

## CF ESTATES FINANCE p.l.c.

CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta  
Co. Reg. No. C102839

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### COMPANY ANNOUNCEMENT

#### Guarantor's Audited Consolidated Financial Statements for 2025

On 27<sup>th</sup> April 2026, the Board of Directors of CF Estates Ltd. (the "Guarantor") approved the Audited Financial Statements for the accounting reference period ended 31st December 2025.

Copies of the above-mentioned Audited Financial Statements for the accounting reference year ended 31st December 2025, as approved, are attached to this Company Announcement and are also available for viewing at the registered office of the Issuer, CF Estates Finance p.l.c. (the "Company") and on the Company's website: <https://cf.com.mt/>

#### Explanation of variance in terms of Capital Markets Rule 5.16.24

Furthermore, for the purposes of Capital Markets Rule 5.16.24, it is hereby announced, with respect to the Group, that variances resulted between the actual results registered in the financial year 2025 and the 2025 projections contained in the Financial Analysis summary published with the Company Announcement on 24<sup>th</sup> June 2025.

1. Actual Profit for the year reached €9.5million compared to €5.6million forecasted. The main contributors were the increase in Fair Value of Investment Property as well as a Revaluation of Property Plant and Equipment.
2. The Actual results of the Consolidated financial Statements report both Total Assets and Total Equity and Liabilities at €94.9million which exceeded the forecasted €77.2million. Total Assets registered an increase in value of Investment Properties, higher in Non-Current and Current Trade and Other Receivables, and a reclassification of a Non-Current Asset to Current Asset held for sale. The increase in Total Equity and Liabilities was the result of higher retained earnings, and Borrowings.
3. Cash and Cash equivalents at year end reached €3.7million, well in excess of the €1million forecasted.

By order of the Board



Joseph Saliba

Company Secretary

28<sup>th</sup> April 2026

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#### Directors

Francis Agius

Mario Vella

Peter Portelli

Stephen Muscat

CF Estates Ltd.

Report & Consolidated Financial  
Statements

31 December 2025

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## **Directors' report**

The directors present their report and the audited consolidated financial statements of CF Estates Ltd. (the "Company") and its subsidiaries (the "Group") for the year 31 December 2025. The directors have prepared the report in accordance with Article 177 of the Companies Act, Cap. 386 including the further provisions as set out on the Sixth Schedule to the Act.

### **Principal activities**

The Company's principal activity is that of a holding company.

The Group comprises the Company and its fully owned subsidiaries, namely CF Business Centre Ltd, Mistral Hotel Ltd, Ratcon Ltd, Finish Furnish Limited, CF Homes Ltd, CF Hotels Ltd, CF Contracting Ltd, CF Leisure Ltd. and CF Estates Finance p.l.c. (the "Issuer").

The principal activities of the Group include the real estate business, hotel operations, leasing of office space, and other commercial operations.

CF Estates Finance p.l.c. was set up on 26 July 2022 with its principal activity being that of acting as a finance and investment vehicle of the Group

The Company also acts as the Guarantor to the bond issued on 6 January 2023.

### **Review of business**

During the year under review, the group posted a total profit of € 10,841,501 (2024: € 754,166). In 2025, the Group incurred administrative costs which include payroll to mobilise its resources for new revenue generating activities that came to fruition in 2026.

#### *Equity*

The Company's equity at the end of the year under review amounted to € 14,079,169 (2024: € 6,029,148) whilst that of the Group stood at € 19,112,178 (2024: € 8,270,677).

#### *Turnover and cost of sale*

The Company's revenue at the end of the year under review amounted to € 321,462 (2024: € 320,973) whilst that of the Group amounted to € 40,351,590 (2024: € 41,104,222). Revenue for the year remained broadly in line with the prior year, with the primary source continuing to be the execution of deeds of sale by CF Homes Ltd, a subsidiary of the Company. Revenue is recognised upon the signing of the deed of sale.

Cost of sales for the year under review amounted to € 27,259,366 (2024: € 29,287,768), reflecting a decrease compared to the prior year.

*Bond Issue*

On 22 August 2022, CF Estates Finance p.l.c. issued € 3,500,000 6.50% Secured Notes at a nominal value of €100 per note. On 6 January 2023, it issued € 30,000,000 5% Secured Bonds maturing in 2033 at a nominal value of € 100 per bond. The bond was admitted to the official list of the Malta Stock Exchange with effect from 13 January 2023 and trading commenced on 16 January 2023. Part of the proceeds were utilised to redeem the debentures on 30 January 2023.

In accordance with the provisions of the Prospectus dated 28 November 2022, the proceeds from the bond issue have been advanced by way of a loan facility to the Guarantor and Parent Company, for the purpose of financing part of the development costs in respect of the real estate developments undertaken by one of its subsidiaries, CF Homes Ltd, refinancing existing bank loans of the hotels undertaken by two of its subsidiaries, Ratcon Ltd and Mistral Hotel Ltd, refinancing of existing bank loans pertaining to the office block owned by another subsidiary CF Business Centre Ltd, and for general corporate funding purposes of the Group.

*Notes Issue*

On 20 September 2024, CF Estates Finance p.l.c. issued € 4,900,000 Zero-Coupon Secured Notes by way of private placement maturing not later than 20 March 2026. Each note was issued at a nominal value of €100 and was redeemable at the same value upon maturity. The proceeds were used for general corporate funding purposes of the Group. On 20 March 2026, the Notes were redeemed in full at their nominal value upon maturity. This was fully redeemed on 20 March 2026.

*Hospitality*

During the year under review, Mistral Hotel Ltd and Ratcon Ltd, two subsidiary companies, completed a full year of operations across all three hotels, being Mistral Hotel, Scirocco Hotel and Levante Hotel.

*Property Development*

Property development during the year under review continued at a steady pace. All the projects funded from Bond proceeds have been completed with the sales proceeds utilised in new development projects.

*Operations*

During the year under review, CF Business Centre Ltd was fully occupied and results were as projected.

The Group was engaged in the retail business of importing and selling of tiles, bathrooms, and furniture through Finish Furnish Limited. Due to the unfavourable results in previous years, the directors assessed its operations and resolved to wind down the company's activities.

During the year under review, CF Leisure Ltd, a subsidiary of the Company, continued to operate the entertainment arena within the Mercury Tower Project in terms of the rental agreement with Mercury Commercial Mall Ltd. The 2025 financial year represents the final year of operations of the entertainment arena by CF Leisure Ltd, as this forms part of the settlement agreement in relation to Joseph Portelli's exit.

## **Directors**

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

Francis Agius  
Clifton Cassar  
Stephen Falzon  
Duncan Micallef  
Joseph Portelli (resigned on 23 April 2026)

In accordance with the Company's Articles of Association, the directors at date of this report, except for Joseph Portelli who resigned on 23 April 2026, offer themselves for re-election.

