**AGB FINANCE P.L.C.**
Hacienda Office,
Nathalie Poutiatin Tabone Street,
Sliema, SLM 1870,
Malta

## Company Announcement

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

On 27th April 2026, the Board of Directors of AB Investments Limited (the "Guarantor") approved the Audited Financial Statements for the accounting reference period ended 31st December 2025.

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

**Explanation of variances in terms of Capital Markets Rule 5.16.24**

The Group announces that its audited profit before tax for the year ended 31 December 2025 reached €1.974 million, which is around €1.837 million less than the amount included in the forecast published in the Financial Analysis Summary ("FAS") on 29th August 2025.

The variance is attributable to the following factors:

- **Rental Income**: A negative variance of €232,000 occurred following the decision to commence renovation works at Cork's Hotel during 2025. These works, intended to integrate the property with the G Hotel, required the discontinuation of rental income during the year.
- **Investment Property Disposals**: The Group did not conclude the acquisition of the Misrah il-Barrieri property; consequently, the projected €204,000 profit from its resale was not realised. Additionally, it was forecasted that the €1.3 million uplift generated during the year for the transfer of properties in Victor Denaro Street had to impact the profit before tax. However, it was correctly accounted for in the audited financial statements as a movement in the Revaluation Reserve through the Statement of Changes in Equity.

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**Asset Position**: The discrepancy between the actual and projected total assets at 31 December 2025 is fully attributable to the timing of the bond's second tranche, which was not issued in 2025, and remains on track for a 2026 issuance.

By order of the Board

Dr. Joseph Saliba

Company Secretary

29th April 2026



**Directors**
Mr Alan Bonnici Dr Sam Abela Dr Michael Sciriha Mr Arthur Gauci

# AB Investments Limited

Annual Report and
Consolidated and Separate Financial Statements
31 December 2025

# Contents

| | Page |
|---|---|
| Company Information | 3 |
| Report of the Directors | 4 – 5 |
| Statement of Directors Responsibilities | 6 |
| Statements of Comprehensive Income | 7 |
| Statements of Financial Position | 8 – 9 |
| Statements of Changes in Equity | 10 |
| Statements of Cash Flows | 11 |
| Notes to Financial Statements | 12 – 43 |
| Independent Auditor’s Report | |

# COMPANY INFORMATION

**Directors**

Alan Bonnici
Sam Abela (appointed 27 August 2025)
Colin Bowman (appointed 27 August 2025)

**Company secretary**

Joseph Saliba (appointed 27 November 2025)
Alan Bonnici (resigned on 27 November 2025)

**Registered office**

HACIENDA OFFICE
Triq Nathalie Poutiatin Tabone
Sliema SLM 1870
Malta

**Registered number**

C 70554

**Auditor**

Forvis Mazars Malta
The Watercourse, Level 2,
Mdina Road, Central Business District,
Birkirkara CBD2010,
Malta

**Principal bankers**

APS Bank p.l.c.
APS Centre, Tower Street
Birkirkara BKR 4012
Malta

Bank of Valletta p.l.c.
Corporate Finance
BOV Centre
Triq il-Kanun
Santa Venera SVR 9030
Malta

# REPORT OF THE DIRECTORS

**Directors' Report**
The Directors present their annual report, together with the audited financial statements of AB Investments Limited ('the Company') and its subsidiary ('the Group') for the financial year ended 31 December 2025.

**Principal activity**
The principal activity of the Group through the parent company, is the acquisition, development, and leasing of immovable property across multiple sectors, including the hospitality and tourism industry, as well as the commercial and residential markets. With the subsidiary AGB Finance PLC created to raise financial resources from the capital market to finance the capital projects of the Company.

**Review of Business Development**
During the year, the Group registered a profit before taxation amounting to €1,974,210 the profit for the year after taxation amounted to €1,858,359. The Company registered a profit before taxation amounting to €2,082,019 (2024: €7,901) the profit for the year after taxation amounted to €1,989,262 (2024: loss for the year after taxation of €574).

During the financial year, the Group successfully issued a €16,300,000 5.4% bond, the proceeds of which were used to repay outstanding bank loans, to part finance various redevelopment and refurbishment works and as a general source of corporate funding. During the financial year, interest expense due to the bondholders amounted to €222,432. In anticipation of the Bond issue, the Group undertook a comprehensive corporate restructuring aimed at streamlining asset ownership, improving liquidity, and optimising the Group's capital structure.

Following the restructuring process, the Group is composed of the following entities:

i. The Guarantor: serves as the parent company and holds the Group's key property assets. It also acts as a holding company with full ownership and control over the Issuer. The Guarantor is a single-member entity, owned and controlled by the Group's ultimate beneficial owner ('UBO'), Mr. Alan Bonnici.

ii. The Issuer: A special purpose vehicle with no significant operating assets, established solely for the purpose of raising finance on behalf of the Group. The Issuer will serve as the vehicle through which the Group will fund existing and future property-related investments, enabling it to capitalise on emerging market opportunities.

As part of the restructuring exercise, the properties transferred by AGB Holdings Limited ('AGBHL') to the Company were assigned a total value of €12,780,000. In parallel, the Company transferred certain non-core properties to AGBHL at an aggregate adjusted value of €3,820,000. Subsequently, the Company, AGBHL, and the UBO entered into an assignment agreement whereby each company transferred its receivables to the UBO in consideration of the respective amounts owed.

The parties further agreed to a mutual set-off of receivables to the extent of the lower balance. As a result, the outstanding debt of €8,182,326 due by the Company to the UBO was capitalised through the issuance of 8,182,326 fully paid-up ordinary shares of €1 each by AB Investments in favour of the UBO. A further issue of 1,350,000 ordinary shares of €1 each was issued in favour of the UBO for a cash consideration of €1,350,000.

**Results and Dividends**
The results for the year are presented in the statement of profit or loss and other comprehensive income. The directors do not recommend the payment of a dividend and propose to transfer the profit for the year to reserves.

# REPORT OF THE DIRECTORS (continued)

**Outlook**

The outlook for FY2026 is highly positive, driven primarily by continued strength and resilience in the Maltese property market. Recent market analyses indicate that demand for residential real estate remains robust, with properties in high-demand localities continuing to attract strong buyer interest and maintaining healthy transaction activity. Average days-on-market remain stable at around 60 days, reflecting a market where demand continues to absorb supply efficiently, while most properties sell within 3–7% below asking price—an indication of sustained buyer engagement and pricing stability.

The Company anticipates a supportive economic and sectoral environment during FY2026. Malta's real estate market is expected to remain buoyant, underpinned by stable demand fundamentals, ongoing government incentives, and a balanced supply outlook. This positive backdrop strengthens confidence in the Company's strategic direction and expected performance for the year ahead.

**Directors**

The names of the directors are listed on page 3.

In accordance with the Company's memorandum and articles of association, the Directors remain in office until they resign or are otherwise removed.

**Financial risk management**

There are a number of financial risks that could potentially impact the activities of the Group and Company and include, but not solely, the following: credit risk and liquidity risk. The Group and the Company's objective in managing such risks is the creation and protection of shareholder's value. In order to manage and mitigate such risks, the Group and Company employs a number of risk management tools in its day-to-day operation. Further detail can be found under Note 23 of the financial statements.

**Going concern**

The Directors reviewed the Group's and the Company's operational budgets and cash flow forecasts. In light of its strong financial KPIs, the directors confirm that the Group and the Company have adequate resources to continue in operation going forward.

**Post balance sheet events**

There were no events after year-end which would require adjustment or disclosure in the annual consolidated and separate financial statements of the Group and the Company.

**Auditors**

The Company after carrying out a tender process overseen by the management appointed Forvis Mazars as the company's external auditors starting from the financial statements ended 31 December 2025.

