Computime Holdings p.l.c.

Annual Report
2024

COMPANY REGISTRATION NUMBER - **C 74592**

REGISTERED ADDRESS - **170, PATER HOUSE, PSAILA STR., B'KARA, MALTA**

COUNTRY OF INCORPORATION - **MALTA**

Contents

Chairman’s Message

Dear Shareholders,

It is with great pleasure that I present my first report as Chair following our successful listing on the Malta Stock Exchange. This has been an extremely proud moment for me as a non-executive Chair for the past 7 years, and also to the founding shareholders and other executive and non-executive directors on the Board who have worked incessantly over the last 45 years, to see this Group flourish so well and allow the opportunity for others to participate in its success. The support from investors, some of whom are our own employees, underscores the market’s confidence in our vision, strategy, business model and ability to deliver sustained growth and value added.

2024 Performance and Beyond

I am delighted to report that our final profits for 2024 are at 4% over forecast, confirming the strength of our business model, the dedication of our employees, and our ability to execute on strategic priorities. This notable performance demonstrates our resilience in a dynamic and challenging business environment. Our recurring revenue, robust operating margins, and strong cash flow generation have provided a solid foundation for continued investment in innovation and expansion.

This financial success positions us well to re-invest in key growth areas, including artificial intelligence (AI), cloud-based solutions, cybersecurity, and FinTech products while continuing to deliver value to our shareholders through our dividend pay-out policy. Furthermore, we have maintained disciplined cost management and operational efficiencies, ensuring that we remain well-capitalized to seize new opportunities and drive long-term shareholder value.

A key focus of our strategy is the seamless integration of AI across our services. AI is revolutionizing the IT landscape, enhancing efficiencies, personalizing customer experiences, and unlocking new opportunities for growth. By embedding AI into our core offerings, we are ensuring that our solutions remain cutting-edge, secure, and adaptable to evolving client needs. As we look ahead, we remain committed to further strengthening our market position and pursuing strategic initiatives that will sustain our momentum in the coming years.

Board Strengthening and Leadership Continuity

Governance and leadership remain central to our long-term success and particularly more now that we have significantly increased the number of shareholders, officially on the 6th of January this year. We have strengthened our Board with the appointment of an additional independent Non-Executive Director, bringing further depth of knowledge, experience, and independent oversight.

Furthermore, as advised in the prospectus, our ex-CFO has now taken charge of the CEO role, a move that has been subject to a smooth transition over the last 12 months, with our ex-CEO retaining his Board position in an executive capacity until the next annual general meeting after which his intention is to remain on the Board in a non-executive position. This change reflects our commitment to leadership stability and strategic continuity while reinforcing our ability to execute our long-term vision effectively.

Our senior management team, comprising highly talented, motivated and loyal professionals, has been instrumental in driving the Group’s success. With each member having over 20 years of experience within the Group, they embody our core values of honesty, respect, quality, customer excellence, and sustainable growth. Their leadership and dedication continue to foster a culture of innovation and resilience, setting the foundation for continued success.

Commitment to Strong Governance

As a newly-listed company, we recognize the heightened responsibilities that come with public market participation. We remain committed to the highest standards of corporate governance, ensuring transparency, accountability and ethical decision-making at every level. Robust governance structures and risk management frameworks will continue to guide our decision-making, safeguarding shareholder interests while maintaining our reputation as a trusted and responsible enterprise. It is with this goal in mind that the Board felt it important to provide the market with the publication of a report in full compliance with the Capital Markets Rules ahead of its statutorily mandatory date, with a view to kick off our intended frequent communication with the new shareholders and other stakeholders at the first opportunity. This requirement would have otherwise come into force for the 2025 financial year end.

While the Company is not yet required to report under the Corporate Sustainability Reporting Directive (CSRD), the Board and management have been proactively drafting a plan to embed Environmental, Social, and Governance (ESG) principles into the Group's business strategy. This approach underscores our commitment to sustainable practices and wider stakeholder engagement, ensuring that we are prepared to meet future expectations and opportunities.

The Board is keen to make the best use of each opportunity available, whether statutorily required or not, to strengthen the touch points with our stakeholders.

Conclusion

As we look to the future, we are very confident in our strategic direction and ability to deliver sustained growth. We are excited about the opportunities ahead and are deeply grateful for the trust and support of our shareholders, employees, and customers. Together, we will continue to drive innovation, create value, and reinforce our position as a leader in the IT sector.

Anthony Mahoney
Chairman

CEO's Review

I am honoured to present the first annual report of Computime Holdings p.l.c. as the newly appointed CEO. 2024 was a landmark year for the Group, marked by significant milestones – from launching our share offer and navigating the rigorous IPO process to announcing a leadership transition, and ultimately, listing on the Malta Stock Exchange on January 6, 2025. I would like to express my sincere gratitude to my predecessor, Andrew Borg, for his leadership and dedication, which have been instrumental in positioning Computime for continued success.

What makes this achievement even more remarkable is that, despite the not-insignificant demands of the IPO process, we remained focused on performance, delivering our fifth consecutive record year in profitability.

This listing marks the beginning of an exciting new chapter for Computime Group. The pre-listing preparations, including board-level enhancements, have strengthened our foundation, positioning us for sustained growth as a publicly listed company. Furthermore, the listing has introduced a new and vital stakeholder – our public shareholders – into what I call our 'value ecosystem'. This ecosystem, which includes our employees, customers, strategic partners, investors, and community, is the driving force behind our success. Our mission and strategy will remain focused on creating value for all five of these stakeholder groups, guiding every decision we make.

Financial performance and position

In the year under review, the Group generated €18.9 million in revenue and €2.5 million in profit before tax, reflecting a 13% profit growth compared to the previous year. This is well in line with our long-term double-digit growth target. Notably, our profit exceeded the forecast published in our 31 October 2024 prospectus by 4%.

Our growth strategy prioritizes value over volume, ensuring that margin expansion takes precedence over pure revenue growth. Over the past few years, we have actively shifted our business toward higher-margin areas, particularly where we own the intellectual property (IP) behind the software we sell. Even in segments where we resell third-party solutions, such as ERP systems or hardware and infrastructure, we focus on opportunities that secure long-term customer engagements, fostering sustainable and recurring revenue. I am pleased to report that in 2024, recurring revenue accounted for 72% of total revenue, reinforcing our commitment to long-term value creation.

Cash flow generation is another cornerstone of our financial strategy. Our business model is designed to generate strong cash flows, driven by a combination of high recurring revenue and disciplined financial management when closing contracts and negotiating payment milestones and terms. This strength enables us to sustain our targeted dividend distribution policy.

A key measure we use to assess cash performance is the '*Operating Cash Flow to Profit*' ratio, which measures the 'quality' of generated profit in terms of how much of the profit is backed by actual cash. A ratio above 1.0 is considered strong by international financial standards. In 2024, our ratio improved to 1.6 (up from 1.3 in 2023), placing us among the top-tier companies in terms of cash generation. This means that we generated more cash than our reported profit, highlighting high earnings quality and efficient working capital management.

Given our strong financial performance, our ability to beat profit forecasts, and our confidence in future growth, the Board has approved an increase in the final dividend for 2024 to €480,000 – 17% higher than the €410,000 initially forecasted in our prospectus.

Market and industry insights

Our vision is to be Malta's IT partner of choice for systems integration, cybersecurity solutions, business software, and regulatory technology (RegTech). Beyond our local success, we are also expanding internationally with our proprietary software products, particularly '*ComplyRadar*', our in-house built transaction monitoring software.

In the IT infrastructure and systems integration area, we had another strong year, leveraging our reputation and expert engineering team. Our cybersecurity business experienced significant growth, with tailwinds from new European directives such as DORA and NIS2, which are accelerating demand – a trend we expect to continue. Cybersecurity plays a crucial role in shaping trust in technology, and we are proud that our team is strengthening security at many of Malta's leading enterprises.

Our mission has always been to bridge the gap between technology and business – a role we have played for 45 years. This approach is exemplified by the range of applications provided by our two software divisions – the Business Software division and the FinTech division. We had another strong year in the ERP (Enterprise Resource Planning) space, with the *Acumatica* ERP platform. In this area we have assembled a strong team of technology-business consultants. During 2024, we continued onboarding new customers, and we now serve tens of medium-to-large enterprises across various industries with a particular focus on the distribution, professional services and construction industries.

In our FinTech division, we continued building on the past success of our two flagship products – '*BRS Analytics*' and '*ComplyRadar*'.

'*BRS Analytics*' is a software suite with a core engine plus over 18 modules and reporting packs that seek to meet the regulatory demands of banks and financial institutions. We have a leading position in Malta and our focus remains on continuously updating the current modules, as well as developing additional modules to meet evolving regulatory requirements. This is another example of how technology plays a critical role in ensuring that banks are adequately regulated in the interests of depositors and society in general.

With '*ComplyRadar*' we provide an Anti-Money Laundering (AML) real-time transaction monitoring software addressing the needs of the banking, financial services and i-gaming markets. '*ComplyRadar'* provides a solution that addresses compliance concerns, by monitoring transactions, efficiently detecting suspicious activity, and providing an audited process to inspect and act on flagged transactions. Following the internationalisation plan launched some years ago, this product has provided an opportunity to the Group for overseas expansion in niche markets, and I am happy to say that a substantial part of the software's customer base is now composed of foreign-based entities. We are committed to continue investing in this product to ensure that functionality meets changing demands, designing new modules like the recently launched '*ComplyRadar' Machine Learning* which is a fraud detection application using AI technology.

Our FinTech division developed and launched a third product during the first quarter of the year under review – '*BRS CESOP'*, which is another regulatory reporting software addressing EU VAT reporting requirements for payment services providers. This solution was developed jointly as part of the partnership between the Group and PwC Malta. The objective of this joint venture is to consolidate the respective expertise of both parties with an aim to jointly develop and launch new software products. I am happy to report that with '*BRS CESOP'*, we had a highly successful first year and the product can already count on a strong customer base. The success of '*BRS CESOP'* is significant not only for diversifying further our RegTech portfolio but also as a demonstration of our ability to execute successful joint operations, unlocking non-organic growth opportunities for Computime and our investors.

Corporate social responsibility

Our community is a key pillar of the 'value ecosystem' I introduced earlier. Under the guidance of our board of directors, the Computime Group has been engaging in several initiatives and activities over the years in support of our community. These range from CSR programs to internal policies that support our employees and their families, by primarily offering them the work-life balance that they need and deserve.

A key focus of our CSR efforts is the student community. We maintain strong collaborations with the University of Malta and other leading educational institutions. These initiatives serve a dual purpose: they strengthen Computime's employer brand by attracting future talent while also helping students explore career opportunities in the technology sector. This is another example of how our 'value ecosystem' creates mutual benefit, enriching both our company and the broader community.

Further details on the Group's corporate social responsibility efforts, including our preparations for upcoming EU reporting obligations, are available in the Directors' Report.

Conclusion and future outlook

I am confident that our competitive strengths and resilient business model will continue to propel us forward and position us for long-term growth. Many of these strengths have already been highlighted – our diversified business model, long-term customer relationships, recurring revenue, the expanding markets we operate in, and our strong cash flow generation. However, I firmly believe that the greatest driver of our success is our people.

Our team's unique blend of technology and business expertise enables us to consistently deliver high-quality solutions that meet and exceed customer expectations. Whether in cybersecurity, business applications, artificial intelligence, or any other area where we excel, our customers trust us to provide top-tier service and support. This trust strengthens the long-term partnerships that are fundamental to our business model and future growth.

While we remain confident in our strategy, we are also mindful of the external challenges that could impact the business environment. Geopolitical uncertainties may influence market demand and supply chains. We mitigate these risks by maintaining a diversified business approach, continuously investing in innovation to add breadth and depth in our product portfolio.

Looking ahead, we will continue to focus on key areas that we believe will define the future of our industry, among these – artificial intelligence (AI), cybersecurity, and '*Managed Services*'. AI is revolutionizing how businesses operate, and we are committed to leveraging its potential to enhance our current products and produce new vertical solutions for our customers. Cybersecurity remains a top priority as digital threats continue to evolve, and we will further strengthen our team and offerings in this space. Meanwhile, our '*Managed Services*' offering will enable businesses to outsource their IT functions with confidence, ensuring efficiency, security, and scalability.

These strategic priorities will help us continue delivering sustainable growth and long-term value to our customers, employees, and shareholders.

Alistair Mangion
Chief Executive Officer

Directors' Report

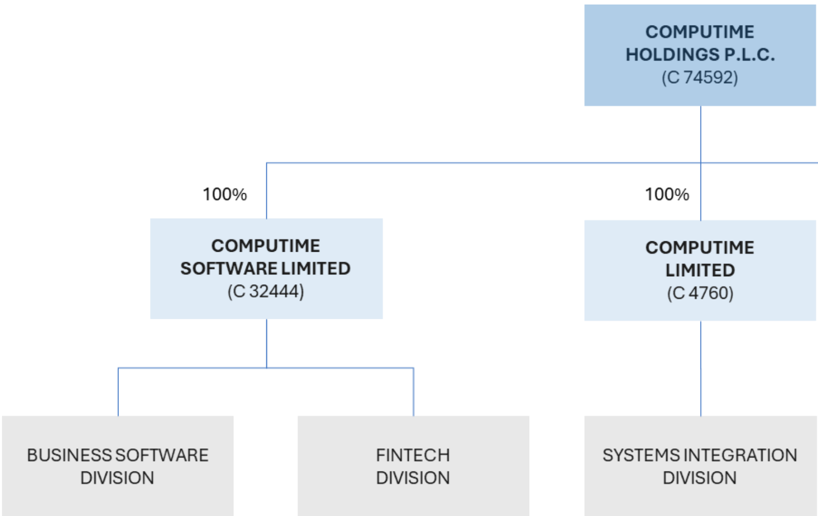
The directors present their report and the audited financial statements of Computime Holdings p.l.c. (the 'Company') and the consolidated financial statements of the Group of which it is the parent (the "financial statements") as at and for the year ended 31 December 2024.

Principal activities

Computime Holdings p.l.c. is the parent company of Computime Limited, Computime Software Limited and Computime Labs Ltd. (collectively the "Group"). The Group's principal activity is the provision of business-to-business quality ICT solutions in Malta and overseas.

The Company launched a share offer to the public during the last quarter of the reporting period, with a registration document (prospectus) dated 31 October 2024. This led to the subsequent listing of the Company's shares on the Official List of the Malta Stock Exchange with effect from 6 January 2025.

The Group operates three business divisions: the Business Software and the FinTech divisions (both operated by Computime Software Limited – C32444), and the Systems Integration division (operated by Computime Limited – C4760). Computime Labs Limited is the IP (Intellectual Property) holding company of the Group.



BUSINESS SOFTWARE DIVISION

Value-added reselling of global brands in the Enterprise Resource Planning ("ERP"), Enterprise Asset Management ("EAM") and accounting software markets, as well as custom software development. The Group has amassed extensive experience in these sectors following decades of project engagements in Malta and overseas.

FINTECH DIVISION

Provision of regulatory technology (RegTech) which refers to the management of regulatory monitoring, reporting and compliance through technology, within highly-regulated industries especially banking, finance and i-gaming. Currently through this division, the Group offers three software products:

- **BRS**ANALYTICS **[100% owned intellectual property]**
    - Banking regulatory reporting solution
- **ComplyRadar [100% owned intellectual property]**
    - AML transaction monitoring solution
- **CESOP [50% owned intellectual property]**
    - VAT regulatory reporting solution

SYSTEMS INTEGRATION DIVISION

Provision of enterprise systems integration solutions with three main business units:

- The *Information Security* unit provides cybersecurity technical advisory, design and implementation of information security solutions for the enterprise market. The range of services includes security audits, vulnerability assessments, VPN implementations, perimeter and desktop security solutions, password management systems, intrusion prevention solutions, event management, content filtering and other solutions.

- The *Networking* unit provides design and implementation of enterprise-level IP networks that offer the reliability, interoperability, security, mobility and manageability that large organisations require. The team also offers support and maintenance of such networks and equipment.

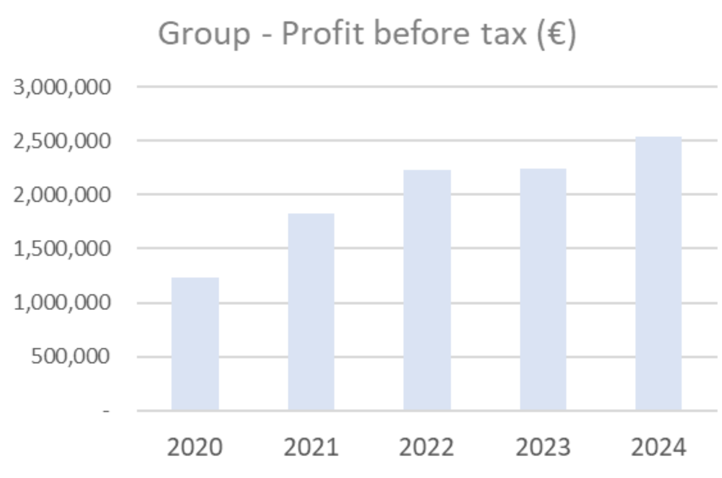
- The *Systems* unit provides design and implementation of various server technologies, virtualisation solutions as well as cloud solutions for Microsoft Azure and Office365, business continuity and disaster recovery.

