021,933**	1,919,917	**860,253**	1,901,121
	4,082,321	2,302,683	**860,253**	2,283,887

18. Personnel expenses

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Wages and salaries, including Directors' remuneration	**1,666,695**	179,701	**45,500**	179,701
Freelancers	**1,057,117**	1,397,695	**-**	1,397,695
Social security costs	**78,656**	30,308	**-**	30,308
	2,802,468	1,607,704	**45,500**	1,607,704

Average number of persons employed during the year was 31 (2023: 19).

Included above are Directors' salaries and other emoluments amounting to €464,698 (2023: €227,545).

Notes to the financial statements (continued)

19. Operating expenses

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Advertising costs	**51,112**	27,222	**-**	27,222
Audit fee	**18,374**	11,821	**9,334**	8,500
Bad debt written off	**6,310**	36,850	**6,310**	35,572
Entertainment	**26,907**	-	**-**	-
Exchange differences	**14,778**	18,265	**7,368**	16,109
Commissions	**114,524**	38,526	**-**	38,526
Insurance	**16,424**	469	**-**	-
Legal and other professional fees	**102,044**	82,588	**16,778**	66,721
Loss on disposal of assets	**9,167**	29	**-**	-
Management fees	**-**	-	**-**	-
Media buying, software and platform expenses	**242,961**	30,557	**-**	30,557
Outsourcing costs	**-**	64,426	**-**	64,426
Recruitment fees	**26,577**	-	**-**	-
Rent	**1,599**	7,781	**-**	-
Salary recharges	**-**	99,257	**-**	99,257
Staff welfare	**9,579**	14,631	**-**	14,631
Subscriptions, permits and licenses	**148,216**	57,701	**-**	54,088
Travelling expenses	**36,001**	20,041	**-**	20,041
Other expenses	**49,204**	51,076	**6,093**	37,497
Total operating expenses	**873,777**	561,240	**45,883**	513,147

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2024 relate to the following:

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Audit fees	**18,374**	11,821	**9,334**	8,500
Non – audit services	**1,800**	1,500	**1,150**	1,500
	20,174	13,321	**10,484**	10,000

Non-audit services include fees relating to the interim review of the financial statements.

Notes to the financial statements (continued)

20. Net finance income/(costs)

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Bonds interest expense (Note 14)	**(58,159)**	(58,159)	**(58,159)**	(58,159)
Bank interest and charges	**-**	(3,304)	**-**	(3,304)
Finance costs – leases	**(20,913)**	(1,014)	**-**	(1,014)
Finance income	**-**	-	**60,000**	-
	(79,072)	62,477	**58,159**	(62,477)

21. Tax expense

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

		Group		Group
	2024	2023	**2024**	2023
	€	€	**€**	€
Corporate tax	**(60,387)**	(23,823)	**(14,349)**	(23,823)
Foreign withholding tax	**(62,200)**	(5,592)	**(41,003)**	(5,592)
Deferred tax	**11,333**	(11,951)	**11,333**	(11,951)
	(111,254)	(41,366)	**(44,019)**	(41,366)

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

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Profit before tax	**252,275**	177,896	**106,384**	119,064
Tax at 35%	**(88,296)**	(62,264)	**(37,234)**	(41,672)
Tax effect of:				
Unrecognised deferred tax movement	**(7,525)**	(3,836)	**-**	-
Exempt income	**-**	3,642	**-**	-
Disallowed expenses	**(4,338)**	(5,082)	**-**	(272)
Non temporary differences	**(1,106)**	29,923	**(1,106)**	(1,112)
Unclaimed foreign tax	**(2,102)**	-	**(2,102)**	-
Effect of disposals of property, plant, and equipment	**10,207**	198	**10,772**	198
Effect of initial year assets taken over	**(3,745)**	-	**-**	-
Foreign withholding taxes	**-**	(5,592)	**-**	(5,592)
Tax refund previously accounted for as other income	**(6,945)**	-	**(6,945)**	-
Group loss relief provision	**-**	1,645	**-**	7,084
Prior years overstated tax charge	**(7,404)**	-	**(7,404)**	-
	(111,254)	(41,366)	**(44,019)**	(41,366)

