
AST GROUP P.L.C.

***Annual Report
and
Consolidated Financial Statements
31 December 2024***

Company Registration Number C 66811

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The users of this financial report are reminded that the official statutory Annual Financial Report 2024, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on www.borza.com.mt. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report 2024, is included within this printed document and comprises the auditor's report in compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Capital Markets Rule 5.55.6. In case of any conflicts and differences, the ESEF report prevails.

Directors' Report

The directors present the annual report together with the audited consolidated financial statements of the AST Group p.l.c. for the year ended 31 December 2024.

Principal Activities

The principal objects of the Issuer relate to carrying on the business of a finance company and holding company for the Group, which consists of AST Group p.l.c and its wholly-owned subsidiary companies, which are set out in Note 17. Its purpose is to carry on the business of a finance and holding company in connection with the ownership, development, operation and financing of the business activities of the Group, whether in Malta or overseas.

The Group carries out end-to-end supply chain management, from sourcing raw materials for high nutrient animal feed to the delivery of animal feed to producers. For this reason, the Group is split into two core income streams: trading of animal feed products and chartering of vessels for own use or third parties. The trading of animal feed food products is carried out through branches in Malta, Greece, Cyprus, Hungary, Spain, France and Dubai, all of which are consolidated in Damask Investment Limited Malta. Hence, the animal feed products are sourced from suppliers based in India, Morocco, South Africa, Bulgaria, Ukraine, Moldova, Hungary, Slovakia, Serbia and Romania which products are then exported to customers in Greece, Spain, France, Cyprus, Malta, Turkey and Dubai. The Group has working relationships with its suppliers and customers spanning several years. Trading of animal feed food products includes roasted guar meal korma, fish meal, Distiller's dried grains with soluble ("DDGS") and HiPro Sunflower meal, corn, soya meal, feed wheat and barley.

The Group has also vertically integrated the animal feed operations and expanded into the logistics business, by transporting the Group's animal feed on vessels owned by the Group (M/V AST Malta, M/V AST Rising and M/V AST ECO) or time-chartered vessels from third parties. When the Group's vessels are not transporting animal feed operations, they are also chartered out to third parties.

Performance Review

The Group commenced the year with three vessels, of which M/V AST Malta and M/V AST ECO were positioned in the Mediterranean area, whilst M/V AST Rising was positioned in Asia. It took the Group four months to reposition the vessel to the Mediterranean area, resulting in a significant amount of time and money. In addition, the Group continued upgrading and maintaining the vessels' condition hence improving their operating capability. Testament to this is the vessels' valuation obtained as at year end, whereby the motor vessels were valued at €11.87 million by an independent valuer on 18 December 2024 (2023: at €10.25 million), on an open market existing use basis that reflects recent transactions for similar vessels, hence resulting in a revaluation of €1,459,018 during FY2024. In the fourth quarter of 2024, the shipping business has improved, and the vessels are being chartered out on a time-charter basis to third parties to revert to profitability.

During the year, the Group was impacted by ongoing geopolitical conflicts. Furthermore, the Group encountered various transportation, logistical and operational issues, impacting both revenue and profitability of both the animal feed business as well as the shipping business. As a result, during the year under review the Group generated revenue of €14,333,725 (2023: €28,040,798) and incurred a loss before taxation of €3,272,246 (2023: €2,138,903).

The total comprehensive loss for the year after accounting for taxation amounted to €1,950,694 (2023: €1,351,313). At year end, the Group has revalued all its motor vessel which increased by €1,459,018 (2023: €915,270)

The Company generated finance income from loans granted to its subsidiary companies amounting to €572,874 (2023: €273,635). During the year, no dividends were received by the parent from its subsidiaries. Interest expense on bond amounted to €531,250 (2023: €288,186). The Company's loss before taxation amounted to €90,435 (2023: loss before tax of €165,586). After accounting for taxation, the loss for the year amounted to €92,044 (2023: loss for the year of €165,586).

Position Review

The Group's asset base amounted to €14,928,758 as at 31 December 2024 (2023: €15,319,364), consisting principally of property, plant and equipment, inventories and trade and other receivables.

The Group's total liabilities amounted to €13,872,212 as at 31 December 2024 (2023: €12,312,124).

At 31 December 2024, the Group reported a negative working capital of €2,450,049 compared to a positive working capital of €495,884 at 31 December 2023.

The Company's asset base increased from €11,066,143 as at 31 December 2024 to €11,331,850 as at 31 December 2024. Likewise, loans due from subsidiary companies decreased to €8,089,826 as at 31 December 2024 (2023: €8,251,439).

The Company's main liabilities consist of €8,500,000 6.25% Secured Bonds 2033.

Dividends and Reserves

The accumulated losses of the Group at the end of the year amounted to €4,642,372 (2023: €2,011,119) and the accumulated losses of the Company amounted to €223,516 (2023: €131,472). The Board of Directors does not recommend the distribution of a dividend and proposes to charge the loss for the year to reserves.

Financial Risk Management

The Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. Financial risks are explained in detail in Note 30 in these financial statements.

Events Subsequent to the Balance Sheet Date

The directors assessed subsequent events from 1 January 2025 through 28 April 2025, the date these financial statements were approved. As noted in note 31 to these financial statements, the directors have determined that no events subsequent to balance sheet date occurred.

Future Developments

The directors intend to continue to operate in line with the current business plan and revert back to profitability.

Directors

Mr. Giuseppe Muscat (Executive Director and Chairman)
Dr Kristian Balzan (Independent, Non-Executive Director)
Mr. William Wait (Independent, Non-Executive Director)
Mr. Austin Demajo (Independent, Non-Executive Director)

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

Statement of Directors' Responsibilities

The Maltese Companies Act, (Cap 386) requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial period and of the profit or loss of the Company and the Group for that period.

In preparing the financial statements, the directors are required to: -

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable in the circumstances;
- adopt the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and the Group and to enable the directors to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, (Cap 386). The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Annual Financial Report on the website in view of their responsibility for the controls over, and the security of, the website. The financial statements of AST Group p.l.c. for the year ended 31 December 2024 are included in the Annual Financial Report 2024 which is available for viewing or download on the Company's website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

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

- the 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 European Union on the basis explained in note 2 to the financial statements; and
- the Annual Financial Report includes a fair review of the development of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company face.

Disclosure of information to the auditor

As at the date of making of this report, the directors confirm the following:

-
- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
 - Each director has taken all steps that he ought to have taken as director in order to make himself aware of any information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Additional disclosures

Going concern statement pursuant to Capital Markets Rules 5.62

After making enquiries and taking into consideration future plans, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

Principal risks and uncertainties associated with the Company

The Company's main objective is that of a finance company. Given that the Company does not carry out any trading activities, it is economically dependent on the business prospects of its subsidiaries. As a matter of fact, the Company is dependent on the receipt of income from its subsidiaries which are listed in note 17. The Group's operations with respect to animal feed are concentrated in the Mediterranean region and as such it is highly susceptible to consumer demand which may have a negative impact on the Group's business. The Group's dependencies on a small number of suppliers and customers poses a risk due to competitions within the industry. A fall in demand on animal feed could affect negatively on the Group's operations, earnings and financial position. With respect to the shipping industry, this is subject to external risk factors, that may not be within the Group's control. Example of external risk factors in the shipping industry include susceptibility to local and global competition, increase in fuel prices, changes in laws and regulations effecting directly the Group, geopolitical events or increase in operating costs. The shipping industry is highly competitive and volatile in nature.

Management and the board of directors remain confident that the Company will remain operating as a going concern and will continue to honour liabilities as and when they fall due.

A detailed review of the risk management policies adopted by the Group is included in Note 30 to these financial statements.

Share Capital Structure pursuant to Capital Markets Rule 5.64.1

The Company's authorised and issued share capital is €250,000 divided into 250,000 Ordinary Shares of €1 each.

Each Ordinary Share is entitled to one vote. The Ordinary Share in the Company shall rank pari passu for all intents and purposes at law. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital.

Holdings in excess of 5% of Share Capital pursuant to Capital Markets Rule 5.64.3

AFTL Group AG holds 249,999 shares in the Company, equivalent to 99.999% of its total issued share capital. There are no arrangements in place as at 31 December 2024, the operation of which may at a subsequent date result in a change in control of the Company.

Appointment and removal of directors pursuant to Capital Markets Rule 5.64.8

Appointment of directors shall be made at the Annual General Meeting of the Company.

In terms of the Articles of Association, the directors shall hold office for a period of one year and are eligible for re-election. An election of the directors shall take place every year at the Annual General Meeting of the Company.

Powers of the Directors pursuant to Capital Markets Rule 5.64.9

By virtue of the provision of the Articles of Association of the Issuer, the directors are empowered to transact all business which is not by the Articles expressly reversed for the shareholders in the general meeting.

