



HILI
VENTURES

2025

ANNUAL
REPORT



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Who we are

Hili Ventures is a Malta-based, privately-owned holding company steering a group of businesses across Europe and North Africa in food service, retail, real estate, hospitality, shipping, engineering, and technology. With a legacy dating back to 1923, we partner with global brands including Apple, McDonald's, Microsoft, and Konecranes to develop businesses that deliver a lasting impact. Our 12,500-strong team, united by diverse skills and experience, drives sustainable performance and innovation, with training and development being central to our people strategy.

What we value

INTEGRITY

We are honest. We are good communicators. We encourage, give, and follow feedback. We do the right thing. We admit and learn from our mistakes. We are reliable.

CARE

We achieve results through teamwork and empowered teams. We make everyone feel like they belong here. We want our people to be happy here. We place confidence and trust in our people.

AMBITION

We are passionate. We do things right. We are focused on customers. We aim high. We elevate and champion talent. We celebrate achievement and show appreciation.

INNOVATION

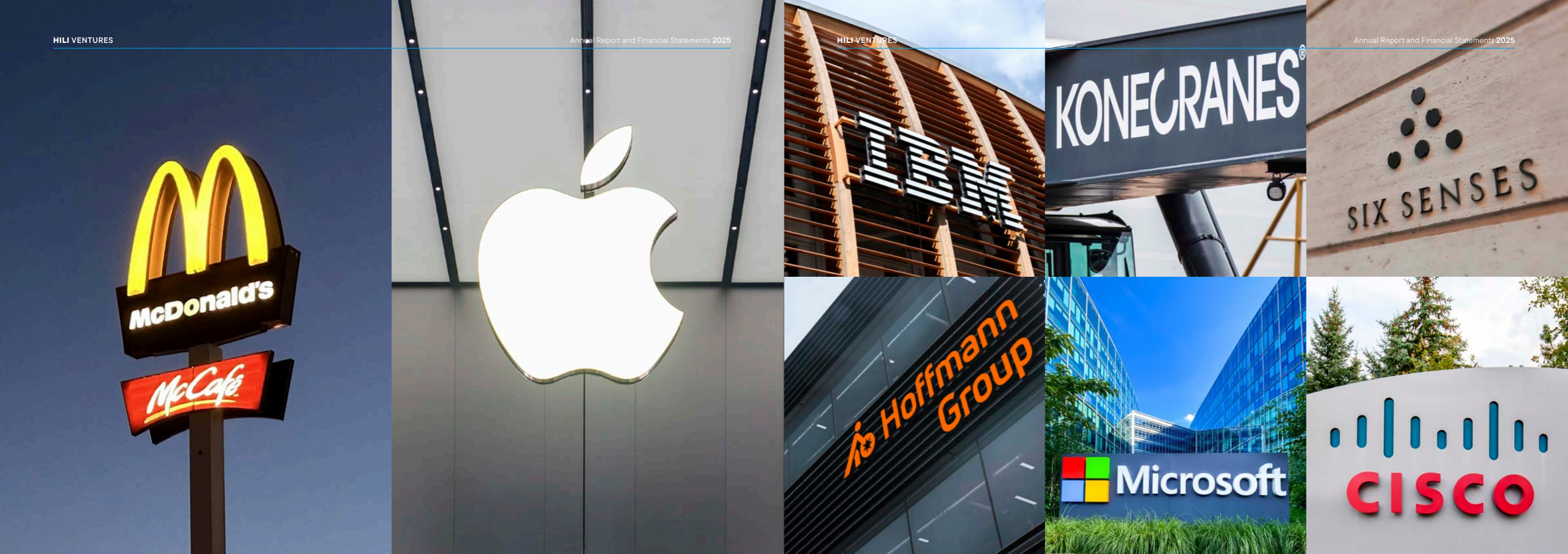
We embrace challenges as opportunities. We are curious. We are data driven. We invite change and new ideas. We push ourselves out of our comfort zone.

IMPACT FOR GOOD

We are compassionate and mindful. We listen to our people, customers, and our community. We are resilient. We lead by example. We give our people tools to make an impact. We care for our planet.



As at 31 December 2025



Our partners

Hili Ventures has cultivated enduring partnerships with some of the most prestigious and influential global brands, a testament to the group's commitment to excellence and innovation. These strategic alliances have significantly contributed to the diversification and strength of our portfolio, underpinning sustained, long-term growth.

Through these collaborations, we continue to advance in quality, technology, and value creation, positioning ourselves at the forefront of the industries we serve. These partnerships remain integral to our business strategy and are fundamental drivers of our ongoing progress and global presence.

Where we are*

MT MALTA | Head Office
Hili Ventures Limited
 Nineteen Twenty Three,
 Valletta Road,
 Marsa, MRS 3000
 T. +356 2568 1200

- Head office of Hili Ventures Limited and finance company
- 10 McDonald's restaurants
- Payment software and hardware technology
- 2 hotels and resorts
- 2 commercial properties
- Technology, engineering, shipping, and logistics companies

RO ROMANIA
Premier Restaurants Romania S.R.L.
 4-8 Nicolae Titulescu Road, America House Building, West Wing, 5th floor, District 1, Bucharest, 011141
 T. +40 212 026 800

- 115 McDonald's restaurants
- 1 private hospital property & 1 commercial property

GR GREECE
Premier Capital Hellas S.A.
 9, Kleisouras str.
 14452 Metamorfofi, Athens-Greece
 G.E.MI Number 1246501000
 T. +30 2106 873 103

- 33 McDonald's restaurants
- 1 distribution centre

ESTONIA, LATVIA & LITHUANIA
Premier Restaurants Baltics
 6 Dunties Street,
 Riga, LV-1013
 T. +371 6724 2319

EE ESTONIA
 • 12 McDonald's restaurants

LV LATVIA
 • 15 McDonald's restaurants
 • 3 shopping centres & 1 retail complex

LT LITHUANIA
 • 19 McDonald's restaurants
 • 1 industrial property

PL POLAND
iSpot Poland Sp. z o.o.
 Apple Premium Partner
 ul. Puławska 2, 02-566 Warsaw
 T. +48 22 460 4801

- 53 stores and service points

Allcom Sp. z o.o.
 No. 16, 10 Lutego Street,
 81 - 364 Gdynia.
 T. +48 58 660 78 00

- Freight forwarding services and warehousing

HU HUNGARY
iCentre Apple Premium Reseller & Service Provider
 1117 Budapest, Gábor Dénes utca 4. C. ép. fszt.
 T. +36 30 439 4343

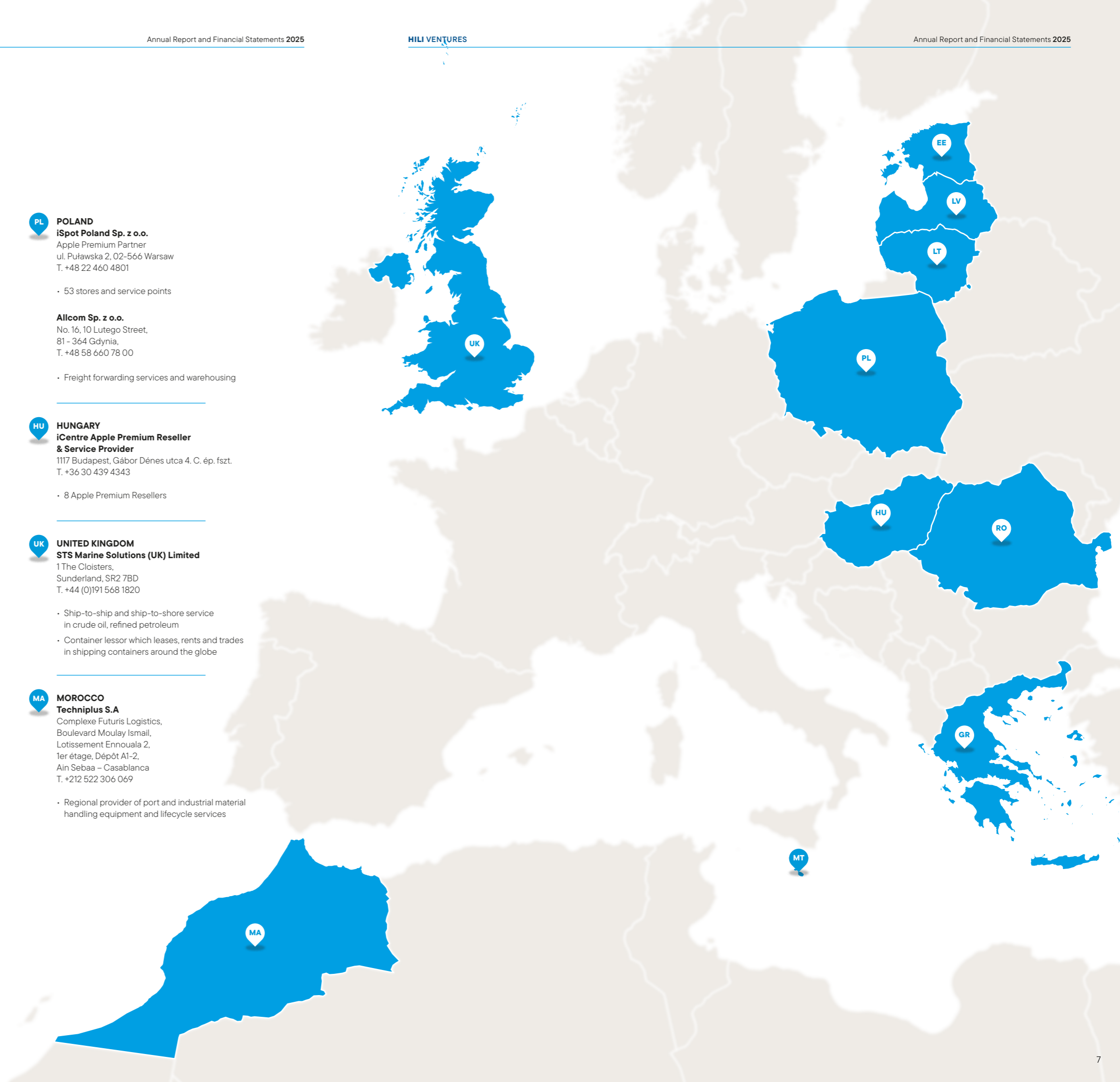
- 8 Apple Premium Resellers

UK UNITED KINGDOM
STS Marine Solutions (UK) Limited
 1 The Cloisters,
 Sunderland, SR2 7BD
 T. +44 (0)191 568 1820

- Ship-to-ship and ship-to-shore service in crude oil, refined petroleum
- Container lessor which leases, rents and trades in shipping containers around the globe

MA MOROCCO
Techniplus S.A
 Complexe Futuris Logistics,
 Boulevard Moulay Ismail,
 Lotissement Ennouala 2,
 1er étage, Dépôt A1-2,
 Ain Sebaa - Casablanca
 T. +212 522 306 069

- Regional provider of port and industrial material handling equipment and lifecycle services



* As at May 2026

Chairman's statement

In 2025, Hili Ventures continued to make measured progress in an increasingly demanding global environment, reflecting the resilience of our businesses and disciplined leadership.

The macro-economic landscape was shaped by rising geopolitical tensions, shifting alliances, and renewed protectionist policies. These factors continued to test supply chains and investor confidence, reinforcing the importance of strategic capital and resource allocation and the ability to adapt with confidence.

Experience has shown that embracing change is essential to ensuring our structure remains aligned with the realities in which we operate. Over the past year, this meant further aligning our businesses within a framework designed to strengthen leadership, sharpen focus, and support sustainable long-term returns.

Against this backdrop, Hili Ventures strengthened its balance sheet with €1.2 billion in total assets, supported by continued investment across our operating companies and the expansion of our property portfolio.

Optimising the group's capital allocation and asset management strategy remains a priority. In this context, Hili Ventures launched a voluntary public offer to increase its shareholding in Hili Properties. In 2026, we expect this arm to evolve into a more focused platform with clearer strategic priorities and stronger alignment with the group's objectives.

Looking ahead, the external environment is likely to remain complex, particularly in light of the ongoing wars in the Middle East and Ukraine. However, the foundations of Hili Ventures are strong. Our structure and experienced leadership remains focused on strengthening our operating companies, investing where we see value, and ensuring that each part of the group is equipped to lead in its respective market.

I extend my sincere gratitude to our people, shareholders, partners, and investors for their continued trust in Hili Ventures. Their support remains fundamental to our progress, and together we will continue building a stronger, more resilient business for the future.

Archie Bethel CBE
Chairman



"Our structure and experienced leadership remains focused on strengthening our operating companies, investing where we see value, and ensuring that each part of the group is equipped to lead in its respective market"



"The group ended the year with a stronger balance sheet and total equity of just under €300 million, underpinned by disciplined investment and a continued focus on strengthening our core businesses."

Chief Executive Officer's review

2025 was a year of continued growth at Hili Ventures, as group revenue increased to €1.17 billion, building on the €1 billion milestone achieved in 2024. Operating across 10 countries and multiple industries, this progress was made possible by the commitment and shared ambition of more than 12,500 people, whose combined efforts continue to shape our business.

Premier Capital reached a new milestone with the opening of its 200th location in Malta in December. Revenue across the six McDonald's markets reached €773 million, reflecting our ability to expand while consistently delivering quality and value.

iSpot continued to strengthen its position in Poland, operating 51 stores nationwide and becoming the largest Apple Premium Reseller in a single European country, with revenue increasing by 8% to €313 million.

Across the rest of the portfolio, performance at Harvest Technology, in which the group holds a 63% stake, remained broadly in line with 2024. Breakwater Investments, our shipping and engineering subsidiary, experienced a decline in revenue and profitability, primarily due to lower freight forwarding volumes, reduced ship-to-ship activity, and adverse currency movements.

Our investments in real estate continued to provide stability, although certain disposals anticipated during the year did not materialise within the expected timeframe. We continue to actively pursue these divestment opportunities in 2026 as part of our ongoing portfolio optimisation.

Following Hili Ventures' voluntary public offer to acquire the remaining share capital of Hili Properties in February of last year, we continued to increase our stake in the business, reaching 89.96% ownership by year end. Hili Properties accounts for just under half of the value of our real estate assets, complemented by HV Hospitality, which owns the Comino Hotel, and Marsamxett Properties, which owns Tigné Mall.

At HV Hospitality, our flagship projects progressed through their respective development phases and planning permission for the Six Senses Comino project was obtained. While an executable permit is now in place, this remains subject to further review by the authorities. During the year, development also began on a 13-room boutique hotel in Valletta, scheduled to open in the first quarter of 2027.

"As we look ahead, our ambition is to continue evolving into a capital allocator that delivers sustainable, long-term returns through a disciplined combination of operating strength, strategic real estate exposure, and investment performance."

While revenue grew across our operating businesses, profitability was impacted by sustained cost inflation, rising administrative overheads, higher financing costs, and the absence of significant non-recurring gains recognised in the prior year. These factors, together with specific one-off items, weighed on overall profit despite solid operational performance across our core businesses.

The external environment continued to test several of our businesses during the year. Inflationary pressures, supply chain disruption, market volatility, and heightened geopolitical uncertainty affected both consumer demand and operating costs. In Romania and Poland, where our two largest businesses are located, election cycles added further complexity to the operating environment.

In 2025 the group's total assets surpassed €1.2 billion, with 52% attributed to operating and current assets, 40% (or €500 million) held in real estate assets, and 8% in portfolio investments. We also continued to bolster our portfolio last year through the acquisition of a stake in Bank of Valletta, Malta's largest bank.

The group ended the year with a stronger balance sheet and total equity of just under €300 million, underpinned by disciplined investment and a continued focus on strengthening our core businesses.

As we look ahead, our ambition is to continue evolving into a capital allocator that delivers sustainable, long-term returns through a disciplined combination of operating strength, strategic real estate exposure, and investment performance.

I would like to thank our people, partners and stakeholders for their continued commitment, trust and contribution as we write the next chapter of Hili Ventures together.

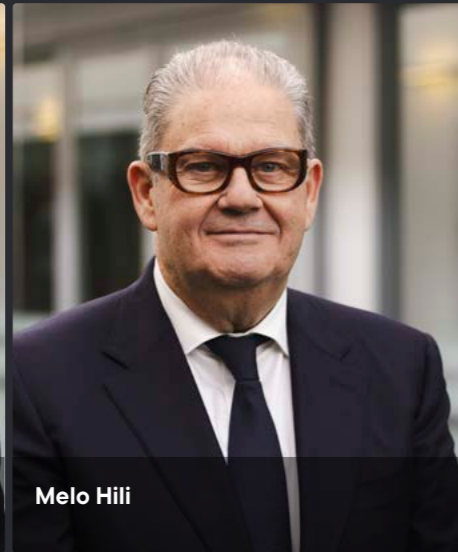
Melo Hili
Chief Executive Officer



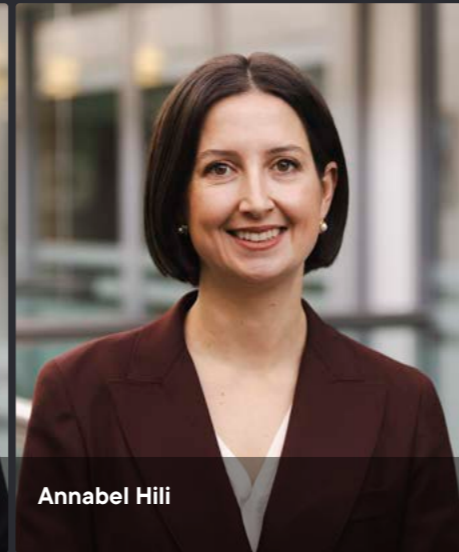
Board of directors



Archie Bethel CBE
Chairman



Melo Hili



Annabel Hili



Jesmond Mizzi



Adrian Mercieca
Company Secretary

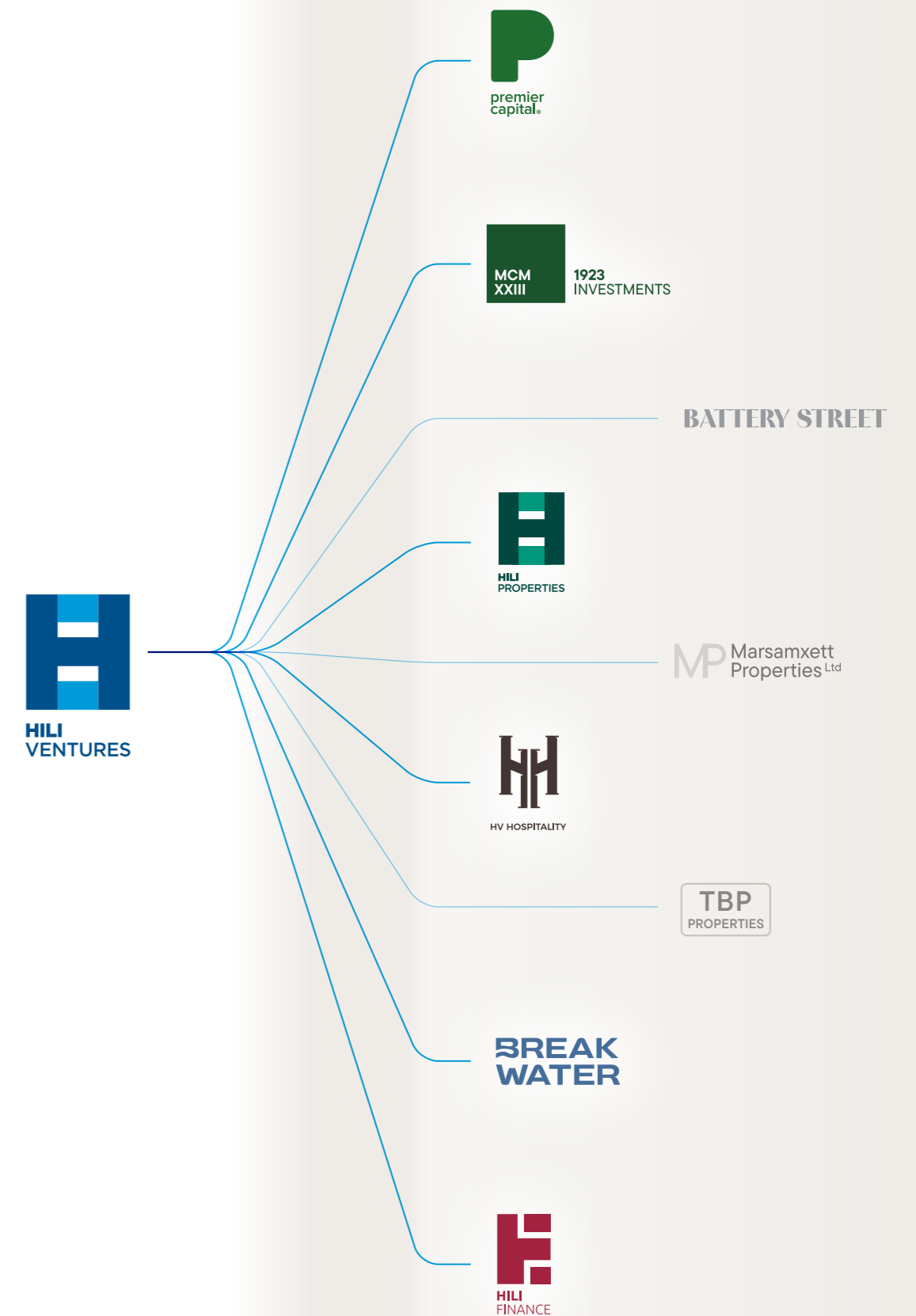
Executive Team

- Melo Hili** - Chief Executive Officer
- Dorian Desira** - Chief Financial Officer
- Annabel Hili** - Chief Operating Officer
- Valentin-Alexandru Truta** - General Counsel

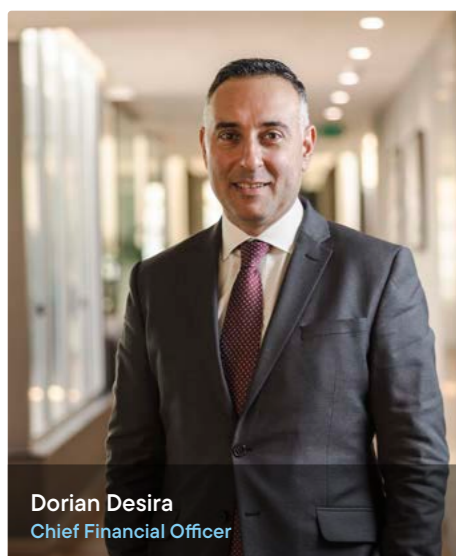
Audit Committee

- Jesmond Mizzi** - Chairman
- Annabel Hili**
- David Bonett**
- Karl Fritz**

Group structure 2025

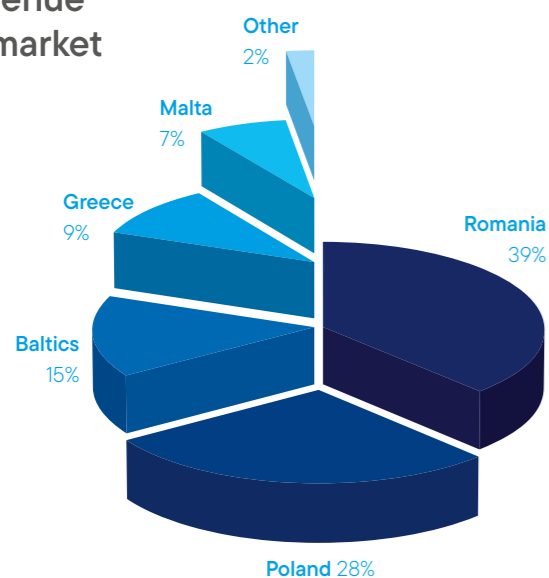


Financial highlights



The results for the group represent the results of the company together with those of its subsidiaries and its shares of jointly controlled entities and associates for the year ended 31 December 2025. The below performance indicators show our achievements in the year under review.

Revenue by market



Revenue: (+7.64%)

€1,171.6m

EBITDA: (-0.6%)

€135.1m

Profit Before Tax:

€69.6m

Total Assets:

€1.2bn

Net Investment Income:

€15.2m

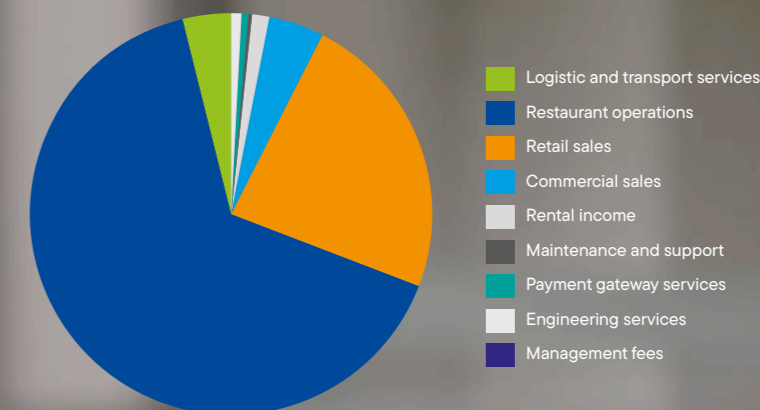
Equity:

€297.3m

Key ratios

	2025 %	2024 %
Gross profit margin	20.0	20.2
EBITDA margin	11.5	12.4
Net profit margin	4.3	6.0
Interest cover (times)	4.4	4.8
Return on equity	16.9	23.3
Gearing	58.0	58.0

Revenue by industry



	GROUP	
	2025 (€m)	2024 (€m)
<i>By activity:</i>		
Logistic and transport services	37.9	42.1
Restaurant operations	772.7	714.7
Retail sales	264.8	256.9
Commercial sales	60.0	45.9
Rental income	22.7	14.7
Maintenance and support	3.7	3.5
Payment gateway services	3.7	4.4
Engineering services	6.1	6.2
Management fees	0.0	0.1
Total revenue	1,171.6	1,088.5



€773m

Revenue

11,500

People

202

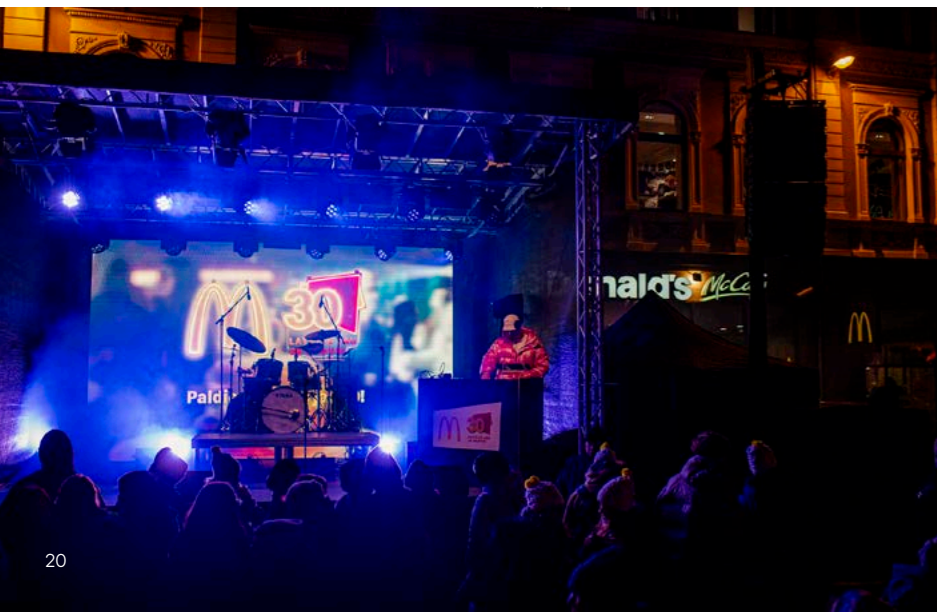
Restaurants



Premier Capital plc
 Food Service – McDonald's Business

Premier Capital is the Developmental Licencee for McDonald's in six European markets: Estonia, Greece, Latvia, Lithuania, Malta, and Romania. As at 31 December 2025, the company operated 202 restaurants, supported by a team of over 11,500 employees. The network includes more than 121 McDrives, 101 McCafé counters, and 200 McDelivery locations. Over 94 million guests were served across its footprint in 2025, driven by consistent investment in new restaurants, technology, and sustainability.





Revenue: (+8.1%)
 €772.7m

Operating profit:
 €64.4m

Profit before tax:
 €54.5m

Net assets:
 €100.1m



premier capital

Premier Capital plc
 Food Service – McDonald's Business

Premier Capital experienced strong momentum in 2025, driven by its network expansion strategy. The company opened 10 new restaurants across its six European markets, surpassing the milestone of 200 restaurants. Romania led this strong revenue performance with a year-on-year increase of 11%, followed by Malta at 8% and the Baltics at 6%. Capital expenditure totalled €33.4 million, funding new and refurbished restaurants, with significant portions allocated to energy-efficient equipment and renewable energy.



Melo Hili
 Chief Executive Officer

The Board

- Melo Hili**
Chairman
- Dorian Desira**
- Karen Pace**
- Peter Hili**
- Valentin-Alexandru Truta**
- Claudine Cassar**
Independent Director
- Massimiliano Eugenio Lupica**
Independent Director
- Adrian Mercieca**
Company Secretary





610

People

51

Retail outlets & service points

27%

% of group revenue



iSpot Poland Sp. z o.o.
Retail

A subsidiary of 1923 Investments Limited, iSpot continued to strengthen its presence in both retail and B2B channels, with a focus on elevating the Apple customer experience and expanding its Apple Premium Partner footprint.





Revenue: (+8%)
 €313.3m

Operating profit:
 €10.8m

Profit before tax from
 continuing operations:
 €1.8m

Net assets:
 €34.1m



iSpot Poland Sp. z o.o.
 Retail

In 2025, iSpot Poland became the largest Apple Premium Reseller network in a single European market, operating 51 stores nationwide. iSpot achieved 8% revenue growth, driven by stronger performance from the e-commerce and B2B segments, as well as activities within the education segment supported by government programmes. The company also expanded its footprint with five new store openings and one refurbished location upgraded to Apple Premium Partner status.



Tomasz Nawrocki
 Interim Chief
 Executive Officer
(Appointed in 2026)

The Board

Pier Luca Demajo
 Acting Chairman

Annabel Hili

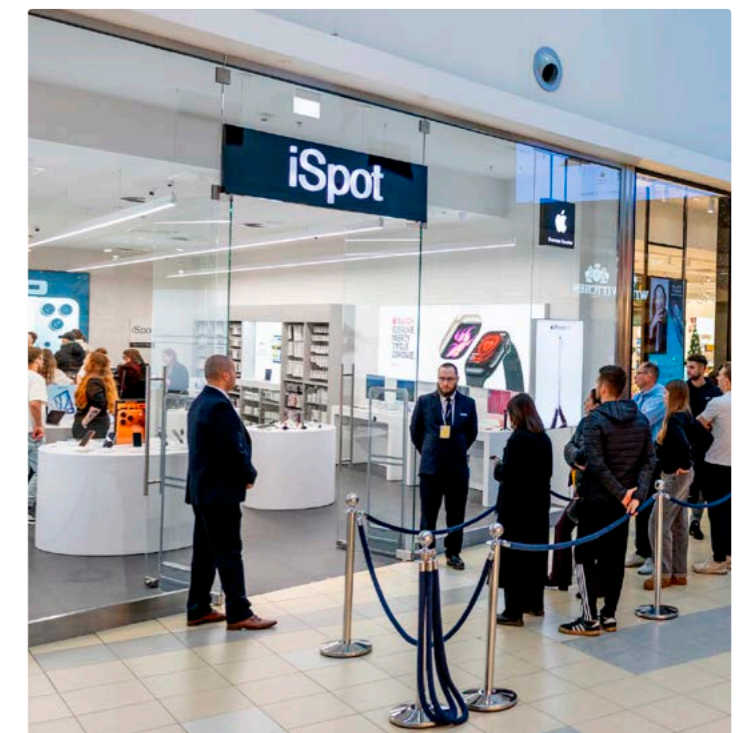
Dariusz Kraszewski

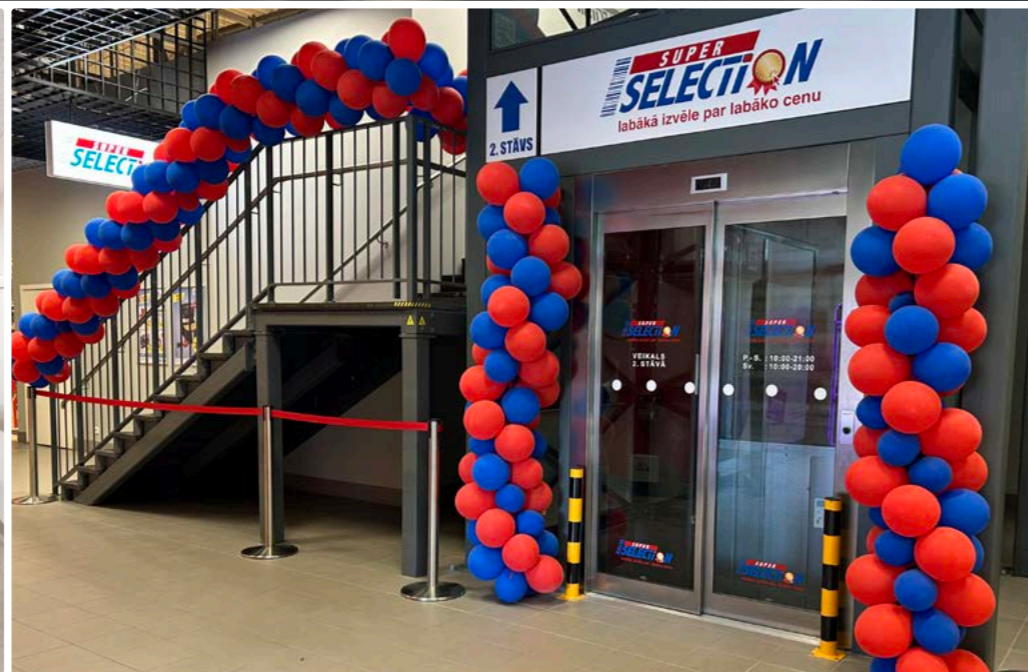
Doris Danner

Neacail Micallef

Julita Michalska
 Company Secretary

Piotr Jucha
 Board Advisor





Revenue: (+6%)
 €16.7m

Operating profit:
 €13.4m

Profit before tax from
 continuing operations:
 €9.0m

Net assets:
 €126.9m



HILI
 PROPERTIES

Hili Properties plc
 Real Estate

Hili Properties owns and manages strategic commercial real estate for lease across Europe, including Estonia, Latvia, Lithuania, Malta, and Romania. The portfolio features office buildings and spaces, grocery anchored shopping centres, healthcare facilities, and McDonald's restaurant properties in key commercial districts. With a portfolio occupancy of 99% as at December 31, 2025, Hili Properties remains focused on long-term value, operational efficiency, and active portfolio optimisation.