Business review

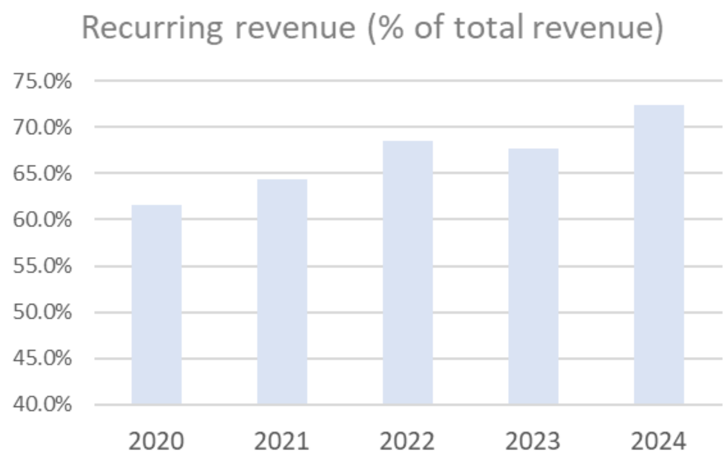
Group financial performance and position

The Group's revenue for the year ended 31 December 2024 amounts to €18.9 million (2023: €18.8 million). The revenue figure is analysed by revenue stream in Note 18 to the financial statements, and by operating segment in Note 17. The revenue recognition policies for the revenue streams and the operating segments are disclosed in Notes 2.18 and 2.19 respectively.

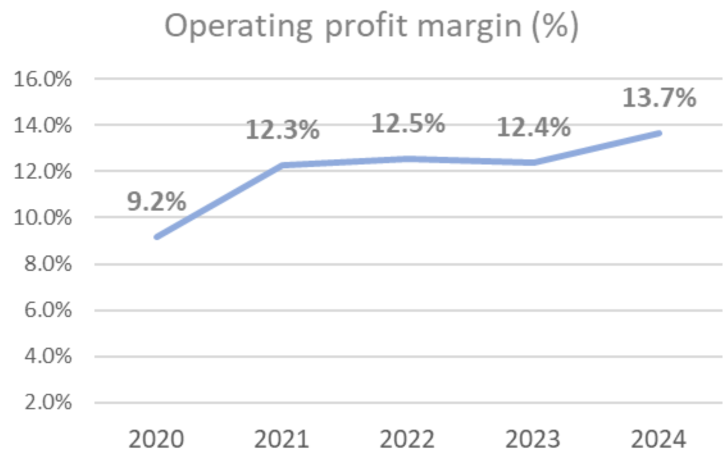
Operating profit improved from €2.32 million in 2023 to €2.58 million – an increase of 11%. Profit before tax for the Group increased by 13%, from €2.24 million in 2023 to €2.53 million. Another key performance indicator used by the Group is EBITDA, defined as the Group's profit before tax, depreciation and amortisation. EBITDA grew by 7% from €2.59 million in 2023 to €2.78 million. A detailed reconciliation for EBITDA measurement is provided in Note 30.



Recurring revenue is an important performance indicator as it measures that element of revenue which is highly repeatable, and therefore the most sustainable. Recurring revenue is earned from two revenue streams: (a) renewable software / hardware subscriptions, and (b) maintenance agreements. Such revenue is backed by renewable contracts that are usually for a one-year period but in some cases for multi-year periods. Recurring revenue grew from €12.7 million in 2023 to €13.7 million, and amounted to 72% of total revenue in 2024 (2023: 68%).



The operating profit margin, expressed in percentage terms is another important indicator of profitability. This margin improved from 12.4% in 2023 to 13.7%.



Operational and administrative expenses increased from €6.13 million in 2023 to €6.91 million, an increase of 13%. Major increases were recorded in the employee benefit category (+ 11% year-on-year), in the professional fees category (+ 43% year-on-year), and in the marketing category (+ 76% year-on-year). The latter two categories were unusually impacted (+ 22% and + 20% respectively) by fees related to the Group's initial public offering launched during the year under review. It is not expected that similar increases will be recorded next year.

Non-current assets increased marginally over the previous year. Current assets increased from €9.26 million in 2023 to €10.25 million, an increase of 11%. The major contributors to this increase were inventories and trade and other receivables. Group cash reserves increased to €4.86 million (2023: €3.94 million) following a strong generation of cash from operations as disclosed in the statement of cash flows. Total assets held by the Group increased from €16.62 million in 2023 to €18.13 million.

Total liabilities amounted to €8.75 million (2023: €8 million) of which contract liabilities were the main component at €4.4 million. Contract liabilities arise from the timing of revenue recognition as explained in Note 18.

The Group's Current Ratio as at 31 December 2024 stood at 1.26 (2023: 1.27). This ratio measures an entity's ability to cover short-term obligations. The Quick Ratio is an alternative liquidity ratio which measures liquidity without relying on inventories. The Group's Quick Ratio as at 31 December 2024 stood at 1.20 (2023: 1.24). Both ratios, and the Group's strong cash reserves, low reliance on inventory, and predictable receivables, demonstrate a strong short-term liquidity position.

In terms of return on equity ("ROE"), the Group's ROE remained at 24% as at 31 December 2024 (2023: 24%). The ROE measures profitability (after tax) relative to shareholders' investment. In general, according to international benchmarks, an ROE of 24% is considered strong and shows high profitability and effective use of equity.

Business review – Business Software Division

The Business Software division performed strongly with the ERP business unit remaining the main driver of growth. The ERP team provides design, implementation and support of ERP solutions through the Acumatica platform, a cloud-based globally renowned ERP software.

ERP software is a type of software solution that organisations use to manage day-to-day business activities, including but not limited to: accounting, procurement, project management, risk management and compliance, customer relationship management and supply chain operations. In 2015, the Group obtained a non-exclusive and non-transferable licence from Acumatica Inc., a Delaware corporation, to use ERP software products and to re-license and distribute said products to prospective end users in Malta. The licence agreement entered into for said purpose has since been, and continues to be, automatically renewed annually for successive one-year terms. Since 2015, Acumatica ERP software solutions have been implemented by the Group across various industry sectors in Malta, and during 2024 this successful trend continued with the acquisition of new customers, all being well-established Maltese business entities.

The division operates three other business units: reselling of INFOR SunSystems accounting software, reselling of IBM Maximo EAM software and custom software development. EAM software is a type of software that helps organisations to plan, optimise, execute, and track the necessary activities, materials, tools and information associated with an asset, addressing the ever-increasing demand for better asset management in every asset-intensive industry, from oil and gas to sustainable energy, to manufacturing and transportation.

Divisional revenue increased by 11%, from €2.8 million in 2023 to €3.11 million. Profit before tax attributed to the division increased by 12%, from €471,048 in 2023 to €525,936. In terms of contribution to Group profits, during the reporting period the division generated 16% of the Group's total profits (excluding corporate unallocated costs). Further information can be found in Note 17 – Operating segments.

Business Review – FinTech Division

Strong results were registered also in the FinTech division, with revenue growing by 15% and profit by 12% when compared to last year. The division's revenue and profits are derived from three key software products: (a) '*BRS Analytics'*, (b) '*ComplyRadar'*, and (c) '*BRS CESOP'*.

The '*BRS Analytics'* business unit remained the highest revenue contributor within the division. Over the last five to ten years, the brand has established itself as a local market leader for a wide range of banking regulatory reporting solutions. '*BRS Analytics*' is a software suite with a core engine plus over 18 modules and reporting packs that seek to meet the regulatory demands of banks and financial institutions. Modules and reporting applications are constantly being developed by the team with a view to meeting the evolving regulatory reporting requirements.

As the second business unit in the division, '*ComplyRadar*' continued to grow at a steady pace as the business entered its fourth full year of operations. '*ComplyRadar*' is an AML on-line transaction monitoring solution addressing the banking, financial services and i-gaming markets. The business unit has secured several high-profile customers both in Malta and overseas, with the customer count exceeding 35 customers by the end of December 2024.

Both '*BRS Analytics*' and '*ComplyRadar*' are software assets in which the Group holds 100% of the respective intellectual property rights (IPR).

During the first quarter, the Company announced the launch of a third software product – '*BRS CESOP*', a product developed through a 50% joint venture with a leading accounting firm in Malta. This product addresses the reporting requirements for EU payment services providers in terms of EU Council Directives and Regulations as regards measures to strengthen administrative cooperation in order to combat VAT fraud. The Group holds 50% of the respective intellectual property rights of the product. Sales for this new product have been ramping up during the year with the list of customers exceeding 20 by the end of December 2024.

Divisional revenue increased by 15%, from €2.8 million in 2023 to €3.21 million. Profit before tax attributed to the division increased by 12%, from €1.3 million in 2023 to €1.45 million. In terms of contribution to Group profits, the division generated 45% of the Group's total profits (excluding corporate unallocated costs) during the reporting period. Further information can be found in Note 17 – Operating segments.

Business Review – Systems Integration Division

The Systems Integration division provides infrastructural and systems integration solutions, primarily in Malta. The three main business lines are:

- the *Information Security* unit, providing cybersecurity technical advisory, design and implementation of information security solutions for the enterprise market. The range of services includes security audits, vulnerability assessments, VPN implementations, perimeter and desktop security solutions, password management systems, intrusion prevention solutions, event management solutions, content filtering and other related solutions.

- the *Networking* unit, providing design and implementation of enterprise-level IP networks that offer the reliability, interoperability, security, mobility and manageability that large organisations require. The team also offers support and maintenance of such networks and equipment.

- the *Systems* unit, providing design and implementation of various server technologies, virtualisation solutions as well as cloud solutions for Microsoft Azure and Office365, business continuity and disaster recovery. The team also oversees the Group's Managed Services Provider ("MSP") business.

The division registered a revenue of €12.53 million for the year ended 31 December 2024 (2023: €13.17 million). This marginal decrease in revenue is a result of the Group's strategy to be more selective in its revenue-generating activities and focus on the higher-margin business lines and the more profitable projects, especially in the volume-driven business managed by this division. The success of this strategy is proven by the significant improvement in the operating margin of the division, from 8% in 2023 to 10% during the current year. As a result, the division's profit before tax improved from €1.06 million in 2023 to €1.27 million, an increase of 20%.

Recurring revenue business continued to grow in absolute terms and contributed to 74% of the total divisional revenue (2023: 67%). This means that the portion of revenue that is "repeatable" or "recurring" continues to grow year after year, and has now reached 74%. Such revenue comes in the form of: (a) renewable software / hardware subscriptions (related to systems integration solutions and cloud business), (b) maintenance agreements (fixed fee agreements to support networks and solutions over a period), and (c) managed services (MSP).

In terms of contribution to Group profits, the division generated 39% of the Group's total profits (excluding corporate unallocated costs) during the reporting period. Further information can be found in Note 17 – Operating segments.

Results and dividends

The results for the year ended 31 December 2024 are shown in the statements of comprehensive income. The Group's profit after tax for the year was €2.2 million (2023: €2.1 million).

On 30 August 2024 the board of directors declared a net dividend of €2,000,000 (€0.0322 per share), consisting of:

(i) €800,000 intended as a special one-off final dividend payment from pre-2024 profits; and
(ii) an interim dividend of €1,200,000 for the financial year 2024.

This net dividend of €2,000,000 was distributed on 12 September 2024 in favour of shareholders recorded in the register of the members of the Company as at 30 August 2024.

The board of directors propose that a final net dividend of €0.0270 per ordinary share be distributed to ordinary shareholders in respect of the year ended 31 December 2024, consisting of:

(i) An interim net dividend of €1,200,000 (€0.0193 per share), representing a gross distribution of €1,576,923 already paid to shareholders on 12 September 2024; and
(ii) A net dividend of €480,000 (€0.0077 per share), representing a gross distribution of €738,462 to all shareholders included in the register of the Company as at 12 June 2025, due for payment on or around 17 June 2025.

This represents a net dividend yield of 6% for the financial year ended 31 December 2024, based on the total dividends paid out relating to profits for the same financial year (excluding the said special one-off dividend payment of €800,000) divided by the offer price of €0.45c pertaining to the "Offer for sale" made by the shareholders of the Company on the 31 October 2024.

The directors propose that the balance within the retained earnings of the Group amounting to €2,708,931 (2023: €2,518,826) and the Company amounting to €505,308 (2023: €360,074) be carried forward to the next financial year.

Principal risks and uncertainties

The Board as a whole, is responsible for evaluating the nature and the extent of the Group's risk management framework and the risk profile that is acceptable to the Board. The Group's executive team is entrusted to manage business risk in line with this framework and profile. The following is a list of principal risks and uncertainties that could adversely affect the Group's operating results, financial condition and growth potential:

Competition

The Group faces competition in the local market from other providers of systems integration solutions, ERP solutions, regulatory software solutions, and other solutions related to the Group's lines of business. Similarly, the Group has to meet the challenges in highly-competitive international software markets to sell its software products. International providers can also sell their products and services in the Group's local market, posing an additional competitive pressure from abroad. The executive team manages competitive pressure by ensuring that the Group's products and services are always positioned advantageously in terms of price, quality, efficiency of delivery, responsiveness and other factors that come into play depending on the specific market.

Talent acquisition and retention

Finding and retaining the right people is critical to the Group's ability to meet its growth targets. Recruiting for the skills required by the Group, in software engineering, information engineering, operations and business development is often very difficult. The Group manages this risk by investing in human resource management, employee welfare and other staff retention measures. Regular training of sales, services and technical personnel is undertaken to ensure that the Group's workforce can meet the rapidly changing technology needs of customers. To alleviate the problem of resources for specific projects, management also makes regular use of outsourcing and sub-contracting. In such cases, sub-contractors are required to achieve and maintain the same quality standards expected from the Group's employees.

Information security and vulnerability to cyber-attacks

The Group's operations are susceptible to a variety of cyber risks relating to the continued and proper functioning of I.T. and other technological systems, including, but not limited to, the risks of malware attacks, ransomware, phishing, hacking, data theft or other unauthorised access to or use of data, errors, bugs, inadequate maintenance service levels, or other malicious interference with or disruptions to their I.T. and other technological systems. The Group may, therefore, be vulnerable to downtime in its operational systems, which downtime could have a material adverse knock-on effect on its ability to service its customers in a timely, proper and effective manner, to the requisite service levels. The Group has in place disaster recovery plans intended to ensure continuity and stability of these systems, but in some cases, such plans may not necessarily prove sufficient to avoid any type of disruption to the Group's business. The Group also employs technical and organisational measures intended to prevent cyber-attacks and to ensure digital resilience across its operations.

Dependence on research and development

To remain competitive, the Group must continue to develop new products, features, capabilities, and enhancements to its offerings. Maintaining adequate research and development resources, such as the appropriate personnel and development technology, is essential to meet the demands of the software and technology industry. Moreover, research and development projects can be technically challenging and expensive and accordingly the Group may require additional funding or capital from external sources in order to support investments in research and development.

Principal risks and uncertainties - continued

Dependence on third-party products and partners

A significant portion of the Group's total revenue is derived from business that depends on relationships with third-party partners, software providers, distributors, resellers and/or introducers. The Group is dependent on its suppliers and vendor partners to carry out innovations and upgrades in hardware, software and services offerings, as well as, in turn, the acceptance of those innovations by customers. The Group manages this risk firstly by diversifying its portfolio with owned-IP products that do not depend on any third party. Secondly, the Group's management ensures that each business line is being supported by multiple partners / vendors, and that there is no single dependence on any one partner or any one technology for a given line of business.

Ability to meet the required service levels

Some of the Group's commercial agreements typically stipulate certain minimum requirements, obligations and service levels which may include stipulations on response and resolution times and after-sales obligations. Failure to meet such obligations can give rise to potential liabilities and penalties, including the risk of losing the right to represent a particular partner or vendor. The Group's management employs best practice processes and procedures under an ISO9001-certified quality framework to ensure that such obligations are being met at all times.

Specific industry risk

The customer portfolio of the Group is varied and strongly diversified across industries. Nonetheless, the banking and financial services sector remains the leading industry segment for the Group. If there is any negative impact on this industry from local or international, political or economic instability, this will invariably have an impact on the Group's financial performance and growth prospects. Furthermore, customers within this industry segment are subject to special regulatory requirements that pose an added challenge to the Group in the provision of its solutions to these customers. The Group's management adopts specific technical and organisational measures to ensure that products and services delivered to this industry segment meet the demands of such regulatory requirements.

General economic conditions

The Group's business depends on demand for a range of products, services, and integrated solutions in the software and technology sectors. Furthermore, the Group's activities are principally in the business-to-business segments. Adverse developments in economic trends and general business conditions could result in a reduction in corporate demand for the products and services offered by the Group, and therefore negatively impact the Group's financial performance and growth prospect.

Financial risk

The Group's activities expose it to a variety of financial risk such as market risk, credit risk and liquidity risk. The Group's overall risk management considers the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's principal financial risks and uncertainties are disclosed in Note 4 "Financial risk management" to the financial statements.

