

**EBO LTD**  
**Reg. No: C-84916**

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

## **EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

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## **EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

### **Company information**

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**Directors**

Dr Giuseppe Giovanni Gatt  
Mr Ian Castillo  
Eng. Christian Sammut

**Secretary**

Dr Giuseppe Giovanni Gatt

**Company Number**

C-84916

**Registered Office**

Vison Exchange Building  
Territorials Street, Zone 1  
Central Business District  
Birkirkara CBD 1070  
Malta

**Auditors**

FACT Audit  
Cornerline  
Dun Karm Street  
Birkirkara BKR 9039  
Malta

## **EBO LTD**

### **Annual Report and Financial Statements for the year ended 31 December 2024**

#### **Directors' report**

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The directors presents their report and the Company's audited financial statements for the year ending 31 December 2024.

#### **Incorporation and principal activities**

The Company was incorporated in Malta on 14 February 2018 with a view to offer solutions exploiting the capabilities of Artificial Intelligence. EBO's solution principally targets the Healthcare, and Financial Services sectors in Europe. The core offering relates to the provision of a Platform with specific capabilities in Enterprise Conversation management, AI training, interoperability hooks, human-handover and collaboration capabilities, top-notch security infrastructure and a dashboard with business insights and analytics. In turn the Platform is applied to specific use-cases in a vertical sector, with unique industry training models and workflows and is then configured and implemented as an enterprise Product. The core solution is so seamless for the human citizen benefitting from the EBO offering, that the solution is indistinguishable from the experience of interacting with human resources.

#### **Strong Customer Retention Amid Market Headwinds**

In 2024, EBO successfully expanded its presence within the National Health Service (NHS), securing new contracts with Sheffield Health and Social Care NHS Foundation Trust and Mid Yorkshire Teaching NHS Trust. Additionally, the Company strengthened existing partnerships through upselling additional products to existing customers. Long-term contract renewals were also executed with major retained accounts. The successful renewal of long-term contracts and the continued upsell of additional products demonstrate the strength of the Company's AI-driven patient engagement platform. These commitments from NHS Trusts reinforce the tangible value our solution delivers in improving patient outcomes, operational efficiencies, and overall healthcare experiences.

Although EBO successfully retained its existing customers and achieved strong contract renewals and upsells, the challenging market conditions that prevailed in the UK Healthcare Sector due to the UK general election on 4 July 2024, meant that new opportunity acquisitions were more limited than anticipated. The prolonged uncertainty surrounding the UK elections led to NHS Trusts delaying procurement decisions and freezing spending. As a result, while our existing relationships remained strong, the anticipated expansion into new NHS Trusts was delayed due to external economic and political constraints.

The delayed opportunities have now transitioned into the Company's 2025 pipeline, reflecting the continued demand for AI-driven patient engagement solutions. The UK healthcare market is now well-positioned for recovery and growth in 2025, evidenced by the announcement of the healthcare budget spanning 2025-2026 and the formulation of a series of strategic policies committed to driving digital transformation. This renewed focus on digital healthcare allows the Company to position its products well within such national priorities, underscoring the strong growth potential for the coming year.

#### **UK Digital Health Policy Momentum: Strategic Alignment and Opportunity**

The UK healthcare market is undergoing a rapid shift toward digital-first service delivery, underpinned by key national policies including the NHS Long Term Plan, the DHSC/NHSE Neighbourhood Health Briefing, and the AI Opportunities Action Plan. These frameworks are not only reimagining how care is accessed and delivered but also directly incentivising the adoption of technologies that improve patient engagement, streamline administrative processes, and enable AI-powered automation. The Company's product suite is tightly aligned with these policy priorities. The Company's offerings respond directly to the market's most pressing digital transformation goals. As NHS organisations accelerate implementation of these policy initiatives, EBO is well-positioned to capture substantial market opportunities, offering scalable, AI-enabled solutions that deliver both operational efficiency and improved patient outcomes.

## EBO LTD

### Annual Report and Financial Statements for the year ended 31 December 2024

#### Directors' report

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##### Strategic Intellectual Property Developments Throughout the Year

EBO remains firmly committed to the development of competitively differentiated Intellectual Property (IP), ensuring its leadership in AI-driven innovation and long-term growth. Central to this strategy is a single-asset platform built on a component-based development approach, seamlessly integrating functionalities that drive future economic value. This methodology aligns with industry best practices for scalable solutions in fintech and healthtech, reinforcing EBO's position as a key innovator. By prioritising IP investment, EBO continues to differentiate itself within the healthtech sector, strengthening its market presence and technological edge.

EBO's advancements in 2024 include:

- The expansion of strategic partnerships with major healthcare providers, including Cerner, Civica and Patient Knows Best. These partnerships have been instrumental in enhancing interoperability, as EBO has successfully developed integrations that enable seamless data exchange and workflow automation.
- The initial development of bespoke emotion detection capabilities. This innovation enables the virtual agent to understand the tone and sentiment of the end-user in real-time, allowing for more context-aware and empathetic interactions. By leveraging Natural Language Processing (NLP) and machine learning models trained on domain-specific datasets, EBO's emotion detection enhances user engagement, improving response accuracy and personalisation. Furthermore, through Natural Language Understanding (NLU), the extraction of actionable insights from client responses is enabled. By leveraging this data-driven approach, EBO is positioned to generate a new stream of revenue while better supporting client decision-making.
- The integration of language detection within our platform capabilities, further strengthening the conversational AI framework. This innovation enables the platform to automatically identify the language of incoming user input through real-time linguistic analysis, ensuring seamless and contextually relevant interactions.
- The design and deployment of aggregated centralised models for the healthcare, insurance and banking sectors. The development of industry-based models guarantees highly accurate understanding of user queries from the outset which in turn optimises operational efficiency. Through sophisticated NLU, EBO improves user experience, satisfaction and retention.

Throughout the year, EBO has continued to strategically invest in specialist resources to drive innovation and maintain its competitive advantage. The recruitment of domain-specific experts seeking to drive digital innovation, possessing deep knowledge of healthcare systems and regulatory frameworks, ensures that EBO's platform is well aligned with evolving market needs, accelerating the adoption of EBO's offerings.

