

BBT p.l.c.
Consolidated annual report and financial statements
for the year ended 31 December 2025

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Directors' report

The Directors present their report together with the audited consolidated financial statements of BBT p.l.c. (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025.

Principal activities

BBT p.l.c. is a public limited liability company incorporated and domiciled in Malta. The Group is principally engaged in property investment, property development, financing and holding activities through its investments in subsidiaries and associated undertakings. The Group's strategy is focused on the acquisition, development and management of real estate assets whilst generating sustainable returns for shareholders and maintaining a prudent financial position.

Review of Performance

Revenue for the year amounted to EUR5.1 million (2024: EUR4.0 million) while profit before taxation amounted to EUR6.1 million (2024: EUR3.4 million). Profit after taxation amounted to EUR4.5 million (2024: EUR1.5 million). The improved performance reflects growth across the Group's investment portfolio together with fair value gains arising on investment property.

During the year, the Group recognised a fair value increase on investment property of EUR3.3 million and expanded its property and investment portfolio through strategic acquisitions and investments. Total assets increased from EUR114.6 million to EUR230.7 million, while investment property increased from EUR81.2 million to EUR147.2 million. The Group also recognised goodwill of EUR5.1 million and an investment in associate amounting to EUR12.4 million.

The Directors consider the financial performance achieved during the year to be satisfactory and reflective of the Group's continued growth strategy.

Funding, Liquidity and Capital Management

Funding structure

During 2025, the Group continued to finance its growth strategy through a combination of shareholder funding, related-party financing arrangements, third-party funding and long-term bank borrowings.

As at 31 December 2025, the Group reported amounts due to related parties of EUR31.7 million, amounts due to shareholders of EUR25.6 million, amounts due to third parties of EUR18.0 million and bank borrowings of EUR47.4 million. The Directors consider the resulting funding structure to be appropriate in light of the Group's investment strategy, long-term development horizon and substantial asset base.

The significant increase in funding balances during the year principally reflects financing obtained to support acquisitions, investment activity and the continued expansion of the Group's property portfolio. A substantial portion of the movements in these balances arose through non-cash transactions, including capitalisation of balances, intercompany settlements and funding arrangements associated with business combinations.

Liquidity Management

The Board actively monitors the Group's liquidity position and financing requirements through regular review of budgets, forecasts, financing commitments and expected cash flows.

Funding, Liquidity and Capital Management (continued)

The Group's liquidity position is supported by a substantial underlying asset base comprising investment property of EUR147.2 million, other financial assets of EUR59.2 million and investments in associates of EUR12.4 million. The Directors are satisfied that the Group maintains adequate resources to meet its operational, investment and financing obligations as they fall due.

Capital Management

The Group's capital management objectives are:

- to safeguard the Group's ability to continue as a going concern;
- to support the Group's long-term strategic objectives;
- to maintain access to a diversified range of funding sources;
- to protect the interests of shareholders, lenders and other financing stakeholders; and
- to maintain an appropriate balance between debt and equity funding.

The Board regularly reviews the Group's capital structure and financing arrangements to ensure that capital resources remain aligned with the Group's strategy and risk profile.

Future developments

The Directors remain confident regarding the Group's future prospects and intend to continue pursuing opportunities within the real estate, hospitality and investment sectors.

The Group's strategy remains focused on:

- enhancing the value of its existing property portfolio;
- developing selected strategic sites;
- increasing recurring income streams;
- pursuing value-accretive acquisitions and investments; and
- maintaining prudent leverage and financing levels.

The Directors continuously monitor market conditions and remain committed to maintaining the financial flexibility necessary to support the Group's growth objectives.

Principal Risks and Uncertainties

The Group operates in an environment which exposes it to a number of risks and uncertainties. The principal risks facing the Group include:

- Property market risk arising from fluctuations in real estate values and rental markets;
- Development risk arising from changes in construction costs, planning approvals and project execution;
- Financing and liquidity risk arising from the need to maintain adequate funding and refinancing arrangements;
- Interest rate risk arising from exposure to floating-rate borrowings;
- Credit risk arising from counterparties' inability to meet contractual obligations;
- Regulatory risk arising from changes in laws, regulations and taxation requirements; and
- Operational risk relating to the day-to-day management of the Group's activities.

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The Board continuously monitors these risks and has implemented policies and procedures designed to mitigate their potential impact.

Directors

The following persons served as Directors during the year and up to the date of approval of these financial statements:

- Oliver Brownrigg
- Silvan Fenech
- Mario Gauci (Resigned on 1 April 2025)
- Sharon Gauci (Appointed on 1 April 2025)
- Stanley Portelli (Appointed on 16 February 2026)
- Mark Anthony Grech (Appointed on 16 February 2026)
- Ingrid Azzopardi (Appointed on 16 February 2026)

Going Concern

In assessing the appropriateness of the going concern basis in preparing these financial statements, the Directors considered the Group's financial position, available financing facilities, projected cash flows and anticipated operating performance for a period of at least twelve months from the date of approval of these financial statements.

At 31 December 2025, the Group reported net current liabilities. The Directors note that a significant portion of the Group's current liabilities relate to financing arrangements and balances with related parties that are expected to remain available to the Group and are not expected to result in immediate cash outflows.

The Directors reviewed detailed cash flow projections which take into account anticipated rental income, forecast operating cash inflows, expected financing costs, committed capital expenditure and available funding sources. The projections demonstrate that the Group is expected to maintain adequate liquidity throughout the forecast period.

The Directors have also considered the successful completion of financing initiatives subsequent to year end, together with the Group's asset base and ability to generate cash flows from both operations and investment activities.

Based on the above assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Disclosure to auditors

The Directors confirm that, so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware and that all reasonable steps have been taken by the Directors to make themselves aware of any relevant audit information and to establish that such information has been communicated to the auditors.

Statement of directors' responsibilities

The directors are required by the Companies Act (Cap 386) to prepare consolidated 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 consolidated financial statements, the directors are required to:

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

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and which enable the directors to ensure that the consolidated 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.