Employees and social responsibility

Employees

The Group aims to be a leading employer in Malta by promoting a management culture that puts the employee at the centre of its 'value ecosystem.' The Group believes that success can only be achieved if employees are on the value receiving end as much as being value contributors. To this end, the Group advances a people-management vision which upholds that:

- the workplace is a safe environment both physically and conceptually;
- employees have a need to enrich themselves professionally while working within the Group;
- the employees' well-being is critical, and employees deserve a healthy work-life balance; and
- everyone should be treated equally and without discrimination.

Several HR measures have been implemented over the years to promote and achieve the above vision by offering training and development opportunities, working flexibility in the form of flexitime or remote working, and mental wellbeing support. This vision is further supported by HR policies governing areas like health and safety at work, equal opportunity and diversity, and anti-harassment and anti-bullying. All employees are required to learn these policies and to undertake to uphold them at all times. Some of the initiatives that are in place to support the people-management vision are:

- intensive leadership and other professional development training workshops and/or coaching sessions with the Group leaders and employees;
- a health and safety ("H&S") function, led by a H&S committee to oversee and promote workplace safety, including training and certifications of first aiders, mental health first aiders and fire wardens;
- mental health support, including educational webinars and a 'Healthy Minds' program held in conjunction with a leading mental health NGO to provide company-funded counselling services to all employees;
- dedicated health sessions targeting different gender needs, to promote overall employee wellness;
- financial wellbeing sessions with leading financial coaches, to educate employees about personal finance, investments and retirement planning; and
- flexible working arrangements for all employees, offering flexitime and remote working possibilities with an emphasis on 'management by objectives' rather than strict time management.

Employee engagement and motivation is assessed regularly through employee surveys that trace key performance indicators like the 'eNPS' or 'Employee Net Promoter Score.' This measure is a scoring system designed to help employers measure employee satisfaction and since it is an international standard, also enables comparisons with benchmarks and peers. The scoring system gauges how likely employees are to recommend their workplace. Using a scale of 0 to 10, employees rate this likelihood, and based on their responses, they are classified into three categories: Promoters, Passives, and Detractors. The eNPS score is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

	Computime Group	Tech Sector Average
eNPS score	52	25 – 30

The Group has been measuring this score periodically since 2018 and always scores strongly with the most recent eNPS score being 52. eNPS scores can range from -100 to 100. eNPS scores between 10 and 30 are considered 'good' by international standards, while those between 50 and 70 are considered 'excellent'. Internationally, the tech sector has an average eNPS score of between 25 and 30 and this is considered one of the best scores by industry. The Group's latest score is well above that of its international peers.

Environmental

The Group is committed to environmental responsibility as a key element of its corporate vision. Over the years, initiatives were implemented to reduce the carbon footprint of its premises, focusing on energy-efficient lighting, optimised power usage, and sustainable packaging solutions. Additionally, all operating companies within the Group participate in local schemes for waste collection and recycling, ensuring responsible disposal and contributing to a circular economy.

The Group promotes environmental responsibility to its employees by educating and encouraging sustainable practices throughout the business processes and at the Group's premises.

Social

The Group recognises the community as a key stakeholder in its 'value ecosystem.' Since 1979, The Group has played a pivotal role in business technology adoption in Malta, contributing to some of the largest tech projects for both private entities and the Government of Malta. This involvement has not only supported local economic growth but also provided career opportunities in the tech sector.

The Group's management remains committed to corporate social responsibility (CSR) through continual support for community initiatives. CSR events are regularly held in support of NGOs and institutions that deal with social challenges like homelessness, poverty alleviation, drug abuse and educational inequality. The Group's employees participate freely in such events and are supported by management through financial aid and the granting of 'time-off' from their work schedule.

Particular focus is given to the student community with initiatives aimed at helping students and educational institutes understand better the needs of tech sector and allowing them the opportunity to engage with a leading employer while they are still in their studies.

Governance and business conduct

The board of directors and the executive team uphold a culture of honesty, integrity, and compliance across all business activities. The Group is dedicated to adhering to the applicable legislation in every country where it operates. This commitment is embedded throughout the Group, particularly during the onboarding process for new recruits.

Furthermore, the Group adopts an anti-corruption policy that requires all employees, subcontractors and consultants to adhere to a set of guidelines when acting on behalf of the Group, emphasizing zero tolerance for bribery and corruption. These guidelines provide advice on proper business conduct and define a list of prohibited acts that employees and subcontractors must avoid. The policy also requires that anti-corruption due diligence is held with new subcontractors or third parties engaged by the Group.

ESG reporting

The Group has consistently prioritised corporate social responsibility efforts as an integral part of its operations. Prior to the recently introduced Omnibus I and II packages by the European Commission and in accordance with the EU's Corporate Sustainability Reporting Directive ("CSRD"), the Group's obligation was to commence ESG reporting from the financial year 2026, with the first report due in 2027.

The CSRD requires companies to report on the impact of corporate activities on the environment and society, and that such reported information be subject to independent assurance. The Group has been working on a comprehensive CSRD implementation plan which includes:

- A double materiality assessment of CSRD;
- A high-level roadmap of deliverables, including data collection systems, stakeholder engagement, and external assurance; and
- A training program for management and responsible personnel to enhance knowledge of ESG matters and CSRD compliance.

The Group is also exploring the adoption of internationally recognised frameworks such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) for enhanced reporting transparency and comparability.

Notwithstanding this, the application of the Corporate Sustainability Reporting Directive (CSRD) requirements for listed small and medium enterprises (SMEs), which are scheduled to report in 2027 based on their 2026 annual report, is subject to modifications resulting from the recent introduction of the European Commission Omnibus Package I and II. These omnibus packages are expected to provide clarifications, adjustments to deadlines, and refinements to reporting obligations that could impact how listed SMEs prepare their sustainability reports. As a result, the Company is closely following any regulatory updates and guidance from the European Commission, to ensure its reporting aligns with the final stipulations outlined in the omnibus packages and which are aimed to create a more manageable and effective sustainability reporting framework.

Material contracts

The following directors of the Company are also shareholders of the Company: Mr. Louis Bellizzi, Mr. Andrew Borg, Mr. Anthony Mahoney, Mr. Mario Mizzi and Mr. John Wood. Other than the aforesaid interests which were declared by the Company, the directors have not declared that they have an interest (whether direct or indirect) in any material contract to which the Company or its subsidiaries is party.

Going concern

The Directors, in accordance with Capital Markets Rule 5.62, have considered the Group's financial performance, financial position, cash flows, and the business plan and projections for the coming year, and they are satisfied that at the time of approving the financial statements, the Group has sufficient resources to continue operating for the foreseeable future. For this reason, the Directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements.

Future developments

The directors and executive team believe that the Group is well positioned to build on its strong financial performance in 2024 and achieve another positive year in 2025. Based on performance in the initial months of 2025 and pipeline data, the directors expect the Group's results for 2025 to align with the projections presented in the prospectus published on 31 October 2024 in connection with the Group's share offer. However, given that it is still early in the year, this outlook remains subject to the usual business risks and uncertainties.

The executive team remains committed to continuous investment in internal processes upgrades to enhance operational efficiency and quality. A key milestone in this regard was the achievement of ISO27001 certification, a project initiated in 2024 and completed in January 2025. This certification demonstrates adherence to international best practices in information security management, reinforcing customer confidence in the Group's services. Additionally, due to the nature of the business, ongoing workforce training remains a priority. The Group will continue investing in extensive training and certification programs to ensure its employees remain at the forefront of technological advancements, enabling them to deliver the specialized services valued by customers.

Outlook for Business Software Division

The ERP business line is expected to remain the primary driver of growth in the Business Software Division in the short to medium term. The Group's strong reputation in the ERP sector, built over decades of implementation experience, is expected to sustain a robust sales pipeline.

Growth is expected to come also from the Artificial Intelligence ("AI") offerings of the Group. The Group's first investment in AI was in the space of Anomaly Detection within '*ComplyRadar*' one of the products from the FinTech division. More recently, the Group has been investing in generative AI ("gen-AI") applications that use large language models ("LLMs") to help customers automate various business processes. Investment in gen-AI applications is expected to reach new heights in 2025, as customer demand for these solutions continues to grow. The Group's extensive business process knowledge, combined with its AI development expertise, positions it well to capitalize on this emerging market opportunity.

Outlook for FinTech Division

The Group will continue to invest in maintaining and upgrading the Group's products – '*BRS Analytics*,' '*ComplyRadar*' and '*BRS CESOP*', with dedicated resources focusing on designing and implementing new functionality in line with the product development roadmaps approved by management. Additional modules, reporting packs and applications are constantly being developed and added to each of these three software suites to meet the evolving customer needs. Various international market reports are estimating the RegTech market to grow at a CAGR of 25% during the next five years, and the Group is well positioned to benefit from this expected growth.

The international commercialisation of '*ComplyRadar*' will continue, building on the positive momentum of the previous years. These efforts are being led by a dedicated sales team that was designed to focus on the sales and marketing of '*ComplyRadar*' overseas. Business development efforts are carried out through a mix of direct selling techniques, attendance at international events and digital marketing. In addition to direct sales methods, the Group makes use of reselling agreements with local and international partners that can resell the product in their territory.

The Group will continue to research and explore potential new products that can be introduced to expand further the owned-software portfolio of the Group. Research and development ("R&D") is conducted both in-house and in collaboration with third parties, as in the 50% joint venture that led to the creation of '*BRS CESOP*'. In-house R&D follows a structured process where ideas are processed through successive 'decision stages' involving different levels of management through the various stages until a product is finally approved for development by the executive team. The Group's Innovation Committee, composed of key employees with technical, entrepreneurial, and business development expertise, plays a central role in driving this R&D agenda.

Future developments - continued

Outlook for Systems Integration Division

Several key projects are lined up in the *Networking* and *Information Security* business lines, particularly for clients in the banking and government sectors. Most of these projects are scheduled for completion within the 2025 financial year. The executive team remains focused on a profit-driven growth strategy that prioritizes high-margin business and seeks to expand the division's recurring revenue base. This strategy emphasizes long-term customer relationships and sustainable revenue streams through multi-year software subscriptions and maintenance agreements.

Strategic partnerships with international ICT providers remain a fundamental component of the Systems Integration division's business model. In 2025, the Group plans to expand its partner network and introduce new solutions in call centre technology and managed services. These, along with the existing portfolio, will enable the Group to better support customers affected by the NIS2 and DORA regulations. These European regulations are aimed at improving digital resilience and information security in the banking sector and other critical industries. The Group's expertise and technology offerings position it well to assist clients in meeting these regulatory requirements.

Events after the reporting period

The directors do not have anything to report in terms of material events that occurred after the reporting period, except for the listing of the Company's shares as disclosed in this report under the heading 'Principal Activities'.

Directors and Executive Team

The members of the Board of Directors for the year under review were:

Director	Title	Since
Mr Anthony Mahoney	Chairman and Non-Executive Director	1 March 2016
Mr Andrew Borg	CEO and Executive Director	1 March 2016
Mr Louis Bellizzi	Non-Executive Director	1 March 2016
Mr Mario Mizzi	Non-Executive Director	1 March 2016
Mr Noel Mizzi	Non-Executive Director	3 June 2024
Mr John Wood	Non-Executive Director	1 March 2016

Directors and executive team - continued

The Group's business is managed by the Executive Team. The Group Chief Executive Officer heads the team and is accountable to the Board of Directors for all business operations. On average, the Executive Team meets twice a month. The members of the Executive Team for the year under review were:

Executive Team Member	**Position**
Mr Andrew Borg	Chief Executive Officer
Mr Alistair Mangion	Chief Financial Officer and CEO Designate
Mr Neil Bianco	Chief Commercial Officer
Mr Stephen Vella	Chief Operations Officer / Chief Technology Officer *(Systems Integration Division)*
Mr Vincent Vella	Chief Operations Officer / Chief Technology Officer *(Business Software Division and FinTech Division)*

Mr Andrew Borg retired from the position of Group Chief Executive Officer with effect from 1 January 2025 and was replaced by Mr Alistair Mangion.

Information on the rules governing the appointment and replacement of Directors is contained in Section B of the Statement by the Directors on compliance by the Company with the Code of principles for Good Corporate Governance.

Auditors

The auditors, Grant Thornton Malta, have indicated their willingness to continue in office, and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Statement of directors' responsibilities for the financial statements

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

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

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

Statement of directors' responsibilities for the financial statements - continued

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

Additional Information pursuant to Capital Markets Rule 5.64

Share capital

Details of the company's share capital are disclosed in Note 14 to the financial statements. The Company's authorised share capital is €6,500,000, divided into 65,000,000 Ordinary Shares of €0.10c each. The Company's issued share capital is €6,212,900 divided into 62,129,000 Ordinary Shares of €0.10c each. All shares in the Company rank *pari passu* in all respects. The Company listed all the shares in the issued share capital on the Company on the Official List of the Malta Stock Exchange with effect from 6 January 2025.

The registered shareholders holding 5% or more of the share capital of the Company as at 31 December 2024 are as follows:

Shareholder	Percentage shareholding
Louis Bellizzi	21.23%
Andrew Borg	16.98%
Mario Mizzi	29.72%
John Wood	16.98%

Amendments to the Company's memorandum and articles of association

In terms of the Companies Act (Chapter 386 of the Laws of Malta) the Company may amend the Company's memorandum and articles of association by an extraordinary resolution at a general meeting.

Powers of directors

The business of the Company is managed by the directors who may exercise all such powers of the Company, except those that are by the Companies Act (Chapter 386 of the Laws of Mata) or by the memorandum or articles of the Company, required to be exercised by the Company in general meeting. The articles of association of the Company stipulate that the Company may and is authorised to, subject to such restrictions, limitations and conditions contained in the Companies Act (Chapter 386 of the Laws of Mata), acquire its own Equity Securities.

For the purpose of this section, "Equity Securities" means shares in the Company of whatever class, or rights to subscribe for, or to convert securities into shares of whatever class in the Company. In terms of article 3.4 of the Company's articles of association the board of directors is authorised to exercise the power of the Company to issue and allot Equity Securities up to the amount of the authorised but unissued share capital of the Company from time to time (in respect of each class). This authorisation is valid for a period of five years from the date of the adoption of the memorandum and articles of association of the Company, and shall be renewable for further period of five (5) years each by the general meeting. In terms of the Company's articles of association, the board of directors is authorised to withdraw or restrict all pre-emption rights of the shareholders and will remain so authorised for as long as the board of directors remains so authorised to issue Equity Securities.

Employment contracts

The employment contracts of senior executives provide for compensation if they are made redundant or their contract is terminated without valid reason. Further information on such termination clauses is included in Section C of the Remuneration Report.

Statement of responsibility pursuant to the Capital Markets Rules issued by the MFSA

We confirm that to the best of our knowledge:

- In accordance with the Capital Markets Rules, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended, and have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU; and

- In accordance with the Capital Markets Rules, the Directors' Report offers a fair view of the financial performance and the financial position of the Group and the Company, including a fair description of the principal risks and uncertainties.

Signed on behalf of the Company's Board of Directors on 22 April 2025 by Anthony Mahoney (Chairman) and Mario Mizzi (Director) as per the Directors Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report 2024.

Registered address:
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Dr. Malcolm Falzon
Company Secretary

22 April 2025

Corporate Governance - Statement of Compliance

A. Introduction

Pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority (MFSA), Computime Holdings p.l.c. (the "**Company**") should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "**Code**"). This statement is made in terms of Capital Markets Rules 5.94 and 5.97

As at the date of this corporate governance statement (the "**Statement**"), the Board of Directors of the Company (the "**Board**" or the "**Directors**") considers the Company to be compliant with the Code save for those instances reported in this Statement. In those instances where the Company's organisation and practices deviate from the Code, the Board is of the view that there are cogent justifications for such divergences, taking into account the size, complexity and nature of operations of the Company, as explained in further detail in section C of this Corporate Governance Statement.

The Company acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the Directors strongly believe that such practices are generally in the best interests of the Company and its shareholders and that compliance with the Code is not only expected by stakeholders but also evidences the Directors' and the Company's commitment to a high standard of good governance.

B. Compliance with the code

Principle 1: The Board

The Board is primarily responsible for determining the Company's strategic direction and organisational requirements, whilst ensuring that the Company has the appropriate mix of financial, human and operational resources to meet its objectives and improve its performance.

The overall management and business strategy of the Company is vested in the Board consisting of six (6) Directors (one of whom chairs the Board). All the Directors, individually and collectively, are of the appropriate calibre and have the necessary skills and experience to contribute effectively to the decision-making process. All the Directors direct the business of the Company with honesty, competence and integrity. All the Directors are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the company. Directors were provided with the information pertaining to the relevant board meeting in advance of said meeting in order to permit them to allocate sufficient time to the performance of their responsibilities.

The Board has delegated specific responsibilities to senior management and committees, notably the Remuneration and Nominations Committee (RemNom Committee) and the Audit Committee, which operate under their respective formal terms of reference approved by the Board. Further detail in relation to the Committees and the responsibilities of the Board is found in paragraph '*Principles 4 and 5*' of this Statement.