Hili Properties' diverse portfolio of 21 properties delivered increased profitability in 2025. The portfolio spans an aggregate rentable area of 116,555 sqm and generates annualised rental and other operating income of €16.7 million. In 2025, the company completed the sale of a property classified as held for sale in the previous year for a consideration of €2.6m.



Daniela Pavia
 Interim Chief
 Executive Officer
 (Appointed in 2026)

The Board

Pier Luca Demajo
 Chairman and Independent Director

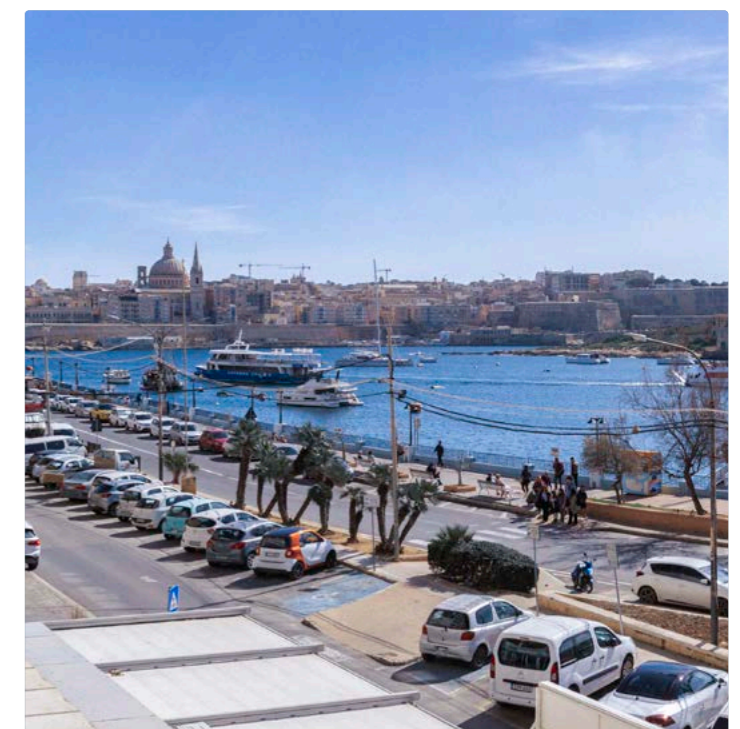
Archie Bethel

Peter Hili

David Aquilina
 Independent Director

Laragh Cassar
 Independent Director

Adrian Mercieca
 Company Secretary





Revenue: (+4.9%)
 €9.0m

Net assets:
 €74.9m

Tigné Mall property value:
 €98.0m

THE POINT SHOPPING

Tigné Mall Limited
 Real Estate

Tigné Mall, the operator of The Point Shopping Mall, was acquired by subsidiary Marsamxett Properties in 2024. The Point is a leading shopping destination in Malta, spanning 15,000m² of fully leased retail space in Sliema, housing 70 retail units and welcoming over 2.3 million visitors annually.

During 2025, Tigné Mall generated revenue of €9.01 million, compared to €8.59 million in 2024, supported by the mall's optimised tenant mix and an enhanced customer experience following the completion of a refurbishment programme to modernise key areas of the property.

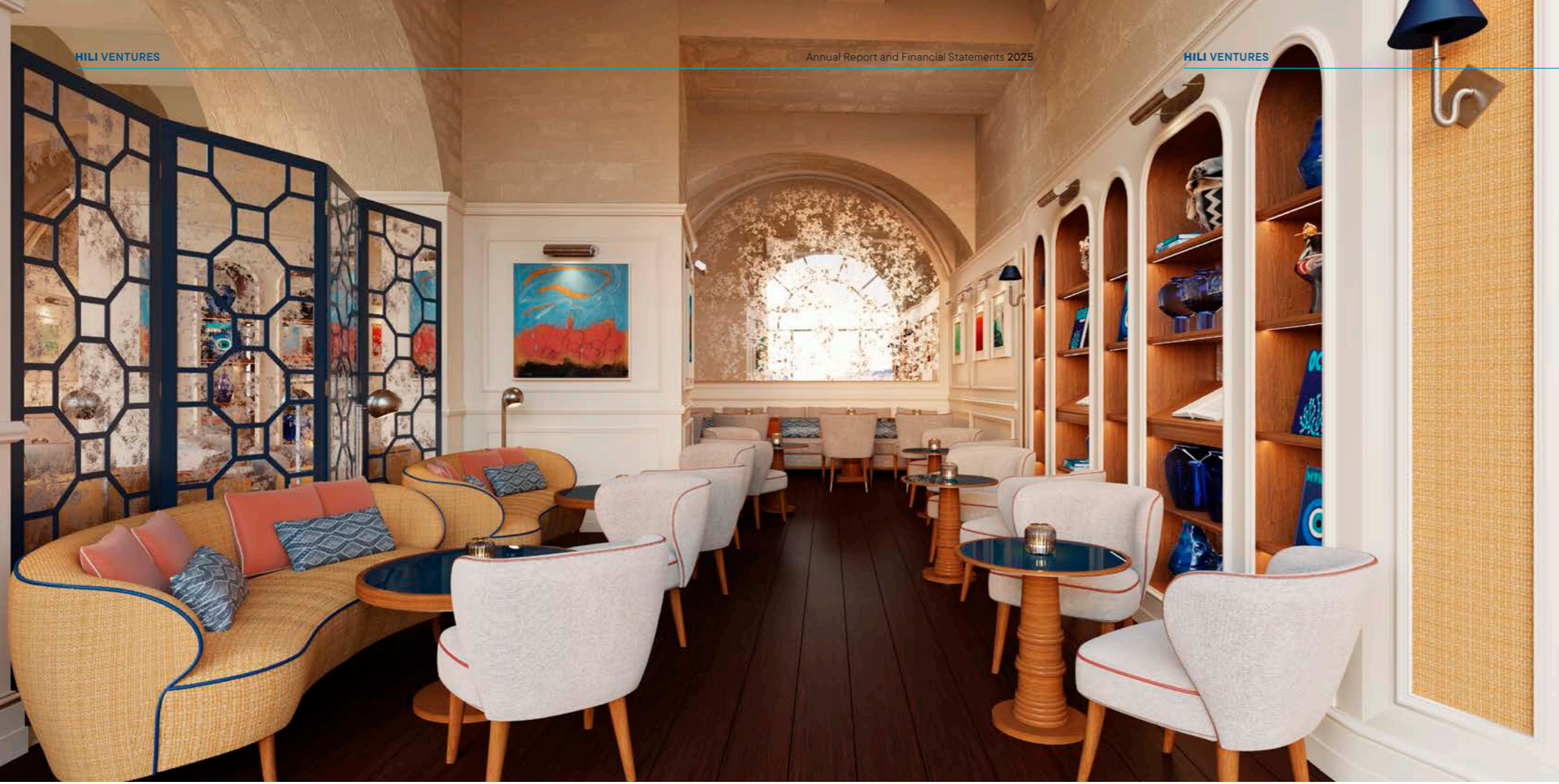


Edwin Borg
 Chief Executive Officer

The Board

- Dorian Desira**
Chairman
- Annabel Hili**
- Edwin Borg**
- Michael J. Agius**
- Kristina Borg Cardona**
- Albert Frendo**
Independent Director
- Adrian Mercieca**
Company Secretary





HV HOSPITALITY

HV Hospitality Limited
Hospitality Investor

HV Hospitality currently holds the Comino Hotel concession and plans to develop an exclusive luxury resort on the island of Comino, to be managed by international luxury hospitality group Six Senses. HV Hospitality will also operate a 13-suite boutique hotel in Valletta, Malta currently under development by sister entity Battery Street Limited.

During 2025, the company continued to invest in the design and pre-development of the Six Senses Comino following Planning Authority approval in 2025. The project continues to undergo the necessary regulatory and legal process. As a result of ongoing pre-construction activities, the company reported a loss before tax of €0.5 million.

The boutique hotel in Valletta received planning permission in February 2025, and the project moved into the execution phase with civil works having commenced in April 2025. The hotel is on track to open in the first quarter of 2027, adding a distinctive hospitality experience to Valletta's cultural and urban landscape. At year-end, the Net Asset Value of HV Hospitality stood at €71.9 million while that of Battery Street Limited was €0.5 million.



Mark Vella
Managing Director
(Appointed in 2026)

The Board

Annabel Hili
Chairperson

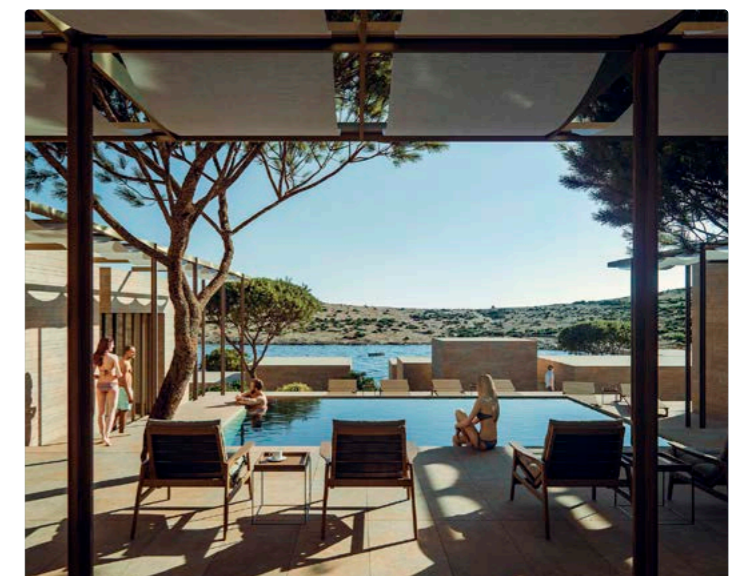
Mark Vella

Melo Hili

Michael J. Agius

Winston J. Zahra
Independent Director

Adrian Mercieca
Company Secretary





Revenue: (-9%)
 €45.2m

Profit before tax:
 €1.3m

Net assets:
 €51.1m

BREAK WATER

Breakwater Investments Limited
 Engineering, Shipping & Logistics, Oil & Gas

Breakwater Investments brings together business activities in engineering, shipping and logistics, and oil and gas under one unified brand, with operations spanning Malta, Poland, the UK, and the broader Mediterranean. The group leverages over a century of maritime heritage to deliver specialist services including ship-to-ship (STS) transfers, LNG terminal management, container leasing, and tailored engineering solutions.

In 2025, Breakwater Investments continued to strengthen its core service lines while laying the groundwork for geographic and sectoral expansion.

Breakwater Investments reported a €1.3 million profit before tax alongside a 9% decline in revenue, driven primarily by lower freight forwarding volumes in Poland and reduced ship-to-ship activity. Performance across the division was supported by strong business development and revenue growth at Motherwell Bridge Industries, partly offset by a decline in revenue at ALLcom and STS Marine Solutions.



John P. Casaletto
 Chief Executive Officer

The Board

Melo Hili
 Chairman

Dorian Desira

Martin Xuereb

Alex Montebello
 Independent Director

Ann Fenech
 Independent Director

Michael Gatt
 Independent Director

Adrian Mercieca
 Company Secretary





Revenue: (-8%)
 €18.2m

Profit before tax:
 €1.6m

Net assets:
 €13.4m



Harvest Technology plc
 Technology

Harvest Technology, a 63% owned subsidiary of 1923 Investments Limited, brings together PTL, APCO and Apccopay, delivering specialist solutions across IT services, automation, security and payments.

Harvest Technology faced a challenging year in 2025, characterised by a demanding operating environment and pricing pressure within the payment processing segment. While profitability declined year on year, gross profit remained stable, and the group continued to generate solid cash flows. Throughout the year, the company continued to strengthen its operations and closed the year with a strong balance sheet.



Neacail Micallef Bilocca
 Interim Chief Executive Officer
 (Appointed in 2026)

The Board

Simon Montanaro
 Chairman
 (Appointed in 2026)

Dorian Desira

Melo Hili

Peter Hili

Yasmine Aquilina

Jacqueline Camilleri
 Independent Director

Stephen Paris
 Independent Director

Adrian Mercieca
 Company Secretary





Hili Finance Company plc
Financing Arm

Hili Finance Company is the financing arm of Hili Ventures. It raises funds for the group's subsidiaries and had four bonds listed on the Malta Stock Exchange as at 31 December 2025. In January 2026, the company launched its most recent issue - the 5% Unsecured Bonds 2033 - through which it raised €60 million.

For the year ended 2025, it registered a profit before tax of €1.3 million, with a Net Asset Value of €4.1 million.

The Board

Geoffrey Camilleri
Chairman

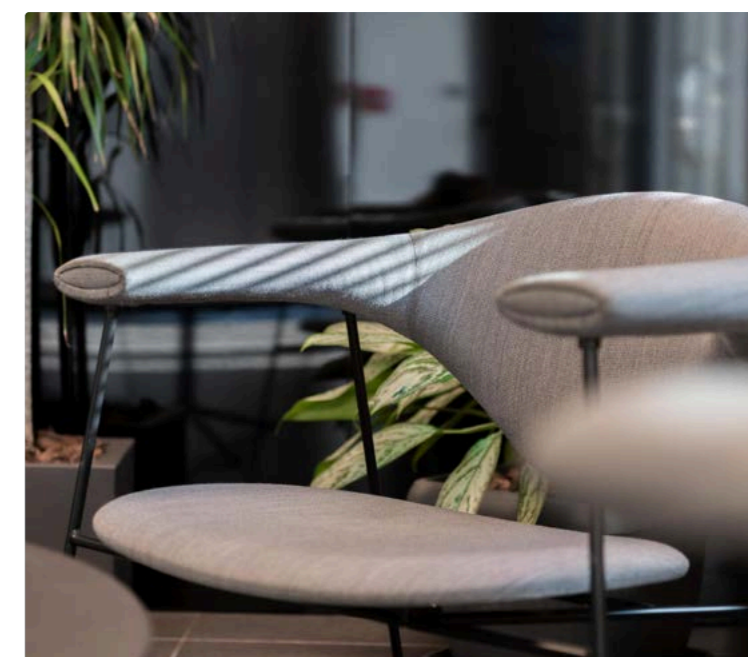
Bettina Mifsud

Dorian Desira

Jacqueline Camilleri
Independent Director

Mario Vella
Independent Director

Adrian Mercieca
Company Secretary





Impact for good

Environmental, Social, Governance (ESG) 2025

Our 2025 ESG performance reflects a group-wide effort towards decarbonisation, responsible resource use, employee well-being and community investment, driven by our operating companies within their respective sectors.

Environmental highlights



Premier Capital

Food Service – McDonald's Business

Premier Capital improved environmental performance through targeted efficiency measures and disciplined resource optimisation. In 2025, the business expanded its renewable energy generation, reduced water consumption and significantly lowered diesel use.

By year-end, 44 restaurants were equipped with on site photovoltaic panels, representing around 22% of the network, reducing reliance on the grid. The group also advanced its packaging strategy, nearing its target of 100% renewable, recycled or reusable primary guest packaging, with certified fibre-based materials now used across most core items.



Restaurants with Solar Panels **44**

+47%



Water consumption ↓

-4%



Diesel consumption ↓

-55%

iSpot Poland

Retail – Apple Premium Partner

iSpot stores are designed to minimise environmental impact through energy-efficient store design, optimised lighting and climate control systems, and the use of renewable energy where available.

iSpot promotes sustainable consumption through its trade-in and refurbished device offerings, extending product lifecycles and reducing electronic waste. In 2025, over 17,000 Apple products were collected from the market with the majority given a second life. The business also continues to prioritise responsible packaging, including the use of recycled and reusable materials across logistics and retail operations.

Through its digital leasing programme, iSpot contributed to the planting of 2,101 square metres of forest, reinforcing its commitment to offsetting its environmental impact.



Forest planted

2,101m²



Devices collected

17,000+

Hili Properties

Real Estate

Hili Properties continues to focus on improving energy performance across its portfolio through targeted upgrades, digital monitoring and the integration of renewable energy solutions.

MIRO in Romania, a BREEAM-certified asset, is powered by 100% renewable electricity, with approximately 23% generated on-site through photovoltaic panels with the remainder sourced from certified renewable energy providers.

Advanced Building Management Systems (BMS) enable continuous monitoring and optimisation of resources.

Across the portfolio, energy efficiency initiatives include LED lighting upgrades, investments in efficient HVAC systems and the gradual introduction of EV charging infrastructure, with investments guided by asset performance, tenant needs and long-term sustainability objectives.



Renewable energy at MIRO

100%

Our people

At Hili Ventures, our people are central to how we perform and grow across markets and industries. In 2025, we continued to strengthen our organisation by leading with care, building capability and high performance while ensuring our teams feel supported, engaged, and able to thrive.

Internal mobility played a key role in retaining talent and strengthening institutional knowledge. By enabling people to grow into new roles, take on broader responsibilities and move across functions and companies, we recognise potential. This approach supports agility, continuity, and long-term careers across the group.

Continuous learning remained a priority, with sustained investment in training to support individual development and organisational resilience. Alongside this, leadership and management practices were further strengthened.

By matching high standards with realistic expectations and the right support systems, we continued to build connected teams capable of delivering consistently.

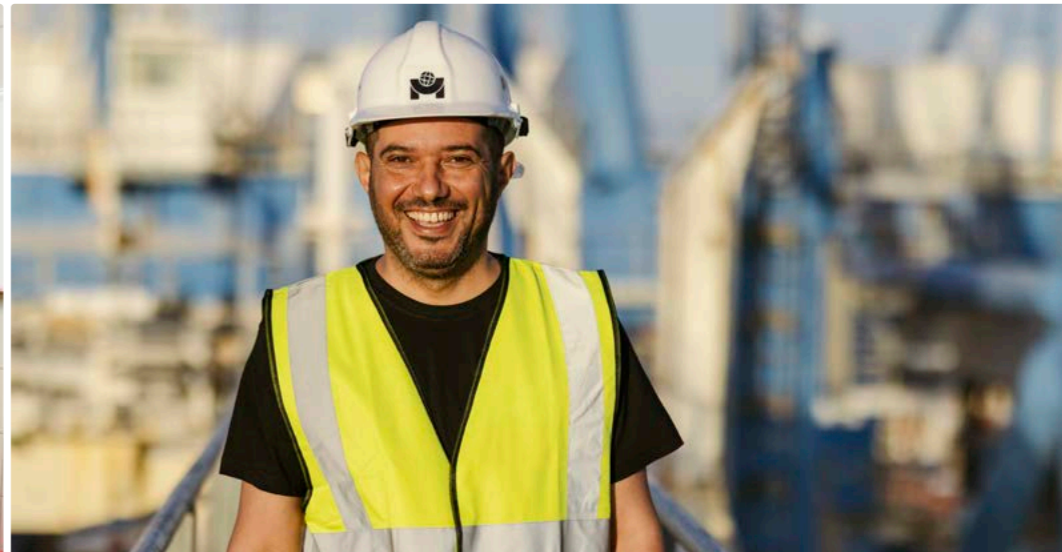


Total employees
12,500

Nationalities
83+

Gender representation
58% Female | **42%** Male

Training & development
20
average training hours per employee



People & social impact highlights

Social impact

Group



Community initiatives

€2.9m



158

students supported in Malta Drama Academy's Migrant Learning Programme

Employee matters

Group



Investment in employee welfare initiatives

€1.43m



Investment in training and upskilling

€390,000

Diversity, equity & inclusion

Premier Capital Hellas, Greece

In 2025, the Premier Capital Hellas NeuroCrew Programme created structured employment opportunities for neurodiverse individuals in collaboration with specialist partners, a first for the Greek QSR sector.



Groupwide volunteering



Group

>10,000 hrs



Environmental Preservation

>175 hrs

Volunteered time toward Comino Island clean-up





Our work with Ronald McDonald House

Together with our McDonald's operators in Latvia, Malta, Romania and Greece, Hili Ventures and Premier Capital continue their long-standing support for local Ronald McDonald House Chapters. In 2025, our contribution helped advance programmes that provide comfort, care and essential services to children and families. Ronald McDonald House is an independent, non-profit organisation that supports families with children who are ill or injured, working in close partnership with McDonald's, its founding and forever partner. Through a global network of more than 250 independently operated Chapters across 60+ countries and regions, it provides accommodation, care and vital support services, removing barriers so families can remain close to their child and play an active role in their care.

€1.1 million (+15%) raised for Ronald McDonald House initiatives in 2025.



Ronald McDonald House Greece

Celebrating one year of the Family Room

Overnight stays:	Unique families hosted:
1,053	339

Hot meals served:
6,972

Creative & psychosocial events:
13 (50+ CHILDREN)

Educational workshops delivered:
10 (40+ CHILDREN)

One-to-one mental-health support sessions:	Books lent through weekly mobile library service:
16	100+

Ronald McDonald House Romania

Strengthening services in Bucharest, Iași and Timișoara Houses

Overnight stays in Bucharest, Timișoara and Iași:
15,762

People hosted:	Families hosted:
920	622

Hot meals served:
25,476

Care packages prepared:
934

Investment in medical and non-medical equipment:
€123,343

Ronald McDonald House Latvia

Care Mobile keeps rolling

Medical consultations:	Children assisted:
5,195	4,032

Care Mobile visits nationwide:	Locations reached:
114	50+

Raised via Santa Fun Run 2025:
€20,062

Ronald McDonald House Malta

Learning Centre strengthens impact

Children and young people served:

1,810

Adults supported:

3,773

Families served:

343

Sessions delivered:

640

Session hours:

2,177

Professionals and volunteers involved:

1,377

NGOs and entities engaged:

26



Conference 2025

Ronald McDonald House Malta hosted its third national Family-Centred Care Conference, bringing together more than 100 professionals from public health, education and mental-health services for a day of expert dialogue and practical workshops.

Financial statements

Ronald McDonald House rebrand

We stepped into a new chapter as Ronald McDonald House with a simpler name, a shared global identity, and the same commitment to keeping families close when it matters most. This evolution introduces a new name and logo while maintaining the organisation's mission to support families with children receiving medical care. It aims to bring greater clarity, warmth and unity across Chapters worldwide, and continues to honour the charity's long-standing founding and forever partnership with McDonald's.

Directors, officers and other information

Directors:	Archibald Anderson Bethel (Chairman) Annabel Hili Carmelo Hili Jesmond Mizzi
Company Secretary:	Adrian Mercieca
Registered office:	Nineteen Twenty-Three Valletta Road Marsa, MRS 3000 Malta
Company registration number:	C 57902
Auditor:	Grant Thornton Malta Fort Business Centre, Level 2 Triq I-Intornjatur, Zone 1 Central Business District Birkirkara, CBD 1050 Malta
Principal bankers:	HSBC Bank Malta p.l.c. HSBC Hub, Mill Street Qormi, QRM 3101 Malta Bank of Valletta p.l.c. 58, Triq San Zakkarija II-Belt Valletta, VLT 1130 Malta BRD – Groupe Societe Generale S.A. 1-7 Ion Mihalache Boulevard Sector 1, Bucharest 011171 Romania mBank S.A. 18 Prosta Street 00-850 Warszawa Poland

Directors' Report

Year ended 31 December 2025

The Directors present their report and the audited financial statements of Hili Ventures Limited (the "Company") and the Hili Ventures Limited Group (Hili Ventures Limited together with its subsidiaries, the "Group") for the year ended 31 December 2025.

Principal activities

The Company principally acts as the investment holding company of an international, diversified group to which it provides management and consultancy services.

The Company has nine main direct subsidiaries: Premier Capital p.l.c., 1923 Investments Limited (formerly 1923 Investments p.l.c.), Hili Properties p.l.c., Hili Finance Company p.l.c., Breakwater Investments Limited, Marsamxett Properties Limited, TBP Properties Single Member S.A., HV Hospitality Limited and Battery Street Limited.

Premier Capital p.l.c. ("Premier Capital") is engaged, through its subsidiaries, in the operations of McDonald's restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania.

1923 Investments Limited ("1923 Investments"), acts as an investment arm and currently draws together the technology businesses, which are primarily engaged in retail and technology solutions, operating in Malta, Hungary and Poland.

Hili Properties p.l.c. ("Hili Properties") owns and manages commercial real estate, industrial land and properties in Malta, Latvia, Lithuania, Estonia and Romania.

Hili Finance Company p.l.c. ("Hili Finance Company") acts as the funding vehicle of the Company and has four bond issues for a total value of €250,000,000 listed on the Malta Stock Exchange as at 31 December 2025.

Breakwater Investments Limited ("Breakwater Investments") is the engineering, oil and gas and logistics group, engaged in providing logistics services, ship-to-ship transfer services and LNG terminal management, the provision of specialised engineering services and container leasing.

Marsamxett Properties Limited ("Marsamxett Properties") was incorporated in 2023 to act as a holding vehicle of shares in Tigné Mall Limited ("Tigné Mall"), formerly Tigné Mall p.l.c.. Marsamxett Properties acquired full ownership of Tigné Mall in 2024 and subsequently delisted the company on 3 February 2025.

TBP Properties Single Member S.A. ("TBP Properties") was set up to own and manage commercial real estate in Greece. In 2023, it embarked on its first project, the development of a logistics centre, which was completed in early 2025.

HV Hospitality Limited ("HV Hospitality") aims to establish a presence in the European hospitality market. HV Hospitality owns the concession agreement for the hotel and bungalows in Comino. During 2025, HV Hospitality continued to invest in the project design and pre-development following Planning Authority approval in 2025. The project remains subject to regulatory and legal processes, but HV Hospitality remains confident in the project's planning and environmental merits.

Battery Street Limited ("Battery Street") entered into a lease agreement for a property in Valletta, for which it received planning permission to develop into a boutique hotel in February 2025. Civil works commenced last year, with the hotel on track to open at the end of 2026.

Financial performance

The results for the Group represent the results of the Company together with those of its subsidiaries and its shares of jointly controlled entities for the year ended 31 December 2025.

The Group reported revenue from continuing operations of €1,171,616,013 (2024: €1,088,450,038), which represents an increase of 7.64% over the prior year. This increase was mainly driven by restaurant and retail network expansion and organic growth across all areas of the business.

Operating profit for the Group reached €93,403,412 (2024: €92,640,762). After accounting for net investment income and finance costs, the Group registered a pre-tax profit from continuing operations of €69,558,359 (2024: €80,431,694).

The Group measures the achievement of its objectives using the following key performance indicators ("KPIs"):

KPI	2025	2024
Current Ratio	0.63	0.81
Net Gearing	57.95%	57.96%
EBITDA Margin	11.53%	12.49%
Interest Cover	4.42 times	4.81 times

During the year under review, the Company registered an operating loss of €4,074,209 (2024: €2,979,095). After accounting for net investment income and finance costs, the Company registered a pre-tax profit of €42,956,310 (2024: €49,857,317).

On 31 January 2024, 1923 Investments sold its holdings in E-Lifecycle Holdings GmbH ("E-lifecycle"). The loss for that year from discontinued operations for the Group resulting from the sale of E-lifecycle amounted to €477,551.

The Group and the Company's statements of financial position at year-end report net assets amounting to €297,338,705 and €137,263,909 (2024: €280,753,429 and €119,774,174) respectively.

The measure used by the Group to assess liquidity is the current ratio, which is defined as the total current assets divided by the current liabilities. At the end of the year, the Group reported a net current liability position with a current ratio of 0.63 (2024: 0.81). The Group has sufficient cash holdings at year end, enabling it to meet its obligations as they fall due.

The Group utilises the net gearing ratio as an indicator of the Group's financial leverage, which refers to its long-term debt versus its equity or capital employed. The net gearing ratio of the Group at the end of the year stood at 57.95% (2024: 57.96%).

The Group also measures its performance based on earnings before interest, tax, depreciation and amortisation (hereinafter referred to as "EBITDA"). In 2025, EBITDA for the Group reached €135,108,974 (2024: €135,953,700). During the year, the Group incurred a one-off transaction amounting to €6,040,545 which is considered to be non-recurring in nature. Excluding this item, normalised EBITDA for 2025 amounted to €141,149,519.

During the year under review, interest cover of the Group was at 4.42 times (2024: 4.81 times). Interest cover represents EBITDA divided by net interest costs.

Group performance review - non-financial

The key non-financial performance indicators range from customer and employee satisfaction and conversion metrics in the retail and restaurant divisions, to property occupancy ratios in the real estate arm.

The most relevant measures used by the different divisions are as follows:

During the year under review, Premier Capital, through its subsidiaries, continued to expand its network and as at 31 December 2025, it operated 202 restaurants (2024: 193). Of these, 114 restaurants are located in Romania, 44 in the Baltic States, 34 in Greece and 10 in Malta. Through its subsidiaries, Premier Capital served over 94 million customers across its six markets (2024: 90 million) and continued to invest considerably in its restaurants, with more than €33.4 million going towards new restaurants and the refurbishment of existing ones.

iSpot Poland Sp. z o.o ("iSpot"), which is now responsible for 26.74% of Group revenue, reported a strong year across a number of sales channels, apart from the business-to-business segment. In 2025, it reported an 8.03% increase in overall revenue, driven by eCommerce performance as well as numerous activities within the education segment which were supported by government programs. Footfall in stores decreased slightly compared to 2024 despite heightened marketing activities and dedicated campaigns to counter aggressive price competition from big-box retailers, high inflation affecting consumption and consumer sentiment. The conversion rate, which measures the percentage of actual purchases compared to customers entering the store, reached 10.70% in 2025, 0.50% lower than 2024. In contrast to in-store sales, iSpot improved sales from its e-commerce channel by 49.00%.

During 2025, 1923 Investments recognised an impairment of VAT receivables of €6,040,545 relating to a long-running tax litigation case involving its Polish subsidiary, SAD SP. Z O.O. ("SAD"), concerning VAT settlements for 2015. Following a final adverse ruling by the Polish Supreme Administrative Court in July 2025, amounts previously deposited with the tax authorities for the March–July 2015 period were deemed non-recoverable and fully impaired.

Harvest Technology p.l.c.'s ("Harvest Technology") strategic plan to reposition its three subsidiaries as pure-play companies continued to gain traction in 2025. PTL Limited ("PTL") is now focused on IT services and software development; APCO Limited ("APCO") continues to lead in automation, security, and building

management solutions; and APCOPAY Limited ("APCOPAY") is the global provider of payment orchestration solutions.

As at 31 December 2025, Hili Properties group's property occupancy stood at 99.00% (2024: 99.00%). This key ratio compares leased investment properties in square metres with the total owned investment properties in square metres.

During 2025 Marsamxett Properties completed the refurbishment of the Tigné mall, adding new retail offerings and elevating the mall's aesthetic. It is spread over 15,000m2, housing 67 fashion labels, cafes and restaurants.

The Group has also continued to actively manage its financial investments, strengthening the investment portfolio through a sizeable acquisition of Bank of Valletta p.l.c. shares, which were subsequently transferred into a strategic fund investment, realising a gain while maintaining market exposure.

The average number of employees across the Group increased to 12,583 in 2025, compared to 11,326 in the previous year. The Group runs a yearly employee survey across the Group to keep a pulse on employee satisfaction and engagement rates, which remain high. The Group also invested significantly in its global team, ensuring responsible recruitment and offering fair wages and benefits, performance reviews, professional development programmes and employee well-being initiatives.

Market performance

The Group operates in 10 different countries, each contributing to the overall revenue. During 2025 and 2024, the individual market contribution to sales was split as follows:

Country	2025	2024
Romania	38.96%	37.78%
Poland	27.67%	27.84%
Baltics	14.36%	14.64%
Greece	9.35%	10.00%
Malta	7.41%	7.03%
Other	2.25%	2.71%

Non-Financial Reporting – Environment, Social and Governance

In line with the Directive 2014/95/EU and pursuant to Article 177 of the Companies Act (Cap. 386) and in terms of the Sixth Schedule to the Act, the Directors hereby report the impact of the Group's activities on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. The Group is also monitoring developments at an EU level that could impact the Non-Financial Reporting Directive, the EU Taxonomy regulations and the Corporate Sustainability Reporting Directive, which is still to be transposed in Malta.

ESG policies, governance and due diligence

Sustainable Success is the Group's proactive approach to Environmental, Social and Governance ("ESG") matters. Alongside the Group's vision and values, the Group seeks to be a forward-thinking agent for positive change and to cause impact for good at every opportunity by acting with integrity and care with every decision and every action it takes.

This commitment is reflected in how the Group supports its people by creating employment opportunities, maintaining safe workplaces, promoting diversity, and ensuring fair access to learning, development, and career progression.

The Group recognises the importance of environmental sustainability and the impact its operations can have on the environment. The Group continues to actively work on developing its policy framework that will guide operations towards more sustainable practices. The Group's strategy over the coming years is focused on establishing transition plans which will involve a phased approach to shifting its operations and asset base towards increased sustainability.

Organisational Chart

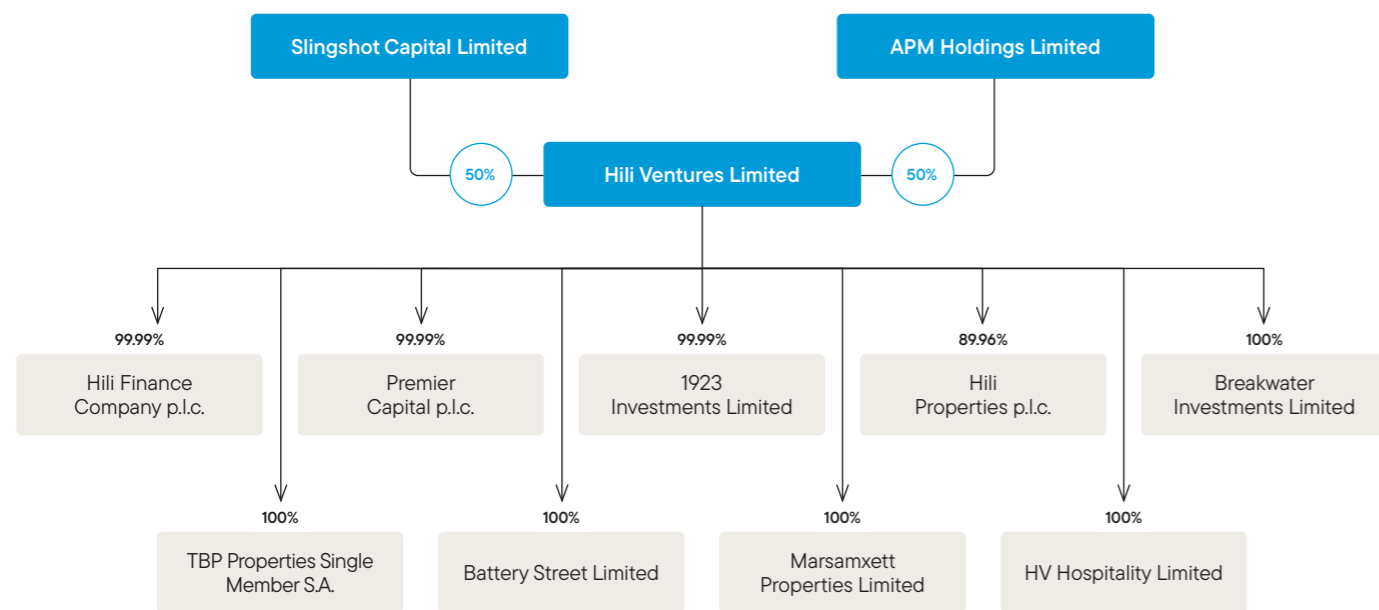


Fig 1: Represents how the Group is structured.