Auditor

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

Information pursuant to Capital Markets Rule 5.70.1

There were no material contracts to which the group, or its subsidiaries were a party, and in which anyone of the group's directors were directly or indirectly interested.

Signed on behalf of the Board of Directors on 26 August 2026 by Oliver Brownrigg (Director) and Silvan Fenech (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Statement of compliance with the principles of Good Corporate Governance

Introduction

The Board of Directors remains committed to maintaining high standards of corporate governance and recognises the importance of good governance practices in protecting the interests of shareholders, lenders and other stakeholders.

Throughout the year ended 31 December 2025, the Company was not a listed issuer. The Board nevertheless sought to apply governance principles appropriate to the size, complexity and nature of the Group's operations and, where relevant, had regard to governance practices applicable to companies of comparable scale and complexity.

Board of directors

The Board is responsible for the overall governance and strategic direction of the Group. Its responsibilities include:

- approving strategic objectives and investment decisions;
- overseeing risk management and internal controls;
- reviewing financial performance;
- approving significant financing arrangements;
- ensuring compliance with legal and regulatory obligations; and
- safeguarding the interests of shareholders and other stakeholders.

The Board meets regularly and receives timely information to enable it to discharge its responsibilities effectively.

Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining effective systems of risk management and internal control.

The Group's system of internal control is designed to manage, rather than eliminate, the risks inherent in the conduct of its operations. Accordingly, whilst providing reasonable assurance, it cannot provide absolute assurance against material misstatement, loss or failure to achieve business objectives.

The Board has established processes for identifying, evaluating and managing the principal risks to which the Group is exposed.

These include:

- property market and valuation risk;
- development and construction risk;
- liquidity and refinancing risk;
- interest rate risk;
- credit risk;
- regulatory and compliance risk;
- operational risk.

The Board reviews the effectiveness of these systems on an ongoing basis and is satisfied that they remain appropriate to the nature and scale of the Group's activities.

Related party governance

The Group maintains commercial and financing relationships with related parties and shareholders as part of its overall investment and funding structure.

As at 31 December 2025, amounts due to related parties and shareholders amounted to EUR57.3 million. The Board recognises the importance of ensuring that such relationships are managed with appropriate transparency, oversight and governance.

All material related-party transactions are subject to review and approval procedures designed to ensure that such transactions are conducted on normal commercial terms and in the best interests of the Company and its stakeholders.

The Board receives information regarding related-party balances and transactions as part of its regular financial oversight responsibilities. The Board is satisfied that all material related party transactions entered into during the year were conducted on terms considered fair and reasonable and in the best interests of the Company.

Further information regarding related party balances and transactions is disclosed in Note 29 to these financial statements.

Conflicts of interest

Directors are required to declare any actual or potential conflicts of interest that may arise in connection with matters considered by the Board.

Where appropriate, Directors abstain from participating in discussions and decisions where a conflict of interest exists or may reasonably be perceived to exist.

The Board considers these procedures to be an important component of the Company's governance framework.

Audit Committee

During the year under review, the Company was not required to maintain an Audit Committee and therefore had not established one. The responsibilities typically assigned to an Audit Committee were discharged by the Board of Directors.

Following the reporting date, and in anticipation of the Company's enhanced governance framework as a listed bond issuer, the Board established an Audit Committee comprising non-executive directors, including independent non-executive directors. The Committee's terms of reference include oversight of financial reporting, internal control systems, risk management processes and the relationship with the external auditor.

Relations with shareholders and other stakeholders

The Board recognises the importance of maintaining transparent and effective communication with shareholders, lenders and other stakeholders.

Information is communicated through annual financial reports, general meetings and other statutory communications required under applicable law.

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The Directors are committed to maintaining an appropriate balance between the interests of shareholders, lenders, related parties and other stakeholders when making strategic and financing decisions.

Corporate Social Responsibility

The Group seeks to conduct its activities responsibly and ethically, taking due account of the interests of its employees, customers, suppliers, investors and the wider community.

Compliance Statement

The Board is of the opinion that, during the financial year ended 31 December 2025, the Company maintained governance arrangements appropriate to the nature, size and complexity of the Group and its operations.

The Board remains committed to reviewing and enhancing its governance framework to maintain alignment with applicable regulatory requirements and recognised good practice.

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2025**

	Notes	2025 EUR	2024 EUR
Revenue	5	5,136,466	3,999,601
General and administration	10	(1,608,781)	(1,459,635)
Other income	7	663,213	235,894
Operating profit		4,190,898	2,775,860
Gain on bargain purchase	13	-	163,439
Revaluation of investment property	15	3,342,112	1,114,326
Finance income	8	218,350	240,391
Finance costs	9	(1,649,565)	(894,093)
Share of results of associate	14	(11,471)	-
Profit before tax		6,090,324	3,399,923
Income tax charge	11	(1,563,539)	(1,863,292)
Profit for the year		4,526,785	1,536,631
Total comprehensive income for the year		4,526,785	1,536,631
Profit attributable to:			
Owners of the company		4,308,906	1,536,631
Non-controlling interest		217,879	-
		4,526,785	1,536,631
Total comprehensive income attributable to:			
Owners of the company		4,308,906	1,536,631
Non-controlling interest		217,879	-
		4,526,785	1,536,631

