BBT p.l.c.

Consolidated annual report and financial statements for the year ended 31 December 2023

Company registration number C 101666

Contents

BBT p.l.c.

General information

Registration

BBT p.l.c. is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 101666. The company was registered in Malta on 7 April, 2022.

Directors
Oliver Brownrigg
Silvan Fenech
Mario Gauci (Resigned on 1 April 2024)
Sharon Gauci (Appointed on 1 April 2024)

Registered office
BBT p.l.c.
The Watercourse Zone 2,
Central Business District,
Mdina Road,
Birkirkara,
CBD 2010

Auditors
Forvis Mazars
The Watercourse Zone 2,
Central Business District,
Mdina Road,
Birkirkara,
CBD 2010

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards as adopted by the EU have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 comply with the Companies Act (Cap 386). They are also responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the Group are being properly safeguarded and that fraud and other irregularities will be prevented or detected.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Notes	2023 (12 months) EUR	2022 (9 months) EUR
Revenue	5	**1,690,112**	-
General and administration		**(865,879)**	(283,950)
Other income	7	**125,123**	-
Operating profit / (loss)	10	**949,356**	(283,950)
Gain on bargain purchase	13	**4,402,247**	-
Finance income	8	**240,098**	2,856
Finance costs	9	**(430,385)**	(222,981)
Profit / (Loss) before tax		**5,161,316**	(504,075)
Income tax charge	11	**(180,373)**	-
Profit / (Loss) for the year / period		**4,980,943**	(504,075)

The notes on pages 7 to 35 form an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2023

	Notes	2023 EUR	2022 EUR
ASSETS			
Non-current assets			
Property and equipment	12	58,368	-
Investment property	14	84,525,950	-
		84,584,318	-
Current assets			
Other financial assets	15	7,491,919	5,080,375
Trade and other receivables	16	1,567,712	50,372
Cash and cash equivalents	17	433,161	36,758
		9,492,792	5,167,505
Total assets		94,077,110	5,167,505
EQUITY AND LIABILITIES			
Capital and reserves			
Called-up issued share capital	22	114,885	50,000
Share premium	22	66,869,131	-
Retained earnings / (Accumulated losses)		4,476,868	(504,075)
		71,460,884	(454,075)
Non-current Liabilities			
Borrowings	20	12,588,387	5,184,286
Deferred tax liability	21	7,189,231	-
		19,777,618	5,184,286
Current liabilities			
Trade and other payables	18	720,504	212,084
Other financial liabilities	19	507,035	189,496
Borrowings	20	1,011,899	35,714
Current tax payable		599,170	-
		2,838,608	437,294
Total equity and liabilities		94,077,110	5,167,505

The notes on pages 7 to 35 form an integral part of these consolidated financial statements.

These financial statements were approved by the directors, authorised for issue on 5 September, 2025 and signed by:

Silvan Fenech
Director

Oliver Brownrigg
Director

Consolidated statement of changes in equity for the year ended 31 December 2023

	Share capital EUR	Share premium EUR	Retained earnings/ Accumulated losses EUR	Total EUR
At 7 April, 2022	-	-	-	-
Loss for the period	-	-	(504,075)	**(504,075)**
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(504,075)	**(504,075)**
Issue of share capital	50,000	-	-	**50,000**
At 31 December, 2022	**50,000**	-	**(504,075)**	**(454,075)**
Profit for the year	-	-	4,980,943	4,980,943
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**4,980,943**	**4,980,943**
Issue of share capital	64,885	66,869,131	-	66,934,016
Balance at 31 December, 2023	**114,885**	**66,869,131**	**4,476,868**	**71,460,884**

The notes on pages 7 to 35 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December, 2023