The auditors, Forvis Mazars have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the annual general meeting.

By order of the Board

| | |
|---|---|
| Alan Bonnici<br>Director<br>27 April 2026 | Sam Abela<br>Director |

## Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year end which give a true and fair view of the state of the affairs of the Group and the Company and of the profit or loss of the Group and the Company for that year. In preparing these the directors are required to:

- Adopt the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in the business.
- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Account for income and charges relating to the accounting year on the accrual's basis.
- Value separately the components of asset and liability items; and
- Report comparative figures corresponding to those of the preceding accounting year.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386), enacted in Malta. This responsibility includes designing, implementing and maintaining 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of the Group for the period ended 31 December 2025 are included in the Annual Report 2025, which is published and made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of the website.

## Statement of Comprehensive Income

| | | Year ended 31 December | | |
|---|---|---|---|---|
| | | Group | Company | |
| | | **2025** | **2025** | 2024 |
| | | **€** | **€** | € |
| | Notes | | | As Restated |
| Revenue | 7 | **4,201,266** | **4,201,266** | 56,500 |
| Direct costs | 4 | **(1,603,130)** | **(1,603,130)** | - |
| **Gross income** | | **2,598,136** | **2,598,136** | 56,500 |
| Gain on changes in the fair value of financial assets held at FVTPL | 14 | **18,064** | **-** | - |
| Other operating income/(expense) – net | 5 | **7,037** | **7,037** | 100 |
| Selling expenses | 4 | **(550)** | **(550)** | (4,040) |
| Administrative expenses | 4 | **(388,848)** | **(328,011)** | (16,048) |
| **Profit before financing and income taxes** | | **2,233,839** | **2,276,612** | 36,512 |
| Finance cost | 6 | **(259,629)** | **(194,593)** | (28,611) |
| **Profit before tax** | | **1,974,210** | **2,082,019** | 7,901 |
| **Income tax expense** | 8 | **(115,851)** | **(92,757)** | (8,475) |
| **Profit for the year** | | **1,858,359** | **1,989,262** | (574) |
| **Other comprehensive income** | | | | |
| *Items that will not be reclassified to profit or loss* | | | | |
| Revaluation during the year | 19 | **862,710** | **862,710** | 6,047,443 |
| Deferred tax thereon | | **(192,000)** | **(192,000)** | (673,600) |
| Overprovision of deferred tax in previous period | | **161,600** | **161,600** | - |
| | | **832,310** | **832,310** | 5,373,843 |
| **Total comprehensive income attributable to the owner of the parent for the year** | | **2,690,669** | **2,821,572** | 5,373,269 |

The notes on pages 12 to 43 are an integral part of these financial statements.

## Statement of Financial Position

| | | As at 31 December | | |
|---|---|---|---|---|
| | | **Group** | **Company** | |
| | | **2025** | **2025** | 2024 |
| | | **€** | **€** | € |
| | Notes | | | Restated |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | **13,145,326** | **13,270,766** | 6,669,526 |
| Investment properties | 11 | **9,305,000** | **9,305,000** | 2,019,999 |
| Right-of-use assets | 12 | **122,575** | **122,575** | - |
| Investment in subsidiary | 13 | **-** | **250,000** | - |
| | | **22,572,901** | **22,948,341** | 8,689,525 |
| **Current assets** | | | | |
| Inventories | 16 | **106,500** | **106,500** | 2,024,463 |
| Financial assets held at FVTPL | 14 | **4,205,066** | **-** | - |
| Other receivables | 15 | **2,975,595** | **2,975,595** | 386,535 |
| Cash and cash equivalents | 17 | **5,958,939** | **1,285,429** | 408,995 |
| | | **13,246,100** | **4,367,524** | 2,819,993 |
| **Total assets** | | **35,819,001** | **27,315,865** | 11,509,518 |

## Statement of Financial Position (continued)

| | | As at 31 December | | |
|---|---|---|---|---|
| | | **Group** | **Company** | |
| | | **2025** | **2025** | 2024 |
| | | **€** | **€** | € |
| | Notes | | | Restated |
| **Equity and Liabilities** | | | | |
| **Equity** | | | | |
| Share capital | 18 | **10,183,526** | **10,183,526** | 651,200 |
| Revaluation reserve | 19 | **4,363,453** | **4,363,453** | 5,373,843 |
| Retained earnings | | **3,713,538** | **3,844,441** | 12,479 |
| | | **18,260,517** | **18,391,420** | 6,037,522 |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Debt securities in issue | 20 | **15,881,968** | **-** | - |
| Borrowings | 20 | **-** | **7,222,959** | 1,842,157 |
| Lease liabilities | 12 | **110,001** | **110,001** | - |
| Deferred tax liability | 9 | **710,322** | **704,000** | 673,600 |
| | | **16,702,291** | **8,036,960** | 2,515,757 |
| **Current liabilities** | | | | |
| Other payables and accruals | 21 | **599,928** | **862,616** | 1,335,287 |
| Debt securities in issue | 20 | **214,624** | **-** | - |
| Lease liabilities | 12 | **14,067** | **14,067** | - |
| Borrowings | 20 | **-** | **-** | 1,612,477 |
| Current tax payable | | **27,574** | **10,802** | 8,475 |
| | | **856,193** | **887,485** | 2,956,239 |
| **Total Liabilities** | | **17,558,484** | **8,924,445** | 5,471,996 |
| **Total Equity and Liabilities** | | **35,819,001** | **27,315,865** | 11,509,518 |

The notes on pages 12 to 43 are an integral part of these financial statements.

The financial statements on pages 7 to 43 were authorised for issue by the Board on 27 April 2026 and were signed on its behalf by:

Alan Bonnici
Director

Sam Abela
Director

# Statement of Changes in Equity

## Group

| Attributable to owners of the parent | Share capital | Revaluation reserves | Retained earnings | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **Balance at 1 January 2025** | **651,200** | **5,373,843** | **12,479** | **6,037,522** |
| Revaluation net of tax | - | 832,310 | - | 832,310 |
| Profit for the year | - | - | 1,858,359 | 1,858,359 |
| **Total comprehensive income** | **-** | **832,310** | **1,858,359** | **2,690,669** |
| Issue of share capital | 9,532,326 | - | - | 9,532,326 |
| Transfer of revaluation surplus to retained earnings | - | (1,842,700) | 1,842,700 | - |
| **Balance at 31 December 2025** | **10,183,526** | **4,363,453** | **3,713,538** | **18,260,517** |

## Company

| | Share capital | Revaluation reserves | Retained Earnings | Total |
|---|---|---|---|---|
| | € | € | € | € |
| **Balance at 1 January 2024** | **651,200** | **-** | **13,053** | **664,253** |
| Revaluation net of tax | - | 5,373,843 | - | 5,373,843 |
| Loss for the year | - | - | (574) | (574) |
| **Total comprehensive income** | **-** | **5,373,843** | **(574)** | **5,373,269** |
| **Balance at 31 December 2024** | **651,200** | **5,373,843** | **12,479** | **6,037,522** |
| **Balance at 1 January 2025** | **651,200** | **5,373,843** | **12,479** | **6,037,522** |
| Revaluation net of tax | - | 832,310 | - | 832,310 |
| Profit for the year | - | - | 1,989,262 | 1,989,262 |
| **Total comprehensive income** | **-** | **832,310** | **1,989,262** | **2,821,572** |
| Increase in share capital | 9,532,326 | - | - | 9,532,326 |
| Transfer of revaluation surplus to retained earnings | - | (1,842,700) | 1,842,700 | - |
| **Balance at 31 December 2025** | **10,183,526** | **4,363,453** | **3,844,441** | **18,391,420** |

The notes on pages 12 to 43 are an integral part of these financial statements.