The Group

The Board of Directors consists of four members, of which three are male and one is female, with one independent director.

Archibald Anderson Bethel CBE, Chairman

Archibald Anderson Bethel CBE is an experienced business leader and board director with a successful track record of transforming and growing businesses in various industry sectors for over four decades. In 2021, after almost 20 years with Babcock International Group p.l.c., a London-based FTSE-listed public company, he retired from his role as Chief Executive Officer. Archibald continues to hold non-executive and independent director roles in both the private and public sectors. He is a chartered engineer and holds an MBA from the University of Strathclyde, Glasgow. He was awarded an OBE in 1996 and a CBE in 2008 for services to business and enterprise in the United Kingdom.

Annabel Hili, Director

Annabel Hili occupies the role of Chief Operating Officer at the Company and is involved in strategic business transformation designed to engage the Group's people and create momentum, and to impact portfolio and performance. She oversees the Group's Human Resources, Information Technology, Communications and Data Protection functions. A lawyer by profession, Annabel spent the first five years of her career at a

leading law firm in Malta. She holds an LLM in the Law of Internet Technology from Bocconi University in Milan.

Carmelo Hili, Director

Carmelo Hili has led the Company since its inception in 2013, having joined the family business in 1988. He started out at Motherwell Bridge, then a joint venture with Motherwell Bridge Group of Scotland, where he served as managing director for twenty years. Carmelo was named Developmental Licencee for McDonald's in Malta in 2005 and went on to expand the business across Europe, obtaining licenses for Estonia, Latvia and Lithuania in 2007, Greece in 2011 and Romania in 2016. Under his stewardship, the Group has diversified into new sectors including real estate, oil and gas, and hospitality.

Jesmond Mizzi, Director

Jesmond Mizzi is the Managing Director of Jesmond Mizzi Financial Advisors, which he co-founded in 2002. His career in financial services spans twenty years, having previously earned auditing experience at PricewaterhouseCoopers. Having held senior roles with a listed company in Malta and through his exposure to capital markets, Jesmond brings valuable business acumen to the Board of the Company. He is also a qualified and affiliate member of the Association of Chartered Certified Accountants (ACCA).

Adrian Mercieca, Company Secretary

Adrian Mercieca joined the Company as Company Secretary and holds this position for most of its direct subsidiaries. He previously served as Director and Head of the Company Administration Department at a leading corporate services provider, where he was responsible for corporate, compliance, and banking matters for international clients, while also acting as director and company secretary for several Maltese-registered companies. He holds an MBA from the University of Derby and an Advanced Diploma in Strategic Management & Leadership from Pearson and is also a member of the Institute of Financial Services Practitioners (IFSP).

Principal risks and uncertainties

The successful management of risk is essential to enable the Group to achieve its objectives. The Group regularly updates its group-wide enterprise risk management assessment to align its risk mitigation measures to the ever-changing environment which it continues to monitor and update. In fact, all subsidiaries maintain risk registers which are reviewed and updated on a periodic basis by their respective boards. The ultimate responsibility for risk management rests with the directors of the various boards, who evaluate each subsidiary's risks and formulate policies for identifying and managing such risks. The principal risks and uncertainties, which are likely to cause adverse impacts on the business are listed below:

a) Operational risk

The Group operates in a highly competitive environment and faces competition from various other entities. Technological developments create new forms of quickly evolving competition. An effective, coherent and consistent strategy to respond to competitors and changing markets enables the Group to sustain its market share and its profitability.

The Group continues to focus on service quality and performance in managing this risk. As with any company, the Group's revenues would be at risk without maintaining the level of service expected by its customers. The Group's commitment to customers is embedded in its values. The relevant employees undertake intensive training programmes to ensure that they are aware of, and abide by, the levels of service that are required by the Group's customers.

The Group aims to continue growing organically, as well as through acquisitions. Acquisitions into existing lines of business or investment in new ventures might pose the risk of objectives and returns not being achieved because of underlying risks. The Group mitigates this risk by investing heavily in both the pre-investment period by undertaking a spectrum of due diligence exercises, as well as post-integration by having a laid-out plan for the initial phases of the taken-over or incepted business.

b) Legislative risks

The Group is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Group's ability to operate. The Group has embedded operating policies and procedures to ensure compliance with existing legislation.

c) Resources and skills

Failure to engage and develop the Group's existing employees or to attract and retain talented employees could hamper the Group's ability to deliver in the future. The Group invests continuously in training its employees and undertakes regular reviews of its resource requirements, current and future.

d) Economic and market environment

Demand for the Group's products and services can be adversely affected by weakness in the wider economy which are beyond the Group's control. This risk is evaluated as part of the Group's annual strategy process covering the key areas of investment and development and updated regularly throughout the year. The Group continues to make significant investment in innovation.

The Group regularly reviews its pricing structures to ensure that its products are appropriately and competitively placed within the markets in which it operates.

e) Brand and reputational risk

Damage to the Group's reputation could ultimately impede the Group's ability to execute its corporate strategy. This can occur both from the actions of the Group itself as well as from the actions of the brands with which the Group partners. To mitigate this risk, the Group strives to build its reputation through a commitment to sustainability, transparency, effective communication and governance. The Group continuously works to develop and maintain its brand equity value.

f) Technology, cyber risk and business interruption

The Group relies on information technology in all aspects of its business. In addition, the services that the Group offers to its customers are reliant on complex technical infrastructure. A failure in the operation of the Group's key systems or infrastructure could cause a failure of service to its customers, negatively impacting the brand and increasing its costs. The Group makes significant investments in technology infrastructure to enable it to continue to support the growth of its business and has a robust selection and monitoring process for third-party providers. The Group also invests highly in information security technical safeguards and trains its people on an ongoing basis on how to handle information security threats and breaches.

g) Supply chain

A significant failure within the supply chain could adversely affect the Group's ability to deliver products and services to its customers. For this reason, the Group has proper crisis management plans in place to mitigate such risk.

h) Political risk

The Group operates in multiple markets and regions and is therefore exposed to political and geopolitical developments, including armed conflicts, geopolitical tensions, sanctions, trade restrictions and broader political instability. Ongoing and emerging conflicts may result in regulatory and business uncertainty, changes in market access conditions, disruptions to cross-border trade and supply chains, and increased macroeconomic volatility, which could adversely affect the Group's operations, financial performance and future prospects.

Geopolitical developments may also impact workforce availability and mobility, inflation levels and consumer confidence, influencing demand patterns and operational resilience across the Group's markets.

These risks are assessed on an ongoing basis as part of the Group's enterprise risk management framework and are reviewed at subsidiary and Board level. The Group seeks to remain agile and responsive, adapting its strategies and operational plans to evolving political and geopolitical conditions while maintaining its focus on compliance, business continuity and long-term value creation.

i) Energy pricing and utilities risk

The Group is exposed to volatility in energy and utilities pricing, including electricity, fuel and other essential utilities, which may be affected by global energy markets, regulatory changes and geopolitical developments. Increases in energy costs may have an adverse impact on operating expenses, particularly in energy-intensive activities such as food service, logistics, real estate and engineering-related operations.

The Group mitigates this risk through a combination of energy efficiency initiatives, investments in solar energy generation, operational controls, ongoing monitoring of consumption and costs, and fixed contractual arrangements where available. Capital investment decisions increasingly consider energy performance and lifecycle efficiency, in line with the Group's broader environmental objectives.

Energy pricing and utilities risks are regularly reviewed as part of the Group's risk management and budgeting processes and are considered in strategic planning to support cost resilience and operational stability.

j) Fluctuations in property values

Property values are affected by and may fluctuate as a result of movements in demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The Group has mitigated this risk by investing in a diversified selection of prime real estate across jurisdictions and has secured long-term agreements with established tenants.

k) Significant judgements and estimates

Note 3 to the financial statements provides details in connection with the inherent uncertainties that surround the preparation of the financial statements, and which require significant estimates and judgements.

l) Strategic relationships

The Group has established strategic relationships with key business partners. There is no guarantee that the Group will be able to maintain these alliances or enter into further alliances. The loss of a significant relationship could have a material adverse effect on the Group's business, results of operations and financial condition. The Group has developed a culture of performing to the highest standards set by the agreements under which it operates in strategic partnerships. By doing so the Group mitigates risks of operational shortcomings that would lead to breaching such agreements.

m) ESG risk

Across its diverse portfolio, the Group recognises that the transition to a more sustainable operation, including lowering carbon emissions, is crucial to its long-term success. The risks posed by climate change, material scarcity, and environmental degradation are particularly relevant in resource-intensive sectors such as food service, retail and logistics. The Group's commitment to sustainability is integral to its business strategy as it strives to uphold the highest standards of corporate governance and social responsibility, while managing its environmental impact to every extent possible.

n) Cybersecurity risk

Failures or breaches of the electronic systems of the Group, its advisers and other service providers could cause disruptions, negatively impact the Group's business operations and potentially result in financial losses. Irrespective of the business continuity plans and risk management systems in place that address system breaches or failures, there are inherent limitations in such plans and systems.

Furthermore, the Group cannot control the cybersecurity plans and systems of any of the Group's advisers and other service providers.

The Group's approach

The Group integrates ESG considerations into its long-term strategy, recognising that responsible business conduct supports sustainable value creation, operational resilience and stakeholder trust.

As a holding company, Hili Ventures Limited sets the direction, oversees performance and promotes shared values across its business units, while recognising that each business has its own operational realities.

The Group promotes the following values across its operating companies:

- Integrity
- Care
- Ambition
- Innovation
- Impact for good

These values guide decision-making at both Group and operating company level and underpin the Group's approach to managing environmental impact, safeguarding people, contributing positively to communities, and upholding strong governance and ethical standards.

As part of its governance responsibilities, the Group is responsible for the selection and appointment of Boards within its operating companies and for the ongoing review of business performance. Through Board oversight, leadership engagement and regular reporting, the Group ensures that strategic, operational, financial and non-financial risks are continuously identified, assessed and managed. This oversight framework supports consistency in governance practices while allowing operating companies the autonomy required to manage their specific activities and markets effectively.

This non-financial statement outlines how ESG considerations are addressed across the Group, with a focus on:

- Environmental matters: Energy efficiency, emissions, resource use and waste;
- Employee and social matters: Employees, tenants, customers and communities; and
- Governance matters: Ethics, board oversight and risk management.

As a large enterprise, the Group monitors regulatory developments at EU level, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards

(ESRS), the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy Regulation. In parallel, the Group is progressively strengthening its internal frameworks, policies and data processes in preparation for potential future requirements.

The Group's ESG approach is pragmatic and proportionate, reflecting the diversity of its activities and the varying maturity levels of its operating companies.

The scope of this non-financial statement covers the Group's principal operating companies and activities.

Environmental matters

The Group promotes environmentally responsible business conduct across its subsidiaries by setting expectations, sharing best practices and leading by example. Environmental impacts vary across the subsidiaries, but the common focus is efficiency, awareness and continuous improvement.

The Group's headquarters in Malta are equipped with energy-efficient systems, including LED lighting and photovoltaic (PV) panels installed on the roof. These measures reflect a practical commitment to reducing energy consumption and operational emissions at head-office level.

The Group also encourages environmental awareness through engagement and participation. Throughout the year, the Group supports and organises environmental initiatives, such as outdoor clean-up activities, including the Comino clean-up. These initiatives support a culture of responsibility and reinforce the role employees can play beyond day-to-day operations.

a) Energy efficiency and operational performance

Energy efficiency remains an important priority across the Group, particularly in areas where energy consumption has a direct impact on operating costs and environmental performance. Each subsidiary adopts measures which reflect its own operational activities, asset base and regulatory environment.

Premier Capital

Restaurant operations continue to align with McDonald's global standards on energy efficiency, preventive maintenance and equipment performance. Investments in LED lighting, energy-efficient kitchen equipment, HVAC optimisation and structured maintenance programmes support reductions in energy consumption while maintaining food safety, service quality and operational standards. Energy efficiency initiatives are integrated into refurbishment planning and equipment replacement cycles, balancing operational requirements with cost efficiency and environmental performance.

Over one fifth of Premier Capital's restaurants are now equipped with PV panels across 44 drive-through sites. In parallel, Premier Capital continued transitioning its leased company vehicles towards hybrid and electric models, contributing to a 54.77% year-on-year reduction in diesel consumption. Water consumption also decreased by approximately 4.14% compared to 2024, despite increased customer volumes.

Hili Properties

Within the real estate portfolio, energy performance is addressed at asset level through targeted upgrades and digital monitoring. Improvements to lighting systems, HVAC infrastructure and controls have been implemented across selected assets. Advanced Building Management Systems (BMS) support continuous monitoring and optimisation of energy use, contributing to performance below market benchmarks for comparable buildings. Energy efficiency measures are prioritised according to asset condition, tenant requirements, regulatory developments and expected returns, and are incorporated into capital investment planning.

1923 Investments

Energy efficiency measures are primarily focused on compliance, responsible use of resources and the integration of efficient systems during refurbishments, relocations and new store openings.

Breakwater Investments

Breakwater Investments operates in sectors with higher operational and safety demands, including engineering, logistics and marine-related activities. Energy efficiency is primarily addressed through operational controls, equipment maintenance and the phased replacement of older assets where economically and technically feasible. Focus remains on minimising unnecessary consumption through route planning, efficient equipment use and operational discipline, recognising the link between fuel use, emissions and cost control.

Across the Group, awareness initiatives continue to encourage responsible energy use within offices, operational sites and retail environments.

b) Renewable energy and decarbonisation

The Group continues to increase its use of renewable energy solutions where operationally and economically feasible, while recognising that technical, regulatory and contractual constraints differ across subsidiaries.

Premier Capital

Premier Capital participates in McDonald's system-wide carbon monitoring initiatives, supporting longer-term decarbonisation planning aligned with the brand's science-based targets and climate commitments. Its decarbonisation strategy focuses on expanding renewable energy solutions, including increased PV installations, alongside ongoing improvements in energy efficiency, operational performance, and supply chain management.

Hili Properties

Renewable energy forms an important part of Hili Properties' approach to decarbonisation, with a focus on on-site PV generation and the use of certified renewable electricity across selected assets. In 2025, MIRO Offices and Retail in Romania, a BREEAM-certified building, sourced 100% renewable electricity, with approximately 23.06% of its energy demand generated on site through PV panels and the remaining 76.94% sourced from certified renewable energy. REHAU Industrial Property also forms part of the portfolio's BREEAM-certified assets. Further PV installations and EV charging infrastructure are being introduced across the portfolio, with projects assessed on a case-by-case basis, considering building characteristics, tenant requirements and local conditions.

1923 Investments

iSpot, the largest subsidiary within 1923 Investments, continued its efforts in 2025 to improve energy efficiency by maintaining Apple-aligned standards across its outlets, including energy-efficient lighting, optimised heating and cooling systems, recycled packaging, and sourcing renewable energy where available.

Breakwater Investments

Decarbonisation efforts within Breakwater Investments focus primarily on operational efficiency and emissions reduction through improved planning and equipment management. Given the nature of its activities, the transition to alternative fuels and low-emission technologies is monitored, but deployment is dependent on technical readiness, safety considerations and market availability.

c) Resource use, circularity and waste

Responsible resource management across the Group is addressed through operational practices, supplier requirements and circular economy initiatives. Each subsidiary adopts measures which reflect the nature of its activities and operational requirements.

Premier Capital

Premier Capital continues its transition towards the increased use of recyclable and renewable packaging materials, working

closely with suppliers to support the adoption of more sustainable solutions across its operations. In 2025, Premier Capital, through its subsidiaries, was close to achieving its target of 100% sustainable primary guest packaging, with certified fibre-based materials used across many core packaging items. Suppliers are regularly engaged and assessed to support ongoing improvements in packaging performance and sustainability. Waste management remains a key operational priority. Waste separation initiatives are implemented across restaurant operations, supported by staff training and awareness campaigns to promote correct segregation and reduce landfill waste.

Hili Properties

Waste separation and recycling are implemented in line with legislative requirements across the property portfolio. Waste management obligations are embedded in tenant arrangements, while healthcare-related assets apply sector-specific waste handling protocols to ensure safe and compliant disposal. Digital property management tools further support efficiency and reduced paper use.

1923 Investments

Within 1923 Investments, electronic waste continues to be managed in line with WEEE requirements. While broader waste reduction initiatives remain limited due to operational scale, digital workflows and electronic documentation continue to support lower paper consumption.

Breakwater Investments

Resource use within Breakwater Investments is closely linked to operational assets and equipment. Asset life extension, repair-first approaches where feasible and compliant disposal practices support waste reduction. Environmental aspects and impacts are monitored as part of health, safety and environmental management processes, recognising the potential risks associated with marine operations, equipment handling and hazardous materials.

Employee and social matters

Thanks to the diversity of its business activities, the Group is in a unique position to provide its people with valuable professional experience and meaningful work culture experiences. By promoting career progression and job mobility across divisions and markets, the Group provides opportunity, nurtures talent, develops leaders and rewards achievement. The Group believes that a diverse workforce, supported by a respectful and engaging environment, is essential to its continued business success and competitiveness as an employer.

a) People and organisational development

The Group's Human Resources (HR) department plays a key role in building organisational capability, ensuring consistent people practices across the Group, and supporting a working environment aligned with the Group's values, governance standards and long-term objectives.

During 2025, the HR department was strengthened through the addition of new roles, with a focus on enhancing operational capacity, particularly in people development, HR operations and HR systems. The department provides guidance and operational support to HR teams across subsidiaries, with particular attention to entities where HR structures are still developing, contributing to greater standardisation and alignment at Group level.

b) Annual employee survey

Employee engagement is monitored through a group-wide annual employee survey, the results of which support action plans aimed at addressing areas requiring improvement.

c) Learn at work

The Group also promotes knowledge sharing and developing professional skill sets through the "Learn at Work" initiative. Regular sessions covering practical topics that support employees beyond their immediate roles, including personal financial management and regulatory awareness were scheduled in 2025. By providing accessible and relevant knowledge, the initiative aims to support a more informed workforce.

d) Community engagement

Community engagement is largely driven at local market level, ensuring close proximity to customers, tenants and stakeholders.

- The Company and Premier Capital continue their long-standing support for Ronald McDonald House Charities.
- Retail and technology subsidiaries support local initiatives such as device donations, fundraising and environmental activities.
- Real estate assets serve as community anchors for social and civic initiatives.
- Breakwater Investments supports community initiatives linked to maritime safety and environmental awareness where relevant.

e) Ronald McDonald House

The Group remains proud of its long-standing commitment to Ronald McDonald House. The Company, Premier Capital and its McDonald's operations in Latvia, Malta, Romania and Greece, continued to actively support Ronald McDonald House initiatives during 2025, positively contributing to the communities in which they operate.

In 2025, the Group raised over €1 million for Ronald McDonald House initiatives, supporting programmes that provide comfort, care and essential services to children and their families. Throughout the year, each Chapter carried out a range of initiatives across its respective market.

Ronald McDonald House Greece

2025 marked the first full year of operation at the Family Room on the grounds of the Aghia Sofia hospital in Greece, providing a dedicated space where families can find rest and respite while staying close to their children. Throughout the year, the house also delivered creative and psychosocial activities, educational workshops and mental health support sessions for day visitors. In 2025, 339 families were hosted with an average length of stay of 18 days and 3,073 day visitors were welcomed, totalling 1,053 overnight stays, with 6,972 meals served.

Ronald McDonald House Latvia

The Care Mobile programme continued to expand its outreach nationwide, with the launch of a new fully equipped Care Mobile truck, delivering essential healthcare services to children across multiple regions in the country. The Chapter also engaged local communities through fundraising initiatives such as the Santa Fun Run. A total of 5,195 medical consultations were delivered to 4,032 children across more than 60 rural locations.

Ronald McDonald House Malta

The Learning Centre further strengthened its role as a hub for support and development, increasing the number of sessions delivered, expanding collaboration with NGOs, and hosting the third national Family-Centred Care Conference, which brought together over 100 medical professionals. In 2025, 1,810 children and young people were served, alongside 4,116 families, with 640 sessions delivered.

Ronald McDonald House Romania

The three Houses in Bucharest, Iași and Timișoara continued to expand their services, providing accommodation and support to families while investing in better facilities and essential equipment. A total of 15,762 overnight stays were provided to 622 families, alongside 25,476 hot meals served.

f) Community impact

Beyond Ronald McDonald House, the Group continued to support wider community initiatives. During the year, the Group invested €2.9 million in community initiatives, reflecting its continued commitment to the communities in which it operates.

In Malta, employees are provided with two days of paid volunteer leave annually, enabling them to actively support causes across social, environmental and animal welfare areas. This approach encourages participation and strengthens the Group's connection with communities in which it operates.

The Comino clean-up, which is organised by the Company for Malta-based employees, brought together 70 employees to clean-up various hotspots across the island, collecting over 4.3 tonnes of waste. Premier Restaurants Malta Limited ("Premier Restaurants Malta") funded the installation of 20 waste bins in Gharghur, to promote responsible waste disposal and reduce littering. It also supported The Migrant Children Drama Programme, which provides a safe and creative environment that supports confidence, communication and social integration for 158 children.

iSpot continued to support local communities in Poland through a range of initiatives, including fundraising through the Great Orchestra of Christmas Charity, employee-led campaigns such as "Santa Claus for Seniors", participation in the Wings for Life World Run, and support for animal welfare organisations. Through its digital leasing programme, introduced in 2021, iSpot contributed to the planting of 2,101m² of forest in 2025, reinforcing its commitment to offsetting environmental impact.

Governance

a) Governance structure, ethics and conduct

The Board of Directors retains overall responsibility for the Group's strategic direction, including oversight of ESG-related matters and principal risks. Day-to-day responsibility is delegated to executive management and subsidiary leadership teams.

Codes of conduct, anti-bribery and anti-corruption policies and whistleblowing mechanisms apply across the Group. Data protection and cybersecurity remain key governance priorities, with policies and controls adapted to the risk profile of each subsidiary.

b) Communication, engagement and reputation management

The Group adopts a structured approach to communication, engagement and reputation management, recognising their importance in supporting effective governance and organisational alignment. The Group facilitates regular

communication across its operations through a combination of internal digital updates, periodic newsletters and events, ensuring that employees remain informed of key developments and strategic priorities.

The Group also organises periodic meetings and conferences for senior leadership and management teams to align and promote knowledge sharing and informed decision making across its diverse business activities.

The Group also actively monitors external media and public discourse globally, to remain aware of developments that may affect the Group. This helps inform timely responses and safeguards the Group's reputation across the markets in which it operates.

c) Whistleblowing, anti-corruption and bribery

The Group is committed to conducting its business with integrity, transparency and accountability across all its subsidiaries and markets. Ethical behaviour underpins the Group's approach to governance and risk management.

All employees are required to comply with the Code of Conduct, which sets out expected standards of behaviour and prohibits all forms of bribery, corruption and improper payments. This is supported by the Group's Global Anti-Corruption Policy, which ensures compliance with applicable laws across all jurisdictions.

The Group prohibits the offering or acceptance of any improper advantage including gifts or hospitality intended to influence decision-making.

Awareness of ethical standards and reporting mechanisms is supported through internal communications and, where appropriate, training initiatives. The Group continues to review its policies and controls to ensure alignment with regulatory requirements and evolving best practices.

The Group has also established a Whistleblowing Policy, which enables employees to report suspected wrongdoing, including fraud, safety risks, or illegal acts, without fear of retaliation. This policy provides for confidential or anonymous reporting and requires that all reports are investigated promptly.

EU Taxonomy disclosures

The EU Taxonomy establishes an EU classification system for ecologically sustainable economic activities ("EU Taxonomy"). It is the European Union's core tool to channel capital flows towards sustainable investments and to create market transparency. It encourages an increased flow of investments to where they are most needed for sustainable development.

In accordance with Article 8 of the European Regulation 2020/852 (EU Taxonomy Regulation) and Article 10(2) of the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178), Premier Capital is obligated to disclose the portion of its 2025 revenue, capital expenditure, and operating expenses which are considered "eligible" as well as "aligned" under the EU Taxonomy of sustainable activities. Furthermore, the subsidiaries have disclosed qualitative information in accordance with Section 1.2 of Annex I of the Disclosures Delegated Act, which is applicable as from January 2022.

An EU Taxonomy-eligible economic activity is an economic activity which is included in the delegated acts adopted under the EU Taxonomy Regulation. EU Taxonomy-aligned activities are eligible activities which meet the Technical Screening Criteria (TSC) (significant contribution), Do-no-substantial-harm criteria (DNSH) as well as the Minimum Social Safeguards (MSS) as defined in the EU Taxonomy. The EU Taxonomy Regulation defines six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. Technical screening criteria have been adopted in phases through delegated acts covering these objectives.

In February 2025, the EU Commission published the Omnibus simplification package. This package is designed to streamline processes and reduce costs for businesses by introducing more flexible requirements and minimising the data that needs to be submitted. This initiative seeks to align the EU's environmental objectives with the competitiveness of businesses. It includes revisions to the following delegated acts:

- EU Taxonomy Disclosures Delegated Act;
- EU Taxonomy Climate Delegated Act; and
- EU Taxonomy Environmental Delegated Act.

NACE Code	Activity Description	Subsidiary
41.1	7.1 Construction of new buildings (climate mitigation, and adaptation) 3.1 Construction of new buildings (circular economy)	Hili Properties (and subsidiaries)
68	7.7 Acquisition and ownership of buildings (climate mitigation and adaptation)	Hili Properties (and subsidiaries)
68.2	7.7 Acquisition and ownership of buildings (climate mitigation and adaptation)	Marsamxett Properties (and subsidiaries)
56.10	7.1 Construction of new buildings (climate mitigation, adaptation and circular economy)	Premier Capital (and subsidiaries)
56.10	7.2 Renovation of existing buildings	Premier Capital (and subsidiaries)
56.10	7.3 Installation, maintenance and repairs of energy efficiency equipment	Premier Capital (and subsidiaries)
56.10	7.6 Installation, maintenance and repair of renewable energy technologies	Premier Capital (and subsidiaries)
56.10	8.2 Computer programming, consultancy and related activities	Premier Capital (and subsidiaries)
52.2.2	6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities (climate change mitigation and adaptation)	Breakwater Investments (and subsidiaries)
46	5.5 Product as-a-service and other circular use- and result-oriented service models (circular economy)	Breakwater Investments (and subsidiaries)

Identifying eligible activities

In order to identify business activities that may be in scope of the EU Taxonomy Regulation, the Group relied on the EU Taxonomy sources, including the:

- Disclosures Delegated Act (Commission Delegated Regulation (EU)2021/2178);
- Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139);
- Complementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214);
- Amended Climate Delegated Act (Commission Delegated Regulation 2023/2485);
- Environmental Delegated Act (Commission Delegated Regulation (EU) 2023/2486); and
- EU Taxonomy Compass.

As a first step, the eligible and non-eligible activities were identified based on the officially assigned NACE codes of the Company's subsidiaries using a top-down approach. In cases where the NACE code was reflected in the EU Taxonomy Regulation, the activity descriptions were assessed against the actual activities carried out by the subsidiaries to further verify and confirm eligibility. EU Taxonomy activities that have not been assigned a NACE code in

the EU Taxonomy Compass or the delegated acts (e.g., storage of hydrogen or restoration of wetlands) were assessed based on the activity description only. The relevant identified activities (NACE codes) for the Company's subsidiaries are listed in the table above for ease of reference.

Marsamxett Properties and its subsidiary Tigné Mall is classified under NACE code L68.2 and qualifies as EU Taxonomy-eligible under Section L "Real estate activities", aligning with activity 7.7 "Acquisition and ownership of buildings". Following the acquisition of control of Tigné Mall in October 2024, it has been fully consolidated within the Group for the year ended 31 December 2025. Accordingly, the activities and related financial performance of Marsamxett Properties and Tigné Mall have been included in the EU Taxonomy eligibility and alignment assessment for the reporting year 2025.

In addition to the core activities, also certain operational expenditure ("OpEx") and capital expenditure ("CapEx") that is channelled into EU Taxonomy-eligible activities can be included in the calculations, as referenced in Annex I of the Disclosures Delegated Act (Commission Delegated Regulation (EU) 2021/2178). With regards to the above, those related for example to maintenance of HVAC systems, solar PV projects & maintenance, electric vehicle chargers and heat pumps amongst others.

Calculation of eligibility KPIs

In a second step, the three eligibility KPIs (Turnover, OpEx and CapEx) were calculated based on the EU Taxonomy Regulation and the Disclosures Delegated Act (Section 1.1 of Annex I – KPIs of non-financial undertakings), which refer to the definitions for the denominator and numerator of the required KPIs.

This step consisted of:

- a) Extracting the denominators for the three KPIs for the Group from the financial reporting system; and

- b) Calculating the numerators for all identified eligible sub-activities within the Group and its subsidiaries based on Turnover, CapEx and OpEx.

These non-financial statement disclosures are based on the same consolidation principles that have been applied in the Group's financial reporting under the applicable accounting principles to ensure comparability of these disclosures with the Group's financial information.

The following definitions were applied:

	Turnover	CapEx	OpEx
Numerator	Revenues derived from products and/or services associated with EU Taxonomy eligible activities.	CapEx that: <ul style="list-style-type: none"> • relate to assets or processes associated with the EU Taxonomy eligible activities; • are part of a plan to expand EU Taxonomy-eligible economic activities; or • that enable EU Taxonomy-eligible activities to become taxonomy-aligned. 	OpEx that are related to assets or processes associated with the EU Taxonomy-eligible activities.
Denominator	Total consolidated revenue accounted for in the Consolidated Income Statement under IFRS (included in Note 5 in the Financial Statements).	Total CapEx consisting of additions to intangible and tangible assets accounted for in the Consolidated Financial Statements under IFRS during the financial year, considered before depreciation, amortisation and any re-measurements, excluding Goodwill (included in Notes 17 and 18 in the Financial Statements).	Direct non-capitalised costs recorded in the Consolidated Income Statement under IFRS that relate to research and development, building renovation measures, short-term leases, maintenance and repairs (excluding expenses reported as raw materials and consumables used), and any other direct expenditures relating to the day-to-day servicing of assets or Property, Plant, and Equipment (included in Note 11 in the Financial Statements).

Note: As mentioned above, additional CapEx and OpEx incurred in 2025 were identified, further to, those derived from core eligible economic activities. For some entities, all activities, and therefore all turnover, CapEx and OpEx were eligible, therefore, such eligible spend was not separately included in the table above so as to avoid double counting. In case of Premier Capital, the identified eligible spend was generally considered immaterial to the business of Premier Capital and not considered.

Based on the above criteria the following eligible KPIs were derived:

Table 1:

	Turnover	CapEx	OpEx
Numerator (€)	€25,745,424 2024: €15,800,864	€19,524,160 2024: €27,927,480	€2,050,395 2024: €1,158,132
Denominator (€)	€1,175,144,362 2024: €1,094,013,453	€39,038,173 2024: €43,532,394	€656,156,966 2024: €587,842,484
EU Taxonomy-Eligible Activities (%)	2.19% 2024: 1.44%	50.01% 2024: 64.15%	0.31% 2024: 0.20%

One must note that eligibility varied across the different subsidiaries of the Group. Whilst the real estate linked activities of Hili Properties division and Tigné Mall were 100% eligible, other subsidiaries had very low eligibility due to the majority of their activities not being included in the EU Taxonomy.

Assessing alignment

In cases where NACE codes/activities of subsidiaries were considered eligible, the next step was to identify which activities were also EU Taxonomy-aligned, thus fulfilling the TSC, DNSH criteria as well as the MSSs as defined in the EU Taxonomy.

It was verified whether the eligible activities or eligible project spend met the TSC and if relevant DNSH criteria, which determine the conditions under which an economic activity qualifies as contributing to climate change mitigation and adaptation. This was performed by means of questionnaires to confirm whether the criteria set out in the regulations were met. This alignment assessment was concluded in the negative (not aligned) in all cases, as certain criteria were not met, mostly linked to the non-performance of a robust climate risk and vulnerability assessment.

Based on the above criteria the following alignment KPIs were derived:

	Turnover	CapEx	OpEx
Numerator (€)	-	-	-
Denominator (€)	€1,175,144,362 2024: €1,094,013,453	€39,038,173 2024: €43,532,394	€656,156,966 2024: €587,842,484
EU-Taxonomy-Aligned Activities (%)	-	-	-

Additional qualitative disclosures

According to Article 10.2 of EU 2021/2178, companies shall disclose the qualitative information referred to in Section 1.2 of Annex I, in addition to the quantitative information above (KPIs of non-financial undertakings). No changes were made to the Group's and subsidiaries' accounting policies which would impact the derivation of the relevant KPIs. With respect to the required contextual information (1.2.3), there were no significant changes in 2025.

Double counting has been avoided, with eligible spend, for example, only being counted towards one environmental dimension even where several environmental dimensions were applicable.

Outlook

For the 2025 reporting year, full compliance with the EU Taxonomy was necessary for climate change mitigation and adaptation, while for the other environmental objectives, namely sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems, only eligibility was required. In 2025, whilst, due to the nature of the economic activities, 2.19%, 50.01%, and 0.31% were considered eligible on a turnover, CapEx and OpEx basis, respectively, EU Taxonomy alignment stood at 0% due to certain TSC and DNSH criteria not being met. In addition to the aforementioned EU Taxonomy disclosures concerning the Group's direct economic activities, the Group remains deeply committed to its material ESG matters.

Annex – Taxonomy reporting templates

Proportion of turnover from products or services associated with EU Taxonomy-aligned economic activities - disclosure covering year 2025.

Financial year 2025	Year			Substantial contribution criteria							DNSH ('Does Not Significantly Harm')							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Absolute Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and Ecosystem (16)	Minimum safeguards (17)				
Text		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%			
Of which enabling		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%			
Of which transitional		€ -	0.00%	0.00%													0.00%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL											
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	€25,745,424	2.19%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.05%			
Construction of new buildings	CCM 7.1/ CCA 7.1	€ -	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.39%			
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€25,745,424	2.19%	2.19%	2.19%	0.00%	0.00%	0.00%	0.00%								1.44%			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		€25,745,424	2.19%	2.19%	2.19%	0.00%	0.00%	0.00%	0.00%								1.44%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		€1,149,398,938	97.81%																	
Total (A+B)		€1,175,144,362	100.00%																	

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	2.19%
CCA	0.00%	2.19%
WTR		
CE		
PPC		
BIO		

Proportion of OpEx from products or services associated with EU Taxonomy-aligned economic activities - disclosure covering year 2025.

Financial year 2025	Year		Substantial contribution criteria							DNSH ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and Ecosystem (16)			
Text		Currency	%	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which enabling		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which transitional		€ -	0.00%	0.00%													0.00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	€2,050,395	0.31%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Construction of new buildings	CCM 7.1/ CCA 7.1	€ -	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.18%		
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€2,050,395	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.20%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		€2,050,395	0.31%	0.31%	0.31%	0.00%	0.00%	0.00%	0.00%								0.20%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		€654,106,571	99.69%																
Total (A+B)		€656,156,966	100.00%																
Proportion of OpEx / Total OpEx																			
CCM																			
CCA																			
WTR																			
CE																			
PPC																			
BIO																			

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2025.

