MALITA
INVESTMENTS

Annual Report
2024

MALITA INVESTMENTS P.L.C.
ANNUAL REPORT & FINANCIAL STATEMENTS 2024

MISSION STATEMENT

MALITA'S MISSION IS TO **INVEST IN SUSTAINABLE URBAN REGENERATION PROJECTS LOCATED** IN BOTH MALTA AND GOZO WHICH WILL ULTIMATELY TRANSLATE INTO LONG-TERM ECONOMIC AND ENVIRONMENTAL BENEFITS

Readers are reminded that the official statutory Annual Financial Report 2024, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on www.malitainvestments.com. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report 2024, is included within this printed document and comprises the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Capital Markets Rule 5.55.6.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

REFLECTING ON THE RECENT PAST

I am pleased to present the annual report for Malita Investments p.l.c. the Company) for the financial year ended 31 December 2024. This past year has been marked by significant milestones for our Company, as we continue to navigate a complex economic environment while remaining committed to our strategic vision.

As we reflect on our achievements, I want to highlight our unwavering dedication to enhancing shareholder value and delivering sustainable growth.

As the Company continues to grow, so must its internal governance and operational structures. With this in mind, 2024 was a pivotal year for the Company, marked by the need to restructure its internal management structures.

The changes to the Company's staff complement are also reflective of the re-dimensioning of the Company's profile and objectives over the recent years. The Housing Project, and the demands that such great responsibility entails, has challenged the Company's status quo and required us to not only be responsive to the shifting landscape but also be proactive in learning from past challenges with a view of turning these into opportunities.

This necessitated the taking of appropriately timed measures in ensuring that management and the structures within could ensure the successful continuity of the Company.

The first of these pivotal moments was the appointment of Perit Amanda Desira who joined the Company as Chief Operations Officer. Secondly, mindful of the interplay between the executive arm of the Company and the nonexecutive nature of the Board, my role was deemed to require a more hands-on approach. The redesigning of the role of the Chairman into an executive one is testament to the Board's commitment to ensure that management is empowered and enabled to the fullest degree possible. In fact, to date, in addition to the COO and the undersigned's taking on the role of Executive Chair, the executive team is composed of 2 procurement officers, 2 project managers, a financial controller and an accountant. The Company is also in the process of recruiting a Chief Finance, Banking and Strategy Officer. This would not have been possible without the strong fundamentals that previous Boards had embedded within the Company.

FINANCIAL PERFORMANCE

For the year ended 31 December 2024, the Company reported a pre-tax profit of €6,135,687 (2023: restated pre-tax profit of €23,532,520). Revenue from annual ground rents and lease receivables amounted to €9,560,367 (2023: €9,211,050). The latter includes rent earned from MIA, VCP, Parliament Building and Open-Air Theatre. Lease income from these assets increased slightly in 2024, in line with existing contractual terms.

Revenue from service concession arrangements, pertaining to the ongoing Housing Project, totalled €15,547,953 (2023: restated €12,332,235). This represents revenue recognised during the construction phase of the project, based on actual costs incurred to date, plus a contractual markup.

Likewise, costs relating to service concession arrangements of €14,896,852 (2023: restated €12,015,043) were recorded. These represent the actual construction costs incurred. The net difference between revenue and cost from concession arrangements effectively represents project management fees for services provided by the Company during the year. Income earned through the financing element of this arrangement amounting to €4,224,597 (2023: restated €3,254,467) is recorded as part of finance income.

Operating profit increased to €8,778,152 (2023: restated €8,324,248), reflecting continued operational stability. The Company recorded a fair value gain of €6,010,688 on its MIA and VCP properties, lower than the restated €12,160,452 in 2023. However, a decline in fair value of €10,735,186 (2023: restated gain €3,305,107) was recorded in relation to the Parliament Building and Open-Air Theatre. Similar to previous years, these fair value movements are non-cash items and are transferred to the Reserve for Fair Value Movements.

During the year, the Company conducted a comprehensive review of its accounting treatments, judgements and estimates being applied by management. This exercise resulted in several restatements to ensure alignment with applicable accounting standards and consistency with evolving policies. Key adjustments included the removal of a previously recognised restoration cost provision, the expensing of borrowing costs in line with IFRIC 12 and IAS 23, a revision to deferred tax rates applied to fair value movements, and updated valuations of investment properties following an independent assessment. These changes have been reflected in the restated comparative figures presented in this report.

Operational expenses remained aligned with projections for the year.

During the year, the Company secured significant external funding to support its Affordable Housing project. A €22 million credit facility was signed with the European Investment Bank. Additionally, in-principal approvals were obtained for a €7 million loan from the Council of Europe Development Bank, and a further €4 million from another financial institution, which together are expected to provide sufficient coverage to finance the completion of the Affordable Housing Project.

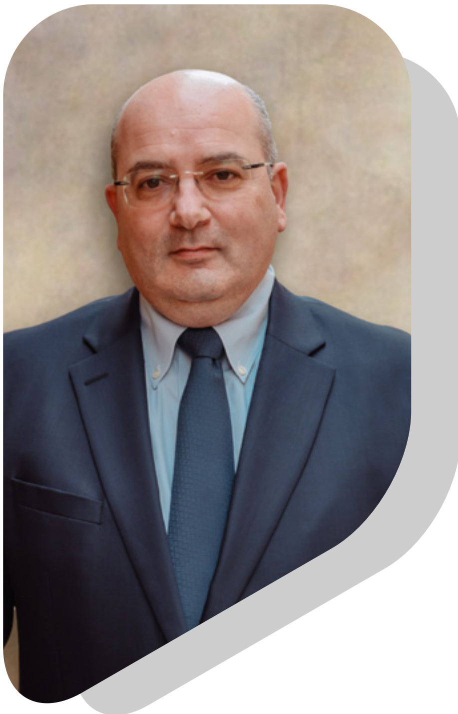
THE ROAD AHEAD

Looking ahead, the Company remains focused on its strategic objectives and stands with reignited vigour to deliver on the Housing Project. Doing so without the constant support of our employees who remain the cornerstone of this Company is impossible. All thanks goes to them for their continued support and dedication while looking forward to a more successful 2025.

Dr Johan Farrugia
Chairman

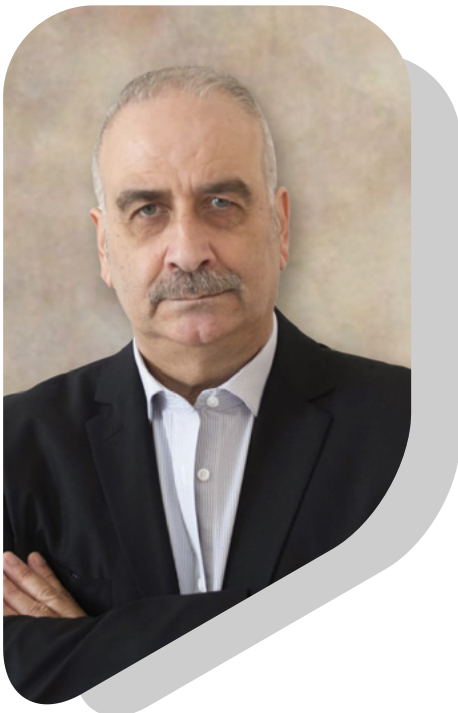
BOARD OF DIRECTORS

Dr Johan Farrugia
Chairman



Robert Suban
Non-Executive Director

Miguel Borg
Non-Executive Director



Victor Carachi
Non-Executive Director

Tania Brown
Non-Executive Director

Desiree Cassar
Non-Executive Director

Albert Cilia
Company Secretary

BOARD OF DIRECTORS

JOHAN FARRUGIA

Chairman

Dr Johan Farrugia obtained his Doctor of Laws degree from the University of Malta in 2012 and was subsequently admitted to the Maltese Bar. Shortly after graduating, he gained extensive experience in civil and criminal litigation which was followed with more than three years at the Malta Financial Services Authority as a legal research analyst. Dr Farrugia then joined the financial services team within one of Malta's leading medium sized law firms wherein he was made partner within the financial services practice of the firm after a short period of 5 years. As partner, Dr Farrugia headed the financial services practice within the firm. In 2023, he branched out and set up his own private practice. Dr Farrugia's primary areas of practice encompass corporate and commercial law, mergers and acquisitions including cross-border transactions, capital markets, investment services, banking, Initial Coin Offerings (ICOs), and digital ledger technology (DLT) related projects. Dr Farrugia also sits on the Capital Markets Working Group which has been tasked with setting the strategic vision for Malta's Capital Markets for the coming years.