##### Sustained Growth and Momentum in the Financial Services Sector

EBO has continued to establish itself as a trusted and recognised name in the financial services sector, marked by a growing footprint within leading institutions. Significant contract renewals and extensions were secured with key customers, underscoring their long-term confidence in EBO's platform. In parallel, EBO achieved notable success in upselling additional functionalities to retained accounts, further embedding EBO's solution within client operations. In addition to core platform offerings, EBO is increasingly delivering value through professional services, providing clients with specialist technical expertise to support digital transformation initiatives.

##### Industry Recognition

EBO was awarded the 'Best High Potential Exporter' award at the Malta International Business Awards 2024, which is a testament to EBO's commitment to expanding its global presence and pursuing international growth opportunities. During 2024, EBO's largest insurance customer, ERGO, was awarded Platinum and Gold awards at the Digital Finance Awards 2024 under the category 'Best AI-driven Initiative', highlighting EBO's capability to deliver impactful, cutting-edge solutions that drive success for its clients.

## **EBO LTD**

### **Annual Report and Financial Statements for the year ended 31 December 2024**

#### **Directors' report**

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##### **Performance review**

During the year under review, the Company generated income of €1,381,062 (2023: €2,089,607). After deducting cost of sales of €269,374 (2023: €146,233), the Company reports a gross profit of €1,111,688 (2023: €1,943,374). After adding other income and deducting amortisation, depreciation, administrative expenses, selling and marketing expenses, and net finance costs, the Company registered a profit before tax of €113,436 (2023: €1,060,588). The Company's intangible assets increased substantially due to EBO's investment in its IP, resulting in a carrying amount as at 31 December 2024 of €3,528,553 (2023: €2,633,243).

##### **Principal risks and uncertainties**

Note 22 to the financial statements provides details in connection with the Company's use of financial instruments, its financial risk management objectives and policies and the financial risks to which it is exposed.

##### **Results and dividends**

The result for the year ended 31 December 2024 is shown in the Statement of comprehensive income on page 9. The profit for the year after deferred tax charge is €94,319 (2023: €694,516). The directors do not recommend payment of a dividend.

##### **Future Developments**

While the Company's 2024 results reflect a challenging external environment, the disruptions in the UK healthcare market were industry-wide and are unlikely to persist. The fundamental strength of the Company's offerings in both the financial services and healthcare sectors, combined with a strong deferred pipeline, collectively position the Company for continued expansion in the year ahead. As EBO's core markets continue to shift toward AI-driven automation, EBO is strategically positioned to secure a growing share of the market, underpinned by proven success across existing deployments.

##### **Directors**

The directors who served during the year were :

Mr Ian Castillo

Dr Giuseppe Giovanni Gatt

Eng. Christian Sammut

In accordance with the Company's Articles of Association, the directors are to remain in office.

## **EBO LTD**

### **Annual Report and Financial Statements for the year ended 31 December 2024**

#### **Directors' report**

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##### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### **Auditors**

FACT Audit have intimated their willingness to continue in office as auditors of the Company and a resolution proposing their re-appointment will be put to the forthcoming General Meeting.

**Approved by the Board on 5 May 2025 and signed on its behalf by :**



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**Mr Ian Castillo**  
Director



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**Dr Giuseppe Giovanni Gatt**  
Director

**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Independent auditor's report to the members of the Company**

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**Report on the Audit of the Financial Statements***Opinion*

We have audited the financial statements of EBO Ltd (the Company), set out on pages 9 to 38, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

*Basis for opinion*

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

*Other information*

The directors are responsible for the other information. The other information comprises the information included in the 'Company information' and in the 'Directors' 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 and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosure requirements of Article 177 of the Maltese Companies Act (Cap.386).

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap. 386) in relation to the Directors' report on pages 2 - 5, in our opinion, based on the work undertaken in the course of the audit:

## **EBO LTD**

### **Annual Report and Financial Statements for the year ended 31 December 2024**

#### **Independent auditor's report to the members of the Company**

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- 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 applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

#### *Responsibilities of the directors*

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

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## EBO LTD

Annual Report and Financial Statements for the year ended 31 December 2024

### Independent auditor's report to the members of the Company

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

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

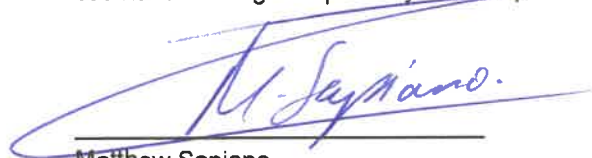
### **Report on Other Legal and Regulatory Requirements**

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act. In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

Under the Maltese Companies Act, Cap. 386 we are also obliged to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- 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.

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



Matthew Sapiano  
Partner for, and on behalf of,  
**FACT Audit**  
Registered Auditor  
Cornerline  
Dun Karm Street  
Birkirkara BKR 9039  
Malta  
Date : 5 May 2025

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Statement of comprehensive income**

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|                                                                   | Note | 2024<br>€        | 2023<br>€ |
|-------------------------------------------------------------------|------|------------------|-----------|
| <b>Turnover</b>                                                   | 5    | <b>1,381,062</b> | 2,089,607 |
| Cost of sales                                                     |      | (269,374)        | (146,233) |
| <b>Gross profit</b>                                               |      | <b>1,111,688</b> | 1,943,374 |
| Other income                                                      |      | 42,342           | 27,497    |
| Selling and marketing expenses                                    |      | (142,093)        | (151,113) |
| Administrative expenses                                           |      | (387,405)        | (377,969) |
| <b>Profit before interest, tax, depreciation and amortisation</b> |      | <b>624,532</b>   | 1,441,789 |
| Amortisation of intangible assets                                 |      | (482,406)        | (345,012) |
| Depreciation                                                      |      | (1,305)          | (2,099)   |
| Finance costs                                                     | 6    | (27,385)         | (34,090)  |
| <b>Profit before taxation</b>                                     | 7    | <b>113,436</b>   | 1,060,588 |
| Taxation                                                          | 10   | (19,117)         | (366,072) |
| <b>Profit after taxation</b>                                      |      | <b>94,319</b>    | 694,516   |
| Other comprehensive income                                        |      | -                | -         |
| <b>Total comprehensive income for the year</b>                    |      | <b>94,319</b>    | 694,516   |