Principle 2: Chairman and Chief Executive Officer

The roles of the Chairman and the CEO are occupied by separate individuals. During the period under review, Anthony Mahoney occupied the post of Chairman and Andrew Borg occupied the post of CEO. The Chairman meets the independence criteria set in the Capital Markets Rules. On the 1 January 2025, Alistair Mangion replaced Andrew Borg as CEO of the Company.

The responsibilities and roles of the Chairman and the CEO are clearly established and agreed to by the Board of Directors. A summary of the key areas of responsibility of the Chairman of the Board and the CEO and how these have been discharged during the year, are set out below:

Leading the Board and setting its agenda	Anthony Mahoney chaired all board meetings held during 2024, including general meetings. The Chairman of the Board sets the annual calendar of Board business and the agenda for each meeting is agreed in advance of each meeting by the Chairman of the Board, the CEO and the company secretary.
Ensuring that the Board receives accurate, timely and clear information in advance of meetings	The Chairman of the Board, in liaison with the company secretary and the CEO, agreed the information to be distributed to the Board in advance of each meeting.
Ensuring effective communication with shareholders	The Chairman, together with the CEO, makes himself available to shareholders and key stakeholders desirous of discussing with him.
Ensuring active engagement by all members of the Board for discussion of complex or contentious issues	The Chairman of the Board conducted meetings in an open and constructive manner, fostering contributions from all Directors. They also held regular meetings with NEDs without management present to ensure any concerns could be raised.

Under the delegated authority from the Board, the CEO, is responsible for the day to day running of the Group and implementing the strategy of the Company. The CEO is responsible for ensuring the effective operation of the Group across strategic, operational, and administrative levels. He oversees all activities of the Group, providing leadership and guidance to implement the strategies set by the Board. He fosters expertise, develops individual capabilities within the team, identifies business and commercial opportunities, strengthens key areas of the business, and manages all commercial operations. Additionally, he engages with regulatory authorities when necessary.

Principle 3: Composition of the Board

The Board believes that it fully complies with the requirements of Principle 3 and the relative Code Provisions. The Company is managed by a Board of six (6) Directors who are responsible for the overall direction, management and strategy of the Company.

The Board comprises a mix of individuals with a diverse array of skills and experience which is appropriate for the requirements of the business. The Articles of Association regulate the appointment of directors.

Appointment of executive directors

The non-executive directors of the Company are entitled to appoint the chief executive officer of the Company to hold office on the board of directors as an executive director. The appointment of the Chief Executive Officer is not subject to the approval of the Nominations Committee or the shareholders in general meeting. For the period under review, Andrew Borg held the position of both chief executive officer and executive director of the Company. On the 1 January 2025, Alistair Mangion replaced Andrew Borg as CEO of the Company.

Appointment of non-executive directors

Non-executive directors of the Company are appointed by the shareholders in the annual general meeting of the Company (or a general meeting if the circumstances require otherwise). Any member or members who in the aggregate hold/s not less than 10% of the total number of shares in the Company are entitled to nominate a fit and proper person for appointment as non-executive director of the Company. In addition to the nominations that may be made by members, the directors themselves or the Nominations Committee may make nominations and recommendations to the members for the appointment of non-executive directors at the annual general meeting. No individual is entitled to take office as a non-executive director unless approved by the Nominations Committee. The Nominations committee is empowered to reject any recommendation if in its considered opinion, such appointment could be detrimental to the Company's interests or if such person is not considered fit and proper to occupy that position. Candidates who are declared by the Nominations Committee as fit and proper to occupy the office of director and whose nomination is approved by the said Committee, are considered "*Approved Candidates*". If there are less Approved Candidates than there are vacancies on the board or if there are as many Approved Candidates as there are vacancies on the board, then each Approved Candidate shall be automatically appointed a director. If there are more Approved Candidates than there are vacancies on the board, an election shall take place in accordance with the provisions of the Articles of Association of the Company. All the board members will retire from office at the next annual general meeting but will be eligible for re-appointment thereat.

As at the date of this Statement, the Directors of the Company are:

Name	***Capacity***	***Date of appointment***
Andrew Borg	Executive Director	1 March 2016
Anthony Mahoney	Independent Non-Executive Director (Chairman)	1 March 2016
Louis Bellizzi	Non-Executive Director	1 March 2016
Mario Mizzi	Non-Executive Director	1 March 2016
Noel Mizzi	Independent Non-Executive Director	3 June 2024
John Wood	Non-Executive Director	1 March 2016

Noel Mizzi and Anthony Mahoney are the independent non-executive directors who are deemed to be independent in line with the requirements of Code Provision 3.2. Neither of the independent non-executive directors:

(a) are or have been employed in any capacity by the Company within the last three (3) years;
(b) have or had a significant business relationship with the Company;
(c) received or receives significant additional remuneration from the Company;
(d) have close family ties with any of the executive members of the Board or senior management of the Company;
(e) has served on the board for more than twelve (12) consecutive years; or
(f) is or has been within the last three (3) years an engagement partner or a member of the audit team of the present or former external auditor of the Company.

For the purposes of Code Provision 3.4 each non-executive director has declared in writing to the Board that he undertakes:

(a) to maintain in all circumstances his independence of analysis, decision and action;
(b) not to seek or accept any unreasonable advantages that could be considered as compromising his independence; and
(c) to clearly express his opposition in the event that he finds that a decision of the board may harm the company.

Principle 4: The Responsibilities of the Board

The Board is of the view that it fully complies with this Principle 4 of the Code and the relevant Code Provisions. The Board's primary role is to establish and maintain a framework for accountability, oversight, strategy development, and policy formulation for the Company. Board Members uphold high ethical standards and carefully consider the interests of all relevant stakeholders in their discussions and decisions.

The Board is also responsible for regularly reviewing and evaluating corporate strategy, key operational and financial plans, risk policies, and performance objectives. It ensures the effective implementation of these plans while overseeing corporate performance in alignment with applicable laws, regulations, and best business practices. Additionally, the Board manages the identification, assessment, and mitigation of business risks, supervises internal control systems and financial performance, and defines the Company's strategic direction and goals.

Principle 5 – Board meetings

The Board is of the view that it fully complies with Principle 5 and the relevant Code Provisions. Given the nature and operational demands of the Company, Board meetings are held regularly, ensuring that Directors have sufficient opportunities to discuss key matters and share their perspectives on the issues outlined in the agenda.

The Chairman is responsible for setting the Board agenda, maintaining a balance between long-term strategic objectives and short-term performance considerations, and overseeing the smooth conduct of meetings. The Company Secretary records the minutes of each meeting, which are then promptly circulated to the Board for review and subsequently approved at the next meeting.

During 2024, the Board met 6 times. The Board follows a structured meeting schedule, with additional meetings convened as necessary. An annual agenda calendar ensures that all key matters are addressed at the appropriate stages of the regulatory and financial cycle. The table below details each Director's attendance at Board and Committee meetings in accordance with their membership.

Name	**Capacity**	**Meetings attended while in office**
Andrew Borg	Executive Director	6/6
Anthony Mahoney	Independent Non-Executive (Chairman)	6/6
Louis Bellizzi	Non-Executive	6/6
Mario Mizzi	Non-Executive	6/6
Noel Mizzi	Independent Non-Executive	3/3
John Wood	Non-Executive	6/6

Directors are expected to participate in all Board and relevant Committee meetings, dedicating sufficient time to the Group's affairs to fulfil their responsibilities effectively. If a Director is unable to attend, they are encouraged to submit their comments on the meeting materials in advance to the Chairman, ensuring their perspectives are recorded and considered during discussions.

Principle 6: Information and Professional Development

The Chairman of the Board ensures that all directors receive a tailored induction on joining the Board. Induction programmes are facilitated and monitored by the Company Secretary. The Company Secretary informs the incoming members of their statutory director duties and obligations, the requirements and implications of relevant legislation, as well as their rights, duties, and obligations under the Company's Articles of Association and internal policies and procedures. Directors are also provided with a presentation on the activities of the Company and subsidiaries.
On a regular basis, the Directors also receive periodic information on the Group's financial performance and position. The company secretary ensures effective information flows within the Board, committees and between senior management and Directors, as well as facilitating professional development. The company secretary advises the Board on governance matters. Directors may, in the course of their duties, seek independent professional advice on any matter at the Company's expense. In addition, the Board and its committees are given adequate and suitable resources to duly discharge their functions in a proper and effective manner.

The CEO is responsible for ensuring that management and employees have access to development and training opportunities to retain and enhance the Group's competitive positioning, to safeguard and augment staff morale, and to ensure effective continuity and succession planning. The Company will provide for additional individual Directors' training on an as required basis.

Principle 8: Committees

The Board shall be proposing a remuneration policy for the approval of shareholders at the 2025 AGM. The proposed policy establishes the framework for determining the remuneration of all Board members, ensuring adherence to sound governance practices, regulatory requirements, and the long-term creation of shareholder value. In the view of the Board, the proposed policy sets out the principles and guidelines for both fixed and variable remuneration, including bonuses and benefits. The policy aims to attract and retain qualified professionals with the necessary skills, technical expertise, and experience to support the Company's strategic direction.

To fulfil these responsibilities effectively, the Board has delegated certain functions to dedicated Committees, as detailed below.

The RemNom Committee

In view of its size, the Company has taken the view that whilst it considers the role and function of each of the remuneration and the nominations committee as important, it would be more efficient for these committees to be merged into one committee, called the "RemNom Committee". In its function as Remuneration Committee, the RemNom Committee is charged with the oversight of the remuneration policies implemented by the Company with respect to the Group's management and employees. Its objectives are those of determining a remuneration policy aimed to attract, retain and motivate directors, whether executive or non-executive, as well as senior management with the right qualities and skills for the benefit of the Company. It is responsible for making proposals to the Board on the individual remuneration packages of directors and senior management and is entrusted with monitoring the level and structure of remuneration of the non-executive directors. In addition, the RemNom Committee is responsible for reviewing the performance-based remuneration incentives that may be adopted by the Company from time to time, and is authorised to determine whether a performance-based bonus or other incentive should be paid out or otherwise.

In its function as Nominations Committee, the RemNom Committee's task is to propose to the Board of Directors candidates for the position of director, including persons considered to be independent in terms of the Capital Markets Rules, whilst also taking into account any nominations from shareholders. It is to periodically assess the structure, size, composition and performance of the Board of Directors and make recommendations to the Board of Directors regarding any changes, as well as consider issues related to succession planning. It is also entrusted with reviewing the Board of Directors' policy for selection and appointment of senior management. No member of the RemNom Committee may be present while his remuneration is being discussed at a meeting of such committee.

The RemNom Committee is composed of Mr Anthony Mahoney (independent non-executive Director), Mr Louis Bellizzi (non-executive Director) and Mr John Wood (non-executive Director). Mr Anthony Mahoney occupies the post of Chairman of the RemNom Committee.

The has systems in place to ensure reasonable notice of meetings of the Board and that the Directors receive discussion papers in advance of meetings so as to provide adequate time for Directors to adequately and suitably prepare themselves and enable them to make an informed decision during meetings of the Board.

For the period under review, the RemNom Committee did not hold any meetings.

Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board of Directors, management and the external auditors. The external auditors are invited to attend Audit Committee meetings to discuss the audit strategy and review the findings of the audit. The Audit Committee reports directly to the Board of Directors. The responsibilities of the Audit Committee include:

(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
(b) maintaining communications on such matters between the Board of Directors, management and the external auditors; and
(c) preserving the Company's assets by assessing the Company's risk environment and determining how to deal with those risks;
(d) evaluating any proposed transaction to be entered into between the Company and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee is made up entirely of non-executive Directors, the majority of whom are independent. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board. The Audit Committee is composed of Mr Anthony Mahoney (independent non-executive Director), Mr Noel Mizzi (independent non-executive Director), and Mr Mario Mizzi (non-executive Director). Mr Noel Mizzi occupies the post of Chairman of the Audit Committee. In compliance with the Capital Markets Rules, Noel Mizzi is considered by the Board to be competent in accounting and/or auditing.

The Audit Committee was established by the Company in November 2024. The Audit Committee held one meeting during the period under review. The said meeting of the Audit Committee was attended by all its members during the period under review. The Audit Committee is scheduled to meet at least four times in 2025.

Principles 9 and 10: Relations with Shareholders and with the Market, and Institutional Shareholders

The Board is committed to maintaining effective engagement and active dialogue with its stakeholders and ensuring that stakeholder views and interests are a key consideration in the Board's decision-making.

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

Individual shareholders can raise matters relating to their shareholdings and the business of the Group at any time throughout the year by sending an email to the Company's investor relations team at the following email address: [investors@computime.com.mt] (found on the Company's website on its '*Investor Relations*" webpage). Shareholders are further given the opportunity to ask questions at the AGM or to submit written questions in advance.

The Board ensures that all shareholders have equal access to information through company announcements, general meetings and publications on the Company's website (https://www.computime.com.mt). The Board's primary engagement with investors comes through the CEO. The Board also intends to hold meetings with major stockbrokers and financial intermediaries.

Principle 11: Conflicts of Interest

The Company's Articles of Association set out the policy for dealing with Directors' conflicts of interest and are in line with the Companies Act (Chapter 386 of the laws of Malta) and the Capital Markets Rules. In terms of the Articles of Association of the Company, a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement with the Company must declare the nature of his interest at a meeting of the Directors and may not vote on any contract or arrangement or any proposal in which he has a material interest.

Any conflict of interest is to be accurately recorded in the Board minutes. No Director has a material interest in any contract of significance in relation to the Group's business at any time during the year or as at the date of this Statement.

The Directors have each declared to the Company his or her interest in the share capital of the Company as at 31 December 2024 and are aware of their obligation to deal in shares of the Company only as allowed by law.

Principle 12: Corporate Social Responsibility

As part of the Company's commitment to corporate social responsibility (CSR), the Company strives to contribute positively to the communities in which it operates, ensures ethical business practices, and minimizes its environmental impact. The initiatives and strategies that the Company implemented for the period under review are set out in the 'Employees and social responsibility' section of the Directors' report.

C. Non-compliance with the Code

Code provision	***Explanation***
Principle 3: Composition of the Board	The code provision recommends that the Board should be composed of executive and non-executive directors, and that majority of the latter should be independent. For the period under review, the Board was composed of one executive director and five non-executive directors, two of whom are independent non-executive directors. It is considered that the current composition of the Board provides for sufficiently balanced skills and experience to enable it to discharge its duties and responsibilities effectively. Andrew Borg will retain his post on the board as Executive Director until the next annual general meeting, with a view to taking on a non-executive capacity thereafter.

Code provision	*Explanation*
Principle 7: Evaluation of the Board's performance	Under the present circumstances, the Board of Directors does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed company.
Principle 9: Conflicts between shareholders	Currently, there is no established mechanism disclosed in the Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Company and the minority shareholders via the office of the company secretary.

Remuneration Report

This remuneration report ("**Remuneration Report**") of Computime Holdings plc (the "**Company**") provides an overview of the remuneration, including all benefits in whatever form, awarded or due during the period under review to the directors of the Company and the senior executives of the Group.

This Remuneration Report is being prepared in satisfaction of the requirements of Code Provisions 8.A.3 and 8.A.4 of the Code of Principles of Good Corporate Governance (the " **Code** ") and the requirements of Chapter 12 of the Capital Markets Rules (the " **CMRs** "). During the period under review, the Board of Directors of the Company (the " **Board** ") was responsible for performing the functions of the Nominations and Remuneration Committee.

The main function of the Nominations and Remuneration Committee is to devise appropriate remuneration packages for the Board taking into consideration Board members' required competencies, skills, effort and the scope of the Board's role including the number of meetings and the preparation required by Directors to attend and actively contribute during meetings. In establishing said packages consideration is also given to market demands, the size of the Company and the complexity of its business as well as to the directors' responsibilities.

A. Remuneration Policy

For the period under review, the Company did not have an approved policy for the remuneration of directors and senior executives of the Company. In compliance with Rule 12.26A of the Capital Markets Rules (CMR), the Board of Directors of the Company has established a remuneration policy (the "**Remuneration Policy**") that will be submitted for the approval of the shareholders during the forthcoming Annual General Meeting ("AGM"). Once approved, this will be available for viewing on the Company's website.

The proposed Remuneration Policy outlines the main principles and guidelines which shall form the basis of the remuneration of directors and senior executives of the Company. It delineates the various components comprising fixed and variable elements, encompassing bonuses and additional benefits in whatever form, which can be awarded to directors and senior executives. In terms of the proposed Remuneration Policy, Directors should receive a fixed annual remuneration fee whereas senior executives of the Company should receive remuneration based on two components: a fixed annual remuneration fee and variable remuneration linked to the performance of the Company in the relevant year.

The remuneration awarded to directors and senior executives during the review period aligns with the principles and guidelines outlined in the Remuneration Policy, which will be presented for shareholder approval at the upcoming AGM.