## **Disclosure of information to auditor**

At the date of making this report, the directors confirm the following:

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

## **Statement of directors' responsibilities**

The Companies Act, Cap. 386 requires the directors to prepare the consolidated financial statements of the group for each financial period which give a true and fair view of the state of affairs of the group as at the end of the financial period and of the profit or loss of the group 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 group will continue in business;
- select suitable accounting policies and then 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 group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap. 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CF Estates Ltd.**  
**Report and consolidated financial statements**  
**For the year ended 31 December 2025**

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**Auditor**

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing its reappointment will be put to the Annual General Meeting.



**Francis Agius**  
Director



**Clifton Cassar**  
Director

Registered address:  
CF Business Centre, Level 1  
Triq Gort, Paceville  
San Giljan STJ 9023  
Malta

27 April 2026

## Consolidated statement of profit or loss and other comprehensive income

	Notes	2025	2024
		€	€
<b>Revenue</b>	5	<b>40,351,590</b>	<b>41,104,222</b>
Cost of sales		(27,259,366)	(29,287,768)
<b>Gross profit</b>		<b>13,092,224</b>	<b>11,816,454</b>
Administrative expenses		(4,963,770)	(6,944,090)
Increase in FV of investment property		5,029,029	-
Other income		343,659	51,045
<b>Operating profit</b>		<b>13,501,142</b>	<b>4,923,409</b>
Finance costs	6	(2,165,934)	(1,733,295)
<b>Profit before tax</b>	7	<b>11,335,208</b>	<b>3,190,114</b>
Current tax expense	9	(1,856,554)	(2,435,948)
<b>Profit for the year</b>		<b>9,478,654</b>	<b>754,166</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit and loss</i>			
Revaluation of property plant and equipment		2,096,688	-
Tax effect on revaluation		(733,841)	-
Other comprehensive income for the year		<b>1,362,847</b>	-
<b>Total comprehensive income for the year</b>		<b>10,841,501</b>	<b>754,166</b>

## Consolidated statement of financial position

	Notes	2025 €	2024 €
<b>Assets</b>			
<b>Non-current</b>			
Investment property	10	19,018,502	13,688,889
Intangible assets		28,387	34,447
Property, plant and equipment	11	25,954,207	26,320,957
Right-of-use assets	12	57,087	130,918
Trade and other receivables	15	1,100,000	-
Deferred tax asset	13	2,264,655	1,090,200
		<b>48,422,838</b>	<b>41,265,411</b>
<b>Current</b>			
Non-current assets held for sale	11	2,606,644	-
Inventories	14	27,744,784	35,762,645
Trade and other receivables	15	12,417,534	9,356,066
Cash and cash equivalents	16	3,659,692	5,864,591
		<b>46,428,654</b>	<b>50,983,302</b>
<b>Total assets</b>		<b>94,851,492</b>	<b>92,248,713</b>

## Consolidated statement of financial position – continued

	Notes	2025 €	2024 €
<b>Equity</b>			
Share capital	17	6,308,200	6,308,200
Revaluation reserve		2,902,526	1,539,679
Retained earnings		9,901,452	422,798
<b>Total equity</b>		<b>19,112,178</b>	<b>8,270,677</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Lease liabilities	18	15,231	55,035
Borrowings	19	45,694,135	56,915,721
Long-term deposits	20	254,894	221,485
Deferred tax liability	13	5,006,550	3,495,621
Trade and other payables	21	2,100,000	2,400,000
		<b>53,070,810</b>	<b>63,087,862</b>
<b>Current</b>			
Lease liabilities	18	16,369	91,052
Borrowings	19	4,595,271	2,534,637
Trade and other payables	21	18,056,864	18,264,495
		<b>22,668,504</b>	<b>20,890,174</b>
<b>Total liabilities</b>		<b>75,739,314</b>	<b>83,978,036</b>
<b>Total equity and liabilities</b>		<b>94,851,492</b>	<b>92,248,713</b>

The consolidated financial statements on pages 6 to 37 were approved by the board of directors, authorised for issue on 27 April 2026 and signed on its behalf by:

**Francis Agius**  
 Director

**Clifton Cassar**  
 Director

## Consolidated statement of changes in equity

	Share capital €	Revaluation reserve €	Retained earnings €	Total equity €
At 1 January 2024	6,308,200	1,539,679	(331,368)	7,516,511
Profit for the year	-	-	754,166	754,166
<b>At 31 December 2024</b>	<b>6,308,200</b>	<b>1,539,679</b>	<b>422,798</b>	<b>8,270,677</b>
At 1 January 2025	6,308,200	1,539,679	422,798	8,270,677
Profit for the year	-	-	9,478,654	9,478,654
Increase in fair value	-	1,362,847	-	1,362,847
<b>At 31 December 2025</b>	<b>6,308,200</b>	<b>2,902,526</b>	<b>9,901,452</b>	<b>19,112,178</b>

## Consolidated statement of cash flows

	Notes	2025 €	2024 €
<b>Operating activities</b>			
Profit before tax		11,335,208	3,190,114
Adjustments	22	(2,254,597)	4,574,432
Net changes in working capital	22	1,858,029	(5,143,768)
Taxes paid		(2,653,124)	(2,321,750)
<b>Net cash generated from operating activities</b>		<b>8,285,516</b>	<b>299,028</b>
<b>Investing activities</b>			
Payments to acquire property, plant and equipment		(1,099,643)	(2,689,802)
Payments to acquire intangible asset		-	(31,784)
Proceeds from disposal		-	45,000
<b>Net cash used in investing activities</b>		<b>(1,099,643)</b>	<b>(2,676,586)</b>
<b>Financing activities</b>			
Net proceeds from issue of secured notes		-	4,400,200
Movement in lease liabilities		-	(196,022)
Net proceeds from bank borrowings		(9,160,952)	1,928,789
Interest paid on bank borrowings		(146,456)	(211,865)
Interest paid on finance lease		(2,286)	(21,932)
Repayments of finance lease		(114,487)	-
Deposits received from customers		33,409	13,250
<b>Net cash generated from financing activities</b>		<b>(9,390,772)</b>	<b>5,912,420</b>
Net change in cash and cash equivalents		(2,204,899)	3,534,862
Cash and cash equivalents, beginning of year		5,864,591	2,329,729
<b>Cash and cash equivalents, end of year</b>	16	<b>3,659,692</b>	<b>5,864,591</b>

## Notes to the consolidated financial statements

### 1 Nature of operations

The principal activities of the group, through its subsidiaries, pertains to the real estate business, hotel operations, leasing of office space, and other commercial operations.