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*The notes on pages 13 to 38 form an integral part of these financial statements.*

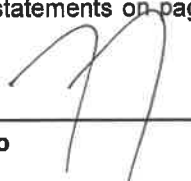
**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Statement of financial position**

|                                     | Note | 2024<br>€               | 2023<br>€               |
|-------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                       |      |                         |                         |
| <b>Non-current assets</b>           |      |                         |                         |
| Intangible assets                   | 11   | 3,528,553               | 2,633,243               |
| Investment in subsidiary            | 12   | 494,218                 | 494,218                 |
| Plant and equipment                 | 13   | 2,062                   | 2,867                   |
| Accrued income                      | 15   | 280,488                 | 178,653                 |
| Deferred taxation                   | 14   | 443,775                 | 462,892                 |
|                                     |      | <u>4,749,096</u>        | <u>3,771,873</u>        |
| <b>Current assets</b>               |      |                         |                         |
| Trade and other receivables         | 15   | 835,769                 | 1,683,335               |
| Cash and cash equivalents           | 20   | 54,926                  | 129,698                 |
|                                     |      | <u>890,695</u>          | <u>1,813,033</u>        |
| <b>Total assets</b>                 |      | <u><u>5,639,791</u></u> | <u><u>5,584,906</u></u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                         |                         |
| <b>Equity</b>                       |      |                         |                         |
| Called up issued share capital      | 16   | 2,882,000               | 2,882,000               |
| Profit and loss account             |      | (362,717)               | (457,036)               |
| <b>Total shareholders' equity</b>   |      | <u>2,519,283</u>        | <u>2,424,964</u>        |
| <b>Liabilities</b>                  |      |                         |                         |
| <b>Non-current liabilities</b>      |      |                         |                         |
| Borrowings                          | 17   | 2,018,571               | 1,874,690               |
| Trade and other payables            | 18   | 28,241                  | 43,402                  |
|                                     |      | <u>2,046,812</u>        | <u>1,918,092</u>        |
| <b>Current liabilities</b>          |      |                         |                         |
| Borrowings                          | 17   | 813,127                 | 930,770                 |
| Trade and other payables            | 18   | 260,569                 | 311,080                 |
|                                     |      | <u>1,073,696</u>        | <u>1,241,850</u>        |
| <b>Total liabilities</b>            |      | <u>3,120,508</u>        | <u>3,159,942</u>        |
| <b>Total equity and liabilities</b> |      | <u><u>5,639,791</u></u> | <u><u>5,584,906</u></u> |

The financial statements on pages 9 to 38 were approved by the Board and signed on its behalf on 5 May 2025.

  
Mr Ian Castillo  
Director

  
Dr Giuseppe Giovanni Gatt  
Director

The notes on pages 13 to 38 form an integral part of these financial statements.

**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Statement of changes in equity**

|                             | Note | Share<br>capital<br>€ | Share<br>premium<br>€ | Profit<br>and loss<br>account<br>€ | Total<br>€       |
|-----------------------------|------|-----------------------|-----------------------|------------------------------------|------------------|
| <b>At 1 January 2024</b>    |      | 2,882,000             | -                     | (457,036)                          | 2,424,964        |
| <b>Comprehensive income</b> |      |                       |                       |                                    |                  |
| Profit for the year         |      | -                     | -                     | 94,319                             | 94,319           |
| <b>At 31 December 2024</b>  |      | <b>2,882,000</b>      | <b>-</b>              | <b>(362,717)</b>                   | <b>2,519,283</b> |
| <b>At 1 January 2023</b>    |      | 776,471               | 2,105,529             | (1,151,552)                        | 1,730,448        |
| Issue of shares             | 16   | 2,105,529             | (2,105,529)           | -                                  | -                |
| <b>Comprehensive income</b> |      |                       |                       |                                    |                  |
| Profit for the year         |      | -                     | -                     | 694,516                            | 694,516          |
| <b>At 31 December 2023</b>  |      | <b>2,882,000</b>      | <b>-</b>              | <b>(457,036)</b>                   | <b>2,424,964</b> |

The notes on pages 13 to 38 form an integral part of these financial statements.

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Statement of cash flows**

|                                                           | Note | 2024<br>€          | 2023<br>€          |
|-----------------------------------------------------------|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>               |      |                    |                    |
| <b>Profit before taxation</b>                             |      | <b>113,436</b>     | <b>1,060,588</b>   |
| Adjustments for:                                          |      |                    |                    |
| Unrealised exchange difference                            |      | (13,768)           | -                  |
| Depreciation & amortisation                               |      | 483,711            | 347,111            |
| <b>Operating profit before changes in working capital</b> |      | <b>583,379</b>     | <b>1,407,699</b>   |
| Movement in receivables                                   |      | (21,363)           | (202,105)          |
| Movement in payables                                      |      | (65,672)           | 7,601              |
| <b>Cash generated from operations</b>                     |      | <b>496,344</b>     | <b>1,213,195</b>   |
| <b>Net cash generated from operating activities</b>       |      | <b>496,344</b>     | <b>1,213,195</b>   |
| <b>Cash flows from investing activities</b>               |      |                    |                    |
| Purchase of property, plant and equipment                 |      | (500)              | (2,035)            |
| Additions to intangible assets                            |      | (1,377,716)        | (1,366,219)        |
| <b>Net cash used in investing activities</b>              |      | <b>(1,378,216)</b> | <b>(1,368,254)</b> |
| <b>Cash flows from financing activities</b>               |      |                    |                    |
| Movement in balances with related parties                 |      | 499,304            | (784,396)          |
| Movement in bank facilities                               |      | 351,250            | 1,253,104          |
| Payment of third party loans                              |      | (227,937)          | (222,063)          |
| <b>Net cash generated from financing activities</b>       |      | <b>622,617</b>     | <b>246,645</b>     |
| <b>Net movement in cash and cash equivalents</b>          |      | <b>(259,255)</b>   | <b>91,586</b>      |
| <b>Cash and cash equivalents at beginning of the year</b> | 20   | <b>129,698</b>     | <b>38,112</b>      |
| <b>Cash and cash equivalents at end of the year</b>       | 20   | <b>(129,557)</b>   | <b>129,698</b>     |

The notes on pages 13 to 38 form an integral part of these financial statements.