# Statement of Cash Flows

| | | Year ended 31 December | | |
|---|---|---|---|---|
| | | **Group** | **Company** | |
| | | **2025** | **2025** | 2024 |
| | | | | As Restated |
| | Notes | € | € | € |
| **Operating activities** | | | | |
| Profit before tax | | **1,974,210** | **2,082,019** | 7,901 |
| Adjustments for: | | | | |
| Interest expense | 6 | **259,629** | **194,593** | 28,611 |
| Depreciation of right-of-use assets | 12 | **12,903** | **12,903** | - |
| Net loss on disposal of PPE | | **5,150** | **5,150** | - |
| Gain on changes in the fair value of financial assets held at FVTPL | 14 | **(18,064)** | - | - |
| **Operating gain before working capital movements** | | **2,233,828** | **2,294,665** | 36,512 |
| Movement in inventories | | **629,726** | **629,726** | (522,449) |
| Movement in trade and other receivables | | **(2,311,388)** | **(2,311,388)** | (233,262) |
| Movement in trade and other payables | | **(420,504)** | **(440,652)** | 689,160 |
| **Cash flows generated from/(used in) operating activities** | | **131,662** | **172,341** | (30,039) |
| Income taxes paid | | **(90,430)** | **(90,430)** | (8,610) |
| **Net cash flows generated from/(used in) operating activities** | | **41,232** | **81,921** | (38,649) |
| | | | | |
| **Investing activities** | | | | |
| Purchase of financial assets held at FVTPL | 14 | **(4,187,002)** | - | - |
| Purchase of property, plant and equipment | | **(2,959,016)** | **(2,959,016)** | (1,253,087) |
| Interest paid capitalised to property, plant and equipment (PPE) | 10 | **(60,473)** | **(185,913)** | |
| Proceeds from disposal of PPE | | **226,759** | **226,759** | - |
| Purchase of investment property | 11 | **(25,001)** | **(25,001)** | (225,496) |
| **Net cash flows used in investing activities** | | **(7,004,733)** | **(2,943,171)** | (1,478,583) |
| | | | | |
| **Financing activities** | | | | |
| Movement in loans and other borrowings | | **(4,473,330)** | **2,625,069** | 1,151,698 |
| Payments of lease liabilities | | **(10,800)** | **(10,800)** | - |
| Increase in share capital | 18 | **1,350,000** | **1,350,000** | - |
| Proceeds from issuance of bonds | | **15,874,160** | - | - |
| **Net cash flows generated from financing activities** | | **12,740,030** | **3,964,269** | 1,151,698 |
| | | | | |
| **Net movement in cash and cash equivalents** | | **5,776,529** | **1,103,019** | (365,534) |
| | | | | |
| Cash and cash equivalents at the beginning of the year | | 182,410 | 182,410 | 547,944 |
| | | | | |
| **Cash and cash equivalents at 31 December** | **17** | **5,958,939** | **1,285,429** | 182,410 |

The notes on pages 12 to 43 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

## 1. General information

The consolidated financial statements of AB Investments Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 27 April 2026. The Company is incorporated and domiciled in Malta with its registered office is located at Hacienda Office, Triq Nathalie Poutiatin Tabone, Sliema SLM 1870, Malta. The Group is principally engaged in the acquisition, development, and leasing of immovable property across multiple sectors, including the hospitality and tourism industry, as well as the commercial and residential markets.

In anticipation of the Bond issue, the Group undertook a comprehensive corporate restructuring aimed at streamlining asset ownership, improving liquidity, and optimising the Group's capital structure. As part of this restructuring, the Bond Group consisted of two companies: AB Investments and AGB Finance P.L.C.. AB Investments hold and manage the Group's assets, including operational and development properties. AGB Finance P.L.C. was established as the entity responsible for issuing the secured Bond. This separation of roles ensures a clear distinction between asset management and financial structuring, thereby reinforcing investor confidence and streamlining financial operations.

AGB Finance P.L.C. (the 'Company') is a public limited liability company domiciled and incorporated in Malta on the 12 of June 2025, bearing registration number C 112318 and having its registered office address at Hacienda Office, Triq Nathalie Poutiatin Tabone, Sliema SLM 1870.

## 2. Basis of preparation

These financial statements are prepared under the historical cost convention, as modified to include fair values where it is stated in the accounting policies below. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Companies Act, (Chap. 386), enacted in Malta.

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at balance sheet date and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates (see Note 2.4 - Critical accounting estimates and judgments)

### *2.1 Application of new and revised International Financial Reporting Standards (IFRSs)*

***Standards, interpretations and amendments to published standards as adopted by the EU in issue but not yet effective for financial periods beginning on 1 January 2025:***

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

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

  These improvements include:
  - IFRS 1 First Time Adoption of international Financial Reporting Standards – Hedge accounting by a first time adopter.
  - IFRS 7 Financial Instruments Disclosures.
  - IFRS 9 Financial Instruments
  - IFRS 10 Consolidated Financial Statements – Determination of a 'de -Facto agent'
  - IAS 7 Statements of Cash Flows – Cost Method

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024) (effective on 1 January 2026).
- Transition Disclosures: Entities are required to provide more detailed information about the impact of these amendments during the transition period.

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

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

Management assesses the impact that the adoption of the following Financial Reporting Standards will have in the financial statements of the Group and the Company in the period of initial application:

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

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

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

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

### *2.2 Going concern*

The consolidated and separate financial statements have been prepared the going concern basis. The directors consider that there are no material uncertainties which cast doubt on the ability to continue as a going concern.

### *2.3 Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2025. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

During the financial year, the Company incorporated its sole subsidiary, being AGB Finance P.L.C. These consolidated financial statements comprise the Company and its sole subsidiary holding 99.99% of the issued and outstanding shares of the subsidiary.

### *2.4 Critical accounting estimates and judgements*

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

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

Expected credit loss allowances on receivables and advances
The Directors have assessed the recoverability of receivables and advances by reference to the cashflow projections of the Group and the Company including planned inflows, outflows and available financing facilities with a focus on updates made to respond to the expected impacts of past events, current conditions and forecasts of economic conditions. The Directors have also considered the financial position and performance of the other related parties within the Group.

Fair value of investment property
The Group and the Company uses the services of professional valuers to revalue the land and buildings and investment property. The professional valuers take into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows: A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property). A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property). A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use. The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. As described in Note 10 and Note 11, the Group and the Company uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of property, plant and equipment and investment property. Notes 11 and 12 provide detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

### *2.5 Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro which is the Group and the Company's functional and presentation currency.

## 3. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in the financial statements presented, unless otherwise stated. Financial instruments

### *3.1 Inventories, Property, plant and equipment and Investment property*

**Property held for development or resale**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

When the main object of a property project is the development for resale purposes, the asset is classified in the financial statements as inventory. Any elements of the project which are identified for business operation or long-term investments properties are transferred at their carrying amount or fair value to property, plant and equipment or investment property when such identification is made, and the cost therefor can be reliably segregated.

The development property is carried at the lower of cost and net realisable value. The purchase cost of acquiring the property represents the cash equivalent value of the contracted price. In case of land previously held as tangible non-current assets, the transfer value is the carrying value of the land as last revalued prior to its transfer to inventories.

Cost comprises the purchase cost of acquiring the property together with other costs incurred during its subsequent development by specifically identifying the cost of individual items including:

- The costs incurred on development works and construction works in progress, including demolition, site clearance, excavation, construction and acquisition costs, together with the expense's incidental to acquisition and costs of ancillary activities such as site security.
- The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.
- Any borrowing costs, including imputed interests, attributable to the development phases of the property project.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Gains and losses on disposal of property inventories are determined by reference to their carrying amount and are taken into account in determining gross profit.