Directors' Interests

As at 31 December 2024, all directors do not have a beneficial interest in the share capital of the Company.

Contracts with Board Members and Employees

The Company does not have service contracts with any of its Board Members. All directors may be removed from their posts of director by ordinary resolution of the shareholders in a general meeting.

Material Contracts pursuant to Capital Market Rule 5.70.1

The Company entered into several loan agreements with its subsidiaries for the transfer of funds received from the Bond issue. Details of such contracts are set out in Note 18 to the financial statements.

Auditors

The auditors, Horwath Malta, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Signed on behalf of the Board of Directors on 28 April 2025 by Dr Kristian Balzan and Mr Giuseppe Muscat.

Registered Address:

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Third Floor
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Republic Street
Valletta VLT1115
Malta

Corporate Governance - Statement of Compliance

The Code adopted by the Company

Pursuant to the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority, (“MFSA”) AST Group p.l.c. (the “Issuer” or the “Company”) hereby reports on the extent to which the Company has adopted the “Code of Principles of Good Corporate Governance” (the “Code”) appended to Chapter 5 of the Capital Markets Rules as well as the measures adopted to ensure compliance with these same Principles.

The Board of Directors of AST Group p.l.c. (the “Board”) acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders and other stakeholders. The Board considers compliance with the Code to be an integral part of operations so as to ensure transparency and responsible corporate governance which will in turn yield a positive reputation for the Company. Effective measures have been taken to ensure compliance to these principles and for the implementation of the Code as detailed hereunder.

The Board recognises that in line with Capital Markets Rules 5.101, the Company is exempt from making available the information set out in Capital Markets Rules 5.97.1 to 5.97.3; 5.97.6 and 5.97.8.

General

Good corporate governance is the responsibility of the Board as a whole and has been, and remains a priority for the Company. In deciding on the most appropriate manner in which to implement the Code, the Board took cognizance of the Company’s size, nature and operations, and formulated the view that the adoption of certain mechanisms and structures which may be suitable for companies with extensive operations may not be appropriate for the Company. The limitations of size and scope of operations inevitably impact on the structures required to implement the Code, without however diluting the effectiveness thereof.

The Board considers that, the Company save as indicated herein in the section entitled Non-Compliance with the Code, has been in compliance with the Code throughout the financial year under review.

This Statement shall now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code for the financial year under review. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manner in which the Board considers that these have been adhered to, and in the Non-Compliance with the Code Section, the Board then indicates and explains the instances where it has been departed from or where it has not applied the provisions of this Code, as allowed by the same Code.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code’s main principles.

Compliance with the Code

Principle 1: The Board

The Board sets the strategy of the Company and retains direct responsibility for appraising and monitoring the Company's financial statements and its annual report. The duties of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Company so as to protect the interests of Bondholders, amongst other stakeholders.

The Directors report that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. Both on an individual level and collectively, the Directors possess the necessary skills and experience to make an effective contribution to the leadership and decision-making processes of the Company as reflected by the Company's strategy and policies. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Company has a structure whereby although the Chief Executive Officer is not a member of the Board, he is invited to all board meetings in order to enable the Board to have direct information about the Company's performance and business activities.

Principle 2: The Company's Chairperson and Chief Executive Officer

The functions of the Chairman and the CEO of the Company are segregated and are occupied by different individuals.

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

Mr Emmanouil Kalamaras is the Chief Executive Officer and responsible for the day to day running of the business.

Principle 3: Composition of the Board

The Board is composed of one (1) executive director and three (3) non-executive Directors. The maximum permitted in terms of the Company's Memorandum of Association is seven (7). The three non-executive Directors are independent from the Company. The Board is responsible for the overall long-term strategy of the Group and general policies of the Company and its subsidiaries (the Company and its subsidiaries listed in note 17, collectively the "Group") of monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Articles of Association of the Company clearly set out the procedures to be followed in the appointment of directors. As at 31 December 2024, the Board is made up as follows:

Mr. Giuseppe Muscat	Executive Director and Chairman
Mr. William Wait	Independent, Non-Executive Director
Dr. Kristian Balzan	Independent, Non-Executive Director
Mr. Austin Demajo	Independent, Non-Executive Director
Company Secretary	Dr Katia Cachia

In assessing the independence of Messrs Wait, Balzan, and Demajo, due notice has been taken of Section 5.117 of the Capital Markets Rules.

Principle 4: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the Company's and Group's strategy and decisions with respect to the issue, servicing and redemption of its bonds in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

Principle 5: Board Meetings

Directors meet regularly to review the financial performance and the overall strategy of the Company. Board members are notified of meetings by the Company Secretary with the issue of an agenda, which is circulated in advance of the meeting. Minutes are prepared during the Board meetings recording inter alia attendance, and resolutions taken at the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda for the meeting seeks to achieve a balance between long-term strategic and short-term performance issues.

The Board meets as frequently required in line with the nature and demands of the business of the Company. Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met formally 6 times during the year 2024. The following Directors attended Board meetings as follows:

Mr Giuseppe Muscat	Executive Director and Chairman – 6 times
Dr Kristian Balzan	Independent, Non-Executive Director - 6 times
Mr William Wait	Independent, Non-Executive Director – 6 times
Mr. Austin Demajo	Independent, Non-Executive Director – 5 times

Principle 6: Information and Professional Development

Each Director is made aware of the Company's on-going obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta) (the "Act") and the Rules. Directors have access to the advice and services of (i) the Company Secretary, who is responsible for ensuring adherence to Board procedures as well as good information flows within the Board and the Audit Committee.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense.

Principle 8: Committees

Internal Control

The Board is responsible for the internal control system of the Company and for reviewing its effectiveness. The internal control system is designed to achieve business objectives and to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses and fraud. Systems and procedures are in place to control, monitor, report and assess risks and their financial implications. Management accounts 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.

During the financial year under review the Company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal controls adopted by the Company in respect of its own internal control as well as the control of the other companies forming part of the Group are as follows:

Audit Committee

The primary objective of the Audit Committee consists of supporting the Board in their responsibilities in dealing with issues of risks, control and governance and associated assurance; and in reviewing the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors. Although the Audit Committee is set up at the level of the Company its main tasks are also related to the activities of the Group.

The Board set formal terms of engagement and terms of reference of the Audit Committee that establish its composition, role and function, the parameter of its remit and the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the respective board and is directly responsible and accountable to the respective board.

The Board reserves the right to change the Committee's terms of reference from time to time with the prior notification of the Exchange.

The Audit Committee has the role to deal with and advise the Board on;

- its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- the monitoring of the performance of the subsidiary entities' borrowing funds (Damask Investment Limited, AST Shipping 1 Limited, AST Shipping 2 Limited and AST Shipping 3 Limited and AST Green Shipping Ltd) from the Company;
- maintaining communication on such matters between the Board, management and independent auditors;
- facilitating the independence of the external audit process and addressing issues arising from the audit process and;
- preserving the Company's assets by understanding the Company's risk environment and determining how to deal with those risks.

The Audit Committee also has the role and function of considering and evaluating the arm's length nature of proposed transactions to be entered into by the Company and a related party.

The Audit Committee will always be composed of not fewer than three members. The quorum for the transaction of business at a meeting of the Audit Committee will be the majority of members appointed at the Committee, present in person

The Committee shall be chaired by an independent, non-executive director and the Chairperson of the Board shall not be the Chairperson of the Audit Committee. The Audit Committee is presently composed of:

- Mr William Wait (Chairman of the Audit Committee)
- Dr Kristian Balzan
- Mr. Austin Demajo

The Audit Committee is chaired by Mr. William Wait, whilst Dr Kristian Balzan and Mr Austin Demajo act as members. Mr. William Wait is an independent, non-executive director and a qualified accountant, who the Board considers as independent and competent in accounting and auditing in terms of the Capital Markets Rules.

The Audit Committee met 6 times during the year under review.

As stipulated in the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of deadlock. However, where the Chairperson is him/herself conflicted, the consideration of the relevant matter (in respect of which an interest has been declared) shall be chaired by another independent nonexecutive director or member (as the case maybe), who shall also have a casting vote.

The Directors believe that the current set-up is sufficient to enable the Company to fulfil the objective of the Rules' terms of reference in this regard.

Principle 9: Relations with bondholders and the market

Pursuant to the Company's statutory obligations in terms of the Act, the Annual Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the auditors and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

With respect to the Company's bondholders and the market in general, during the financial year under review, the Company made a number of announcements in line with its continuing obligations in terms of the Capital Markets Rules.