## **EBO LTD**

### **Annual Report and Financial Statements for the year ended 31 December 2024**

#### **Notes to the financial statements**

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##### **1. Statutory information**

EBO Ltd is a limited liability company incorporated in Malta. The Company is principally engaged in software development and licensing the software together with the provision of hosting services and support services related to the software licensed to clients across various industries.

##### **2. Basis of preparation**

###### **2.1. Statement of compliance**

The financial statements have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards as adopted by the EU and in compliance with the Companies Act, Cap.386, enacted in Malta. Consolidated financial statements have not been prepared, since the Company and its subsidiary qualify as a small group, and, as such, are entitled to exemption, under section 173 of the Companies Act from the preparation of consolidated accounts. These financial statements therefore represent the separate financial statements of the Company.

###### **2.2. Going concern**

As at 31 December 2024, the Company was in a net current liability position of €183,001. Included in current liabilities is an amount of €146,000 due to a related company, which party has agreed not to demand repayment of the balance unless the Company has the necessary liquidity to repay the balance. The directors have assessed the Company's ability to continue as a going concern, taking into account the Company's financial position, expected future cash flows, and available financing facilities. Based on this assessment, the directors are satisfied that the Company has adequate resources to meet its obligations as they fall due and to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, and the directors do not consider there to be any material uncertainty in this regard.

###### **2.3. Basis of measurement**

The financial statements have been prepared on the historical cost basis.

###### **2.4. Functional and presentation currency**

The financial statements are presented in Euro (€), which is the Company's functional currency. Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

###### **2.5. Use of estimates and assumptions**

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and their reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

**Notes to the financial statements**

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**2.5. Use of estimates and assumptions (continued)***Significant increase in credit risk*

Expected credit losses (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

*Estimation uncertainties*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Calculation of loss allowance*

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**3. Material accounting policies****3.1. Intangible assets**

An intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use. Intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write-down the carrying amount of the intangible asset using the straight-line method over its expected useful life of 10 years. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

**3.2. Investment in subsidiary**

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in subsidiary is initially measured at cost. After initial recognition, the investment in subsidiary is measured using the cost method. Under the cost method, the investment in subsidiary is measured at cost less accumulated impairment losses. Dividend distributions received from the subsidiary are recognised as investment income in profit or loss when the Company's right to receive the dividend is established.

**Notes to the financial statements**

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**3.3. Plant and equipment**

The cost of an item of plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably.

Plant and equipment are initially measured at cost and are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located.

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

On disposal or retirement of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss as other income or other loss.

Depreciation is provided on a straight line basis at rates calculated to write off the cost less residual value of each asset over its expected useful life. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each year end. The estimated used lives are as follows:

|                        |         |
|------------------------|---------|
| Computer equipment     | 4 years |
| Furniture and fittings | 5 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**3.4. Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## **Notes to the financial statements**

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### **3.4. Financial instruments (continued)**

#### ***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### ***Trade and other receivables***

Trade and other receivables are classified with current assets and are stated at their nominal value (unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the effective interest method) less loss allowance. See further information below for a description of the Company's impairment policies.

#### ***Classification and measurement of other financial assets***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

**Notes to the financial statements**

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**3.4. Financial instruments (continued)****Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income from financial assets measured at amortised cost is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

**Impairment of financial assets**

Equity instruments are not subject to impairment under IFRS 9.

The Company always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

**Notes to the financial statements**

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**3.4. Financial instruments (continued)**

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*(i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

**Notes to the financial statements**

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**3.4. Financial instruments (continued)**

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*(ii) Definition of default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*(iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

**Notes to the financial statements**

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**3.4. Financial instruments (continued)***(iv) Write off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*(v) Measurement and recognition of expected losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described previously. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Notes to the financial statements**

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**3.4. Financial instruments (continued)**

***Financial liabilities and equity***

**Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

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

Ordinary shares issued by the Company are classified as equity instruments.

***Financial liabilities***

**Trade and other payables**

Trade and other payables are classified with current liabilities (unless they do not fall due within 1 year from the end of the reporting period, in which case they are classified with non-current liabilities) and are stated at their nominal value, unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

**Other financial liabilities**

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.5. Leased assets**

IFRS 16 requires a lessee to recognise a right-of-use asset and a lease liability. However, as permitted by IFRS 16, the Company elected not to recognise a right-of-use asset and lease liability for its short-term lease agreement (a lease agreement for the use of a business office which meets the definition of a short-term lease under IFRS 16) and lease of assets that are of low value (lease agreements for the use of computer equipment which are assessed by the Company as assets of low value under IFRS 16). The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Notes to the financial statements**

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**3.6. Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than investment property, if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

**3.7. Employee benefits**

The Company contributes towards the State pension defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of the fixed contributions. Obligations for such contributions are recognised as an expense in profit or loss or capitalised as intangible assets during the year these are incurred.

**3.8. Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement and are presented in current liabilities on the statement of financial position.

**3.9. Borrowing costs**

Borrowing costs are interest and other costs that a company incurs in connection with the borrowing of funds. These borrowing costs may include interest expenses, finance charges, and any other costs directly attributable to the acquisition or construction of qualifying assets.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Qualifying assets may include the development of software, or other long-term projects directly related to the Company's technology operations.

Borrowing costs eligible for capitalisation are those that are directly attributable to the acquisition, construction, or production of a qualifying asset. These costs include interest expense on specific borrowings related to the qualifying asset.

Capitalisation of borrowing costs commences when:

- Expenditures for the asset are being incurred.
- Borrowing costs are being incurred.
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. This typically coincides with the completion of the development or production phase of the software, or other tech-related project.

**Notes to the financial statements**

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**3.10. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities, net of value added tax. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably. The following specific criteria for each of the activities described below must also be met before revenue is recognised:

**3.10.1. Performance of obligations under customer contracts**

Revenue mainly represents income earned for the implementation and licensing of software.