Consolidated statement of financial position as at 31 December 2025

		2025	2024 (restated)
	Notes	EUR	EUR
ASSETS			
Non-current assets			
Property and equipment	12	101,683	56,606
Investment property	15	147,193,571	97,248,668
Investment in associate	14	12,428,129	600
Goodwill	13	5,054,997	-
		164,778,380	97,305,874
Current assets			
Other financial assets	16	59,161,038	13,183,629
Trade and other receivables	17	5,495,058	3,836,414
Cash and cash equivalents	18	1,292,287	295,289
		65,948,383	17,315,332
Total assets		230,726,763	114,621,206
EQUITY AND LIABILITIES			
Capital and reserves			
Called-up issued share capital	23	131,796	117,425
Share premium	23	80,191,220	69,806,591
Revaluation reserves		3,920,505	489,194
Retained earnings		4,927,666	5,524,305
Equity attributable to owners of the company		89,171,187	75,937,515
Non-controlling interest		1,220,591	-
		90,391,778	75,937,515
Non-current Liabilities			
Borrowings	21	45,764,488	23,824,722
Deferred tax liability	22	9,337,502	8,372,305
		55,101,990	32,197,027
Current liabilities			
Trade and other payables	19	6,476,163	2,594,688
Other financial liabilities	20	75,259,968	909,709
Borrowings	21	1,657,727	1,702,866
Current tax payable		1,839,137	1,279,401
		85,232,995	6,486,664
Total equity and liabilities		230,726,763	114,621,206

The notes on pages 12 to 46 form an integral part of these consolidated financial statements. These consolidated financial statements were approved by the board of directors, authorised for issue on 26 August 2026 and signed on its behalf by:

Silvan Fenech
Director

Oliver Brownrigg
Director

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**Consolidated statement of changes in equity
for the year ended 31 December 2025**

	Share capital EUR	Share premium EUR	Retained earnings EUR	Revaluation reserves EUR	Total EUR	Non- controlling interest EUR	Total equity EUR
Balance at 31 December 2023	114,885	66,869,131	4,476,868	-	71,460,884	-	71,460,884
Total comprehensive income for the year	-	-	1,536,631	-	1,536,631	-	1,536,631
Issue of share capital	2,540	2,937,460	-	-	2,940,000	-	2,940,000
Reclassification of the fair valuation on investment property	-	-	(1,114,326)	1,114,326	-	-	-
Reclassification of the tax effect of the fair valuation on investment property	-	-	625,132	(625,132)	-	-	-
Balance at 31 December 2024	117,425	69,806,591	5,524,305	489,194	75,937,515	-	75,937,515
Total comprehensive income for the year	-	-	3,306,194	-	3,306,194	1,220,591	4,526,785
Issue of share capital	14,371	10,384,629	-	-	10,399,000	-	10,399,000
Reclassification of the fair valuation on investment property	-	-	(3,342,112)	3,342,112	-	-	-
Reclassification of the tax effect of the fair valuation on investment property	-	-	976,160	(976,160)	-	-	-
Reclassification of the tax effect of the movement in investment property	-	-	535,920	(535,920)	-	-	-
Changes arising from acquisition of subsidiaries	-	-	(2,072,801)	1,601,279	(471,522)	-	(471,522)
Balance at 31 December 2025	131,796	80,191,220	4,927,666	3,920,505	89,171,187	1,220,591	90,391,778

The notes on pages 12 to 46 form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2025**

	Note	2025 EUR	2024 EUR
Cash flows from operating activities			
Profit before taxation		6,090,324	3,399,923
Adjustment for:			
Share of losses of associate		11,471	-
Depreciation		24,341	17,897
Finance costs		1,649,565	894,093
Finance income		(218,350)	(240,391)
Revaluation of investment property		(3,145,066)	(1,114,326)
Gain on bargain purchase		-	(163,439)
Movement in working capital:			
Trade and other receivables		(1,613,911)	(2,113,640)
Trade and other payables		(184,283)	1,710,721
Cash flows generated from operations		2,614,091	2,390,838
Net tax paid		-	-
<i>Net cash flows generated from operating activities</i>		2,614,091	2,390,838
Cash flows from investing activities			
Interest received		218,350	240,391
Purchase of property and equipment		(69,418)	(427,779)
Purchase of goodwill	13	(5,054,997)	-
Acquisition of subsidiaries, net of cash acquired	13	444,495	12,334
Acquisition of associates		(12,439,000)	(600)
Purchase of investment properties		(27,655,241)	(4,500,680)
<i>Net cash flows (used in)/generated from investing activities</i>		(44,555,811)	(4,676,334)
Cash flows from financing activities			
Borrowings		10,199,898	11,236,335
Movement in related party loans and financing		27,862,722	(8,194,618)
Proceeds from issue of shares		6,525,663	-
Interest paid		(1,649,565)	(894,093)
<i>Net cash flows generated from/(used in) financing activities</i>		42,938,718	2,147,624
Net movement in cash and cash equivalents		996,998	(137,872)
Cash and cash equivalents at beginning of the year		295,289	433,161
Cash and cash equivalents at the end of the year	18	1,292,287	295,289

The notes on pages 12 to 47 form an integral part of these consolidated financial statements.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

1 General information and basis of preparation

1.1 Basis of preparation

The consolidated 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 three levels based on the observability of inputs used in the valuation techniques, 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 consolidated financial statements at fair value on a recurring basis, the Group 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 Material accounting policies

2.1 Basis of consolidation

The consolidated 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 Group:

- 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.1 Basis of consolidation (continued)

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 Group obtains control over the subsidiary and ceases when the Group 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 interest. 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.

Investments in associate companies

Investments in associate companies are reflected both in the consolidated and separate financial statements of the parent Company. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method, whereby the carrying amount is adjusted to recognise the Group's share of the associate's profit or loss and other comprehensive income after the date of acquisition. The carrying amount of the investment is reduced by any accumulated impairment losses, where applicable.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material 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/ Goodwill 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.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2.3 Property and equipment (continued)

Recognition and measurement (continued)

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.

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 |

No depreciation is accounted on land and construction-in-progress.

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.4 Investment property (continued)

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.

2.5 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts derived from rental income and recharges in the ordinary course of business, net of value-added tax and discounts, where applicable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rental income

Rental income from investment property is recognised in revenue in profit or loss on a straight-line basis over the lease term, in accordance with the terms of the underlying lease agreements.

(ii) Recharge of expenses

Recharge expenses comprise amounts recharged to tenants in respect of property-related costs, including utilities, maintenance, and other service charges incurred by the Group.

Such amounts are recognised in other income in profit or loss in the period in which the related costs are incurred and recharged, when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value.