Financial year 2025	Year		Substantial contribution criteria							DNSH ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and Ecosystem (16)			
Text		Currency	%	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which enabling		€ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which transitional		€ -	0.00%	0.00%													0.00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	€2,955,118	7.57%	EL	EL	N/EL	N/EL	N/EL	N/EL								2.24%		
Construction of new buildings	CCM 7.1/ CCA 7.1	€5,339,726	13.68%	EL	EL	N/EL	N/EL	N/EL	N/EL								25.31%		
Renovation of existing buildings	CCM 7.2/ CCA 7.2	€7,017,737	17.98%	EL	EL	N/EL	N/EL	N/EL	N/EL								23.25%		
Installation, maintenance and repairs of energy efficiency equipment	CCM 7.3/ CCA 7.3	€2,779,353	7.12%	EL	EL	N/EL	N/EL	N/EL	N/EL								11.08%		
Installation, maintenance and repairs of renewable energy technologies	CCM 7.6/ CCA 7.6	€87,381	0.22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.55%		
Computer programming, consultancy and related activities	CCM 8.2/ CCA 8.2	€1,344,845	3.44%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.72%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)		€19,524,160	50.01%	50.01%	50.01%	0.00%	0.00%	0.00%	0.00%								64.15%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		€19,524,160	50.01%	50.01%	50.01%	0.00%	0.00%	0.00%	0.00%								64.15%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		€19,514,013	49.99%																
Total (A+B)		€39,038,173	100.00%																
Proportion of CapEx / Total CapEx																			
CCM																			
CCA																			
WTR																			
CE																			
PPC																			
BIO																			

Results and dividends

The results for the year ended 31 December 2025 are shown in the statements of comprehensive income on page 71.

The Group's total comprehensive income for the year was €55,664,272 (2024: €71,852,040), while the Company's profit for the year after taxation was €43,251,706 (2024: €48,526,926). During the year, the Directors declared dividends of €20,348,800 to ordinary shareholders (2024: €20,348,800) and dividends of €4,651,200 to the preference shareholders (2024: €4,651,200).

Events after the reporting date

In February 2026, Hili Finance Company p.l.c. listed €60,000,000 unsecured bonds on the Official List of the Malta Stock Exchange. These bonds have a nominal value of €100 per bond, bear interest at a rate of 5.00% per annum and are redeemable at par on 6 February 2033.

As at 28 May 2026, the Company successfully acquired, during 2026, a further 34,420,245 shares in its real estate subsidiary, Hili Properties p.l.c., representing just under 8.60% of Hili Properties p.l.c.'s issued share capital, raising the Company's total shareholding to 395,061,724 ordinary shares, reflecting just over 98.54% of the issued share capital of Hili Properties p.l.c.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

Review of the business and outlook

While the Group has no direct investments in Ukraine or the Middle East, the broader geopolitical environment remains uncertain. Ongoing conflicts in these regions continue to influence global economic conditions and may have indirect effects on the Group's profitability, including potential supply chain constraints, cost pressures arising from inflationary trends, and shifts in consumer sentiment which could, in turn, impact operating performance, particularly across the Group's retail activities. These pressures are not expected to impact the Group's real estate and hospitality businesses.

In this context of heightened global uncertainty, the Directors remain vigilant to potential indirect impacts and continue to closely monitor external developments, actively managing risks through established governance and oversight mechanisms. The Group's geographical spread is considered to provide a degree of resilience against short-term economic and geopolitical shocks.

The Group continues to closely monitor these external developments and their potential implications across the markets in which it operates. Against this backdrop, the Directors remain focused on the consistent execution of the Group's core strategy, centred on service-driven operations and disciplined expansion in existing markets, continued investment in people and technology, and the further advancement of environmental and community initiatives.

In the preparation of these financial statements, the Directors consider the going concern assumption to be appropriate as at the date of authorisation and believe that there is no material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern as at that date.

Directors

Archibald Anderson Bethel (Chairman)

Annabel Hili

Carmelo Hili

Jesmond Mizzi

In accordance with the Company's articles of association all the directors are to remain in office.

Disclosure of information to auditors

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

- As far as each Director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware; and
- Each Director has taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Auditors

The auditor Grant Thornton has indicated its willingness to continue in office and a resolution proposing its re-appointment will be put to the Annual General Meeting.

Approved by the Board of Directors and signed on its behalf on the 29 May 2026 by:



Archibald Anderson Bethel
Chairman



Annabel Hili
Director

Statement of directors' responsibilities

Year ended 31 December 2025

The Directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company and the Group at the end of each financial period and of its profit or loss of the Company and its Group for the year then ended. In preparing the financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business as a going concern;
- account for income and charges relating to the accounting period on accrual basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those in 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 Company and the Group which enable the Directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining 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. The Directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statements of profit or loss and other comprehensive income

Year ended 31 December 2025

	NOTES	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Continuing operations					
Revenue	5	1,171,616,013	1,088,450,038	2,896,208	2,696,500
Cost of sales	11	(937,594,365)	(868,733,897)	-	-
Gross profit		234,021,648	219,716,141	2,896,208	2,696,500
Other operating income	6	3,453,715	2,083,649	645	11,329
Other operating expenses		(351,742)	(188,971)	-	-
Selling expenses	11	(61,488,215)	(54,743,697)	(58,626)	(51,490)
Administrative expenses	11	(82,231,994)	(74,226,360)	(6,912,436)	(5,635,434)
Operating profit/(loss)		93,403,412	92,640,762	(4,074,209)	(2,979,095)
Gain on bargain purchase	36	-	17,012,781	-	-
Other non-operating expenses	10	(6,040,545)	-	-	-
Investment income	7	16,339,356	6,400,800	62,375,011	65,618,000
Investment losses	8	(1,108,844)	(4,952,040)	-	-
Net investment income		15,230,512	1,448,760	62,375,011	65,618,000
Finance income	9	1,653,305	661,312	-	-
Finance costs	9	(34,688,325)	(31,331,921)	(15,344,492)	(12,781,588)
Net finance costs		(33,035,020)	(30,670,609)	(15,344,492)	(12,781,588)
Profit before tax	11	69,558,359	80,431,694	42,956,310	49,857,317
Income tax (expense) / credit	14	(19,294,787)	(14,991,435)	295,396	(1,330,391)
Profit for the year		50,263,572	65,440,259	43,251,706	48,526,926
Discontinued operations					
Loss for the year from discontinued operations	29	-	(477,551)	-	-
Total profit for the year		50,263,572	64,962,708	43,251,706	48,526,926
Other comprehensive expense					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation on property, plant and equipment		13,475,644	2,845,034	-	-
Deferred taxation on revaluation of property, plant and equipment		(1,593,855)	-	-	-
Increase / (decrease) in fair value of financial asset investments at fair value through other comprehensive income	22	18,674	679,033	(786,683)	233,828
Reversal of fair value upon disposal of financial assets at fair value through other comprehensive income	22	(352,128)	(345,019)	-	-
		11,548,335	3,179,048	(786,683)	233,828
Items that may be reclassified subsequently to profit or loss:					
Increase / (decrease) in fair value of financial asset investments at fair value through other comprehensive income	22	353,534	21,991	266,786	(18,499)
Recycling of cumulative fair value changes on debt instruments at fair value through other comprehensive income	22	(348,395)	(406,378)	(242,074)	(257,157)
Exchange differences on translation of foreign operations		(6,152,774)	4,094,671	-	-
		(6,147,635)	3,710,284	24,712	(275,656)
Total other comprehensive income / (expense)		5,400,700	6,889,332	(761,971)	(41,828)
Total comprehensive income for the year		55,664,272	71,852,040	42,489,735	48,485,098
Profit attributable to:					
Owners of the company		49,572,888	64,914,227		
Non-controlling interests		690,684	48,481		
		50,263,572	64,962,708		
Total comprehensive income attributable to:					
Owners of the company		54,967,112	71,803,749		
Non-controlling interests		697,160	48,291		
		55,664,272	71,852,040		

Statements of financial position

Year ended 31 December 2025

	NOTES	THE GROUP		THE COMPANY	
		2025	2024	2025	2024
		€	€	€	€
ASSETS AND LIABILITIES					
Non-current assets					
Goodwill	16	127,795,391	129,142,845	-	-
Intangible assets	17	27,269,817	27,828,673	18,205	47,311
Property, plant and equipment	18	334,835,283	406,065,568	187,672	194,236
Investment property	21	246,232,897	146,727,988	-	-
Right-of-use assets	19	172,067,820	159,820,347	956,506	1,278,778
Investments in subsidiaries	22	-	-	320,659,743	305,490,346
Investments in joint ventures	22	1,184,933	1,208,237	-	-
Other investments	22	149,977	149,977	-	-
Other financial assets	22	321,677	485,255	-	-
Financial assets at fair value through other comprehensive income	22	90,334,871	35,378,151	70,074,019	16,289,723
Loans and receivables	22	6,980,902	17,869,234	71,712,586	78,313,958
Trade and other receivables	24	3,083,722	3,694,684	-	-
Deferred tax assets	31	5,040,394	5,467,333	616,110	417,330
Restricted cash	35	961,153	1,250,923	-	-
		1,016,258,837	935,089,215	464,224,841	402,031,682
Current assets					
Inventories	23	38,663,060	34,248,377	-	-
Non-current assets held for sale	38	38,797,431	42,875,148	-	-
Loans and receivables	22	238,078	7,004,920	11,680,294	17,065,122
Contract assets	5	1,733,342	1,548,301	-	-
Other assets		501,000	799,814	-	-
Trade and other receivables	24	59,181,623	51,083,128	643,019	355,372
Short term deposits		341,605	2,629,237	-	-
Cash and cash equivalents	35	59,742,307	71,770,579	37,137	1,419,825
Current tax assets		6,285,424	9,598,015	3,087,034	3,302,458
Property held for sale	25	-	2,600,000	-	-
		205,483,870	224,157,519	15,447,484	22,142,777
Total assets		1,221,742,707	1,159,246,734	479,672,325	424,174,459
Current liabilities					
Trade and other payables	26	159,463,902	158,525,720	1,927,561	1,679,658
Contract liabilities	30	1,975,296	2,313,611	-	-
Debt securities in issue	32	64,997,847	37,125,153	-	-
Liabilities associated with assets held for sale	38	1,545,119	13,871,677	-	-
Other financial liabilities	28	-	2,000,000	15,359,159	9,646,661
Bank loans and overdrafts	27	73,928,364	41,021,877	48,256,339	6,000,000
Lease liabilities	20	16,495,631	15,643,327	364,788	343,925
Current tax liability		6,270,621	4,882,657	-	-
		324,676,780	275,384,022	65,907,847	17,670,244

Statements of financial position (continued)

Year ended 31 December 2025

	NOTES	THE GROUP		THE COMPANY	
		2025	2024	2025	2024
		€	€	€	€
Non-current liabilities					
Debt securities in issue	32	248,361,392	312,606,882	-	-
Trade and other payables	26	4,424,711	2,179,797	-	-
Other financial liabilities	28	-	-	270,201,440	268,062,981
Bank loans	27	148,239,166	106,500,344	5,500,000	17,500,000
Provisions		1,365,188	1,308,819	-	-
Lease liabilities	20	167,246,607	152,641,473	799,129	1,167,060
Deferred tax liabilities	31	30,090,158	27,871,968	-	-
		599,727,222	603,109,283	276,500,569	286,730,041
Total liabilities		924,404,002	878,493,305	342,408,416	304,400,285
Net assets		297,338,705	280,753,429	137,263,909	119,774,174
EQUITY					
Share capital	33	69,400,000	69,400,000	69,400,000	69,400,000
Other equity		36,218,079	27,109,365	(735,894)	320,732
Retained earnings		174,730,012	157,124,727	68,599,803	50,053,442
		280,348,091	253,634,092	137,263,909	119,774,174
Equity attributable to owners of the company		280,348,091	253,634,092	137,263,909	119,774,174
Non-controlling interests	22	16,990,614	27,119,337	-	-
Total equity		297,338,705	280,753,429	137,263,909	119,774,174

The financial statements on pages 71 to 154 were approved by the board of directors, authorised for issue on 29 May 2026 and signed on its behalf by:



Archibald Anderson Bethel
Chairman



Annabel Hili
Director

Statements of changes in equity

Year ended 31 December 2025

THE GROUP	Share Capital	Other equity	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total
	€	€	€	€	€	€
Balance at 1 January 2024	69,400,000	21,471,753	113,402,311	204,274,064	38,626,096	242,900,160
Dividends (Note 15)	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Dividends paid to non-controlling interests	-	-	-	-	(1,638,259)	(1,638,259)
Profit for the year	-	-	64,914,227	64,914,227	48,481	64,962,708
Other comprehensive income	-	6,889,522	-	6,889,522	(190)	6,889,332
Total comprehensive income for the year	-	6,889,522	64,914,227	71,803,749	48,291	71,852,040
Non-controlling interest upon acquisition of a subsidiary	-	-	2,488,418	2,488,418	(994,641)	(7,461,223)
Other movements	-	(1,251,910)	1,319,771	67,861	32,850	100,711
Balance at 31 December 2024	69,400,000	27,109,365	157,124,727	253,634,092	27,119,337	280,753,429
Balance as at 1 January 2025	69,400,000	27,109,365	157,124,727	253,634,092	27,119,337	280,753,429
Dividends (Note 15)	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Dividends paid to non-controlling interests	-	-	-	-	(506,425)	(506,425)
Profit for the year	-	-	49,572,888	49,572,888	690,684	50,263,572
Other comprehensive income for the year	-	5,394,224	-	5,394,224	-	5,394,224
Other comprehensive income allocated to non-controlling interest	-	-	-	-	6,476	6,476
Total comprehensive income for the year	-	5,394,224	49,572,888	54,967,112	697,160	55,664,272
Non-controlling interest upon acquisition of a subsidiary	-	3,907,467	(7,473,593)	(3,566,126)	(10,319,458)	(13,885,584)
Other movements	-	(192,977)	505,990	313,013	-	313,013
Balance as at 31 December 2025	69,400,000	36,218,079	174,730,012	280,348,091	16,990,614	297,338,705
THE COMPANY	Share Capital	Investment valuation reserve	Retained earnings	Total		
	€	€	€	€		
Balance at 1 January 2024	69,400,000	624,658	26,264,418	96,289,076		
Dividends (Note 15)	-	-	(25,000,000)	(25,000,000)		
Profit for the year	-	-	48,526,926	48,526,926		
Other comprehensive income for the year	-	(41,828)	-	(41,828)		
Total comprehensive income for the year	-	(41,828)	48,526,926	48,485,098		
Movement in investment revaluation reserve	-	(262,098)	262,098	-		
Balance at 31 December 2024	69,400,000	320,732	50,053,442	119,774,174		
Balance at 1 January 2025	69,400,000	320,732	50,053,442	119,774,174		
Dividends (Note 15)	-	-	(25,000,000)	(25,000,000)		
Profit for the year	-	-	43,251,706	43,251,706		
Other comprehensive income for the year	-	(761,971)	-	(761,971)		
Total comprehensive income for the year	-	(761,971)	43,251,706	42,489,735		
Movement in investment revaluation reserve	-	(294,655)	294,655	-		
Balance at 31 December 2025	69,400,000	(735,894)	68,599,803	137,263,909		

Statements of cash flows

Year ended 31 December 2025

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Cash flows from operating activities				
Profit before tax	69,558,359	80,431,694	42,956,310	49,857,317
Adjustments (Note 43)	74,670,959	55,879,768	(46,823,142)	(51,799,505)
Net cash flows generated from / (used in) continuing operations	144,229,318	136,311,462	(3,866,832)	(1,942,188)
Movement in inventories	(4,800,639)	897,505	-	-
Movement in trade and other receivables	(4,583,191)	86,382	(540,547)	(74,698)
Movement in trade and other payables	3,744,363	16,366,816	(25,919)	167,968
Change in contract assets	(185,041)	(143,967)	-	-
Change in contract liabilities	(338,315)	467,459	-	-
Cash flows generated from / (used in) operations	138,066,495	153,985,657	(4,433,298)	(1,848,918)
Interest paid	(25,575,271)	(23,200,445)	(318,994)	(36,300)
Taxation refunded	3,310,715	686,440	1,972,834	247,663
Taxation paid	(15,534,410)	(19,815,638)	-	-
Net cash flows generated from / (used in) continuing operations	100,267,529	111,656,014	(2,779,458)	(1,637,555)
Net cash flows used in discontinued operations	-	(895,672)	-	-
Net cash flows generated from / (used in) operating activities	100,267,529	110,760,342	(2,779,458)	(1,637,555)
Cash flows from investing activities				
Investments in subsidiaries	-	(37,997,073)	(14,950,397)	-
Proceeds from disposal of subsidiary	-	1	-	-
Payments to acquire property plant and equipment	(43,130,595)	(50,244,794)	(67,991)	(70,063)
Payments to acquire financial asset investments	(117,885,984)	(65,927,222)	(56,056,302)	(1,104,236)
Payments to acquire investment properties	(65,659)	(1,443,020)	-	-
Payments to acquire investment properties classified as held for sale	(378,122)	-	-	-
Payments to acquire intangible assets	(2,103,834)	(2,390,909)	(1,500)	(14,955)
Proceeds from sale of property, plant and equipment	287,740	93,252	2,129	-
Proceeds from sale of financial asset investments	68,773,646	65,623,825	8,111,150	-
Proceeds from disposal of investment property	2,340,000	7,277,859	-	-
Net payments advanced to group undertakings	-	-	-	(67,030,160)
Proceeds from group undertakings	-	-	3,130,154	-
Dividends from other financial instruments	3,065,592	435,356	1,991,916	297,396
Amounts paid for expenses incurred on discontinued operations	-	(1,423,323)	-	-
Payments to acquire minority share in subsidiary	(13,885,584)	(7,461,223)	-	-
Acquisition related costs	-	(289,553)	-	-
Interest received	1,947,682	2,094,329	2,404,685	1,411,172
Cash transferred from / (into) short term deposits	2,287,632	(2,629,237)	-	-
Dividends received from associates	-	725,098	-	-
Dividends received from equity investments	-	-	48,600,004	58,240,000
Cash and cash equivalents taken over upon acquisition	-	3,584,042	-	-
Net cash flows used in continuing operations	(98,747,486)	(89,972,592)	(6,836,152)	(8,270,846)
Net cash flows generated from discontinued operations	-	100,000	-	-
Net cash flows used in investing activities	(98,747,486)	(89,872,592)	(6,836,152)	(8,270,846)

Statements of cash flows (continued)

Year ended 31 December 2025

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Cash flows from financing activities				
Payments made to issue bonds	-	(1,126,630)	-	-
Proceeds from group undertakings	-	-	9,182,157	39,884,330
Repayment from other related parties	-	(9,557)	-	-
(Repayment to) / proceeds from shareholder	(2,000,000)	2,000,000	(2,000,000)	2,000,000
Interest paid on leasing arrangements with related party	-	-	(53,089)	(66,208)
Interest paid on leasing arrangements with third parties	(7,760,257)	(6,707,249)	-	-
Interest paid on loans to related parties	-	-	(13,128,133)	(8,970,240)
Interest paid on bank loans	-	-	(911,043)	(891,647)
Payments for lease obligations with related party	-	-	(342,996)	(322,723)
Payments for lease obligations with third parties	(15,998,608)	(14,660,729)	-	-
Proceeds from bank loans	137,851,047	41,344,583	40,250,000	6,000,000
Repayment of bank loans	(89,161,419)	(61,820,705)	(25,520,313)	(10,574,503)
Proceeds from issue of debt securities	-	55,780,400	-	-
Repayment of debt securities	(37,101,700)	(11,595,000)	-	-
Transfer from / (to) restricted cash	289,770	(33,846)	-	-
Dividends paid	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Dividends paid to NCI	(506,425)	(1,638,259)	-	-
Net cash flows (used in) / generated from continuing operations	(29,387,592)	(13,466,992)	(7,523,417)	12,059,009
Net cash flows generated from discontinued operations	-	47,515	-	-
Net cash flows (used in) / generated from financing activities	(29,387,592)	(13,419,477)	(7,523,417)	12,059,009
Net movement in cash and cash equivalents	(27,867,549)	7,468,273	(17,139,027)	2,150,608
Cash and cash equivalents at the beginning of the year	63,987,561	62,135,453	1,419,825	(730,783)
Cash and cash equivalents included in assets classified as held for sale	4,283,464	(5,597,989)	-	-
Effect of movements in exchange	(1,098,075)	(18,176)	-	-
Cash and cash equivalents at the end of the year	39,305,401	63,987,561	(15,719,202)	1,419,825

Notes to the financial statements

Year ended 31 December 2025

1. Company information and basis of preparation

Hili Ventures Limited (the "Company") is a company incorporated in Malta with registration number C57902. The registered address is Nineteen Twenty Three, Valletta Road, Marsa, MRS 3000.

These financial statements have been prepared on an accrual basis and under the historical cost convention, except for investment properties, land and buildings and financial assets at fair value through other comprehensive income ("FVOCI") which are carried at their fair values, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and also in accordance with the Companies Act, Cap. 386. The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

The financial statements are presented in Euro (€), which is also the functional currency of the Company. The amounts presented have been rounded to the nearest Euro.

Going concern

The going concern basis underlying the preparation of these financial statements assumes that the Company and its subsidiaries' (the "Group") lenders and creditors will continue to provide the financial support necessary to enable the Company to meet its debts as and when they fall due.

At the end of the reporting period, the Group reported a net current liability position of €119,192,910 (2024: €51,226,503).

The Group's net current liability position at the balance sheet date arises primarily from debt securities issued by Premier Capital p.l.c. ("Premier Capital") amounting to €64,997,847, which mature on 23 November 2026 and are therefore classified as a current liability. This position is further impacted by current bank loans and overdrafts of the Company amounting to €48,256,339. In respect of bank loans totalling €32,500,000, the Company successfully renegotiated the repayment terms subsequent to the reporting date, with such facilities being classified as non-current liabilities in 2026.

The Directors have reviewed cash flow projections that have been prepared for the next 12 months. The Group's and the Company's budgets and cash flow forecasts show that the Group and the Company will continue to operate within the current credit limits afforded by their third party creditors and bankers for at least the next 12 months. Based on continued operating profitability of the Group and the Company, the Directors are confident that the Group and the Company will have no difficulty to continue to meet their commitments as and when they fall due.

Furthermore, during the year, the Group and the Company continued to invest in their portfolio of highly liquid listed security instruments which at balance sheet date had a carrying amount of €90,334,871 (2024: €35,378,151) and €70,074,019 (2024: €16,289,723) respectively.

The intention of the Group and the Company is to maximise return on headroom until the need to deploy on capital or recurring expenditure. Although these investments are classified as non-current assets, they can be liquidated should the need arise in which case net current liability position would be reduced.

2. Material accounting policies

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

Management has concluded that the disclosure of the Group's material accounting policies below are appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group entities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets or liabilities of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests share of changes in equity since the date of the combination. Total comprehensive income is attributable to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except where the exceptions to the recognition or measurement principles apply.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests 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 liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts previously recognised in other comprehensive income in relation to the acquiree are accounted for in the same manner as would be required if the interest were disposed of.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Where the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") (or groups of CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries in the Company's financial statements are stated on the basis of the direct equity interest and is stated at cost less any accumulated impairment losses. Dividends from the investments are recognised in profit or loss.

At each reporting date, the Company reviews the carrying amount of its investments in subsidiaries and associates to determine whether there is any indication of impairment and, if any such indication exists, the recoverable amount of the investment is estimated. An impairment loss is the amount by which the carrying amount of an investment exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss that has been previously recognised is reversed if the carrying amount of the investment exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the investment does not exceed the carrying amount that would have been determined if no impairment loss had been previously recognised. Impairment losses and reversals are recognised immediately in profit or loss.

Property, plant and equipment

The Group's property, plant and equipment are classified in the following classes - land and buildings, plant and equipment, motor vehicles, furniture, fittings and other equipment, office equipment and other equipment. The Company's property, plant and equipment consists of furniture, fittings and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Land and buildings are held for use in the production or supply of goods or services or for administrative purposes. Subsequent to initial recognition, land and buildings are stated at revalued amounts less any accumulated depreciation and any accumulated impairment losses. Revalued amounts are fair values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss (see Note 3) has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Improvements to premises incorporate all costs incurred, including acquisition costs and other costs attributable to bring the leased premises to the design, specifications and conditions necessary for operations or as requested by the franchise agreement. Subsequent to initial recognition, improvements to premises are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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

Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Land and buildings	1% - 40% (or till the remaining period of the lease)
Plant and equipment	3% - 50%
Motor vehicles	10% - 33.3%
Furniture, fittings and other equipment	4% - 33%
Office equipment	20% - 33%
Other equipment	25% - 33%

No depreciation is charged on land.

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. During the year, one of the divisions revised its depreciation policy.

Right-of-use assets

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually. For leases on buildings, the right-of-use assets are being amortised over the lease term.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, being the fair value at the acquisition date for intangible assets acquired in a business combination.

Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria or the item is acquired in a business combination and cannot be recognised as an intangible asset, in which case it forms part of goodwill at the acquisition date.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

(i) Support services licence

After initial recognition, support services licence is carried at cost less any accumulated amortisation and any accumulated impairment losses. Support services licence is written off to profit or loss by equal instalments over the term of the support services agreement with the subsidiaries, being twenty years.

(ii) Computer software

In determining the classification of an asset that incorporates both intangible and tangible elements, judgement is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified as property, plant and equipment and accounted for in accordance with the Company's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset and carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software classified as an intangible asset is amortised on a straight-line basis over three to five years.

(iii) Acquired rights

Acquired rights are classified as intangible assets. After initial recognition, acquired rights are carried at cost less any accumulated amortisation and any accumulated impairment losses. Acquired rights are amortised on a straight-line basis over twenty years.

(iv) Franchisee fees

After initial recognition, franchisee fees are carried at cost less any accumulated amortisation and any accumulated impairment losses. Franchisee fees are written off to profit or loss by equal instalments over the term of the franchise agreement.

(v) Patents and trademarks

Patents and trademarks are classified as intangible assets. After initial recognition, patents and trademarks are carried at cost less any accumulated amortisation and any accumulated impairment losses. Patents and trademarks are amortised on a straight-line basis over their estimated use life.

(vi) Internally developed software and acquired licences

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

All finite-lived intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3.

The following useful lives are applied:

	Years
Internally developed software and acquired licences	3 – 10
Patents and trademarks	10 or over the useful life

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing as described in Note 3.

Amortisation is included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the 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 revalued annually and is stated at fair value in the statement of financial position 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. The Group assesses the value of the investment property annually whereby external valuations are sought every 3 years and internal valuations are done intermittently.

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 and the carrying amount and are recognised in profit or loss in the period of derecognition.

Property held for sale

Property is classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. Property held for sale is measured at fair value, in accordance with the Group's accounting policy on investment property.

Non-current assets and liabilities classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Financial instruments

(i) Recognition and derecognition

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

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

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.

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable) 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 financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in the profit and loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

The classification is determined by both:

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

All income and expenses relating to financial assets that are recognised in the profit or loss are presented within finance costs and finance income, except for impairment of trade receivables which is presented within other expenses.

(iii) Subsequent measurement of financial assets

• *Financial assets at amortised cost*

Financial assets held by the Company and the Group are measured at amortised cost, if the following conditions are met:

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

After initial recognition, financial assets are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group and Company's cash and cash equivalents, trade receivables and most other receivables fall into this category of financial instruments.

• *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

• *Financial assets at fair value through other comprehensive income (FVOCI)*

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

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

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

(i) Trade and other receivables and contract assets

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

(ii) Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method. Bank loans are carried at face value due to their market rate of interest. Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

(iii) 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.

(iv) Trade and other payables

Trade and other payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

(v) Shares issued by the Company

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

Redemptions or refinancing of equity instruments are recognised as changes in equity.

(vi) Derivative financial instruments

Derivative financial assets and derivative financial liabilities are classified as held for trading unless they are designated and effective hedging instruments. During the year under review and during the prior year, the Group did not designate any of its derivative financial instruments in a hedging relationship for accounting purposes.

After initial recognition, derivative financial instruments are measured at their fair value. Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise.

(vii) Investments

The Group's investments consist of loans and receivables. The classification depends on the purpose for which the investments were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the Company may not recover substantially all of its initial investment other than because of credit deterioration.

After initial recognition, loans and receivables are recognised at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial asset is derecognised, or impaired, or through the amortisation process.

Inventories

Inventories are stated at the lower of cost and net realisable value. The Group considers the nature and use of the inventory when calculating the cost of inventories.

Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of production overheads based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Impairment

At the end of each reporting period, the carrying amount of assets, including CGUs and investments in subsidiaries, is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

(i) Impairment testing of goodwill, other intangible assets, property plant and equipment and long-term prepayments

Goodwill and intangible assets with an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually, irrespective of whether an indication of impairment exists.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill is allocated to those CGUs that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

CGUs to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or CGUs) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

To determine the value-in-use, management estimates expected future cash flows from each CGU and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each CGU and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for CGUs reduce first the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro rata to the other assets in the CGU.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or CGUs recoverable amount exceeds its carrying amount.

Impairment losses are recognised immediately in profit or loss.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years.

An impairment loss recognised for goodwill is not reversed in a subsequent period. Impairment reversals are recognised immediately in profit or loss.

(ii) Impairment of financial assets

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

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

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

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

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

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

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Trade and other receivables and contract assets

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

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics that have been grouped based on the days past due. At the end of the reporting period, the Group's receivables have been assessed for impairment and are not significantly impaired to disclose within these financial statements.

Revenue recognition - the Group

Revenue is measured at the fair value of the consideration received or receivable for goods sold or services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably.

To determine whether to recognise revenue, the Company and the Group follows a 5-step process:

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

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

The Group enters into transactions involving a range of products and services as described further below. The total transaction price for any particular contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices, as applicable. The transaction price for a contract excludes any amounts collected on behalf of third parties, VAT and trade discounts.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see Note 30). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The following specific recognition criteria must also be met:

(i) Sale of goods

Revenue from the sale of goods is recognised on the transfer of the risks and rewards of ownership, which generally coincides with the time of delivery, when the costs incurred or to be incurred in respect of the transaction can be measured reliably and when the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Provision of services

Revenue from the provision of services is recognised in the period in which the services are rendered. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

(iii) Restaurant operations

The Group is engaged in the operations of McDonald's restaurants in Estonia, Greece, Latvia, Lithuania, Malta and Romania. Revenue from the operations of McDonald's restaurants in these countries is recognised at a point in time when the goods are sold to customers.

(iv) Customer loyalty programme

The subsidiaries of Premier Capital operate a customer loyalty incentive programme. For each one Euro or one Romanian Lei spent, customers obtain ten loyalty points which they can redeem to receive discounts or free items on future purchases. Loyalty points are considered to be a separate performance obligation as they provide customers with a material right they would not have received otherwise. Unused points expire if not used within six months.

The Group allocates the transaction price between the material right and other performance obligations identified in a contract on a relative stand-alone selling price basis. The amount allocated to the material right is initially recorded as a contract liability and is later recognised in revenue when the points are redeemed by the customer. The Group's experience is that a portion of the loyalty points will expire without being used ('breakage'). The Group recognises revenue from expected breakage in proportion to the points redeemed and trues-up this estimate when points expire. The Group has assessed it is highly improbable a significant reversal of revenue will arise if actual experience differs from expectations, and therefore no further revenue constraint is needed.

(v) Sale and distribution of Apple products

Revenue from the sale of Apple products for a fixed fee is recognised when or as the Group transfers control of the assets to the customer. Amounts receivable for products transferred are due upon receipt by the customer, which is usually immediately upon the sale of the product to the customer. Control for these products is transferred at the point in time and occurs when the customer takes undisputed delivery of the goods.

The Group provides a basic 1-year product warranty on its Apple products sold to customers. Under the terms of this warranty, customers can return the product for repair or replacement if it fails to perform in accordance with published specifications. The standard warranty does not provide a service which enhances or is in any way or manner in addition to the standard assurance to the product performance. These warranties are accounted for under IAS 37.

(vi) Repairs and Maintenance of used electronic devices

Revenue from the repair of any type of smartphone and tablet is recognised when our technicians provide such service to the customer, which is usually provided within 24 hours.

(vii) Sale and repair of Used electronic devices (up to 31 January 2024)

Revenue from the sale of used electronic products within our Uzed brand for a fixed fee is recognised when or as the Group transfers control of the assets to the customer. Amounts receivable for products transferred are due upon receipt by the customer, which is usually immediately upon the sale of the product to the customer. Control for these products is transferred at the point in time and occurs when the customer takes undisputed delivery of the goods.

(viii) Sale of information technology solutions, security systems and other machinery

Revenue from the sale of information technology solutions, security systems and other machinery for a fixed fee is recognised when or as the Group transfers control of the assets to the customer. Invoices for products and services transferred are due upon receipt by the customer, which is usually upon the sale of the product to the customer and installation of the items or products sold. Control for these products is usually transferred at the point in time and occurs when the customer takes undisputed delivery of the goods.

When such items are either customised or sold together with significant integration services, the goods and services represent a single combined performance obligation over which control is considered to transfer over time. This is because the combined product is unique to each customer (has no alternative use) and the Group has an enforceable right to payment for the work completed to date. Revenue for these performance obligations is recognised over time as the customisation or integration work is performed, using the cost-to-cost method to estimate progress towards completion.

As costs are generally incurred uniformly as the work progresses and are considered to be proportionate to the entity's performance, the cost-to-cost method provides a faithful depiction of the transfer of goods and services to the customer. Each major contract is nevertheless evaluated for revenue recognition on its own and the Group determines when control is effectively transferred depending on the specific circumstances.

For sales of software that are neither customised by the Group nor subject to significant integration services, the licence period commences upon delivery. For sales of software subject to significant customisation or integration services, the licence period begins upon commencement of the related services.

(ix) Maintenance and servicing

The Group enters into fixed price maintenance contracts with its customers for terms between one and three years in length. Customers are required to pay either quarterly or yearly in advance for each respective service period and the relevant payment due dates are specified in each contract.

The Group enters into agreements with its customers to perform regularly scheduled maintenance services on the various goods purchased from the Group. Revenue is recognised over time based on the ratio between the number of hours of maintenance services provided in the current period and the total number of such hours expected to be provided under each contract.

This method best depicts the transfer of services to the customer because: (a) details of the services to be provided are specified as part of the agreed maintenance program relative to the maintenance requirements of the items sold, and (b) the Group has a long history of providing these services to its customers, allowing it to make reliable estimates of the total number of hours involved in providing the service.

(x) Consulting and development of IT systems

The Group enters into contracts for the design, development and installation of IT systems in exchange for a fixed fee and recognises the related revenue over time. Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation.