MIGUEL BORG

Non-Executive Director

Miguel Borg is the CEO of Malta Venture Capital, a sovereign venture capital fund that invests in innovative start-ups. He lectures at the University of Malta, the Global Banking School (GBS), and other academic institutions. He also serves as a Non-Executive Director at MSPP Limited.

He previously held positions as Chief Risk Officer and Executive Director at Bank of Valletta p.l.c., and served as NED for various other companies, including BOV Fund Services Limited, BOV Asset Management Limited, and Media Centre Limited. Additionally, he was the Chairman of the Central Cooperative Fund and a member of the Ethics Committee of PRMIA USA.

Miguel Borg started his career at the Central Bank of Malta. He has a master's degree in economics from the University of Malta and is affiliated with several international risk management organisations.

ROBERT SUBAN

Non-Executive Director

Dr Robert Suban is the head of the Department of Banking, Finance and Investments of the University of Malta. He holds a bachelor in business administration, a masters degree in European economic Studies, and a Ph.D. in accounting & finance from the Alliance Manchester Business School. Dr Suban has also completed the ACCA qualification.

Dr Suban regularly attends and presents his research at various internationally peer-reviewed academic conferences in the area of finance. He has considerable experience as a practitioner having worked at the Central Bank of Malta, Jobsplus and a leading private travel organisation. Dr Suban also held the position as a non-executive director f Mapfre Middlesea p.l.c. (C 5553) and is currently a non-executive director and Chair of the Risk Committee of Bank of Valletta p.l.c. (C 2833).

VICTOR CARACHI

Non-Executive Director

Victor Carachi is the president of the General Workers' Union (GWU), a role which he has occupied since March 2008, following a long career in the banking sector that began with Mid-Med Bank (now HSBC Bank (Malta) p.l.c. (C 3177) in 1978. During his banking career, Mr Carachi held various managerial posts in the ICT division and was later appointed head of the operational risk department within HSBC Bank (Malta) p.l.c. (C 3177). Mr Carachi holds various directorship roles with a number of local private companies and government entities including Malta Enterprise and the Occupational Health & Safety Authority.

Mr Carachi is a chartered IT professional having obtained his qualification from the British Computer Society. Mr Carachi also holds a master's degree in business administration (MBA) from the UK based Henley Business College and Brunel University.

DESIREE CASSAR

Non-Executive Director

As a qualified lawyer, Dr Desiree Cassar comes from a career spanning more than twenty years in the commercial sector, including direct experience in the banking sector. She is currently the Managing Partner of DC-Advocates, where she also heads the corporate and tax planning service line.

She provides legal advice to Maltese listed and regulated entities and has also served as Company Secretary of some of these companies. Amongst other commitments she currently serves as Secretary to the Malta Financial Services Advisory Council, which is entrusted by the Government of Malta for the establishment of the strategy for the financial services sector in Malta. Dr Cassar was admitted to the Maltese Bar, Superior Courts of Malta in 2004 and then moved on to work as a tax and corporate lawyer at PricewaterhouseCoopers in Malta, where she was also assigned to work in the private wealth department of the same firm in the Netherlands.

TANIA BROWN

Non-Executive Director

Tania Brown has held various senior positions in the private sector, primarily in the telecommunications and information technology sectors with Datastream, GO p.l.c. and FGL Information Technologies Ltd, before moving to the public sector and leading the Ministry for Finance's secretariat, followed by advisory positions with the Ministry for Tourism and the Office of the Prime Minister.

Ms Brown has been engaged in senior roles at Identity Malta, and currently holds the position of Chief Policy and Strategy Officer. She has served as a director of the national airline, Air Malta p.l.c. (C 2685) and currently serves as a director of Automated Revenue Management Systems Ltd (C 46054). Ms Brown has read economics and management at the London School of Economics and holds a Master of Science in Business and Management from the University of Essex. Ms Brown is also certified in ITIL.

ALBERT CILIA

Company Secretary

With over 25 years of experience in the fiduciary, corporate, and asset management sectors, Albert Cilia has overall responsibility for Trident Trust's Malta operations, and also supports Trident Trust's regional fund administration business. A Fellow of the Association of Chartered Certified Accountants, Albert has a strong background in financial reporting, compliance, and corporate governance, with expertise covering corporate services, fund administration and regulatory oversight, developed through senior roles across leading organisations in Malta.

DIRECTOR'S REPORT

The Directors present their fourteenth annual report together with the audited financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of Malita Investments p.l.c. (the Company) include the financing, acquisition, development, management and operation of immovable property, in particular, projects of national and/or strategic importance.

REVIEW OF THE BUSINESS

Information pursuant to capital market rule 5.70

Malita Investments p.l.c. continues to generate revenue from ground rents received from the Malta International Airport (MIA) and Valletta Cruise Port (VCP) for properties over which it holds the dominium directum. The ground rent payable by VCP is partly contingent on the revenue it derives from leasing buildings and facilities, as well as other commercial activities, including passenger and cruise liner operations. During the year ended 31 December 2024, Malita received an additional rent amounting to €496,707 (2023: €255,896). This additional rent was triggered by a higher percentage of revenue generated from these ancillary activities, exceeding the set minimum annual ground rent due to the Company.

Furthermore, the Company continues to earn lease income from two key properties within City Gate, Valletta — the Open Air Theatre and the Parliament Building.

As set out in Note 7, the result for the period includes a fair value loss on investment property of €4,724,498 (2023 restated: €15,465,558 gain). This was recognised in profit or loss and immediately released from (2023: transferred to) the fair value reserve within equity, net of deferred tax.

By the end of 2024, the Affordable Housing project had reached a pivotal stage, achieving unprecedented progress and marking its most significant milestone to date. Over the course of the year, an additional 266 units were completed, bringing the total number of finished units to 392. This represents a more than threefold increase compared to the 126 units completed as of December 2023, underscoring the project's accelerated development.

In addition to residential units, the project also expanded its infrastructure with the introduction of 212 garages and car spaces across multiple locations (2023: 78). This enhancement not only improved the overall accessibility and convenience for future residents but also contributed to maximizing the Company's revenue potential from the project.

REVIEW OF THE BUSINESS – CONTINUED

The below table shows a detailed breakdown of all sites which have been handed over to tenants.

	SITE LOCATION	NUMBER OF UNITS	NUMBER OF GARAGES/ CAR SPACES	CONTRACTS WITH TENANTS
1	Birkirkara	73	56	August 2022
2	Kirkop C	8	6	February 2023
3	Attard	8	3	March 2023
4	Zebbug	8	6	March 2023
5	Kirkop B	18	0	June 2023
6	Qrendi C	11	7	December 2023
7	Zurrieq	27	20	January 2024
8	Kirkop D	8	8	April 2024
9	Msida	102	22	April 2024
10	Kirkop A	19	21	May 2024
11	Siggiewi	84	121	May 2024
12	Qrendi B	26	20	December 2024
	TOTAL	**392**	**290**	

The Company expects to complete the development and finishing works on 69 residential units in Cospicua by January 2026, in line with the current project timeline. In Qrendi, the Company anticipates handing over 28 residential units to tenants by April 2026, subject to the timely completion of the remaining construction phases.

The Luqa site, the largest within the Housing Project, will comprise 267 residential units and 287 garages/car spaces upon completion. To optimise revenue generation, the project has been structured into three distinct blocks, with each block being delivered to tenants in phases. These blocks will be serviced with internal roads to enhance accessibility and connectivity within the site. The first phase is expected to be completed by January 2026.

These developments highlight the Company's ongoing commitment to meeting the growing demand for quality housing while enhancing its service offerings. In line with this, the Company strengthened its leadership by appointing a Chief Operating Officer (COO) in August of the year under review. Amanda Desira, who was appointed COO, now plays a key role in overseeing the efficient and timely delivery of the Company's ongoing and future projects.

The Company also experienced a leadership change with the resignation of CEO Jennifer Falzon, who had been with the Company since its inception. The Board acknowledges her contributions over the years and wishes her well in her future endeavours. Following her departure, Amanda Desira has assumed the role of interim CEO, ensuring continuity and maintaining the Company's focus on delivering excellence and growth.

Furthermore, the Company remains committed to continuous improvement and transparency. To uphold these standards, internal audits are conducted biannually by a professional services firm, ensuring compliance, strengthening controls, and identifying opportunities for enhancing internal processes. The Directors and senior management continuously implement any recommendations forwarded by the internal auditor, reinforcing the Company's dedication to operational efficiency and sound financial management.