Revenue related to licensing of software is recognised at a point in time (once transfer of control of the license has occurred) and revenue related to professional services is recognised over time (from effective date of contract to date of completion of professional services).

Revenue related to other performance obligations is recognised when such performance obligations have been satisfied or over the period of the subscription.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any). The transaction price follows a fee structure which is known at the effective date of the contract and thus no significant estimates are required in this respect.

**3.10.2. Contract balances**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Notes to the financial statements**

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**3.11. Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet liability method, providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

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

**3.12. Government grants**

Government grants are assistance by government, inter-governmental agencies and similar bodies whether local, national or international, in the form of cash or transfers of assets to the Company in return for past or future compliance with certain conditions relating to operating activities of the Company. Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Where applicable, government grants are recognised in the income statement so as to match them with the expenditure towards which they are intended to contribute. Any grants relating to future periods are recognised as deferred income. Any grants meeting the recognition criteria but not yet received are credited to the income statement and recognised as accrued income.

**Notes to the financial statements**

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**4. Initial application of a standard and International Financial Reporting Standards in issue**

*New and amended IFRS Accounting Standards that are effective for the current year*

During the year ended 31 December 2024, the Company has applied a number of new and amended IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants. No impact.
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback. No impact.
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements. No impact.

*Initial Financial Reporting Standards in issue but not yet effective*

The directors anticipate that the adoption of International Financial Reporting Standards that were in issue at the date of authorisation on these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the period of initial application.

*New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU*

The directors do not expect that the adoption of the amendments will have a material impact on the financial statements of the Company in future periods, except if indicated below.

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Notes to the financial statements**

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**5. Turnover**

|                                              | <b>2024</b>      | <b>2023</b>      |
|----------------------------------------------|------------------|------------------|
|                                              | <b>€</b>         | <b>€</b>         |
| Subscription license                         | <b>649,630</b>   | 584,955          |
| Professional services                        | <b>29,610</b>    | 114,204          |
| Distribution fee                             | <b>654,708</b>   | 1,355,608        |
| Cloud hosting services                       | <b>21,262</b>    | 14,855           |
| Support and maintenance services             | <b>25,852</b>    | 19,985           |
| <b>Revenue from contracts with customers</b> | <b>1,381,062</b> | <b>2,089,607</b> |

**5.1. Performance obligations**

Information about the Company's performance obligations are summarised below:

*Subscription license and professional services*

Revenue related to licensing of software is recognised at a point in time (once transfer of control of the license has occurred) and revenue related to professional services is recognised over time (from effective date of contract to date of completion of professional services).

*Distribution fee*

The performance obligation is satisfied over time, through making available on a continuous basis, copies/instances of the Company's software for the subsidiary company to sell or distribute as reseller to end users or third parties without altering, modifying or claiming ownership of the software. The revenue arising to the Company is based on the sales of the subsidiary company and is calculated by applying an agreed percentage to the revenue recognised by the subsidiary company.

*Cloud hosting services*

The performance obligation is satisfied over time. The period of time over which revenue is recognised starts on the first day of the subscription term and ends on the last day of the subscription term.

*Support and maintenance services*

The performance obligation is satisfied over time. The period of time over which revenue is recognised starts on the first day of the subscription term and ends on the last day of the subscription term.

**6. Finance costs**

|                                                   | <b>2024</b>   | <b>2023</b> |
|---------------------------------------------------|---------------|-------------|
|                                                   | <b>€</b>      | <b>€</b>    |
| Interest on bank borrowings and other liabilities | <b>27,385</b> | 34,090      |

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Notes to the financial statements**

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**7. Profit before taxation**

|                                       | <b>2024</b>    | <b>2023</b> |
|---------------------------------------|----------------|-------------|
|                                       | <b>€</b>       | <b>€</b>    |
| <i>This is stated after charging:</i> |                |             |
| Auditor's remuneration                | <b>8,000</b>   | 6,000       |
| Depreciation of plant and equipment   | <b>1,305</b>   | 2,099       |
| Amortisation of intangible assets     | <b>482,406</b> | 345,012     |
| Director's remuneration               | <b>117,479</b> | 116,714     |
| Lease expense                         | <b>44,432</b>  | 43,230      |

**8. Government grants**

During the year ended 31 December 2024, the Company acquired government grants in the form of investment aid and other cash grants amounting to €38,186 (2023: €24,267), which amount is included in 'Other income'.

**9. Employees****Number of employees**

The average number of employees during the year was 10 (2023: 9). At the end of the reporting period, the company had 10 employees (2023: 10).

The following is a summary of the payroll costs for the year (excluding any costs recharged from related parties) and reported under:

|                                     | <b>2024</b>    | <b>2023</b> |
|-------------------------------------|----------------|-------------|
|                                     | <b>€</b>       | <b>€</b>    |
| Cost of sales                       | <b>81,462</b>  | 41,995      |
| Administrative expenses             | <b>198,976</b> | 157,521     |
| Selling and marketing expenses      | <b>50,746</b>  | 50,141      |
|                                     | <b>331,184</b> | 249,657     |
| Capitalised under Intangible assets | <b>299,459</b> | 304,631     |
|                                     | <b>630,643</b> | 554,288     |

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Notes to the financial statements**

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**10. Taxation**

No current year taxation has been provided in these financial statements as no current year tax charge resulted for the year ending 31 December 2024. The deferred tax movements for the year are as follows:

|                     | <b>2024</b>   | <b>2023</b>    |
|---------------------|---------------|----------------|
|                     | <b>€</b>      | <b>€</b>       |
| Deferred tax charge | <b>19,117</b> | <b>366,072</b> |

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

|                                                    | <b>2024</b>     | <b>2023</b>      |
|----------------------------------------------------|-----------------|------------------|
|                                                    | <b>€</b>        | <b>€</b>         |
| Profit before taxation                             | <b>113,436</b>  | <b>1,060,588</b> |
| Theoretical tax charge at the standard rate of 35% | <b>39,703</b>   | <b>371,206</b>   |
| <b>Tax effect of:</b>                              |                 |                  |
| Disallowable expenses                              | <b>8</b>        | <b>-</b>         |
| Investment aid tax credit acquired during the year | <b>(15,774)</b> | <b>(5,134)</b>   |
| Unrealised exchange difference                     | <b>(4,820)</b>  | <b>-</b>         |
| <b>Tax charge for the year</b>                     | <b>19,117</b>   | <b>366,072</b>   |