Notes to the financial statements (continued)

22. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

Group:

	2024	2023
	€	€
Operating profit	**331,347**	240,373
Adjustments for:		
Amortisation of intangible assets	**25,710**	10,939
Depreciation of property, plant and equipment	**18,620**	9,205
Depreciation of right of use asset	**44,053**	14,810
Movement in provision for impairment of trade receivables	**2,584**	(26,817)
Bad debts written off	**6,310**	35,572
Loss / (gain) on modification of lease	**5,376**	2,185
Loss on sale of property, plant and equipment	**9,167**	1,918
Unrealised loss on foreign exchange	**-**	6,235
Gain on bargain purchase	**-**	(88,654)
Share of losses on joint venture	**-**	12,081
Changes in working capital:		
Trade and other receivables	**(265,600)**	367,259
Trade and other payables	**(44,128)**	(507,147)
Cash generated from operations	**221,695**	77,959

Company:

	2024	2023
	€	€
Operating profit	**104,543**	181,541
Adjustments for:		
Amortisation of intangible assets	**-**	7,535
Depreciation of property, plant and equipment	**-**	8,430
Depreciation of right of use asset	**-**	14,810
Movement in provision for impairment of trade receivables	**(1,302)**	(21,493)
Loss / (gain) on modification of lease	**5,376**	2,186
Loss on sale of property, plant and equipment	**-**	1,890
Changes in working capital:		
Trade and other receivables	**252,425**	225,554
Trade and other payables	**(260,158)**	(465,301)
Cash generated from/(used in) operations	**100,884**	(44,848)

Notes to the financial statements (continued)

23. Operating leases

On the 13th October 2023, the Group signed a new lease agreement for a 10-year period, with effect from 15th December 2023.

Right-of-use assets and lease liabilities have been recognised as separate line items in the statement of financial position. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. To determine this rate, the Group obtained information from its bank for the particular purpose.

Amounts recognised in the statement of financial position

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Right of use assets				
Premises				
Opening balance	**436,196**	133,182	**436,196**	133,182
Additions	**4,333**	436,196	**-**	436,196
Termination/Transfer of lease	**-**	(133,182)	**(436,196)**	(133,182)
Closing balance	**440,529**	436,196	**-**	436,196
Accumulated Depreciation				
Premises				
Opening balance	**1,817**	9,745	**1,817**	9,745
Charge for the year	**44,053**	14,810	**-**	14,810
Termination/Transfer of lease	**(1,817)**	(22,738)	**(1,817)**	(22,738)
Closing balance	**44,053**	1,817	**-**	1,817
Net Book Value	**396,476**	434,379	**-**	434,379

Additions to the right-of-use asset during the 2024 financial year were €4,333 (2023: €436,196). The loss recognized in the company on the modification of lease during 2024 is €5,376 (2023: loss of €2,186).

		Group		Company
	2024	2023	**2024**	2023
	€	€	**€**	€
Lease Liabilities				
Current	**19,640**	46,478	-	46,478
Non-current	**392,806**	382,525	-	382,525
	412,446	429,003	-	429,003

Notes to the financial statements (continued)

23. Operating leases (continued)

The statement of profit or loss and other comprehensive income shows the following relating to leases

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Depreciation on right of use assets	**(44,053)**	(14,810)	-	(14,810)
	(44,053)	(14,810)	-	(14,810)

	Group		Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Interest expense (included in finance costs)	**(20,913)**	(1,014)	-	(1,014)

The total cash outflow for leases in 2024 was €48,996 (2023: €22,268).

The commitments of the Group with respect to non-cancellable lease are explained within note 24 of the financial statements.