### 2 General information and statement of compliance with International Financial Reporting Standards (IFRSs)

CF Estates Ltd., ('the parent company') a private limited liability company, is the ultimate parent of the group. It was incorporated on 30 June 2022 and is domiciled in Malta. The address of the parent company's registered office, which is also its principal place of business, is CF Business Centre, Triq Gort, Paceville, San Giljan, STJ 9023, Malta.

The consolidated financial statements of the group have been prepared in accordance with the requirements of IFRS as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the Companies Act, Cap. 386.

The consolidated financial statements are presented in euro (€), which is also the group's functional currency. The amounts presented in the consolidated financial statements have been rounded to the nearest euro.

### 3 New or revised standards or interpretations

#### 3.1 New standards adopted as at 1 January 2025

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the group's financial results or position.

Amendments that are effective for the first time in 2025 and could be applicable to the group are:

Lack of Exchangeability (Amendments to IAS 21).

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

#### 3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the group

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

None of these Standards or amendments to existing Standards have been adopted early by the company and no Interpretations have been issued that are applicable and need to be taken into consideration by the company at either reporting date:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’
- Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

These Standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’. The adoption of IFRS 18 ‘Presentation and Disclosure in financial statements’, effective for periods commencing on or after 1 January 2027, is expected to have a material impact on the presentation of the financial statements, and therefore relevant disclosures are included below.

Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes,
- the classification of all income and expenses within the statement of profit or loss in one of five categories,
- a new requirement to disclose performance measures defined by management, and

an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

IFRS 18 will be applied retrospectively with specific transitional provisions.

The group is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the group’s financial statements.

#### **4 Material accounting policies**

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the consolidated financial statements.

Management has concluded that the disclosure of the group’s material accounting policies below and in the succeeding pages are appropriate.

#### **4.1 Overall considerations**

The consolidated financial statements have been prepared using the material accounting policies and measurement bases summarised below and in the succeeding pages.

The material accounting policies have been consistently applied by the group.

The consolidated financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described below and in the succeeding pages.

#### **4.2 Presentation of consolidated financial statements**

The consolidated financial statements are presented in accordance with IAS 1 ‘Presentation of Financial Statements’ (Revised 2007).

#### **4.3 Basis of consolidation**

The group financial statements consolidate those of the parent company and its subsidiary undertakings drawn up to 31 December 2025. Subsidiaries are all entities over which the group has power to control the financial and operating policies. CF Estates Ltd. obtains and exercises control through voting rights. The subsidiaries have a reporting date of 31 December.

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

Profit or loss of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The consolidated financial statements have been prepared from the separate financial statements of the following companies comprising the group.

<b>Companies</b>	<b>Nature of business</b>	<b>% ownership</b>	
		<b>2025</b>	<b>2024</b>
CF Homes Ltd.	Property development and contracting company	100	100
CF Estates Finance P.L.C.	Finance company	100	100
Finish Furnish Limited	Previously operator of Casafini showroom	100	100
CF Business Centre Ltd.	Leasing operations	100	100
CF Contracting Ltd.	Property contracting company	100	100
Mistral Hotel Ltd	Hotel operations	100	100
Ratcon Ltd	Hotel operations	100	100
CF Hotels Ltd.	Hotel operations (non-trading)	100	100
CF Leisure Ltd.	Entertainment arena operations	100	100

The subsidiaries' financial information has been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME") except Finish Furnish Limited, CF Estates Limited and CF Estates Finance P.L.C. where the financial information has been prepared in accordance with IFRS as issued by the IASB and as adopted by the EU, and in accordance with the Companies Act, Cap. 386.

Certain adjustments were made in the consolidated financial statements to conform with the basis of preparation of the parent company.

All of the parent company's subsidiaries have their registered address at CF Business Centre, Level 1, Triq Gort, Paceville, San Giljan, STJ 9023, Malta.

#### **4.4 Business combinations**

Business combinations of entities not under common control are accounted for by applying the acquisition method in accordance with IFRS 3 'Business Combinations'. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities of the acquiree at the acquisition date, including contingent liabilities regardless of whether or not they were recorded in the financial statements of the acquiree prior to acquisition. On initial recognition, the assets and liabilities of the acquiree are included in the consolidated statement of financial position of the group at their fair values, which are also used as the basis for subsequent measurement in accordance with the group's accounting policies.

#### **4.5 Income and expense recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when (or as) it satisfies a performance obligation by transferring control of a promised good or service to the customer. The group has generally concluded that it is the principal in its revenue recognition.

To determine whether to recognise revenue, the group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied

The group often enters into transactions involving a range of products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the group satisfies performance obligations by transferring the promised goods or services to its customers.

The following specific recognition criteria must also be met before the revenue is recognised.

Revenue from sale of properties are recognised when the significant risks and rewards of ownership of the property being sold are effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the group's obligations relating to the property are completed and possession of the property can be transferred in the manner stipulated by the contract of sale. Amounts in respect of sales that have not yet been recognised in the consolidated financial statements, due to the fact that the significant risks and rewards of ownership still rest with the group, are treated as payments received in advance and are reported within current liabilities.

Rental income arising from operating lease on investment property is accounted for on a straight-line basis over the base term.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Administrative expenses are recognised in the consolidated of statement profit or loss upon utilisation of the service or at the date of their origin.

#### **4.6 Borrowing costs**

Borrowing costs primarily comprise interest on the group's borrowings. Borrowing costs are expensed in the period in which they are incurred and reported within 'finance costs'.

#### **4.7 Employee benefits**

Contributions toward the state pension in accordance with local legislation are recognised in the consolidated statement of profit or loss e when they are due.

#### **4.8 Investment property**

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the group and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in the consolidated statement of profit or loss in the period in which they arise.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in the consolidated statement of profit or loss in the period of derecognition.

Rental income and operating expenses from investment property are reported within 'revenue' and 'administrative expenses', respectively.

#### **4.9 Property, plant and equipment**

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the group's management.

Subsequent to initial recognition, property, plant and equipment are revalued periodically, such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any surpluses arising on revaluation are credited to a revaluation reserve. Any deficiencies resulting from decreases in value are deducted from this reserve to the extent that it is sufficient to absorb them, with any excess charged to profit or loss.

Depreciation is calculated using the straight-line method to write off/down the cost or valuation of assets over their estimated useful lives on the following bases:

Computer and office equipment	10%-25%
Plant and machinery	20%
Motor vehicles	20%
Air conditioners	17%
Furniture, fixtures and fittings	10%
Electrical equipment and plumbing	10%
Building improvements	10%
Building	2%

Depreciation begins when the asset is available for use and continues until the asset is derecognised.

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

Depreciation is included within 'administrative expenses' in the consolidated statement of profit or loss and other comprehensive income.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in consolidated statement of profit or loss and other comprehensive income within 'other income' or 'administrative expenses'.