B. Remuneration of directors

Directors' remuneration - general

During the period under review, the Board of the Company consisted of six (6) individuals, one of whom having an executive role and five other Directors acting in a non-executive capacity. The members of the Board for the year under review were:

- **Andrew Borg** - Executive Director
- **Anthony Mahoney** - Chairman and Independent Non-Executive Director
- **Louis Bellizzi** - Non-Executive Director
- **Mario Mizzi** - Non-Executive Director
- **Noel Mizzi** - Independent Non-Executive Director (appointed 3 June 2024)
- **John Wood** - Non-Executive Director

The aggregate emoluments of all directors of the Company are from time to time determined by the Company in general meeting. Accordingly, it is the shareholders that determine the aggregate amount of remuneration that the board of directors may receive in any one financial year. The service contract of each non-executive director provides that he shall hold office until such time as he resigns or he is removed from office by the shareholders of the Company in accordance with the relevant provisions of the Articles of Association of the Company or is otherwise required to vacate his office in terms of the relevant provisions of the Articles of Association of the Company. The service contracts of directors do not contain any notice periods in respect of the termination of office.

None of the directors are offered any share-based remuneration nor paid any benefits linked to the termination of their office and they do not benefit from any pension or early retirement schemes by virtue of their office. For the period under review, directors were awarded non-cash benefits including health insurance, group accident insurance and a mobility allowance.

Directors of the Company receive a fixed annual remuneration fee and are not eligible for variable compensation. All directors are paid the same fixed amount for their roles, with the following exceptions: the Chairman of the Board receives a higher fixed fee reflecting the additional responsibilities of the position, and non-executive Directors serving on Board committees receive additional fixed compensation for their committee work. The Board determines these committee fees periodically, ensuring they remain within the total remuneration limit approved by shareholders at the general meeting.

Total remuneration - Directors

The tables below illustrate the total remuneration received by each individual director for the period ended 31 December 2024 and the period ended 31 December 2023:

Fixed component - Directors

	Relating to the year ended 31 December 2024		**Relating to the year ended 31 December 2023**	
	Fixed annual remuneration fee €	Additional remuneration for sitting on subcommittees €	Fixed annual remuneration fee €	Additional remuneration for sitting on subcommittees €
Andrew Borg	21,371	-	22,715	-
Anthony Mahoney	22,500	2,500	10,000	-
Louis Bellizzi	21,322	500	22,715	-
Mario Mizzi	21,322	1,500	22,715	-
Noel Mizzi (appointed 3 June 2024)	11,666	3,450	-	-
John Wood	21,371	500	22,715	-

Variable component - Directors

Directors of the Company were not entitled to a variable remuneration for the period under review.

C. Remuneration of senior executives

During the period under review, the senior executives of the Group for the period under review were:

- **Andrew Borg** - Chief Executive Officer
- **Alistair Mangion** - Chief Financial Officer
- **Neil Bianco** - Chief Commercial Officer
- **Stephen Vella** - Chief Operations Officer / Chief Technology Officer of Systems Integration Division
- **Vince Vella** - Chief Operations Officer / Chief Technology Officer of Business Software Division and Fintech Division

The Board is of the view that the remuneration of senior executives should consist of a combination of fixed and variable remuneration to attract and retain executives having the credentials, competence, skills, qualities and expertise to fulfil their duties. The remuneration package of senior executives is determined by the Board on the recommendation of the Nomination and Remuneration Committee.

The senior executives of the Company have been appointed for an indefinite period. In the event of termination of a senior executive's employment by the Company (including by way of constructive dismissal or redundancy) other than for good and sufficient cause or termination for those causes specified in the relevant employment contract, the Company must pay the senior executive an amount equivalent to the sum of the Base salary (as defined below) and the Average Bonus (as defined below) by way of pre-liquidated damages. There are no notice periods in respect of the termination of office.

For the purposes of this Remuneration Report:

"**Base Salary**" means full year salary due by the Company in which the CEO/senior executive's employment was terminated.

"**Average Bonus**" means the average bonus that was paid by the Company to the relevant senior executive in the two years immediately preceding the year in which the senior executive's employment was terminated.

For the period under review, senior executives were also awarded non-cash benefits including health insurance, group accident insurance and a mobility allowance.

The Company has established a performance bonus scheme for each of the senior executives of the Group (including the CEO) based on 3.3% of net operating profit of the Group in a relevant financial year. The performance bonus is payable in two tranches: 50% of the estimated total bonus is calculated on the basis of the final management accounts for the relevant year and is payable by the end of February of the following year after the finalisation of the said management accounts (tranche 1), and the final balance, calculated on the basis of the audited accounts of the relevant financial year, is payable by the end of April of the following year.

The Board is of the view that the annual performance bonus of the Company aligns the interests of executives with the long-term performance of the Company, incentivizing them to drive growth and improve efficiency without the limitation of a cap.

Total remuneration - CEO

The tables below illustrate the total remuneration received by the CEO for the year ended 31 December 2024 and the year ended 31 December 2023:

Fixed component - CEO

	Relating to the year ended 31 December 2024 €	Relating to the year ended 31 December 2023 €
Andrew Borg	121,227	120,606

Variable component - CEO

	Relating to the year ended 31 December 2024 €	Relating to the year ended 31 December 2023 €
Andrew Borg	103,401	88,943

Total remuneration - Senior executives (other than the CEO)

In terms of the Code Provisions 8.A.5, total emoluments received by senior management (other than the CEO) during the year under review were €389,600 (2023: €380,300) as fixed remuneration and €413,604 (2023: €355,772) as variable remuneration. No further remuneration and/or benefits were received from subsidiaries of the Group.

Share Options (senior executives)

With a view to maintaining and sustaining growth, for the period under review, the Group established an employee share incentive plan ("ESIP") for the benefit of senior executives (other than the CEO). In terms of the ESIP, said Group companies (Computime Limited and Computime Software Limited) granted senior executives the option, but not the obligation, to acquire ordinary shares in the Company at a pre-determined discounted price of the offer price of the shares in the Company (i.e. at a discount of 35% to the offer price contained in the prospectus published by the Company on the 31st October 2024).

All the options granted under the ESIP were exercised, as a result of which, the total aggregate amount of 1,864,000 amount of ordinary shares in the Company were issued and allotted to the senior executives who exercised their options under the ESIP. The amount of shares issued and allotted to the senior executives pursuant to the ESIP represents 3% of the current issued share capital of the Company. No further options may be granted by the Company under the ESIP and the senior executives' right to acquire ordinary shares in the Company has lapsed. Computime Limited and Computime Software Limited granted financing to senior executives to part finance 83% of the exercise price of the shares acquired pursuant to the ESIP.

The Company has not established any further share option schemes following the termination of the ESIP. In terms of the Remuneration Policy of the Company to be proposed to shareholders for approval at the forthcoming AGM, the Company may consider offering share-based remuneration, profit-sharing, stock options, or pension benefits or retirement schemes as and when deemed appropriate and relevant for the Company.

D. Other information on remuneration required by Appendix 12.1 of the CMRs

The below table presents the annual change of remuneration, of the performance of the company, and of the average remuneration on a full-time equivalent basis of employees of the company other than directors over the last five financial years.

	2024	**2023**	**2022**	**2021**	**2020**
Directors Emoluments	-11%	22%	0%	0%	2%
Average Employee Remuneration (other than directors)	3%	5%	9%	7%	4%
Performance of the Company – Profit before tax	13%	0%	22%	49%	13%

E. Contents of the Remuneration Report

As required by the CMRs the contents of the Report have been duly checked by the Company's external auditors to ensure compliance with the requirements of Appendix 12.1 of Chapter 12 of the CMRs.

Approved by the Board of Directors on 22 April 2025.

Statements of financial position

		Group		Company	
		As at 31 December		As at 31 December	
		2024	**2023**	**2024**	**2023**
	Notes	**€**	**€**	**€**	**€**
ASSETS					
Non-current assets					
Intangible assets	6	6,052,075	6,013,685	-	-
Property, plant and equipment	5	60,796	79,476	-	-
Right-of-use assets	7	615,276	730,845	-	-
Investment in subsidiaries	8	-	-	6,069,715	6,037,844
Financial assets at fair value through other comprehensive income	9	-	4,368	-	-
Amounts due from related parties	12	363,480	-	-	-
Deferred tax assets	10	789,555	530,761	-	-
Total non-current assets		**7,881,182**	**7,359,135**	**6,069,715**	**6,037,844**
Current assets					
Inventories	11	431,175	218,371	-	-
Trade and other receivables	12	4,058,872	3,292,068	130,000	5,000
Contract assets	18	821,867	1,730,830	-	-
Current tax assets		81,182	80,663	-	-
Cash and cash equivalents	13	4,855,512	3,938,120	946,840	367,623
Total current assets		**10,248,608**	**9,260,052**	**1,076,840**	**372,623**
Total assets		**18,129,790**	**16,619,187**	**7,146,555**	**6,410,467**

	Notes	Group As at 31 December 2024 €	Group As at 31 December 2023 €	Company As at 31 December 2024 €	Company As at 31 December 2023 €
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	6,212,900	6,026,500	6,212,900	6,026,500
Share premium		358,820	-	358,820	-
Other reserves	15	101,752	69,881	31,871	-
Retained earnings		2,708,931	2,518,826	505,308	360,074
Total equity		**9,382,403**	**8,615,207**	**7,108,899**	**6,386,574**
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	594,989	707,512	-	-
Total non-current liabilities		594,989	707,512	-	-
Current liabilities					
Lease liabilities	7	112,523	103,726	-	-
Trade and other payables	16	3,638,711	3,422,320	37,656	23,893
Contract liabilities	18	4,401,164	3,770,422	-	-
Total current liabilities		8,152,398	7,296,468	37,656	23,893
Total liabilities		**8,747,387**	**8,003,980**	**37,656**	**23,893**
Total equity and liabilities		**18,129,790**	**16,619,187**	**7,146,555**	**6,410,467**

The notes on pages 42 to 80 are an integral part of these consolidated financial statements.

The financial statements on pages 36 to 80 were approved and authorised for issue by the Board of Directors on 22 April 2025. The financial statements were signed on behalf of the Company's Board of Directors by Anthony Mahoney (Chairman) and Mario Mizzi (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2024.

Statements of comprehensive income

		Group Year ended 31 December		Company Year ended 31 December	
	Notes	2024 €	2023 €	2024 €	2023 €
Revenue	18	18,857,108	18,767,484	-	-
Direct costs	19	(9,284,594)	(10,312,337)	-	-
Gross profit		**9,572,514**	**8,455,147**	**-**	**-**
Operational and administrative expenses	19	(6,908,725)	(6,132,146)	(29,736)	(5,359)
Impairment of receivables and bad debts		(83,685)	(205)	-	-
Operating profit/(loss)		**2,580,104**	**2,322,796**	**(29,736)**	**(5,359)**
Investment income	21	-	1,953	2,619,231	2,255,903
Other income	22	-	(1,236)	-	-
Net finance costs	23	(45,787)	(81,012)	(30)	(35)
Profit before tax		**2,534,317**	**2,242,501**	**2,589,465**	**2,250,509**
Tax expense	24	(344,212)	(147,744)	(444,231)	(667,903)
Profit for the year – total comprehensive income		**2,190,105**	**2,094,757**	**2,145,234**	**1,582,606**
Earnings per share	26	**0.036**	**0.035**	-	-
EBITDA	30	**2,777,719**	**2,592,798**	-	-

The notes on pages 42 to 80 are an integral part of these consolidated financial statements.

Statements of changes in equity

Group

	Notes	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2023		**6,026,500**	**-**	**77,339**	**2,004,611**	**8,108,450**
Comprehensive income						
Profit for the year		-	-	-	2,094,757	2,094,757
Reclassification to retained earnings	15	-	-	(7,458)	7,458	-
Total comprehensive income		-	-	(7,458)	2,102,215	2,094,757
Transactions with owners						
Dividends paid	25	-	-	-	(1,588,000)	(1,588,000)
Total transactions with owners		-	-	-	(1,588,000)	(1,588,000)
Balance at 31 December 2023		**6,026,500**	**-**	**69,881**	**2,518,826**	**8,615,207**
Comprehensive income						
Profit for the year		-	-	-	2,190,105	2,190,105
Total comprehensive income		-	-	-	2,190,105	2,190,105
Equity transactions						
Issue of new shares	14	186,400	358,820	-	-	545,220
Equity-settled share-based payments	27	-	-	31,871	-	31,871
Total equity transactions		186,400	358,820	31,871	-	577,091
Transaction with owners						
Dividends paid	25	-	-	-	(2,000,000)	(2,000,000)
Total transactions with owners		-	-	-	(2,000,000)	(2,000,000)
Balance at 31 December 2024		**6,212,900**	**358,820**	**101,752**	**2,708,931**	**9,382,403**

Company

	Notes	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2023		**6,026,500**	**-**	**-**	**365,468**	**6,391,968**
Comprehensive income						
Profit for the year		-	-	-	1,582,606	1,582,606
Total comprehensive income		-	-	-	1,582,606	1,582,606
Transactions with owners						
Dividends paid	25	-	-	-	(1,588,000)	(1,588,000)
Total transactions with owners		-	-	-	(1,588,000)	(1,588,000)
Balance at 31 December 2023		**6,026,500**	**-**	**-**	**360,074**	**6,386,574**
Comprehensive income						
Profit for the year		-	-	-	2,145,234	2,145,234
Total comprehensive income		-	-	-	2,145,234	2,145,234
Equity transactions						
Issue of new shares	14	186,400	358,820	-	-	545,220
Equity-settled share-based payments	27	-	-	31,871	-	31,871
Total equity transactions		186,400	358,820	31,871	-	577,091
Transactions with owners						
Dividends paid	25	-	-	-	(2,000,000)	(2,000,000)
Total transactions with owners		-	-	-	(2,000,000)	(2,000,000)
Balance at 31 December 2024		**6,212,900**	**358,820**	**31,871**	**505,308**	**7,108,899**

The notes on pages 42 to 80 are an integral part of these consolidated financial statements.

Statements of cash flows

		Group		Company	
		Year ended 31 December		Year ended 31 December	
	Notes	2024 €	2023 €	2024 €	2023 €
Cash flows from operating activities					
Cash generated from/(used in) operations	29	4,141,065	3,812,518	(140,973)	(4,130)
Other income received		-	27,597	2,619,231	2,255,903
Net finance cost		(45,787)	(81,012)	(30)	(35)
Income tax paid		(603,526)	(960,927)	(444,231)	(667,903)
Net cash generated from operating activities		**3,491,752**	**2,798,176**	**2,033,997**	**1,583,835**
Cash flows from investing activities					
Purchases of property, plant and equipment	5	(40,544)	(25,826)	-	-
Purchases of intangible assets	6	(70,978)	(59,374)	-	-
Investment in subsidiary	8	-	-	-	(1,200)
Proceeds from sale of investments	9	4,368	-	-	-
Loans to related parties	12	(454,350)	-	-	-
Net cash used in investing activities		**(561,504)**	**(85,200)**	**-**	**(1,200)**
Cash flows from financing activities					
Issue of new shares	14	90,870	-	545,220	-
Repayment of lease liabilities		(103,726)	(96,746)		-
Dividends paid	25	(2,000,000)	(1,588,000)	(2,000,000)	(1,588,000)
Net cash used in financing activities		**(2,012,856)**	**(1,684,746)**	**(1,454,780)**	**(1,588,000)**
Net movement in cash and cash equivalents		917,392	1,028,230	579,217	(5,365)
Cash and cash equivalents at beginning of year		3,938,120	2,909,890	367,623	372,988
Cash and cash equivalents at end of year	13	**4,855,512**	**3,938,120**	**946,840**	**367,623**

The notes on pages 42 to 80 are an integral part of these consolidated financial statements.

Notes to the financial statements

1. Reporting entity

Computime Holdings p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta and is the parent company of Computime Group which includes the Company and the subsidiaries as disclosed in Note 8, collectively the "Group". On 6 January 2025, the Company's shares were admitted to the Official List of the Malta Stock Exchange.

2. Summary of 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 years presented, unless otherwise stated.

2.1 Basis of preparation

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

These financial statements have been prepared under the historical cost convention, except for the Group's financial assets classified as financial assets at fair value through other comprehensive income.

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

New or revised standards or interpretations

New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted are:

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

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

2. Summary of material accounting policies - continued

2.1 Basis of preparation - continued

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

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations published by the IASB or IFRIC include:

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

None of these Standards or amendments to existing Standards have been adopted early by the Group and the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The Group and the Company will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027. The Group and the Company are not expected to early adopt this new standard.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

2. Summary of material accounting policies – continued

2.2 Consolidation - continued

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. 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, i.e., at cost less impairment. Cost includes directly attributable costs of the investment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The financial statements are presented in euro ("€"), which is both the functional and presentation currency of the entities of the Group and the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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. Foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not re-translated at the end of the reporting period.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'net finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'operational and administrative expenses'.

2. **Summary of material accounting policies** – continued

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Computer and networking equipment	33.33%
Website equipment	33.33%
Furniture, fixtures and fittings	12.5%
Other equipment	10 - 12.5%
Electrical installations and improvements	10%
Motor vehicles	20%
Tools and testing equipment	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.6). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses) - net' in the statement of comprehensive income.