	Note	2023 (12 months) EUR	2022 (9 months) EUR
Cash flows from operating activities			
Profit / (loss) before taxation		**5,161,317**	(504,075)
Adjustment for:			
Depreciation		**6,551**	-
Finance income		**(240,098)**	(2,856)
Finance costs		**430,385**	222,981
Gain on bargain purchase		**(4,402,247)**	-
Movement in working capital:			
Trade and other receivables		**408,899**	(50,372)
Trade and other payables		**(409,019)**	212,084
Due from to related parties		**(8,659,411)**	(4,890,879)
Cash used in operations		**(7,703,623)**	(5,013,117)
Net tax paid		**-**	-
Net cash used in operating activities		**(7,703,623)**	(5,013,117)
Cash flows from investing activities			
Interest received		**240,098**	2,856
Purchase of property, plant and equipment		**(41,197)**	-
Acquisition of subsidiaries, net of cash acquired	13	**58,034**	-
Purchase of investment properties		**(108,010)**	-
Net cash used in investing activities		**148,925**	2,856
Cash flows from financing activities			
Borrowings		**8,380,286**	5,220,000
Proceeds from issue of shares		**1,200**	50,000
Interest paid		**(430,385)**	(222,981)
Net cash generated from financing activities		**7,951,101**	5,047,019
Net movement in cash and cash equivalents		**396,403**	36,758
Cash and cash equivalents at beginning of the year		**36,758**	-
Cash and cash equivalents at the end of the year	17	**433,161**	36,758

The notes on pages 7 to 35 form an integral part of these consolidated financial statements.

1 General information and basis of preparation

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, and in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with the Companies Act (Cap 386).

The financial statements have been prepared on the historical cost basis except for investment property which is stated at its fair value in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of Cap. 386 of the Laws of Malta. The significant accounting policies adopted are set out in note 2 below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

The significant accounting policies adopted are set out below.

1.2 Functional and presentation currency

The consolidated financial statements are presented in Euro. The group's functional currency is the Euro.

2 Significant accounting policies

2.1 Basis of consolidation

The financial statements of the Group incorporate the financial statements of the Company (the parent) and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

Control is achieved when the Company:
- has the power over the subsidiary entity;
- is exposed, or has rights, to variable returns from its involvement with the subsidiary entity; and
- has the ability to use its power to affect those returns.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to their control. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:
- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Intra-Group assets and liabilities, equity, income, expenses and cash flows relating to intra-Group transactions are eliminated on consolidation. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiary companies
Investments in subsidiary companies are reflected in the separate financial statements of the parent Company. Investments in subsidiaries are stated at cost less accumulated impairment losses.

2 Significant accounting policies (continued)

2.2 Business combinations

The Group applies the acquisition method in accounting for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred (excluding amounts relating to the settlement of pre- existing relationships), the amount of any non- controlling interest in the acquiree and, in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree. The transaction costs that the Group incurs in connection with a business combination are expensed as incurred.

The assets and liabilities arising on business combination activity are measured at their acquisition-date fair values. Contingent liabilities assumed in business combination activity are recognised as of the acquisition date, where such contingent liabilities are present obligations arising from past events and their fair value can be measured reliably.

When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated to the consideration, identifiable assets or liabilities (and contingent liabilities, if relevant) are made within the measurement period, a period of no more than one year from the acquisition date.

Gain on bargain purchase arising on business combinations
A gain on bargain purchase arising on a business combination, being the fair value of identifiable assets and liabilities assumed at the date of acquisition exceeds the cost of the acquisition, is recognised in profit or loss on the acquisition date.

2.3 Property and equipment

Recognition and measurement

The cost of an item of property 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. Property and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property and equipment is carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation 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 included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

2 Significant accounting policies (continued)

2.3 Property and equipment (continued)

The rates of depreciation used for other items of property and equipment are the following:

- Property and equipment - 10% to 25% per annum straight line
- Motor Vehicle - 20% per annum straight line
- Computer Equipment - 25% per annum straight line

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property and equipment

Property and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

2.4 Investment property

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property is property held to earn rentals or for capital appreciation or both (including property under construction for such purposes). 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 entity 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 profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined by a professionally qualified architect/ surveyor on the basis of market values.

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 profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

2 Significant accounting policies (continued)

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold in the normal course of business, net of value-added tax, carriage and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rental income
Rental income from investment property is recognized in profit or loss on a straight- line basis over the lease term.

(ii) Recharge of expenses
Recharge of expenses and costs incurred to properties' tenants.