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Notes to the financial statements****11. Intangible assets**

|                            | <b>Development<br/>costs of<br/>intellectual property</b> | <b>Intellectual<br/>property</b> | <b>Total</b>     |
|----------------------------|-----------------------------------------------------------|----------------------------------|------------------|
|                            | €                                                         | €                                | €                |
| <b>Cost</b>                |                                                           |                                  |                  |
| At 1 January 2024          | 3,061,632                                                 | 998,800                          | 4,060,432        |
| Additions                  | 1,377,716                                                 | -                                | 1,377,716        |
| At 31 December 2024        | 4,439,348                                                 | 998,800                          | 5,438,148        |
| <b>Amortisation</b>        |                                                           |                                  |                  |
| At 1 January 2024          | 713,761                                                   | 713,428                          | 1,427,189        |
| Charge for year            | 425,332                                                   | 57,074                           | 482,406          |
| At 31 December 2024        | 1,139,093                                                 | 770,502                          | 1,909,595        |
| <b>Net book value</b>      |                                                           |                                  |                  |
| <b>At 31 December 2024</b> | <b>3,300,255</b>                                          | <b>228,298</b>                   | <b>3,528,553</b> |
| At 31 December 2023        | 2,347,871                                                 | 285,372                          | 2,633,243        |
| <b>Cost</b>                |                                                           |                                  |                  |
| At 1 January 2023          | 1,695,413                                                 | 998,800                          | 2,694,213        |
| Additions                  | 1,366,219                                                 | -                                | 1,366,219        |
| At 31 December 2023        | 3,061,632                                                 | 998,800                          | 4,060,432        |
| <b>Amortisation</b>        |                                                           |                                  |                  |
| At 1 January 2023          | 425,823                                                   | 656,354                          | 1,082,177        |
| Charge for year            | 287,938                                                   | 57,074                           | 345,012          |
| At 31 December 2023        | 713,761                                                   | 713,428                          | 1,427,189        |
| <b>Net book value</b>      |                                                           |                                  |                  |
| At 31 December 2023        | 2,347,871                                                 | 285,372                          | 2,633,243        |
| At 1 January 2023          | 1,269,590                                                 | 342,446                          | 1,612,036        |

Borrowing costs capitalised during the year ended 31 December 2024 amounted to €96,401 (2023: €36,722). This amount includes all the interest incurred on the bank loans specifically obtained by the Company for the development of its intellectual property.

## EBO LTD

### Annual Report and Financial Statements for the year ended 31 December 2024

#### Notes to the financial statements

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##### 12. Investment in subsidiary

This investment is stated at cost, less impairment losses, if any.

|                            |                |
|----------------------------|----------------|
|                            | €              |
| <b>Cost</b>                |                |
| At 1 January 2024          | 494,218        |
| Additions                  | -              |
| <b>At 31 December 2024</b> | <b>494,218</b> |
| <b>Carrying amount</b>     |                |
| At 31 December 2023        | 494,218        |
| <b>At 31 December 2024</b> | <b>494,218</b> |

The registered office of the Company's subsidiary is Crown House, Bridgewater Close, Burnley, Lancashire, United Kingdom, BB11 5TE.

| Name            | Proportion of ownership interest |      | Country of incorporation |
|-----------------|----------------------------------|------|--------------------------|
|                 | 2024                             | 2023 |                          |
|                 | %                                | %    |                          |
| EBO.AI (UK) Ltd | 100                              | 100  | United Kingdom           |

The Company incorporated its subsidiary EBO.AI (UK) Ltd on 31 August 2018. The principal activity of the subsidiary company is to sell, distribute as a reseller, or otherwise make available copies/instances of the Company's software to end users or third parties, without altering, modifying or claiming ownership of the Software. The subsidiary company acts as an intermediary between the Company and the end user and is responsible for the direct sale and distribution of the Software, while not being the primary owner or creator of the Software. The subsidiary company may not modify, adapt, or alter the Software in any way or assign any intellectual property rights in the Software.

**EBO LTD****Annual Report and Financial Statements for the year ended 31 December 2024****Notes to the financial statements****13. Plant and equipment**

|                       | <b>Furniture<br/>and fittings<br/>€</b> | <b>Computer<br/>equipment<br/>€</b> | <b>Total<br/>€</b> |
|-----------------------|-----------------------------------------|-------------------------------------|--------------------|
| <b>Cost</b>           |                                         |                                     |                    |
| At 1 January 2024     | 24,955                                  | 10,631                              | 35,586             |
| Additions             | -                                       | 500                                 | 500                |
| At 31 December 2024   | 24,955                                  | 11,131                              | 36,086             |
| <b>Depreciation</b>   |                                         |                                     |                    |
| At 1 January 2024     | 24,955                                  | 7,764                               | 32,719             |
| Charge for the year   | -                                       | 1,305                               | 1,305              |
| At 31 December 2024   | 24,955                                  | 9,069                               | 34,024             |
| <b>Net book value</b> |                                         |                                     |                    |
| At 31 December 2024   | -                                       | 2,062                               | 2,062              |
| At 1 January 2024     | -                                       | 2,867                               | 2,867              |
| <b>Cost</b>           |                                         |                                     |                    |
| At 1 January 2023     | 24,955                                  | 8,596                               | 33,551             |
| Additions             | -                                       | 2,035                               | 2,035              |
| At 31 December 2023   | 24,955                                  | 10,631                              | 35,586             |
| <b>Depreciation</b>   |                                         |                                     |                    |
| At 1 January 2023     | 24,955                                  | 5,665                               | 30,620             |
| Charge for the year   | -                                       | 2,099                               | 2,099              |
| At 31 December 2023   | 24,955                                  | 7,764                               | 32,719             |
| <b>Net book value</b> |                                         |                                     |                    |
| At 31 December 2023   | -                                       | 2,867                               | 2,867              |
| At 1 January 2023     | -                                       | 2,931                               | 2,931              |