2.5 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

2. **Summary of material accounting policies** – continued

2.5 Intangible assets - continued

(b) Others

All other intangible assets are stated at historical cost less accumulated amortisation. Historical cost includes expenditure that is directly attributable to the acquisition or development of the assets. Amortisation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Website development	16.67%
Computer software (3rd parties)	16.67%
Software development (own IP)	25.00%

The Group recognises an intangible asset for the development of own IP software. Only development costs in the form of employee benefits are capitalised. Expenditure on research is charged to the income statement during the period in which it is incurred. An asset for software development is recognised only when: (a) there is the technical feasibility of completing the software for sale; (b) the Group is able to and intends to sell the developed software; (c) the Group can demonstrate the existence of a market for the software; and (d) the Group has the available technical, financial and other resources required to complete the development and sell the asset.

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

2.7 Leases

The Group is a lessee under a number of arrangements, primarily relating to immovable property. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

2. **Summary of material accounting policies** – continued

2.7 Leases - continued

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

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

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

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

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in either profit or loss or OCI. The Group's financial assets in equity instruments are classified as financial assets at fair value through other comprehensive income.

2. Summary of material accounting policies - continued

2.8 Financial assets - continued

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets measured at amortised cost, i.e. assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income. Impairment losses are presented under 'operational and administrative expenses' in the statement of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has made an irrevocable election on initial recognition to present fair value gains and losses on equity investments in OCI and thus there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, or application of an earnings multiple to the estimated earnings of investment companies unless there are indications that another valuation technique should be applied.

2. Summary of material accounting policies - continued

2.8 Financial assets - continued

Derivative financial instruments

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group's derivatives instruments may include forward currency contracts. For such contracts, the Group does not apply hedge accounting, and the derivatives are subsequently measured at fair value through profit or loss.

The Group did not have any derivative financial instruments measured at fair value during the year.

(d) Impairment of financial assets

The Group and the Company recognise the expected credit losses ("ECLs") associated with debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. They measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group and the Company consider a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group and the Company consider this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch. The Group and the Company did not have any debt securities at the end of the reporting period.

For trade receivables, the Group and the Company apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 4.1).

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group and the Company expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group or the Company, or a market expectation/announcement that a counterparty will default on its payment obligations.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

2.9 Trade and other receivables

Trade receivables are amount due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are presented as current assets unless collection is expected after more than one year. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment (Note 2.8). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.10 Inventories

Inventories are valued at the lower of cost, determined on the first-in-first-out basis, and net realisable value. Cost consists of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.12 Financial liabilities

The Group and the Company recognise a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Group's and the Company's financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group and the Company derecognise a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

2.13 Trade and other payables

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

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

2. Summary of material accounting policies - continued

2.14 Offsetting financial instruments

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

2.15 Equity

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

Retained earnings include all current and prior period retained profits less dividend distribution.

Other reserves currently include balances in (a) General reserve, and (b) Share-based payment reserve. The share-based payment reserve is an increase in equity derived from the share options issued to the executives of the Group in the year ended 31 December 2024 (Note 27).

2.16 Current and deferred tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group and the* Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

2.17 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under trade and other payables in the statement of financial position.

2.18 Revenue recognition

Revenue includes all revenues from the Group's ordinary business activities, with the major sources being renewable software subscriptions, maintenance of software and hardware, and implementation of ICT infrastructural and systems integration solutions.

The Group assesses at contract inception the goods or services promised in a contract with a customer and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset is recognised if the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or is billed. A contract liability is recognised when the customer paid consideration, or a receivable from the customer is due, before the Group fulfils a contractual performance obligation and hence before the Group has recognised revenue. The Group's revenue recognition policies for specific performance obligations are set out below.

(a) Renewable software subscriptions

Renewable software subscriptions are for a fixed fee and remain valid only for the contracted period of time. Such subscriptions include licences to use the Group's Intellectual Property ("IP") as well as third-party IP for which the Group acts as a reseller. They may also include an obligation to provide software updates and/or helpdesk support. The Group identifies three separate performance obligations ("POs") that may happen under such contracts, which are recognised separately, as follows:

- delivery of licence – recognised at a point in time,
- upgrades or updates on a when-and-if basis – recognised over time, and
- helpdesk support – recognised over time

Based on an assessment of the above performance obligations, revenue recognition of renewable software subscriptions or equivalent is made as follows:

Business division	**Relevant performance obligations**	**Revenue recognition**
Business Software and FinTech divisions (3 separate POs are identified for every contract)	- Delivery of license to use software - Upgrades or updates - Helpdesk support	- At a point in time - Over time - Over time
Systems Integration Division (1 PO is identified for every contract)	- Delivery of license to use software	- At a point in time

2. Summary of material accounting policies – continued

2.18 Revenue recognition – continued

(b) Maintenance agreements

Maintenance agreements are offered by the Group as fixed term (usually for one calendar year) support agreements with the sale of 3rd party software licenses when these are sold on a perpetual basis, and with the sale of hardware / infrastructural solutions. The Group identifies one performance obligation under such agreements, which is the provision of helpdesk support throughout the term of the agreement. Revenue and related costs are recognised over time.

(c) Professional services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

The services offered by the Group comprise services negotiated on (i) a fixed fee arrangement which includes the design, implementation, software development/configuration and the commissioning of hardware, and (ii) services generally negotiated on a time and materials ("T&M") arrangement which include support services.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. For such contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Under the Group's support and other services arrangements on a T&M basis, each man hour of service provided to a customer gives it a contractual right to bill for those hours. The Group recognises revenue in the income statement in accordance with the pattern with which its contractual right to bill its customers arises.

(d) Software (perpetual licenses)

For such revenues, customers purchase 3rd party software licenses from the Group. The promise generally includes both the supply and the delivery of such software licenses. Revenue is recognised at a point in time when the transfer of control over the software is passed on to the customer upon its delivery.

(e) Hardware and physical equipment

For such revenues, customers purchase hardware from the Group. The promise generally includes both the supply and the delivery of such hardware. Revenue is recognised at a point in time when the transfer of control over the hardware is passed on to the customer upon its delivery.

(f) Others

Others include provision of training and related services for which revenue are recognised at a point in time when such services are rendered to the customers.

2. **Summary of material accounting policies** – continued

2.19 Operating segments

The Group applies IFRS 8 – Operating Segments, which requires segmental reporting based on the internal management accounts issued to and reviewed by the Chief Operating Decision Maker (CODM) to assess business performance. The operating segments are identified based on the Group's main business activities that generate revenue and incur expenses, and reflect how the internal management structure is applied when financial information is reported to the CODM. The identified operating segments are three: (a) the Business Software division, (b) the Systems Integration division, and (c) the FinTech division. These three segments reflect the internal business division segregation of the Group.

The segment performance is evaluated based on revenue and operating profit which are presented in a manner consistent with the internal management reporting framework. Segment profit is calculated after deducting central administrative, financial and establishment costs that are apportioned across segments based on cost drivers like employee headcount or revenue. Certain expenses are not allocated to operating segments and shown as 'Unallocated' in Note 17. Inter-segment transactions are conducted on an arm's length basis and eliminated at the Group level.

The Group also provides additional disclosures for revenue by geographical region. Furthermore, if revenue from a single external customer exceeds 10% of total Group revenue, this is disclosed separately.

2.20 Direct costs

Direct costs are costs related directly in fulfilling a contract that the Group can specifically identify, and which generate or enhance resources of the Group that will be used in satisfying performance obligations in the future.

2.21 Operational and administrative expenses

Operational and administrative expenses are recognised in profit or loss upon utilisation of the service or as incurred.

2.22 Dividend distribution

Dividend distributions to the Company's shareholders are recognised in the Company's financial statements as a liability in the period in which the dividends are approved by the Company's shareholders; and, in the period when they are declared and paid on an interim basis.

2.23 Share-based payments

The Company has approved an equity-settled share-based payment compensation agreement. In accordance with the agreement, the Company grants options over equity instruments to employees of its subsidiaries. The fair value of options granted are recognised by the Group and the respective subsidiaries as an employee benefits expense. The expense is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

2. Summary of material accounting policies – continued

2.23 Share-based payments – continued

The Company recognises the fair value of employee services received in exchange for share-based payments, measured based on the grant date fair value of the equity instruments. This fair value is recognised over the vesting period as a capital contribution to the subsidiary, resulting in a corresponding increase in the Company's investment in the subsidiary and a credit to other reserves.

No agreement exists between the Company and the subsidiary for reimbursement or compensation related to the fair value of shares granted . Therefore, no receivable is recognised from the subsidiary in connection with these share-based payments.

Upon exercise of the share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal value of the shares issued, with any excess being recorded as share premium.

3. Critical accounting estimates and judgements

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

In the opinion of the directors, except for the recognition of deferred tax income as set out below, the accounting estimates and judgements 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.

Deferred Tax

The deferred taxes calculation disclosed in Note 10, includes a deferred tax on temporary differences arising from the elimination of intangible assets upon consolidation. This amount has been capped to reflect the probable profits that will be earned by the subsidiary of the Group and against which the tax losses can be utilised.

4. Financial risk management

4.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and cash flow and fair value interest rate risk). The management of the Group's and the Company's financial risk is based on a financial policy approved by the directors and exposes the Group and the Company to a low level of risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a counterparty to a financial instrument fails to meet its contractual obligations. It mainly arises on trade and other receivables and on cash and cash equivalents.

4. Financial risk management – continued

4.1 Financial risk factors – continued

The Group's and the Company's exposure to credit risk at the end of the reporting period is analysed as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**
Cash at bank and in hand (Note 13)	4,855,512	3,938,120	946,840	367,623
Trade receivables (Note 12)	3,257,640	2,865,806	-	-
Amounts due from related parties (Note 12)	459,350	5,000	130,000	5,000
Contract assets* (Note 18)	821,867	1,730,830	-	-
Other receivables (Note 12)	188,091	25,133	-	-
Maximum exposure to credit risk	**9,582,460**	**8,564,889**	**1,076,840**	**372,623**

**While a contract asset is not considered as a financial asset under IFRS 9, the impairment rules in IFRS 9 also apply to the Company's contract assets. The impairment of contract assets is measured, presented and disclosed on the same basis as financial assets that are within the scope of IFRS 9.*

Expected credit loss model

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

- trade receivables with respect to normal operating activities,
- contract assets relating to services for fixed fee arrangements, and
- amounts due from related parties.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the directors believe that expected credit loss on bank balances would be negligible since bank balances are placed with reputable banks.

(1) Trade receivables and contract assets

The Group applies the simplified approach set out in IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

4. Financial risk management – continued

4.1 Financial risk factors – continued

(a) Credit risk - continued

(1) Trade receivables and contract assets - continued

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximate of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowances as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables and contract assets:

		Past due					
	Current	**Not more than 30 days**	**More than 30 days**	**More than 90 days**	**High-risk territories**	**Probable Losses**	**Total**
31 December 2024							
Expected loss rate	0.4%	2%	3% - 4%	6%	6%	100%	
Gross carrying amount – trade receivables	2,338,545	267,741	514,956	131,546	38,400	49,172	3,340,360
Gross carrying amount – contract assets	825,168	-	-	-	-	-	825,168
Reconciling entries							8,794
Loss allowances	**12,654**	**5,355**	**17,436**	**7,894**	**2,304**	**49,172**	**94,815**
31 December 2023							
Expected loss rate	0.4%	1% - 2%	3% - 4%	6%	6%	100%	
Gross carrying amount – trade receivables	2,371,176	288,842	128,587	49,633	46,176	-	2,884,414
Gross carrying amount – contract assets	1,738,708	-	-	-	-	-	1,738,708
Reconciling entries							6,151
Loss allowances	**16,640**	**5,777**	**4,471**	**2,978**	**2,771**	**-**	**32,637**

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

4. Financial risk management – continued

4.1 Financial risk factors – continued

(a) Credit risk - continued

(2) Receivables from related entities and other receivables

For the purpose of the ECL model, the expected credit losses on amounts due from related parties and amounts due from the loans to executives (Note 12) are considered to be insignificant.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company are exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables. Liquidity risk is monitored to meet the Group's and the Company's obligations.

The approach to managing liquidity is to ensure, as far as possible, that the Group and the Company will always have sufficient liquidity to meet liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation. This risk management process includes regular forecasting of cash flows by management.

The main financial liabilities of the Group and the Company represent trade payables and amounts owed to other related parties as disclosed in Note 16 to the financial statements.

(c) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities, which are denominated in a currency that is not the Group's and the Company's functional currency. Fluctuations in foreign exchange rates can have a moderate impact on the Company's and the Group's performance.

The risk is mitigated through the following measures:

- Natural hedging through aligning balances of receivables in a foreign currency with corresponding balances of payables in the same currency;
- Applying cautious exchange rates when costing projects, by allowing for a margin of fluctuation in advance; and
- Entering into forward contracts in special situations where management believes that a specific project risk is high enough to merit such a hedging measure.

(ii) Cash flow and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on fair values of financial assets and liabilities and future cash flows. The directors do not consider the Group's and the Company's exposure to risk associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows to be substantial in view of the nature of the assets and liabilities.

The Group and the Company are neither exposed to any major interest-related risks, which could have an impact on the value to be attributed to financial assets and liabilities, nor to any interest related cash-flow risks.

4.2 Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern whilst maximising the return to shareholders through the optimisation of debt and equity balances. Strategies are expected to remain unchanged in the foreseeable future. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets.

The Group's and the Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Group and the Company maintain the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Group's and the Company's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

4.3 Fair values of financial and non-financial instruments

Financial instruments that are measured in the statement of financial position at fair value are analysed by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

Group	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
	€	**€**	**€**	**€**	**€**	**€**
Assets	***Level 1***		***Level 2***		***Level 3***	
Financial assets at fair value through other comprehensive income						
Equity securities (Note 9)	-	-	-	-	-	4,368
Total	**-**	**-**	**-**	**-**	**-**	**4,368**

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

5. Property, plant and equipment

Group

	Computer and networking equipment €	Website equipment €	Furniture, fixtures and fittings €	Other equipment €	Electrical installations and improvements €	Motor vehicles €	Tools and testing equipment €	Total €
At 1 January 2023								
Cost	978,415	6,404	434,936	403,932	118,553	34,146	65,071	2,041,457
Accumulated depreciation	(903,707)	(6,404)	(414,930)	(369,352)	(115,987)	(34,146)	(61,344)	(1,905,870)
Net book amount	**74,708**	**-**	**20,006**	**34,580**	**2,566**	**-**	**3,727**	**135,587**
Year ended 31 December 2023								
Opening net book amount	74,708	-	20,006	34,580	2,566	-	3,727	135,587
Additions	24,462	-	1,364	-	-	-	-	25,826
Depreciation charge	(59,944)	-	(7,212)	(13,648)	(404)	-	(729)	(81,937)
Closing net book amount	39,226	-	14,158	20,932	2,162	-	2,998	79,476
At 31 December 2023								
Cost	1,002,877	6,404	436,300	403,932	118,553	34,146	65,071	2,067,283
Accumulated depreciation	(963,651)	(6,404)	(422,142)	(383,000)	(116,391)	(34,146)	(62,073)	(1,987,807)
Net book amount	**39,226**	**-**	**14,158**	**20,932**	**2,162**	**-**	**2,998**	**79,476**

5. **Property, plant and equipment** – continued

Group

	Computer and networking equipment	Website equipment	Furniture, fixtures and fittings	Other equipment	Electrical installations and improvements	Motor vehicles	Tools and testing equipment	Total
	€	€	€	€	€	€	€	€
Year ended 31 December 2024								
Opening net book amount	39,226	-	14,158	20,932	2,162	-	2,998	79,476
Additions	35,762	-	1,683	1,556	1,543	-	-	40,544
Depreciation charge	(41,866)	-	(3,730)	(12,380)	(518)	-	(730)	(59,224)
Closing net book amount	33,122	-	12,111	10,108	3,187	-	2,268	60,796
At 31 December 2024								
Cost	1,038,639	6,404	437,983	405,488	120,096	34,146	65,071	2,107,827
Accumulated depreciation	(1,005,517)	(6,404)	(425,872)	(395,380)	(116,909)	(34,146)	(62,803)	(2,047,031)
Net book amount	**33,122**	**-**	**12,111**	**10,108**	**3,187**	**-**	**2,268**	**60,796**

6. Intangible assets

Group

	Goodwill €	Website development €	Computer software 3rd party €	Software development Own IP €	Total €
At 1 January 2023					
Cost	5,969,095	12,000	47,282	162,810	6,191,187
Accumulated amortisation	-	(12,000)	(47,073)	(65,502)	(124,575)
Net book amount	**5,969,095**	**-**	**209**	**97,308**	**6,066,612**
Year ended 31 December 2023					
Opening net book amount	5,969,095	-	209	97,308	6,066,612
Additions	-	-	-	59,374	59,374
Amortisation	-	-	(150)	(112,151)	(112,301)
Closing net book amount	5,969,095	-	59	44,531	6,013,685
At 31 December 2023					
Cost	5,969,095	12,000	47,282	222,184	6,250,561
Accumulated amortisation	-	(12,000)	(47,223)	(177,653)	(236,876)
Net book amount	**5,969,095**	**-**	**59**	**44,531**	**6,013,685**
Year ended 31 December 2024					
Opening net book amount	5,969,095	-	59	44,531	6,013,685
Additions	-	-	-	70,978	70,978
Amortisation	-	-	-	(32,588)	(32,588)
Closing net book amount	5,969,095	-	59	82,921	6,052,075
At 31 December 2024					
Cost	5,969,095	12,000	47,282	293,162	6,321,539
Accumulated amortisation	-	(12,000)	(47,223)	(210,241)	(269,464)
Net book amount	**5,969,095**	**-**	**59**	**82,921**	**6,052,075**

7. Leases

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Group	
	2024 €	2023 €
Right-of-use assets as at 31 December		
Immovable properties	615,276	730,845
	615,276	**730,845**
Lease liabilities as at 31 December		
Current	112,523	103,726
Non-current	594,989	707,512
	707,512	**811,238**

There were no additions to the right-of-use assets during the year ended 31 December 2024.