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

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

<u>Financial assets</u>

The significant accounting policies for financial assets are as follows:

(i) Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

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

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

- 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 subsequently measured at fair value through profit or loss ('FVTPL') .

The Group only holds financial assets measured at amortised cost.

(ii) The business models

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

(iii) Debt instruments measured at amortised cost

The following financial assets are classified within this category - trade and other receivables and cash at bank.

Appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Group's accounting policy on ECLs.

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 amortization 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.

Changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss. On derecognition, any difference between the carrying amount and the consideration received if recognised in profit or loss and is presented separately in the line item 'Gains and losses arising from the derecognition of financial assets measured at amortised cost'.

Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for ECLs.

(iv) Interest income using the effective interest method

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

2 Significant accounting policies (continued)

2.6 Financial instruments (continued)

Financial liabilities and equity

In the current and comparative year, the significant accounting policies for financial liabilities and equity are as follows:

(i) Other borrowings

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

(ii) Trade and other payables

Trade payables are classified with current liabilities and are stated at their nominal value when there is no significant financing component.

(iii) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments. Redemptions or refinancing of equity instruments are recognised as changes in equity.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

If not measured as a financial liability at FVTPL and if not arising from a transfer of a financial asset, financial guarantee contracts issued by the Group are subsequently measured at the higher of the following:

(a) the amount of the loss allowance determined in accordance with IFRS 9; and

(b) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies. In the case of financial guarantee contracts, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on.

2.7 Interest income

Interest income comprises income on cash held in interest-bearing bank deposits. Interest income is recognised as it occurs in the statement of comprehensive income, using the effective interest rate method.

2 Significant accounting policies (continued)

2.8 Provisions and contingencies

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

2.9 Income tax

Current and deferred tax is charged or credited to statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity.

The charge for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the financial position date.

Deferred tax is accounted for using the financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the financial position date. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

2 Significant accounting policies (continued)

2.10 Impairment of non-financial assets

Impairment of goodwill
In the year in which a business combination is effected and where some or all of the goodwill allocated to a particular cash-generating unit (CGU) arose in respect of that combination, the CGU is tested for impairment prior to the end of the relevant annual period.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down goodwill to its recoverable amount.

The recoverable amount of goodwill is determined by reference to the CGU to which the goodwill has been allocated. Impairment losses arising in respect of goodwill are not reversed once recognised.

Impairment of tangible assets
The Group reviews the carrying amounts of its tangible as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in the statement of comprehensive income; unless the relevant asset is carried at a revalued amount, in which case the impairment loss is first treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Significant accounting policies (continued)

2.11 Financial instruments

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

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets
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 the statement of comprehensive income.

All financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Impairment of financial assets
The Group always recognises lifetime expected credit losses ('ECL') for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate. When there has not been a significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL which 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; except for assets for which a simplified approach was used.

The Group 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:

a) the financial instrument has a low risk of default;
b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
c) 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.

2 Significant accounting policies (continued)

2.11 Financial instruments (continued)

The Group considers a financial asset to have low credit risk when the asset has an 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.

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

Financial liabilities and equity
Classification of 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 the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital
Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

2 Significant accounting policies (continued)

2.11 Financial instruments (continued)

Other financial liabilities

Trade and other payables
Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings
Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments
In order to manage interest rate and foreign currency risks, the Group has from time to time entered into derivative financial instruments (principally interest rate swaps, currency swaps and forward foreign exchange contracts). Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The carrying value of derivatives is fair value based on discounted future cash flows and adjusted for counterparty risk. Future floating rate cash flows are estimated based on future interest rates (from observable yield curves at the end of the reporting period). Fixed and floating rate cash flows are discounted at future interest rates and translated at period-end foreign exchange rates. At the statement of financial position date, no derivative instruments were recognised on the statement of financial position.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3 Judgement in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the Group makes judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known.

Except for the below, in the opinion of the Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

Fair value of investment property

The Group uses the services of professional valuers to revalue the investment property. The professional valuers take into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non- financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).

A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).

A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. As described in Note 14, the Group uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of investment property.

4 Changes in accounting policies and disclosures

Initial Application of an International Financial Reporting Standard

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2023:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective on 1 January 2023)

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the Material accounting policies (2022 – Significant accounting policies) in certain instances in line with these amendments.