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets

The material 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') :

- 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.6 Financial instruments (continued)

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.

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 Group

Ordinary shares issued by the Group 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.6 Financial instruments (continued)

Financial guarantee contracts (continued)

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.

2.8 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 consolidated financial statements unless the probability of an outflow of resources is remote.

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

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

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 consolidated 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.

2.10 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.

The Group assesses at each reporting date whether there is any indication that non-financial assets may be impaired. Where such indication exists, the recoverable amount is estimated as the higher of value in use and fair value less costs to sell.

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 assets 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.10 Impairment of non-financial assets (continued)

Impairment of tangible assets (continued)

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.

2.11 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

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.

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 recognises a collateralised borrowing for the proceeds receivable.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

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.

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

2 Material accounting policies (continued)

2.11 Financial instruments (continued)

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 consolidated 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 consolidated 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 consolidated 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

Investment property is measured at fair value based on valuations performed by independent professionally qualified valuers. In periods where an external valuation is not obtained, management reviews the key assumptions and market data to ensure that the carrying amount remains appropriate.

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).

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

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

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 15, 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 2025:

- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023) (effective on 1 January 2025)

The amendments specifies when a currency is exchangeable into another currency and when not. It also specifies how an entity can determine the exchange rate to apply when a currency is not exchangeable and requires additional disclosures when a currency is not exchangeable.

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

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 2025:

- Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7 (issued on 18 December 2024) (effective on 1 January 2026)

The amendments relate to the own-use requirements and hedge accounting requirements together with related disclosures. The scope of the amendments is narrow and apply only if contracts meet the specified scoping characteristics.

- Annual improvements Volume 11 (issued on 18 July 2024) (effective on 1 January 2026). These improvements include:

- IFRS 1 First Time Adoption of international Financial Reporting Standards – Hedge accounting by a first time adopter.

The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

4 Changes in accounting policies and disclosures (continued)

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 2025 (continued):

- IFRS 7 Financial Instruments Disclosures.
 - Gain or loss on derecognition: The amendment addresses a potential confusion arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 *Fair Value Measurement* was issued.
 - Disclosure of deferred difference between fair value and transaction price: The amendment addresses an inconsistency between IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made but not to the corresponding paragraph in the implementation guidance.
 - Introduction and credit risk disclosures: The amendment addresses a potential confusion by clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
- IFRS 9 Financial Instruments
 - Lessee derecognition of lease liabilities: The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because of cross-referencing.
 - Transaction price: The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of 'transaction price' in IFRS 15 *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
- IFRS 10 Consolidated Financial Statements – Determination of a 'de -Facto agent'

The amendment addresses a potential confusion arising from an inconsistency in IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in two paragraphs.
- IAS 7 Statements of Cash Flows – Cost Method

The amendment addresses a potential confusion that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024) (effective on 1 January 2026).

These amendments aim to clarify and improve the requirements for how financial assets and liabilities are classified and measured, as well as how related information is disclosed.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

4 Changes in accounting policies and disclosures (continued)

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 2025 (continued):

- **IFRS 9:**
 - **Clarification of Contractual Cash Flow Characteristics:** The amendments clarify how to assess whether the contractual cash flows of a financial asset are solely payments of principal and interest (SPPI). Guidance is also provided on the treatment of non-recourse features and contractually linked instruments, helping entities determine appropriate classification.
 - **Assessment of financial assets with ESG features:** New guidance addresses financial assets with environmental, social, and governance (ESG) features, clarifying when such features are consistent with SPPI criteria.
 - **Derecognition of Financial Liabilities:** Clarifications are made regarding the accounting for modifications or exchanges of financial liabilities that do not result in derecognition.
 - **Measurement for Investments in Equity Instruments:** The amendments provide additional guidance on the application of the fair value through other comprehensive income (FVOCI) election for certain equity investments.
 - **Transition Disclosures:** Entities are required to provide more detailed information about the impact of these amendments during the transition period.

The directors are of opinion that these amendments will not have a material impact on the consolidated 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:

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (issued on 9 May 2024)
- **IFRS 18 Presentation and Disclosure in Financial Statements** (issued on 9 April 2024)
- **Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency** (issued on 13 November 2025)
- **Amendments to IFRS 19, Subsidiaries Without Public Accountability: Disclosures** (issued on 21 August 2025)

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

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

- **IFRS 14 Regulatory Deferral Accounts:** (issued on 30 January 2014). The European Commission has decided not to launch the endorsement process of this interim standard and wait for the final IFRS standard.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**
5 Revenue

	2025 EUR	2024 EUR
Rental income from operating leases	<u>5,136,466</u>	<u>3,999,601</u>

6 Employees

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

	2025 Number	2024 Number
Administration	<u>9</u>	<u>6</u>

The staff costs comprise:

	2025 EUR	2024 EUR
Wages and salaries	<u>422,261</u>	<u>357,152</u>

7 Other income

	2025 EUR	2024 EUR
Service and other charges	<u>663,213</u>	<u>235,894</u>

8 Finance income

	2025 EUR	2024 EUR
Interest on loans to related parties	<u>218,350</u>	<u>240,391</u>
	<u>218,350</u>	<u>240,391</u>

9 Finance costs

	2025 EUR	2024 EUR
Bank charges and interest	<u>1,649,565</u>	<u>894,093</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2025****10 General and administration expenses**

Operating profit is stated after charging:

	2025 EUR	2024 EUR
Advertising	85,660	88,455
Auditor's remuneration	54,155	36,050
Bad debts written off	-	50,000
Bank charges	69,395	181,655
Cleaning	37,021	55,986
Commissions	-	20,000
Depreciation	24,341	17,897
Insurance	54,293	32,442
IT-related expenses	7,812	6,675
Legal and professional fees	328,502	304,627
Licences and fees	29,835	10,730
Motor vehicle expenses	1,712	5,648
Printing and stationery	3,087	3,200
Repairs and maintenance	162,475	88,431
Security expenses	95,310	21,484
Telecommunications	8,499	4,450
Travelling	662	12,464
Wages and salaries	422,261	357,152
Water and electricity	119,289	106,763
Others	104,472	55,526
	1,608,781	1,459,635

11 Income tax expense

	2025 EUR	2024 EUR
Current tax charge	688,260	680,218
Deferred tax charge (Note 22)	875,279	1,183,074
	1,563,539	1,863,292

Income tax in Malta is calculated at a basic rate of 35% (2024: 35%) of the estimated assessable profit for the year.