In the first half of the year under review, the Company successfully carried out a Rights Issue, followed by the issuance and allocation of New Ordinary Shares. This capital-raising initiative generated €30 million (gross of issue costs amounting to €634 thousand) for the Company. Upon the listing of these New Ordinary Shares on the Official List of the Malta Stock Exchange, the total issued share capital expanded to €104,103,297, consisting of 208,206,593 shares, each with a nominal value of €0.50, distributed as follows:

REVIEW OF THE BUSINESS – CONTINUED

- **Government of Malta** - 170,600,536 Shares representing 81.94% of the total issued share capital of the Company; and
- **General public** - 37,606,057 Shares representing 18.06% of the total issued share capital of the Company.

The funds raised from the Rights Issue, together with the €22 million credit agreement secured from the European Investment Bank on 15 March 2024, have enabled the Board and management to effectively address the majority of the financing gap related to capital expenditure for the completion of the Housing Project, following heightened spending due to the construction of additional units and elevated service rates. Additionally, discussions with financial institutions are progressing well, and management has received correspondence indicating that the remaining funds amounting to €11 million are conceptually approved, providing confidence in the successful completion of the project across all sites.

Reinforcing its commitment to sustainability, ethical business conduct, and sound corporate governance, the Company established an Environmental, Social, and Governance (ESG) Committee in 2024. This dedicated committee plays a central role in guiding, monitoring, and implementing the Company's ESG agenda across all areas of operation. In parallel, an ESG strategy was formally approved, outlining a structured framework with defined short and long-term objectives aimed at embedding sustainability into the Company's core business activities. The strategy focuses on key priorities including responsible resource management, community impact, climate resilience, and transparent governance practices. Through this approach, the Company seeks not only to meet regulatory and stakeholder expectations, but to proactively contribute to a more sustainable and inclusive future. The Board of Directors continues to prioritise the analysis and evaluation of potential investment opportunities as part of its ongoing strategic planning.

RESULT AND DIVIDENDS

The statement of comprehensive income is set out on page 29.

An interim gross dividend of €2,748,327 or €0.0132 per share resulting in an interim net dividend of €1,786,413 or €0.0086 per share was paid on 2 October 2024. The Directors recommend the payment of a final gross dividend of €4,538,904 or €0.0218 per share (December 2023: €4,538,904 or €0.0306 per share), equating to a final net dividend of €3,858,068 or €0.0185 per share (December 2023: €3,858,068 or €0.0260).

DIRECTORS

The Directors who served the Company during the year were:

Johan Farrugia (appointed 30 May 2024)
Marlene Mizzi (resigned on 30 May 2024)
David Mallia (nomination for re-election not submitted – Director till 30 May 2024)
Robert Suban
Victor Carachi
Tania Brown
Miguel Borg
Desiree Cassar

Unless they resign or are removed, Directors shall hold office up until the end of the AGM next following their appointment. Each Director shall retire from office at each AGM of the Company but shall be eligible for re-appointment or re-election. Directors who resign or are removed, are eligible for re-appointment.

GOING CONCERN

After making enquiries, the Directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company is focused on its financial performance. The Directors monitor the health and progress of the business and apart from profitability, use a range of financial measures which collectively form an integral part of building value for the shareholders on a consistent basis and over the long term.

Key Performance Indicators (KPIs) used in managing the Company's business include:

	2024	2023 (restated)
Working capital ratio	**1.2:1**	0.5:1
Operating profit	**€8,778,152**	€8,324,248
Debt to assets ratio	**24.4%**	27.7%
Debt to equity ratio	**41.8%**	52.2%
Interest coverage	**2.4 times**	2.3 times

Capital expenditure for the Affordable Housing Project continued in the year under review and is being settled through the loan disbursements.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

ENVIRONMENTAL AND SOCIAL RISKS

In addition to strengthening governance and controls, the Company seeks to provide value to society. The Directors believe that being economically successful is important to generate value to stakeholders, whilst also considering the environmental and social impact of the actions, to support a sustainable future.

FINANCIAL RISK MANAGEMENT AND EXPOSURES

For the risk management and exposures refer to Note 4 - Financial risk management that details the key risk factors including market risk, credit risk and liquidity risk and the Company's approach towards managing these risks.

OTHER PRINCIPAL RISK AND UNCERTAINTIES

The Company's revenues derived from MIA, VCP and City Gate are contracted and predictable and are not dependent on volume or usage levels, thereby not effected by market volatility. Similarly, for the service concession arrangement, the Company has an unconditional right to receive cash from the Housing Authority after the apartments are made available for use. The contracted rent is due from the Housing Authority even if the apartments are vacant.

The primary risks and uncertainties currently faced by the Company relate to the housing development project. These include potential cost overruns and construction delays. Cost overruns may result in potential financing gaps, requiring additional capital or borrowing, while construction delays could defer the commencement of rental income streams. These risks are actively monitored, and the Company remains committed to maintaining disciplined project management, budgeting controls, and timeline oversight to mitigate any adverse effects.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act (Chapter 386 of the laws of Malta) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for the following matters:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and that comply with the Companies Act, 1995.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS – CONTINUED

They 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 Malita Investments p.l.c. for the year ended 31 December 2024 are included in the Annual Report and Statutory Financial Statements - 31 December 2024, which is 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. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view and fair view of the financial position of the Company as at 31 December 2024, 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 on the basis explained in note 2 of the financial statements; and
- the Annual Report includes a fair review of the developments and performance of the business and the position of the Company, together with additional information on the principal risk and uncertainties that the Company faces.

INFORMATION PURSUANT TO CAPITAL MARKETS RULES 5.64

Share capital information of the Company is disclosed in Note 13 to the financial statements. The issued share capital of the Company was previously divided into two classes of ordinary shares: Ordinary A Shares and Ordinary B Shares. In anticipation of the Rights Issue, the Company converted the said two classes of

shares into one class of ordinary shares.

No person may, whether directly or indirectly, and in any manner whatsoever, acquire or hold a beneficial interest in the Ordinary shares in excess of five per cent (5%) of the total issued share capital of the Company having voting rights. This clause does not apply to shares held by:

- the Government of Malta;
- an underwriter or sub-underwriter under the provisions of an underwriting or sub-underwriting agreement;
- custodians in their custodian capacity provided such custodians can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means by the beneficial owner/s.

The Government of Malta, whether directly or indirectly (through an entity or body corporate wholly owned and controlled by the Government of Malta), shall hold at least seventy per cent (70%) of the issued share capital of the Company.

Any transfer of shares by the Government of Malta or any issuance of shares by the Company which has the effect of reducing the holding or otherwise diluting the holding of the Government of Malta, shall be null and void unless such transfer or issuance is made pursuant to the prior approval of the House of Representatives and evidence of such approval is submitted to the Company.

The rules governing the appointment or election of Directors are contained in Article 55 of the Company's Articles of Association. An extraordinary resolution approved by the shareholders in the general meeting is required to amend the Articles of Association.

The proceedings of Directors are outlined in Articles 70 to 77 of the Company's Articles of Association.

Pursuant to Capital Markets Rules, 5.64.5, 5.64.6, 5.64.7, 5.64.10, 5.64.11 it is hereby declared that, as at 31 December 2024, none of the provisions set out therein apply to the Company.

INFORMATION PURSUANT TO CAPITAL MARKET RULE 5.70

There were no material contracts in relation to which a Director of the Company was directly directly or indirectly interested.

INFORMATION PURSUANT TO CAPITAL MARKET RULE 5.70.2

The Company Secretary is Albert Cilia and the registered office is Clock Tower, Level 1, Tigne Point, Sliema, Malta.

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS RULES 5.68

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company may face.

AUDITORS

On the recommendation of the Audit Committee, during the year ended 31 December 2024, the Company announced that the Board of Directors has decided to propose to the Company's shareholders a change in its auditors, PricewaterhouseCoopers, after having taken into consideration a number of important factors.

During an Extraordinary General Meeting (EGM) held, the resolution put forward for approval by shareholders was approved and KPMG were appointed as auditors of the Company until the next AGM, where a resolution for their reappointment will be proposed.

Signed on behalf of the Board of Directors on 28 April 2025 by Dr Johan Farrugia (Chairman) and Robert Suban (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered office:
Clock Tower
Level 1
Tigne` Point
Sliema
Malta

STATEMENT OF COMPLIANCE WITH CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

INTRODUCTION

Pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority (MFSA), Malita Investments p.l.c., whose equity securities are listed on a regulated market endeavours to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "Code"). In terms of Capital Markets Rules 5.94, the Company hereby reports on the extent of its adoption of the principles of the Code for the financial year being reported upon.

The Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the Directors strongly believe that such practices are generally in the best interests of the Company and its shareholders. Compliance with the Principles of Good Corporate Governance is not only expected by investors but also evidences the Directors' and the Company's commitment to a high standard of governance.