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective on 1 January 2023)

The amendments to IAS 8 focus entirely on accounting estimates with the definition of a change in accounting estimates being replaced with a definition of accounting estimates. Accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty".

Accounting estimates arise when accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error and that the effects of a change in an input or a measurement method used to derive an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The application of these amendments did not have a material effect on the group consolidated financial statements.

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective on 1 January 2023)
  The amendments narrow the scope of the recognition exemption in paragraph 15 of IAS 24 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

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

4 Changes in accounting policies and disclosures (continued)

Initial Application of an International Financial Reporting Standard (continued)

- Amendments to IAS 12, Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023) (effective on 1 January 2023)

The amendment introduces a temporary, mandatory exemption from accounting for deferred taxes resulting from the introduction of the global minimum taxation and targeted disclosures in the notes for effected entities.

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

Standards, interpretations and amendments to published standards as adopted by the EU in issue but not yet effective for financial periods beginning on 1 January 2023:

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

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

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

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

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

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

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

5 Revenue

	2023 EUR (12 months)	2022 EUR (9 months)
Amount of revenue by class of activity:		
Rental income from operating leases	**1,690,112**	-

6 Employees

The average monthly number of persons employed by the Group (including Directors) during the year was as follows:

	2023 Number	2022 Number
Administration	**6**	6

The staff costs comprise:

	2023 EUR (12 months)	2022 EUR (9 months)
Wages and salaries	**192,739**	38,077

7 Other income

	2023 EUR (12 months)	2022 EUR (9 months)
Service and other charges	**125,123**	-

8 Finance income

	2023 EUR (12 months)	2022 EUR (9 months)
Interest on loans to related parties	**212,502**	-
Interest on loans to third parties	**27,596**	2,856
	240,098	2,856

9 Finance costs

	2023 EUR (12 months)	2022 EUR (9 months)
Bank charges and interest	**430,385**	222,981

10 Operating profit / (loss)

The loss on ordinary activities before taxation is stated after charging:

	2023 EUR (12 months)	2022 EUR (9 months)
Advertising	**57,948**	7,814
Auditor's remuneration	**17,792**	4,750
Bank charges	**93,357**	307
Cleaning	**18,001**	-
Depreciation	**6,551**	-
Insurance	**15,699**	-
IT expenses	**2,891**	500
Legal and professional fees	**279,087**	226,489
Licences and fees	**3,105**	-
Motor vehicle expenses	**498**	-
Printing and stationery	**4,086**	6,016
Repairs and maintenance	**44,519**	-
Security expenses	**9,570**	-
Sundry expenses	**62,147**	-
Telecommunications	**1,337**	-
Travelling	**1,536**	-
Uniforms	**260**	
Wages and salaries	**192,739**	38,077
Water and electricity	**54,755**	-
	865,878	283,953

11 Income tax expense

On taxable profit subject to income tax at 35%: -

	2023 EUR (12 months)	2022 EUR (9 months)
Tax charge for the year:		
Current tax charge	**180,373**	-

Income tax in Malta is calculated at a basic rate of 35% (2022: 35%) of the estimated assessable profit for the year.

11 Income tax expense (continued)

The tax expense for the year can be reconciled to the profit per the income statement as follows:

	Group	
	2023	2022
	EUR	EUR
	(12 months)	(9 months)
Profit / (Loss) before tax	**5,161,317**	(504,075)
Income tax at 35%:	**(1,806,461)**	176,426
Non-allowable expenses	**(321,733)**	(176,426)
Unrecognised deferred tax movement	**(65,450)**	-
Effect of removal of pre-acquisition earnings	**(4,575,111)**	-
Effect of removal of pre-acquisition tax charge	**1,748,098**	-
Effect of removal of pre-acquisition deferred tax	**2,993,101**	-
Other income subject to lower tax rates	**1,853,047**	-
Other differences	**(5,864)**	-
Income tax expense for the year / period	**(180,373)**	-