**14. Deferred taxation**

|                                       | <b>2023<br/>€</b> | <b>Movement<br/>for the year<br/>€</b> | <b>2024<br/>€</b> |
|---------------------------------------|-------------------|----------------------------------------|-------------------|
| <b>Arising on:</b>                    |                   |                                        |                   |
| Unabsorbed tax losses and tax credits | 1,381,034         | 295,115                                | 1,676,149         |
| Temporary differences                 | (918,142)         | (314,232)                              | (1,232,374)       |
|                                       | 462,892           | (19,117)                               | 443,775           |

**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Notes to the financial statements**

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**15. Trade and other receivables**

|                                 | <b>2024</b>    | <b>2023</b>      |
|---------------------------------|----------------|------------------|
|                                 | <b>€</b>       | <b>€</b>         |
| <b>Non-current</b>              |                |                  |
| Accrued Income                  | <b>280,488</b> | <b>178,653</b>   |
|                                 | <b>2024</b>    | <b>2023</b>      |
|                                 | <b>€</b>       | <b>€</b>         |
| <b>Current</b>                  |                |                  |
| Trade receivables               | <b>65,117</b>  | <b>63,885</b>    |
| Amount due from subsidiary      | <b>356,303</b> | <b>1,116,961</b> |
| Amount due from related company | <b>-</b>       | <b>6,436</b>     |
| Other receivables and deposits  | <b>8,225</b>   | <b>8,225</b>     |
| Accrued income                  | <b>401,839</b> | <b>477,345</b>   |
| Prepayments                     | <b>4,285</b>   | <b>10,483</b>    |
|                                 | <b>835,769</b> | <b>1,683,335</b> |

None of the trade receivables were more than 30 days past due as at year end.

The amount due from subsidiary company as at 31 December 2024 of €356,303 (2023: €1,116,961) relates to the trading account with the subsidiary company. This amount is net of amounts payable to subsidiary company of €58,576 (2023: €239,796), which amounts were set-off against the receivable balance during the years ended 31 December 2024 and 31 December 2023. The amount due from related company as at 31 December 2023 of €6,436 relates to the trading account with a related company. These amounts are unsecured, interest-free and repayable upon demand.

## EBO LTD

Annual Report and Financial Statements for the year ended 31 December 2024

### Notes to the financial statements

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#### 16. Share capital

|                                                  | 2024<br>€        | 2023<br>€        |
|--------------------------------------------------|------------------|------------------|
| <b>Authorised equity</b>                         |                  |                  |
| 2,882,000 Ordinary A shares of €1 each           | 2,882,000        | 2,882,000        |
| 30,000 Ordinary C shares of €1 each              | 30,000           | 30,000           |
| 100 Ordinary D shares of €1 each                 | 100              | 100              |
|                                                  | <u>2,912,100</u> | <u>2,912,100</u> |
| <b>Allotted, called up and fully paid equity</b> |                  |                  |
| 2,882,000 Ordinary A shares of €1 each           | <u>2,882,000</u> | <u>2,882,000</u> |

As stipulated in the Company's Memorandum and Articles of Association, Ordinary A shareholders are entitled to one vote per share in general meetings and are also entitled to appoint the directors of the Company, to participate in any dividend distribution and to a return of assets or otherwise affected upon liquidation of the Company. Furthermore, as stipulated in the Company's Memorandum and Articles of Association, Ordinary C and Ordinary D shareholders are not entitled to vote in general meetings and are not entitled to appoint the directors of the Company but are entitled to participate in any dividend distribution and to a return of assets or otherwise effected upon liquidation of the Company. All classes of shares shall rank pari passu between each other, within each respective class, with respect to all other matters.

During the year ended 31 December 2023, the Company increased its authorised share capital from €785,911 to €2,912,100 by the introduction of 2,105,529 Ordinary A shares and 20,660 Ordinary C shares. The Company allotted 2,105,529 Ordinary A Shares of €1 each to its existing shareholders, resulting in an increase in the issued share capital of €2,105,529, the consideration for which was satisfied through the capitalisation of share premium.

## EBO LTD

Annual Report and Financial Statements for the year ended 31 December 2024

### Notes to the financial statements

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#### 17. Borrowings

|                                   | 2024             | 2023             |
|-----------------------------------|------------------|------------------|
|                                   | €                | €                |
| <b>Non-current</b>                |                  |                  |
| Bank loans                        | 1,808,162        | 1,780,358        |
| Revolving credit facility         | 210,409          | 94,332           |
|                                   | <u>2,018,571</u> | <u>1,874,690</u> |
| <b>Current</b>                    |                  |                  |
| Amounts due to third party        | -                | 227,937          |
| Amounts due to subsidiary company | -                | 281,558          |
| Bank overdraft                    | 184,483          | -                |
| Bank loans                        | 259,646          | 246,955          |
| Revolving credit facility         | 368,998          | 174,320          |
|                                   | <u>813,127</u>   | <u>930,770</u>   |

##### *Bank loans*

Bank loans as at 31 December 2024 amount to €2,067,808 (2023: €2,027,313), of which €259,646 (2023: €246,955) is payable within one year. This balance is composed of various bank loans and is subject to various interest rates ranging from 4.54% to 5.5% per annum (2023: various interest rates ranging from 3.56% to 5.5% per annum). Bank loans are secured by the Company's overall assets, present and future, including pledge over receivables over the proceeds of all future receivables (including the distribution fee income from the subsidiary company). The loans are also guaranteed by two of the directors and their respective spouses and one shareholder that is also represented at Board level through an appointed director.

##### *Bank overdraft and revolving credit facility*

Bank overdrafts carry an interest rate of 5.5% per annum while revolving credit facilities carry an interest rate of 4.5% per annum.

##### *Amounts due to subsidiary company*

As disclosed in note 19, amounts due to subsidiary company was set-off against the receivable balance from subsidiary company. Amounts due to subsidiary company is repayable upon demand, unsecured and interest-free.