Principle 11: Conflicts of Interest

Directors should always act in the best interest of the Company and its shareholders and investors. Any actual, potential or perceived conflict of interest must be immediately declared by a Director to the other members of the Board and to the Audit Committee who decides on whether such a conflict exists. The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Directors are informed and reminded of their obligations on dealing in securities of the Company within the parameters of law and subsidiary legislation and Capital Market Rules. During the financial year under review, any private interests or duties unrelated to the Company were disclosed by the directors and it has been ensured that these do not place any of them in conflict with any interests in, or duties towards, the Company.

Principle 12: Corporate Social Responsibility

The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices, and is committed to enhance the quality of life of all stakeholders of the Company and the Group.

The Board is mindful of the environment and its responsibility within the community in which it operates.

In carrying on its business the Group is fully aware of and at the forefront in preserving the environment and continuously reviews its policies aimed at respecting the environment and encouraging social responsibility and accountability.

Non-compliance with the Code

Principle 7: Evaluation of the Board's Performance

The Code recommends that “the board should appoint a committee chaired by a non-executive Director in order to carry out a performance evaluation of its role.” The Board does not consider it necessary to appoint a committee to carry out performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

Principle 8A: Remuneration Committee

The Code recommends that “the board should establish a remuneration policy for Directors and senior executives. It should also set up formal and transparent procedures for developing such a policy and for establishing the remuneration packages of individual Directors.” In view of the size and type of operation of the Company, the Board does not believe that the Company requires a remuneration committee, and the Board itself carries out the functions of the remuneration committee specified in, and in accordance with, Principle Eight A of the Code, given that the remuneration of the Directors is not performance-related.

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 is employed or has a service contract with the Company.

Total fees of €27,200 (2023: €22,100) was paid to directors during the year under review.

Principle 8B: Nomination Committee

The Code recommends that “there should be a formal and transparent procedure for the appointment of new directors to the board. The procedure shall ensure, inter alia, adequate information on the personal and professional qualifications of the candidates.” In view of the size and type of operation of the Company, the Board does not believe that the Company requires a nomination committee. Reference is also made to the information provided under the subheading ‘Principle Three’ above, which provides for a formal and transparent procedure for the appointment of new Directors to the Board.

Principle 10: Institutional Shareholders

The Company does not have any institutional shareholders.

Signed on behalf of the Board of Directors by Mr. William Wait and Dr Kristian Balzan.

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

		The Group		The Company	
		2024	2023	2024	2023
	Notes	€	€	€	€
Revenue	6	14,333,725	28,040,798	-	-
Cost of sales	7	<u>(14,401,819)</u>	<u>(27,493,262)</u>	-	-
Gross (loss) / profit		(68,094)	547,536	-	-
Selling and distribution expenses	7	(140,818)	(127,090)	-	-
Administrative expenses	7	(690,497)	(816,052)	(101,041)	(143,514)
Other income	9	34,927	255,889	988	1,359
Other charges	10	<u>(197,792)</u>	<u>(57,288)</u>	-	<u>(8,880)</u>
Operating loss before depreciation		(1,062,274)	(197,005)	(100,053)	(151,035)
<i>Depreciation</i>					
Depreciation on property, plant and equipment		(1,359,537)	(1,230,823)	-	-
Depreciation on right-of-use asset		(3,431)	(14,972)	-	-
Operating loss		<u>(2,425,242)</u>	<u>(1,442,800)</u>	<u>(100,053)</u>	<u>(151,035)</u>
Finance income	11	31,742	22,156	572,874	273,635
Finance costs	12	<u>(878,746)</u>	<u>(718,259)</u>	<u>(563,256)</u>	<u>(288,186)</u>
Loss before tax	13	(3,272,246)	(2,138,903)	(90,435)	(165,586)
Income taxation credit / (expense)	14	<u>640,993</u>	<u>145,852</u>	<u>(1,609)</u>	-
LOSS FOR THE YEAR		<u><u>(2,631,253)</u></u>	<u><u>(1,993,051)</u></u>	<u><u>(92,044)</u></u>	<u><u>(165,586)</u></u>
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of property, plant and equipment, net of deferred tax		<u>680,559</u>	<u>641,738</u>	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(1,950,694)</u></u>	<u><u>(1,351,313)</u></u>	<u><u>(92,044)</u></u>	<u><u>(165,586)</u></u>

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

		The Group		The Company	
		2024	2023	2024	2023
ASSETS	Notes	€	€	€	€
Non-Current Assets					
Property, plant and equipment	15	11,927,367	10,784,748	-	-
Right-of-use asset	16	5,155	8,586	-	-
Investment in subsidiaries	17	-	-	2,199,852	2,199,852
Loans receivable	18	-	-	8,089,826	8,251,439
Deferred tax asset	19	101,933	244,509	-	-
		<u>12,034,455</u>	<u>11,037,843</u>	<u>10,289,678</u>	<u>10,451,291</u>
Current Assets					
Inventories	20	307,689	649,540	-	-
Trade and other receivables	21	2,314,064	3,374,642	1,042,124	575,158
Cash and cash equivalents		272,550	257,339	48	39,694
		<u>2,894,303</u>	<u>4,281,521</u>	<u>1,042,172</u>	<u>614,852</u>
Total Assets		<u>14,928,758</u>	<u>15,319,364</u>	<u>11,331,850</u>	<u>11,066,143</u>
EQUITY AND LIABILITIES					
Equity					
Called up issued share capital	22	250,000	250,000	250,000	250,000
General reserve	23	312,044	312,044	-	-
Other reserve		160,204	160,204	2,197,994	2,197,994
Capital contribution	24	382,245	382,245	-	-
Revaluation reserve		4,594,425	3,913,866	-	-
Accumulated losses	25	(4,642,372)	(2,011,119)	(223,516)	(131,472)
Total Equity		<u>1,056,546</u>	<u>3,007,240</u>	<u>2,224,478</u>	<u>2,316,522</u>
Non-Current Liabilities					
Borrowings	26	8,224,100	8,192,095	8,224,101	8,192,095
Lease liabilities	16	2,781	6,738	-	-
Other liabilities	27	44,182	54,011	-	-
Deferred tax liability	19	256,797	273,643	-	-
		<u>8,527,860</u>	<u>8,526,487</u>	<u>8,224,101</u>	<u>8,192,095</u>
Current Liabilities					
Trade and other payables	28	5,306,380	3,755,091	873,058	548,922
Lease liabilities	16	4,386	3,958	-	-
Other liabilities	27	9,830	9,830	-	-

Current tax payable	<u>23,756</u>	<u>16,758</u>	<u>10,213</u>	<u>8,604</u>
	<u>5,344,352</u>	<u>3,785,637</u>	<u>883,271</u>	<u>557,526</u>
Total Liabilities	<u>13,872,212</u>	<u>12,312,124</u>	<u>9,107,372</u>	<u>8,749,621</u>
Total Equity and Liabilities	<u>14,928,758</u>	<u>15,319,364</u>	<u>11,331,850</u>	<u>11,066,143</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2025. The financial statements were signed on behalf of the Board of Directors by Dr Kristian Balzan and Mr Giuseppe Muscat as per Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

The Group

	Share Capital €	General Reserve €	Other Reserve €	Capital Contribution €
Balance at 1 January 2023	<u>250,000</u>	<u>312,044</u>	<u>160,204</u>	<u>382,245</u>
Total comprehensive loss for the year				
Loss for the year	-	-	-	-
Revaluation of property, plant and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2023	<u>250,000</u>	<u>312,044</u>	<u>160,204</u>	<u>382,245</u>
Balance at 1 January 2024	<u>250,000</u>	<u>312,044</u>	<u>160,204</u>	<u>382,245</u>
Total comprehensive loss for the year				
Loss for the year	-	-	-	-
Revaluation of property, plant and equipment, net of deferred tax (note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2024	<u>250,000</u>	<u>312,044</u>	<u>160,204</u>	<u>382,245</u>

The Company

	Share Capital €	Retained Earnings €	Other Reserve €	Total €
Balance at 1 January 2023	250,000	34,114	-	284,114
Other reserve from group restructuring	-	-	2,197,994	2,197,994
Total comprehensive loss for the year				
Loss for the year	-	(165,586)	-	(165,586)
Total comprehensive loss for the year	-	(165,586)	-	(165,586)
Balance at 31 December 2023	250,000	(131,472)	2,197,994	2,316,522
Balance at 1 January 2024	250,000	(131,472)	2,197,994	2,316,522
Total comprehensive loss for the year				
Loss for the year	-	(92,044)	-	(92,044)
Total comprehensive loss for the year	-	-	-	-
Balance at 31 December 2024	250,000	(223,516)	2,197,994	2,224,478