12 Property and equipment

	Motor vehicle EUR	Generator and other equipment EUR	Office equipment EUR	Computer equipment EUR	Fixtures & fittings	Total EUR
Cost						
At 31 December 2021	-	-	-	-	-	-
Additions	-		-	-	-	-
Disposals	-		-	-	-	-
At 31 December 2022	-	-	-	-	-	-
Additions	23,000	15,021	-	5,496	1,271	44,788
Additions through business combinations	-	47,257	40,281	6,707	-	94,245
At 31 December, 2023	**23,000**	**62,278**	**40,281**	**12,203**	**1,271**	**139,033**
Accumulated depreciation						
At 31 December 2021	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2022	-	-	-	-	-	-
Charge for the year	1,150	3,923	-	1,404	74	6,551
Additions through business combinations	-	56,149	12,769	5,016	180	74,114
At 31 December 2023	**1,150**	**60,072**	**12,769**	**6,420**	**254**	**80,665**
Carrying amount						
At 31 December, 2023	**21,850**	**2,206**	**27,512**	**5,783**	**1,017**	**58,368**
At 31 December, 2022	-	-	-	-	-	-

13 Business combinations

Acquisitions in 2023

On 6 June 2023, the Group acquired 100% of the shares and voting rights in the entities listed below in exchange for the Company's shares. The agreement consisted of a consideration of 47,460 shares at the issue price of EUR 1,157.48 per share.

Company	Country of incorporation	Principal activity
MJSK Ltd.	Malta	Property development
The Watercourse Complex Ltd.	Malta	Rental company
Center Parc Holdings Ltd.	Malta	Rental company

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired companies as at the date of acquisition were:

	Fair value recognized on acquisition		
	Center Parc Holdings Ltd. EUR	The Watercourse Complex Ltd. EUR	MJSK Ltd. EUR
Assets			
Investment properties	40,427,711	28,369,229	15,621,000
Property and equipment	23,722	-	-
Trade receivables	1,846,441	78,598	1,200
Other financial assets	-	27,343	-
Cash and cash equivalents	9,183	48,851	-
	42,307,057	**28,524,021**	**15,622,200**
Liabilities			-
Trade payables	(856,757)	(31,250)	(29,432)
Current tax payable	(382,776)	(44,541)	-
Deferred tax liability	(3,411,341)	(2,526,198)	(1,250,887)
Other financial liabilities	(1,303,827)	-	(5)
	(5,954,701)	**(2,601,989)**	**(1,280,324)**
Total identifiable net assets acquired	**36,352,356**	**25,922,032**	**14,341,876**
Gain on bargain purchase	**(1,827,758)**	**(1,358,441)**	**(1,216,050)**
Consideration transferred	**34,524,598**	**24,563,591**	**13,125,826**

13 Business combinations (continued)

	Cash flow on acquisition		
	Center Parc Holdings Ltd. EUR	The Watercourse Complex Ltd. EUR	MJSK Ltd. EUR
Net cash acquired with subsidiary	9,183	48,851	-
Net cash flow on acquisition	**9,183**	**48,851**	**-**

The gain on bargain purchase is attributable to the upward valuation of investment properties. It will not be taxable for tax purposes.

14 Investment property

	EUR
Cost	
At 1 January 2021	-
Additions	-
Disposal	-
At 1 January, 2022	-
Additions	28,422,071
Additions through business combinations	56,103,879
At 30 December 2023	**84,525,950**
Net book value	
At 30 December 2023	**84,525,950**
At 30 December 2022	-

The Company continued development of its investment property during the year. Additions for the year consisted of modifications to current property held.

Investment property is revalued by professionally qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice.

In the years where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary.

For property held, the current use equates to the highest and best use.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Company's property has been determined to fall within level 3 of the fair valuation hierarchy.

The different levels in the fair value hierarchy are defined in Note 1.1.

14 Investment property (continued)

The Company' s policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

Description of valuation techniques used and key inputs to valuation of investment properties

The valuation was determined based on the income approach (discounted projected cash flows). Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including a terminal value. This method involves the projection of cash flows to which a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. Rental values and rent growth rates have been determined based on contractual agreements currently in place and used as a benchmark for the calculation of the terminal value.