When a contract also includes promises to perform after-sales services, the total transaction price is allocated to each of the distinct performance obligations identifiable under the contract on the basis of its relative stand-alone selling price. To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by comparing actual hours spent to date with the total estimated hours required to design, develop, and install each system. The hours-to-hours basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Group's ability to make reliable estimates of the total number of hours required to perform, arising from its significant historical experience constructing similar systems.

Most such arrangements include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position (see Note 30).

The construction of IT systems normally takes 10 - 12 months from commencement of design through to completion of installation. As the period of time between customer payment and performance will always be one year or less, the Group applies the practical expedient in IFRS 15.63 and does not adjust the promised amount of consideration for the effects of financing.

In obtaining these contracts, the Group incurs some incremental costs. As the amortisation period of these costs, if capitalised, would be less than one year, the Group makes use of the practical expedient in IFRS 15.94 and expenses them as they incur. Such incremental costs are not considered to be material.

(xi) Payment gateway

The Group enters into transactions with parties for the access to a payment gateway. The Group's revenue is mainly derived from the actual volume of traffic on the payment gateway and on other fixed charges. The price is agreed and established with the customer in written contracts and is allocated to the performance obligation accordingly. Prices are based on established amounts for such services. The transaction price for a contract excludes any amounts collected on behalf of third parties.

(xii) Road, sea and air logistics services

Revenue from the provision of road, sea and air logistics services for an agreed price is recognised when or as the Group completes delivery to the customer. Invoices for services rendered are due upon completion of the contracted service, which is usually immediately upon delivery to the customer. Control for these products is transferred at the point in time and occurs when the customer takes undisputed delivery of the goods on which the transportation service has been provided.

(xiii) Ship-to-ship services

Revenue is recognised from the provision of support services for Ship-to-Ship (STS) cargo transfer operations, mainly oil and gas. In most instances, an STS operation takes between 24 and 48 hours to be completed, revenue is recognised upon completion of the operation.

(xiv) Terminal management and consultancy service

Revenue arises from Liquefied Natural Gas (LNG) terminal management, emergency support services and consultancy. The performance obligations within these contracts typically consist of technical management and provision of consultancy. The performance obligations are satisfied concurrently and consecutively rendered over the duration of the management contract over time. These are measured using the time elapsed from commencement of the contract. Consideration generally consists of fixed monthly management fees. Any costs incurred on behalf of the client are reimbursed. Management fees are invoiced monthly.

(xv) Sale of supplies for Rubber-Tyres Gantry (RTG) cranes and other products and machinery

Revenue from the sale of supplies for Rubber-Tyred Gantry cranes and other products and machinery for a fixed fee is recognised when or as the Company transfers control of the assets to the customer. Invoices for products and services transferred are due upon receipt by the customer, which is usually upon the sale of the product to the customer and installation and certification of the items or products sold. Control for these products is usually transferred at the point in time and occurs when the customer takes undisputed delivery of the cranes.

When items are either customised or sold together with significant integration services, the goods and services represent a single combined performance obligation over which control is considered to transfer over time.

This is because the combined product is unique to each customer (has no alternative use) and the Group has an enforceable right to payment for the work completed to date. Revenue for these performance obligations is recognised over time as the customisation or integration work is performed, using the cost-to-cost method to estimate progress towards completion. As costs are generally incurred uniformly as the work progresses and are considered to be proportionate to the entity's performance, the cost-to-cost method provides a faithful depiction of the transfer of goods and services to the customer.

Each major contract is nevertheless evaluated for revenue recognition on its own and the Group determines when control is effectively transferred depending on the specific circumstances.

(xvi) Local services

The Group also enters into fixed price maintenance contracts with its customers on this service generally for terms of 5 years in length. Customers are required to pay either quarterly or yearly in advance for each respective service period and the relevant payment due dates are specified in each contract.

The Group enters into agreements with its customers to perform regularly scheduled maintenance services on the Rubber-Tyred Gantry cranes and terminal tractors. Revenue is recognised over time based on the ratio between the number of hours of maintenance services provided in the current period and the total number of such hours expected to be provided under each contract. This method best depicts the transfer of services to the customer because: (a) details of the services to be provided are specified as part of the agreed maintenance contract relative to the maintenance requirements of the items sold, and (b) the Group has a long history of providing these services to its customers, allowing it to make reliable estimates of the total number of hours involved in providing the service.

(xvii) Rental income

Rental income from operating leases, less the aggregate cost of incentives given to the lessee, is recognised as income in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss on a straight-line basis over the lease term.

(xviii) Interest income

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Revenue recognition – the Company

The Company entered into transactions with related parties for the provision of management services to group companies. Management fees are established through a contract with the respective group company and considered fixed in nature. It is not expected that future reversals to management fee income will occur and its inclusion as the transaction price is earned as the services are being performed.

The performance obligation is identified for the services provided to the customer and is satisfied upon rendering and completion of the service. The price is agreed with the customer in a written agreement and is allocated to the performance obligation accordingly. Prices are based on established prices for management services being provided.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established and provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Leases

The Group as lessee

Any new contracts entered into, the Group and the Company considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group and the Company assesses whether the contract meets three key evaluations which are whether:

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

Measurement and recognition of leases

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

The Group and the Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use of asset or the end of the lease term. The Group and the Company also assess the right-of-use asset for impairment when such indicators exist.

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

The incremental borrowing rate is the estimated rate that the Company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Company.

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

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

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The Group and the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statements of financial position, the Group and the Company have opted to disclose right-of-use assets and lease liabilities as separate financial statement line items.

The Group as a lessor

As a lessor the Group classifies its leases as operating leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.

Rental income from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss on a straight-line basis over the lease term.

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

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 end of the reporting period.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiaries/associates/interests in joint arrangements where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries/associates/interests in joint arrangements where it is probable that taxable profit will be available against which the temporary difference can be utilised, and it is probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to 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 end of the reporting period.

Current tax assets and liabilities are offset 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.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Operating and administrative expenses

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

Employee benefits

The Group and the Company contribute towards the state pension in accordance with local legislation. The only obligation of the Group and the Company is to make the required contributions. Costs are expensed in the period in which they are incurred. Short-term employee benefits, including holiday entitlement, are current liabilities, measured at the undiscounted amount the Group and the Company expect to pay as a result of the unused entitlement.

Currency translation

The financial statements of the Company and the Group are presented in the functional currency, the Euro, being the currency of the primary economic environment in which the Group operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at period-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss.

Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Foreign exchange gains and losses are classified with other operating income or other operating expenses as appropriate, except in the case of significant exchange differences arising on investing or financing activities, which are classified within investment income, investment losses or finance costs as appropriate.

For the purpose of presenting consolidated financial statements, income and expenses of the Group's foreign operations are translated to Euro at the average exchange rates. Assets and liabilities of the Group's foreign operations are translated to Euro at the exchange rate ruling at the date of the statement of financial position. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Euro at the closing rate. Exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity. Such differences are reclassified from equity to profit or loss in the period in which the foreign operation is disposed of.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

Prepayments

Long-term prepayments represent advance payments of rent or guarantee deposits made by the Group in order to secure the lease on rented premises on which the McDonalds' restaurants are situated. Once the lease on the rented premises is terminated, the advance payment or guarantee deposit is released, and it is no longer recognised within long-term prepayments in the statement of financial position. Long-term prepayment mainly represents a guarantee deposit made for the provision of a private jet (refer to Note 40).

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

Equity, reserves and dividend payments

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

Dividend distributions payable to equity shareholders are included with short-term financial liabilities when the dividends are approved in general meeting prior to the end of the reporting period.

Dividends to holders of equity instruments, or of the equity component of a financial instrument issued by the Holding Company, are recognised directly in equity.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity.

Translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's entities denominated in foreign currencies. This reserve is included within other equity.

Significant management judgements

Other than as disclosed below, in the process of applying the Group and the Company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Impairment of financial assets and goodwill

The Group reviews property, investments in subsidiaries, plant and equipment, right-of-use assets, intangible assets and loans and receivables, including trade receivables, to evaluate whether events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company reviews intangible assets, right-of-use assets, investment in subsidiaries and loans and receivables to evaluate whether events or changes in circumstances indicate that the carrying amount may not be recoverable.

At the year-end, there were impairment indicators due to a drop in expected performance of one of the Company's subsidiaries. The Directors have performed an assessment of impairment for such investments based on the value in use of the estimated future cash flows expected to arise from the CGU that corresponds to the investment being assessed for impairment. The aggregation of the CGUs attributable to such investments is a key judgement in the impairment testing process of the Group's investments.

Following the above assessment, the Directors have not recognised an impairment during the year. The Directors expect the carrying amount of other loans and receivables at 31 December 2025 to be recoverable.

Goodwill

An impairment loss is recognised for the amount by which the asset's or CGUs carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The Group tests goodwill and intangible assets with an indefinite useful life annually for impairment or more frequently if there are indications that goodwill or intangibles might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the recoverable amount of the CGUs. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

At 31 December 2025, goodwill was allocated as follows:

- €60,210,433 (2024: €59,451,978) to iSpot Poland Sp. z o.o ("iSpot") which operates the Apple Premium Partner Business.
- €3,860,898 (2024: €3,860,898) to APCOPAY Limited ("APCOPAY" - formerly APCO Systems Limited) which operates the electronic payment gateway.
- €2,168,112 (2024: €2,168,112) to APCO Limited ("APCO") which operates in the business of selling and maintenance of IT solutions and security systems.
- €1,464,477 (2024: €1,464,477) to PTL Limited ("PTL") which operates in the business of selling and maintenance of IT solutions and security systems.
- €35,405,796 (2024: €37,309,285) to Breakwater Investments which operates in the business of providing road, sea and air logistics services.
- €24,685,675 (2024: €24,888,095) to Premier Capital which is allocated €16,591,999 (2024: €16,591,999) to the Malta operations and €8,083,676 (2024: €8,296,096) to the Romania operations

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

CGU – Retail and IT Solutions (Poland)

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next five years and projection of terminal value using the perpetuity method;
- terminal growth rates to perpetuity of 2.00% (2024: 2.00%); and
- use of 15.80% (pre-tax) (2024: 14.90%) to discount the projected cash flows to net present values.

Based on the above assessment, the Directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recovered.

CGU – Payment Processing Services

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- terminal growth rates to perpetuity of 2.50% (2024: 2.50%); and
- use of 22.50% (pre-tax) (2024: 25.10%) to discount the projected cash flows to net present values.

Based on the above assessment, the Directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recoverable.

CGU – IT Solutions and Security Systems

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- terminal growth rates to perpetuity of 2.50% (2024: 2.50%); and
- use of 23.11% - 23.44% (pre-tax) (2024: 32.10% - 40.00%) to discount the projected cash flows to net present values.

Based on the above assessment, the Directors expect the carrying amount of goodwill and intangible assets with an indefinite useful life to be recoverable.

CGU – Breakwater Investments Division

The Directors of Breakwater Investments division consider that the logistics and container leasing business represents one single, consistent and homogenous operating segment. In defining this assumption for the purpose of testing goodwill for impairment, the Directors consider that although the entities have essentially six operating interests, each component on its own is not representative of a separate component of the Group's operations. Moreover, decisions about resource allocation are made for the logistics operations of Malta, Poland and the UK as a whole. Furthermore, the Directors consider that the ship-to-ship ("STS") business is closely linked to the STS Marine Solutions (UK) Limited ("STS Marine Solutions") operations in Malta and taking advantage of a number of synergies which are being experienced around the following areas:

Package offering where Carmelo Caruana Company Limited ("Carmelo Caruana Company") and STS Marine Solutions are in a better position to offer a single package to STS clients acting as one stop shop. This also brings a number of opportunities to cross-sell other services for vessel owners:

- Carmelo Caruana Company through its STS Marine Solutions function and agency can work closely and share market intelligence with STS leading to the introduction of new contacts thereby increasing market share;
- Pricing and joint marketing can target a wider spectrum of clients; and
- Sharing of market intelligence as well as resources will automatically bring along opportunities for cost savings and avoidance of being out priced in a particular territory.

In view of this, the Directors consider the logistics business to be one CGU. The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and the investments held by the Company includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- growth rates of 2.00% (2024: 2.00%); and
- use of 7.20% - 24.30% (pre-tax) (2024: 7.10% - 25.60%) to discount the projected cash flows to net present values.

Following a review of the carrying amount of this CGU by the Directors during 2025, the Directors have concluded that no impairment is necessary.

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit and loss.

During 2025, external market valuations were carried out for most of the properties within the portfolio. These external valuations were based using the discounted cash flow technique using the applicable discount rate and market yields as discussed below.

For properties which did not have market valuations performed by an independent professional architect for the year, an assessment of their fair value is performed internally to reflect current market conditions.

The internal valuations were based on the discounted cash flow technique using the applicable discount rate and market yields. Based on these assessments, the Directors are of the opinion that the fair value determined is an appropriate estimate of the fair value at 31 December 2025.

Investment properties are classified as level 3 of the fair value hierarchy.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Inventories

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

Estimating the incremental borrowing rate for leases

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

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Recognition of service and contract revenues

As revenue from after-sales maintenance agreements and consulting and development of systems contracts is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied. For after-sales maintenance agreements this requires an estimate of the quantity of the services to be provided, based on historical experience with similar contracts. In a similar way, recognising revenue for consulting and development of systems contracts also requires significant judgment in determining the estimated number of hours required to complete the promised work when applying the hours-to-hours method described in Note 2. Management however considers that any variance in estimates on ongoing contracts would be insignificant to the group.

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see Note 2).

Climate related matters

The potential impact of climate-related matters has been considered in the preparation of financial statements, including environmental legislations and commitments made by the Group which may affect the value of financial assets and liabilities. In many cases, the judgements applied refer to the recoverable amount of assets and useful life of tangible assets (see Note 2).

4. Initial application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

New standards adopted as at 1 January 2025

An accounting pronouncement which has become effective from 1 January 2025 and has therefore been adopted is:

- Lack of Exchangeability (Amendments to IAS 21)

This amendment does not have a significant impact on these financial statements and therefore no disclosures have been made.

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

At the date of authorisation of these financial statements, there are several new, but not yet effective, standards and amendments to existing standards, and interpretations published by the IASB or IFRIC, including:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7);
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting Standards – Volume 11;
- IFRS 18 'Presentation and Disclosure in Financial Statements';
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'; and
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

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

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

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

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

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes;
- the classification of all income and expenses within the statement of profit or loss in one of five categories;
- a new requirement to disclose performance measures defined by management; and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes

IFRS 18 will be applied retrospectively with specific transitional provisions.

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

Other new standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material.

5. Revenue

Revenue represents the amount receivable for goods sold and services rendered during the period, net of any indirect taxes as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
<i>By activity:</i>				
Logistic and transport services	37,851,102	42,058,627	-	-
Restaurant operations	772,672,037	714,667,106	-	-
Retail sales	264,755,138	256,882,526	-	-
Commercial sales	60,029,786	45,885,232	-	-
Rental income	22,718,821	14,657,422	-	-
Maintenance and support	3,714,761	3,576,506	-	-
Payment gateway services	3,707,727	4,405,190	-	-
Engineering services	6,150,111	6,253,064	-	-
Management fees	16,530	64,365	2,896,208	2,696,500
	1,171,616,013	1,088,450,038	2,896,208	2,696,500

Assets related to contracts with customers include amounts that the Group expects to receive from performance obligations that have been satisfied before it receives the consideration and has not invoiced such amounts by the end of the year.

The following are the amounts recognised as contract assets at the end of the reporting periods presented:

	THE GROUP	
	2025	2024
	€	€
Contract assets recognised	1,733,342	1,548,301

The Group does not expect any loss allowances from such amounts, as these are due from customers with no history of losses and which are considered of good credit quality. The assessment of credit losses on balances at 31 December 2025 did not result in any material amount and is considered by management to be insignificant.

Unsatisfied long-term performance obligations

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 December 2025:

	THE GROUP			
	2026	2027	2028	Later
	€	€	€	€
Commercial Sales	863,595	439,610	442,761	572,418
Maintenance and support	5,923,280	3,027,560	1,236,030	1,790,647
Logistics and transport services	743,202	743,202	743,202	3,530,719
Revenue expected to be recognised	7,530,077	4,210,372	2,421,993	5,893,784

The comparative information at 31 December 2024 was as follows:

	THE GROUP			
	2025	2026	2027	Later
	€	€	€	€
Commercial sales	937,820	88,360	-	-
Maintenance and support	3,460,165	2,220,375	1,029,672	474,211
Logistics and transport services	853,402	853,402	853,402	4,909,986
Revenue expected to be recognised	5,251,387	3,162,137	1,883,074	5,384,197

5. REVENUE (CONTINUED)

Revenue for unsatisfied long-term performance obligations in relation to commercial sales, as at 31 December 2025 and 2024 comprise entirely of revenue tied to local contracts expected to be carried out in future periods as explained in the tables above.

Except for the above, all other long-term performance obligations existing at 31 December 2024 and which were expected to be recognised during 2025, have been completed and invoiced in full during the current year under review.

The increase in future performance obligations arises mainly on maintenance and support services performed by the technology division of the Group.

Revenue from engineering services pertains to revenue estimated to be recognised in the Motherwell Bridge Industries Limited ("Motherwell Bridge Industries") group from various projects in Malta and overseas.

6. Other operating income

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Other operating income	3,453,715	2,083,649	645	11,329
	3,453,715	2,083,649	645	11,329

7. Investment income

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Interest income on bank deposits	374,588	689,826	718,507	530,363
Interest receivable on loan to other related parties	704,825	832,730	3,499,414	2,264,276
Total interest income on financial assets not classified as at fair value through profit or loss	1,079,413	1,522,556	4,217,921	2,794,639
Other interest receivable	1,181,246	1,402,314	-	-
Dividends from financial assets and equity instruments	3,065,592	435,356	52,485,214	61,712,942
Dividends from associates	-	725,098	-	-
Share of (loss) / profit of joint ventures	(23,304)	15,526	-	-
Gain on derivative financial instruments	-	65,467	-	-
Gain on financial assets at fair value through other comprehensive income	6,121,404	1,570,487	5,671,876	1,110,419
Increase in fair value of assets held for sale	931,093	-	-	-
Increase in fair value of investment property	3,983,912	663,996	-	-
	16,339,356	6,400,800	62,375,011	65,618,000

8. Investment losses

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Decrease in fair value of assets held for sale	562,782	2,293,151	-	-
Fair value movement of investment properties	56,000	675,408	-	-
Loss on remeasurement of assets held for sale	490,062	-	-	-
Acquisition related costs	-	289,553	-	-
Loss from sale of subsidiary	-	1,693,928	-	-
	1,108,844	4,952,040	-	-

9. Finance income and finance costs

Finance Income

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Foreign exchange gains	1,261,457	225,329	-	-
Other interest income	391,848	435,983	-	-
	1,653,305	661,312	-	-

Finance costs

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Interest on bank overdrafts and loans	8,957,095	9,106,701	1,277,603	1,070,005
Interest on bonds	14,323,342	13,804,351	-	-
Processing fees and other interest payable	2,294,834	723,187	216,867	5,261
Interest on amounts payable to related undertakings	-	-	13,221,936	11,194,768
Unrealised exchange differences	283,342	29,903	-	-
Other fair value adjustments	-	88,095	-	-
Amortisation of bond issue expenses	728,903	695,968	574,997	445,346
Amortisation of derivative financial instrument	340,552	176,467	-	-
Interest on leased assets	7,760,257	6,707,249	53,089	66,208
	34,688,325	31,331,921	15,344,492	12,781,588

10. Other non-operating costs

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Other non-operating expenses	6,040,545	-	-	-
	6,040,545	-	-	-

SAD Sp. z o.o ("SAD"), one of the subsidiaries of 1923 Investments Limited ("1923 Investments" - formerly 1923 Investments p.l.c.) division, was subject to tax proceedings regarding the correctness of its VAT settlements for February 2015 and for March to July 2015. In the statement of grounds, the Polish tax authorities invoked SAD's alleged failure to exercise due diligence in verifying its contractors. In order to avoid being charged further interest, the board of SAD decided to deposit an amount equivalent to the VAT being claimed by the Polish tax authority, resulting from the February as well as the March to July 2015 assessments. On 23 December 2022, SAD paid an amount of PLN27,478,176 (equivalent to €5,870,402 as of December 2022) to the tax authorities, which consisted of the VAT liability for the February as well as the March to July 2015 assessments in the amount of PLN15,525,829 (equivalent to €3,316,918 as of December 2022) plus interest, in addition to amounts already paid. The total value of assets subject to both proceedings for February 2015 and March to July 2015 in SAD's books was PLN35,616,100 (equivalent to €7,608,977 as of December 2022).

For both proceedings, SAD disagreed with the position of the Polish tax authorities and appealed the decisions before the administrative courts. Both cases were negatively assessed by the Provincial Administrative Court in Warsaw ("PAC"). SAD did not agree with the verdicts and filed appeals to the Supreme Administrative Court ("SAC").

In July 2025, the SAC dismissed SAD's cassation complaint regarding the March to July 2015 appeal against the second-instance court's judgment. As a result, the amount deposited for this period will not be refunded. This ruling is final and binding. As a result, SAD has impaired its receivables amounting to PLN25,580,500 (equivalent to €6,040,545).

11. Profit before tax

A list of expenses by nature making up the cost of sales, selling expenses and administrative expenses of the Group and the Company is set out below:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Raw materials and consumables used	274,303,515	253,842,319	-	-
Cost of sales in relation to products sold and services provided	280,976,239	252,340,497	-	-
Advertising and promotion costs	39,675,094	36,692,518	58,626	51,490
Amortisation of intangible assets	2,856,068	2,345,437	30,606	30,227
Depreciation of property, plant and equipment	25,968,173	24,121,240	72,426	66,830
Depreciation of right-of-use assets	18,921,866	16,845,559	318,846	319,278
Legal, professional fees and accountancy fees	4,743,225	6,004,435	841,492	580,094
Office and general expenses	7,017,083	7,328,541	124,340	154,102
Travelling costs	8,028,315	8,282,201	111,167	63,544
Wages and salaries	232,331,445	215,031,803	4,416,136	2,995,823
Rental expenses	13,468,791	12,660,930	-	-
Utilities and telecommunication expenses	21,506,149	20,145,226	47,412	45,392
Royalties	59,604,884	55,402,455	-	-
Repairs and maintenance	9,558,606	10,437,819	102,491	86,086
Operating supplies	23,348,020	22,181,836	-	-
Other direct costs	10,574,691	11,496,604	-	-
Insurance costs	1,680,681	1,835,360	171,123	149,202
Other indirect costs	46,751,729	40,709,174	676,397	1,144,856
	1,081,314,574	997,703,954	6,971,062	5,686,924

11. PROFIT BEFORE TAX (CONTINUED)

These expenses are presented in the statement of profit or loss and other comprehensive income as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Net exchange differences	2,277,094	204,889	-	-
Depreciation and amortisation	28,824,241	26,467,379	103,032	97,057
Depreciation of right-of-use assets	18,921,866	16,845,559	318,846	319,278
Gain on disposal of property, plant and equipment	1,468,266	1,538,819	-	-

Profit before tax is stated after charging the following:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Cost of sales	937,594,365	868,733,897	-	-
Selling expenses	61,488,215	54,743,697	58,626	51,490
Administrative expenses	82,231,994	74,226,360	6,912,436	5,635,434
	1,081,314,574	997,703,954	6,971,062	5,686,924

The analysis of the amounts that are payable to the auditors and that are required to be disclosed is as follows:

The Group

Total remuneration payable to the Group's auditors in respect of the audit of the financial statements and the undertakings included in the consolidated financial statements amounted to €400,401 (2024: €409,767) and the remuneration payable to the other auditors in respect of the audits of the undertakings included in the consolidated financial statements amounted to €477,013 (2024: €430,945). Other fees payable to the Company's auditors for tax services and for non-audit services other than tax services amounted to €56,297 (2024: €60,943).

The Company

Total remuneration payable to the Company's auditors for the audit of the Company's financial statements amounted to €4,200 (2024: €3,800). Other fees payable to the Company's auditors for non-audit services other than other assurance services and tax advisory services amounted to €26,500 (2024: €28,200).

12. Key management personnel compensation

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Directors' compensation:				
Hili Ventures Limited	540,134	529,658	540,134	529,658
Fees and compensation of directors of other divisions				
Premier Capital p.l.c.	75,385	63,000	-	-
1923 Investments Limited	101,931	105,002	-	-
Hili Properties p.l.c.	81,882	72,254	-	-
Hili Finance Company p.l.c.	30,333	27,000	-	-
Breakwater Investments Limited	61,667	50,002	-	-
Marsamxett Properties Limited	77,667	18,321	-	-
	428,865	335,579	-	-
Other key management compensation:				
Hili Ventures Limited	337,996	91,236	337,996	91,236
Premier Capital p.l.c.	1,060,662	907,378	-	-
1923 Investments Limited	1,452,057	1,549,317	-	-
Hili Properties p.l.c.	517,623	626,565	-	-
Breakwater Investments Limited	957,402	683,872	-	-
	4,325,740	3,858,368	337,996	91,236
Total directors' fees and other key management personnel	5,294,739	4,723,605	878,130	620,894

13. Staff costs and employee information

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Staff costs:				
Wages and salaries	212,129,543	196,498,715	3,436,589	2,708,575
Social security costs	20,201,902	18,533,088	131,956	110,949
	232,331,445	215,031,803	3,568,545	2,819,524

The average number of persons employed during the period, including executive Directors, was made up as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Operations	12,046	10,801	-	-
Administration	537	525	57	46
	12,583	11,326	57	46

14. Income tax expense/(credit)

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Current tax expense / (credit)	18,263,236	16,700,309	(96,616)	1,361,364
Deferred tax expense / (credit) (Note 31)	1,031,551	(1,708,874)	(198,780)	(30,973)
	19,294,787	14,991,435	(295,396)	1,330,391

Tax applying the statutory domestic income tax rate and the income tax expense for the period are reconciled as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Profit before tax from continuing operations	69,558,359	80,431,694	42,956,310	49,857,317
Tax at the applicable rate of 35%	24,345,426	28,151,093	15,034,709	17,450,061
Tax effect of:				
Income subject to 15%	(1,731,674)	(291,931)	-	-
Exchange differences	(19,388)	225,207	-	-
Movement in fair value of investment property not charged to tax	(549,667)	136,378	-	-
Different tax rates of subsidiaries operating in other jurisdictions	(13,802,679)	(16,838,451)	-	-
Withholding tax on dividends	(939,730)	(2,662,303)	-	-
Income not chargeable to tax	2,024,637	(2,282,167)	-	-
Maintenance allowance	(70,480)	(73,923)	-	-
Effect of reduction in foreign tax rates	(88,324)	(141,930)	-	-
Accrued interest income	(66,320)	(106,126)	(66,320)	(106,126)
FTA Dividend	(350,000)	(296,083)	(350,000)	(42,299)
Dividend income subject to tax	-	150,000	-	-
Disallowable expenses	12,508,412	10,282,611	3,079,909	2,690,316
Exempt gain on disposal of investments	(2,113,092)	(388,647)	(2,113,092)	(388,647)
Untaxed dividend	-	-	(16,052,819)	(18,788,837)
Effect of flat foreign tax credit claimed	-	(57,831)	-	(57,831)
FRFTC nullifying tax charge on FIA Income	135,884	529,648	135,884	529,648
Other differences	(278,982)	606	-	-
Deferred tax movement not recognised	(17,151)	162,859	-	-
Deferred tax on revaluation of investment property	(244,068)	(8,572)	-	-
Effect of deferred tax recognition	542,657	-	-	-
Tax on disposal of Investment property	260,000	-	-	-
Unrelieved foreign tax	50,558	-	-	-
Permanent differences	189,810	38,591	608	608
Unabsorbed tax losses	(987)	(2,532)	-	-
Deferred tax movement	(775)	(1,477,803)	-	-
Waiver of amounts payable	(31,447)	-	-	-
Over provision of tax in prior year	(777,380)	(82,552)	-	-
Tax relief	(16,223)	(18,205)	-	-
Global Top-up Tax	300,045	-	-	-
Foreign Tax	35,725	43,498	35,725	43,498
Income tax expense / (credit)	19,294,787	14,991,435	(295,396)	1,330,391

15. Dividends

In respect of the current year, dividends of €20,348,800 were declared to ordinary shareholders (2024: €20,348,800); €20.35 per ordinary share (2024: €20.35).

Preference dividends of €4,651,200 were declared during the year (2024: €4,651,200); €0.07 per preference share (2024: €0.07).

16. Goodwill

	€
At 1 January 2024	127,419,788
Effect of exchange differences on the valuation of goodwill on foreign subsidiaries	1,723,057
At 31 December 2024	129,142,845
At 1 January 2025	129,142,845
Effect of exchange differences on the valuation of goodwill on foreign subsidiaries	(1,347,454)
At 31 December 2025	127,795,391

17. Intangible assets

THE GROUP	Support services licence €	Acquired rights and franchise fee €	Computer software €	Other intangible assets €	Total €
Cost					
At 1 January 2024	12,366,964	4,568,823	4,175,978	24,666,354	45,778,119
Additions	-	147,149	626,248	1,617,512	2,390,909
Reclassification to non-current assets held for sale	-	-	(2,345)	-	(2,345)
Eliminated on disposal	-	(53,983)	(149,166)	(49,456)	(252,605)
Transfers	-	(3,700)	3,700	524,757	524,757
Effect of foreign exchange	-	235	179	604,676	605,090
At 1 January 2025	12,366,964	4,658,524	4,654,594	27,363,843	49,043,925
Additions	-	130,995	792,016	1,180,823	2,103,834
Eliminated on disposal	-	(50,725)	(15,308)	(14,472)	(80,505)
Transfers	-	19,955	(13,277)	(9,113)	(2,435)
Effect of foreign exchange	-	(57,067)	(48,315)	247,900	142,518
As at 31 December 2025	12,366,964	4,701,682	5,369,710	28,768,981	51,207,337

17. INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Support services licence €	Acquired rights and franchise fee €	Computer software €	Other intangible assets €	Total €
Amortisation					
At 1 January 2024	9,893,607	2,735,642	3,187,374	3,299,330	19,115,953
Provision for the year	618,351	139,997	592,702	994,387	2,345,437
Reclassification to non-current assets held for sale	-	-	(2,345)	-	(2,345)
Transfers between asset categories	-	-	-	(23,266)	(23,266)
Eliminated on disposal	-	(1,290)	(188,470)	(49,456)	(239,216)
Exchange differences	-	160	159	18,370	18,689
At 1 January 2025	10,511,958	2,874,509	3,589,420	4,239,365	21,215,252
Provision for the year	618,351	170,425	684,829	1,382,463	2,856,068
Eliminated on disposal	-	(37,995)	(12,894)	(21,970)	(72,859)
Transfers	-	-	-	(20)	(20)
Exchange differences	-	(38,817)	(43,127)	21,023	(60,921)
At 31 December 2025	11,130,309	2,968,122	4,218,228	5,620,861	23,937,520
Carrying amount					
At 31 December 2024	1,855,006	1,784,015	1,065,174	23,124,478	27,828,673
At 31 December 2025	1,236,655	1,733,560	1,151,482	23,148,120	27,269,817

The Group

Included within intangible assets are acquired rights and franchisee fees with a carrying amount of €1,733,558 (2024: €1,784,013). These intangible assets are amortised over the term of the franchise agreements in place with McDonald's Corporation to operate the McDonald's brand in all markets. Generally, amortisation period will be twenty years.

Included within the Computer software of the Group is a carrying amount of €1,110,045 (2024: €992,416) which mainly relates to an ERP system invested into by the Romania segment to improve the business operations and obtain efficiencies in reporting. The amortisation period is over five years.

Moreover, the support services licence owned by the Group also includes a carrying amount of €1,219,679 (2024: €1,829,555) will be fully amortised within eight years, and relates to the licence paid to McDonald's Corporation to operate the McDonald's brand in the Baltic countries.

Intangible assets include separately identified intangible assets acquired during 2014 and 2023 as part of the business combinations within the 1923 Investments division and amounting to €19,859,799 which have been recognised separately from goodwill. Intangible assets were adjusted upwards by €249,723 (2024: adjusted upwards by €584,677) following the fluctuations of the Polish Zloty from the date of acquisition to the balance sheet date.

These intangible assets relate to:

- Apple Premium Reseller operations operating under the brand iSpot together with related contracts – €10,831,331 (2024: €10,691,450). The useful life of this asset is considered to be indefinite as there was no foreseeable limit to the period over which the asset is expected to generate net cash inflows. In arriving at this conclusion management considered such factors as the stability of the industry and changes in the demand for such products. This assessment is reassessed periodically.
- When Cortland Sp. z o.o ("Cortland") was acquired by iSpot, certain intangible assets were acquired and after a purchase price allocation exercise carried out by Polish advisors, a fair value was calculated for:
 - Cortland trademark
 - Customer base intangible asset
 - Non-compete asset

17. INTANGIBLE ASSETS (CONTINUED)

The assets relating to Cortland are valued at €8,787,333 (2024: €9,037,683) at year end and are assessed for impairment periodically. The amortisation charge for the year was included in administrative expenses.

- Other intangibles at iSpot amount to €1,409,385 (2024: €1,514,081) mainly including licences, other development works and the non-compete clause on acquisition.
- APCOPAY's payment gateway system – €1,000,000. The useful life of this asset was considered to be finite due to possible technological obsolescence and is being amortised on a straight-line basis. Until 31 December 2014, the Group was amortising the intangible asset over three years. Following the knowledge generated, the Group re-assessed the remaining useful life of the asset to be ten years. Had the Group not reassessed the remaining useful life, the additional amortisation for the years 2015, 2016 and 2017 would have amounted to €233,000 annually more and this asset would have been fully amortised by 31 December 2017. As from 2018, the yearly amortisation on this asset amounted to €89,855 and was fully amortised by 31 December 2024.

During the years, APCOPAY continues to develop its payment processing platform and capitalises the wages of employees directly involved in such development. At year end the net book value of the payment gateway system amounted to €1,606,073 (2024: €1,490,058). The amortisation charge for the year is included within administrative expenses.

- PTL has continued to develop its intellectual property during 2025. At year end, the net book value amounted to €369,113 (2024: €232,746).
- Other Intangible assets at Harvest Technology p.l.c. ("Harvest Technology"), APCO and 1923 Investments include the companies' ERP and at year-end amounted to €12,773 (2024: €26,802).