The Board of Directors (the "Board") has carried out a review of the Company's compliance with the Code for the financial year under review and hereby provides its report thereon.

GENERAL

The Company's governance principally lies in its Board which is responsible for the overall setting of the Company's policies and business strategies. The Company's principal activity is the financing, acquisition, development, management and operation of immovable property, the leveraging of revenue streams arising therefrom and the reinvestment of undistributed profits in national and/or strategic real estate projects as well as in commercial property opportunities.

The Directors are of the view that it has employed structures which are most suitable for the size, nature and operations of the Company. Accordingly, in general, the Directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of controls in line with the Company's requirements.

This Corporate Governance Statement (the "Statement") sets out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code. For this purpose, this Statement makes reference to the pertinent principles of the Code and then sets out the manner in which the Directors believe that these have been adhered to. Where the Company has not complied with any of the principles of the Code, this Statement gives an explanation for non-compliance.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles and the Code provisions.

COMPLIANCE

PRINCIPLE 1: THE BOARD

Throughout the year under review, the Board has provided the necessary leadership in the overall direction of the Company and the administration of its resources to enhance the prosperity of the business over time, and therefore the value of the shareholders' investment. As at 31 December 2024, the Board is composed of six non-executive Directors (one of whom is the Chairman). The Directors, individually and collectively, are of the appropriate calibre, with the necessary skills and experience to contribute effectively to the decision-making process. The Directors have determined the Company's strategic aims and organisational structure and always ensure that the Company has the appropriate mix of financial and human resources to meet its objectives.

The process of appointment of Directors is transparent and it is conducted during the Company's AGM where all the shareholders of the Company are entitled to participate in the voting process to elect the Board of Directors. Furthermore, in terms of the Company's Memorandum and Articles of Association, a Director is prohibited from voting on any contract or arrangement or any other proposal in which he has a material interest.

COMPLIANCE – CONTINUED

PRINCIPLE 2: CHAIRMAN AND CHIEF EXECUTIVE

The Chairman is responsible to lead the board and set its agenda, ensures that the Board achieves its full potential by giving precise, timely and objective information in order for them to make informed decisions and effectively monitor the performance of the Company. The Chairman also ensures effective communication with shareholders and involves all Board members in discussions of Company matters. On the other hand, the day-to-day management of the Company is vested with the Chief Executive Officer who reports to the Board of Directors. The Company appointed a Chief Executive Officer on 1 January 2021..

PRINCIPLE 3: COMPOSITION OF THE BOARD

As at 31 December 2024, the Board was of composed of six non-executive Directors. The members of the Board for the year under review were Ms Marlene Mizzi (Chairperson until 30 May 2024), Mr David Mallia (Director until 30 May 2024), Dr Johan Farrugia (appointed on 30 May 2024), Dr Robert Suban, Mr Victor Carachi, Ms Tania Brown, Mr Miguel Borg and Dr Desiree Cassar. Pursuant to generally accepted practices, as well as the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders, except in so far as an appointment is made to fill a vacancy on the Board, and which appointment would expire at the Company's subsequent AGM.

Unless they resign or are removed, Directors shall hold office up until the end of the AGM next following their appointment. Each Director shall retire from office at each AGM of the Company but shall be eligible for re-appointment or re-election. Directors who resign or are removed, are eligible for re-appointment.

The Board usually meets on a bi-monthly basis or as may be determined by the Board and in general the meetings usually focus on strategy, operational and financial performance and the consideration of investment opportunities wherein the Board decides on the nature, direction and framework of the activities of the Company.

None of the non-executive Directors:

a. are or have been employed in any capacity by the Company;
b. have, or had within the last three years, a significant business relationship with the Company;
c. have received or receive significant additional remuneration from the Company;
d. have close family ties with any of the executive members of the Board;
e. have served on the board for more than twelve consecutive years; or
f. have been within the last three years an engagement partner or a member of the audit team of the present or past external auditors of the Company.

In terms of Code Provision 3.4, each non-executive Director has committed to the Board that he/she undertakes:

a. to maintain in all circumstances his/her independence of analysis, decision and action;
b. not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
c. to clearly express his/her opposition in the event that he/she finds that a decision of the board may harm the Company.

In this regard, for the purposes of Code Provision 3.2, the Board considers each of the non-executive Directors as being independent within the meaning of the Code, notwithstanding the relationship disclosed hereunder:

- Miguel Borg – resigned as Chief Risk Officer of Bank of Valletta p.l.c. on 5 April 2023 with whom the Company has banking facilities.
- Dr Robert Suban – Board Director member, Remuneration Committee member, ESG Committee member, Chairman of the Risk Committee of Bank of Valletta p.l.c. with whom the Company has banking facilities.

PRINCIPLE 4: THE RESPONSIBILITIES OF THE BOARD

In terms of Principle four, it is the Board's responsibility to ensure a system of accountability, monitoring, strategy formulation and policy development. The Board regularly reviews and evaluates major operational and financial plans, risk policy, performance objectives and monitor implementation and corporate performance within the parameters of all relevant laws, regulations and codes of best business practice. The Board delegates specific responsibilities to various Board Committees including the Audit Committee, the Remuneration and Nominations Committee, the Investment Committee, and the Environmental Social Governance (ESG) Committee.and the Environmental Social Governance (ESG) Committee.

COMPLIANCE - CONTINUED

PRINCIPLE 4: THE RESPONSIBILITIES OF THE BOARD - CONTINUED

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee for the year under review was composed of Robert Suban (Chairman), Victor Carachi, Tania Brown (committee member till 11 April 2024) and David Mallia (Director till 30 May 2024, nomination for re-election not submitted). Following the non-reappointment of David Mallia, the Company's Board appointed Johan Farrugia as another member of the Audit Committee.

In accordance with Capital Markets Rule 5.117.3, the Board of Directors is of the opinion that during the year under review, Dr Robert Suban was independent, and the person identified as competent in accounting and/or auditing. This determination has been made in light of his professional background, qualifications and valuable experience. Dr Robert Suban is the head of the Department of Banking and Finance of the University of Malta. He holds a Bachelor in Business Administration, a Masters degree in European Economic Studies, and a Ph.D. in Accounting and Finance from the Alliance Manchester Business School. He is also ACCA-qualified and regularly presents his finance research at international peer-reviewed conferences.

Furthermore, in accordance with Capital Markets Rule 5.118, the Board of Directors considers the other Audit Committee members as having the required competence individually and jointly as a Committee, due to their professional background and experience in the financial sector, particularly in capital markets, investment services and banking, as well as in other sectors, including corporate law and risk management.

The Audit Committee's primary objective is to assist the Board in dealing with issues of risk, control and governance; and in reviewing the Company's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Company's Board, management and external auditors. The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board. During the financial year under review, the Audit Committee held five meetings.

The following is the attendance at Audit Committee meetings of each of the Directors:

Robert Suban	(Committee Chairman)	4
David Mallia	(Committee member till 30 May 2024, not re-elected)	3
Victor Carachi	(Committee member)	5
Johan Farrugia	(Committee member)	2
Tania Brown	(Committee member till 11 April 2024)	3

INVESTMENT COMMITTEE

The Company has set up an Investment Committee where the primary purpose is to determine what investments the Company should undertake within the investment policies parameters as determined from the Board, giving due consideration to the Company's funding requirements as these may vary from time to time. The Investment Committee is currently chaired by Miguel Borg.

The Investment Committee is also responsible for considering proposed ethical positions with respect to appropriate projects and investments. It oversees the management of the Company's investments in accordance with such policies and reviews, where necessary, the Company's investment policies. During the financial year under review, the Investment Committee held four meetings.

The following is the attendance at Investment Committee meetings of each of the Directors:

Miguel Borg	(Committee Chairman)	4
Robert Suban	(Committee member)	4
Desiree Cassar	(Committee member)	1

In exercising its functions, the Investment Committee is required to ensure that any investment proposed to the Board of Directors does not materially and negatively disrupt the dividend policy adopted by the Board from time to time.

COMPLIANCE - CONTINUED

PRINCIPLE 4: THE RESPONSIBILITIES OF THE BOARD - CONTINUED

BOARD COMMITTEES - CONTINUED

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee is dealt with under the Remuneration Statement in terms of Code Provisions 8.A.3 and 8.A.4.

The following is the attendance at Remuneration and Nominations Committee meetings of each of the Directors:

Marlene Mizzi	(Committee Chairperson - not re-appointed)	2
Victor Carachi	(Committee member)	2
Tania Brown	(Committee member)	2

ESG COMMITTEE

TThe board further resolved to set up an ESG Committee to inter alia assist the board in ESG-related matters. During the financial year under review, the ESG Committee held two meetings.