Center Parc Holdings Ltd

	Valuation technique	**Significant unobservable inputs**	**Discount rate**	**Narrative sensitivity**
Investment property	Income approach	Discount rate	6.25%	The higher the discount rate, the lower the fair value
		Rental value per square metre	€ 166.00	The higher the price per square metre, the higher the fair value
		Rent growth per annum	2.9% - 4.8%	The higher the rent growth, the higher the fair value

Sensitivity analysis		
	Change in rate	**Change in value**
		EUR million
Discount rate sensitivity	1% / (1) %	(5.3) / 7.4
Rental value per square meter sensitivity	+ 5% / (5) %	1.9/ (1.9)

14 Investment property (continued)

The Watercourse Complex Ltd

	Valuation technique	**Significant unobservable inputs**	**Discount rate**	**Narrative sensitivity**
Investment property	Income approach	Discount rate	7%	The higher the discount rate, the lower the fair value
		Rental value per square metre	€ 245.36	The higher the price per square metre, the higher the fair value

Sensitivity analysis		
	Change in rate	**Change in value**
		EUR million
Discount rate sensitivity	1% / (1) %	(4.6) / 6.2
Rental value per square meter sensitivity	+ 5% / (5) %	0.14/ (0.14)

MJSK Limited

At 31 December 2023, the Company owned a plot of land with a fair value amounting to *EUR15,636,091*. No rental income was earned from this investment property and hence a sensitivity analysis is not applicable.

15 Other financial assets

	2023 EUR	2022 EUR
Loan to related parties	**3,911,518**	3,752,856
Loan to third parties	**1,276,563**	1,250,000
Amounts due from related parties	**419,400**	77,519
Amounts due from shareholder	**1,884,438**	-
	7,491,919	5,080,375

The loan to related parties carries an interest rate of 4.25%, is unsecured and repayable on demand. Amounts due from related parties are interest-free, unsecured and repayable on demand. The amounts owed by shareholders are unsecured, interest free and repayable on demand.

16 Trade and other receivables

	2023 EUR	2022 EUR
Trade receivables	**162,852**	-
Prepayments and accrued income	**1,239,390**	-
Other receivables	**165,470**	50,372
	1,567,712	50,372

17 Cash and cash equivalents

	2023 EUR	2022 EUR
Cash at bank and in hand	**433,161**	36,758

18 Trade and other payables

	2023 EUR	2022 EUR
Trade payables	**351,090**	128,090
Indirect taxes	**118,242**	-
Accruals and deferred income	**129,650**	83,991
Deposits from tenants	**111,796**	-
Other payables	**9,726**	-
	720,504	212,081

19 Other financial liabilities

	2023 EUR	2022 EUR
Amounts due to shareholders	**507,035**	189,496

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

20 Borrowings

Borrowings included under non-current liabilities on the balance sheet comprise the following amounts:

	2023 EUR	2022 EUR
Bank loan	**13,600,286**	5,220,000
Of which fall due within more than 12 months	**12,588,387**	5,184,286

On 28 June 2023, the Company obtained an additional bank loan amounting to EUR 7,636,000. The loan carries a 4.20% interest rate and is repayable over 15 years from the first drawdown, inclusive of a 12-month moratorium period on capital repayments. The bank loan has been secured by a general hypothec on the Company's assets.

21 Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using a principal rate of 35%.

21 Deferred tax (continued)

The deferred tax balance is made up of:

	2023 EUR	2022 EUR
At beginning of year	-	
Deferred tax on acquisition	7,189,231	-
At end of year	**7,189,231**	-
Being:		
Deferred tax liability	7,189,231	-

22 Capital and reserves

22.1 Called up issued share capital

	2023 EUR	2022 EUR
Authorised		
200,000 ordinary shares of EUR 1 each (2022: 50,000)	**200,000**	50,000
Issued and fully paid up		
114,885 ordinary shares of EUR 1 each (2022: 50,000)	**114,885**	50,000

During the year, capital contribution totalling to EUR 4.83 million previously recognized within equity was repaid in full and reinvested to the Group through issuance of 10,100 shares which resulted to the recognition of share premium.

22.2 Share premium

The Group issued 64,885 Ordinary 'A' shares of EUR 1 each at a total share premium of EUR 66,869,131 which is not distributable.