Notes to the consolidated financial statements
for the year ended 31 December 2025

11 Income tax expense (continued)

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

	2025 EUR	2024 EUR
Profit before tax	6,090,324	3,399,923
Income tax at 35%:	(2,131,613)	(1,189,973)
Non-allowable expenses	(430,444)	(544,675)
Unrecognised deferred tax movement	-	(59,860)
Effect of consolidation	171,507	-
Effect of fair valuation of investment property charged at lower rate	98,565	(199,084)
Other income subject to lower tax rates	317,037	136,142
Permanent differences	(383)	(68,966)
Other differences	411,793	63,124
Income tax expense for the year / period	<u>(1,563,539)</u>	<u>(1,863,292)</u>

Notes to the consolidated financial statements for the year ended 31 December 2025

12 Property and equipment

	Total EUR	Motor vehicle EUR	Office Equipment EUR	Computer Equipment EUR	Furniture and Fixtures EUR
At 1 January 2025					
Revalued/cost amount	155,166	23,000	40,281	88,214	3,671
Accumulated depreciation and impairment	(98,560)	(5,750)	(21,475)	(70,826)	(509)
Net book amount	56,606	17,250	18,806	17,388	3,162
Year ended 31 December 2025					
Opening net book amount	56,606	17,250	18,806	17,388	3,162
Additions	69,418	12,000	45,939	6,369	5,110
Fair revaluation	-	-	-	-	-
Depreciation charge	(24,341)	(7,000)	(9,845)	(6,107)	(1,389)
Closing net book amount	101,683	22,250	54,900	17,650	6,883
At 31 December 2025					
Revalued/cost amount	224,584	35,000	86,220	94,583	8,781
Accumulated depreciation and impairment	(122,901)	(12,750)	(31,320)	(76,933)	(1,898)
Net book amount	101,683	22,250	54,900	17,650	6,883

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

13 Business combinations

Acquisitions in 2025

On 30 December 2025, the Group acquired 75% of the shares and voting rights in San Gwakkin Limited in exchange for equity consideration. The consideration was satisfied through the issuance and allotment of 11,000 Ordinary 'A' shares by the Group. These shares were issued at a nominal value of EUR1 per share, with the balance recognised as share premium, such that the total consideration transferred amounted to EUR7,960,000. The shares were credited as fully paid by way of capitalisation of the consideration.

Company	Country of incorporation	Principal activity
San Gwakkin Limited	Malta	Property development

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 recognised on acquisition San Gwakkin Limited EUR
Assets	
Investment property	19,144,596
Trade and other receivables	44,733
Cash and cash equivalents	444,495
	19,633,824
Liabilities	
Trade and other payables	(4,065,758)
Borrowings	(11,694,729)
	(15,760,487)
Total identifiable net assets acquired	3,873,337
<u>Goodwill arising on acquisition</u>	
Consideration transferred	7,960,000
Less: Group's share of identifiable net assets acquired	(2,905,003)
Goodwill recognised on acquisition	5,054,997

**Notes to the consolidated financial statements
for the year ended 31 December 2025****13 Business combinations (continued)**Non-controlling interest

As part of the acquisition, the Group recognised a non-controlling interest representing the 25% ownership interest not acquired. The non-controlling interest was measured at its proportionate share of the acquiree's identifiable net assets and amounted to EUR968,334 at the acquisition date.

The goodwill recognised on acquisition represents the excess of the consideration transferred over the Group's share of the fair value of the identifiable net assets acquired and reflects the expected profitability of the underlying development project together with anticipated strategic benefits arising from its integration within the Group.

	Cash flow on acquisition San Gwakkin Limited EUR
Net cash acquired with subsidiary	444,495
Net cash flow on acquisition	444,495

The acquisition was settled entirely through the issue of shares and therefore did not result in any cash consideration being paid by the Group. Accordingly, the net cash inflow represents solely the cash acquired with San Gwakkin Limited.

14 Investment in associate

The Group has a 50% interest in BBT Nigret Properties Ltd. ("BBT Nigret"), which is involved in property development. BBT Nigret was incorporated on 1 August 2024 and is a private limited liability company that is not listed on any public exchange. The Group's interest in BBT Nigret is accounted for using the equity method in the consolidated financial statements. The Group has recognised its share of the results of BBT Nigret for the year.

	2025 EUR
Group's carrying amount of investment	12,428,129

The associate had no contingent liabilities or capital commitments as at 31 December 2025.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**
15 Investment property

	EUR
At 1 January 2024	68,889,859
Additions through business combinations	6,696,068
Additions resulting from subsequent expenditure	4,500,680
Revaluation	1,114,326
Reclassification of Property, Plant & Equipment (Note 30)	16,047,735
At 31 December 2024 (restated)	97,248,668
Additions through business combinations	19,144,596
Acquisitions	23,243,306
Additions resulting from subsequent expenditure	4,411,935
Revaluation	3,145,066
At 31 December 2025	147,193,571

The fair value gain recognised in profit or loss amounts to EUR 3,342,112, while the movement disclosed in this note amounts to EUR 3,145,066. The difference arises from consolidation adjustments on aligning subsidiary financial statements to IFRS, including the reversal of depreciation previously recognised under GAPSME and the application of the fair value model under IAS 40. These adjustments are recognised in profit or loss as part of fair value gains.

The Group 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.

At 31 December 2025, the Group had capital commitments of €9.4 million relating primarily to the development and enhancement of investment properties, as disclosed in Note 27. Other than these commitments, the Group had no material contractual obligations in respect of the acquisition, construction, development or enhancement of investment properties.