### *3.2 Investment in subsidiary*

Subsidiaries are all entities (including structured entities) over which the Group and the Company has control. The Group and the Company control an entity when the Group and the Company is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

*Company*

Investments in subsidiaries are initially recognised at cost, being the fair value of the consideration given, including transaction costs associated with the investment. These are subsequently carried at cost less accumulated impairment.

### *3.3 Impairment of nonfinancial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever there is an indication that an asset may be impacted. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### *3.4 Financial instruments*

**Financial instruments – initial recognition and subsequent measurement**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets - Initial recognition and measurement*
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and the Group has applied the practical expedient, the Company and the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company and the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

***Subsequent measurement***
For purposes of subsequent measurement, financial assets are classified as:
▪ Financial assets at amortised cost (debt instruments)
▪ Financial assets at fair value through profit or loss

***Financial assets at amortised cost (debt instruments)***
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost includes trade receivables, and loan and advances to parent.

***Financial assets held at fair value through profit or loss***
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category comprises listed debt instruments held in an investment portfolio that is managed on a fair value basis. The performance of these investments is evaluated and reported to key management personnel on a fair value basis. Accordingly, these financial assets are classified at fair value through profit or loss upon initial recognition in accordance with IFRS 9.

***Derecognition***
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's consolidated and separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

**Impairment of financial assets**

The Group and the Company measures loss allowances at an amount equal to lifetime expected credit losses (ECLs), except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The Group and the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). The maximum year considered when estimating ECLs is the maximum contractual year over which the Group and the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. At each reporting date, the Group and the Company assesses whether financial assets carried at amortised cost are credit impaired by performing ECL assessment.

**Financial liabilities**

Financial liabilities are recognised initially at fair value net of any directly attributable transaction costs. The Group and the Company's financial liabilities include debt securities in issue and other loans and payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest ('EIR') method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest expense in the statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

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

**Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the year of the borrowings using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**Other payables**

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.

### *3.5 Fair value measurement*

The Group and the Company measures financial instrument such as financial assets at FVTPL and non-financial assets such as property, plant and equipment and investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as investment properties and land and building. Involvement of external valuers is determined annually by the Group and the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### *3.6 Share capital*

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

### *3.7 Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise restricted cash held by trustee and cash held in the investment portfolio net of bank overdraft.

### *3.8 Related parties*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Related party accounts are carried at amortised cost, net of any impairment charge.

### *3.9 Interest income and expense*

Interest income and expense are recognised in profit or loss for all interest-bearing financial instruments using the EIR. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group and the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Accordingly, interest expense includes the effect of amortising any difference between net proceeds and redemption value in respect of the the Group and the Company's interest-bearing borrowings.

### *3.10 Revenue recognition*

The Group is in the business of acquisition, development, and leasing of immovable property across multiple sectors, including the hospitality industry, as well as the commercial and residential markets. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for those goods and services. The Group and the Company has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer. Revenue is recorded net of value-added tax and discounts to customers are recognised as a reduction in revenue. The Group and the Company measures revenue on a basis that reflects the amount of consideration that it expects to be entitled to; this measurement of revenue is however limited to amounts to which the Group and the Company has enforceable rights, and it excludes amounts collected on behalf of third parties. Revenue is recognised when the Group and the Company satisfies a performance obligation, which occurs when it transfers control of a promised good or service to a customer. Control of a promised good or service is transferred to a customer when the customer is able to direct the use of the promised good or service. A performance obligation is satisfied at a point in time unless it meets certain criteria that indicate that it is satisfied over time. The Group and the Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale, the Group and the Company considers the effects of variable consideration, the existence of financing components, non-cash consideration and consideration payable to the customer (if any).

*Property for development and resale*

The Group and the Company enters into contracts with customers to sell property that are completed. The sale of completed property constitutes a single performance obligation and the Group and the Company has determined that this is satisfied at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customers. For conditional exchanges, this generally occurs when all significant conditions are satisfied. Payments are received when legal title transfers which is usually upon the date when the contracts are signed. For some contracts involving the sale of property, the Group and the Company is entitled to receive an initial deposit. This is not considered a significant financing component because it is for reasons other than the provision of financing to the Group and the Company. The initial deposits are used to protect the Group and the Company from the other party failing to adequately complete some or all of its obligations under the contract. Such amounts are accounted as part of liabilities in the consolidated and separate statements of financial position. The Group and the Company has determined that contracts including the sale of completed property do not contain significant financing components. In addition, there is no non-cash consideration or consideration payable to customers.

*Customer contract assets and liabilities*

The timing of revenue recognition may differ from customer invoicing. Trade receivables, if any, presented in the consolidated and separate statements of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred. By contrast, contract assets mainly refer to amounts allocated per IFRS 15, Revenue from contracts with customers, as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. Contract assets, like trade receivables, are subject to impairment for credit risk in line with the expected credit loss model. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted. Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet.

*Other operating income*

Other operating income is recognised on an accrual basis unless collectability is in doubt.

*Interest income*

Interest income is recognised for all interest-bearing instruments on a time-proportion basis using the effective interest method.

### *3.11 Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*Group as a lessee*

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets*

The Group and the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Depreciation charged is 7 years.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

*ii) Lease liabilities*

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset).

If the modification decreases the scope of the lease, such as a change that reduces the total leased space or shortens the lease term, the lessee remeasures the lease liability and reduces the right-of-use asset to reflect the partial or full termination of the lease. Any difference between those two adjustments is recognised in profit or loss at the effective date of the modification. For all other modifications, the lessee recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset, without affecting profit or loss.

The Group and the Company's right-of-use assets and lease liabilities are included in Note 13, Leases.

*iii) Short-term leases*

The Group and the Company applied the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straightline basis over the lease term.

*Group as a lessor*

Lessors shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. The Group does not have any finance lease. Under an operating lease, rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

### *3.12 Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### *3.13 Taxation*

The tax expense for the year comprises current income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when 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 where there is an intention to settle the balances on a net basis.

## 4. Expenses by function and nature

| **Direct costs** | **Group** | **Company** | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Cost of property sold | **1,503,126** | **1,503,126** | - |
| Other direct costs | **100,004** | **100,004** | - |
| | **1,603,130** | **1,603,130** | - |

| **Selling expenses** | **Group** | **Company** | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Advertising | **550** | **550** | 4,040 |

| **Administrative expenses** | **Group** | **Company** | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Salaries and wages (Note 4.1) | **93,707** | **93,707** | - |
| Directors' fees (Note 4.1) | **18,300** | **1,800** | - |
| Broker fees | **10,789** | **-** | - |
| Depreciation expense (Note 13) | **12,903** | **12,903** | - |
| Professional fees | **192,328** | **165,031** | 5,334 |
| Audit fees | **25,732** | **20,422** | 910 |
| Bank charges | **10,379** | **10,372** | 2,270 |
| Maintenance costs | **4,066** | **4,066** | 2,154 |
| Other expenses | **20,644** | **19,710** | 5,380 |
| | **388,848** | **328,011** | 16,048 |

Average number of persons employed during the year is 3 (2024: nil).