The following is the attendance at ESG Committee meetings of each of the Directors:

Miguel Borg	(Committee Chairperson)	2
Tania Brown	(Committee member)	1
Victor Carachi	(Committee member)	2

PRINCIPLE 5: BOARD MEETINGS

The Board believes that it complies fully with the requirements of this Principle and the relative Code Provisions. Directors receive Board and Committee papers in advance of meetings and have access to the advice and services of the Company Secretary. After each Board meeting and before meetings, minutes that faithfully record attendance and decisions are prepared and circulated to all Directors as soon as practicable. The Directors are aware of their responsibility to always act in the best interests of the Company and its shareholders as a whole, irrespective of whoever appointed or elected them to serve on the Board.

During the financial year under review, the Board held thirteen meetings.

The following is the attendance at Board meetings of each of the Directors:

Johan Farrugia	(appointed on 30 May 2024)	9
Marlene Mizzi	(appointed until 30 May 2024)	6
David Mallia	(appointed until 30 May 2024)	5
Robert Suban		15
Victor Carachi		15
Tania Brown		14
Miguel Borg		15
Desiree Cassar		15

COMPLIANCE - CONTINUED

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT
The Board is responsible for the appointment of senior management and ensures that there is adequate training in the Company for Directors, management and employees as may be necessitated from time to time. Additionally, Directors may seek independent professional advice on any matter should they deem such necessary in order to discharge their responsibilities as Directors, at the Company's expense.

The Board also ensures that all Directors are supplied with precise, timely and clear information so that they can effectively contribute to board decisions. The Directors receive monthly management accounts on the Company's financial performance and position.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE
Over the year under review it is the Board's opinion that all members of the Board, individually and collectively, have contributed in line with the required levels of diligence and skill. In addition, the Board believes that its current composition endows the Board with a cross-section of skills and experience and achieves the appropriate balance required for it to function effectively. In view of the size and nature of the Company, it was not considered necessary to carry out a formal evaluation of the Board's performance.

PRINCIPLE 8: COMMITTEES
The Remuneration and Nominations Committee is dealt with under the Remuneration Statement in terms of Code Provisions 8.A.3 and 8.A.4.

PRINCIPLE 9 AND 10: RELATIONS WITH SHAREHOLDERS AND WITH THE MARKET, AND INSTITUTIONAL SHAREHOLDERS
The Company recognises the importance of keeping investors informed to ensure that they are able to make informed investment decisions. The Board is of the opinion, that over the year under review, the Company has communicated effectively and informed the market of significant events relevant to the Company through its Company announcements.

The Company will be holding its eleventh AGM where in a similar manner to the previous year, the Board intends to communicate directly with shareholders on the performance of the Company over the last financial year. Business at the Company's AGM is in line with the Company's statutory obligations and covers the approval of the Annual Report and Audited Financial Statements, the declaration and approval of a dividend, the election of Directors, the appointment of auditors and the authorisation of the Directors to set the auditor's remuneration.

Apart from the AGM, the Company communicates with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year, and by way of Company announcements to the market in general, when necessary. These reports are also available on the Company's website (www.malitainvestments.com) which also contains information about the Company and its projects. The Company's website also contains a notifications and publications section which includes press releases and investor information sub-sections.

PRINCIPLE 11: CONFLICTS OF INTEREST
The Directors of the Company recognise their responsibility to act in the interest of the Company and its shareholders as a whole irrespective of who appointed them to serve on the Board. It is the practice of the Board that when a potential conflict of interest arises in connection with any transaction or other matter, the potential conflict of interest is declared so that steps may be taken to ensure that such items are appropriately dealt with. Directors who have a conflict of interest do not participate in discussions concerning such matters unless the Board find no objection to the presence of such Director. The Directors are obliged to keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Company. In any event, Directors refrain from voting on the matters where conflicts of interest arise. There were no such matters in the year under review.

Directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Capital Markets Rules, and Directors follow the required notification procedures.

As at the date of this Statement, the interests of the Directors in the shares of the Company were as follows (shares held):

COMPLIANCE – CONTINUED

PRINCIPLE 11: CONFLICTS OF INTEREST – CONTINUED

Director	Number of shares held as at 31 December 2024
Johan Farrugia	nil
Robert Suban	29,800
Victor Carachi	nil
Tania Brown	nil
Miguel Borg	nil
Desiree Cassar	nil

There were no changes in the Directors' interest in the shareholding of the Company between year-end and 28 April 2025.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Directors are committed to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large.

NON-COMPLIANCE WITH THE CODE

PRINCIPLE 3: EXECUTIVE AND NON-EXECUTIVE DIRECTORS ON THE BOARD

As at 31 December 2024, the Board is composed entirely of non-executive Directors. However, it is considered that the current composition of the Board provides for sufficiently balanced skills and experience to enable it to discharge its duties and responsibilities effectively. Moreover, executive management is invited to attend most of the Board Meetings and regularly reports to the Board.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Company currently does not have established procedures or a formal succession plan in place for Directors and Senior Management. In order to reduce the impact of this absence, should Directors and/or Senior Management decide to leave the Company or retire, in order to ensure operational and strategic continuity, the Company would bring in industry experts in an advisory capacity to make leadership transitions smoother. Currently, the Company is also encouraging key management to document key processes, strategic plans, and decision-making frameworks as to mitigate adverse repercussions on the successful continuation of the business.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

In view of the size and nature of the Company, it was not considered necessary to carry out an evaluation of the Board's performance.

PRINCIPLE 9: RELATIONS WITH SHAREHOLDERS AND WITH THE MARKET

Currently there is no established mechanism disclosed in the Company's Memorandum and Articles of Association, as recommended in Code Provisions 9.2, 9.3, and 9.4 to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders.

By taking into account the current shareholder profile, the Board believes that the measures currently available for shareholders, such as the right to ask questions, and the continuous dialogue with shareholders provide the necessary safeguards for the protection of the shareholders' interests..

INTERNAL CONTROL

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage risk, to achieve business objectives and provides reasonable assurance against material misstatement or loss.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives. Lines of responsibility and delegation of authority are documented and procedures to ensure completeness and accurate accounting for financial transactions to limit the potential exposure to fraud are in place.

Additionally, the Board, supported by management, are responsible for identifying, assessing, and managing the key risks that the Company may face. The Company maintains well-defined and consistent procedures to monitor its system of internal financial controls. Directors also receive regular management reports that provide detailed analysis of the Company's financial and operational performance, including variances from established targets.

Furthermore, through the Audit Committee, the Board oversees the effectiveness of the Company's internal control systems, including those related to financial reporting. The Audit Committee reviews internal audit reports prepared by the Company's internal auditors and ensures that the recommended actions are adopted and implemented to enhance the Company's processes and procedures. It also assesses whether significant internal control recommendations made by the external auditors have been effectively implemented.

GENERAL MEETINGS

Shareholders' influence is exercised at the AGM, which is the highest decision-making body of the Company. All shareholders registered in the Shareholders' Register, have the right to participate in the meeting and to vote for the full number of their respective shares. Shareholders who cannot participate in the meeting can be represented by proxy. Shareholders' meetings are called with sufficient notice to enable the use of proxies to attend, vote or abstain.

Business at the Company's AGM covers the approval of the Annual Report and Audited Financial Statements, the declaration and approval of a dividend, the election of Directors, the appointment of auditors and the authorisation of the Directors to set the auditor's remuneration.

Approved by the Board on 28 April 2025.

REMUNERATION STATEMENT

The Company has set up a Remuneration and Nominations Committee and the Board has established a remuneration policy for Directors and senior management. The terms of reference of this Committee are set out below:

The Remuneration and Nominations Committee is composed of three persons as shall be appointed from time to time by the Board of Directors. During the year ended 31 December 2024, the members appointed by the Board of Directors to sit on the Remuneration and Nominations Committee are Marlene Mizzi (Committee Chairperson), Tania Brown and Victor Carachi.

The primary purpose of the Remuneration and Nominations Committee is to:

- make proposals to the board on the remuneration policy for Directors and senior executives;
- make proposals and review the setting of remuneration levels within the Company, including remuneration levels for the Executive Directors if any, ensuring that they are consistent with the remuneration policy adopted by the Company;
- to evaluate the performance of the individual Directors;
- to monitor the level and the structure of the remuneration of non-executive Directors; and
- to approve or otherwise any performance related bonus awards and long-term incentive plan awards paid to employees.