#### **4.10 Intangible asset**

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the group 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 asset is subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful life of the asset. The estimated useful life for intangible asset is as follows:

Website	2%
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Amortisation method, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

#### **4.11 Leases**

##### **The group as a lessee**

The group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the group assesses whether the contract meets three key evaluations which are whether:

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

#### **Measurement and recognition of leases as a lessee**

At lease commencement date, the group recognises a right-of-use asset (ROUA) and a lease liability on the consolidated statement of financial position. The ROUA is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The group depreciates the ROUA on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term. The group also assesses the ROUA for impairment when such indicators exist.

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

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

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

The lease liability is reassessed when there is a change in the lease payments. The revised lease payments are discounted using the group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the ROUA. The exception being when the carrying amount of the ROUA has been reduced to zero. Then, any excess is recognised in the consolidated statement of profit or loss.

On the consolidated statement of financial position, the group has opted to disclose the ROUA and lease liability as separate financial statement line items.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a ROUA and lease liability, the payments in relation to these are recognised within 'administrative expenses' in the consolidated statement of profit or loss on a straight-line basis over the lease term.

#### **4.12 Impairment of property, plant and equipment and intangible asset**

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

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimate expected future cash flows from each cash-generating unit and determine a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses are recognised immediately in profit or loss. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss that has been previously recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

#### **4.13 Financial instruments**

##### **Recognition and derecognition**

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

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

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

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

Financial assets are classified into the following categories:

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

The group does not have any financial assets categorised as FVTPL and FVOCI in the period presented.

The classification is determined by both:

- the group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the consolidated statement of profit or loss are presented within 'finance costs' or 'finance income'.

##### **Subsequent measurement of financial assets**

###### *Financial assets at amortised cost*

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The group's cash and cash equivalents and trade and other receivables excluding advances to suppliers, property deposits, prepayments and indirect taxation, fall into this category of financial instruments.

### **Trade and other receivables**

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

The group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics.

### **Impairment of financial assets**

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

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

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

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

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

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

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

### **Classification and measurement of financial liabilities**

The group's financial liabilities include lease liabilities, borrowings and trade and other payables excluding deposits from customers, indirect tax payable and deferred income.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designates a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

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

#### **4.14 Cash and cash equivalents**

In the consolidated statement of cash flows, cash and cash equivalents comprise cash equivalents, cash in hand and at banks.

#### **4.15 Inventories**

##### *Property held for development and re-sale*

Property held for development and re-sale (“property inventory”) is stated at the lower of cost and net realisable value. The cost includes the purchase price of the property and development costs incurred to date. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing and selling. The cost of development and common costs are apportioned on the basis of the costs absorbed during the stage of development and the cost of land is apportioned on the basis of the floor area.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold and leasehold rights for land;
- Development costs incurred; and
- Planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

When the property inventory is sold, its carrying amount is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of property inventory recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold. Property inventories are classified as non-current when these are expected to be realised after more than one year from reporting date.

#### **4.16 Equity**

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

Revaluation reserves pertains to the fair value gains and losses from the remeasurement of property, plant and equipment, net of deferred tax and is not available for distribution to the group’s shareholders.

Retained earnings includes all current retained loss/profits.

#### **4.17 Provisions and contingent liabilities**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan’s main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **4.18 Income taxes**

Tax expense recognised in the consolidated statement of profit or loss comprises the sum of deferred tax and current tax not recognised directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. This is assessed based on the group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in consolidated statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

#### **4.19 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates.

Actual results in future could differ from such estimates and the differences may be material to the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

#### **Significant management judgements**

The following are significant management judgements in applying the accounting policies of the group that have the most significant effect on the consolidated financial statements.

*Recognition of deferred tax asset*

The extent to which deferred tax assets can be recognised is based on an assessment of the possibility of the group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits as uncertainties in various tax jurisdiction. Refer to note 13 for the composition of the group's deferred tax.

*Determining whether an arrangement contains a lease*

The group uses its judgement in determining whether an arrangement contains a lease, based on the substance of the arrangement and makes an assessment of whether it is dependent on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risk and rewards incidental to ownership to/from the group.

**Estimation uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*Impairment of non-financial assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 4.12). In 2025 and 2024, the group did not recognise any impairment loss.

*Useful lives and residual values of depreciable assets*

Management reviews the useful lives and residual value of depreciable assets at each reporting date, based on the expected utility of the assets to the group. The carrying amounts are analysed in notes 11 and 12. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain fixed assets.

*Inventories*

Management estimates the net realisable value of inventories taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

*Impairment of trade and other receivables*

The group makes an allowance for doubtful debtors based on an assessment of the recoverability of receivables. Allowances are applied to receivables on a case by case basis where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debtors. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

*Leases- Estimating the incremental borrowing rate*

The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROUA in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the group's stand-alone credit rating).

**5 Revenue**

	2025 €	2024 €
Revenue from sale of properties	33,367,034	33,065,382
Revenue from leasing of office spaces	908,166	927,507
Revenue from hotel operations	2,686,420	2,379,369
Revenue from finishings and construction	1,974,684	1,546,359
Revenue from sale of sanitaryware	27,307	1,842,393
Revenue from entertainment	1,379,615	1,343,212
Other revenue	8,364	-
	<u>40,351,590</u>	<u>41,104,222</u>

**6 Finance costs**

	2025 €	2024 €
Interest expense on bonds	1,940,317	1,652,836
Interest expense on leasing arrangements	2,286	21,932
Interest expense on bank overdrafts	9,286	16,658
Interest expense on bank loans	137,170	195,207
Interest capitalised	(88,810)	(488,625)
Bank charges	165,685	335,287
	<u>2,165,934</u>	<u>1,733,295</u>

**7 Profit before tax**

The profit before tax is stated after charging:

	2025 €	2024 €
Auditor's remuneration	78,000	77,937
Depreciation of property and equipment and ROUA	72,816	924,672
Amortisation of intangible asset	6,059	2,761
	<u>156,875</u>	<u>1,005,370</u>

**8 Staff costs**

**8.1 Key management personnel**

Directors' remuneration for the year consists of the following:

	2025 €	2024 €
Short-term benefits		
Directors' remuneration	<u>567,033</u>	<u>574,520</u>

**8.2 Wages and salaries**

Wages and salaries for the year consist of the following:

	2025 €	2024 €
Salaries and wages	<u>3,363,975</u>	<u>4,069,343</u>

## 8.2 Average number of employees

The average number of persons employed by the group during the year was 109 (2024: 130).