STATEMENT OF CONSOLIDATED CASH FLOWS

		The Group 2024 €	2023 €	The Company 2024 €	2023 €
Operating Activities	Note				
Loss for the year before taxation		(3,272,246)	(2,138,903)	(90,435)	(165,586)
Adjustment for:					

Depreciation on property, plant and equipment	15	1,359,537	1,230,822	-	-
Depreciation on right-of-use asset	16	3,431	14,972	-	14,972
Amortisation of bond issue costs	12	32,006	17,068	32,006	17,068
Finance income	11	-	(20,799)	(572,874)	(273,635)
Finance costs	12	531,250	572,096	531,250	288,185
Movement in provision for exchange difference		-	-	-	388
		(1,346,022)	(324,744)	(100,053)	(118,608)
<i>Working capital changes</i>					
Decrease in inventories		341,850	438,788	-	-
Increase in trade and other receivables		1,156,241	(712,590)	-	(1,378)
Increase in trade and other payables		1,464,505	644,776	35,562	6,822
Cash generated from/(used in) operating activities		1,616,574	46,230	(64,491)	(113,164)
Interest paid		(521,928)	(383,173)	(521,928)	(99,262)
Interest received		-	20,798	88,202	-
Taxation paid		(9,403)	(77,073)	(5,869)	(23,413)
Net Cash generated from / (used in) Operating Activities		1,085,243	(393,218)	(504,086)	(235,839)
Investing Activities					
Additions of investment in subsidiaries		-	-	-	(919)
Additions of loans to subsidiaries		-	-	-	-
Payments for lease obligations to third parties		(3,958)	(18,749)	-	(15,565)
Acquisition of property, plant and equipment		(1,043,138)	(7,084,007)	-	-
Net Cash used in Investing Activities		(1,047,096)	(7,102,756)	-	(16,484)
Financing Activities					
Net advances from subsidiaries		-	-	464,440	-
Net advances to subsidiaries		-	-	-	(6,378,172)
Net advances to ultimate parent		(6,436)	(3,630)	-	-
Net advances to ultimate beneficial owner		(16,500)	(31,918)	-	-

Movement in sinking fund	-	300,000	-	300,000
Issuance of new bonds	-	6,369,052	-	6,369,052
Net Cash generated from/(used in) Financing Activities	(22,936)	6,633,504	464,440	290,880
Movement in Cash and Cash Equivalents	15,211	(862,470)	(39,646)	38,557
Cash and cash equivalents at beginning of year	257,339	1,119,809	39,694	1,137
Cash and Cash Equivalents at End of Year	272,550	257,339	48	39,694

Notes to the Consolidated Financial Statements

1. General information

AST Group p.l.c (the “Company”) is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

2.1 Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with International Reporting Financial Standards as adopted by the EU (EU IFRSs) and the requirements of the Maltese Companies Act (Cap. 386).

2.2 Basis of measurement

The financial statements are prepared on the historical cost, except for motor vessels which are measured at revalued amounts.

2.3 Going concern

As at, 31 December 2024, the Group’s current liabilities exceeded its current assets by €2,450,049 (2023: net current asset position of €495, 884). At the end of the current financial year, the Group registered accumulated losses of €4,642,372 mostly arising from risks tied with shipping volatility and trade performance.

In this response, the Directors of the Group have evaluated the profits and cash flows generated by the operations of the Group in the first quarter of 2025 and have reviewed the Group’s projections for the next twelve months. Furthermore, as part of management’s mitigation plans, the Directors have reviewed the strategy for the Group for 2025 and beyond. This strategy includes the downsizing of the animal feed business to reduce Group costs which have risen due to geopolitical events and increasing the time chartering of vessels to third parties. In addition, the shareholders have confirmed in writing their commitment to continue to provide financial support to the Group in the foreseeable future to ensure that the Group continues as a going concern.

On this basis, the Board continues to adopt the going concern basis in preparing the Group’s and the Company’s financial statements and considers there are no material uncertainties which may cast doubt on the Group and the Company’s ability to continue operating as a going concern.

2.4 Functional and presentation currency

(a) Functional and presentation currency

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 financial statements are presented in euro which is the Company’s and the Group’s functional and presentation currency.

(b) Transactions and balances

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

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS, as adopted by the EU, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 5 – Critical accounting estimates and judgements).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.6 Preparation of consolidated financial statements

International Financial Reporting Standard 10, Consolidated Financial Statements, requires a parent company to prepare consolidated financial statements in which it consolidates its investments in subsidiaries. The consolidated financial statements of the company for the year ended 31 December 2024, comprise the Company and its subsidiaries, Damask Investment Limited, AST Green Shipping Limited, AST Shipping 1 Limited (formerly known as AST Shipping Limited), AST Shipping 2 Limited, AST Shipping 3 Limited, DS Shipping Limited, DS Chartering Ltd and DST (Damask Shipping & Trading) Holding Ltd (together referred to as the “group”).

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

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

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is at cost less impairment. Cost includes directly attributable costs of the investments. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to profit or loss.

3. Changes in Accounting Policies and Disclosures

The Group

The Group has adopted the amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’ titled “*Supplier Finance Arrangements*” for the first time in the current year. The amendments add a

disclosure objective stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions, an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- The information otherwise required as at the beginning of the annual reporting period in which the entity first applies those amendments. Note 30 provides the required disclosures related to these amendments.

There were other no new standards, amendments and interpretation to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2024 or later periods, that have an effect on the Group's financial statements.

The Company

There were no new standards, amendments and interpretation to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2024 or later periods, that have an effect on the Company's financial statements.

4. Material Accounting Policies

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

4.1 Revenue recognition

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods to the customer, excluding amounts collected on behalf of third party (for example value added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify; each party's rights and the payment terms for the goods to be transferred, the contract has a commercial substance (that is the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect consideration to which it will be entitled to exchange goods that will be transferred to the customer and when specific criteria have been met for the Group's contract with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimate of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by management.

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods contain one or more performance obligations (that is, distinct promises to provide a good) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good that is promised to a customer is distinct if the customer can benefit from the good, either on its own or together with other resources that are readily available to the customer (that is, the good is capable of being distinct) and the Group's promise to transfer the good to the customer is separately identifiable from other promises in the contract (that is, the good is distinct in the context of the contract).

- Sale of animal feed

Revenue from the sale of animal feed for a fixed fee is recognized when or as the group transfer control of the asset to the customer. Amounts receivable for goods transferred are due upon receipt by customer, which is usually immediately upon the sale of the goods to the customer. Control for these goods is transferred at a point in time and occurs when the customer takes undisputed delivery of the goods.

- Chartering services

Revenue from chartering 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 according to the contractual terms entered into between the customer and the Group.

4.2 Foreign currencies

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.

4.3 Fair value of assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset is determined using a hierarchy that maximises the use of observable inputs and minimizes the use of unobservable inputs. The hierarchy is as follows:

Level 1: Quoted prices in active markets for identical assets.

Level 2: Observable inputs other than quoted prices, such as market corroborated data.

Level 3: Unobservable inputs, requiring significant management judgement.

4.4 Income taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

-
- Vessel – 10 years
 - Dry-docking and special survey costs – 2.5 – 5 years
 - Improvements to premises – 10 years
 - Furniture and fittings – 10 years
 - Computer Software – 5 years
 - Office equipment – 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Impairment losses are recognised as an expense in the profit or loss.

Revaluation of property, plant and equipment

Motor vessel held for use in the production or supply of services are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of motor vessel is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount on the revaluation of such motor vessel is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

4.6 Impairment of non- financial assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment.

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

4.7 Leases

Group as a lessee

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 IFRS16.

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 life 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 rate implicit in the lease or, if this cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as a 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 rate 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 the 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 'Property, plant and equipment' and lease liabilities within 'Non-current liabilities' and 'Current liabilities' in the statement of financial position.

4.8 Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant component is measured at transaction price.

Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) (debt investment), FVOCI (equity instrument) or FVTPL.

In the period presented the Group does not have and financial assets categorised at FVTPL and FVOCI, and all financial assets are measured at amortised cost.

The classification is determined by both:

- the entity's business model for managing the financial asset and;

-
- the contractual cash flow characteristics of the financial asset

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

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions:

- it is held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, loans and receivable and other receivables fall into this category of financial instruments.

ii. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.9 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.10 Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For all other financial assets that are subject to impairment under IFRS 9, the Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1, have their expected credit loss measured at an amount equal to the portion of lifetime expected credit loss that results from default events possible within the next 12 months, or until contractual maturity if shorter. If the Group identified a significant increase in credit risk since initial recognition, the asset is transferred to Stage 2 and its expected loss is measured on a lifetime basis, that is up until contractual maturity. If the Group determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and the expected credit loss is measured on a lifetime credit loss basis.