MEETINGS

During the year under review the Committee held two meetings. All Committee members attended the meeting. The members of the Committee have also discussed various matters related to the composition of the board and internal human resources matters during the meetings held.

REMUNERATION REPORT - DIRECTORS

The Board is composed exclusively of non-executive Directors. The maximum annual aggregate emoluments that may be paid to Directors is approved by the shareholders at the General Meeting in terms of Article 63 of the Articles of Association.

The amount paid to each Director by the Company for attendance at meetings of the Board or of the Board Committees, when due, is fixed and not linked to the Company's performance. In this regard, the relative proportion of fixed and variable remuneration for Directors is 100% to 0% respectively. The current Directors' fees are set at €10,500 per annum for Directors and €25,000 per annum for the Chairperson. The Chairpersons of Board Committees are entitled to an additional remuneration of €5,000 for each Committee chaired and Committee members are entitled to an additional remuneration of €2,500 per annum for each Committee they sit on.

During 2024 the aggregate amount of remuneration paid to all Directors of the Company was €114,547 (2023: €98,642). None of the Directors have any service contracts with the Company and none of the Directors, in their capacity as Director of the Company, are entitled to profit sharing, share options, pension benefits or non-cash benefits and no variable remuneration was received by the Directors in the year under review (2023: Nil).

Details of the remuneration of each individual Director are set out below.

REMUNERATION REPORT - DIRECTORS - CONTINUED

			Percentage Annual Change of Remuneration*			
	2024 Fees €	**2023 Fees €**	**2023 - 2024**	**2022 - 2023**	**2021 - 2022**	**2020 - 2021**
Johan Farrugia (appointed on 30 May 2024)	18,958	Nil	n/a	n/a	n/a	n/a
Paul Mercieca	Nil	4,892	n/a	n/a	n/a	n/a
Eric Schembri	Nil	1,667	n/a	n/a	n/a	n/a
Marlene Mizzi (resigned on 30 May 2024)	10,399	25,000	1%	43%	n/a	n/a
David Mallia (resigned on 30 May 2024)	5,190	8,124	5%	n/a	n/a	n/a
Robert Suban	19,167	16,458	16%	10%	0%	0%
Victor Carachi	15,625	11,042	42%	47%	-32%	n/a
Tania Brown	12,708	11,042	15%	69%	-55%	n/a
Miguel Borg	20,833	13,125	59%	-4%	n/a	n/a
Desiree Cassar	11,667	7,292	19%	n/a	n/a	n/a
Total	**114,547**	**98,642**				

**Percentage annual change of remuneration was based on annualised remuneration for the years compared, as applicable, to allow for a meaningful comparison.*

REMUNERATION REPORT - SENIOR MANAGEMENT

The Board notes that the organisational set-up of the Company consists of 6 employees, 2 of whom are considered to be senior officers (interim CEO and CFO). The terms and conditions of employment of the senior officers are set out in the contract of employment with the Company. In terms of Code Provision 8.A of Appendix 5.1 of the Capital Markets Rules, only the position of the Company's CEO (and in the present case, the Interim CEO), falls within the definition of a "Senior Executive".

The senior officers are not entitled to profit sharing, share options or pension benefits. On 19 December 2024, the Board appointed Perit Amanda Desira as interim CEO as on the same date, Jennifer Falzon resigned from CEO of the Company.

The CEO of the Company is not a member of the Board, although she attends and participates at Board Meetings. The CEO has a contract with the Company of an indefinite duration that entitles her to a fixed salary and a variable element. The fixed component constitutes a basic remuneration awarded for the CEO's executive function, reflecting her experience and knowledge, together with the responsibilities and assigned functions of this role. The variable element is structured as a performance related bonus aimed at rewarding the CEO's performance during the year which is reviewed by the remuneration committee and approved by the Board of Directors. The Company does not have a clawback policy in effect, and as such, there is no mechanism for the possibility of reclaiming any portion of the CEO's variable remuneration once it has been awarded.

In this respect and relative to Appendix 12.1 of the Capital Markets Rules, the total emoluments paid by the Company to the CEO in office during financial year 2024 were as follows:

REMUNERATION REPORT - SENIOR MANAGEMENT - CONTINUED

	Financial Year			
	2024	2023	2022	2021
	€	€	€	€
CEO				
Fixed Salary	**93,249***	89,980	86,380	80,880
Other Fringe Benefits	**12,590**	9,969	9,969	9,969
Total Fixed Remuneration	**105,839**	99,949	96,349	90,849
Variable Remuneration	**nil**	2,748	10,000	10,000
Total Remuneration	**105,839**	102,697	106,349	100,849
Fixed to Variable Proportion	**100% - 0%**	97% - 3%	91% - 9%	90% - 10%

** Until 19 December 2024, as CEO, Jennifer Falzon received a fixed remuneration of €89,783. Till the end of the financial year, as interim CEO, Amanda Desira received a fixed remuneration of €3,466.*

REMUNERATION ANALYSIS

The total remuneration of the Directors of the Company amounted to €114,547 and €98,642 for the years 2024 and 2023 respectively.

The average remuneration on a full-time equivalent basis of employees of the Company other than Directors amounted to €320,312 and €280,359 for 2024 and 2023 respectively. The change in the average remuneration amounted to (4.79)% for 2024 when compared to 2023 and 10.32% for 2023 when compared to 2022.

The annual change in the performance of the Company amounts to 1.62% for 2023 when compared to 2022 and 5.45% for 2024 when compared to 2023. The operating profit and rents earned from tenants and from the Housing Authority have been chosen as the basis of measurement for the performance of the Company.

In terms of the requirements within Appendix 12.1 of the Capital Markets Rules, the below table presents the annual change of the Company's performance, remuneration of the CEO and of average remuneration on a full-time equivalent basis of the Company's employees over the four most recent financial years:

	% Difference FY2024 – FY2023	% Difference FY2023 – FY2022	% Difference FY2022 – FY2021	% Difference FY2021 – FY2020
Company's Operating Profit	5.45%	1.62%	1.03%	(0.21)%
Rents earned from tenants and Housing Authority	197.97%	248.37%	nil	nil
Remuneration of the Company's CEO	3.06%	(3.43)%	5.45%	nil
Company's employees' average remuneration on full time equivalent	(4.79)%	10.32%	9.54%	11.08%

REMUNERATION POLICY

This Remuneration policy was last reviewed and approved during the AGM held on 30 May 2024. This policy shall be reviewed regularly, and any material amendments thereto shall be submitted to a vote by the AGM of the Company before adoption, and in any case at least every four (4) years. In terms of the requirements within Appendix 12.1 (f), there has been no deviation from the procedure for the implementation of the remuneration policy as defined in Chapter 12 of the Capital Market Rules.

REMUNERATION POLICY FOR DIRECTORS

1. INTRODUCTION

1.1 Following the adoption in Capital Markets Rule 12.26 of the new EU Shareholders' Rights Directive in July 2019, the remuneration policy of the Company was revised to satisfy the requirements of the applicable Capital Markets Rules.

2. SCOPE

2.1 This Policy determines the basis for remuneration of all members of the board of directors of the Company.

2.2 The Policy defines the principles and guidelines that apply to the remuneration of directors.

3. BOARD REMUNERATION

3.1 The Board makes all efforts to ensure that the remuneration of Directors takes into consideration Board members' required competencies, skills, effort and scope of the Board's role including the number of meetings and the preparation required by Directors to attend and usefully contribute during meetings. Directors' emoluments reflect the responsibility and time committed by the Directors to the affairs of the Company. Due consideration is also given to market demands, the size of the Company and the complexity of its business as well as to the Directors' responsibilities.

3.2 Directors' remuneration during the year complied with the Company's Remuneration Policy as set out in the Remuneration Report above. The Directors' remuneration policy is designed to promote the long-term success of the Company as rewards are aligned with the achievement of strategic objectives and sustainable value creation for shareholders over time. Therefore, the structure ensures that remuneration outcomes are directly linked to both individual performance and the Company's overall long-term performance.

3.3 The aggregate emoluments of all Directors are from time to time determined by the Company in the general meeting. Accordingly, it is the shareholders that determine the aggregate amount of remuneration that Directors may receive in any one financial year. This policy is intended to determine the principles upon which those aggregate emoluments are distributed amongst the Directors.

3.4 The Chairman and other members of the Board of Directors receive a fixed cash amount (basic remuneration) as stated in the annual report. Such compensation is determined by the Remuneration Committee from time to time and shall form part of the limit of the aggregate emoluments which are approved by the general meeting.