4.1. Personnel expenses incurred by the Group and the Company during the year are analysed as follows, there were no salaries and wages and directors' fees in 2024:

Director's fees

| | Group | Company |
|---|---|---|
| | € | € |
| Directors Fees | 18,300 | 1,800 |
| Key management personnel remuneration | 49,559 | 49,559 |
| Other personnel emoluments | 44,148 | 44,148 |
| | 112,007 | 95,507 |

4.2. Audit fees

Fees charged by the auditor for services rendered during the period ended 31 December 2025 is included in administrative expenses and in bond issue costs in Note 20 to these financial statements amounted to:

| | Group | Company | |
|---|---|---|---|
| | 2025 | 2025 | 2024 |
| | € | € | € |
| Audit fees | 23,310 | 18,000 | 910 |
| Allowable non-audit services | 38,250 | - | - |
| | 61,560 | 18,000 | 910 |

## 5. Other operating income/(expense) – net

| | Group | Company | |
|---|---|---|---|
| | 2025 | 2025 | 2024 |
| | € | € | € |
| Profit on sale of vehicle | 5,195 | 5,195 | - |
| Miscellaneous income | 12,089 | 12,089 | - |
| Loss on disposal of property | (10,345) | (10,345) | - |
| Bank interest | 98 | 98 | 100 |
| | 7,037 | 7,037 | 100 |

## 6. Finance cost

| | Group | Company | |
|---|---|---|---|
| | 2025 | 2025 | 2024 |
| | € | € | € |
| Interest on debt securities in issue (Note 20) | 222,432 | - | - |
| Interest on lease liability (Note 12) | 4,790 | 4,790 | - |
| Bank loan interest expense | 22,621 | 22,621 | 28,611 |
| Loan interest expense | 9,786 | 167,182 | - |
| | 259,629 | 194,593 | 28,611 |

## 7. Revenue

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Sale of properties (Note 7.1) | **4,129,250** | **4,129,250** | - |
| Rental income (Note 7.2) | **72,016** | **72,016** | 56,500 |
| | **4,201,266** | **4,201,266** | 56,500 |

7.1. The Company sold a number of properties during the year, including units at Cantera Apartments and Windsor Apartment. Some of these units were held under shared ownership arrangements, with the Company holding interests alongside DMC Holdings Limited and MN Holdings Limited, each owning 50% of the respective properties.

7.2. The Company generated rental income on commercial outlets under investment properties located at 'Jungle Joy' Msida Road Gżira, and the other at 'Chef Choice', Triq ix-Xatt, Gżira.

## 8. Taxation

The tax rate applicable to the Company is that of final tax on the sale of properties and final tax on rental income.

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Tax charge | **(109,529)** | **(92,757)** | (8,475) |
| Deferred tax charge | **(6,322)** | **-** | - |
| | **(115,851)** | **(92,757)** | (8,475) |

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

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Profit before tax | **1,974,210** | **2,082,019** | 7,901 |
| Tax at 35% | **(690,974)** | **(728,707)** | (2,765) |
| Effect of: | | | |
| Non-allowable expenses | **(753,728)** | **(736,804)** | (17,010) |
| Income taxed at lower rates | **332,816** | **332,816** | 11,300 |
| Exempt gains | **1,039,938** | **1,039,938** | - |
| Effect of consolidation adjustments | **(43,903)** | **-** | - |
| | **(115,851)** | **(92,757)** | (8,475) |

## 9. Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% for general and 8% on the deferred tax on properties.

| **Group** | **At 1 January 2025** | **Movement recognized in OCI €** | **Movement recognized in income €** | **At 31 December 2025 €** |
|---|---|---|---|---|
| Unrealised gains | **673,600** | **30,400** | **6,322** | 710,322 |

| **Company** | **At 1 January 2024** | **Movement recognized in OCI €** | **Movement recognized in income €** | **At 31 December 2024 €** |
|---|---|---|---|---|
| Unrealised gains | **-** | **673,600** | **-** | 673,600 |

| **Company** | **At 1 January 2025** | **Movement recognized in OCI €** | **Movement recognized in income €** | **At 31 December 2025 €** |
|---|---|---|---|---|
| Unrealised gains | **673,600** | **30,400** | **-** | 704,000 |

## 10. Property, plant and equipment

**Group and Company**

| | **Property held for development As Restated €** |
|---|---|
| **Year ended 31 December 2024** | |
| Opening balance | 699,933 |
| Additions (Note 10.1) | 1,253,087 |
| Revaluation of property | 4,716,506 |
| **Closing balance** | **6,669,526** |

| **Year ended 31 December 2025** | **Motor vehicles €** | **Property for development €** | **Total €** |
|---|---|---|---|
| Opening balance | - | 6,669,526 | 6,669,526 |
| Additions (Note 10.1) | 214,805 | 2,844,209 | 3,059,014 |
| Capitalised borrowing cost | - | 60,473 | 60,473 |
| Re-assigned form inventory | - | 1,288,237 | 1,288,237 |
| Disposal (Note 10.2) | (214,805) | (171,759) | (386,564) |
| Transfer from related party - net | - | 1,591,930 | 1,591,930 |
| Revaluation of property | - | 862,710 | 862,710 |
| **Closing balance – Group** | **-** | **13,145,326** | **13,145,326** |
| Capitalised borrowing cost on loan from investment in subsidiary | - | 125,440 | 125,440 |
| **Closing balance – Company** | **-** | **13,270,766** | **13,270,766** |

10.1 The Group and the Company's properties consist of hotel, residential and commercial properties. The properties are revalued by professionally independent qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice. In the years where an external valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary.

Purchase of property, plant and equipment amounting to During the year, the Group and the Company acquired property, plant and equipment amounting to €2,844,211 (2024: €1,253,087). These additions primarily relate to real estate development project.

10.2 During the year, the Company disposed of property with an original cost of €171,759. The disposal was made at cost, resulting in no gain or loss on disposal.

## 11. Investment property

**Group and Company**

| | Property held for development As Restated € |
|---|---|
| **Year ended 31 December 2024** | |
| Opening balance | 463,566 |
| Additions | 225,496 |
| Revaluation of property | 1,330,937 |
| Closing balance | 2,019,999 |
| | |
| **Year ended 31 December 2025** | |
| Opening balance | 2,019,999 |
| Additions | 25,001 |
| Transfer from related party – net | 7,260,000 |
| Closing balance | 9,305,000 |

The Group's investment properties consist of hotel, residential and commercial properties. The properties are revalued by professionally independent qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice. In the years where an external valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary.

As at 31 December 2025, the fair value of the properties is based on valuation performed by an accredited independent architect. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

| | 2025 € | 2024 € |
|---|---|---|
| Income derived from investment properties | **26,716** | 56,500 |
| Direct operating expenses (including repairs and maintenance | **(552)** | (2,154) |
| Profit arising from investment property carried at fair value | **26,164** | 54,346 |

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

The fair value of the Group's investment property has been determined to fall within Level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 3.5. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

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

The valuation was determined based on the assets-based approach with reference to market prices based on database of valuations and sales of properties in the relevant area, as applicable.

| Type of property | Fair value at 31 December 2025 | Valuation Technique | Inputs | Sensitivity |
|---|---|---|---|---|
| Hotels | 31,600,000 | Income capitalisation approach and Market approach | Current market conditions | The higher the rates, the higher the value. |
| Commercial | 2,480,000 | Income capitalisation approach and Market approach | Current market conditions | The higher the rates, the higher the value. |
| Residential | 13,920,000 | Income capitalisation approach and Market approach | Current market conditions | The higher the rates, the higher the value. |

## 12. Leases

### Group and Company

The Group and the Company has lease contracts for the use of the office space and car space as used in its operations which has a lease term of seven (7) years lasting until April 2032.

The statement of financial position reflects the following assets relating to leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

| **2025** | **Office and car space** |
|---|---|
| | **€** |
| Initial recognition of right-of-use assets | 135,478 |
| Depreciation expense | (12,903) |
| **As at 31 December 2025** | **122,575** |

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

| **2025** | **Office and car space** |
|---|---|
| | **€** |
| Initial recognition of lease liabilities | 135,478 |
| Accretion of interest | 4,790 |
| Lease payments made | (16,200) |
| **As at 31 December 2025** | **124,068** |
| **Split as follow:** | |
| Current | **14,067** |
| Non-current | **110,001** |
| | **124,068** |

The undiscounted value of lease commitments at the balance sheet date amounts to €152,321 (2024 €nil). The maturity analysis of lease liabilities is disclosed in note 23.2.
The following are the amounts recognised in profit or loss:

| | **2025** |
|---|---|
| | **€** |
| Depreciation expense of right-of-use-assets | 12,903 |
| Interest expense on lease liabilities | 4,790 |

**Group and Company as a lessor**

The Group has entered into operating leases on its investment property portfolio consisting of certain residential and retail properties. These leases have terms from fifteen to sixteen years. Rental income recognised by the Group during the year is €72,016 (2024: €56,500).