THE COMPANY	Computer software €
Cost	
At 1 January 2024	360,385
Additions	14,955
At 31 December 2024	375,340
Additions	1,500
At 31 December 2025	376,840
Amortisation	
At 1 January 2024	297,802
Provision for the year	30,227
At 31 December 2024	328,029
Provision for the year	30,606
At 31 December 2025	358,635
Carrying amount	
At 31 December 2024	47,311
At 31 December 2025	18,205

18. Property, plant and equipment

THE GROUP	Land and buildings €	Plant and equipment €	Motor vehicles €	Furniture, fittings and other equipment €	Office equipment €	Other equipment €	Total €
Cost or valuation							
At 1 January 2024	263,754,512	110,687,107	1,791,860	32,378,343	6,182,995	535	414,795,352
Additions	20,600,313	22,813,742	400,571	4,755,290	1,674,878	-	50,244,794
Acquired on acquisition of subsidiaries	82,641,569	18,892,866	-	2,929,863	-	-	104,464,298
Revaluation	2,175,308	-	-	-	-	-	2,175,308
Reclassified to non-current assets held for sale	-	-	-	(519,836)	-	-	(519,836)
Transfers between asset categories	(3,836,161)	2,563,352	(247,135)	(851,265)	(1,308,728)	-	(3,679,937)
Adjustment relating to prior years	15,325	-	-	(320,271)	3,888	-	(301,058)
Effect of foreign currency exchange differences	60,470	1,217,376	2,212	16,706	12,703	-	1,309,467
Disposals for the year	(1,510,534)	(6,447,489)	(183,737)	(1,388,590)	(716,097)	-	(10,246,447)
At 1 January 2025	363,900,802	149,726,954	1,763,771	37,000,240	5,849,639	535	558,241,941
Additions	20,093,087	15,243,778	46,303	6,167,069	1,580,358	-	43,130,595
Written-off	-	(359,646)	(13,846)	(76,463)	-	-	(449,955)
Revaluation	12,776,044	-	-	-	-	-	12,776,044
Reclassified to investment property (Note 21)	(82,785,036)	(19,160,645)	-	(5,029,955)	-	-	(106,975,636)
Transfers between asset categories	(1,017,390)	224,236	-	793,154	-	-	-
Effect of foreign currency exchange differences	(1,804,450)	(4,467,409)	(5,093)	55,168	59,414	-	(6,162,370)
Disposals for the year	(2,397,399)	(5,481,494)	(266,081)	(1,763,814)	(1,497,710)	-	(11,406,498)
At 31 December 2025	308,765,658	135,725,774	1,525,054	37,145,399	5,991,701	535	489,154,121
Depreciation							
At 1 January 2024	53,957,741	48,786,339	1,403,210	21,830,063	4,234,192	(2,786)	130,208,759
Provision for the year	7,815,035	11,900,139	179,403	2,977,023	1,250,342	-	24,121,942
Acquired on acquisition of subsidiaries	(188,367)	9,796,495	-	1,466,899	-	-	11,075,027
Impairment	24	425,718	-	-	-	-	425,742
Revaluation increase	(669,726)	-	-	-	-	-	(669,726)
Reversal of Impairment	(24)	(352,598)	-	-	-	-	(352,622)
Reclassified to non-current assets held for sale	-	-	-	(437,675)	-	-	(437,675)
Adjustments	20,548	-	-	(319,195)	(2,411)	-	(301,058)
Effect of foreign currency exchange differences	17,612	391,164	2,074	972	6,913	-	418,735
Released on disposal	(705,249)	(5,954,188)	(122,893)	(1,190,886)	(659,602)	-	(8,632,818)
Transfers between asset categories	(112,686)	-	(162,397)	(2,282,545)	(1,122,305)	-	(3,679,933)
At 1 January 2025	60,134,908	64,993,069	1,299,397	22,044,656	3,707,129	(2,786)	152,176,373
Provision for the year	8,906,025	12,815,867	119,313	2,701,218	1,425,750	-	25,968,173
Written-off	-	(359,646)	(13,847)	(76,463)	-	-	(449,956)
Impairment	-	620,352	-	-	-	-	620,352
Revaluation increase	(699,601)	-	-	-	-	-	(699,601)
Reversal of impairment	-	(696,475)	-	-	-	-	(696,475)
Reclassified to investment property (Note 21)	-	(9,951,086)	-	(1,513,212)	-	-	(11,464,298)
Adjustments	8,821	-	-	(18,302)	-	-	(9,481)
Effect of foreign currency exchange differences	(78,416)	(1,577,914)	(6,487)	29,327	38,731	-	(1,594,759)
Released on disposal	(1,162,389)	(5,017,182)	(265,727)	(1,699,840)	(1,359,649)	-	(9,504,787)
Transfers between asset categories	-	(26,703)	-	-	-	-	(26,703)
At 31 December 2025	67,109,348	60,800,282	1,132,649	21,467,384	3,811,961	(2,786)	154,318,838
Carrying amount							
At 31 December 2024	303,765,894	84,733,885	464,374	14,955,584	2,142,510	3,321	406,065,568
At 31 December 2025	241,656,310	74,925,492	392,405	15,678,015	2,179,740	3,321	334,835,283

18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, one of the Groups' subsidiaries reclassified all of its properties from property, plant and equipment to investment property following a change in management judgment. Management concluded that the properties are held to earn rental income and for capital appreciation, supported by the rental income earned during the year. The reclassification was made at the beginning of the year. No gain or loss arose on reclassification. Subsequent measurement is performed in accordance with the Group's accounting policy for investment property measured at fair value (Note 21).

THE COMPANY	Furniture, fittings and other equipment €
Cost	
At 1 January 2024	774,375
Additions	70,063
Disposals	(1,648)
At 1 January 2025	842,790
Additions	67,991
Disposals	(5,420)
At 31 December 2025	905,361
Accumulated Depreciation	
At 1 January 2024	583,372
Provision for the period	66,830
Disposals	(1,648)
At 1 January 2025	648,554
Provision for the period	72,426
Disposals	(3,291)
At 31 December 2025	717,689
Carrying amount	
At 31 December 2024	194,236
At 31 December 2025	187,672

19. Right-of-use assets

THE GROUP	Land and Buildings €	Vehicles €	IT equipment €	Total €
Cost				
1 January 2024	189,334,354	3,599,391	150,174	193,083,919
Additions	31,793,902	1,346,045	-	33,139,947
Reclassified to non-current assets held for sale	(91,978)	-	-	(91,978)
Taken over upon acquisition of subsidiary	4,939,559	-	-	4,939,559
Remeasurement	562	55,059	-	55,621
Transfers	(318,247)	(40,834)	-	(359,081)
Termination and expiry of leases	(4,666,302)	(599,802)	-	(5,266,104)
Exchange differences	429,916	5,329	2,266	437,511
1 January 2025	221,421,766	4,365,188	152,440	225,939,394
Additions	33,837,976	1,013,079	-	34,851,055
Remeasurement	(148,279)	-	-	(148,279)
Termination and expiry of leases	(3,904,825)	(199,651)	-	(4,104,476)
Exchange differences	(1,524,463)	(41,121)	1,950	(1,563,634)
31 December 2025	249,682,175	5,137,495	154,390	254,974,060
Depreciation				
1 January 2024	51,985,322	1,258,467	144,646	53,388,435
Provision for the year	16,128,857	716,702	-	16,845,559
Taken over upon acquisition of subsidiary	308,772	-	-	308,772
Reclassified to non-current assets held for sale	(7,977)	-	-	(7,977)
Exchange differences	232,888	1,046	2,183	236,117
Termination and expiry of leases	(4,278,020)	(373,839)	-	(4,651,859)
1 January 2025	64,369,842	1,602,376	146,829	66,119,047
Provision for the year	17,808,210	1,113,656	-	18,921,866
Provision for the year - capitalised	253,469	-	-	253,469
Exchange differences	(272,048)	(11,273)	1,878	(281,443)
Re-measurement of depreciation	(34,599)	-	-	(34,599)
Termination and expiry of leases	(1,905,988)	(166,112)	-	(2,072,100)
31 December 2025	80,218,886	2,538,647	148,707	82,906,240
Carrying amount				
At 31 December 2024	157,051,924	2,762,812	5,611	159,820,347
At 31 December 2025	169,463,289	2,598,848	5,683	172,067,820

The depreciation charge on right-of-use assets is included in cost of sales and administrative expenses.

The Group has elected to disclose right-of-use assets separately in these financial statements. The information pertaining to the gross carrying amount, depreciation recognised during the year and other movements in right-of-use assets is included in the above table. Information pertaining to lease liabilities and their corresponding maturities are disclosed separately in Note 20. Information about the accounting policy for the measurement and recognition of leases is disclosed in Note 2. The weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 upon initial recognition and during the previous year for additions made was 3.50-7.00%. Additions to right-of-use assets during the current reporting period have been recognised using a rate between 4.50% and 7.07%.

The incremental borrowing rate will be re-assessed every time a new lease is entered into by the Group and the Company and the corresponding right-of-use asset recognised. New leases are assessed on a case-by-case basis.

THE COMPANY		€
Cost		
1 January 2024		3,165,133
Additions		4,600
1 January 2025		3,169,733
Termination		(8,568)
31 December 2025		3,161,165
Depreciation		
1 January 2024		1,571,677
Provision for the year		319,278
1 January 2025		1,890,955
Provision for the year		318,846
Termination		(5,142)
31 December 2025		2,204,659
Carrying amount		
At 31 December 2024		1,278,778
At 31 December 2025		956,506

The depreciation charge on right-of-use assets is included in administrative expenses.

The Company has elected to disclose right-of-use assets separately in these financial statements. The information pertaining to the gross carrying amount, depreciation recognised during the year and other movements in right-of-use assets is included in the above table. Information pertaining to lease liabilities and their corresponding maturities are disclosed separately in Note 20. Information about the measurement and recognition of leases are disclosed in Note 2.

The weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 3.93%. The incremental borrowing rate will be reassessed every time a new lease is entered into by the Company and the corresponding right-of-use asset recognised. New leases are assessed on a case-by-case basis.

The Company has financed most of its obligations internally and has therefore not been subject to market fluctuations in the interest rate from its borrowings with third parties. The Company does not expect this rate to vary significantly in the foreseeable future.

20. Lease liabilities

The Group has financed most of its obligations internally and has therefore not been subject to market fluctuations in the interest rate from its borrowings with third parties. Except as disclosed in Note 19, the Group does not expect these rates to vary significantly in the foreseeable future.

Lease liabilities are presented in the statement of financial position as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Current				
Lease liability	16,495,631	15,643,327	364,788	343,925
Non-Current				
Lease liability	167,246,607	152,641,473	799,129	1,167,060
	183,742,238	168,284,800	1,163,917	1,510,985

The Group has leases for its buildings, motor vehicles and IT equipment. With the exception of short-term leases and leases of low value assets, each lease is included in the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of company sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 19).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The majority of the lease agreements entitle the Group's subsidiaries to have the right of first refusal when such leases come up for renewal.

None of the lease agreements gives rights to the Group's subsidiaries to any purchase or escalation options, however restricting the same subsidiaries to further lease the properties to third parties. For leases over office buildings, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The range of the remaining lease term of the Group's buildings is 1 - 20 years, whilst the range of the remaining lease term of the motor vehicles and IT equipment is 1 - 5 years.

The Company has leases for its office buildings, motor vehicles, garage and car park spaces. Each lease is included in the statement of financial position as a right-of-use asset and a lease liability. The Company does not have any other short-term leases (leases with an effected term of 12 months or less) and variable lease payments which do not depend on an index or a rate (such as percentage of company's sales). Leases of low-value underlying assets are being classified as administrative expenses.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items under lease and incur maintenance fees on such items in accordance with the lease contracts.

The remaining lease term of the Company buildings, garages and car park spaces is 3 years.

20. LEASE LIABILITIES (CONTINUED)

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

THE GROUP	Within 1 year	Between	Over 5 years	Total
	€	1 and 5 years €	€	€
31 December 2025				
Lease payments	24,404,119	78,471,054	164,489,574	267,364,747
Finance charges	(7,908,488)	(25,366,114)	(50,347,907)	(83,622,509)
Net present values	16,495,631	53,104,940	114,141,667	183,742,238
31 December 2024				
Lease payments	22,957,507	70,904,137	149,806,710	243,668,354
Finance charges	(7,314,180)	(22,755,322)	(45,314,052)	(75,383,554)
Net present values	15,643,327	48,148,815	104,492,658	168,284,800
THE COMPANY				
	Within 1 year	Between	Over 5 years	Total
	€	1 and 5 years €	€	€
31 December 2025				
Lease payments	404,006	832,415	-	1,236,421
Finance charges	(39,218)	(33,286)	-	(72,504)
Net present values	364,788	799,129	-	1,163,917
31 December 2024				
Lease payments	397,156	1,239,760	-	1,636,916
Finance charges	(53,231)	(72,700)	-	(125,931)
Net present values	343,925	1,167,060	-	1,510,985

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

One of the Maltese subsidiaries has a short-term lease with a third party for the use of warehousing space in Malta. The contract is renewable every year and can be terminated by either of the parties with a short period of notice. As a result, management considers this lease to be a short-term lease for the purpose of IFRS 16. Payments made under short term lease are expected on a straight-line basis.

The Group also leases certain properties in Poland whereby it's committed to pay monthly payments to lessors based on the sales of each particular shop. This is considered as variable lease payments and therefore not permitted to be recognised a lease liability and is expensed as incurred.

At the reporting date presented, the Group had not committed to leases which had not yet commenced. There were no future cash outflows for leases that had not yet commenced in relation to buildings during the year of review.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	THE GROUP	
	2025 €	2024 €
Lease payments not recognised as a liability		
Short-term leases	498,850	459,301
Variable lease payments	12,852,811	12,013,070
	13,351,661	12,472,371

21. Investment property

THE GROUP	Total €
At 31 December 2023	183,533,458
Additions	1,443,020
Disposals	(277,859)
Increase in fair value (Note 7)	663,996
Decrease in fair value (Note 8)	(675,408)
Reclass to non-current assets held for sale (Note 38)	(37,959,219)
At 31 December 2024	146,727,988
Additions	65,659
Increase in fair value (Note 7)	3,983,912
Decrease in fair value (Note 8)	(56,000)
Reclassified from property, plant and equipment (Note 18)	95,511,338
At 31 December 2025	246,232,897

The fair value of the Group's properties classified as investment properties ("IP") of €246,232,897 (2024: €146,727,988) and property, plant and equipment ("PPE") of €48,971,876 (2024: €47,478,132) have been arrived at using a combination of internal and external valuations.

During 2025, external market valuations were obtained for most of the property portfolio. At the reporting date the Directors re-assessed the fair values of these properties and were of the opinion that their fair value had not altered significantly since the external valuations were performed in 2025.

In estimating the fair value of the property, the highest and best use of the property is its current use.

Investment properties are classified as Level 3.

All the properties located in the Baltics amounting to €33,889,009, classified as IP amounting to €19,432,009 and PPE amounting to €14,457,000 (2024: €33,408,918, classified as IP amounting to €19,400,000 and PPE amounting to €14,008,918) and the investment property located in Romania amounting to €95,400,000 (2024: €93,900,000) and PPE amounting to €12,561,776 (2024: €11,572,215) are classified as retail/commercial properties. The remaining properties are located in Malta.

The levels in the fair value hierarchy have been defined in Note 44. 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.

The fair value of the properties at 31 December 2025 classified as IP amounting to €246,232,897 and PPE amounting to €48,971,876 has been arrived at on the basis of internal assessments to reflect market conditions at the end of the reporting period. These internal assessments also considered independent external valuations obtained for all the Group's properties during previous years.

Valuation techniques and inputs

For the fair value of the investment properties located in Malta, which were valued externally, the valuation was determined based on comparable methods. The significant unobservable inputs were the rental yields and rental rates per square metre being derived from the properties.

Range of significant unobservable inputs	Rental yields	Rental rates per square metre
	%	€
2025 - Malta	4.00—6.00	109.89—678.39
2024 - Malta	4.00—6.00	109.89—678.39

Range of significant unobservable inputs	Discount rate	Growth rate
	%	%
2025 - Malta	9.10	3.00
2024 - Malta	N/A	N/A

For the fair value of the investment properties which were all valued externally, the valuation was determined based on comparable methods. The significant unobservable inputs were the rental yields and rental rates per square metre being derived from the properties. No comparative information is presented for 2024, as one of the Malta properties included in the 2025 disclosures was classified as property, plant and equipment in 2024.

Range of significant unobservable inputs	Discount rate	Growth rate
	%	%
2025 - Baltics	7.90-12.35	1.80-3.00
2024 - Baltics	8.88-10.50	0.48-17.83

For each valuation for which rental value and capitalisation rate have been determined to be the significant unobservable inputs, the higher the rental value and the lower the capitalisation rate, the higher the fair value. Conversely, the lower the rental value and the higher the capitalisation rate, the lower the fair value. A reasonable change in the unobservable inputs is not expected to result in a material change in the value of the property.

For the fair value of the investment properties located in Romania, which were valued externally, the valuation was determined based on Direct Capitalization Approach. The used capitalization rates range was 7.50%-9.00% (2024: 6.50%-10.90%).

Operating leases, the Group as a lessor

At the end of the reporting period, the respective lessees had outstanding commitments under non-cancellable operating leases, which fall due as follows:

THE GROUP	2025	2024
	€	€
Within one year	16,630,077	8,689,276
Between one and five years	70,510,797	44,114,604
After five years	140,084,472	96,866,934
	227,225,346	149,670,814

22. Financial assets

(a) Investments in subsidiaries

Details of the Company's investment in subsidiaries at 31 December 2025 and 2024 are as follows:

Carrying amount	€
At 1 January 2024	265,600,545
Additions	1
Reclassification from loan receivables	39,889,800
At 1 January 2025	305,490,346
Additions	14,950,397
Reclassification from loan receivables	219,000
At 31 December 2025	320,659,743

In 2025, included in the additions during the year, is an investment of €14,700,397 in Hili Properties p.l.c. A further amount of €250,000 has been invested in HV Hospitality Limited. An amount of €219,000 has been reclassified from loans and receivables, representing capitalisation to Battery Street Limited, resulting in an increase in the investment in this subsidiary.

In 2024, included in the additions during for the year, is an investment of €1 in Tigné Mall Limited ("Tigné Mall" – formerly Tigné Mall p.l.c.). An amount of €39,889,800 has been reclassified from loans and receivables, representing the following capitalisations: €29,998,800 made to Marsamxett Properties Limited ("Marsamxett Properties"), €331,000 made to Battery Street Limited and €9,560,000 made to HV Hospitality Limited, resulting in an increase in the investment in these subsidiaries.

Details of the Company's subsidiaries at 31 December 2025:

Name of subsidiary	Place of incorporation and ownership	Proportion of ownership interest 2025/2024	Holding	Portion of voting power held 2025/2024	Principal activity
1923 Investments Limited	Malta	99.99 (99.99)	Direct	99.99 (99.99)	Holding Company
Harvest Technology p.l.c.	Malta	62.95 (62.95)	Indirect	62.95 (62.95)	Holding Company
PTL Limited	Malta	62.95 (62.95)	Indirect	62.95 (62.95)	Providing end-to-end IT services
APCO Limited	Malta	62.95 (62.95)	Indirect	62.95 (62.95)	Sale of IT solutions and security systems
APCOPAY Limited	Malta	62.95 (62.95)	Indirect	62.95 (62.95)	Payment orchestrator and gateway provider
Ipsyon Limited	Malta	62.95 (62.95)	Indirect	62.95 (62.95)	Holding of intellectual property
iSpot Premium Romania	Romania	100 (100)	Indirect	100 (100)	Sale of retail and IT solutions
PTLtech (Mauritius) Limited	Mauritius	62.95 (62.95)	Indirect	62.95 (62.95)	Sale of IT solutions
iSpot Poland SP. Z O.O.	Poland	100 (100)	Indirect	100 (100)	Sale of retail and IT solutions
SAD SP. Z O.O.	Poland	100 (100)	Indirect	100 (100)	Sale of retail and IT solutions
iCenter Hungary kft	Hungary	50 (50)	Indirect	50 (50)	Apple Premium Reseller and Authorised Service Provider
Breakwater Investments Limited	Malta	100 (100)	Direct	100 (100)	Holding Company
Carmelo Caruana Company Limited	Malta	100 (100)	Indirect	100 (100)	Shipping agent
Motherwell Bridge Industries Limited	Malta	80 (80)	Indirect	80 (80)	Erection refurbishment of container handling equipment
Allcom SP. Z O.O.	Poland	100 (100)	Indirect	100 (100)	Shipping and freight forwarding
Motherwell Bridge Offsite Services, Unipessoal LDA	Portugal	100 (N/A)	Indirect	100 (N/A)	Specialised installation of machinery in an industrial complex
STS Marine Solutions UK Limited	UK	100 (100)	Indirect	100 (100)	Energy transfer and marine terminal support services.
Cobalt Leasing Limited	UK	100 (100)	Indirect	100 (100)	Container Leasing
STS Marine Solutions (Bermuda) Limited	Bermuda	100 (100)	Indirect	100 (100)	Ship-to-ship operations
SPT Marine Transfer Services Limited	Bermuda	100 (100)	Indirect	100 (100)	Terminal management
Guardian L.L.C.	Marshall Islands	100 (100)	Indirect	100 (100)	Operation of vessel
Techniplus S.A.	Morocco	80 (80)	Indirect	80 (80)	Crane and port services

22. FINANCIAL ASSETS (CONTINUED)

Name of subsidiary	Place of incorporation and ownership	Proportion of ownership interest 2025/2024	Holding	Portion of voting power held 2025/2024	Principal activity
Premier Capital p.l.c.	Malta	99.99 (99.99)	Direct	99.99 (99.99)	Holding Company
Premier Restaurants Malta Limited	Malta	100 (100)	Indirect	100 (100)	Operator McDonald's restaurants in Malta
SIA Premier Restaurants	Latvia	100 (100)	Indirect	100 (100)	Operator McDonald's restaurants in Latvia
Premier Restaurants Esti OU	Estonia	100 (100)	Indirect	100 (100)	Operator McDonald's restaurants in Estonia
UAB Premier Restaurants	Lithuania	100 (100)	Indirect	100 (100)	Operator McDonald's restaurants in Lithuania
Premier Restaurants Hellas Single Member S.A.	Greece	100 (100)	Indirect	100 (100)	Operator McDonald's restaurants in Greece
Premier Restaurants Romania SRL (PRR SRL)	Romania	N/A (N/A)	Indirect	N/A (N/A)	Operator McDonald's restaurants in Romania
Hili Properties p.l.c.	Malta	89.96 (74.83)	Direct	89.96 (74.83)	Holding Company
Hili Estates Holdings Company Limited	Malta	89.96 (74.83)	Indirect	89.96 (74.83)	Holding Company
Hili Estates Limited	Malta	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Premier Estates Limited	Malta	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Harbour (APM) Investments Ltd	Malta	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent of immovable property
Hili Properties BV	Netherlands	89.96 (74.83)	Indirect	89.96 (74.83)	Holding Company
Premier Estates Eesti OU	Estonia	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
UAV Premier Estates Lietuva	Lithuania	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Indev UAB	Lithuania	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
SIA Premier Estates Ltd SIA	Latvia	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
SIA Apex Investments	Latvia	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
SIA Tirdzniecibas centrs Dole	Latvia	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
SIA SC Stimu	Latvia	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Baneasa Real Estate SRL	Romania	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Hili Premier Estates Romania srl	Romania	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
Premier Assets SRL	Romania	89.96 (74.83)	Indirect	89.96 (74.83)	Hold and rent immovable property
HV Hospitality Limited	Malta	100 (100)	Direct	100 (100)	Acquisition, development, and management of hotels
Hili Finance Company p.l.c.	Malta	99.99 (99.99)	Direct	99.99 (99.99)	Holding Company
Marsamxett Properties Limited	Malta	100 (100)	Direct	100 (100)	Holding Company
Battery Street Limited	Malta	100 (100)	Direct	100 (100)	Hotel Operation
Tigné Mall Limited	Malta	100 (100)	Indirect	100 (100)	Management of The Point Shopping Mall
Harbour Holdings Limited	Malta	66.65 (66.65)	Direct	66.65 (66.65)	Holding Company
TBP Properties Single Member SA	Greece	100 (100)	Direct	100 (100)	Hold and rent immovable property

The registered addresses of the Company's direct and indirect subsidiaries at 31 December 2025 are as follows:

Name of subsidiary	Registered office
1923 Investments Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Harvest Technology p.l.c.	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
PTL Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
APCO Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
APCOPAY Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Ipsyon Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
iSpot Premium Romania	Calea Floreasca Nr. 246 B, Centrul Comercial Promenada In Prezent Denumita Unitatea Nr. 1F-055, București Sectorul 1, Romania
PTLtech (Mauritius) Limited	Suite 803, 8th Floor, Hennessy Tower, Pope Hennessy Street., Port Louis, Port Louis 11328, Mauritius
iSpot Poland SP. Z O.O.	Puławska 2, 02-566 Warsaw, Poland
SAD SP. Z O.O.	Puławska 2, 02-566 Warsaw, Poland
iCenter Hungary kft	1117 Budapest, Gabor Denes street 4. C. ep. Fsz., Hungary
Breakwater Investments Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Carmelo Caruana Company Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Motherwell Bridge Industries Limited	Hal Far Industrial Estate, Hal Far, Birzebuga, Malta
Allcom SP. Z O.O.	No. 16, 10 Lutego Street, 81 - 364 Gdynia, Poland
Motherwell Bridge Offsite Services, Unipessoal LDA	Rua Marginal do Rio Sousa, 9, R/C, Entrance 7, Porto, Paredes, 4580 144, Portugal
STS Marine Solutions UK Limited	1 The Cloisters, Sunderland, Tyne & Wear, SR2 7BD, United Kingdom

22. FINANCIAL ASSETS (CONTINUED)

Name of subsidiary	Registered office
Cobalt Leasing Limited	St John's Court, Easton Street, High Wycombe, HP11 1JX, United Kingdom
STS Marine Solutions (Bermuda) Limited	Appleby, Canon's Court, 22 Victoria Street, Hamilton, Bermuda, HM 12
SPT Marine Transfer Services Limited	Appleby, Canon's Court, 22 Victoria Street, Hamilton, Bermuda, HM 12
Guardian L.L.C.	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands
Techniplus S.A.	Complexe Futuris Logistics, Boulevard Moulay Ismail, Lotissement Ennouala 2, 1er étage, Dépôt AI-2, Ain Sebaa – Casablanca, Morocco
Premier Capital p.l.c.	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Premier Restaurants Malta Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
SIA Premier Restaurants	Duntes iela 6, Rīga, LV-1013, Latvia
Premier Restaurants Esti OU	Maakri 23A, Harju maakond, 10145, Tallinn, Estonia
UAB Premier Restaurants	Tilto g. 1, LT-01101 Vilnius, Lithuania
Premier Restaurants Hellas Single Member S.A.	9 Kleisouras, 14452, Metamorfofi, Attiki, Greece
Premier Restaurants Romania SRL (PRR SRL)	4-8 Nicolae Titulescu Road, America House Building, West Wing, 5th Floor, Sector 1, Bucharest, Romania
Hili Properties p.l.c.	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Hili Estates Holdings Company Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Hili Estates Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Premier Estates Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Harbour (APM) Investments Ltd	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Hili Properties BV	Herikerbergweg 88, 1101 CM Amsterdam, The Netherlands
Premier Estates Eesti OU	Maakri 23A, Harju maakond, 10145, Tallinn, Estonia
UAV Premier Estates Lietuva	Tilto g. 1, LT-01101 Vilnius, Lithuania
Indev UAB	Bridge G. 1, Vilnius, Lithuania
SIA Premier Estates Ltd SIA	Rīga, Kr. Valdemāra iela 21-11, LV-1010, Latvia.
SIA Apex Investments	Satekles iela 2B, Rīga, LV-1050, Latvia
SIA Tirdzniecibas centrs Dole	Latgales iela 357 - 2, Rīga, LV-1063, Latvia
SIA SC Stimu	Satekles iela 2B, Rīga, LV-1050, Latvia
Baneasa Real Estate SRL	Street BUCUREȘTI-PLOIEȘTI no. 89A, Building C2, Ground floor, București, District 1
Hili Premier Estates Romania srl	4-8 Nicolae Titulescu Road, America House Building, West Wing, 5th Floor, Sector 1, Bucharest, Romania
Premier Assets SRL	4-8 Nicolae Titulescu Road, America House Building, West Wing, 5th Floor, Sector 1, Bucharest, Romania
HV Hospitality Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Hili Finance Company p.l.c.	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Marsamxett Properties Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Battery Street Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
Tigné Mall Limited (formerly Tigné Mall p.l.c.)	Management Suite, The Point Shopping Mall, Pjazza Tigne Point, Sliema, TP 01, Malta
Harbour Holdings Limited	Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta
TBP Properties Single Member SA	280, Kifisias Ave, Halandri, 15232, Attika, Greece

(b) Non-controlling interest

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

THE GROUP	(Loss) / profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024
Name of group company	€	€	€	€
Non controlling interest in Hili Properties	740,575	(247,850)	12,704,988	22,361,444
Non controlling interest in 1923 investments	388,784	412,697	4,854,285	4,885,224
Non controlling interest in Motherwell Bridge Industries	(438,675)	(116,366)	(568,659)	(127,331)
	690,684	48,481	16,990,614	27,119,337

22. FINANCIAL ASSETS (CONTINUED)

(c) Investments in joint ventures

The investment in joint venture in iCentre Hungary Kft ("iCentre Hungary") was a result of a merger. This company holds 50% directly in iCentre Hungary. The registered office of iCentre Hungary Kft is Bécsi út 77-79, 1036 Budapest, Hungary.

Summarised financial information in respect of joint ventures is set out below:

THE GROUP	2025 €	2024 €
Carrying amount of the asset	1,184,933	1,208,237
Group's share of total (loss) / profit and total comprehensive income	(23,304)	15,526

The investment in joint ventures comprises of an investment of €1,184,933 (2024: €1,208,237) in iCentre Hungary.

A summary of the financial information of this joint venture is set out below:

THE GROUP	2025 €	2024 €
Current assets	3,545,377	3,112,714
Non-current liabilities	679,533	542,142
Current liabilities	(2,944,546)	(2,410,976)
Net assets	1,280,364	1,243,880
Revenue	20,725,806	17,030,741
Expenses	(20,770,619)	(16,993,026)
(Loss)/Profit for the year (net of tax)	(46,608)	31,052
Group's share of total (loss)/profit / total comprehensive (loss)/income	(23,304)	15,526

(d) Other investments

THE GROUP	2025 €	2024 €
As at 1 January	149,977	149,977
As at 31 December	149,977	149,977

During 2017, an indirect investment of €50,000 was made in Thought3D Ltd through one of the subsidiaries of 1923 Investments corresponding to 4% of this investment's share capital. During 2021, Harvest Technology p.l.c. made an additional investment in Thought3D Limited amounting to €99,977.

22. FINANCIAL ASSETS (CONTINUED)

(e) Other financial assets

Other financial assets in 2025 consist of derivative financial instruments amounting to €55,602 (2024: €186,441) comprising of an interest rate swap whereby subsidiaries of the Group entered into a contract to swap the floating rate on bank borrowings to a fixed rate. The interest rate swap is stated at fair value and is classified with financial assets classified as held-for-trading. In addition, €6,000 comprise of works of art acquired by one of the Group's subsidiaries (2024: €6,000) as well as an amount of €260,075 (2024: €292,814) being held as performance guarantee on long-term projects by one of the Group's subsidiaries. The total amount of other financial assets of €321,677 (2024: €485,255) is classified with non-current assets.

(f) Financial assets at fair value through other comprehensive income

THE GROUP	Local listed debt instruments €	Local listed equity instruments €	Foreign listed debt instruments €	Foreign listed equity instruments €	Foreign listed derivative instruments €	Foreign listed money market instruments €	Other instruments €	Cash in portfolio €	Total €
At 1 January 2024	882,547	134,431	12,583,885	18,889,322	-	-	32,490,185	133,850	32,624,035
Additions	-	-	10,546,819	31,020,868	67,628	2,462,426	44,097,741	(44,097,741)	-
Disposals	(250,000)	-	(14,563,396)	(25,742,193)	-	(2,459,163)	(43,014,752)	42,764,752	(250,000)
Deposit to the fund	-	-	-	-	-	-	-	1,104,236	1,104,236
Increase/(Decrease) in fair value	12,513	(18,258)	(9,175)	696,388	5,648	-	687,116	-	687,116
Reversal in fair value	(125)	-	(149,096)	(345,019)	-	-	(494,240)	-	(494,240)
Other movements	-	-	341,863	115,851	-	-	457,714	1,056,174	1,513,888
Exchange differences	-	13,908	-	209,025	(123)	(3,263)	219,547	(26,431)	193,116
At 1 January 2025	644,935	130,081	8,750,900	24,844,242	73,153	-	34,443,311	934,840	35,378,151
Additions	-	61,468,740	20,632,459	41,324,902	83,312	-	123,509,413	(122,709,413)	800,000
Disposals	(644,011)	(183,835)	(19,683,345)	(44,855,458)	(50,214)	-	(65,416,863)	64,636,017	(780,846)
Deposit to the fund	-	-	-	-	-	-	-	61,679,731	61,679,731
Withdrawal from the fund	-	-	-	-	-	-	-	(8,111,150)	(8,111,150)
(Decrease)/Increase in fair value	(3,178)	(1,032,483)	515,982	1,010,408	(118,521)	-	372,208	-	372,208
Reversal in fair value	3,985	(2,939)	(110,306)	(462,342)	113,153	-	(458,449)	-	(458,449)
Other movements	(1,731)	(9,993)	280,531	275,322	(101,183)	-	442,946	1,203,061	1,646,007
Exchange differences	-	-	(16,307)	(269,942)	300	-	(285,949)	95,168	(190,781)
At 31 December 2025	-	60,369,571	10,369,914	21,867,132	-	-	92,606,617	(2,271,746)	90,334,871

The carrying amount of the financial asset investments amounting to €90,334,871 (2024: €35,378,151) represents investments amounting to €60,369,571 (2024: €130,081) in local listed equity instruments and a collective investment scheme, investments in local listed debt of €Nil (2024: €644,935), investments amounting to €10,369,914 (2024: €8,750,900) in foreign listed debt instruments, investments amounting to €21,867,132 (2024: €24,844,242) in foreign listed equity instruments and liquidity of (€2,271,746) (2024: €934,840), which debit liquidity balance is subject to increase or decrease following investment trading.

During the year, the Group carried out investment activity including additions amounting to €123,509,413 (2024: €44,097,741) and disposals amounting to €65,416,863 (2024: €43,014,752). Disposals include an in-kind transfer of shares to Slingshot Global SICAV p.l.c. amounting to €61,468,740, representing the fair value of the instruments transferred, resulting in the recognition of an investment within the fund classified as financial assets at fair value through other comprehensive income.

During the year, deposits into the fund amounted to €61,679,731 (2024: €1,104,236) and withdrawals amounted to €8,111,150 (2024: €Nil).

The increase in fair value recognised through other comprehensive income as at 31 December 2025 amounted to €372,208 (2024: increase in fair value of €687,116).

Exchange loss arising on translation of foreign investments also recognised through other comprehensive income amounted to €190,781 (2024: gain of €193,116).

Reversal of fair value reserves on disposal of investments amounted to €458,449 (2024: €494,240).