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group	
	2024 €	2023 €
Depreciation charge of right-of-use assets		
Immovable properties	115,570	115,255
Interest expense (included in finance cost)	36,020	40,804

The depreciation charge is presented within 'Operational and administrative expenses' in the statement of comprehensive income.

The total cash outflow for leases in 2024 was €139,748 (2023: €137,550).

(c) The Group's leasing activities

The Group leases immovable properties. Lease terms are negotiated on an individual basis. The Group's lease arrangements are typically made for periods of 5 years di fermo, with remaining periods of 5-15 years di rispetto.

7. **Leases** – continued

Future lease payments at 31 December were as follows:

	Not later than one year €	Later than one year but not later than five years €	Later than five years €	Total €
31 December 2024				
Lease payments	143,125	603,349	52,291	798,765
Finance charges	(30,602)	(60,219)	(432)	(91,253)
Net present values	**112,523**	**543,130**	**51,859**	**707,512**
31 December 2023				
Lease payments	139,746	592,645	206,120	938,511
Finance charges	(36,020)	(85,938)	(5,315)	(127,273)
Net present values	**103,726**	**506,707**	**200,805**	**811,238**

The Group's accounting policies for leases are disclosed in Note 2.7 to these financial statements.

8. Investment in subsidiaries

	Company	
	2024 €	2023 €
Opening net book amount	6,037,844	6,036,644
Movement in investment in subsidiaries (Note 27)	31,871	1,200
Closing net book amount	**6,069,715**	**6,037,844**

The subsidiaries at 31 December are shown below:

Subsidiary	Country of incorporation	Class of shares held	Percentage of shares held by the Group	
			2024 %	2023 %
Computime Limited	Malta	Ordinary shares	**100**	100
Computime Software Limited	Malta	Ordinary shares	**100**	100
Computime Labs Ltd.	Malta	Ordinary shares	**100**	100

The percentage of shares held by the Group is held directly by Computime Holdings p.l.c.

9. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Group considers this classification to be more relevant. Equity investments at FVOCI comprise the following individual investments:

	Group	
	2024 €	2023 €
Unlisted securities		
STC International Limited	-	4,368
	-	**4,368**

During the year, the Group disposed of €4,368 unlisted securities at cost.

10. Deferred tax

Deferred tax is calculated on all temporary differences under the liability method using the tax rate that is expected to apply to the period when the assets/liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned. The principal tax rate used is 35% (2023: 35%), which is the effective tax rate for the Company's profits earned in Malta. The movement in deferred tax balances is analysed as follows:

	Group	
	2024 €	2023 €
At beginning of year	**530,761**	**78,731**
Recognised directly in profit or loss:		
Deferred income taxes on temporary differences arising on depreciation of property, plant and equipment	(293)	8,425
Deferred income taxes on temporary differences arising on provisions	21,761	72
Deferred income taxes on temporary differences arising on unrealised differences on exchange	(11,549)	(2,336)
Deferred income taxes on temporary differences arising on right of use assets	40,449	40,339
Deferred income taxes on temporary differences arising on lease liabilities	(36,303)	(33,861)
Deferred income taxes on unabsorbed tax losses	1,662	1,628
Deferred tax on temporary differences arising from tax losses of the subsidiary	231,888	437,763
Deferred income taxes on temporary differences arising on share-based payment schemes (Note 27)	11,155	-
Unrecognised deferred tax in prior years	24	-
At end of year	**789,555**	**530,761**

11. Inventories

	Group 2024 €	Group 2023 €
Spares held for maintenance contracts	37,007	58,057
Finished goods and goods for resale	394,168	160,314
	431,175	**218,371**

12. Trade and other receivables

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Trade receivables	3,257,640	2,865,806	-	-
Amounts due from other related parties	459,350	5,000	130,000	5,000
Other receivables	188,091	25,133	-	-
Total financial assets	**3,905,081**	**2,895,939**	**130,000**	**5,000**
Other assets	345,863	254,149	-	-
Prepayments	171,408	141,980	-	-
	4,422,352	**3,292,068**	**130,000**	**5,000**
Current	4,058,872	3,292,068	130,000	5,000
Non-current	363,480	-	-	-
	4,422,352	**3,292,068**	**130,000**	**5,000**

Included in the 'amounts due from other related parties' is a loan to key executives related to share options amounting to €454,350. The loan is interest-free and payable in equal instalments over five years. The remaining balance under 'amounts due from other related parties' is interest-free and repayable on demand. Details on the Company's exposure to credit risk with respect to its trade and other receivables are disclosed in Note 4.1.

13. Cash and cash equivalents

For the purposes of the statements of financial position and cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Cash at bank and other intermediaries	4,855,512	3,938,120	946,840	367,623

14. Share capital

At 31 December 2024, the authorised share capital of the Company comprised 65,000,000 ordinary shares of a nominal value of €0.10c each.

	2024 €	2023 €
Issued and fully paid		
6,026,500 Ordinary shares of €1 each	-	6,026,500
62,129,000 Ordinary shares of €0.10c each	6,212,900	-
	6,212,900	**6,026,500**

In terms of the Company's Memorandum and Articles of Association, all ordinary shares in the Company shall rank equally in all respects. Ordinary shareholders have one vote per share and are entitled to receive dividends as declared.

On 6 December 2023, the shareholders of the Company resolved in writing that the 6,000 preference shares are converted into ordinary shares, and consequently re-nominalised from a nominal value of €1,000 per share to €1 per share. Subsequently on 13 August 2024, the shareholders of the Company in an extraordinary general meeting, resolved to re-denominate the Company's authorised share capital to 65,000,000 ordinary shares of €0.10c each. On 24 September 2024, as part of an Employee Share Incentive Plan ("ESIP"), the Company issued and allotted 1,864,000 shares, having a nominal value of €0.10 per share, at a premium of €0.1925 per share (Note 27) to three executives of Computime Limited and one executive of Computime Software Limited, thereby increasing the issued share capital to €6,212,900 divided into 62,129,000 ordinary shares of a nominal value of €0.10c each fully paid-up. A reconciliation of the number of shares at the beginning and end of the period is being presented:

	Ordinary Shares no.	Preference Shares no.
Balance at 1 January 2023	**26,500**	**6,000,000**
Conversion of preference shares into ordinary shares	6,000,000	(6,000,000)
Balance at 31 December 2023	**6,026,500**	**-**
Re-denomination from €1.00 to €0.10c per ordinary share	60,265,000	-
Issue of new shares in relation to ESIP	1,864,000	
Balance at 31 December 2024	**62,129,000**	**-**

15. Other reserves

Group	FVOCI Revaluation Reserve €	General reserve €	Share-based payment reserve €	Total reserves €
At 1 January 2023	7,458	69,881	-	77,339
Movement in value of equity instruments measured at fair value through other comprehensive income	(7,458)	-	-	(7,458)
At 31 December 2023	**-**	**69,881**	**-**	**69,881**
At 1 January 2024	-	69,881	-	69,881
Equity-settled share-based payments	-	-	31,871	31,871
At 31 December 2024	**-**	**69,881**	**31,871**	**101,752**

16. Trade and other payables

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Current				
Trade payables	1,616,577	1,055,450	-	-
Amounts owed to other related parties	-	-	21,791	19,544
Other payables	21,845	47,095	-	-
Accruals	1,275,828	1,504,043	15,865	4,349
Indirect taxes and social security	724,461	815,732	-	-
	3,638,711	**3,422,320**	**37,656**	**23,893**

Amounts due to related parties are unsecured and interest free and repayable on demand.

17. Operating segments

(a) Operating segments

The Group is structured into three reportable segments, reflecting its core business activities as follows:

- *Business Software Division*

  The Business Software Division provides value-added reselling of global brands in the ERP (Enterprise Resource Planning), EAM (Enterprise Asset Management), and accounting software markets, as well as custom business software development.

- *Fintech Division*

  The Fintech Division provides Regulatory Technology (Reg Tech) which refers to management of regulatory monitoring, reporting and compliance through technology, within highly regulated industries especially banking, finance and i-gaming.

- *Systems Integration Division*

  The Systems Integration Division provides enterprise-level systems integration and ICT infrastructure projects including cyber-security solutions, and the design and implementation of IP networks and various server technologies.

Further details about these three business divisions can be found in the Directors' Report.

These segments are managed independently, as they offer distinct services and require specific operating and marketing strategies. The Group's Executive Team, acting as the Chief Operating Decision Maker ("CODM"), regularly reviews internal management reports based on these three segments to assess performance and allocate resources efficiently.

Segment performance is evaluated on the basis of revenue and profitability after allowing for segment-direct expenses and the allocation of corporate expenses across segments. The Group does not generate inter-segment revenue, and all revenue disclosed is derived from external customers.

The CODM does not assess segment assets or liabilities for performance evaluation or resource allocation. This is because the Group's capital structure, financing arrangements, and major asset investments are managed centrally at the corporate level rather than at the segment level. As a result, information on segments assets and liabilities is not used in internal management reporting for decision-making purposes. Accordingly, in line with IFRS 8.23, the Group is not presenting segment assets and liabilities in this disclosure note.

17. Operating segments – continued

(b) Segment information

Information about reportable segments:

	Systems Integration Division		Fintech Division		Business Solutions Division		Unallocated		Total	
	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €
Revenue by service type:										
Software subscriptions and maintenance agreements	9,224,982	8,782,043	2,510,149	2,192,549	1,924,097	1,724,872	-	-	13,659,228	12,699,464
Sale of hardware and software (perpetual)	2,274,527	3,439,466	-	-	30,097	58,957	-	-	2,304,624	3,498,423
Professional Services	1,033,097	948,520	704,504	604,505	1,155,655	1,016,572	-	-	2,893,256	2,569,597
Total Revenue	**12,532,606**	**13,170,029**	**3,214,653**	**2,797,054**	**3,109,849**	**2,800,401**	**-**	**-**	**18,857,108**	**18,767,484**
Yearly growth (%)	(4.8%)	-	14.9%	-	11.1%	-	-	-	0.5%	
Other Income	-	-	-	-	-	-	-	717	-	717
Information about profit or loss:										
Direct Costs	(8,040,264)	(9,203,638)	(291,647)	(268,660)	(952,683)	(840,039)	-	-	(9,284,594)	(10,312,337)
Professional fees	(107,023)	(60,729)	(51,157)	(39,789)	(135,637)	(105,461)	-	-	(293,817)	(205,979)
Employee benefit expenses / director emoluments	(2,631,431)	(2,399,199)	(1,174,321)	(1,009,648)	(1,336,047)	(1,224,694)	(517,005)	(444,715)	(5,658,804)	(5,078,256)
Depreciation	(29,940)	(43,952)	(14,485)	(17,972)	(14,799)	(20,013)	-	-	(59,224)	(81,937)
Amortisation of intangible assets	-	(80)	-	(33)	-	(37)	(32,588)	(112,151)	(32,588)	(112,301)
Share-based payments	-	-	-	-	-	-	(31,871)	-	(31,871)	-
Amortisation of right-of-use assets	-	-	-	-	-	-	(115,570)	(115,255)	(115,570)	(115,255)
Establishment costs	(126,194)	(128,966)	(46,249)	(39,503)	(54,008)	(51,920)	139,747	137,550	(86,704)	(82,839)
Marketing and business development	(69,656)	(28,921)	(130,250)	(80,066)	(16,114)	(13,677)	-	-	(216,020)	(122,664)
Insurance costs	(38,073)	(31,700)	(20,811)	(16,735)	(25,355)	(21,149)	-	863	(84,239)	(68,721)
Other administrative expenses	(193,883)	(182,778)	(34,584)	(29,335)	(45,391)	(43,319)	(56,030)	(8,762)	(329,888)	(264,194)
Impairment of receivables and bad debts	(65,485)	(160)	(7,821)	1	(10,379)	(46)	-	-	(83,685)	(205)
Finance costs	41,011	(31,248)	4,898	243	6,500	(8,998)	(98,196)	(41,009)	(45,787)	(81,012)
Profit before tax	**1,271,668**	**1,058,658**	**1,448,226**	**1,295,557**	**525,936**	**471,048**	**(711,513)**	**(582,762)**	**2,534,317**	**2,242,501**
Yearly growth (%)	20.1%	-	11.8%	-	11.7%	-	-	-	13.0%	

17. Operating segments – continued

(c) Reconciliation of segment results and unallocated costs

In accordance with IFRS 8.28, the Group is required to reconcile the total profit or loss of its reportable segments to the consolidated profit before tax figure. For the years ended 31 December 2024 and 31 December 2023, the total segment profit before tax as presented in the operating segments note, fully reconciles with the consolidated profit before tax reported in the statement of comprehensive income. No adjustments or reclassifications were necessary, as segment results align directly with the Group's overall financial performance. Accordingly, a separate reconciliation table is not required.

Unallocated operating income and expenses mainly consist of certain employee benefit expenses, amortisation of right-of-use assets and intangible assets, finance costs related to leases, and other corporate administrative expenses that are not normally allocated across segments in internal reporting to the CODM. These unallocated costs have been presented in a separate column in the above segment information table. Consistency is applied over the years in terms of which categories remain unallocated.

(d) Geographical information

Group revenue is categorised by geographical segment, based on the location of the Group's customers. This provides insight into the regional distribution of revenue streams. Information about geographical segments:

	Systems Integration Division		FinTech Division		Business Solutions Division		Total	
	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €
Revenue by geographical segment:								
Malta	12,112,343	12,641,186	2,349,583	2,385,224	2,721,627	2,142,572	17,183,553	17,168,982
Europe	153,372	102,021	436,235	215,764	21,261	34,577	610,868	352,362
Other	266,891	426,822	428,835	196,066	366,961	623,252	1,062,687	1,246,140
Total revenue	**12,532,606**	**13,170,029**	**3,214,653**	**2,797,054**	**3,109,849**	**2,800,401**	**18,857,108**	**18,767,484**
In % terms:	%	%	%	%	%	%	%	%
Malta	97	96	73	85	88	77	91	91
Europe	1	1	14	8	1	1	3	2
Other	2	3	13	7	11	22	6	7

(e) Major customer disclosure

In accordance with IFRS 8.34, the Group is required to disclose information about major customers that account for 10% or more of the total revenue. The Group provides goods and services to various customers, including government entities. For the year ended 31 December 2024, although no single government entity contributed 10% or more of the Group's total revenue, the aggregate revenue from all government entities amounted to €3.2 million, representing 17% of total revenue. These revenues are primarily generated from the Systems Integration division. Apart from government-related revenues, no other single customer accounted for 10% or more of total revenue during the reporting period.

18. Revenue

The Group's revenue is analysed as follows:

	Group	
	2024 €	2023 €
Software subscriptions and maintenance agreements	13,659,228	12,699,464
Professional services	2,893,256	2,569,597
Sale of hardware and software (perpetual)	2,304,624	3,498,423
	18,857,108	**18,767,484**

The Group's revenue is further analysed as follows:

	Group	
	2024 €	2023 €
By timing of transfer of goods or services		
Over time	6,225,085	5,615,875
At a point in time	12,632,023	13,151,609
	18,857,108	**18,767,484**

The Group's policies with respect to revenue recognition including the timing of recognising performance obligations are disclosed in Note 2.18 to these consolidated financial statements. Contract assets and contract liabilities related to contracts with customers arise from the timing of recognition of these performance obligations. These are separately disclosed on the statement of financial position. The following are the amounts recognised as contract assets and liabilities at the end of the reporting periods presented:

	Group	
	2024 €	2023 €
Contract assets		
Contract assets relating to rendering of services	307,882	553,880
Contract assets relating to maintenance and support agreements	-	31,067
Contract assets relating to the sale of software and hardware	509,408	1,144,481
Provision for impairment of contract assets	4,577	1,402
	821,867	**1,730,830**
Contract liabilities		
Deferred revenue on rendering of services	145,047	110,153
Deferred revenue on maintenance and support agreements	1,388,989	1,487,959
Deferred revenue on sale of software and hardware	2,867,128	2,172,310
	4,401,164	**3,770,422**

The Group recognised an asset in relation to costs to fulfil long-term contract. This is presented under other assets within trade and other receivables (Note 12). The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

19. Expenses by nature

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Purchases and other direct costs	9,284,594	10,312,337	-	-
Professional fees	293,817	205,979	14,871	4,159
Employee benefit expenses (Note 20)	5,315,442	4,760,090	-	-
Directors' emoluments (Note 20)	343,362	318,166	-	-
Depreciation of property, plant and equipment (Note 5)	59,224	81,937	-	-
Amortisation of intangible assets (Note 6)	32,588	112,301	-	-
Share-based payments (Note 27)	31,871	-	-	-
Amortisation of right-of-use assets (Note 7)	115,570	115,255	-	-
Establishment costs	86,704	82,839	-	-
Marketing and business development	216,020	122,664	-	-
Insurance costs	84,239	68,721	-	-
Other administrative expenses	329,888	264,194	14,865	1,200
	16,193,319	**16,444,483**	**29,736**	**5,359**

Auditor's fees

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

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
Annual statutory audit	35,000	26,000	9,000	2,700
	35,000	**26,000**	**9,000**	**2,700**

There were no non-audit services provided by the auditors during the reporting period.