Future minimum rental receivable under non-cancellable operating leases as at 31 December are as follows:

| | **Group** | **Company** | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Within one year | **108,665** | **108,665** | 20,843 |
| After one year but not more than five years | **468,279** | **468,279** | - |
| More than five years | **544,904** | **544,904** | - |
| | **1,121,848** | **1,121,848** | 20,843 |

## 13. Investment in subsidiary

13.1. Movement schedule of investments in subsidiaries

**Company**

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Investment in subsidiary at cost | **250,000** | - |

13.2. The subsidiary at 31 December 2025, whose results and financial position affected the figures of the Group, are presented below:

| | Registered office | Class of shares held | Percentage of shares held 2025 % | Percentage of shares held 2024 % | Nature of business |
|---|---|---|---|---|---|
| AGB Finance P.L.C. | HACIENDA OFFICE, Triq Nathalie Poutiatin Tabone, Sliema SLM 1870, Malta | Ordinary 'A' shares | 99.99 | - | Special Purpose Vehicle to raise financial resources from the capital market to finance the capital projects of the parent company |

13.3. Investment in AGB Finance P.L.C.

On 12 June 2025, the Company incorporated AGB Finance p.l.c. (the "Issuer"), a public limited liability company established in Malta for the purpose of acting as the Group's dedicated financing vehicle under a secured bonds issuance programme of up to €25,000,000. On incorporation, the Company subscribed for 249,999 ordinary A shares of €1 each, representing 100% of the voting share capital of the Issuer, while one ordinary B share of €1 without voting rights was allotted to the ultimate beneficial owner, Mr Alan Bonnici. Accordingly, AGB Finance P.L.C. is a subsidiary of the Company and is fully consolidated in these financial statements.

The Issuer's principal activity is to raise funding from the capital markets and on-lend the proceeds to the Company by way of intercompany loan, thereby providing long-term financing for the Group's property investments and developments, including the G Hotel, Corks Hotel, the Gżira Hotel and related projects as more fully described in the Base Prospectus. The Company has granted a joint and several guarantee in favour of the bondholders of AGB Finance P.L.C. in terms of a guarantee dated 29 August 2025, securing the punctual performance of the Issuer's payment obligations under the bonds. The carrying amount of the Company's investment in AGB Finance p.l.c. is tested for impairment annually, or more frequently if indicators of impairment arise, having regard primarily to the recoverability of the underlying intercompany loan and the projected cash flows of the Group.

As at 31 December 2025, the issued ordinary share capital of AGB Finance P.L.C. amounted to €250,000, and the Issuer's total assets consisted principally of an intercompany loan receivable from the Company and related accrued interest.

## 14. Financial assets held at FVTPL

**Group**

| **Quoted government debt instruments** | **2025**<br>**€** |
|---|---|
| Additions | **4,187,002** |
| Gain on change in the fair value of financial assets held at FVTPL | **18,064** |
| Fair value at 31 December | **4,205,066** |

The financial assets designated at fair value through profit or loss comprise short-term government treasury bills issued by European sovereigns, including Belgium and France, with maturities of less than one year at the reporting date.

These instruments are held as part of a managed investment portfolio that is actively managed by an independent third-party fund manager under a discretionary mandate. The portfolio is managed and its performance evaluated on a fair value basis, with investment decisions made based on market value movements rather than contractual cash flows.

## 15. Other receivables

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Advances to other related parties (Note 15.1) | **2,801,625** | **2,801,625** | 340,004 |
| Advances to contractors | **165,000** | **165,000** | - |
| Deposits | **5,400** | **5,400** | - |
| Other receivables | **3,570** | **3,570** | 46,531 |
| | **2,975,595** | **2,975,595** | 386,535 |

15.1 Amounts due from related parties are unsecured, interest-free and repayable on demand.

## 16. Inventories

**Group and Company**

| | **Property held for resale**<br>**As Restated**<br>**€** |
|---|---|
| **Year ended 31 December 2024** | |
| Opening balance | 1,502,014 |
| Additions | 522,449 |
| Closing balance | 2,024,463 |

| | |
|---|---|
| **Year ended 31 December 2025** | |
| Opening balance | 2,024,463 |
| Additions | 918,068 |
| Capitalised borrowing cost | 20,073 |
| Sale or disposal | (1,462,867) |
| Transfers to related party | (105,000) |
| Reassigned to PPE | (1,288,237) |
| Closing balance | 106,500 |

Inventories recognised as an expense during the year ended 31 December 2025 amounted to €1,503,126 (2024: €nil). These were included in direct costs Note 4.

Write-downs of inventories to net realisable value amounted to €nil (2024: €nil). Inventories are not pledged as security against liabilities.

## 17. Cash and cash equivalents

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Cash in bank | **1,301,929** | **1,285,429** | 408,995 |
| Restricted cash held in trust | **4,655,470** | **-** | - |
| Restricted cash on the investment portfolio | **1,540** | **-** | - |
| | **5,958,939** | **1,285,429** | 408,995 |
| Bank overdraft (Note 20) | **-** | **-** | (226,585) |
| | **5,958,939** | **1,285,429** | 182,410 |

Bank overdraft relates to a bank overdraft facility from APS Bank P.L.C., as detailed in Note 20.

## 18. Share capital

**Group and Company**

| | 2025 | 2024 |
|---|---|---|
| | **€** | € |
| **Authorised** | | |
| 12,000,000 (2024: 651,200) ordinary shares of €1 each | **12,000,000** | 651,200 |
| **Issued and 100% paid up** | | |
| 10,183,526 (2024: 651,200) ordinary shares of €1 each | **10,183,526** | 651,200 |

On 27 August 2025, a general meeting of AB Investments Limited was held whereby it was approved that the authorised share capital of the Company be set at 12,000,000 ordinary shares of €1 each, amounting in aggregate to €12,000,000.

**Group restructuring**

During the financial year ended 31 December 2025, as part of a group restructuring exercise, AB Investments Limited acquired a portfolio of properties from AGB Holdings Limited with an aggregate consideration of €12,780,000 and simultaneously disposed of certain non-core properties to AGB Holdings Limited for a total consideration of €3,820,000. The related intercompany balances arising on these transactions gave rise to reciprocal receivables and payables between AB Investments Limited and AGB Holdings Limited.

Subsequently, AB Investments Limited, AGB Holdings Limited and the Company's ultimate beneficial owner, Mr Alan Bonnici, entered into an assignment and set-off arrangement in terms of which each company assigned its receivables from the other to Mr Bonnici and the parties agreed to offset such balances to the extent of the lower amount. Following this arrangement, the residual balance of €8,182,326 due by AB Investments Limited to Mr Bonnici was capitalised through the issue of 8,182,326 fully paid-up ordinary shares of €1 each in favour of Mr Bonnici, which amount was credited to share capital.

The remaining €1,350,000 was settled by way of cash consideration from the UBO.

## 19. Revaluation reserve

Revaluation reserve represents the cumulative gains and losses arising on the revaluation due to changes in fair value of 'property held for development' at Fair Value Through Other Comprehensive Income (FVTOCI) that have been recognised in other comprehensive income.