The Group'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.

The Group'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

**Notes to the consolidated financial statements
for the year ended 31 December 2025**
15 Investment property (continued)

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	Assumption used	Narrative sensitivity
Investment property	Income approach	Discount rate	6.00%	The higher the discount rate, the lower the fair value
		Rental value per square metre	EUR 214.11	The higher the price per square metre, the higher the fair value
		Rent growth per annum	0% - 3%	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) %	(7.8) / 10.9
Rental value per square meter sensitivity	+ 5% / (5) %	0.16/ (0.16)

The Watercourse Complex Ltd

	Valuation technique	Significant unobservable inputs	Assumption used	Narrative sensitivity
Investment property	Income approach	Discount rate	6.5%	The higher the discount rate, the lower the fair value
		Rental value per square metre	EUR 246.33	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) %	(6.3) / 8.9
Rental value per square meter sensitivity	+ 5% / (5) %	0.14/ (0.14)

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

15 Investment property (continued)

La Mer Limited

	Valuation technique	Significant unobservable inputs	Assumption used	Narrative sensitivity
Investment property	Income approach	Discount rate	5%	The higher the discount rate, the lower the fair value
		Rental value per day	EUR 16	The higher the price per square metre, the higher the fair value

16 Other financial assets

	2025 EUR	2024 EUR
Loan to related parties	21,764,276	4,073,634
Loan to third parties	117,085	1,262,847
Amounts due from related parties	31,387,204	6,697,637
Amounts due from shareholder	5,892,473	1,149,511
	59,161,038	13,183,629

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

17 Trade and other receivables

	2025 EUR	2024 EUR
Trade receivables	450,161	747,310
Prepayments and accrued income	4,538,393	1,376,467
Deposits	-	1,500,000
Indirect taxes	475,429	92,004
Other receivables	31,075	120,633
	5,495,058	3,836,414

**Notes to the consolidated financial statements
for the year ended 31 December 2025**
18 Cash and cash equivalents

	2025 EUR	2024 EUR
Cash on hand	-	2,152
Cash in bank	1,292,287	293,137
	<u>1,292,287</u>	<u>295,289</u>

19 Trade and other payables

	2025 EUR	2024 EUR
Trade payables	2,155,505	1,248,787
Indirect taxes	217,817	-
Accruals and deferred income	1,504,987	1,220,654
Deposits from tenants	319,889	111,796
Other payables	2,277,965	13,451
	<u>6,476,163</u>	<u>2,594,688</u>

20 Other financial liabilities

	2025 EUR	2024 EUR
Amounts due to related parties	31,667,820	335,449
Amounts due to shareholders	25,635,898	574,260
Amounts due to third party	17,956,250	-
	<u>75,259,968</u>	<u>909,709</u>

Amounts due to related parties and shareholders are interest free, unsecured and repayable on demand. The significant increase in amounts due to related parties, shareholders and third parties during the year primarily reflects funding arrangements entered into to support the Group's investment and acquisition activities. A substantial portion of these movements arose from non-cash transactions, including the capitalisation of balances, settlement via intercompany set-offs and financing arrangements associated with business combinations. Accordingly, the movements in these balances do not directly correspond to cash inflows and outflows recognised during the year.

Notes to the consolidated financial statements for the year ended 31 December 2025

21 Borrowings

Borrowings included under non-current liabilities on the statement of financial position comprise the following amounts:

	2025 EUR	2024 EUR
Bank loan	47,422,215	25,527,588
Of which fall due within more than 12 months	45,764,488	23,824,722

The Group obtained additional loan drawdowns amounting to EUR 10,199,898 (2024: EUR 12,876,112). The loan carries interest ranging from 4.20% to 5.57% (2024: 4.20%) interest rate and is repayable over 15 years from the first drawdown, inclusive of a 12-month moratorium period on capital repayments.

22 Deferred tax

Deferred income taxes are calculated on temporary differences under the liability method using a principal rate of 35%. The movement on the deferred income tax account is as follows:

	2024 EUR	Movement for the year EUR	2025 EUR
Arises on:			
Unutilised tax losses	2,988	(2,988)	-
Permanent differences on property and Equipment	(735)	246	(489)
Temporary differences on property and Equipment	(398,931)	(128,709)	(527,640)
Temporary differences on straight-line method of accounting	(195,734)	(23,849)	(219,583)
Temporary differences in investment Property	(7,779,893)	(809,897)	(8,589,790)
	(8,372,305)	(965,197)	(9,337,502)

23 Capital and reserves

23.1 Called up issued share capital

	2025 EUR	2024 EUR
Authorised		
200,000 ordinary shares (2024: 200,000) of EUR 1 each	200,000	200,000
Issued and fully paid up		
131,796 ordinary shares (2024: 117,425) of EUR 1 each	131,796	117,425

During the financial year, the Group issued 14,371 new ordinary shares, of which 11,000 were allotted as non-cash consideration against the acquisition of San Gwakkin Limited.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

23.2 Share premium

The Group issued 14,371 (2024: 2,540) Ordinary 'A' shares of EUR 1 each at a total share premium of EUR 10,384,629 (2024: EUR 2,937,460) which is not distributable.

23.3 Retained earnings

This reserve represents accumulated retained profits.

23.4 Revaluation reserves

This represents the cumulative net gains arising on the revaluation of investment property recognised in accordance with the Group's accounting policy. Where applicable, any amounts relating to assets disposed of are transferred directly to retained earnings. Amounts recognised in the revaluation reserve are not reclassified to profit or loss. The Directors do not currently intend to make any distributions from this reserve.

24 Fair values of financial assets and financial liabilities

At 31 December 2025 and 2024, 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.

25 Financial risk management

The Group's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk and capital risk. The Board of Directors is responsible for establishing and overseeing the Group's risk management framework and for ensuring that appropriate policies and procedures are maintained to identify, evaluate and manage these risks on an ongoing basis.