20. Employee benefit expense

	Group	
	2024	2023
	€	€
Wages and salaries	5,485,337	4,940,559
Employee training, recruitment and welfare expenses	173,467	137,697
	5,658,804	**5,078,256**

20. **Employee benefit expense** – continued

The average number of persons employed during the year:

	Group	
	2024 No.	2023 No.
Management, administrative and operating	**99**	90

21. Investment income

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Dividends from subsidiaries	-	-	2,619,231	2,255,903
Other investment income	-	1,953	-	-
	-	**1,953**	**2,619,231**	**2,255,903**

22. Other income

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Loss on sale of investments	-	(1,236)	-	-
	-	**(1,236)**	**-**	**-**

23. Net finance cost

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Bank charges	16,285	13,263	30	35
Differences on exchange	(6,578)	23,301	-	-
Lease interest expense (Note 7)	36,020	40,804	-	-
Bank interest expense	115	3,677	-	-
Interest receivable	(55)	(33)	-	-
	45,787	**81,012**	**30**	**35**

24. Tax expense

The tax expense for the year comprises the following:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Current tax expense	603,006	599,774	444,231	667,903
Deferred tax income	(258,794)	(452,030)	-	-
	344,212	**147,744**	**444,231**	**667,903**

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

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Profit before tax	**2,534,317**	**2,242,501**	**2,589,465**	**2,250,509**
Tax on profit at 35%	887,011	784,875	906,313	787,678
Tax effect of:				
Expenses not deductible for tax purposes	23,196	16,168	10,418	1,887
Income subject to different tax rates	-	-	-	(16)
Deductions on lease payments	(48,913)	(48,142)	-	-
Permanent differences on depreciation / amortisation of non-qualifying assets	40,449	63,264	-	-
Dividends taxed at source with a final tax	(8)	(21)	(472,500)	(121,540)
Deferred tax related to assets and liabilities arising from a single transaction	(4,145)	(6,478)	-	-
Unrecognised deferred tax in prior year	(22,949)	-	-	-
Losses not deductible for tax purposes	-	433	-	-
Income subject to tax credits	(33,222)	(106)	-	-
Income not subject to tax	-	-	-	(106)
Difference in tax base of intangible asset	(497,204)	(662,250)	-	-
Other differences	(3)	1	-	-
Tax expense	**344,212**	**147,744**	**444,231**	**667,903**

The amount of €497,204 in the above reconciliation (2023: €662,250), explained as a 'difference in tax base of intangible asset' pertains to the tax impact of the deferred tax asset recognised at a Group level following an intra-group transfer of intellectual property rights in 2023.

25. Dividends

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Special one-off net dividend	800,000	-	800,000	-
Interim net dividend for financial year 2024	1,200,000	1,588,000	1,200,000	1,588,000
Total net dividend	**2,000,000**	**1,588,000**	**2,000,000**	**1,588,000**
Net dividend per share	**0.032**	**0.026**	**0.032**	**0.026**

The special one-off net dividend of €800,000 was paid from pre-FY2024 reserves.

The directors propose that a final net dividend of €0.0270 per ordinary share will be paid to ordinary shareholders in respect of the year ended 31 December 2024, consisting of:

- An interim net dividend of €1,200,000 (€0.0193 per share), representing a gross distribution of €1,576,923 already paid to shareholders on 12 September 2024; and

- A net dividend of €480,000 (€0.0077 per share), representing a gross distribution of €738,462 to all shareholders included in the register of the Company as at 12 June 2025, due for payment on or around 17 June 2025. This second payment was not included as a liability in the financial statements and, subject to the approval by the shareholders at the forthcoming Annual General Meeting, will be accounted for in the year ending 31 December 2025.

26. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Furthermore, there are no instruments which could give rise to potential ordinary shares and have a dilutive effect, and therefore, only the basic earnings per share has been presented.

	Group	
	2024	2023
Profit attributable to equity holders of the Company (€)	2,190,105	2,094,757
Weighted average number of ordinary shares in issue (no.) (Note 14)	60,811,433	60,265,000
Earnings per share (€)	**0.036**	**0.035**

The weighted average number of shares for 2023 has been restated to reflect the re-denomination of the nominal value of ordinary shares from €1.00 to €0.10 in August 2024 as explained in Note 14, in accordance with **IAS 33**, to ensure comparability.

27. Share options

(a) Employee option plan

During the year ended 31 December 2024, in terms of an agreement dated 2 July 2024 between the Company and its subsidiaries, Computime Limited and Computime Software Limited, the Company granted options for employee shares to three executives of Computime Limited and one executive of Computime Software Limited (collectively referred to as "the subsidiaries"). This agreement, referred to as the Employee Share Incentive Plan ("ESIP"), aims to offer long-term incentives to these executives while fostering long-term benefits for the Group's shareholders.

The ESIP allocated 1,864,000 share options to be evenly distributed among the four executives of the Group, with an average exercise price of € 0.2925 per share, under the ESIP. In accordance with the ESIP, all four executives of the Group were granted the right to exercise their options and convert them into shares, however such shares cannot be sold on the open market for four years from the exercise date, and the participants are required to remain in employment with the Group for a minimum of four years from that date. Should the participants leave the Group before the four-year vesting period, they shall be obliged to pay an amount in cash to the Group equivalent to the difference between the IPO offer price and the option price.

The arrangement is such that the subsidiaries receive services in exchange for shares in the Company, and the Company has the obligation to deliver shares to the ESIP participants. Upon exercise, the Company has no legal or constructive obligation to repurchase or settle the options in cash. As a result, the share options are classified as equity-settled share-based payments and have been measured at the grant date fair value in accordance with *IFRS 2 Share-based payments* requirements. Due to the above-mentioned condition requiring the employees to remain in employment with the Group for four years subsequent to exercising the options, the expense is not recognised immediately but over a four-year period commencing from the grant date.

All the ESIP participants exercised their right to subscribe to the shares within the current financial year, becoming a shareholder of 466,000 shares each.

(b) Expenses arising from share-based payment transactions

Total expenses arising from the share-based payment transactions recognised by the Group during the period are:

	2024 €	2023 €
Share-based payments, equity-settled by parent company	31,871	-

The expense in the subsidiaries is recognised as an expense (Note 19) and since the subsidiaries have no obligation to compensate the parent for granting shares, the corresponding entry is credited to Other reserves as a capital contribution. On the other hand, the Company in its standalone financial statements records an investment in subsidiaries (Note 8) for an equivalent amount, with the corresponding entry being a credit to the share-based payment reserve (Note 15).

27. Share options – continued

(c) Fair value of options granted

The assessed fair value at the grant date of options granted during the year ended 31 December 2024 is €0.21 per option. The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option and the correlations and volatilities of peer companies. The model inputs for options granted during the year ended 31 December 2024 included:

- Options vest over a 4-year period
- Exercise price (total for four employees): 1,864,000 share options at €0.2925 per share option
- Grant date: 13 August 2024
- Share price at grant date: €0.45
- Expected price volatility of the Group's shares: 22% (by relative standard deviation)
- Risk-free interest rate: 3.6% (yield on Malta Government stock as at grant date)

28. Related party transactions

Computime Holdings p.l.c. forms part of the Computime Group, which comprises Computime Holdings p.l.c. and its subsidiaries. All companies forming part of the Computime Group are related parties. Transactions between these companies would typically include management fees and other such items which are normally encountered in a group context. The following significant operating transactions, which were carried out principally with related parties forming part of the Computime Group, have a material effect on the operating results and financial position of the Company or the subsidiaries:

	2024 €	2023 €
Dividend income from subsidiaries:		
Net dividend paid by Computime Software Limited to Company.	2,175,000	778,000
Net dividend paid by Computime Limited to Company.	-	810,000
Recharge of costs between subsidiaries, including management fees:		
Management fee charged by Computime Limited to Computime Software Limited.	710,000	622,000
Project costs and marketing costs recharged by Computime Limited to Computime Software Limited.	143,499	305,592
Invoicing of software and services, at arm's length, between subsidiaries:		
IP royalties charged by Computime Labs Ltd. to Computime Software Limited.	823,549	673,201
Transactions with key personnel:		
Loans provided by Computime Limited to executives in relation to share options program (Note 27).	340,763	-
Loan provided by Computime Software Limited to executives in relation to share options program (Note 27).	113,588	-

Year-end balances with related parties, arising principally from the transactions referred to previously, are disclosed in Notes 12 and 16 to these consolidated financial statements. Key management personnel compensation, consisting of directors' remuneration, has been disclosed in Note 20.

29. Cash generated from/(used in) operations

Reconciliation of profit for the year to cash generated from/(used in) operations:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Operating profit/(loss) for the year	**2,580,104**	**2,322,796**	**(29,736)**	**(5,359)**
Adjustments for:				
Amortisation of intangible assets (Note 6)	32,588	112,301	-	-
Share-based payments (Note 27)	31,871	-	-	-
Depreciation of property, plant and equipment (Note 5)	59,224	81,937	-	-
Amortisation of right-of-use assets (Note 7)	115,570	115,255	-	-
Movement in provisions for impairment of receivables	62,176	205	-	-
Changes in working capital:				
Trade and other receivables	(283,760)	1,216,575	(125,000)	-
Contract assets	908,963	585,161	-	-
Trade and other payables	216,391	(689,035)	13,763	1,229
Contract liabilities	630,742	(256,330)	-	-
Inventories	(212,804)	323,653	-	-
Cash generated from / (used in) operations	**4,141,065**	**3,812,518**	**(140,973)**	**(4,130)**

30. EBITDA

Reconciliation of profit for the year to EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation):

	Group	
	2024 €	2023 €
Profit before tax for the year	**2,534,317**	**2,242,501**
Adjustments for:		
Depreciation of PPE (Note 5)	59,224	81,937
Amortisation of intangible assets (Note 6)	32,588	112,301
Amortisation and interest expense of leases (Notes 7 and 23)	151,590	156,059
EBITDA for the year	**2,777,719**	**2,592,798**

31. Contingent liabilities

At the end of the reporting year, the Company has a contingent liability as a guarantor equivalent to €1,000,000 (2023: €1,000,000).

32. Events after the reporting period

Except as stated in Note 1 to the financial statements in relation to the listing of the Company's shares on 6 January 2025, there have been no other events after the reporting date that would have otherwise required adjustment to, or disclosure in these financial statements.

33. Statutory information

Computime Holdings p.l.c. is a public limited liability company incorporated in Malta with its ordinary shares listed on the Malta Stock Exchange. Its registered address is at 170, Pater House, Psaila Street, Birkirkara BKR 9077, Malta. The Company is the parent company of the Computime group.

Independent auditor's report

To the shareholders of Computime Holdings p.l.c.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Computime Holdings p.l.c. (the "Company") and of the Group of which it is the parent, which comprise the statements of financial position as at 31 December 2024, and the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies and other explanatory information.

In our opinion, the accompanying 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 cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "Act").

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

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

In conducting our audit, we have remained independent of the Company and the Group and have not provided any of the non-audit services prohibited by article 18A of the Accountancy Profession Act, Cap. 281.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill in the consolidated financial statements

Key audit matter

Management is required by International Accounting Standard (IAS) 36, Impairment of Assets, to carry out an annual assessment to establish whether the Group's goodwill is carried at no more than its recoverable amount.

On the basis of its assessment for the current year, management concluded that the carrying amount of the Group's goodwill amounting to € 5.97 million was not impaired.

We focussed on this area because of the significance of the amount and because impairment testing involves complex and subjective judgements by the Directors about the future results of the relevant parts of the business. In addition, management's assessment process is based on significant assumptions, specifically the determination of the discount rate and cash flows projections used in determining the value-in-use of the cash-generating units over which the goodwill was allocated. The assumptions used by management are generally affected by expected future market and economic conditions.

How the key audit matter was addressed in our audit

We evaluated the suitability and appropriateness of the impairment methodology applied by management and engaged our internal valuation specialist resources to assess the reliability of the directors' forecasts and to challenge the methodology used and the underlying assumptions. We concluded that the parameters utilised were reasonable.

We communicated with management and those charged with governance and noted that they were able to provide satisfactory responses to our questions. We conclude that management's assessment on the carrying amount of goodwill as at 31 December 2024 to be recoverable and that there is no impairment in the value of the goodwill is correct.

Revenue recognition in the consolidated financial statements

Key audit matter

The Group's ordinary business activities include renewable software subscriptions, maintenance of software and hardware, and implementation of ICT infrastructural and systems integration solutions. The Group's disclosures on its revenue recognition policy is presented in note 2.18 to the consolidated financial statements.

We considered revenue recognition as key audit matter since it involves a significant volume of transactions which entail different revenue recognition criteria.

How the key audit matter was addressed in our audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, performing substantive analytical review procedures over revenues, performing test of details on contracts and recalculation of contract assets and liabilities.

Impairment testing of investment in subsidiaries recognised in the financial statements of the Company

Key audit matter

The management is also required by IAS 36, Impairment of Assets, to carry out a review for any indication that the carrying amount of the investment in subsidiaries is not impaired.

On the basis of its review for the current year, management concluded that the carrying amount of the investment in subsidiaries amounting to € 6.07 million, was not impaired.
We considered impairment test of investment in subsidiaries as key audit matter because the amount is material to the Company's financial statements.

How the key audit matter was addressed in our audit

We have reviewed the financial statements of the subsidiaries for any indication of impairment such as profitability, changes in market and economic environment or any downturn in industry or increase in competition.

We have concluded that management's assessment that no indicators of impairment exist is correct.

Other information

The directors are responsible for the other information. The other information comprises (i) the Chairman's message (ii) the CEO's review, (iii) the Directors' report, (iv) the Corporate Governance Statement and Compliance and (v) the Remuneration report which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

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

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

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosures required by Article 177 of the Act.

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

- Non-financial statement in the Directors' report:

    - The Directors' report includes non-financial information in line with the requirements of paragraphs 8 and 11 of the Sixth Schedule to the Act. The proviso to sub-article 179(3) of the Act requires us to check whether such information is provided, but not to express any comment thereon.

- Information in the Directors' report other than the non-financial statement:

    - The information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' report has been prepared in accordance with the Act.

In addition, and in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the Company's and 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.

In terms of article 179A(4) of the Act, the scope of our audit does not include assurance on the future viability of the audited entity or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the entity.

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

- Identify and assess the risks of material misstatement of the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express and 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 the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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 Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Report and Consolidated Financial Statements of Computime Holdings p.l.c. for the year ended 31 December 2024, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Report and Consolidated Financial Statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Report and Consolidated Financial Statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Report and Consolidated Financial Statements, in accordance with the requirements of the ESEF RTS.
- Obtaining the Report and Consolidated Financial Statements and performing validations to determine whether the Report and Consolidated Financial Statements have been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Report and Consolidated Financial Statements to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.
- We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Report and Consolidated Financial Statements for the year ended 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Grant Thornton

Report on Corporate Governance Statement

The Capital Markets Rules issued by the Malta Financial Services Authority (MFSA) require the directors to prepare and include in their Annual Report a Corporate Governance Statement providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Capital Markets Rules also require us, as the auditor of the Company, to include a report on the Statement of Compliance prepared by the directors.

We read the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

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

In our opinion, the Corporate Governance Statement has been properly prepared in accordance with the requirements of the Capital Markets Rules.

Other matters on which we are required to report by exception

We also have responsibilities

- under the Companies Act, Cap 386 to report to you if, in our opinion:
  - adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us
  - the financial statements are not in agreement with the accounting records and returns
  - we have not received all the information and explanations we require for our audit
  - certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

- in terms of Capital Markets Rules to review the statement made by the Directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

Auditor tenure

We were first appointed as auditors of the Company and the Group on 12 March 2021 and therefore represents an engagement appointment of five years.

The Principal on the audit resulting in this independent auditor's report is Sharon Causon.

GRANT THORNTON

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Triq L-Intornjatur
Central Business District
Birkirkara CBD 1050
Malta

22 April 2025