## 9 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the group at 35% and the tax expense actually recognised in the consolidated statement of profit or loss can be reconciled as follows:

	2025 €	2024 €
Profit before tax	11,335,208	3,190,114
Effective tax rate	35%	35%
<b>Expected tax expense</b>	<b>(3,967,323)</b>	<b>(1,116,540)</b>
<b>Tax effect of:</b>		
- Non-deductible expenses	(797,953)	(939,046)
- Deferred tax asset not recognised	29,067	(1,501,348)
- Effect of sale on property subject to FWT	1,075,864	1,065,630
- Effect of consolidation adjustments	1,803,789	55,683
	<b>1,856,554</b>	<b>(2,435,948)</b>
<b>Comprising:</b>		
Current tax expense	(2,653,124)	(2,321,750)
Deferred tax income (expense) directly recognised in profit or loss	796,570	(114,198)
	<b>1,856,554</b>	<b>(2,435,948)</b>

Refer to note 13 for information on the group's deferred taxes.

## 10 Investment property

	2025 €	2024 €
<b>Fair value</b>		
As at 1 January	13,688,889	13,688,889
Adjustment	300,584	-
Increase in fair value	5,029,029	-
As at 31 December	<b>19,018,502</b>	<b>13,688,889</b>

The group owns a building located in San Giljan, Malta. The building known as CF Business Centre, is being leased out to third parties or are vacant. The fair value of the property was determined based on the valuation performed by an independent valuer on 15 July 2025.

The rental income of € 908,166 (2024: € 927,507) is shown within 'revenue' and do not include any amounts from variable lease payments.

Although the risks associated with rights that the group retains in underlying assets are not considered to be significant, the group employs strategies to further minimise these risks, for example, collection of a security deposit on signing of lease contract.

The lease contracts are non-cancellable for a period shown as 'di fermo' stipulated in each contract that can vary from 1 year to 5 years from commencement of the lease.

Future minimum lease rentals are as follows:

	Minimum lease payments due						Total €
	Within 1 year €	1 - 2 years €	2 - 3 years €	3 - 4 years €	4 - 5 years €	More than 5 years €	
31 December 2025	668,255	781,641	649,479	358,653	317,744	500,201	3,275,973
31 December 2024	719,894	743,819	768,522	502,144	308,745	638,983	3,682,107

**11 Property, plant and equipment**

	Land and building	Building improvements	Hotels under construction	Furniture, fixtures, and fittings	Computer and office equipment	Plant and machinery	Motor vehicles	Electrical equipment and plumbing	Air conditioners	Total
	€	€	€	€	€	€	€	€	€	€
<b>Cost/Fair value</b>										
At 1 January 2024	11,867,063	467,453	11,535,737	1,229,048	220,114	101,656	242,147	31,983	11,344	25,706,545
Additions	1,679,253	29,537	792,322	98,598	37,272	9,913	42,907	-	-	2,689,802
Disposals	-	-	-	-	(194,147)	(44,600)	(168,830)	(31,983)	(11,344)	(450,904)
Reclassifications	11,227,775	-	(11,227,775)	-	-	-	-	-	-	-
<b>At 31 December 2024</b>	<b>24,774,091</b>	<b>496,990</b>	<b>1,100,284</b>	<b>1,327,646</b>	<b>63,239</b>	<b>66,969</b>	<b>116,224</b>	<b>-</b>	<b>-</b>	<b>27,945,443</b>
<b>Accumulated depreciation</b>										
At 1 January 2024	77,681	105,769	-	351,754	190,180	41,463	152,308	12,025	5,005	936,185
Depreciation for the year	494,577	31,459	-	110,011	26,166	17,909	36,917	2,455	1,138	720,632
Disposals	-	-	-	-	(192,040)	(25,152)	(141,111)	(14,480)	(6,143)	(378,926)
Impairment	-	123,575	-	223,020	-	-	-	-	-	346,595
<b>At 31 December 2024</b>	<b>572,258</b>	<b>260,803</b>	<b>-</b>	<b>684,785</b>	<b>24,306</b>	<b>34,220</b>	<b>48,114</b>	<b>-</b>	<b>-</b>	<b>1,624,486</b>
<b>Cost/Fair value</b>										
At 1 January 2025	24,774,091	496,990	1,100,284	1,327,646	63,239	66,969	116,224	-	-	27,945,443
Reclassification	(157,778)	-	-	-	-	-	-	-	-	(157,778)
Additions	20,778	4,353	984,792	42,048	7,257	11,601	28,814	-	-	1,099,643
Disposals	-	-	-	-	(1,355)	-	-	-	-	(1,355)
Increase in fair value	1,652,502	-	-	-	-	-	-	-	-	1,652,502
Adjustment	(134,681)	-	-	-	-	-	-	-	-	(134,681)
Transferred to non-current assets held for sale	(3,043,799)	-	-	(58,025)	(40,789)	(11,270)	-	-	-	(3,153,883)
<b>At 31 December 2025</b>	<b>23,111,113</b>	<b>501,343</b>	<b>2,085,076</b>	<b>1,311,669</b>	<b>28,352</b>	<b>67,300</b>	<b>145,038</b>	<b>-</b>	<b>-</b>	<b>27,249,891</b>
<b>Accumulated depreciation</b>										
At 1 January 2025	572,258	260,803	-	684,785	24,306	34,220	48,114	-	-	1,624,486
Depreciation for the year	510,132	13,765	-	79,967	15,272	14,636	29,867	-	-	663,639
Release from disposal	-	-	-	-	(1,016)	-	-	-	-	(1,016)
Revaluation adjustment	(444,186)	-	-	-	-	-	-	-	-	(444,186)
Transferred to non-current assets held for sale	(518,522)	-	-	(11,333)	(16,504)	(880)	-	-	-	(547,239)
<b>At 31 December 2025</b>	<b>119,682</b>	<b>274,568</b>	<b>-</b>	<b>753,419</b>	<b>22,058</b>	<b>47,976</b>	<b>77,981</b>	<b>-</b>	<b>-</b>	<b>1,295,684</b>
<b>Net book value/Fair value</b>										
At 31 December 2024	24,201,833	236,187	1,100,284	642,861	38,933	32,749	68,110	-	-	26,320,957
At 31 December 2025	22,991,431	226,775	2,085,076	558,250	6,294	19,324	67,057	-	-	25,954,207

**11.1 Non-current assets held for sale**

During the financial year, the Group reclassified property, plant and equipment with a carrying amount of €2,606,644 as non-current assets held for sale. These assets formed part of the consideration transferred under a settlement agreement associated with a former shareholder of the parent company.

**11.2 Revaluation reserve**

	2025 €	2024 €
As at 1 January	1,539,679	1,539,679
Increase in fair value	2,096,688	-
Deferred tax effect	(733,841)	-
<b>As at 31 December</b>	<b>2,902,526</b>	<b>1,539,679</b>

**12 Right-of-use of assets**

The following table shows the carrying amounts recognised and the movements during the year.