22.3 Retained earnings

This reserve represents accumulated retained profits.

23 Fair values of financial assets and financial liabilities

At 31 December 2023 and 2022, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities, respectively, approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities that are not measured at fair value are not materially different from their carrying amounts.

24 Financial risk management

The exposures to risk and the way risks arise, together with the Group'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.

Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed below.

Where possible, the Group aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Financial assets which potentially subject the Group to concentrations of credit risk consist principally of receivables and cash at bank.

Receivables are presented net of any required allowance for doubtful debts. The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk with respect to receivables is limited due to credit control procedures and the minimal balance outstanding at year- end. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

The provision rates are based on days past due for customers with similar loss patterns (i.e. by geographical region or customer type). The analysis did not result in material amounts and the Group did not recognize any impairment allowance on trade receivables.

The credit risk relating to cash at bank is considered to be low in view of management's policy of placing it with quality financial institutions.

Carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk, as detailed below:

	2023	2022
	EUR	EUR
Trade receivables	**436,943**	-
Cash at bank	**433,161**	36,758
	870,104	36,758

Interest rate risk

The Group has taken out loans to finance its operations from the related parties as mentioned in Note 19. The interest rates thereon and the terms of such borrowings are disclosed accordingly.

The Group is exposed to fair value interest rate risk on borrowings and debt instruments carrying a fixed interest rate.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by adjusting its selling prices or by restructuring its financing structure.

The carrying amounts of the Group's financial instruments carrying a rate of interest at the end of the reporting period are disclosed in the notes to the financial statements.

24 Financial risk management (continued)

Liquidity risk management

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of trade and other payables and other financial liabilities (notes 18 and 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash outflows over a twelve- month period and over a long- term period in relation to the development of the shopping mall. This approach ensures that the project is adequately financed and that no additional financing facilities are expected to be required over the coming year.

At the end of the reporting period, the Group showed a net current asset position of *EUR 6,961,192* (2022: *EUR 4,730,214*). The Company enjoys the full support of its shareholders and other related parties and shareholders' advances are expected to continue to form part of the Company's effective financing structures. The Directors are therefore confident that the Company will be in a position to continue to meet its commitments as and when they fall due.

Capital risk management

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

The capital structure of the Company consists of cash and cash equivalents as disclosed in note 17, and the items presented within equity in the statement of financial position.

The Company's 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 Directors, the Company balances its overall capital structure through new share issues as well as issue of new debt.

The Company's overall strategy remains unchanged from the prior year.

25 Contingent liabilities

As per bank sanction letter dated 5 February 2024, the Company has provided the following guarantees and pledges in favour of a related party, securing its obligations under a loan facility of EUR 43.4 million:

(i) 1st General Hypothecary Guarantee over the present and future assets of the Company for Loan II EUR 14 million, Loan II EUR 5,928,572, Loan III EUR 3.5 million, Loan IV EUR 6.5million and Loan V EUR 13.5 million.

(ii) 1st Special Hypothecary Guarantee to be given by the Company for Loan I EUR 14 million, Loan II EUR 5,928,572, Loan III EUR 3.5 million, Loan IV EUR 6.5 million and Loan V EUR 13.5 million over Center Parc Mall situated in Racecourse Street, Qormi.

(iii) Pledge on receivables dated 13 April 2023, entered into by the Company, whereby the pledgor has pledged in favour of BOV any amount due in accordance with Lease Agreement dated 23 March 2022 entered into with D Shopping Malls Limited.

The directors are of the opinion that no provision is required against such amounts as the principal borrowers are either not expected to default, or such facilities are secured by other tangible assets or guarantees.

26 Capital commitments

The Company has committed to capital investments amounting to EUR 6.7 million which are expected to be finalized by the end of year 2025.

As at the date of approval of these financial statements, EUR 4.2 million of these commitments have been contracted.