**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Notes to the financial statements**

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**18. Trade and other payables**

|                                | 2024<br>€      | 2023<br>€ |
|--------------------------------|----------------|-----------|
| <b>Non-current</b>             |                |           |
| Other payables                 | <b>28,241</b>  | 43,402    |
| <b>Current</b>                 |                |           |
| Trade payables                 | <b>37,130</b>  | 72,621    |
| Accruals                       | <b>31,981</b>  | 51,233    |
| Deferred income                | <b>4,518</b>   | -         |
| Amounts due to related company | <b>146,000</b> | 146,000   |
| Other payables                 | <b>40,940</b>  | 41,226    |
|                                | <b>260,569</b> | 311,080   |

The amounts due to related company are unsecured, interest free and repayable on demand.

**19. Non-cash transactions**

As disclosed in note 16, during the previous year ended 31 December 2023 the Company allotted 2,105,529 Ordinary A Shares of €1 each to its existing shareholders, resulting in an increase in the issued share capital of €2,105,529, the consideration for which was satisfied through the capitalisation of share premium.

Additionally, the set-offs explained in notes 15 and 17 were affected during years ended 31 December 2023 and 31 December 2024.

**20. Cash and cash equivalents**

|                | 2024<br>€        | 2023<br>€ |
|----------------|------------------|-----------|
| Cash at bank   | <b>54,926</b>    | 129,698   |
| Bank overdraft | <b>(184,483)</b> | -         |
|                | <b>(129,557)</b> | 129,698   |

**Notes to the financial statements**

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**21. Related party disclosures**

The Company has a related party relationship with its subsidiary company, its shareholders, other companies owned by the shareholders of the Company and the Company's key management personnel.

Other than as disclosed elsewhere in the financial statements, transactions with related parties include the following:

|                                                             | 2024<br>€      | 2023<br>€        |
|-------------------------------------------------------------|----------------|------------------|
| <b>Included in "Turnover"</b>                               |                |                  |
| Distribution fee charged to subsidiary company              | 654,708        | 1,355,608        |
| Fees charged to one of the shareholders                     | 5,426          | 117,184          |
| Fees charged to a related company                           | 2,196          | 116,235          |
|                                                             | <u>662,330</u> | <u>1,589,027</u> |
| <b>Included in "Intangible assets"</b>                      |                |                  |
| Development costs charged by subsidiary company             | 159,215        | 204,341          |
| Technical expertise fees charged by one of the shareholders | 25,000         | 25,000           |
|                                                             | <u>184,215</u> | <u>229,341</u>   |

The amounts due from/to related parties are disclosed in notes 15, 17 and 18.

**Notes to the financial statements**

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**22. Financial instruments - other information****Fair values of financial assets and liabilities**

At 31 December 2023 and 31 December 2024 the carrying amounts of financial assets and financial liabilities classified within current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities.

**Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The exposures to risks and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The Company's policy is designed to minimise such risks by implementing the necessary safeguards to counter market risks.

**(b) Credit Risk**

Credit risk arises from cash and cash equivalents and credit exposures to customers and receivables. Cash and cash equivalents consist of cash at hand and cash held at reputable financial institutions. The Company uses its own trading records to rate its major customers.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Company reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 31 December 2024, the Company's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

Further details are provided in note 3.4.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

The Company's strategic approach to liquidity management is predicated upon the steadfast commitment to maintaining robust reserves, thereby ensuring the continual availability of adequate liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company engages in prudent liquidity management by diversifying its funding resources and leveraging a spectrum of financial instruments to bolster its liquidity position. Further details are provided in note 2.2.

All financial liabilities are repayable on demand except for amounts due to third party and bank loans as disclosed in note 17.

**Notes to the financial statements**

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**22. Financial instruments - other information (continued)**

**Capital risk management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise return to stakeholders through the optimisation of debt and equity balance.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Company consists of items presented within equity in the statement of financial position. The Company's Board of directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the Board, the Company balances its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

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**EBO LTD**

Annual Report and Financial Statements for the year ended 31 December 2024

**Cost of sales, selling and marketing and administrative expenses****Schedule I**

|                                       | 2024           | 2023           |
|---------------------------------------|----------------|----------------|
|                                       | €              | €              |
| <b>Cost of sales</b>                  |                |                |
| IT expenses                           | 177,238        | 104,068        |
| Contractor costs                      | 10,674         | 170            |
| Wages and salaries                    | 81,462         | 41,995         |
|                                       | <u>269,374</u> | <u>146,233</u> |
| <b>Selling and marketing expenses</b> |                |                |
| Marketing and advertising             | 91,347         | 90,018         |
| Sales commission                      | -              | 10,954         |
| Wages and salaries                    | 50,746         | 50,141         |
|                                       | <u>142,093</u> | <u>151,113</u> |
| <b>Administrative expenses</b>        |                |                |
| Accountancy fees                      | 13,127         | 36,662         |
| Audit fee                             | 8,000          | 6,000          |
| Bank charges                          | 24,635         | 23,133         |
| Company registration fee              | 1,400          | 1,328          |
| Directors' remuneration               | 117,479        | 116,714        |
| Exchange difference realised          | 223            | (1,051)        |
| Exchange difference unrealised        | (13,768)       | -              |
| Insurance                             | 1,274          | 1,066          |
| Legal and professional fees           | 41,817         | 55,950         |
| Office supplies                       | 475            | 1,038          |
| Other expenses                        | 4,877          | 10,299         |
| Printing, postage and stationery      | 2,142          | 1,318          |
| Recruitment                           | 6,547          | -              |
| Lease expense                         | 44,432         | 43,230         |
| Repairs and maintenance               | 350            | -              |
| Penalties and fines                   | 23             | -              |
| Software licenses                     | 29,767         | 20,995         |
| Subscriptions                         | 150            | 94             |
| Telephone and internet                | 1,854          | 1,061          |
| Training costs                        | 1,538          | 230            |
| Travel and entertainment              | 18,996         | 18,584         |
| Wages and salaries                    | 81,497         | 40,807         |
| Water and electricity                 | 570            | 511            |
|                                       | <u>386,835</u> | <u>377,458</u> |