	2025 €	2024 €
<b>Cost</b>		
At 1 January	513,652	1,123,795
Expiration during the year	-	(610,143)
<b>At 31 December</b>	<b>513,652</b>	<b>513,652</b>
<b>Accumulated depreciation</b>		
At 1 January	382,734	342,042
Charge for the year	73,831	204,040
Expiration during the year	-	(163,348)
<b>At 31 December</b>	<b>456,565</b>	<b>382,734</b>
<b>Carrying amount</b>		
<b>At 31 December</b>	<b>57,087</b>	<b>130,918</b>

The depreciation charge was included in the consolidated statement of profit or loss.

**13 Deferred tax asset (liability)**

Deferred taxes arising from temporary differences and deferred taxes recognised can be summarised as follows:

	2025 €	2024 €
Losses carried forward	1,216,618	929,952
Group losses carried forward	1,642,581	741,901
Unutilised capital allowances	1,584,429	1,580,852
Property, plant and equipment uplift	(194,501)	(96,895)
Tangible fixed assets	(319,637)	(248,489)
Investment property uplift	(4,042,907)	(3,096,791)
Provision for bad debts	-	142,536
Provision for stocks	-	326,630
Deferred tax not recognised	<u>(2,628,478)</u>	<u>(2,685,117)</u>
	<b><u>(2,741,895)</u></b>	<b><u>(2,405,421)</u></b>
<b>Comprising:</b>		
Deferred tax asset	2,264,655	1,090,200
Deferred tax liability	<u>(5,006,550)</u>	<u>(3,495,621)</u>
	<b><u>(2,741,895)</u></b>	<b><u>(2,405,421)</u></b>

**14 Inventories**

	2025 €	2024 €
Property held for development and re-sale	27,719,920	35,746,359
Arena restaurant inventories	24,864	16,286
	<b><u>27,744,784</u></b>	<b><u>35,762,645</u></b>

**15 Trade and other receivables**

	2025 €	2024 €
Trade receivables - net	1,934,500	1,844,438
Amounts due from shareholders	8,634,607	5,239,240
Accrued income	188,697	158,120
Other receivables	12,008	21,008
<b>Financial assets</b>	<b><u>10,769,812</u></b>	<b><u>7,262,806</u></b>
Property deposits	2,536,886	1,555,886
Advances to suppliers	96,440	417,651
Indirect taxation	90,948	111,421
Prepayments	23,448	8,302
<b>Total trade and other receivables</b>	<b><u>13,517,534</u></b>	<b><u>9,356,066</u></b>
<b>Comprising:</b>		
Current	<b><u>12,417,534</u></b>	<b><u>9,356,066</u></b>
Non-current	<b><u>1,100,000</u></b>	<b><u>-</u></b>

Financial assets are carried at their nominal value which is considered a reasonable approximation of fair value.

The amounts due from shareholders are unsecured, interest free and are repayable on demand.

**16 Cash and cash equivalents**

Cash and cash equivalents include the following components:

	2025 €	2024 €
Cash at banks	3,641,920	5,864,591
Cash in hand	17,772	-
<b>Total cash</b>	<b>3,659,692</b>	<b>5,864,591</b>

The group did not have any restrictions on its cash at banks at the reporting date.

**17 Share capital**

The share capital of CF Estates Ltd. consists of ordinary shares with a par value of € 1 for each class of ordinary shares. The rights attaching to each class of ordinary share shall be equal and shall rank pari passu in all respects. Each holder of class of ordinary share are entitled to nominate and appoint one director each to the Board of the Company, provided that such appointment shall be subject to the approval of other shareholders. The parent company is authorised to issue preference shares and such shares shall carry no voting rights.

	2025 €	2024 €
<b>Shares authorised at 31 December</b>		
2,100,000 Ordinary Class A shares at € 1 each	2,100,000	2,100,000
1,225,000 Ordinary Class B shares at € 1 each	1,225,000	1,225,000
1,225,000 Ordinary Class C shares at € 1 each	1,225,000	1,225,000
1,225,000 Ordinary Class D shares at € 1 each	1,225,000	1,225,000
1,225,000 Ordinary Class E shares at € 1 each	1,225,000	1,225,000
	<b>7,000,000</b>	<b>7,000,000</b>
<b>Shares issued and fully paid at 31 December</b>		
1,892,460 Ordinary Class A shares at € 1 each	1,892,460	1,892,460
1,103,935 Ordinary Class B shares at € 1 each	1,103,935	1,103,935
1,103,935 Ordinary Class C shares at € 1 each	1,103,935	1,103,935
1,103,935 Ordinary Class D shares at € 1 each	1,103,935	1,103,935
1,103,935 Ordinary Class E shares at € 1 each	1,103,935	1,103,935
	<b>6,308,200</b>	<b>6,308,200</b>

**18 Lease liabilities**

	2025 €	2024 €
Non-current	15,231	55,035
Current	16,369	91,052
<b>Total</b>	<b>31,600</b>	<b>146,087</b>

The group's lease term expires on various expiration dates. The leases are included as a ROUA in the consolidated statement of financial position (see note 12).

The lease liability is secured by the related underlying assets. Future minimum lease payments at 31 December 2025 and 2024 are as follows:

	Minimum lease payments			Total €
	Not later than one year €	Later than one year but not later than five years €	Later than five years €	
<b>31 December 2025</b>				
Lease payments	17,400	15,600	-	33,000
Finance charges	(1,031)	(369)	-	(1,400)
<b>Net present values</b>	<b>16,369</b>	<b>15,231</b>	-	<b>31,600</b>
<b>31 December 2024</b>				
Lease payments	93,900	57,376	-	151,276
Finance charges	(2,848)	(2,341)	-	(5,189)
<b>Net present values</b>	<b>91,052</b>	<b>55,035</b>	-	<b>146,087</b>

## 19 Borrowings

	2025 €	2024 €
<b>Current</b>		
Bank loans	206,615	2,242,451
Bank overdraft	4,388,656	292,186
	<b>4,595,271</b>	<b>2,534,637</b>
<b>Non-current</b>		
Bonds	29,546,643	33,884,879
Bank loans	16,147,492	23,030,842
	<b>45,694,135</b>	<b>56,915,721</b>
<b>Total borrowings</b>	<b>50,289,406</b>	<b>59,450,358</b>

### Bonds

On 22 August 2022, CF Estates Finance P.L.C. (CF Finance) issued € 3,500,000 Secured Notes which matured in 2023. These Secured Notes were issued at a nominal value of € 100 per note and a redemption value of € 103 per note. In accordance with the provisions of the Offering Memorandum dated 22 August 2022, the proceeds from the note issue have been advanced by way of loan facility to the Guarantor and parent company, for the purpose of finance part of the development costs in respect of the real estate developments undertaken by one of the parent company's subsidiaries, CF Homes Ltd. and for the general corporate funding of the group.