24. Commitments

The maturity analysis of non-cancellable lease commitments qualifying as right-of-use assets:

Group:

	Less thar 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	€	**€**	**€**	**€**	**€**
31 December 2024					
Future minimum lease payments	**48,996**	**49,403**	**167,490**	**250,538**	**516,427**
31 December 2023					
Future minimum lease payments	48,996	48,996	157,613	309,818	565,423

Notes to the financial statements (continued)

24. Commitments (continued)

Company:

	Less thar 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
31 December 2023					
Future minimum lease payments	48,996	48,996	157,613	309,818	565,423

25. Related parties

The Group's Directors consider the subsidiaries of the Group (Note 8), all entities owned or controlled by common shareholders and the Group's key management personnel to be the principal related parties of the Group. Transactions with these related parties would typically relate to the selling of digital marketing services in the ordinary course of business. Except for transactions disclosed or referred to previously in these financial statements, the operating transactions with related parties that have a material effect on the Group's and Company's results and financial position are disclosed below:

	Group		Company	
	2024 €	2023 €	**2024** €	2023 €
Sales - provision of digital marketing services				
Subsidiaries	**-**	657,637	**275,888**	657,637
Other related party	**529,635**	71,845	**137,114**	71,845
	529,635	729,482	**413,002**	729,482

Notes to the financial statements (continued)

25. Related parties (continued)

Payments of €75,626 (2023: €152,905) have taken place during 2024 on behalf of subsidiaries. Year-end balances with related parties arising principally from the trading transactions referred to above are disclosed in Notes 10, 11,14 and 16:

All balances with related parties are unsecured, interest free and repayable on demand. No guarantees have been given or have been received.

26. Business combination

On 2 November 2023, 9H Capital p.l.c. acquired 100% of the shares in 9H Digital Ltd. 9H Digital Ltd's principal activity is software and website development. Details of the cost and assets taken over are disclosed below:

	€	€
Cost of acquisition		**11,984**
Fair value of assets and liabilities taken over on consolidation:		
Property, plant, and equipment	**46,072**	
Intangible assets	**61,745**	
Trade and other receivables	**764,099**	
Cash and cash equivalents	**110,907**	
Trade and other payables	**(882,185)**	
		100,638
Gain on bargain purchase		**88,654**

27. Statutory information

9HCapital p.l.c. is a public limited liability Group and is incorporated in Malta.

28. Contingent liabilities

There were no contingent liabilities with a material impact on the Group as at 31 December 2024.

29. Subsequent events

On 27 March 2025, the Company signed an agreement to acquire part of the portfolio and resources of MPS Ltd, a traditional media agency. On 28 April 2025, approval was granted by the Office for Competition within the Malta Competition and Consumer Affairs Authority (MCCAA), satisfying the final condition precedent. Completion of the acquisition is scheduled to take effect on 1 May 2025. This acquisition is expected to expand the Company's service offerings into traditional media buying and related creative services.

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Independent auditor's report

To the Shareholders of 9H Capital plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 9H Capital plc (the Company), set out on pages 12 to 51, which comprise the statements of financial position as at 31 December 2024 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Based on our professional judgement there were no key audit matters identified that in our opinion were of such significance in our audit of the financial statements.

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Independent auditor's report

To the Shareholders of 9H Capital plc (continued)

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and corporate governance – statement of compliance. Our opinion on the financial statements does not cover this information, including the directors' report.

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

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

To the Shareholders of 9H Capital plc (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

We communicate with 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.

Independent auditor's report

To the Shareholders of 9H Capital plc (continued)

Report on Other Legal and Regulatory Requirements

Report on the statement of compliance with the Principles of Good Corporate Governance

The Listing Rules issued by the Malta Listing Authority require the directors to prepare and include in their annual report a Corporate Governance Statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the Corporate Governance Statement prepared by the directors. We read the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the annual report.

Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the annual report.

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

In our opinion, the Corporate Governance Statement set out on pages 6 to 11 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

Adequacy of explanations received and accounting records

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

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

Use of audit report

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act (Cap. 386) of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

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Independent auditor's report

To the Shareholders of 9H Capital plc (continued)

Appointment

We were appointed by the shareholders as auditors of 9H Capital plc on 11 July 2019, as for the year ended 31 December 2019. The total period of uninterrupted engagement is 6 years.

Consistency with the additional report to those charged with Governance

Our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act);

Non-audit services

We have not provided any of the prohibited services as set out in the Accountancy Profession Act.

AGrech

This copy of the audit report has been signed by Anita Grech (Partner) for and on behalf of

Forvis Mazars
Certified Public Accountants
Birkikara,
Malta

29 April 2025