The Group's risk management framework seeks to minimise the potential adverse effects of financial risks on the Group's financial performance and ability to meet its obligations whilst supporting the achievement of its strategic objectives. The Board reviews risk exposures regularly and monitors compliance with approved risk management policies.

The principal financial instruments used by the Group comprise bank borrowings, cash and cash equivalents, loans receivable, other receivables and amounts due from and to related parties.

Capital Risk Management

The Group's objectives when managing capital are:

- to safeguard its ability to continue as a going concern;
- to maintain sufficient financial flexibility to support future acquisitions and investments;
- to preserve an appropriate balance between debt and equity funding;
- to maintain the confidence of shareholders, lenders and other financing partners.

The Group monitors its capital structure through regular review of gearing levels, liquidity forecasts, debt service obligations and financing requirements. Capital is managed through a

**Notes to the consolidated financial statements
for the year ended 31 December 2025****25 Financial risk management (continued)**

combination of retained earnings, shareholder funding, bank borrowings and external financing arrangements.

The Board continuously assesses the Group's financing needs and seeks to ensure that sufficient resources are available to support operational requirements and planned investments.

Credit risk

Credit risk represents the risk of financial loss arising from the failure of counterparties to settle their contractual obligations.

The Group's exposure to credit risk principally arises from:

- loans receivable from related parties;
- other financial assets;
- accrued interest receivable;
- amounts due from related parties;
- cash held with financial institutions.

The majority of the Group's credit exposure relates to entities operating within the wider Group structure or entities under common ownership and control. The Directors monitor the financial position and performance of these counterparties on a continuing basis and are satisfied that no material impairment indicators existed at year end.

Expected credit losses are assessed in accordance with the requirements of IFRS 9 and are reviewed annually. Management considers historical collection experience, the financial position of counterparties, forecast cash flows and other forward-looking information when assessing recoverability.

The Directors are satisfied that the credit risk associated with these balances remains appropriately managed and that no material expected credit loss provision is required.

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

	2025	2024
	EUR	EUR
Current Assets		
Trade receivables	450,161	747,310
Amount due from related parties	31,387,204	6,697,639
Amount due from shareholder	5,892,473	1,149,511
Loan due from related parties	21,764,276	4,073,634
Cash in bank	1,292,287	293,137
	60,786,401	12,961,231

**Notes to the consolidated financial statements
for the year ended 31 December 2025**
25 Financial risk management (continued)
Interest rate risk

The Group has taken out loans to finance its operations from the related parties as mentioned in Note 20. 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 consolidated financial statements.

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 19, 20 and 21). 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 reported a negative working capital position of EUR 19,284,612 (2024: positive working capital of EUR 10,828,668). The negative working capital position primarily arises from the classification of certain borrowings and related party balances as current liabilities.

At 31 December 2025, the group and the company's financial liabilities have contractual maturities which are summarised below:

	2025	2024
	EUR	EUR
Trade payable	2,155,505	1,248,787
Other payable	2,277,965	13,451
Amounts due to related parties	31,667,820	335,449
Amounts due to shareholders	25,635,898	574,260
Amounts due to third party	17,956,250	-
Short Term Borrowings	1,657,727	1,702,866
Long Term Borrowings	45,764,488	23,824,722
	127,115,653	27,699,535

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

25 Financial risk management (continued)

In assessing the appropriateness of the going concern basis of preparation, the Directors have prepared cash flow forecasts covering a period of at least twelve months from the date of approval of the financial statements. These forecasts incorporate assumptions regarding expected operating cash inflows, planned capital expenditure, and the timing of settlement of liabilities.

Liquidity risk management (continued)

The Directors have also considered the Group's access to funding, including continued financial support from shareholders and related parties. The Group has obtained confirmation that shareholder and related party financing will remain available, and that such parties do not intend to demand repayment of amounts due within the foreseeable future, where such repayment would adversely affect the Group's liquidity position. Based on these forecasts and the availability of continued funding support, the Directors are satisfied that the Group will have sufficient financial resources to meet its obligations as they fall due.

Accordingly, the consolidated financial statements have been prepared on a going concern basis, and the Directors have concluded that no material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Capital risk management

The Group'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 Group consists of cash and cash equivalents as disclosed in note 18, and the items presented within equity in the statement of financial position.

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

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

26 Contingent liabilities

Center Parc Holdings Ltd

As per bank sanction letter dated 5 February 2026, the Group has provided the following guarantees and pledges in favour of a related party, securing its obligations under a loan facility of EUR 40.65 million:

- (i) 1st General Hypothecary Guarantee over the present and future assets of the Group for Loan I EUR 12.33 million, Loan II EUR 5.07 million, Loan III EUR 3.25 million, Loan IV EUR 6.5 million and Loan V EUR 13.5 million.
- (ii) 1st Special Hypothecary Guarantee to be given by the Group for Loan I EUR 12.33 million, Loan II EUR 5.07 million, Loan III EUR 3.25 million, Loan IV EUR 6.5 million and Loan V EUR 13.5 million over Center Parc Mall situated in Racecourse Street, Qormi.

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

26 Contingent liabilities (continued)

- (iii) Pledge on receivables dated 13 April 2023, entered into by the Group, 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.

Develeco Malta Limited

Guarantees and pledges

As per Bank Sanction letter dated 19th September 2025, the Group has provided the following guarantees and pledges in favour of the parent Group, securing its obligations under a loan facility totalling to EUR 42.77 million:

- (i) 1st General Hypothecary Guarantee over the present and future assets of Develeco Malta Limited for Loan I EUR 14,000,000, Loan II EUR 5,357,148, Loan III EUR 3,416,668, Loan IV EUR 6,500,000 and Loan V EUR 13,500,000
- (ii) 1st Special Hypothecary Guarantee to be given by Develeco Malta Limited for Loan IV EUR 6,500,000 and Loan V EUR 13,500,000 over VIU57 Hotel situated in Triq Dun Belin Azzopardi Street, Mellieha
- (iii) Pledge on receivables dated 17th May 2023, entered into with MJ Hotels Ltd for the commercial lease with Develeco Malta Limited, where the Pledgor has pledged in favour of BOV any amount due in accordance with Lease Agreement dated 10th May 2021
- (iv) Pledge on Hotel 'All Risks' Insurance Policy, number 160-1011542 issued by Elmo Insurance Limited covering VIU57 Hotel, Triq Dun Belin Azzopardi Street, Mellieha

27 Capital commitments

As at the reporting date, the Group had capital commitments amounting to EUR 9.4 million (2024: EUR 8.9 million), relating primarily to the development and enhancement of investment property. These commitments are expected to be settled over the next 12–24 months and will be financed through a combination of operating cash flows, borrowings and shareholder support.