4.11 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

4.12 Trade and other receivables

Trade receivables comprise amounts due from customer for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operation 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, i.e. expected credit loss allowance.

The Group holds trade and other receivables with the objective to collect contractual cash flows and measures them subsequently at amortised cost using the effective interest method. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss within the ‘administrative expenses’. When a receivable is uncollectable, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against ‘administrative expenses’ in profit or loss.

4.13 Trade and other payables

Trade payables comprise obligations to pay for goods 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.

4.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.15 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

4.16 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividend distribution

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

4.17 Interest expense

Interest expense are recognized in profit or loss for all interest-bearing financial instruments using EIR. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial liability. When calculating the effective interest rate, the Group and the Company estimates cashflows considering all contractual terms of the financial instruments. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Accordingly, interest expense includes the effect of amortising any difference between net proceeds and redemption value in respect of the Group's and the Company's interest-bearing borrowings.

4.18 Segment reporting

IFRS 8 required operating segments to be identified on the basis of internal reports about component of the Group and the Company that are regularly reviewed by the chief operating decision-maker (which takes the form of the Board of Directors of the Group and the Company) , in order to allocate resources to the segment and to assess its performance. The directors of the Company consider the Company is organized as one business unit and all assets, liabilities, revenues and expenditure are retained and recorded as such. However the Group does segment revenue by type of revenue, namely animal feed and freight.

5. Critical Accounting Estimates and Judgements

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future period.

Recoverability of loan receivable

The directors have assessed the recoverability of loans receivable by reference to the planned inflows and outflows and managements' plans taking into account the uncertainties including but not limited to higher inflations and interest rates.

Revaluation of motor vessels

The Group's motor vessels are revalued by the directors annually on the basis of an independent valuers' valuation which is performed on an open market existing use basis that reflects recent transactions for similar vessels.

Estimates and judgments are continually evaluated and based on historical experience and other factors including expectations of forward-looking information that are believed to be reasonable under the circumstances. In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

6. Revenue

Revenue, which consists mainly of the sale of animal feed and commission receivable, is stated net of discounts allowed and any indirect taxes. It comprises the following:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Sale of animal feed	8,988,134	24,043,988	-	-
Freight services	4,591,776	3,594,005	-	-
Other services	753,815	402,805	-	-
	<u>14,333,725</u>	<u>28,040,798</u>	<u>-</u>	<u>-</u>

7. Expenses by nature

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Cost of sales	8,633,804	25,030,788	-	-
Wages and salaries (Note 8)	227,096	187,834	-	-
Crew wages and expenses	1,386,189	820,895	-	-
Fuel and oil	1,761,741	307,783	-	-
Port charges	1,188,320	395,902	-	-
Communication expenses	7,290	10,545	-	-
Insurance	449,053	252,113	10,412	9,948
Repairs and maintenance	277,707	296,532	-	-
Vessel registration tax	-	5,338	-	-
Selling and distribution costs	6,606	18,168	-	-
Directors' fees	27,200	22,100	27,200	22,100
Key management personnel fees	58,720	27,800	-	-
Auditor's remuneration	32,100	22,425	2,500	2,800
Professional fees	262,228	248,974	37,164	26,499

MSE listing fee	5,023	15,377	5,023	15,377
Depreciation on property, plant and equipment	1,359,537	1,230,822	-	-
Depreciation on right of use asset	3,431	14,972	-	14,972
Bank charges	-	-	1,052	3,274
Other expenses	910,056	773,831	17,690	48,544
	<u>16,596,102</u>	<u>29,682,199</u>	<u>101,041</u>	<u>143,514</u>

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2024 and 2023 relate to the following:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Annual statutory audit	<u>32,100</u>	<u>22,425</u>	<u>2,500</u>	<u>2,800</u>

8. Wages and salaries

Wages and salaries incurred during the year amounted to the following:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Wages and salaries	194,372	160,923	-	-
Social security costs	<u>32,724</u>	<u>26,911</u>	<u>-</u>	<u>-</u>
	<u>227,096</u>	<u>187,834</u>	<u>-</u>	<u>-</u>

The average number of persons employed by the Company during the year was as follows:

	The Group		The Company	
	2024	2023	2024	2023
	No.	No.	No.	No.
Administration	6	5	-	-
Operations	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u>9</u>	<u>8</u>	<u>-</u>	<u>-</u>

9. Other income

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Insurance claims settled	29,262	188,788	-	-
Difference on exchange	1,339	55,615	-	-
Sundry income	4,326	11,486	988	1,359
	<u>34,927</u>	<u>255,889</u>	<u>988</u>	<u>1,359</u>

10. Other charges

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Difference on exchange	94,163	39,597	-	8,880
Write-off of indirect taxation balance not refundable	91,616	-	-	-
Other expenses	12,013	17,691	-	-
	<u>197,792</u>	<u>57,288</u>	<u>-</u>	<u>8,880</u>

11. Finance income

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Interest income on loan due from subsidiaries	-	-	572,874	273,635
Interest on trade balances	31,742	22,156	-	-
	<u>31,742</u>	<u>22,156</u>	<u>572,874</u>	<u>273,635</u>

12. Finance costs

The Group		The Company	
2024	2023	2024	2023
€	€	€	€

Interest on factoring agreement	315,490	410,738	-	-
Interest on lease liabilities	-	1,268	-	-
Bond finance cost	531,250	306,253	531,250	288,186
Amortisation of bond issue costs	32,006	-	32,006	-
	<u>878,746</u>	<u>718,259</u>	<u>563,256</u>	<u>288,186</u>

13. Loss before taxation

This is stated after charging / (crediting) the following:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Annual statutory audit fee	32,100	22,425	2,500	2,800
Directors' fees	27,200	22,100	27,200	22,100
Key management personnel fees	58,720	27,800	-	-
Amortisation on bond issue costs	32,006	18,068	32,006	-
Depreciation on property, plant and equipment	1,359,537	1,230,822	-	-
Depreciation on right of use asset	3,431	14,972	-	14,971
Difference on exchange	<u>92,824</u>	<u>(16,018)</u>	<u>-</u>	<u>8,880</u>

14. Income taxation

Income taxation recognised in profit or loss

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Current tax charge	11,736	29,284	1,609	-
Deferred tax credit	<u>(652,729)</u>	<u>(175,136)</u>	<u>-</u>	<u>-</u>
Tax credit	<u>(640,993)</u>	<u>(145,852)</u>	<u>1,609</u>	<u>-</u>

The Group's branches are subject to the tax rates applicable in the Greece, France, Spain, Cyprus and Hungary. The tax on the Group's results before tax differs from theoretical amount that would arise using the statutory tax rate of 35%:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€

Loss before tax	<u>(3,272,247)</u>	<u>(2,138,903)</u>	<u>(92,042)</u>	<u>(165,586)</u>
Tax at the applicable statutory rate of 35%	(1,145,286)	(748,616)	(32,214)	(57,955)
<i>Tax effect of:</i>				
Expenses not allowable for tax purposes	81,534	96,603	33,823	58,431
Tax exempt income net of non-deductible expenses due to different regime used for the calculation of tonnage tax	-	479,817	-	-
Income not subject to tax	(6,317)	(2,410)	-	(476)
Adjustment to previous year deferred tax	-	9,581	-	-
Effect of prior year unrecognized deferred tax	402,732	-	-	-
Unrecognised deferred tax	4,970	-	-	-
Effect of different tax rate	21,375	19,907	-	-
Other differences	<u>-</u>	<u>(734)</u>	<u>-</u>	<u>-</u>
Tax (credit) / expense	<u>(640,993)</u>	<u>(145,852)</u>	<u>1,609</u>	<u>-</u>

15. Property, plant and equipment

	Motor Vessel €	Improvements to Premises €	Office equipment €
At 1 January 2023			
Cost	5,282,359	6,038	8,620
Accumulated depreciation	<u>(1,282,359)</u>	<u>(6,035)</u>	<u>(8,620)</u>
Net book amount	<u>4,000,000</u>	<u>3</u>	<u>-</u>
Year ended 31 December 2023			
Opening net book amount	4,000,000	3	-
Additions	7,060,896	-	-

Revaluation	915,270	-	-	
Depreciation expense	<u>(1,226,167)</u>	<u>-</u>	<u>-</u>	<u>(1,507)</u>
Closing net book amount	<u>10,749,999</u>	<u>3</u>	<u>-</u>	<u>10,23</u>
At 31 December 2023				
Cost	13,258,525	6,038	8,620	16,336
Accumulated depreciation	<u>(2,508,526)</u>	<u>(6,035)</u>	<u>(8,620)</u>	<u>(6,107)</u>
Net book amount	<u>10,749,999</u>	<u>3</u>	<u>-</u>	<u>10,23</u>
Year ended 31 December 2024				
Opening net book amount	10,749,999	3	-	10,233
Additions	1,040,741	-	-	1,711
Revaluation	1,459,018	-	-	
Depreciation expense	<u>(1,353,513)</u>	<u>-</u>	<u>-</u>	<u>(1,630)</u>
Closing net book amount	<u>11,896,245</u>	<u>3</u>	<u>-</u>	<u>10,313</u>
At 31 December 2024				
Cost	15,758,284	6,038	-	18,051
Accumulated depreciation	<u>(3,862,039)</u>	<u>(6,035)</u>	<u>-</u>	<u>(7,737)</u>
Net book amount	<u>11,896,245</u>	<u>3</u>	<u>-</u>	<u>10,313</u>

The motor vessels are pledged in favour of the Security Trustee as guarantee in favour of bondholders until such time that these are repaid in accordance with the Prospectus. A first priority mortgage on all the vessels owned by the Group is in place in favour of the Security Trustee in line with the Prospectus.