On 6 January 2023, MFSA approved the issuance of a further € 30,000,000 Secured Bonds maturing in 2033 with a nominal value of € 100 per bond, issued at par, and with an annual interest of 5% per annum.

On 11 January 2023, CF Finance received the proceeds of the bonds amounting to € 25,996,261, net of sales commissions and other expenses paid in relation to issuance of bonds and early redemptions of the Secured Notes amounting to € 398,739 and € 3,605,000, respectively. The proceeds of the Bonds were used to provide a loan facility to the Guarantor and Parent Company (the "Issuer-Guarantor Loan").

### Loan Notes

On 20 September 2024, CF Estates Finance p.l.c. issued € 4,900,000 Zero-Coupon Secured Notes by way of private placement maturing not later than 20 March 2026. Each note was issued at a nominal value of €100 and will be redeemed at the same value upon maturity, or at the following value if any early redemption option is exercised:

- If the Redemption Date falls at any time between the First Possible Early Redemption Date and 20 March 2025 (both days included): €93.20 per Note;
- If the Redemption Date falls at any time between 21 March 2025 and 20 June 2025 (both days included): €94.90 per Note;
- If the Redemption Date falls at any time between 21 June 2025 and 20 September 2025 (both days included): €96.60 per Note;
- If the Redemption Date falls at any time between 21 September 2025 and 20 December 2025 (both days included): €98.25 per Note; and
- If the Redemption Date falls at any time between the 21 December 2025 and the Full Term Redemption Date (both days included): €100 per Note (at par).

The proceeds of the Notes were used to provide a loan facility to the Guarantor and Parent Company. The Zero-Coupon Secured Notes were redeemed in full at their nominal value on 20 March 2026.

### Bank loans

CF Homes Ltd. entered into various loan and overdraft facilities agreement with local banks in Malta to finance the acquisition and development of its various properties which will mature in two and a half to four years with interest rates ranging from 2.5% to 5.3%.

On 31 December 2019, Finish Furnish Limited entered into an overdraft and loan facilities agreement with Bank of Valletta to finance the working capital requirements in connection with the running of the new showroom in Birkirkara and to end finance for the refurbishment of the Birkirkara showroom and for the acquisition of the initial stock, respectively. The overdraft facility was repaid in full during the first quarter of 2026.

On 22 June 2023, the CF Leisure Ltd (CF Leisure) entered into a loan facility agreement with FCM Bank Limited amounting to € 2,660,000 to finance the one-time payment for CF Leisure to operate an avant-garde entertainment arena payable to Mercury Towers Ltd. The loan has interest of 3.5% per annum plus 3-month EURIBOR applicable from the first drawdown. The loan is to be repaid in full within 10 years from its first drawdown.

On 22 June 2023, CF Hotels Ltd (CF Hotels) entered a loan facilities agreement with FCM Bank Limited to finance the CF Hotel's project. These facilities are interest bearing with 3.5% per annum over the variable 3-month EURIBOR applicable from the date of first drawdown. The first two facilities are to be settled in full within 18 years from first drawdown while the third facility is to be settled in full within 10 years from first drawdown.

These loans are secured by general and special hypothec over the group's assets and guarantees provided by the group's shareholders.

**20 Long-term deposits**

This account consists of the following:

	2025 €	2024 €
Security deposit – rent	240,694	209,285
Security deposit – water and electricity	14,200	12,200
	<b>254,894</b>	<b>221,485</b>

Long-term deposits are security deposits made by the customer as a “security” to the leased premises in case of unnecessary damages is to occur. These are to be refunded to the customer upon termination of the lease or can be applied to any unpaid rentals should the leased premises meet the wear and tear of the property.

**21 Trade and other payables**

	2025 €	2024 €
Trade payables	1,884,724	1,843,170
Amounts due to third party	800,000	800,000
Amounts due to shareholders	972,636	-
Accruals	2,605,375	2,263,749
Other payables	2,528,020	3,138,215
<b>Financial liabilities</b>	<b>8,790,755</b>	<b>8,045,134</b>
Deposits from customers	10,331,877	11,435,395
Indirect tax payable	888,604	1,043,759
Deferred income	145,628	140,197
<b>Total trade and other payables</b>	<b>20,156,864</b>	<b>20,664,485</b>
Non-current	2,100,000	2,400,000
Current	18,056,864	18,264,485
<b>Total</b>	<b>20,156,864</b>	<b>20,664,485</b>

Financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

Amounts due to shareholders are unsecured, interest free and repayable on demand.

## **22 Cash flow adjustments and changes in working capital**

The following cash flow adjustments and changes in working capital have been made to the group's profit before tax to arrive at operating cash flow:

	<b>2025</b>	<b>2024</b>
	€	€
<b>Adjustments:</b>		
Depreciation and amortisation	743,530	927,433
Impairment of property and equipment	-	346,595
Gain on disposal of ROUA	-	(26,986)
Loss on disposal of property, plant and equipment	339	26,978
(Reversal) provision for bad debts allowance	(10,588)	480,549
(Reversal) provision for stocks allowance	(47,908)	933,230
Interest expense on bank borrowings	137,170	195,207
Interest expense on lease arrangements	2,286	21,932
Interest expense on bank overdrafts	9,286	16,658
Interest expense on bonds	1,940,317	1,652,836
Increase in fair value of investment property	(5,029,029)	-
	<u>(2,254,597)</u>	<u>4,574,432</u>
<b>Net changes in working capital:</b>		
Change in inventories	8,028,449	(6,670,038)
Change in trade and other receivables	(4,113,560)	(1,366,737)
Change in trade and other payables	(2,056,860)	2,893,007
	<u>1,858,029</u>	<u>(5,143,768)</u>

## **23 Related party disclosures**

The parent company's related parties consist of shareholders, directors, and subsidiary companies.

Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. Transactions with related parties are generally effected on a cost-plus basis. Outstanding balances are usually settled in cash. Amounts due from/to shareholders are shown separately in note 15 and 21, respectively. Transaction with key management personnel is disclosed in note 8.

## **24 Fair value measurement of investment property**

The fair value of the group's investment property located in San Giljan amounting to € 19,018,502 as at 31 December 2025 were determined based on valuation performed by an independent, professionally-qualified property architect on 15 July 2025 and is classified within Level 3 of the fair value hierarchy. The significant inputs and assumptions are developed in close consultation with management. The valuation process and fair value changes are reviewed by the directors at each reporting date.

The valuation was carried out using a market value basis, as defined by the Royal Institute of Chartered Surveyors (RICS) Standards, namely, the price at which the land and buildings could be sold under private contract between a willing seller and an arm's length buyer on the date of valuation, it is being assumed that the property is publicly exposed to market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of sale. The investment property was revalued on 15 July 2025.