**Notes to the consolidated financial statements
for the year ended 31 December 2025****28 Subsidiary undertakings**

The consolidated financial statements include the financial statements of BBT p.l.c. and the entities controlled by the Group as at 31 December 2025. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The principal subsidiaries included in the consolidated financial statements at 31 December 2025 were as follows:

Directly held subsidiaries

Company	Country of incorporation	Principal activity	Percentage held	
			2025	2024
BBT Group Holdings Ltd.	Malta	Holding company	99.99	99.99
Develeco Malta Limited	Malta	Rental company	100	100
La Mer Limited	Malta	Property development	55	-

Indirectly held subsidiaries:

Company	Country of incorporation	Principal activity	Percentage held
BBT Management Ltd.	Malta	Management company	100
MJSK Ltd.	Malta	Property development	100
The Watercourse Complex Ltd.	Malta	Rental company	100
Center Parc Holdings Ltd.	Malta	Rental company	100
San Gwakkin Limited	Malta	Property development	75

During the year, the Group acquired a 75% interest in San Gwakkin Limited. Further details regarding the acquisition and the related non-controlling interest are disclosed in Note 13.

All subsidiaries are incorporated in Malta and are included in the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the Company and, where necessary, adjustments are made to ensure consistency with the accounting policies adopted by the Group.

29 Related Party Transactions**29.1 Ultimate Controlling Party**

The Group forms part of a wider group of entities under common control through common shareholdings and directorships. The Group is controlled by its principal shareholders acting collectively through their shareholdings and representation on the Board of Directors. The Directors do not consider any single individual or entity to exercise sole ultimate control over the Group. Transactions with related parties are carried out in the ordinary course of business and are conducted on terms approved by management and the Board of Directors.

**Notes to the consolidated financial statements
for the year ended 31 December 2025****29 Related Party Transactions (continued)****29.2 Transactions with Related Parties**

During the year, the Group entered into the following transactions with related parties:

	2025	2024
Finance Income	218,350	240,391
Amount due from related parties	31,387,204	6,697,639
Amount due from shareholder	5,892,473	1,149,511
Loan due from related parties	21,764,276	4,073,634
Amount due to related parties	(31,667,820)	(335,449)
Amount due to shareholders	(25,635,898)	(574,260)

Amounts due from and due to related parties are unsecured and interest free. These amounts are only interest-bearing where contractually agreed. They have no fixed repayment terms unless otherwise stipulated by agreement. The Group continually monitors the recoverability of amounts due from related parties and, based on the financial position and projected cash flows of the counterparties, no material expected credit losses were recognised during the year. All above-mentioned party transactions are further disclosed in notes 16, 17, 19 and 20.

29.3 Related Party Concentration Risk

The Group's financing activities include loans, advances and other balances with related parties, which represent a significant component of the Group's financial asset base. The Directors monitor the recoverability of these balances on an ongoing basis, taking into consideration the financial position, underlying assets and projected cash flows of the counterparties.

The Directors have assessed the recoverability of amounts due from related parties and, based on this assessment, no material expected credit losses were recognised as at 31 December 2025.

The Group also utilises related-party funding arrangements as part of its capital management and liquidity framework. The Directors consider these arrangements to be long-term in nature notwithstanding their contractual repayment terms.

30 Post balance sheet events

On 9 April 2026, the Group's EUR 25 million 5.4% secured callable bonds due 2032-2036 were admitted to the Official List of the Malta Stock Exchange, with trading commencing on 10 April 2026. As the bond issue and admission occurred after 31 December 2025, the transaction constitutes a non-adjusting event after the reporting period in accordance with IAS 10 and has not been recognised in these consolidated financial statements.

Following the acquisition of a 75% interest in San Gwakkin Limited on 30 December 2025, management continued to monitor the progress of the underlying development project and to assess the commercial assumptions supporting the acquisition. Subsequent information obtained after the reporting date relates principally to the ongoing execution of the development project and the evolution of management's expectations regarding its future performance. The Directors have assessed whether any information that became available after 31 December

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

30 Post balance sheet events (continued)

2025 provides evidence of conditions that existed at the reporting date and have concluded that no adjustment to the carrying amounts recognised in these financial statements is required. Accordingly, the acquisition accounting and related fair value measurements recognised as at 31 December 2025 remain unchanged.

The directors are monitoring recent developments internationally, in particular to how markets are reacting to rising geopolitical tensions and whether conflicts in the Middle East might have an impact on business in Malta. While remaining cautiously optimistic, the Group and management will continue to observe the situation abroad and the related impact it may have locally to be able to mitigate timely against such risks

31 Comparative figures

During the prior year, management reassessed the classification of certain properties previously included within property and equipment. Based on their use to earn rental income and/or for capital appreciation, these properties were reclassified to investment property in accordance with IAS 40. The impact of this reclassification is summarised below:

Statement of financial position

	As previously reported EUR	Change EUR	As restated EUR
Property and equipment	16,104,341	(16,047,735)	56,606
Investment property	81,200,933	16,047,735	97,248,668

Following this reclassification, the carrying amounts have been restated to ensure consistency with the requirements of IAS 40. There was no impact on total equity or profit for the year.

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, ("the Group") set out on pages 3 to 46, which comprise the consolidated statement of financial position as at 31 December 2025, 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 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 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 Group 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Group'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 Group'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 Group'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

26 August 2026