The motor vessels were revalued by an independent valuer on 18 December 2024, on an open market existing use basis that reflects recent transactions for similar vessels. As such, the fair value measurement of the motor vessels is categorized as level 2 in the fair value hierarchy.

The carrying amount of the motor vessels that would have been included in the financial statements had these assets been carried at cost less accumulated depreciation and accumulated impairment losses is €6,584,577 (2023: €6,972,621).

16. Leases

Right-of-use asset – The Group

Buildings

	€
Year ended 31 December 2023	
Opening carrying amount	26,986
Additions	
Termination of lease agreement	2
Depreciation charge	(18,402)
	<u>(18,402)</u>
Carrying amount at 31 December 2023	<u>8,586</u>
Year ended 31 December 2024	
Opening carrying amount	8,586
Depreciation charge	(3,431)
	<u>(3,431)</u>
Carrying amount at 31 December 2024	<u>5,155</u>

Right-of-use asset – The Company

	Buildings
	€
Year ended 31 December 2023	
Opening carrying amount	14,971
Additions	
Depreciation charge	(14,971)
	<u>(14,971)</u>
Carrying amount at 31 December 2023	<u>-</u>
Year ended 31 December 2024	
Opening carrying amount	-
Additions	-
Depreciation charge	-
	<u>-</u>
Carrying amount at 31 December 2024	<u>-</u>

Lease liabilities

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

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Current				

Lease liabilities	<u>4,386</u>	<u>3,958</u>	<u>-</u>	<u>-</u>
Non-current				
Lease liabilities	<u>2,781</u>	<u>6,738</u>	<u>-</u>	<u>-</u>

The depreciation on right-of-use asset and the interest expense on lease liabilities are recognised in the statements of comprehensive income as follows:

	The Group	
	2024	2023
	€	€
Depreciation on right-of-use assets		
Depreciation (included in administrative expenses)	<u>3,431</u>	<u>14,972</u>
Interest expense		
Interest expense on lease liabilities (included in finance costs)	<u>-</u>	<u>3,114</u>

	The Company	
	2024	2023
	€	€
Depreciation on right-of-use assets		
Depreciation (included in administrative expenses)	<u>-</u>	<u>14,972</u>
Interest expense		
Interest expense on lease liabilities (included in finance costs)	<u>-</u>	<u>1,497</u>

At 31 December 2024, the Group does not have short-term leases or leases of low value assets.

17. Investment in subsidiaries

The carrying amount of the investment in subsidiary at reporting date was as follows:

	The Company	
	2024	2023
	€	€
At 1 January		
Cost and carrying net book amount	2,199,852	939
Additions	-	2,199,619
Disposals	<u>-</u>	<u>(706)</u>

At 31 December**Cost and carrying net book amount**

2,199,852

2,199,852

During 2023, the Company disposed of three subsidiaries: DS Shipping Ltd, AST Shipping 1 Limited and DS Chartering Limited. These were sold to a newly-incorporated fully-owned subsidiary, AST Green Shipping Limited. As a result, the subsidiaries disposed of still form part of the Group. Furthermore, the Company is the full owner of DST (Damask Shipping & Trading) Holding Ltd, a newly-incorporated subsidiary, the activity of which is immaterial for the purposes of the Group.

The Company accounted for the disposal of the subsidiaries within the Group at no profit or loss. The subsidiaries were transferred to AST Green Shipping at the fair value of the subsidiaries transferred. The difference between the fair value of the subsidiaries and their carrying amount was recorded in other reserves.

The carrying amount of investment in subsidiaries is equivalent to the cost of the investment. The subsidiaries as at 31 December 2024 are shown below:

	Registered Office	Percentage of shares held	2024 €
Damask Investment Limited	Fort Business Centre Level 2 Triq L-Intornjatur Zone 1 Central Business District Birkirkara CBD1050 Malta	100	233
DST (Damask Shipping & Trading) Holding Ltd	2458, Level 24, Al Sila Tower, Abu Dhabi, Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	100	919
AST Green Shipping Limited	Fort Business Centre Level 2 Triq L-Intornjatur Zone 1 Central Business District Birkirkara CBD1050 Malta	100	2,198,700
			2,199,852

The carrying amount of investment in subsidiaries is equivalent to the cost of the investment. The subsidiaries as at 31 December 2023 are shown below:

	Registered Office	Percentage of shares held	2023 €
Damask Investment Limited	Fort Business Centre Level 2 Triq L-Intornjatur Zone 1 Central Business District Birkirkara CBD1050 Malta	100	233
DST (Damask Shipping & Trading) Holding Ltd	2458, Level 24, Al Sila Tower, Abu Dhabi, Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	100	919
AST Green Shipping Limited	Fort Business Centre Level 2 Triq L-Intornjatur Zone 1 Central Business District Birkirkara CBD1050 Malta	100	2,198,700
			<u><u>2,199,852</u></u>

18. Loans receivable

	The Company	
	2024	2023
	€	€
Non- current		
Loans advanced to subsidiaries	<u>8,089,826</u>	<u>8,251,439</u>
Current		
Loans advanced to subsidiaries	<u>-</u>	<u>-</u>
Total	<u><u>8,089,826</u></u>	<u><u>8,251,439</u></u>

Loans advanced to subsidiaries are unsecured, bear interest at 7.25% per annum, except for an amount of €1,408,947 which bears interest at 8% per annum. All loans receivable from subsidiary companies are repayable by 16 June 2033.

19. Deferred taxation

Deferred taxation is calculated on all temporary differences under the liability method, using the principal tax rate in each jurisdiction, in which the Company operates through its branches namely in: Greece, Cyprus, France, Spain and Hungary.

The movement in the deferred tax asset is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Deferred tax asset				
At beginning of the year	244,509	69,263	-	-
(Charged)/ credited to profit or loss	<u>(142,576)</u>	<u>175,246</u>	<u>-</u>	<u>-</u>
At end of year	<u>101,933</u>	<u>244,509</u>	<u>-</u>	<u>-</u>

The movement in the deferred tax liability is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Deferred tax liability				
At beginning of the year	273,643	-	-	-
(Credited) / Charged to profit or loss	<u>(795,305)</u>	<u>110</u>	<u>-</u>	<u>-</u>
Charged to OCI	<u>778,459</u>	<u>273,533</u>	<u>-</u>	<u>-</u>
At end of year	<u>256,797</u>	<u>273,643</u>	<u>-</u>	<u>-</u>

Deferred taxation is principally composed of deferred tax assets and liabilities which are to be recovered and settled after more than twelve months. Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority. The deferred taxation balance at 31 December represents:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Deferred tax asset				
<i>Temporary differences on:</i>				
Property, plant and equipment	(94)	(52,855)	-	-
Unabsorbed capital allowances	7,071	96,940	-	-
Unabsorbed tax losses	91,843	197,311	-	-
Unutilised tax credits	<u>3,113</u>	<u>3,113</u>	<u>-</u>	<u>-</u>
	<u>101,933</u>	<u>244,509</u>	<u>-</u>	<u>-</u>

Deferred tax liability*Temporary differences on:*

Motor vessels revaluation	1,051,992	273,533	-	-
Property, plant and equipment	351,671	-	-	-
Unabsorbed tax losses	(791,242)	-	-	-
Unabsorbed capital allowances	(353,916)	-	-	-
Provisions	(1,708)	-	-	-
Leases	-	110	-	-
	<u>256,797</u>	<u>273,643</u>	<u>-</u>	<u>-</u>

20. Inventories

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Animal feed	-	297,077	-	-
Spare	220,974	232,203	-	-
Fuel and oils	<u>86,715</u>	<u>120,260</u>	<u>-</u>	<u>-</u>
	<u>307,689</u>	<u>649,540</u>	<u>-</u>	<u>-</u>

21. Trade and other receivables

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Trade receivables	634,880	1,490,277	47	47
Amounts due from ultimate parent company	64,713	58,277	-	42,247
Amounts due from ultimate beneficial owner	435,256	418,674	42,146	42,146
Amounts due from subsidiaries	-	-	372,876	334,784
Indirect taxation refundable	184,021	233,292	-	-
Tax refundable	12,177	12,177	-	-
Prepayments and accrued income	205,632	320,777	627,055	155,934
Advance payments	741,901	796,701	-	-
Other receivables	<u>35,484</u>	<u>44,467</u>	<u>-</u>	<u>-</u>
	<u>2,314,064</u>	<u>3,374,642</u>	<u>1,042,124</u>	<u>575,158</u>

The Group's exposure to credit risk and impairment losses in relation to trade and other receivables is reported in Note 30 to the financial statements.