## 20. Debt securities in issue and bank borrowings

**Group**

| **Debt securities in issue** | **2025** |
|---|---|
| | **€** |
| **Non-current** | |
| 163,000 5.4% Bonds 2035 | **15,881,968** |
| **Current** | |
| Accrued interest | **214,624** |

By virtue of a prospectus dated 29 August 2025 (the "Final Terms"), the Company issued an aggregate amount of €16,300,000 of secured bonds with a face value of €100 each. These bonds are offered for subscription under Tranche 1 and further tranches are expected to be issued. The bonds have a coupon interest of 5.4% which is payable 10 October of each year between and including each of the years 2026 and 2035, with the first interest payment date being 10 October 2026. The bonds are redeemable at par and are due for redemption on 10 October 2035. The proceeds from the bonds were transferred and receivable from the parent company as disclosed in Note 8 to these financial statements. Interest expense for the period amounts to €222,432.

The bonds are guaranteed by the Company as Guarantor, which has bound itself jointly and severally liable with the Issuer, as issuer of the bonds, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the prospectus.

The bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective interest rate as follows:

| | **2025** |
|---|---|
| | **€** |
| Original face value of bonds issued | **16,300,000** |
| Bond issue costs | **425,840** |
| Accumulated amortization | **(7,808)** |
| Unamortised bond issue costs | **418,032** |
| Amortised cost and closing carrying amount of the bonds | **15,881,968** |

**Company**

| **Borrowings** | **2025** | 2024 |
|---|---|---|
| | **€** | € |
| **Non-current liabilities** | | |
| Loan payable to subsidiary | **6,972,959** | - |
| Advances from subsidiary | **250,000** | |
| Interest-bearing bank loans | **-** | 1,842,157 |
| | **7,222,959** | 1,842,157 |
| **Current liabilities** | | |
| Bank overdraft (Note 17) | **-** | 226,585 |
| Interest-bearing bank loans | **-** | 1,385,892 |
| | **-** | 1,612,477 |

The Company advanced funds from its subsidiary, AGB Finance P.L.C. As noted in the prospectus dated 29 August 2025, the Company is utilising these proceeds in each of the following:

(i) Re-financing of relevant bank loans;
(ii) development and/or finishing costs of the Corks Hotel owned by the Company;
(iii) Finishing costs of the Gzira Hotel owned by the Company and
(iv) other general corporate funding.

The loan is subject to a fixed annual interest rate of 6.4% on the total amounted granted of €15,975,000 irrespective of whether and when drawdowns take place. The interest is payable on the 25 September of each year and is recognised as interest income in the Statement of Comprehensive Income. The loan is repayable by 25 September 2035.

Additional loan of €250,000 was also advanced by the subsidiary and is subject to the same rate of interest of 6.4% on the total amounted granted. The interest is payable on the 25 June of each year and is recognised as interest income in the Statement of Comprehensive Income. The loan is repayable by 25 June 2035.

At 31 December 2024, the Company had interest- bearing bank loans of €3,228,049. These loans bore interest at a rate from 4.5% to 4.75% per annum. The loans were fully repaid during the year. The Company also utilised a bank overdraft facility amounting to €226,585 as at 31 December 2024. The overdraft bore interest at 4.5% and was repayable on demand. The facility limit was €200,000. There are no bank overdrafts during the year. The total bank borrowings and overdraft balance at yearend amounted to nil (2024: €3,454,634).

## 21. Other payables and accruals

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | € |
| Amounts owed to shareholder | **535,500** | **535,500** | 158,266 |
| Accrued interest payable to subsidiary | **-** | **282,836** | - |
| Amounts owed to other related parties | **12,372** | **12,372** | - |
| Deposits advanced | **-** | **-** | 1,173,701 |
| Indirect taxation | **1,893** | **1,893** | - |
| Other accruals | **29,427** | **29,427** | 3,320 |
| Other payables | **20,736** | **588** | - |
| | **599,928** | **862,616** | 1,335,287 |

Amounts due to shareholder and other related parties are unsecured, interest-free and repayable on demand.

## 22. Related parties

Related party transactions are entered into on a commercial basis with entities which are related by way of common shareholders who are able to exercise significant influence over the Company's operations.

AB Investments Limited and its subsidiary (Note 13) constitute the Group. The entities constituting the Group are ultimately fully owned by Mr Alan Bonnici. Accordingly, companies which is ultimately owned and controlled by him are considered to be related parties to the Group. The Group's and the Company's related parties include the ultimate beneficial owners, the Group's subsidiary and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of transactions between the Group and its other related parties are disclosed below. Trading transactions with these companies would typically include loans and advances.

***Transactions with key management personnel***

During the financial year ended 31 December 2025, the Group made transactions with key management personnel as disclosed below.

| | |
|---|---|
| | **2025** |
| | **€** |
| Directors' fees | **18,300** |
| Other key management personnel remuneration | **49,559** |
| | **67,859** |

***Related party balances***

During the year ended 31 December 2025, the Group entered into transactions with non-consolidated related parties as disclosed in Notes 15 and 21. The terms and conditions in respect of these balances are disclosed in respective notes.

**Related party transactions**

| | Group | Company | |
|---|---|---|---|
| | **2025** | **2025** | 2024 |
| | **€** | **€** | **€** |
| Advances/net transfers to other related parties | **2,461,621** | **2,461,621** | 199,542 |
| Advances by shareholder | **377,234** | **377,234** | 378,661 |
| Amounts advanced by other related parties | **12,372** | **12,372** | **-** |
| Interest charged to subsidiary | **-** | **282,836** | **-** |

## 23. Financial risk management

**Overview**

This note presents information about the Group's and the Company's exposure to each of the above risks, the Group's and the Company's objectives and policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

### *23.1 Credit risk*

Credit risk is the risk of financial loss to the Group and Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from the loan advanced to the other related parties and cash and cash equivalents. The carrying amount of the financial assets, as disclosed in notes 15 and 17 to these financial statements represents the maximum credit exposure.

The Board retains direct responsibility for affecting and monitoring the investments made by the Group and Company. The Board monitors, on an on-going basis, the financial affairs of its other related entities and takes into account factors such as financial position, performance and cash flows. The Group and Company takes cognisance of the related party relationship with these entities and management do not expect any losses from non-performance or default. Accordingly, credit risk with respect to these receivables is expected to be limited.

**Financial assets**

As disclosed above, the Company's main exposures are a advances to other related parties.

**i. Advances to other related parties**

The advances is unsecured, interest-free and repayable on demand.

On 31 December 2025, management has completed an analysis which considers both historical and forward-looking qualitative and quantitative information, to determine if the advances have low credit risk. In this analysis, management also considers factors that would demonstrate whether credit risk on the advances has increased significantly since initial recognition.

Management has furthermore prepared cash flow forecasts for the coming 10-year period and it expects that the other related parties to whom the Group and the Company granted the loan will have sufficient cash throughout that period to meet all of its working capital and other obligations. Management does not expect there to be adverse changes in economic and business conditions over the same period which would reduce the ability of these related parties to repay the loan receivable.

Consequently, management has determined that there are no indications that credit risk over the life of the advances to other related parties has increased significantly since initial recognition or is expected to increase significantly in the next 12 months. Thus, loans receivable have low credit risk and the loan receivable falls within 'stage 1' of IFRS 9's impairment model and 12-month expected credit losses can be calculated.

Since the Company is not credit-rated, management has decided to use the probability of default ('PD') for lowest rating for an investment grade loan to assess whether a material impairment provision is required for the other related parties transactions. Management used the 12-month PDs and also considered that even though the turbulences of the current macro-economy might impact the industry in which the other related parties operates, the other related parties has a sound financial position including excess cash and therefore the historical rates are broadly reflective of their future expectations of default rates. Forward-looking information are also taken into consideration by management in their analysis including forecasted economic conditions (such as GDP and inflation). Central Bank of Malta forecasts are captured in this analysis.