The valuation is based on the comparative and income valuation methodology, and in particular based on open market value for existing use. The gross rental income of the different areas with different uses within the properties has been calculated and capitalised. The risk of the estimated value of the completed development project changes due to changed market conditions over the duration of the project will normally be reflected in the market capitalisations rate used to value the project. This market capitalisation rate as adopted for investment property valuations as defined by RICS Valuation – Global Standards as effective from 31 January 2020 will generally be determined by market transactions of similar trade related property investments. Clearly, due to the differing characteristics of trade related property and the wide variety of lease terms, careful analysis of comparable transactions is essential. In this case, this market capitalisation rate is being calculated at 5.75% on retail and commercial areas, while the capitalisation rate of the offices is taken at 5.25%.

## **25 Financial instrument risks**

### **Risk management objectives and policies**

The group is exposed to credit risk, liquidity risk and market risk through its use of financial instruments, which result from both its operating and investing activities. The group's risk management is coordinated by the directors and focuses on actively securing the group's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the group is exposed are described below. See also note 25.4 for a summary of the group's financial assets and liabilities by category.

#### **25.1 Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the group. The group is exposed to this risk for various financial instruments, for example by granting loans and receivables, placing deposits, etc.

The group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting year, as summarised below.

	<b>Notes</b>	<b>2025</b>	<b>2024</b>
		€	€
<b>Classes of financial assets - carrying amounts</b>			
Financial assets at amortised cost:			
- Trade and other receivables	15	10,769,822	7,262,806
- Cash and cash equivalents	16	3,659,692	5,864,591
		<b>14,429,514</b>	<b>13,127,397</b>

None of the group's financial assets are secured by collateral or other credit enhancements.

#### **Other financial assets at amortised cost**

Other financial assets at amortised cost include cash and cash equivalents.

The group banks with local institutions. At 31 December 2025, cash and cash equivalents amounting to € 3,659,692 (2024: € 5,864,591) are held with local counterparties with credit ratings of A-3 and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the group.

## 25.2 Liquidity risk

The group's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise lease liabilities, borrowings, and trade and other payables (see notes 18, 19 and 21). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the group's obligations when they become due.

At 31 December, the group's financial liabilities have contractual maturities which are summarised below.

31 December 2025	Current	Non-current	
	within 1 year	2 to 5 years	later than 5 years
	€	€	€
Lease liabilities	17,400	15,600	-
Borrowings	4,595,271	10,551,955	35,142,180
Trade and other payables	6,690,755	1,200,000	900,000
	<b>11,303,426</b>	<b>11,767,555</b>	<b>36,042,180</b>

  

31 December 2024	Current	Non-current	
	within 1 year	2 to 5 years	later than 5 years
	€	€	€
Lease liabilities	93,900	57,376	-
Borrowings	2,534,637	22,170,044	34,745,677
Trade and other payables	8,045,134	-	-
	<b>10,673,671</b>	<b>22,227,420</b>	<b>34,745,677</b>

The above amounts reflect the contractual undiscounted cash flows which may differ from the carrying amounts of liabilities at the reporting date.

## 25.3 Market risks

### Foreign currency risk

The group transacts business mainly in euro and had no foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the group is not exposed to foreign currency risk.

### Interest rate risk

The group has no financial instruments subject to floating interest rate, except for cash at banks, which has shown small change in interest rates. As such, the group's management believes that the interest rate risk is not material.

## 25.4 Summary of financial assets and liabilities by category

The carrying amounts of the group's financial assets and liabilities as recognised at the reporting date of the reporting period under review may also be categorised as follows. See note 4.13 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2025	2024
		€	€
<b>Current assets</b>			
Financial assets at amortised cost:			
- Trade and other receivables	15	10,769,812	7,262,806
- Cash and cash equivalents	16	3,659,692	5,864,591
		<b>14,429,504</b>	<b>13,127,397</b>

	Notes	2025 €	2024 €
<b>Non-current liabilities</b>			
Financial liabilities at amortised cost:			
- Lease liabilities	18	15,231	55,035
- Borrowings	19	45,694,135	56,915,721
- Trade and other payables	21	2,100,000	-
		<u>47,809,366</u>	<u>56,970,756</u>
<b>Current liabilities</b>			
Financial liabilities at amortised cost:			
- Lease liabilities	18	16,369	91,052
- Borrowings	19	4,595,271	2,534,637
- Trade and other payables	21	6,690,755	8,045,134
		<u>11,302,395</u>	<u>10,670,823</u>

## **26 Capital management**

The group's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders by maintaining an optimal capital structure to reduce the cost of capital.

The group is not subject to any externally imposed capital requirements.

The capital structure of the group consists of items presented within equity in the consolidated statement of financial position. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt.

## **27 Post-reporting date events**

In accordance with the requirements of IAS 10 Events after the Reporting Period, the directors have assessed events occurring between the reporting date and the date of authorisation of these financial statements.

The following material non-adjusting events have been identified:

- The private placement issued in the prior year was fully paid up, and the Notes were redeemed in full at their nominal value on 20 March 2026.
- On 23 April 2026, the Company completed a restructuring of its shareholding following the exit of a shareholder, Joseph Portelli. As part of the settlement, the Planet Play Arena business was transferred to the exiting shareholder.

On the same date:

- the shareholder resigned as director;
- a change in beneficial ownership took place, resulting in four shareholders each holding 25% of the issued share capital;
- the Company effected a reduction in its share capital.

Furthermore, on 23 April 2026, a dividend was declared, of which only Mr Joseph Portelli elected to receive payment, whilst the remaining shareholders waived their entitlement, with the waived amounts retained within retained earnings.

On 24 April 2026, a further dividend was declared and capitalised, restoring the issued share capital to its original level.

The above events are considered non-adjusting in nature, as they are indicative of conditions that arose after the reporting date. Accordingly, no adjustments have been made to these financial statements.

## Independent auditor's report

To the shareholders of CF Estates Ltd.

### Report on the audit of the financial statements

#### Opinion

We have audited the consolidated financial statements of CF Estates Ltd. and its subsidiaries (the group) set out on pages 6 to 37 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary material accounting policies information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the group as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 ("the Act").

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

#### Basis for opinion

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

### **Other information**

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 to 5 which we obtained prior to the date of this auditor's report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

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

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

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

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

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

### **Responsibilities of the directors those charged with governance for the consolidated financial statements**

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

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

The directors are responsible for overseeing the group's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Reports on other legal and regulatory requirements**

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the consolidated financial statements are not in agreement with the accounting records; or
- 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.

The Principal on the audit resulting in this independent auditor's report is Alex Brincat.



Alex Brincat (Principal) for and on behalf of

**GRANT THORNTON**  
**Certified Public Accountants**

Fort Business Centre  
Triq L-Intornjatur, Zone 1  
Central Business District  
Birkirkara CBD 1050  
Malta

27 April 2026