Amounts due from ultimate parent company, amounts due from ultimate beneficial owner and amounts due from subsidiaries are unsecured, interest free and are repayable within the normal operating cycle of the Company.

22. Share capital

	The Group and the Company	
	2024	2023
	€	€
Authorised		
250,000 ordinary shares of €1 each	<u>250,000</u>	<u>250,000</u>
Issued and Fully Paid Up		
250,000 ordinary shares of €1 each	<u>250,000</u>	<u>250,000</u>

The holders of ordinary shares are entitled to received 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 regards to the Company's residual assets.

23. General reserve

The general reserve is a non-distributable reserve set up to finance the branches' capital expenditure.

24. Capital contribution

Capital contribution relates to contributions from the ultimate beneficial owner, Mr. Emmanouil Kalamaras. These balances are unsecured, interest free and is repayable exclusively at the option of the Company. Capital contribution reserves are non-distributable reserves.

25. Accumulated losses

This represents accumulated profits or losses. No dividends were paid out during the year under review.

26. Borrowings

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Non-current				
8,500,000 6.25% Secured Bonds 2033	8,224,101	8,192,095	8,224,101	8,192,095
1,835,000 5.5% Unsecured Bonds 2028	<u> </u>	<u>-</u>	<u>-</u>	<u>-</u>
Bonds outstanding (face value)	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>

Gross amount of bond issue costs	(325,973)	(325,973)	(325,973)	(325,973)
Amortisation of gross amount of bond issue costs:				
Amortisation charge for the year	32,006	18,068	32,006	18,068
Amortised bond issue costs brought forward	18,068	35,393	18,068	29,025
Amortisation on older bond transferred to profit and loss	<u>-</u>	<u>(35,393)</u>	<u>-</u>	<u>(29,025)</u>
Unamortised bond issue costs	<u>(275,899)</u>	<u>(307,905)</u>	<u>(275,899)</u>	<u>(307,905)</u>
Amortised cost and closing carrying amount	<u>8,224,101</u>	<u>8,192,095</u>	<u>8,224,101</u>	<u>8,192,095</u>

During 2023, the Company repaid 1,835,000 5.5% Unsecured Bonds that were repayable in 2028 and issued 8,500,000 6.25% Secured Bonds repayable in 2033. The bonds were admitted to the Official List of the Malta Stock Exchange on 16 June 2023. In accordance with the provisions of the Prospectus, the bond issue has been advanced to subsidiary company AST Green Shipping Ltd and subsequently to the sub-subsidiaries, to be used for the acquisition of two new vessel within the Group's fleet.

Interest

Interest on the 6.25% secured bonds 2033 is payable annually in arrears, on 16 June of each year.

Security

The bonds are secured through a first priority mortgage in favour of the Security Trustee over the vessels owned by the Group namely, MV AST Malta, MV AST Rising and MV AST Eco, by a pledge in favour of the Security Trustee over the shares of AST Green Shipping and its subsidiaries, namely AST Shipping 1 Ltd, AST Shipping 2 Ltd and AST Shipping 3 Ltd, and by a pledge in favour of the Security Trustee over the insurance policy on the vessels.

27. Other liabilities

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Non-current				
Government grant repayable	<u>44,182</u>	<u>54,011</u>	<u>-</u>	<u>-</u>
Current				
Government grant repayable	<u>9,830</u>	<u>9,830</u>	<u>-</u>	<u>-</u>

Government grant repayable represents government grant received in Greek branch. In 2022, part of the amount was waived by the Greek government and is tax free. The remaining balance of €54,012 will be repaid in 96 interest free monthly instalments.

28. Trade and other payables

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Trade payables	4,314,859	2,539,010	35,413	4,619
Amounts due to subsidiary	-	-	813,125	236,368
Indirect taxation	42,354	58,855	-	-
FSS and social security payable	3,611	3,609	-	-
Accrued expenses	809,529	1,034,143	24,520	307,935
Other payables	136,027	119,474	-	-
	<u>5,306,380</u>	<u>3,755,091</u>	<u>873,058</u>	<u>548,922</u>

Amounts due to subsidiary are unsecured, interest free and are repayable within the normal operating cycle of the Company.

29. Cash and cash equivalents

For the purposes of the statement of cash flows and the statement of financial position, the cash and cash equivalents at the end of the year comprise the following:

	The Group		The Company	
	2024	2023	2024	2023
	€	€	€	€
Cash at bank and in hand	<u>272,550</u>	<u>257,339</u>	<u>48</u>	<u>39,694</u>

The Group operated a supplier finance arrangement in order to ensure easy access to credit for its suppliers and facilitate early settlement. The Group has entered into supplier finance arrangements that permitted the suppliers to obtain payments from the banks for the amounts billed, insofar as the Group settles interest and fees in advance with the bank. The principal amount financed is repaid by the Group within 90 days from the date of financing to the approved supplier. The Group considers amounts payable to the banks should be presented within trade and other payables. As at 31 December 2024, 11% of trade payables were owed under these arrangements.

30. Financial risk management

At the year end, the Group's main financial assets on the statement of financial position comprised of trade and other receivables and cash held at bank and in hand. At the year end the Company's main financial liabilities on the statement

of financial position consisted of trade and other payables, and borrowings. At the year-end there were no off-statement of financial position financial assets or financial liabilities.

(a) Timing of Cash Flows

The presentation of the above-mentioned financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

(b) Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective company's functional currency. The Group is exposed to foreign exchange risk arising primarily from the Group's sales and purchases; a part of which are denominated in the USD dollar.

Management does not consider foreign exchange risk attributable to recognised assets and liabilities arising from sales and purchase transactions to be significant since balances are settled within very short periods in accordance with the negotiated credit terms.

(c) Credit Risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of cash at bank and trade and other receivables. The Group's exposure to credit risk at the end of the reporting periods are analysed as follows:

	The Group		The Company	
	2024	2023	2024	2023
Financial assets measured at amortised cost:	€	€	€	€
Trade and other receivables (Note 21)	1,170,335	2,011,695	415,069	419,224
Cash and cash equivalents (Note 29)	272,550	257,339	48	39,694
Total	1,442,885	2,269,034	415,117	458,918

The maximum exposure to credit risk at the reporting date in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements.

The Group does not hold any collateral as security in this respect. The figures disclosed above in respect of trade and other receivables exclude indirect taxation, tax refundable, prepayments and accrued income and advance payments.

(i) Cash and cash equivalents

The group cash and cash equivalents are held with local financial institutions with high quality standing or rating and are due to be settled on demand. Management considers the probability of default to be close to zero as the financial institution have a strong capacity to meet the contractual obligations in the near term. As a result, while cash and cash equivalent are subject to the impairment requirements of IFRS9, the identified impairment loss is insignificant.

(ii) Trade and other receivables

The carrying amounts of trade and other receivables and balances due from related companies are stated net of necessary provisions which have been prudently made against bad and doubtful debts in respect of which management reasonably believes that recoverability is doubtful. The Group's cash at bank is placed with high quality financial institutions. Management considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligation in the near term. As a result, no loss allowance has been recognised based on a 12 month expected credit losses since any impairment would be insignificant to the Group.

The Group assesses the credit quality of its customers, mainly taking into account the financial positions, past experience and other factors. Management ensures that sale of goods are effected with customers with an appropriate credit history. Management monitors on a consistent basis the performance of its trade and other receivables on a regular basis to identify expected credit losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable. The Group's trade receivables, which are not impaired financial assets, are principally debts in respect of transactions with customer for whom there is no recent history of default. Management does not expect any losses from non performance by these customers. In order to manage the credit risk, the Group has entered into factoring agreements in Greece, Spain, France and Malta to ensure that the credit exposure of the Group is reduced to a minimum. The factoring agreements entered into, are without recourse and cover the Group's credit exposure up to 80% of the receivable. Such measures reduce significantly the credit risk of the Group arising from trade and other receivables.