22. FINANCIAL ASSETS (CONTINUED)

THE COMPANY

	Local listed debt instruments €	Foreign listed equity instruments €	Foreign listed derivative instruments €	Foreign listed money market instruments €	Cash in portfolio €	Total €
At 1 January 2024	-	6,592,213	8,080,166	14,672,379	65,090	14,737,469
Additions	-	6,449,854	17,188,711	23,638,565	(23,638,565)	-
Disposals	-	(8,720,888)	(14,460,724)	(23,181,612)	23,181,612	-
Deposit to the fund	-	-	-	-	1,104,236	1,104,236
(Decrease)/increase in fair value	-	(18,499)	233,828	215,329	-	215,329
Other movements	-	-	-	-	232,689	232,689
At 1 January 2025	-	4,302,680	11,041,981	15,344,661	945,062	16,289,723
Additions	61,468,740	11,611,208	17,117,164	90,197,112	(90,197,112)	-
Disposals	-	(11,377,937)	(21,215,592)	(32,593,529)	32,593,529	-
Deposit to the fund	-	-	-	-	61,679,731	61,679,731
Withdrawal from the fund	-	-	-	-	(8,111,150)	(8,111,150)
(Decrease)/increase in fair value	(960,449)	266,786	173,766	(519,897)	-	(519,897)
Other movements	-	-	-	-	735,612	735,612
At 31 December 2025	60,508,291	4,802,737	7,117,319	72,428,347	(2,354,328)	70,074,019

During the year, the Company invested €55,845,311 in local equity instruments classified as financial assets at fair value through profit or loss. These shares, held in Bank of Valletta p.l.c., were subsequently disposed of during the year through an in-kind transfer to Slingshot Global SICAV p.l.c. for a total consideration of €61,468,740, representing the fair value of the equity instruments at the transfer date. The disposal resulted in a gain of €5,623,429 which has been recognised in profit or loss as part of the gain on disposal of financial assets, as disclosed in Note 7.

The disposal consideration of €61,468,740 was satisfied through the in-kind transfer of the Bank of Valletta p.l.c. shares to Slingshot Global SICAV p.l.c., resulting in the recognition of an investment in a local listed equity instrument within the fund, classified as financial assets at fair value through other comprehensive income. As at 31 December 2025, this investment recorded a decrease in fair value of €960,449, resulting in a carrying amount of €60,508,291.

The carrying amount of the financial asset investments amounting to €70,074,019 (2024: €16,289,723) represents investments amounting to €60,508,291 (2024: €Nil) in local listed equity instruments, investments amounting to €4,802,737 (2024: €4,302,680) in foreign listed debt instruments, investments amounting to €7,117,319 (2024: €11,041,981) in foreign listed equity instruments, and liquidity of (€2,354,328) (2024: €945,062), which debit liquidity balance is subject to increase or decrease following investment trading. The decrease in fair value recognised through other comprehensive income as at 31 December 2025 amounted to €519,897 (2024: increase of €215,329).

(g) Loans and receivables

THE GROUP	Loans to related parties €	Other receivables €	Total €
2024			
Amortised cost			
At 31.12.2024	11,150,209	13,723,945	24,874,154
Less: amounts expected to be settled within 12 months (shown under current assets)	(1,648,920)	(5,356,000)	(7,004,920)
Amount expected to be settled after 12 months	9,501,289	8,367,945	17,869,234
2025			
Amortised cost			
At 31.12.2025	7,218,980	-	7,218,980
Less: amounts expected to be settled within 12 months (shown under current assets)	(238,078)	-	(238,078)
Amount expected to be settled after 12 months	6,980,902	-	6,980,902

22. FINANCIAL ASSETS (CONTINUED)

The terms and conditions of the above loans are disclosed in Note 39.

Loans to related parties of €6,980,902 (2024: €17,869,234) have no fixed date for repayment and are not expected to be realised within twelve months after the end of the reporting period.

Though the remaining loans amounting to €238,078 (2024: €7,004,920) have no fixed date for repayment, they are expected to be realised within twelve months after the reporting period. These amounts are unsecured and interest free.

THE COMPANY	Loans to shareholders €	Loans to subsidiaries €	Loans to related parties €	Total €
2024				
Amortised cost				
At 31.12.2024	9,525,612	80,491,919	5,361,549	95,379,080
Less: amounts expected to be settled within 12 months (shown under current assets)	(24,338)	(11,679,235)	(5,361,549)	(17,065,122)
Amount expected to be settled after 12 months	9,501,274	68,812,684	-	78,313,958
2025				
Amortised cost				
At 31.12.2025	6,980,887	76,226,250	185,743	83,392,880
Less: amounts expected to be settled within 12 months (shown under current assets)	-	(11,494,551)	(185,743)	(11,680,294)
Amount expected to be settled after 12 months	6,980,887	64,731,699	-	71,712,586

The loans bear interest at 4.50% (2024: 4.50%) except for loans amounting to €27,532,676 (2024: €36,692,676) advanced to 1923 Investments during 2024 which bear interest at 5.50%. Out of the total loans and receivables amounting to €83,392,880 (2024: €95,379,080), loans and receivables amounting to €5,105,213 (2024: €3,544,765) are unsecured and interest-free.

23. Inventories

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Contracts in progress	835,025	1,128,354	-	-
Finished goods and goods held for resale	25,128,727	22,262,890	-	-
Raw materials and consumables	12,699,308	10,857,133	-	-
	38,663,060	34,248,377	-	-

The amount of inventories recognised as an expense during the year amounted to €552,958,567 (2024: €506,182,816).

Write-offs of inventories recognised in the statement of profit or loss and other comprehensive income during the year amounted to €148,905 (2024: write-backs of €424,890) and are included with cost of sales and administrative expenses. Increase in provision for stock during 2025 amounted to €237,051 (2024: €82,406).

24. Trade and other receivables

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Trade receivables	28,422,081	22,810,990	-	-
Other receivables	19,972,077	19,008,923	421,555	134,539
Prepayments and accrued income	13,871,187	12,957,899	221,464	220,833
	62,265,345	54,777,812	643,019	355,372
Less: amounts expected to be settled within 12 months (shown under current assets)	(59,181,623)	(51,083,128)	(643,019)	(355,372)
	3,083,722	3,694,684	-	-

No interest is charged on trade and other receivables.

Allowance for estimated irrecoverable amounts

Trade and other receivables of the Group are stated net of an impairment provision for expected credit losses from non-performing receivables amounting to €1,942,905 (2024: €2,037,465). Movements in impairment provisions are included with administrative expenses.

25. Property held for sale

	THE GROUP	
	2025	2024
	€	€
Fair Value		
At 1 January	2,600,000	10,700,000
Disposals	(2,600,000)	(7,000,000)
Impairment on property held for sale (Note 8)	-	(1,100,000)
At 31 December	-	2,600,000

Properties held for sale were investment properties earmarked for sale.

The amount of €7,000,000 reclassified from investment property during 2023 has been disposed of in the prior year.

Property owned by one of the subsidiaries and classified as held for sale in the previous year, was sold in 2025 for €2,600,000. No gain or loss on sale was recognised.

26. Trade and other payables

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Trade payables	74,346,140	79,512,672	189,133	161,354
Other payables	35,582,635	32,404,490	326,453	280,228
Accruals and deferred income	53,959,838	48,788,355	1,411,975	1,238,076
	163,888,613	160,705,517	1,927,561	1,679,658
Less: amount due for settlement within 12 months (shown under current liabilities)	(159,463,902)	(158,525,720)	(1,927,561)	(1,679,658)
Amount due for settlement after 12 months	4,424,711	2,179,797	-	-

No interest is charged on trade and other payables.

27. Bank loans and overdrafts

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Bank overdrafts	20,436,906	7,783,018	15,756,339	-
Bank loans	201,730,624	139,739,203	38,000,000	23,500,000
	222,167,530	147,522,221	53,756,339	23,500,000
Less: amount due for settlement within 12 months (shown under current liabilities)	(73,928,364)	(41,021,877)	(48,256,339)	(6,000,000)
Amount due for settlement after 12 months	148,239,166	106,500,344	5,500,000	17,500,000

Bank loans and overdrafts are payable as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
On demand or within one year	73,928,364	41,021,877	48,256,339	6,000,000
In the second year	52,436,889	31,427,685	5,500,000	17,500,000
In the third year	16,472,265	33,797,917	-	-
In the fourth year	12,324,854	17,012,006	-	-
In the fifth year	10,857,934	6,553,294	-	-
After five years	56,147,224	17,709,442	-	-
	222,167,530	147,522,221	53,756,339	23,500,000

The Group

The Group's bank loans and overdraft facilities bear effective interest at the rates of 3.60 % to 8.00% (2024: 5.25% to 8.25%). The facilities are secured by hypothecs over the assets of the Group, guarantees provided by group and related parties, personal guarantees given by the Directors of the Group and a pledge over rent receivable from the Group's tenants.

Details of bank loans by division are as follows:

Premier Capital p.l.c. (“Premier Capital”)

The bank facility was granted by BRD–SG to Premier Restaurants Romania SRL in tranches. The loan balance as at 31 December 2023 amounting to €10,561,103 has been partially refinanced during 2023. As at year end, the refinanced portion has a loan balance of €3,059,883 (2024: €3,059,883) and bears an interest rate of 3-month Euribor +1.85% per annum. The remaining loan balance of €3,040,751 (2024: €3,040,751) still bears an interest rate of 3-month ROBOR +1.40% per annum. Facility term of this tranche remains unchanged at seven years.

In March 2023 and in December 2024, another two tranches from the same facility were drawn down for an amount of €12,500,000 respectively. As at the end of the reporting period, the loan balance amounted to €17,105,264 (2024: €22,368,422). The loan bears interest of 3-month Euribor +1.50% per annum (2024: 3-month Euribor +1.70% per annum) and has a term of six years.

In July 2025, another tranche from the same facility was drawn down for an amount of €11,590,000. As at the end of the reporting period, the loan balance amounted to €11,590,000. The loan bears interest of 3-month Euribor +1.50% per annum and has a term of six years.

The loan facility is secured by a pledge over the entity’s immovable and movable property.

Premier Capital Hellas S.A. has been granted five loan facilities for the financing of working capital and capital expenditure requirements. In June 2024, all loan facilities were refinanced into one loan facility with a balance of €9,833,360 bearing an interest rate of +3.87% (2024: +4.47%). The loan balance as at the end of the reporting period amounted to €7,412,500 (2024: €9,059,740). The loan is secured by a letter of comfort issued by the subsidiary.

During the year, Premier Capital Hellas S.A. utilised an overdraft facility with a limit of €4,000,000 and bearing an interest rate of 3.84% per annum.

In 2025, the Premier Capital utilised an overdraft facility with a limit of €9,850,000 (2024: €2,000,000) and bearing an interest rate of 2.50% over bank base rate presently standing at 2.35% (2024: 2.50% over bank base rate presently standing at 2.35%).

Hili Properties p.l.c.

Hili Properties Group bank loans facilities bear effective interest at the rates ranging from 3.80% to 5.00% per annum (2024: 5.30% to 7.70%). The Hili Properties group’s bank borrowings facilities amount to €70,320,722 (2024: €70,320,722).

During the year ended 31 December 2025, Hili Properties p.l.c. undertook a refinancing exercise whereby existing bank loans in the Baltics, Malta, and one facility in Romania were refinanced through new bank borrowings raised at the Malta level. This restructuring centralized the Group’s external financing within Malta and replaced the previously existing local borrowing arrangements.

The facilities are secured by special hypothecs over the investment property of the group, a general hypothec over the assets of the Hili Properties group, guarantees provided by other related party and a pledge over rent receivable from the Hili Properties group’s tenants.

1923 Investments Limited (formerly 1923 Investments p.l.c.)

During 2020, 1923 Investments obtained a loan with a local bank for €2,250,000. Another loan was obtained with this same bank during 2021 for €430,000. At 31 December 2025, the balance of the loans amounted to €2,588 (2024: €871,354) and €Nil (2024: €233,834) respectively, included with the balance of bank loans above. The loans are payable by quarterly instalments of €93,834 and €18,424 respectively, bear interest at 5.40% per annum and repayable in full within 7 years of drawdown. This loan is unsecured and ranks with priority to all other general creditors of 1923 Investments.

In December 2021, 1923 Investments obtained a loan from another local bank for €6,000,000. The loan was payable by quarterly instalments of €330,860 and bore interest at 3.75% per annum plus 3-month Euribor per annum and repayable in full within 5 years from drawdown. On 9 July 2024, 1923 Investments fully repaid the outstanding balance amounting to €3,355,924.

In March 2023, 1923 Investments obtained a loan from a local bank for €21,400,000. The loan was payable in quarterly instalments of €1,370,000 and borne interest at 4.10% per annum plus 3-month Euribor and was repayable in full within 5 years from drawdown. On 9 July 2024, 1923 Investments fully repaid the outstanding loan balance amounting to €16,050,000.

Harvest Technology had no borrowings or overdrawn bank facilities at 31 December 2025 (2024: €Nil). At the end of the current reporting period, Harvest Technology had three overdraft facilities in two of its subsidiaries amounting to €1,370,000 secured by general hypothecs over present and future assets of the Harvest pillar and bear interest between 3.66% and 5.00% (2024: 4.85% and 6.37%).

The Group’s banking facilities for iSpot Poland Sp. z o.o. includes an overdraft facility of PLN35,000,000 (€8,291,874) and Import Loan facilities of PLN25,000,000 (€5,922,747).

Furthermore, mBank is providing facilities of PLN162,000,000, equivalent to €38,379,531 (2024: PLN150,000,000, equivalent to €35,087,719) consisting of:

- Multi-product umbrella facility of PLN47,000,000, equivalent to €11,134,802 (2024: PLN30,000,000, equivalent to €7,017,544);
- Reverse factoring of PLN25,000,000, equivalent to €5,922,767 (2024: SBDC of PLN25,000,000, equivalent to €5,847,953) issued for Apple Distribution International;
- Guarantee line for payment guarantees of PLN90,000,000, equivalent to €21,321,962 (2024: PLN95,000,000, equivalent to €22,222,222)

The above facilities are secured by:

- Registered pledge on iSpot’s assets, including inventories and receivables from eService as well as assignment of rights from insurance policy;
- BGK guarantees; and
- Declarations of voluntary submission to enforcement pursuant to Article 777.1 of the Code of Civil Procedure in favour of the Bank.

Breakwater Investments Limited

As at 31 December 2025, Carmelo Caruana Company’s banking facilities comprise overdraft facilities of €686,350 (2024: €686,350). The bank overdrafts bear an effective interest at the rate of 5.15% and 6.26% (2024: 5.15% and 6.26%). The company’s banking facilities also include a special guarantee facility of €359,588 (2024: €359,588) and a structured trade finance facility of €2,040,090 (2024: €2,040,090). The structured trade finance facility bears an effective interest at the rate of 8.00% (2024: 8.00%). These banking facilities are secured by special and general hypothecs on the assets of Carmelo Caruana Company and by guarantees given by the Directors of the subsidiaries and related companies.

The overdraft facility in Poland for ALLcom Sp. z o.o. (“ALLcom”) amounting to €473,821 (2024: €467,836) bears variable interest rate of 5.24% (2024: 6.97%) per annum. It is secured on the bank guarantee issued by Bank Gospodarstwa Krajowego from de minimis support.

Motherwell Bridge Industries has bank overdraft facilities amounting to €1,752,950 (2024: €1,752,950). These bear interest at 5.25% - 6.25% (2024: 5.25% - 6.25%) per annum over the Euribor rate and were secured by a general hypothec over the subsidiary’s assets, guarantees given by the subsidiary’s ultimate parent and related companies and a personal guarantee given by a Director of the subsidiary.

Techniplus S.A. (Techniplus) has a bank overdraft facilities amounting to €947,807 (2024: €950,661). This facility bears interest at 6.00% - 6.50% (2024: 5.50% - 6.50%) per annum and is secured by Motherwell Bridge Limited’s guarantee of €1,300,000 in CDM and Kc’s guarantee of €2,000,000 in BMCE.

Marsamxett Properties Limited

During the year, the Marsamxett Properties entered into a new loan facility of €35,000,000, against which repayments were made, resulting in an outstanding balance of €33,444,440 as at 31 December 2025. This loan is payable over 15 years with monthly capital instalments and quarterly interest at 3.00% p.a. The loan is secured by general hypothec over the assets of the company and its subsidiary and a special hypothec over the subsidiary's Development T2 Retail Mall and car park.

Tigné Mall Limited

Tigné Mall has a bank term facilities amounting to €5,903,274 (2024: €6,505,708). This facility bears a weighted effective interest rate of 3.00% (2024: 3.00%) per annum and they are secured by a general hypothec on the company's assets and by a special hypothec over the title of temporary emphyteusis granted by the Government of Malta, expiring in 2099. This temporary emphyteusis commenced on 15 June 2000 over the parcel of land at Tigné Point developed into the shopping mall (T2). Moreover, the facilities are secured by a pledge on the comprehensive insurance policy covering The Point shopping mall, which secures the loans to the extent of those risks covered in the policy.

The Company

During the financial year ended 2025, the Company entered into two additional loan facilities with HSBC Bank Malta p.l.c. amounting to €15,000,000 and €6,000,000 respectively. The €15,000,000 facility bears a fixed interest rate of 4.21% per annum and is repayable by 31 March 2026, while the €6,000,000 facility bears a fixed interest rate of 5.35% per annum and is repayable by 22 November 2027. These facilities are in addition to the existing €17,500,000 loan facility entered into in 2024 with HSBC Bank Malta p.l.c., which bears a fixed interest rate of 5.00% per annum and is repayable by 31 December 2026.

As at year end, the Company had three fully drawn term loan facilities with HSBC Bank Malta p.l.c. amounting in aggregate to €32,500,000 (2024: €17,500,000). The €17,500,000 facility bears interest at 2.65% per annum above the Bank's Commercial Managed Base Rate of 2.35% per annum. The €15,000,000 facility bears interest at 2.15% per annum above the 3-month Euribor, currently 2.06%. In addition, €5,500,000 had been drawn down from the €6,000,000 facility, which bears interest at 3.00% per annum above the Bank's Commercial Managed Base Rate of 2.35% per annum.

The Company maintains two bank overdraft facilities comprising €20,000,000 with Bank of Valletta p.l.c. at a fixed interest rate of 4.00% per annum and €2,000,000 with HSBC Bank Malta p.l.c. at a fixed interest rate of 5.60% per annum. Both overdraft facilities are repayable on demand. As at the reporting date, €14,268,092 and €1,488,247 had been drawn down from the respective facilities.

28. Other financial liabilities

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Amounts owed to group undertakings	-	-	285,560,599	275,709,642
Amounts owed to related undertakings	-	-	-	-
Amounts owed to shareholders	-	2,000,000	-	2,000,000
	-	2,000,000	285,560,599	277,709,642
Less: amount due for settlement within 12 months (shown as current liabilities)	-	(2,000,000)	(15,359,159)	(9,646,661)
Amount due for settlement after 12 months	-	-	270,201,440	268,062,981

The Group

The terms and conditions of amounts due to group undertakings and other related parties are disclosed in Note 39.

The Group and the Company

As at 31 December 2025, the Company owed €Nil to its shareholders (2024: €2,000,000). The loan was interest-free and was repaid during 2025.

The Company

The terms and conditions of amounts due to group undertakings are as follows:

- Amounts of €7,187,449 (2024: €7,075,343) that bear no interest, and are repayable by the 31st of December 2026.
- Amounts of €3,500,000 (2024: €3,500,000) that bear interest at 4.50% per annum, and are repayable by the 31 December 2026.
- Amounts of €3,095,630 (2024: €3,095,630) that bear interest at 4.50% per annum, and are repayable by the 31st of December 2027.
- Amount of €4,000,000 (2024: €4,000,000) that bears interest at 4.50% per annum, and is repayable by the 31st of December 2026.
- Amount of €750,000 (2024: €750,000) that bears interest at 4.50% per annum and is repayable by the 31st of December 2026.
- Amount of €50,000,000 (2024: €50,000,000) that bears interest at 4.50% per annum, and is repayable by the 7th March 2027.
- Amount of €41,930,958 (2024: €41,930,958) that bears interest at 4.50% per annum, and is repayable by the 30th June 2028.
- Amount of €80,000,000 (2024: €80,000,000) that bears interest at 4.50% per annum, and is repayable by the 20th August 2029.
- Amount of €80,000,000 (2024: €80,000,000) that bears interest at 5.50% per annum, and is repayable by the 30th June 2029.
- Amount of €7,000,000 (2024: €7,000,000) that bears interest at 4.50% per annum, and is repayable by the 31st of December 2028.
- Amount of €9,969,964 (2024: €Nil) that bears interest at 3.50% per annum, and is repayable by the 31 December 2029.
- Included in amounts owed to group undertakings is an amount of €562,598 (2024: €733,728) comprising of bond issue costs which are being amortised over a period of 10 years until 24 July 2028 and 27 August 2029 respectively, an amount of €168,757 (2024: €313,404), comprising of bond issue costs which are being amortised over a period of 5 years until 11 March 2027, an amount of €907,255 (2024: €1,166,475) comprising of bond issue costs which are being amortised over a period of 5 years until 17 July 2029 and an amount of €156,502 (2024: €Nil) comprising of bond issue costs which are being amortised over a period of 7 years until 6 February 2033.

€4,300,000 owed to group undertakings at 31 December 2023 were repaid in full during 2024.

29. Disposal of subsidiaries classified as discontinued operations

On 31 January 2024, 1923 Investments Limited, a direct subsidiary of the Group, announced the sale of 100% of its shares in E-Lifecycle Holdings GmbH. The consideration paid upon execution of SPA amounted to €1.

Revenue and expenses, gains and losses relating to the discontinuation of the operations have been eliminated from the results of the Group's continuing operations and are shown as a single line item on the face of the statement of comprehensive income.

The results from the discontinued operations in this disposal group are summarised as follows:

THE GROUP		
	2025	2024
	€	€
Revenue	-	54,606
Direct operating costs	-	(34,498)
Gross profit	-	20,108
Administrative expenses	-	(429,536)
Depreciation and amortisation	-	(55,380)
Finance costs	-	(12,743)
Loss before tax	-	(477,551)
Current tax	-	-
Deferred expense	-	-
Loss from discontinued operations	-	(477,551)

THE GROUP		
	2025	2024
	€	€
Operating activities	-	(895,672)
Investing activities	-	100,000
Financing activities	-	47,515
Net cash flow	-	(748,157)

30. Contract liabilities

The amounts recognised as contract liabilities will be utilised within the next reporting period.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Deferred service income	1,975,296	2,313,611	-	-

Deferred service income represents customer payments received or due in advance of performance (contract liabilities) that are expected to be recognised as revenue in 2026. As described in Note 2, maintenance, servicing and support contracts are entered into for periods between one and five years. On the other hand, consultancy and development of IT systems are usually completed within 12 months. Nevertheless, the Group may occasionally have projects for consultancy and development of IT systems that span over more than 12 months.

Deferred service income on development maintenance, servicing and support at 31 December 2025 amounts to €1,750,113 (2024: €2,202,643).

30. CONTRACT LIABILITIES (CONTINUED)

Deferred service income on payment gateway at 31 December 2025 amounts to €98,267 (2024: €70,982).

Deferred income on sale of information technology solutions and licenses at 31 December 2025 amounts to €126,916 (2024: €39,986).

The amounts recognised as a contract liability will generally be utilised within the next reporting period.

31. Deferred taxation

THE GROUP	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Other adjustments and reclassifications	Closing balance
	€	€	€	€	€
Deferred tax liability					
2025					
<i>Arising on:</i>					
Investment property	21,517,274	944,721	-	-	22,461,995
Provisions	182,297	(21,092)	-	14,540	175,745
"Temporary difference on trade receivables"	(195,142)	(1,433)	-	-	(196,575)
Intangible asset	2,339,406	(167,738)	-	-	2,171,668
Property, plant and equipment	3,074,200	276,123	1,593,855	925	4,945,103
Other temporary differences	541,993	(435,066)	-	3,759	110,686
Unutilised tax losses	991	-	-	-	991
Unutilised capital losses	291,455	-	-	-	291,455
Merge settlement	-	9,097	-	-	9,097
Unabsorbed capital allowances	119,993	-	-	-	119,993
	27,872,467	604,612	1,593,855	19,224	30,090,158
Deferred tax asset					
<i>Arising on:</i>					
Property, plant and equipment	(2,050,527)	519,193	-	-	(1,531,334)
Intangible assets	(452)	(775)	-	-	(1,227)
Unutilised capital losses	(338,333)	221,909	-	-	(116,424)
Unabsorbed capital allowances	(53,699)	(44,284)	-	-	(97,983)
Unutilised tax losses	(712,718)	(30,126)	-	-	(742,844)
Provision for bad debts	(281,166)	-	-	-	(281,166)
Unutilised tax credits	(2,042)	-	-	-	(2,042)
Accelerated tax depreciation	291,777	-	-	-	291,777
Provision for liabilities	(591,464)	23,796	-	-	(567,668)
Other temporary differences	(1,679,141)	(262,774)	-	-	(1,941,915)
"Temporary differences on non current assets"	(1,867)	-	-	-	(1,867)
Investment property	(47,701)	-	-	-	(47,701)
	(5,467,333)	426,939	-	-	(5,040,394)
	22,405,134	1,031,551	1,593,855	19,224	25,049,764

31. DEFERRED TAXATION (CONTINUED)

THE GROUP	Opening balance €	Arising on business combination €	Recognised in profit or loss €	Other adjustments and reclassifications €	Closing balance €
Deferred tax liability					
2024					
<i>Arising on:</i>					
Investment property	6,037,176	15,346,642	133,456	-	21,517,274
Provisions	473,029	-	(290,732)	-	182,297
Temporary difference on trade receivables	(195,142)	-	-	-	(195,142)
Intangible asset	882,483	-	(290,507)	1,747,430	2,339,406
Property, plant and equipment	2,903,880	1,316,213	(1,151,527)	5,634	3,074,200
Other temporary differences	594,354	-	766,391	(819,251)	541,494
Unutilised tax losses	991	-	-	-	991
Unutilised capital losses	291,455	-	-	-	291,455
Merge settlement	-	-	-	-	-
Unabsorbed capital allowances	-	-	119,511	482	119,993
	10,988,226	16,662,855	(713,408)	934,295	27,871,968
Deferred tax asset					
<i>Arising on:</i>					
Property, plant and equipment	(1,854,888)	-	(195,639)	-	(2,050,527)
Intangible assets	-	-	(452)	-	(452)
Unutilised capital losses	(338,333)	-	-	-	(338,333)
Unabsorbed capital allowances	(109,695)	-	55,996	-	(53,699)
Unutilised tax losses	(52,231)	-	(660,487)	-	(712,718)
Provision for bad debts	(281,166)	-	-	-	(281,166)
Unutilised tax credits	(2,042)	-	-	-	(2,042)
Accelerated tax depreciation	291,777	-	-	-	291,777
Provision for liabilities	(1,073,119)	-	481,655	-	(591,464)
Other temporary differences	(1,002,602)	-	(676,539)	-	(1,679,141)
Temporary differences on non current assets	(1,867)	-	-	-	(1,867)
Investment property	(47,701)	-	-	-	(47,701)
	(4,471,867)	-	(995,466)	-	(5,467,333)
	6,516,359	16,662,855	(1,708,874)	934,295	22,404,635

THE COMPANY	Opening balance €	Recognised in profit or loss €	Closing balance €
2025			
<i>Arising on:</i>			
Other temporary differences	417,330	198,780	616,110
2024			
<i>Arising on:</i>			
Other temporary differences	386,357	30,973	417,330

32. Debt securities in issue

	THE GROUP	
	2025 €	2024 €
4.00% unsecured bonds redeemable 2027 (Hili Finance Company p.l.c.)	49,831,247	49,686,599
3.85% unsecured bonds redeemable 2028 (Hili Finance Company p.l.c.)	39,661,190	39,595,860
5.00% unsecured bonds redeemable 2029 (Hili Finance Company p.l.c.)	79,092,755	78,833,524
3.80% unsecured bonds redeemable 2029 (Hili Finance Company p.l.c.)	79,776,200	79,670,411
3.75% unsecured bonds redeemable 2026 (Premier Capital p.l.c.)	64,914,147	64,820,488
5.1% unsecured bonds redeemed in 2024 - balance with bondholders whose accounts with the Malta Stock Exchange were marked as held (1923 Investments p.l.c.)	83,700	185,400
4.5% unsecured bonds redeemable 2025 (Hili Properties p.l.c.)	-	36,939,753
	313,359,239	349,732,035

Hili Finance Company p.l.c.*ij) 3.85% unsecured bonds redeemable 2028*

In July 2018, the Hili Finance Company p.l.c. ("Hili Finance Company") issued 400,000 3.85% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 24 July 2028.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is €40,000,000. The market value of debt securities on the last day before the statement of financial position date was €38,004,000 (2024: €39,392,000).

Interest is repayable on 24 July of each year at the rate of 3.85% per annum, payable annually in arrears on each interest payment date.

Transaction costs of €653,301 (€472,343 paid out of bond proceeds and €180,958 paid out of Hili Finance Company funds) directly related to the bond issuance were recharged and borne by the Company.

The net proceeds from the bond issuance of €39,527,657 and the transaction costs were all advanced to the Company.

ii) 3.80% unsecured bonds redeemable 2029

In August 2019, Hili Finance Company issued 800,000 3.80% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 27 August 2029.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is €80,000,000. The market value of debt securities on the last day before the statement of financial position date was €76,008,000 (2024: €77,040,000).

Interest is repayable on 27 August of each year at the rate of 3.80% per annum, payable annually in arrears on each interest payment date.

Transaction costs of €1,057,907 (€755,333 paid out of bond proceeds and €302,574 paid out of Hili Finance Company funds) directly related to the bond issuance were recharged and borne by the Company.

The net proceeds from the bond issuance of €79,244,667 and the transaction costs were all advanced to the Company.

iii) 4.00% unsecured bonds redeemable 2027

In March 2022, Hili Finance Company issued 500,000 4.00% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 11 March 2027.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is €50,000,000. The market value of debt securities on the last day before the statement of financial position date was €48,505,000 (2024: €49,995,000).

Interest is repayable on 11 March of each year at the rate of 4.00% per annum, payable annually in arrears on each interest payment date.

Transaction costs of €706,922 (€541,644 paid out of bond proceeds and €165,278 paid out of Hili Finance Company funds) directly related to the bond issuance were recharged and borne by the Company.

The net proceeds from the bond issuance of €48,505,000 and the transaction costs were all advanced to the Company.

iv) 5.00% unsecured bonds redeemable 2029

In July 2024, Hili Finance Company issued 800,000 5.00% unsecured bonds of a nominal value of €100 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 17 July 2029.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bonds is €80,000,000. The market value of debt securities on the last day before the statement of financial position date was €79,360,000 (2024: €81,600,000).

Interest is repayable on 17 July of each year at the rate of 5.00% per annum, payable annually in arrears on each interest payment date.

A non-cash exchangeable bond transfer of €24,219,600 was affected from 5.10% 1923 Investments Limited Unsecured Bonds 2024 to 5.00% Hili Finance Company unsecured Bonds 2029.

Transaction costs of €1,126,630 (€1,048,461 paid out of bond proceeds and €78,169 paid out of the Hili Finance Company funds) directly related to the bond issuance were recharged and borne by the Company.

The net proceeds from the bond issuance of €54,731,939 and the transaction costs were all advanced to the parent Company.

All of the bonds are guaranteed by the Company.

Premier Capital p.l.c.

3.75% unsecured bonds redeemable 2026

In November 2016, Premier Capital p.l.c. issued 650,000 3.75% unsecured bonds of a nominal value of €100 per bond. The bonds are redeemable at their nominal value on 23 November 2026.

Interest on the bonds is due and payable annually on 23 November of each year.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the 3.75% bonds is net of direct issue costs of €85,853 (2024: €179,512) which are being amortised over the life of the bonds. The market value of debt securities on the last trading day before the statement of financial position date was €64,031,500 (2024: €64,350,000).

1923 Investments Limited

5.10% unsecured bonds redeemed in 2024

In December 2014, 1923 Investments issued 360,000 5.10% unsecured bonds of a nominal value of €100 per bond. The bonds were redeemable at their nominal value on 4 December 2024.

During July 2024, Hili Finance Company issued 5.00% Hili Finance Company unsecured bonds with €36,000,000 of such bonds reserved for the exchange and cancellation of Hili Finance Company existing bonds. Bondholders holding a total aggregate amount of €24,219,600 accepted the exchange offer with the equivalent amount transferred to amounts owed to the Company.

An amount of €11,595,000 was paid on 4 December 2024. The balance of €83,700 (2024: €185,400) relates to bondholders whose accounts with the Malta Stock Exchange were marked as held and therefore not yet settled.

Hili Properties p.l.c.

4.50% unsecured bonds redeemable 2025

In October 2015, Hili Properties p.l.c. issued 370,000 4.50% unsecured bonds of a nominal value of €100 per bond. The bonds were redeemable at their nominal value in 2025. The bonds were redeemed in full on the 16th October 2025.

The bond was guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited. The full terms of the guarantee was disclosed in the bond prospectus.

33. Share capital

In 2025 and 2024, the authorised share capital remained unvaried at:

- 16,000,000 ordinary shares of €1 each, of which €1,000,000 ordinary shares were issued and called up, and;
- 79,000,000 non-cumulative 6.80% redeemable preference shares of €1 each, of which 68,400,000 shares were issued and called up.

All ordinary shares issued in the Company rank pari-passu in all respects including dividend rights and capital repayment rights.

Although the preference shares are redeemable, they still meet the definition of an equity instrument as stipulated in International Accounting Standard 32, Financial Instruments, as the redemption of the 68,400,000 preference shares at 6.80% are redeemable at par value at the option of the Company by 31 December 2099 following a resolution to this effect at the General Meeting.

The ordinary shares of the Company rank after the preference shares as regards payment of dividends and return of capital but carry full voting rights at general meetings of the Company. Voting rights are not available to the preference shareholders. Dividends payable on ordinary shares fluctuate depending on the Company's results whereas preference dividends are payable at a fixed rate and are non-cumulative.

At 31 December 2025 and 2024, the above-mentioned shares have been subscribed to by the following shareholders:

- APM Holdings Limited, 500,000 ordinary shares and 68,400,000 6.80% non-cumulative redeemable preference shares.
- Slingshot Capital Limited, 500,000 ordinary shares.

34. Significant non-cash transactions

In addition to the amounts disclosed in Note 45 (Liquidity risk), during 2025 there were the following significant non-cash transactions for the Company:

- a) A non-cash dividend amount of €10,000,000 was issued to APM Holdings Limited and allocated against loans payable.
- b) The amount of €219,000 receivable from Battery Street Limited was converted into an increase in Investment in Battery Street Limited.
- c) The amount payable from APM Holdings Limited to Breakwater Investments Limited of €1,559,495 was assigned from APM Holdings Limited to the Company. The assigned amount of €1,559,495 payable to Breakwater Investments Limited by the Company was set off against the loan receivables from Breakwater Investments Limited €812,000 and trading receivables of €747,495.
- d) During the year, Bank of Valletta p.l.c. shares were transferred in-kind from the Company to Slingshot Global SICAV p.l.c. for a total consideration of €61,468,740, representing the fair value of the equity instruments at the transfer date.