3.5 None of the Directors receive any variable remuneration.

3.6 In addition to the basic remuneration, Directors who are also appointed as members of one of the Board Committees shall receive additional compensation. Such compensation shall be determined by the Remuneration Committee from time to time. The committee remuneration shall be stated in the annual report and shall form part of the limit of the aggregate emoluments which are approved at the general meeting.

3.7 The basis upon which such remuneration is paid shall take into account the skills, experience, technical knowledge that members of such committees require and the responsibility which such Directors are to take in the context of the committees on which they sit.

3.8 All Directors are awarded their remuneration from one financial year to the next during their term of office.

This Directors' Remuneration Report, drawn up in accordance with the Capital Markets Rules, is being put forward for the advisory vote of the AGM of the Company to be held in 2025.

The contents of this Remuneration Report have been reviewed by the external auditor to ensure that the information required in terms of Appendix 12.1 of the Capital Markets Rules has been included.

Approved by the Board on 28 April 2025.

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024 €	31 December 2023 (restated)* €	1 January 2023 (restated)* €
ASSETS				
Non-current assets				
Property, plant and equipment	6	**27,989**	45,296	45,944
Investment property	7	**252,751,675**	257,476,173	242,010,614
Contract asset	9	**78,577,203**	60,386,364	45,694,873
		331,356,867	317,907,833	287,751,431
Current assets				
Trade and other receivables	10	**718,276**	774,795	2,308,042
Cash and cash equivalents	11	**3,612,609**	4,785,663	17,363,936
Financial assets at fair value through other comprehensive income-debt instrument	12	**10,675,311**	-	-
		15,006,196	5,560,458	19,671,979
Total assets		**346,363,063**	323,468,291	307,423,410
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	13	**102,710,051**	73,295,143	73,295,143
Retained earnings	14	**10,491,209**	8,247,211	6,021,346
Reserve for Fair Value Movements	15	**83,123,920**	85,069,065	71,476,998
Other reserves	16	**5,562,126**	4,853,939	4,345,257
Total equity		**201,887,306**	171,465,358	155,138,744
Non-current liabilities				
Borrowings	17	**80,160,712**	85,885,646	89,576,786
Lease liability	8	**3,370,802**	3,357,832	3,333,023
Capital creditors	18	**1,154,724**	1,086,455	2,423,435
Provision for liabilities and charges	20	**652,361**	301,590	-
Deferred tax liabilities	28	**46,493,592**	49,024,814	47,151,323
		131,832,191	139,656,337	142,484,567
Current liabilities				
Borrowings	17	**4,214,488**	3,701,832	2,316,014
Lease liability	8	**131,075**	121,551	57,881
Capital creditors	18	**5,462,652**	6,227,117	5,690,306
Trade and other payables	19	**1,772,273**	1,628,799	1,357,312
Current tax liabilities	27	**1,063,080**	667,298	378,587
		12,643,568	12,346,597	9,800,100
Total liabilities		**144,475,760**	152,002,934	152,284,667
Total equity and liabilities		**346,363,063**	323,468,291	307,423,410

**The comparative information is restated on account of correction of errors (see note 32 – prior period adjustments).*

The accompanying notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2025. The financial statements were signed on behalf of the Board of Directors by Johan Farrugia (Chairman) and Robert Suban (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended 31 December 2024** €	Year ended 31 December (restated)* 2023 €
Revenue	21	**9,560,367**	9,211,050
Revenue from service concession arrangements	9	**15,547,953**	12,332,235
Costs related to service concession arrangements	9	**(14,896,852)**	(12,015,043)
Administrative expenses	22	**(1,082,545)**	(902,404)
Provision for liabilities and charges	20	**(350,771)**	(301,590)
Operating profit		**8,778,152**	8,324,248
Change in fair value of investment property	7	**(4,724,498)**	15,465,558
Finance income	25	**5,740,296**	3,348,426
Finance costs	26	**(3,658,262)**	(3,605,713)
Profit before tax		**6,135,687**	23,532,520
Tax credit/ (expense)	27	**266,287**	(3,836,450)
Profit for the year		**6,401,973**	19,696,070
Other Comprehensive Income (OCI)			
Items that are or may be reclassified subsequently to profit or loss			
Debt investments at FVOCI – net change in fair value		**375,419**	-
Debt investments at FVOCI – reclassified to profit or loss		**(127,361)**	-
OCI for the year, net of tax		**248,058**	-
Total Comprehensive Income for the period		**6,650,031**	19,696,070
Earnings per share (cents)	29	**3.39**	13.30

**The comparative information is restated on account of correction of errors (see note 32 – prior period adjustments).*

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital €	Retained earnings €	Reserve for Fair value movements €	Other reserves €	Total €
Balance at 1 January 2023 as previously reported		73,295,143	12,334,978	55,765,420	4,345,257	145,740,798
Impact of correction of errors	32	-	(6,313,632)	15,711,578	-	9,397,946
Restated Balance at 1 January 2023		**73,295,143**	**6,021,346**	**71,476,998**	**4,345,257**	**155,138,744**
Total Comprehensive income for the year (restated)						
Profit for the year		-	19,696,070	-	-	19,696,070
Transactions with owners (restated)						
Transfer within owners' equity-fair value movement, net of deferred tax	15	-	(13,592,067)	13,592,067	-	-
Transfer within owners' equity, -other	16		(508,682)		508,682	-
Dividends to equity shareholders	30		(3,369,456)	-	-	(3,369,456)
			(17,470,205)	13,592,067	508,682	(3,369,456)
Restated balance at 31 December 2023		**73,295,143**	**8,247,211**	**85,069,065**	**4,853,939**	**171,465,358**
Balance at 1 January 2024		**73,295,143**	**8,247,211**	**85,069,065**	**4,853,939**	**171,465,358**
Total Comprehensive income for the year						
Profit for the year		-	6,401,973	-	-	6,401,973
OCI for the year		-	-	248,058	-	248,058
Total Comprehensive income for the year		**-**	**6,401,973**	**248,058**	**-**	**6,650,031**
Transactions with owners						
Issue of ordinary shares, net of costs		29,414,908	-	-	-	29,414,908
Transfer within owners' equity – fair value movement, net of deferred tax	15	-	2,193,203	(2,193,203)	-	-
Transfer within owners' equity - other	16	-	(708,187)	-	708,187	-
Dividends to equity shareholders	30	-	(5,642,991)	-	-	(5,642,991)
		29,414,908	(4,157,975)	(2,193,203)	708,187	23,771,917
Balance at 31 December 2024		**102,710,051**	**10,491,209**	**83,123,920**	**5,562,126**	**201,887,306**

The comparative information is restated on account of correction of errors (see note 32 – prior period adjustments).

The accompanying notes on pages 26 to 71 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2024 €	Year ended 31 December 2023(resterted)* €
Cash flows from operating activities			
Cash generated from operations	31	**6,959,505**	9,111,369
Interest paid		**(110,818)**	(107,890)
Income taxes paid		**(1,869,224)**	(1,674,247)
Net cash generated from operating activities		**4,979,464**	7,329,231
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	**(1,300)**	(19,747)
Proceeds from affordable housing rentals		**3,441,024**	1,139,277
Payments to develop contract asset	9	**(14,290,186)**	(11,737,423)
Acquisition of financial assets at FVOCI		**(25,000,000)**	-
Disposal of investments		**14,700,107**	-
Net cash used in investing activities		**(21,150,353)**	(10,617,893)
Cash flows from financing activities			
Proceeds from called up issued share capital	13	**30,049,265**	-
Rights issue costs	13	**(634,357)**	(275,970)
Repayments of borrowings	17	**(5,212,277)**	(2,305,322)
Interest paid on borrowings		**(3,496,266)**	(3,294,047)
Payments on lease liability	8	**(65,537)**	(55,973)
Dividends paid to equity holders		**(5,642,991)**	(3,358,301)
Net cash from / (used in) financing activities		**14,997,836**	(9,289,611)
Net decrease in cash and cash equivalents		**(1,173,052)**	(12,578,273)
Cash and cash equivalents at beginning of year		**4,785,663**	17,363,936
Cash and cash equivalents at end of year	11	**3,612,609**	4,785,663

**The comparative information is restated on account of correction of errors (see note 32 – prior period adjustments).*

The accompanying notes on pages 26 to 71 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Malita Investments p.l.c. (the Company) is domiciled in Malta with its registered address at Clock Tower, Level 1, Tigne' Point, Sliema, Malta. The Company is primarily involved in the financing, acquisition, development, management and operation of immovable property, in particular, projects of national and/or strategic importance.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention as modified by the fair valuation of investment property and the fair value of investments measured at FVOCI.