(iii) Amounts due to related companies

With respect to balances due from related companies, the Group assesses the credit quality of the related companies by taking into account the financial position, performance and other factors. In measuring expected credit losses on these balance, management determined the impairment provision independently from third party receivables. At 31 December 2024, management does not expect losses from non- performance or defaults from related companies.

Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables (Note 28) and bonds issued to the general public (Note 26). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements given the limited amount of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance on similar terms.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month period detailed by the Group's segments to ensure that no additional financing facilities are expected to be required over the coming year.

The following table analyses the carrying amounts of the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date in the respective notes to the financial statements:

	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
The Group	€	€	€	€	€
As at 31 Dec 2024					

Bonds	-	-	-	8,500,000	8,500,000
Lease liabilities	4,386	2,781	-	-	7,167
Repayment of government grant due	9,830	9,830	29,490	4,862	54,012
Trade and other payables	5,306,380	-	-	-	-

	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
The Company	€	€	€	€	€
As at 31 Dec 2024					
Bonds	-	-	-	8,500,000	8,500,000
Trade and other payables	873,059	-	-	-	873,059

(d) Fair Values

At 31 December 2024 and 31 December 2023, the fair values of financial assets and financial liabilities are not materially different from their carrying amounts.

(e) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives during the year ended 31 December 2024 and 31 December 2023.

31. Related party disclosures

The Group

Balances and transactions between entities in the group have been eliminated on consolidation and are not disclosed in this note.

Transactions With Related Parties

	2024 €	2023 €
Advances		
Net advances to ultimate beneficial owner	16,500	31,918
Net advances to ultimate parent	<u>6,436</u>	<u>3,630</u>

Expenses

Key management personnel fees	58,720	27,800
<u>Director's fees</u>	<u>27,200</u>	<u>22,100</u>

Balances With Related Parties

The amounts outstanding with related parties are disclosed in note 21 to these financial statements.

The Company

Transactions With Related Parties

	2024	2023
	€	€
Advances		
Net advances from subsidiaries	464,440	-
Net advances to subsidiaries	-	6,378,172

Expenses

Director's fees	27,200	22,100
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Balances With Related Parties

The amounts outstanding with related parties are disclosed in note 18, 21 and 28 to these financial statements.

32. Events subsequent to Statement of Financial Position Date

The directors have assessed subsequent events following the year-end in accordance with IAS 10 'Events After The Reporting Period', and have determined that there have been no material events occurring between the year-end and the date of this note that would require adjustment to, or disclosure in, the financial statements.

33. Statutory information

AST Group PLC (the parent company) is a company registered in Malta, having registered address at "Fort Business Centre, Level 2, Triq L-Intornjatur Zone 1, Central Business District, Birkirkara, CBD 1050, Malta". Its ultimate parent company is AFTL Group AG, having registered office at "Zug C/o, Fidura Immobilien Ag, Gotthardstrasse 20, Zug 6300 Switzerland". Its ultimate controlling party is Mr. Emmanoiul Kalamaras.



INDEPENDENT AUDITOR’S REPORT

To the Shareholders of AST Group plc

Report on the Audit of the Financial Statements

Opinion

We have audited the separate and consolidated financial statements of AST Group p.l.c. (the “Company”) and its subsidiaries (the “Group”), which comprise the separate and consolidated statements of financial position as at 31 December 2024, and the separate and consolidated statements of comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Company and the Group, as at 31 December 2024 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”) and the Companies Act, Cap. 386 of the Laws of Malta (the “Companies Act”).

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements for 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.

Revaluation of motor vessels

The Group's motor vessels amounting to €11,896,245, classified as property, plant and equipment, which are being further described in note 15 to the accompanying financial statements, account for 79% of total assets as at 31 December 2024. Motor vessels are measured at fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses.

A fair value assessment was carried out on these motor vessels in accordance with accounting policy note 4.5. In determining the fair value of the Group's motor vessels as at 31 December 2024, the directors utilised the services of an independent external valuer through the use of the market approach. Through this process the independent valuer compares the selling price of similar vessels on the market during the date of the revaluation.

Therefore, due to the significance of the balances and the estimation uncertainty involved in the fair valuation of motor vessels, we have considered the fair valuation of motor vessels classified as property, plant and equipment as a key audit matter.

How the scope of our audit responded to the risk

Our procedures in relation to the valuation of these motor vessels included:

- Assessing the competence, capability and objectivity of the independent external valuer appointed by the directors.
- Reviewing the methodologies used by the independent external valuers and by management to estimate the fair value for these motor vessels. We confirmed that the valuation approach for motor vessels was suitable for use in determining the carrying value of motor vessels as at 31 December 2024.
- Considering the appropriateness of the fair values estimated by the external valuers based on our knowledge of the industry.
- We challenged the Group's valuations to assess whether they fell within a reasonable range of expectations developed. Management were able to provide explanations and refer to appropriate supporting evidence.

We have also assessed the relevance and adequacy of the disclosures the fair valuation of motor vessels classified as property, plant and equipment in accounting policy 4.5 and in note 15 to the financial statements.

Recoverability of group balances at Company level

Loans receivable, as disclosed in Note 18, include funds advanced to subsidiary companies amounting to €8,089,826 as at 31 December 2024, and which carry an agreed rate of interest of 7.25% to 8% per annum. As explained in accounting policy 4.8, the recoverability of these loans is assessed at the end of each financial year in order to ensure that the amounts are recoverable. The loans are the principal asset of the Company and are considered to be material.

How the scope of our audit responded to the risk

Our procedures in relation to the recoverability of these loans to subsidiaries included:

- Examining and agreeing the balances and terms of the loans to the supporting loan agreements
- Agreeing the outstanding balances as at year-end with the subsidiary company balances.
- Assessing the financial soundness of subsidiaries, by referring to the latest audited financial statements of the sub-groups composing the Group.

On the basis of our work, we determined that management's assessment that the loans advanced to subsidiaries are recoverable is reasonable.

Other Information

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

Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. 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 Companies Act.

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act.

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

Responsibilities of the Directors and those charged with governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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- 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 and the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - 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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the 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.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period

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

Report on Other Legal and Regulatory Requirements

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

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Professional Act (Cap 281) – the Accountancy Professional (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the annual financial report of AST Group plc for the year ended 31 December 2024, entirely prepared in a single electronic reporting format.

Responsibilities of directors

The directors are responsible for the preparation of the annual financial report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Market Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the annual financial report, including the consolidated financial statements and the relevant tagging therein comply in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Report on Other Legal and Regulatory Requirements (continued)

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report, in accordance with the requirements of the ESEF RTS.
- Obtaining the annual financial report and performing validations to determine whether the financial report has been prepared in accordance with the requirements of the specifications of the ESEF RTS.

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- Examining the information in the annual financial report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

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

Opinion

In our opinion, the annual financial report for the year ended 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Report on the Corporate Governance Statement

Corporate Governance Statement

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

The Capital Market Rules also require the auditor to include a report on the statement of compliance prepared by the Directors. We are also required to express an opinion as to whether, in the light of the knowledge and understanding of the Company and the Group and its environment obtained in the course of the audit, we have identified material misstatements with respect to the information referred to in Capital Market Rules 5.97.4 and 5.97.5.

We read the statement of compliance and consider the implication 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 the other information included in the annual report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the statement of compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's and the Group's governance procedures or its risk and control procedures.

In our opinion:

- the corporate governance statement has been properly prepared in accordance with the requirements of the Capital Market Rules issued by the Malta Financial Services Authority

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- in the light of the knowledge and understanding of the Company and the Group and its environment obtained in the course of the audit the information referred to in Capital Market Rules 5.97.4 and 5.97.5 are free from material misstatement

Other requirements

Under the Capital Market Rules we also have the responsibility to:

- review the statement made by the Directors, that the business is a going concern, together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.

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

Requirements

Under 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 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.

Appointment and audit tenure

We were appointed by the members of the Company to act as auditors of the Group and the Company on 20 January 2020 for the financial year ended 31 December 2019. Our appointment has been renewed by shareholders' resolution representing a total period of uninterrupted appointment of 6 years.

Consistency with the additional report to the audit committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which was issued on the same date as this report.

Non-audit services

No prohibited non-audit services referred to in Article 18A(1) of the Accountancy Profession Act, Cap. 281 of the Laws of Malta were provided by us to the Company and we remain independent of the Company as described in the Basis for opinion section of our report. No other services besides statutory audit services and services disclosed in the annual report and in the financial statements, were provided by us to the Company.

Other matter – use of this report

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

John Abela (Partner) for and on behalf of

Horwath Malta
Member Crowe Global

La Provvida
Karm Zerafa Street
Birkirkara BKR1713
Malta

28 April 2025