34. SIGNIFICANT NON-CASH TRANSACTIONS (CONTINUED)

In 2024 the significant non-cash transactions for the Company were the following:

- Included in loans to subsidiaries is an amount of €39,889,800 which has been reclassified from loans receivable from subsidiaries.
- The Company additionally recognised lease liabilities amounting to €4,600 on 1 June 2024, due to additional contracts. Cash payments made on the total leases amounted to €388,931 (inclusive of interest). The interest expense during the year amounted to €66,208. The interest, together with the additions to leases recognised during the year, represent the non-cash movements of €70,805 presented in Note 45 for leases.
- A loan payable of €22,406,924 was set off against a loan receivable of €24,219,600 in July 2024.
- A loan payable of €480,000 was set off against a loan receivable upon the distribution of non-cash dividend in January 2024.

35. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts in the statement of financial position:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Cash at bank and on hand	59,742,307	71,770,579	37,137	1,419,825
Overdrawn bank balances	(20,436,906)	(7,783,018)	(15,756,339)	-
Cash and cash equivalents in the statements of cash flows	39,305,401	63,987,561	(15,719,202)	1,419,825

Cash at bank earns interest at floating rates based on bank deposit rates.

Restricted cash which is not available for use by the Group as at 31 December 2025, amounted to €961,153 (2024: €1,250,923).

This is restricted by banks in Romania for the duration of the loans taken out on the properties, which amount is equivalent to the monthly bank loan principal and interest payment. Accordingly, this is classified under non-current assets.

36. Acquisition of subsidiaries

Hili Properties p.l.c.

As at 23 December 2022 the Hili Properties Group entered into the share purchase agreement for the acquisition of the remaining 25% shares in Baneasa Real Estate SRL. The final consideration for the purchase of the minority shareholding was completed during August 2024 for the amount of €7,461,223. Following the completion of this transaction, the Group acquired 100% ownership of Baneasa Real Estate SRL. As a result, the cumulative non-controlling interest amounting to €9,550,372 has been derecognised in full.

Marsamxett Properties

During 2023, Marsamxett Properties a subsidiary of the Group, acquired a 33.33% interest in Tigné Mall for €15,397,180 classified as an associate and accounted for at cost.

Until end of July 2024, Marsamxett Properties acquired a further 16.40% interest bringing the total to 49.70%.

Following the successful bid made by Marsamxett Properties on 13 September 2024, the Company acquired a further 45.20% of the shares in Tigné Mall on 21 October 2024, with the total holdings increasing to 94.90%. As a result of such transaction, the Company obtained control over this subsidiary by the end of 2024, and all the assets and liabilities of Tigné Mall were included in the consolidated results of the Group as at 31 December 2024.

On 12 December 2024, the Group acquired the remaining 5.10% interest in Tigné Mall bringing its ownership to 100%. As a result, the total payments made during 2024 to acquire the remaining shares in Tigné Mall amounted to €37,997,073.

The fair value of identifiable net assets was finalised after acquisition and included a €11,731,469 upward adjustment to the value of property, plant and equipment. Although this uplift was determined post-acquisition, it reflects market conditions at the acquisition date and is therefore included in the fair value of identifiable net assets.

The fair value of identifiable assets acquired and liabilities in Tigné Mall was:

	21 October 2024 €	12 December 2024 €
Property, plant and equipment (gross of fair value uplift)	93,389,271	93,000,000
Trade and other receivables	3,068,264	4,424,228
Right-of-use assets	4,630,787	4,620,442
Cash at bank and in hand	3,584,042	3,584,042
Trade and other liabilities	(6,544,367)	(6,912,211)
Bank borrowings	(6,505,708)	(6,505,708)
Deferred tax liabilities	(16,662,855)	(16,621,083)
Lease Liabilities	(4,331,545)	(4,331,545)
Fair value of assets and liabilities acquired	70,627,889	71,258,165

	21 October 2024	12 December 2024	Total
Bargain purchase arising on acquisition: %	94.90%	5.10%	100.00%
Fair value of identifiable assets and liabilities acquired €	67,025,867	3,602,022	70,627,889
Consideration transferred €	(50,383,130)	(3,011,122)	(53,394,252)
Share of profits from associate up to 31 December 2023 €	(220,856)	-	(220,856)
	16,421,881	590,900	17,012,781

The bargain purchase on acquisition resulted from two factors. The first is that the Group acquired the shares in the acquiree at a price which, although at or slightly above the traded market price at the date of acquisition, was lower than the net asset value per share of the acquiree at the date of acquisition. The second factor was the revaluation of the acquiree's property, plant and equipment which was conducted at 31 December 2024. Because of the short lapse of time between the date of acquisition and the date of the revaluation, the Directors concluded that the effect of the revaluation should be taken into account when determining the fair value of the assets and liabilities acquired at acquisition date.

37. Disposal of subsidiaries

1923 Investments Limited

On 31 January 2024, 1923 Investments disposed of 100% interest in E-Lifecycle Holdings GmbH. An analysis of assets and liabilities over which control was lost is as follows:

	€
Cash and cash equivalents	504,013
Intangible assets	57,289
Property, plant and equipment	482,971
Right-of-use assets	2,346,910
Lease liabilities	(2,474,648)
Inventory	318,963
Trade and other receivables	319,766
Other non-current assets	104,979
Trade and other payables	(1,747,207)
Deferred tax assets	1,018,933
Current tax assets	108,678
Other reserves	(2,734,576)
Net assets disposed of	(1,693,929)
Consideration received	1
Loss on disposal of subsidiary	(1,693,928)

38. Non-current assets held for sale and liabilities directly associated with non-current assets held for sale

Hili Properties p.l.c.

During the previous year, the Board of Directors of Hili Properties p.l.c. resolved to dispose of the following subsidiaries which are held indirectly by Hili Properties p.l.c.:

Name of company	Country of Incorporation
Apex Investments SIA	Latvia
SC Stirnu SIA	Latvia
Tirdzniecības centrs Dole SIA	Latvia

The combined subsidiaries' amounts of assets and liabilities of subsidiaries classified as held for sale are as follows:

	THE GROUP	
	2025	2024
Assets	€	€
Investment property (net of impairment of €1,193,152)	37,022,438	36,766,067
Property, plant and equipment	40,448	82,161
Right of use asset	82,528	84,001
Trade and other receivables	337,492	344,930
Cash and cash equivalents	1,314,525	5,597,989
Assets classified as held for sale	38,797,431	42,875,148

38. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE (CONTINUED)

	THE GROUP	
	2025	2024
Liabilities	€	€
Trade and other payables	506,820	568,953
Lease liability	86,640	86,824
Bank loans	-	13,214,821
Current tax liability	951,659	1,079
Liabilities classified as held for sale	1,545,119	13,871,677

39. Related party transactions

The Company is the parent company of the undertakings highlighted in Note 22.

The Directors consider the ultimate controlling party to be Mr Carmelo Hili, who, as of 31 December 2025, holds 100% (2024: 100%) of the voting rights in the Company.

During the course of the year, the Company entered into transactions with related parties set out below.

THE GROUP	Related party activity	Total activity	%
	€	€	%
2025			
Revenue:			
<i>Related party transactions with:</i>			
Other related parties	-	1,171,616,013	0.00%
Cost of sales:			
<i>Related party transactions with:</i>			
Other related parties	-	937,594,365	0.00%
Investment income:			
<i>Related party transactions with:</i>			
Other related parties	704,825	16,339,356	4.31%
Finance costs:			
<i>Related party transactions with:</i>			
Other related parties	-	34,688,325	0.00%
2024			
Revenue:			
<i>Related party transactions with:</i>			
Other related parties	-	1,088,450,038	0.00%
Cost of sales:			
<i>Related party transactions with:</i>			
Other related parties	-	868,733,897	0.00%
Investment income:			
<i>Related party transactions with:</i>			
Other related parties	832,730	6,400,800	13.01%
Finance costs:			
<i>Related party transactions with:</i>			
Other related parties	-	31,331,921	0.00%

39. RELATED PARTY TRANSACTIONS (CONTINUED)

THE COMPANY	Related party activity €	Total activity €	%
2025			
Revenue:			
<i>Related party transactions with:</i>			
Subsidiaries	2,896,208	2,896,208	100.00%
Administrative expenses:			
<i>Related party transactions with:</i>			
Subsidiaries	551,720	6,912,436	8.00%
Finance expenses			
<i>Related party transactions with:</i>			
Subsidiaries and other related parties	13,275,025	15,344,492	86.51%
Investment income:			
<i>Related party transactions with:</i>			
Subsidiaries	52,394,111		
Shareholder	639,433		
	53,033,544	62,375,011	85.02%
2024			
Revenue:			
<i>Related party transactions with:</i>			
Subsidiaries	2,696,500	2,696,500	100.00%
Administrative expenses:			
<i>Related party transactions with:</i>			
Subsidiaries	754,811	5,635,434	13.39%
Finance expenses			
<i>Related party transactions with:</i>			
Subsidiaries and other related parties	11,260,976	12,781,588	88.10%
Investment income:			
<i>Related party transactions with:</i>			
Subsidiaries	63,016,718		
Shareholder	615,059		
	63,631,777	65,618,000	96.97%

The amounts due from/to related parties at year-end are disclosed in Notes 22 and 28. Other than as disclosed in the respective note, no guarantees have been given or received. The terms and conditions in respect of the related party balances do not specify the nature of the consideration to be provided in settlement.

40. Lease commitments

At the end of the reporting period, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Within one year	1,330,620	1,330,620	-	-
Between one and five years	2,468,765	3,799,385	-	-
	3,799,385	5,130,005	-	-

In 2017, Premier Capital p.l.c. entered into an operating lease for the provision of an aircraft for a fixed number of annual flight hours. This is included in the minimum lease payments in the above disclosure. This lease was renewed in 2023.

41. Capital commitments

- (i) The subsidiaries in Premier Capital p.l.c. operate under franchise agreements ("the Agreement") entered into with McDonald's International Property Company or McDonald's Corporation ("the Franchisor"). The franchise agreements are for a period of 20 years which allows the respective subsidiary to use the McDonald's system in the restaurants. These franchise agreements stipulate certain financial and non-financial obligations, including but not necessarily limited to, maintaining certain financial ratios, performing marketing and other activities. The subsidiaries are obliged to pay a royalty fee based on their annual net sales of the respective company on an annual basis.
- (ii) Upon the expiration of these Agreements, the Franchisor shall have the right to purchase all of the equity interest in the Franchisee's McDonald's Restaurant business ("FMRB"). If the Franchisor elects to exercise its right to purchase FMRB, the Purchase price shall be equal to the Fair Market Value, as defined in the Agreement. In the event that the Franchisor does not exercise its right to purchase FMRB, it shall have the right to lease or sublease or purchase, as the case may be, the premises associated with the Restaurants from Franchisee at fair market rental or fair market price, as the case may be.

42. Contingent liabilities

The Group

Premier Capital p.l.c.

- (i) Certain subsidiaries of the Premier Capital p.l.c. group have guaranteed the amount of €10,000,000 (2024: €10,630,982) in favour of related companies in connection with bank facilities of the respective related company.

1923 Investments Limited

- (i) During the year, two of 1923 Investments group's subsidiaries under the Harvest Technology division had issued guarantees amounting to €390,247 (2024: €213,360) to third parties in Malta as collateral for liabilities.
- (ii) During 2025 one of the subsidiaries of 1923 Investments had a guarantee line for payment guarantees provided by mBank which amounted to PLN90,000,000 (2024: PLN95,000,000) out of which it has utilized €17,736,105 (2024: €Nil).

1923 Investments Limited - February 2025 VAT Case

SAD was subject to tax proceedings regarding the correctness of its VAT settlements for February 2015. The SAC upheld SAD's complaint and overturned both the negative ruling of the PAC and the decision of the second-instance tax authority. The SAC concluded that the arguments presented were insufficient to effectively challenge the SAD settlements for that period. The case has been sent back to the tax authorities and a decision is expected in the first half of 2026. While the case is being reconsidered, the tax office refunded SAD PLN15,652,532 (equivalent to €3,708,252) for the disputed February 2015 VAT assessment.

SAD continues to manage the legal process while assessing any potential implications.

Breakwater Investments Limited

At the end of the reporting period, one of the Breakwater Investments Limited group's subsidiaries together with other related parties provided guarantees in the amount of €1,255,882 (2024: €1,291,337) in relation to bank facilities granted. In the Directors' opinion no provision is required against such amounts as the principal borrowers are either not expected to default or such facilities are secured by property, plant and equipment or other guarantors.

At 31 December 2025, the Breakwater Investments Limited group had an overdraft facility through ALLcom, one of its subsidiaries in Poland, as disclosed in Note 27 which was secured on the perpetual usufruct of land and buildings in Bolszewo for a total of PLN2,340,000, equivalent to €554,371 (2024: PLN2,000,000, equivalent to €467,836).

ALLcom has also provided a guarantee for a total of PLN1,800,000, equivalent to €426,439 (2024: PLN1,800,000, equivalent to €421,053) to the customs office in Poland, through a financial institution in the same country, to secure customs payments realised on behalf of its clients. The guarantee is secured on ALLcom's property in Bolszewo as contractual mortgage on perpetual usufruct of land and buildings for a total of PLN2,340,000, equivalent to €554,371 (2024: PLN2,340,000, equivalent to €547,368). There was no utilisation of the guarantee as at the end of the reporting periods.

Motherwell Bridge Industries has a guarantee facility amounting to €3,300,000 (2024: €3,300,000) in favour of its subsidiary in connection with bank guarantee facilities of the respective subsidiary.

Motherwell Bridge Industries has ceased its documentary credit facility in 2025 (2024: €1,000,000) in favour of third parties to secure trade debts.

Techniplus during the year had issued guarantees amounting to €582,037 to third parties as collateral for liabilities.

The Company

During 2025, the Company acted as a guarantor to secure bank facilities of one of its subsidiaries in the amount of €7,026,000 (2024: €7,026,000).

During 2025, the Company also acted as a guarantor for bonds issued by Hili Finance Company for the amount of €40,000,000 as from 2018, €80,000,000 as from 2019, €50,000,000 as from March 2022 and a further €80,000,000 as from July 2024.

42. CONTINGENT LIABILITIES / THE COMPANY (CONTINUED)

In 2025, the Company also issued trade guarantees in respect of its subsidiaries Battery Street Limited and HV Hospitality, amounting to €12,907 and €8,200 respectively.

Refer to Note 27 for information on the Company's bank overdraft and loan facilities and on the security given over such facilities.

43. Cash flow adjustments and changes in working capital

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Depreciation and amortisation	28,824,241	26,467,379	103,032	97,057
Depreciation on right of use assets	18,921,866	16,845,559	318,846	319,278
Net exchange differences	119,960	(202,426)	-	-
Bad debts written off	-	208,859	-	-
Bond amortisation costs	728,903	695,968	574,997	445,346
Amortisation of derivative financial instruments	340,552	176,467	-	-
Acquisition related costs	-	289,553	-	-
Movement in provision for doubtful debts	(48,081)	(351,321)	-	-
Dividends from equity instruments	-	(725,098)	(49,534,130)	(61,367,501)
Dividends from other financial instruments	(3,065,592)	(435,356)	(2,951,084)	(345,441)
Interest income on bank deposits and financial assets	(766,436)	(689,826)	-	-
Interest payable	25,575,271	23,200,445	14,502,551	12,270,034
Interest income on amounts due from related parties	(1,886,071)	(2,237,233)	(3,499,414)	(2,264,276)
Interest on leased assets	7,760,257	6,707,249	53,089	66,208
Other interest receivable	-	-	(718,507)	(530,363)
Share of losses / (profits) in jointly controlled entities	23,304	(15,526)	-	-
Gain on derivative financial instruments	-	(65,467)	-	-
Loss on disposal of intangible assets	7,646	13,389	-	-
Loss / (gain) on disposal of a subsidiary	-	1,693,928	-	-
Loss on disposal of property plant and equipment	1,613,970	1,520,377	-	-
Net reversal of impairments of property plant and equipment	(76,123)	-	-	-
Loss / (gain) on disposal of right of use assets	89,297	(60,316)	-	-
Increase in fair value of investment properties	(3,983,912)	(663,996)	-	-
Decrease in fair value of investment properties	56,000	675,408	-	-
Increase in fair value of property held for sale	(931,093)	-	-	-
Decrease in fair value of property held for sale	562,782	2,293,151	-	-
Impairment of property, plant and equipment	-	73,120	-	-
Gain on bargain purchase	-	(17,012,781)	-	-
Increase in provisions for stocks	237,051	-	-	-
Stocks written off / (written back)	148,905	(424,890)	-	-
Loss on remeasurement of assets held for sale	490,062	-	-	-
Impairment of other receivables	6,040,545	-	-	-
(Gain) / loss on termination of right of use assets	-	-	(646)	-
Gain on disposal of financial asset investments	(6,121,404)	(1,570,487)	(5,671,876)	(489,847)
Other non-cash movements	9,059	(526,361)	-	-
	74,670,959	55,879,768	(46,823,142)	(51,799,505)

44. 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, other than the shares in subsidiary companies that are carried at cost, and the debt securities in issue (where fair value is disclosed in Note 32), are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3.

THE GROUP	Level 1 €	Level 2 €	Level 3 €	Total €	Carrying amount €
Financial assets					
Listed debt and equity instruments	90,334,871	-	-	90,334,871	90,334,871
Investment property	-	-	246,232,897	246,232,897	246,232,897
As at 31 December 2025	90,334,871	-	246,232,897	336,567,768	336,567,768
Financial assets					
Listed debt and equity instruments	35,378,151	-	-	35,378,151	35,378,151
Investment property	-	-	146,727,988	146,727,988	146,727,988
As at 31 December 2024	35,378,151	-	146,727,988	182,106,139	182,106,139
Financial liabilities					
Derivative financial instruments	-	-	-	-	-
As at 31 December 2025	-	-	-	-	-
As at 31 December 2024	-	-	-	-	-

The fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair value of other financial asset investments is determined by reference to the net asset value of the underlying investment. The fair value of investment property is determined as disclosed in Note 21.

44. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

The fair value of the derivative financial instruments is established by using a valuation technique. Valuation techniques comprise discounted cash flow analysis. The valuation technique is consistent with generally accepted economic methodologies for pricing financial instruments. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using appropriate rates at the end of the reporting period.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value and other than shares in subsidiary companies, grouped into Levels 1 to 3.

THE GROUP	Level 1 €	Level 2 €	Level 3 €	Total €	Carrying amount €
2025					
Financial assets					
Loans and receivables					
- receivables from related parties and jointly controlled entities	-	7,218,980	-	7,218,980	7,218,980
As at 31 December 2025	-	7,218,980	-	7,218,980	7,218,980
Financial liabilities					
Financial liabilities at amortised cost					
- bank borrowings	-	222,167,530	-	222,167,530	222,167,530
- debt securities	305,992,200	-	-	305,992,200	313,359,239
As at 31 December 2025	305,992,200	222,167,530	-	528,159,730	535,526,769
	Level 1 €	Level 2 €	Level 3 €	Total €	Carrying amount €
2024					
Financial assets					
Loans and receivables					
- receivables from related parties and jointly controlled entities	-	11,150,209	-	11,150,209	11,150,209
- other receivables	-	13,723,945	-	13,723,945	13,723,945
As at 31 December 2024	-	24,874,154	-	24,874,154	24,874,154
Financial liabilities					
Financial liabilities at amortised cost					
- other financial liabilities	-	2,000,000	-	2,000,000	2,000,000
- bank borrowings	-	147,522,221	-	147,522,221	147,522,221
- debt securities	349,562,400	-	-	349,562,400	349,732,035
As at 31 December 2024	349,562,400	149,522,221	-	499,084,621	499,254,256

The fair values of the financial assets and financial liabilities included in level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

44. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

THE COMPANY	Level 1 €	Level 2 €	Level 3 €	Total €	Carrying amount €
2025					
Financial assets					
<i>Local listed debt, equity and derivative instruments</i>	70,074,019	-	-	70,074,019	70,074,019
	70,074,019	-	-	70,074,019	70,074,019
Financial liabilities					
<i>Loans and receivables</i>					
- receivables from related parties	-	83,392,880	-	83,392,880	83,392,880
<i>Financial liabilities at amortised cost</i>					
- related party loans	-	285,560,599	-	285,560,599	285,560,599
- bank borrowings	-	53,756,339	-	53,756,339	53,756,339
Total	-	339,316,938	-	339,316,938	339,316,938
2024					
Financial assets					
<i>Foreign listed debt, equity and derivative instruments</i>	16,289,723	-	-	16,289,723	16,289,723
Financial liabilities					
<i>Loans and receivables</i>					
- receivables from related parties	-	95,379,080	-	95,379,080	95,379,080
<i>Financial liabilities at amortised cost</i>					
- related party loans	-	277,709,642	-	277,709,642	277,709,642
- bank borrowings	-	23,500,000	-	23,500,000	23,500,000
Total	-	301,209,642	-	301,209,642	301,209,642

The exposures to risk and the way risks arise, together with the Group's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development. Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed in Note 45.

Where possible, the Group and the Company aim to reduce and control risk concentrations of financial risk areas when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in Note 45.

45. Financial risk management

Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk, consist principally of trade receivables, loans and receivables, debt securities held, financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss, and cash at bank.

Trade receivables and loan and receivables are presented net of an impairment allowance.

Loans and receivables of the Company mainly consist of amounts due from shareholders, subsidiaries and related parties. Loans and receivables of the Group consist of amounts due from related parties and jointly controlled entities. IFRS 9 is applied by the Group and the Company, using the expected credit loss model for all group loans. As opposed to the simplified model, the expected credit loss model takes the weighted average of credit losses with the respective risks of defaults occurring as the weights. The assessment includes the following:

- Exposure of default: the total amount of loan outstanding,
- Probability of default: which refers to the percentage or likelihood that the borrower will not be able to repay the debt in the expected period,
- Loss given default: represents the loss suffered by the Company if the borrower defaults and is not able to repay the loan.

After applying the expected credit loss model, the credit risk assessed by the Company, other than that recognised on trade and other receivables as disclosed below, amounted to €Nil (2024: €Nil) for other financial assets.

The Group and the Company hold money exclusively with institutions having high quality external credit ratings. The cash and cash equivalents held with such banks at 31 December 2025 and 2024 are callable on demand. Cash and cash equivalents are mainly held in a bank that forms part of an international group with an A credit rating by Standard and Poor's and similar high ratings by other agencies as well as with a bank having a credit rating of A by Standard and Poor's. The Group also holds cash with a local bank having a credit rating of BBB+ by Standard and Poor's and with other banks having similar credit ratings by this agency. Cash held by the Group with other local banks for which no credit rating is available are not significant. Management considers the probability of default from such banks to be close to zero and the amount calculated using the 12-month expected credit loss model to be very insignificant.

Therefore, based on the above, no loss allowance has been recognized by the Group and the Company on bank balances.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics by each line of business. They have been grouped based on the days past due and also according to the geographical location of customers. Trade receivables consist of a large number of customers in various industries and mainly in three geographic locations mainly Malta, U.K. and Poland.

The Expected Credit Loss (ECL) at 31 December 2025 and 31 December 2024 was estimated based on a range of forecast economic scenarios at that date.

The expected loss rates are based on the payment profile for sales over the past 36 months before 31 December 2025 and 2024 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

In addition to the above assessments on the recoverability and expected credit loss provisions on trade and other financial assets, the Group has assessed the probability of default of significant amounts due from large customers individually and consider such risk to be low in view of the creditworthiness of such customers. While the Group continues to closely monitor all of its financial assets at more frequent intervals in recent years, management considers that the level of ECL provisions at period end remains adequate.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 31 December 2025 and 31 December 2024 was determined as follows:

THE GROUP

31 December 2025	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate, %	0%	1%	1%	51%	
Gross carrying amount, €	22,895,532	2,526,936	1,262,203	3,680,315	30,364,986
Lifetime expected loss, €	30,376	20,005	15,197	1,877,327	1,942,905

31 December 2024	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate, %	0%	1%	1%	40%	
Gross carrying amount, €	15,977,561	2,424,125	1,487,411	4,959,358	24,848,455
Lifetime expected loss, €	26,347	18,118	14,959	1,978,041	2,037,465

Changes in expected credit loss rates between reporting periods is attributable to change in circumstances, past ageing information and revised history of loss occurrences. The Group however experiences very low levels of actual impairments arising from non-performing trade receivables and consequently management considers the lifetime expected credit losses to be adequate to the business of the Group.

The closing balance of the trade receivables loss allowance as at 31 December 2025 reconciles with the trade receivables loss allowance opening balance as follows:

THE GROUP	2025	2024
	€	€
Opening allowance as at 1 January	2,037,465	2,145,882
Reversal of loss allowance on impaired receivables written off	-	(208,859)
Reversal of allowance for credit losses no longer required	(138,261)	-
Loss allowance recognised during the year	90,180	66,397
Exchange difference	(46,479)	34,045
Loss allowance as at 31 December	1,942,905	2,037,465

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. Any guarantees are disclosed in Notes 27 and 42.

Quoted investments are acquired after assessing the quality of the related investments.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's and the Company's maximum exposure to credit risk, without taking account of the value of the collateral obtained, except as detailed below:

THE GROUP	2025	2024
	€	€
Guarantee provided to bank on group and related party loans and third party loans	291,846,559	357,330,929

The Group assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors, such as bank references and the customers' financial position.

Currency risk

Foreign currency transactions arise when the Group and the Company buys or sells goods or services whose price is denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency or acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise mainly transactions in USD, PLN, GBP, MAD, DKK, HUF and RON.

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

Except for the Bermuda and UK, the entities which have the functional currency as the US Dollar, and the Romanian, Polish and Moroccan entities, with the functional currency in their own respective currency, the functional currency of all the subsidiaries was the Euro both in the current year and in the prior year. Furthermore, the translation of the Bermuda, British, Romanian, Polish and Moroccan entities, which have the US Dollar, Romanian Leu, Polish Zloty and Moroccan Dirham as their respective functional currencies is recognised in the Group's other comprehensive income in accordance with the Group's accounting policies.

Interest rate risk

The Group and the Company have taken out bank facilities to finance its operations as disclosed in Note 27. The terms of such borrowings are disclosed accordingly.

The effective interest rate on loans and receivables, other financial liabilities, bank borrowings, and cash at bank are disclosed in Notes 22, 27, 28 and 35 respectively.

The Group and the Company are exposed to cash flow interest rate risk on borrowings carrying a floating interest rate and to fair value interest rate risk on borrowings carrying a fixed interest rate to the extent that these are measured at fair value. Investments in equity instruments are not exposed to interest rate risk.

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

Sensitivity analysis

The Group and the Company have used a sensitivity analysis technique that measures the change in cash flows of the Group and Company's bank borrowings, net of cash at bank and on hand, at the end of the reporting period for hypothetical changes in the relevant market risk variables. The sensitivity due to changes in the relevant risk variables is set out below.

The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

45. FINANCIAL RISK MANAGEMENT / SENSITIVITY ANALYSIS (CONTINUED)

In view of the recent volatility witnessed in the markets during 2025 and the first few months of 2026, interest rates may be subject to a higher degree of variability. As a result, the profitability of the Company might be impacted from a higher interest rate risk.

The estimated change in cash flows for changes in market interest rates are based on an instantaneous increase or decrease of 100 basis points at the end of the reporting period, with all other variables remaining constant.

The sensitivity of the relevant risk variables is as follows:

	THE GROUP		THE COMPANY	
	Profit or loss sensitivity		Profit or loss sensitivity	
	2025	2024	2025	2024
	€	€	€	€
Market interest rates – cash flow	+/-1,624k	+/-758k	+/-540k	+/-221k

The sensitivity on profit or loss in respect of market interest rates is mainly attributable to bank overdraft and bank loans. The sensitivity analysis is for illustrative purposes only, as in practice market rates rarely change in isolation and are likely to be interdependent.

Liquidity risk

The Group and the Company monitors and manages its risk to a shortage of funds by maintaining sufficient cash, by matching the maturity of both their financial assets and financial liabilities and by monitoring the availability of raising funds to meet financial obligations.

Funds are transferred within the Group as and when the need arises. Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve-month period, which is adjusted monthly and monitored on a weekly basis, to ensure that any additional financing requirements are addressed in a timely manner.

The Group and the Company are exposed to liquidity risk in relation to meeting the future obligations associated with their financial liabilities, which comprise principally trade and other payables, other financial liabilities and interest-bearing borrowings (refer to Notes 26, 27, 28 and 32). 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 Company's and the Group's obligations.

The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the Group can be required to pay. The analysis includes both interest and principal cash flows.

THE GROUP	On demand or	Within	More than	Total
	within 1 year	2-5 years	5 years	
	€	€	€	€
2025				
Non-derivatives financial liabilities				
Non-interest bearing	159,463,902	4,424,711	-	163,888,613
Fixed rate instruments	78,017,500	276,200,000	-	354,217,500
Variable rate instruments	73,928,364	92,091,942	56,147,224	222,167,530
	311,409,766	372,716,653	56,147,224	740,273,643
2024				
Non-derivatives financial liabilities				
Non-interest bearing	160,525,720	2,180,296	-	162,706,016
Fixed rate instruments	51,682,500	195,757,500	160,000,000	407,440,000
Variable rate instruments	41,021,877	88,790,902	17,709,442	147,522,221
	253,230,097	286,728,698	177,709,442	717,668,237

45. FINANCIAL RISK MANAGEMENT / LIQUIDITY RISK (CONTINUED)

THE COMPANY	On demand or within 1 year	Within 2-5 years	More than 5 years	Total
	€	€	€	€
2025				
Non-derivatives financial liabilities				
Non-interest bearing	1,927,561	-	-	1,927,561
Fixed Interest-bearing	21,511,545	297,388,561	-	318,900,106
Variable rate instruments	50,108,552	5,772,999	-	55,881,551
	73,547,658	303,161,560	-	376,709,218
2024				
Non-derivatives financial liabilities				
Non-interest bearing	10,778,896	-	-	10,778,896
Fixed Interest-bearing	27,032,402	300,133,418	-	327,165,820
Variable rate instruments	-	17,500,000	-	17,500,000
	37,811,298	317,633,418	-	355,444,716

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Statement of cash flows as cash flows from financing activities:

THE GROUP	Opening balance	Cash	Other non- cash changes	Closing balance
	€	€	€	€
2025				
Bank loans	139,739,203	61,904,449	86,972	201,730,624
Loans from third parties	-	-	-	-
Debt securities in issue	349,732,035	(37,101,700)	728,904	313,359,239
Leases	168,284,800	(23,758,865)	-	144,525,935
2024				
Bank loans	166,924,438	(20,476,122)	(6,709,113)	139,739,203
Loans from third parties	9,557	(9,557)	-	-
Debt securities in issue	306,146,723	43,058,770	526,542	349,732,035
Leases	146,179,801	(21,367,978)	43,472,977	168,284,800

During 2025, the Group recognised additional lease liabilities amounting to €34,851,055. Total cash payments made on leases during the year amounted to €23,758,865 (inclusive of interest). The interest expense during the year amounted to €7,760,257. The interest, together with the additions to leases recognised during the year less an adjustment of €1,338,249 for currency translation differences, less €113,680 for re-measurement of leases, less €1,943,080 relating to the termination of leases as disclosed in Note 19 represent the non-cash movements of €39,216,303 presented above for leases.

Included with other non-cash changes in the table above for 2025, is an amount of €86,972 for movements in bank loans which comprise currency differences and other non-cash movements.

The non-cash movement on debt securities in issue during 2025 comprises mainly of the amortisation of bond issue costs amounting to €728,903 (2024: €695,968).

During 2024, the Group recognised additional lease liabilities amounting to €33,139,947. Total cash payments made on leases during the year amounted to €21,367,978 (inclusive of interest). The interest expense during the year amounted to €6,707,249. The interest, together with the additions to leases recognised during the year plus €4,331,545 in new leases recognised during the year following the acquisition of a new subsidiary plus an adjustment to leases of €961,630 less an adjustment of €59,683 for currency translation differences, plus €55,621 for re-measurement of leases, less €1,576,508 relating to the termination of leases as disclosed in Note 19, and less an amount of €86,824 transferred to liabilities held for sale, represent the non-cash movements of €43,472,977 presented above for leases.

Included with other non-cash changes in the table above for 2024, is an amount of €6,709,113 for movements in bank loans which represents an amount of €13,214,821 transferred to liabilities associated with assets held for sale less €6,505,708 in bank loans taken over upon acquisition of a subsidiary.

The non-cash movement on debt securities in issue during 2024 comprises mainly of the amortisation of bond issue costs amounting to €695,968 (2023: €566,955).

THE COMPANY	Opening balance €	Cash €	Other non-cash changes €	Closing balance €
2025				
Bank loans	23,500,000	13,818,643	681,357	38,000,000
Other financial liabilities	277,709,642	(5,945,976)	13,796,933	285,560,599
Leases	1,510,985	(396,085)	49,017	1,163,917
2024				
Bank loans	28,934,047	(5,434,047)	-	23,500,000
Other financial liabilities	218,375,443	41,884,330	17,449,869	277,709,642
Leases	1,829,111	(388,931)	70,805	1,510,985

Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard their 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 and the Company consists of debt, which includes the borrowings disclosed in Notes 27, 28 and 32, cash and cash equivalents as disclosed in Note 35 and of items presented within equity in the statement of financial position.

The Group's Directors manage the capital structure and adjust it, considering 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 the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

46. Events after the reporting period

In February 2026, Hili Finance Company p.l.c. listed €60,000,000 unsecured bonds on the Official List of the Malta Stock Exchange. These bonds have a nominal value of €100 per bond, bear interest at a rate of 5% per annum and are redeemable at par on 6 February 2033.

As at 28 May 2026, the Company successfully acquired, during 2026, a further 34,420,245 shares in its real estate subsidiary, Hili Properties p.l.c., representing just under 8.60% of Hili Properties p.l.c.'s issued share capital, raising the Company's total shareholding to 395,061,724 ordinary shares, reflecting just over 98.54% of the issued share capital of Hili Properties p.l.c.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.



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Independent Auditor's Report

To the shareholders of Hili Ventures Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hili Ventures Limited ('the Company') and of the Group of which it is the parent ('the Group') set out on pages 71 to 154 which comprise the statements of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies.

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

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 51 to 69 and the Statement of directors' responsibilities on page 70, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information, except for the 'ESG Policies, Governance and Due Diligence' paragraphs and the 'EU Taxonomy Disclosures' paragraphs included in the Directors' report, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

- The information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. Our opinion does not cover the 'ESG Policies, Governance and Due Diligence' paragraphs and the 'EU Taxonomy Disclosures' paragraphs included in the Directors' report.
- The Directors' report has been prepared in accordance with the Act.

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

Responsibilities of the Directors and the Audit Committee for the financial statements

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

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

The directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit Committee.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



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

We also provide the board of directors and the audit committee with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements on which we are required to report by exception

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

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

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

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

A handwritten signature in black ink that reads "Causon".

Sharon Causon (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

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29 May 2026



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