27 Subsidiary undertakings

The Group has related party relationships with its direct and indirect subsidiaries, key management personnel and other related parties by virtue of common directorship. Trading transactions with related parties are carried out at arms length and in the current year consisted of:

	The Group Transaction value for the year ended 31 December	
	2023	2022
	EUR	EUR
Finance income		
Interest on loan from related parties	**212,502**	-
Other financial assets		
Loan to related parties	**3,911,518**	3,752,856
Loan to third parties	**1,276,563**	1,250,000
Amounts due from related parties	**419,400**	77,519
Amounts due from shareholder	**1,884,438**	-
Other financial liabilities		
Amounts due to shareholders	**507,035**	189,496

Significant amounts receivable and payable at year-end are disclosed in notes 15 and 19.

The group financial statements consolidate the results and position of the following subsidiaries as at 31 December 2023:

Company	**Country of incorporation**	**Principal activity**	**Percentage held 2023**	**2022**
BBT Group Holdings Ltd.	Malta	Holding company	99.9%	99.9%

And the following sub-subsidiaries:

Company	**Country of incorporation**	**Principal activity**
BBT Management Ltd.	Malta	Management company
MJSK Ltd.	Malta	Property development
The Watercourse Complex Ltd.	Malta	Rental company
Center Parc Holdings Ltd.	Malta	Rental company

28 Post balance sheet events

In January 2024, the company fully acquired Develeco Malta Limited. BBT p.l.c. The company has entered into a promise of sale agreement to sell the property owned by Develeco Malta Limited in April 2025.

The company also entered into a share purchase agreement to acquire 75% of the shares in San Gwakkin Limited in May 2024.

Subsequently, in July 2024, BBT p.l.c. and Elzan Properties Limited entered into both a *promise of sale* agreement and share purchase agreement to acquire Gozo Hotels Company Limited and its properties. In April 2025, the promise of sale was then assigned to La Mer Limited, its subsidiary. The agreement for the purchase of the property was signed on 30 April 2025.

BBT p.l.c., through its associate company, BBT Nigret Properties Ltd., has entered into a *deed of sale* agreement and acquired two sites in Zurrieq in October 2024.

Lastly, BBT p.l.c. has entered into a *promise of sale* agreement to sell a tract of the land in May 2025.

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Independent auditors' report

To the Shareholders of BBT p.l.c

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BBT p.l.c, set out on pages 3 to 35, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the General Information. Our opinion on the financial statements does not cover this information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of the Directors

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

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

Independent auditors' report

To the members of BBT p.l.c (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

Independent auditors' report
To the members of BBT p.l.c (continued)

Report on Other Legal and Regulatory Requirements
Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

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

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

Use of audit report
This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act (Cap386) of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

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

Forvis Mazars
Certified Public Accountants
Birkirkara,
Malta

5 September, 2025

Digital Signatures

Authorised User Signature:
Signer: Christian Galea
Date:10/10/2025

Declaration by Directors pursuant to article 183(3) of the Companies Act

Applicable to accounting periods other than the first accounting period

We, the undersigned directors of BBT p.l.c. having registration no. C101666, do hereby confirm that in respect of the company's financial period ending 31 December 2023 the company qualifies as a small company in terms of article 185 (1) of the Companies Act on the grounds that (***tick the applicable box***):

The company did not exceed the limits of at least two of the below-mentioned three criteria, in respect of both the current accounting period and the previous accounting year;	☑
The company: - did not exceed the limits of at least two of the below-mentioned three criteria in respect of the current accounting period; and - exceeded the limits of at least two of the below-mentioned three criteria in the previous accounting period, but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test);	☐
The company exceeded the limits of two of the below-mentioned criteria in respect of the current accounting year but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test).	☐

Criteria for a small company	
- Balance Sheet Total:	four million euro (€4,000,000)
- Turnover:	eight million euro (€8,000,000)
- Average number of employees during the accounting period:	fifty (50)

We also confirm that on the basis of the above, the company has taken advantage of the following exemptions (*tick where applicable*):

Directors' report has not been submitted to the Registrar of Companies	☑
Profit and Loss account has not been submitted to the Registrar of Companies **(*Applicable only in the case of a small private exempt company*)**	☐

Mr Oliver Brownrigg
Director

Mr Silvan Fenech
Director

Digital Signatures

Authorised User Signature:
Signer: Christian Galea
Date:28/01/2026