Assuming a loss given default ('LGD') of 100% (that is, there are no collateral or other credit enhancement supporting the loan), applying this to the loans would result to an immaterial amount.

**ii. Cash and cash equivalents**

The Company's cash is placed with reputable financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the Company. In fact, the majority of the cash is held with a bank though no publicly available credit rating is available, Malta is affirmed to having a A-/A-2 overall credit rating. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was insignificant.

### *23.2 Liquidity risk*

The Group and the Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally debt securities in issue, borrowings and other payables and accruals disclosed in notes 20 and 21. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meeting the Group and the Company's obligations.

The following table analyses the Group and the Company’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows.

**Group**

| | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | 2025 Total |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| **31 December 2025** | | | | | |
| **Debt securities in issue** | **897,081** | **880,200** | **2,640,600** | **20,701,000** | **25,118,881** |
| **Lease liabilities** | **21,600** | **22,410** | **74,180** | **34,131** | **152,321** |
| **Other payables** | **599,928** | **-** | **-** | **-** | **599,928** |
| | **1,518,609** | **902,610** | **2,714,780** | **20,735,131** | **25,871,130** |

**Company**

| | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | 2025 Total |
|---|---|---|---|---|---|
| | € | € | € | € | € |
| **31 December 2025** | | | | | |
| **Loan payable to investment in subsidiary** | **1,022,400** | **1,022,400** | **3,067,200** | **12,084,959** | **17,196,959** |
| **Lease liabilities** | **21,600** | **22,410** | **74,180** | **34,131** | **152,321** |
| **Advances from subsidiary** | **16,000** | **16,000** | **48,000** | **330,000** | **410,000** |
| **Other payables and accruals** | **862,616** | **-** | **-** | **-** | **862,616** |
| | **1,922,616** | **1,060,810** | **3,189,380** | **12,449,090** | **18,621,896** |
| 31 December 2024 | | | | | |
| Interest-bearing bank loans – Non-current | 284,200 | 284,200 | 852,600 | 819,127 | 2,240,127 |
| Interest bearing bank loans – Current | 1,424,708 | - | - | - | 1,424,708 |
| Other payables | 1,335,287 | - | - | - | 1,335,287 |
| | 3,044,195 | 284,200 | 852,600 | 819,127 | 5,000,122 |

### *23.3 Market risk*

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *23.4 Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowing with floating interest rates in the prior year, no balance was due during the year hence there is no significant risk identified. The interest rates on the borrowings are disclosed in Note 20 to these financial statements.

### *23.5 Capital risk management*

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

The capital structure consists of items presented within equity in the consolidated and separate statements of financial position.

The Group and the Company's directors manage the Group and the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the Group and the Company 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.

### *23.6 Fair values of financial instruments*

At 31 December 2025, 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 liabilities that are not measured at fair value are not materially different from their carrying amounts. The fair value information of the Group and the Company's non current borrowings are as disclosed below:

| | | Carrying amount | Fair value |
|---|---|---|---|
| | | € | € |
| **Group** | | | |
| Debt securities in issue (Note 20) | **2025** | **15,881,968** | **16,234,800** |
| Lease liabilities (Note 12) | **2025** | **110,001** | **110,001** |
| **Company** | | | |
| Borrowings (Note 20) | **2025** | **7,222,959** | **7,222,959** |
| | 2024 | 1,842,157 | 1,842,157 |
| Lease liabilities (Note 12) | **2025** | **110,001** | **110,001** |
| | 2024 | - | - |

Interest rates of the borrowings and lease liabilities are deemed observable and accordingly these fair value estimates have been categorised as Level 2 within the fair value measurement hierarchy required by IFRS 13: Fair Value Measurement. The fair value has been determined by using the discounted cash flow method using a discount rate that reflects the interest rate as at the end of the reporting period. The fair value estimate of the debt securities in issue is deemed Level 1 as it constitutes a quoted price in an active market.

## 24. Restatement of comparatives

**Company**

During the current financial period, the Company identified certain presentation inconsistencies in the prior period financial statements. Accordingly, comparative amounts have been reclassified to ensure consistency with the presentation adopted in the current period and to provide more relevant and reliable information to users of the financial statements. These reclassifications relate solely to the presentation of specific line items as detailed below. The changes on the statement of financial position only impact classification of items and the representation of balances as at 1 January 2024 was not deemed necessary. The impacts are represented below:

*Impact as at 31 December 2024:*

| | As previously reported € | Adjustment | As Restated € |
|---|---|---|---|
| **Statement of comprehensive income** | | | |
| Administrative expenses | **(20,088)** | **4,040** | **(16,048)** |
| Selling expenses | **-** | **(4,040)** | **(4,040)** |
| **Statement of financial position** | | | |
| **Assets** | | | |
| Property, plant and equipment | **10,713,988** | **(4,044,462)** | **6,669,526** |
| Investment property | **-** | **2,019,999** | **2,019,999** |
| Inventory | **-** | **2,024,463** | **2,024,463** |
| **Non-Current Liabilities** | | | |
| Non-Current borrowings | **3,386,315** | **(1,544,158)** | **1,842,157** |
| **Current Liabilities** | | | |
| Other payables | **1,177,021** | **158,266** | **1,335,287** |
| Current borrowings | **226,585** | **1,385,892** | **1,612,477** |
| **Statement of cash flows** | | | |
| Movement in inventories | **-** | **(522,449)** | **(522,449)** |
| *Net cash flows from operating activities* | **455,189** | **(522,449)** | **(67,260)** |
| Purchase of PPE | **(2,001,032)** | **747,945** | **(1,253,087)** |
| Purchase of Investment property | **-** | **(225,496)** | **(225,496)** |
| *Net cash flow from investing activities* | **(2,001,032)** | **522,449** | **(1,478,583)** |

*Impact as at 1 January 2024:*

| | As previously reported € | Adjustment | As Restated € |
|---|---|---|---|
| **Statement of financial position** | | | |
| **Assets** | | | |
| Property, plant and equipment | **2,665,513** | **(1,965,580)** | **699,933** |
| Investment property | **-** | **463,566** | **463,566** |
| Inventory | **-** | **1,502,014** | **1,502,014** |

## 25. Subsequent events

There were no events after period-end which would require adjustment or disclosure in the annual financial statements of the Group.

## 26. Contingent liabilities

At the financial position date, the company had the following contingent liabilities on which no material losses are expected to be suffered:

| | € |
|---|---|
| Pledged funds | **181,095** |
| Counter indemnity in respect of Guarantees | **184,337** |
| General and special hypotechs arising on loans that were settled during the year | **4,136,000** |

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# Independent auditor's report

To the Shareholders of AB Investments Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the individual financial statements of AB Investments Limited (the Company) and the consolidated financial statements of the Company and the Group (together, the Group), set out on pages 7 to 43, which comprise the statement of financial position as at 31 December 2025 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter relates solely to the subsidiary of the group and is included in the subsidiary's audit report. The element addressed as Key Audit Matter is eliminated at consolidation level.

## Independent auditor’s report

To the Shareholders of AB Investments Limited (continued)

### Other matter

The financial statements of AB Investments Limited for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 12 May 2025.

### Other Information

The directors are responsible for the other information. The other information comprises the directors’ report. Our opinion on the financial statements does not cover this information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the Directors’ Report, we also considered whether the Directors’ Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). 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; and
- the directors’ report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors’ report. We have nothing to report in this regard.

### Responsibilities of the Directors

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

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

### 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Independent auditor's report

To the Shareholders of AB Investments Limited (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

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

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

## Independent auditor's report

To the Shareholders of AB Investments Limited (continued)

### Use of audit report

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act (Cap. 386) of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

*This copy of the audit report has been signed by Ernestino Riolo (Partner) for and on behalf of*

**Forvis Mazars**
Certified Public Accountants
Birkirkara,
Malta

27 April 2026