At 31 December 2024, the Company's current assets exceed the current liabilities by €2,362,628 (2023: current liabilities exceed current assets by €6,786,139). The Company has addressed the financing gap in relation to the Affordable Housing project which is being further disclosed in Note 9. The financial statements have been prepared on a going concern basis that assumes that the Company will continue in operational existence for the foreseeable future.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies.

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 Company's functional and presentation currency.

USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made 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. These estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions which may result in material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Service concession arrangements

The analysis on whether the IFRIC 12, Service Concession Arrangements, applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities. Given that the Company is not fully owned by the Government, and due to the fact that the Company is considered to be an independent commercial organisation, the Directors consider that the Company meets the definition of public-to-private service concession arrangement and on this basis the application of IFRIC 12 has been adopted.

The application of IFRIC 12 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of IFRIC 12, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity. Other variables and considerations which have an impact on the contract asset and/or financial asset of IFRIC 12 include (i) estimating project management fees during the construction phase, (ii) the existence of a significant financing component and accounting for payments made by the Company to the grantor in terms of IFRS 15, and (iii) accounting for modifications to the contractual terms in terms of IFRS 9.

2. BASIS OF PREPARATION - CONTINUED
USE OF ESTIMATES AND JUDGEMENTS - CONTINUED

(a) Service concession arrangements - continued

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of IFRIC 12 and, therefore, the results of operations or our financial position. Note 9 gives detail in relation to contract asset and service concession arrangements.

Furthermore, note 9 gives detail in relation to the related financing available to date and also explains the actions being taken by management in obtaining the remaining financing to be able to conclude the project. Should this liquidity not be available in 2025, the Company may face liquidity strains, including potential impairment of the asset. However, in 2025, the €22m European Investment Bank (EIB) loan will be disbursed and with the remaining funding amounting to €7 million, although not formally signed, the Board of Directors are confident that the Company will continue to meet financial obligations and commitments as planned.

(b) Lessor classification of leases

The Company maintains long-term rights and interests in three key sites: MIA, VCP and the City Gate properties in Valletta. These investments are structured to generate recurring income while preserving the Company's long-term economic interest in the underlying properties. Nonetheless, following a detailed review in accordance with IFRS 16 – Leases, the Company classifies all lease arrangements related to these sites as operating leases from its perspective as a lessor. This classification reflects the substance of the arrangements based on the extent to which the lease transfers the risks and rewards incidental to ownership of the underlying asset (when the Company owns the underlying asset i.e. MIA and VCP) or of the right-of-use of the underlying asset (when the Company is a sublessor in a sub-lease i.e. City Gate). Therefore, across all arrangements, the Company retains long-term rights and economic interest in the respective properties and does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset or leased asset throughout the lease terms.

The classification of all lease arrangements as operating leases under IFRS 16 is therefore appropriate and consistent with the substance of the contracts, the structure of the arrangements, and the Company's original assessment and judgement at lease inception. For the sub-lease, although there is a maximum enforceable period of 40 years (Parliament Building) and 60 years (Open Air Theatre) by way of a renewal option, the Company does not have reasonably certainty that the renewal options will be exercised and therefore the initial lease terms of 20 years (Parliament Building) and 30 years (Open Air Theatre) have been considered for the purposes of classifying these leases as financing or operating leases. As these lease terms represent only approximately 31% and 46% of their respective 65-year head leases, they therefore do not constitute a substantial portion of the head lease terms. This supports the classification of these subleases as operating leases under IFRS 16. The Company notes that this classification represents the formalisation of management's judgement at the commencement of each lease, based on available facts and circumstances at the time. In accordance with IFRS 16.21 and B41, lease classification may be reassessed in the future if there is a change in contractual terms or significant changes in relevant circumstances, such as renewal expectations, economic incentives, or other enforceable rights.

(c) Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and financial and non-financial liabilities. The Company is required to disclose fair value measurements of the following fair value measurement hierarchy for non- financial assets carried at fair value by level:

- Quoted prices (unadjusted) in active markets for identical assets (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset that are not based on observable market data for similar properties (that is, unobservable inputs) (level 3).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety- in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2. BASIS OF PREPARATION - CONTINUED
USE OF ESTIMATES AND JUDGEMENTS - CONTINUED

(c) Fair value measurement - continued

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Company has established a control framework with respect to the measurement of fair values whereby an independent valuation team has overall responsibility for overseeing significant fair value measurements, including Level 3 fair values, reports directly to the Chief Financial Officer and if significant valuation issues are identified, they are reported to the audit committee. The Audit Committee and the Board hold regular discussions around the estimates and judgements applied.

The measurement of the fair value of investment properties is considered a key estimate involving significant judgement on the basis of the inputs used in the valuation.

Refer to Note 7 – Investment Properties for more detail with respect to the valuation techniques and significant unobservable inputs used in the fair value measurement of the investment properties, and the sensitivity of such fair value measurement to reasonably possible changes in the key assumptions.

(d) Measurement of deferred tax on investment properties

IAS 12 establishes a rebuttable presumption that the carrying amount of investment property measured at fair value will be recovered through sale. Therefore, unless the presumption is rebutted, the measurement of a deferred tax asset or liability pertaining to the investment property reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. The Company rebuts this presumption on its investment property in City Gate where the Company is a sublessor because the investment property's carrying amount is not expected to be recovered through sale as the transfer of the emphyteutical grant is contractually prohibited unless approval is received from the grantor (the Government of Malta), which approval is at the complete discretion of the grantor. The Company does not consider this likely to happen as such right-of-use assets are part of its main operating assets and, as a separate legal entity in its own right, does not have control over the Government of Malta's final decision on whether to permit any future potential transfer.

The tax rate on the rental income generated from City Gate is subject to a 35% tax rate on income net of ground rent paid, interest and a 20% maintenance deduction, in all cases. Therefore, on the City Gate right-of-use assets, the Company applies an effective tax rate of 28% in measuring the deferred tax liability and the deferred tax asset on the related lease liability on the head-lease.

In the case of the remaining investment properties, that is the MIA and VCP properties, the Company has not rebutted the presumption of recovery entirely through sale, and applies an effective tax rate equivalent to the 8% of the sale price net of agency costs in accordance with the local final withholding tax regime.

(e) Income taxes on IFRIC 12 contract asset

The Company is taxed on its rental cash receipts when received as a final withholding tax and no deductions are permitted for the costs of the buildings. As IAS 12 defines an income tax as a "tax on taxable profit", such a tax on a gross revenue figure is not an income tax within the scope of IAS 12. Accordingly, the Company does not recognise deferred tax on its contract assets. The Company instead considers this tax as a levy in accordance with IFRIC 21. Accordingly, the tax is recognised only when the obligating event occurs that gives rise to a liability, and so the payment of the levy is triggered each month when legal payment of the rental income is sought from the tenant or Government, and accordingly is not raised when the accounting for the revenue occurs.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to the periods presented in these financial statements, except if mentioned otherwise. Certain comparative amounts in the Statement of Comprehensive Income have been restated as a result of a correction of a prior period error.

3. MATERIAL ACCOUNTING POLICIES – CONTINUED

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Company's accounting periods beginning after 1 January 2024. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU.

A. IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

3.1 INVESTMENT PROPERTY

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Company. Investment property also includes any property that is identified as being constructed or developed for future use as investment property.

Investment property is initially measured at cost, including related transaction costs and borrowing costs, and subsequently measured at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost.

Investment property that is being redeveloped for continuing use as investment property continues to be measured at fair value. Investment property under construction is measured at fair value unless this is not reliably measurable, in which case if the Company expects the fair value of such property under construction to become reliably measurable when construction is complete then that investment property under construction is measured at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED

3.1 INVESTMENT PROPERTY - CONTINUED

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from the disposal and the carrying amount of the item) is recognised in profit or loss.

3.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, inventories, contract assets and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purposes of impairment testing, assets are grouped together at the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if, and for the amount by which, an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Non-financial assets that suffered impairment are reviewed for indicators of reversal of the impairment at each reporting period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.3 CONTRACT ASSET

The Company is recognising a contract asset in its statement of financial position to account for the Affordable housing project. The carrying amount of the contract asset is equal to the total costs incurred on this project, mark-up on the construction management services, financing revenue less amounts of actual rents received.

3.4 FINANCIAL ASSETS

3.4.1 CLASSIFICATION, RECOGNITION AND MEASUREMENT AND IMPAIRMENT

On initial recognition, the Company classifies a financial asset as subsequently measured at: amortised cost; FVOCI-debt instruments; or FVTPL. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Company measures a financial asset (other than a trade receivable without a significant financing component) at its fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Company has an unconditional right to an amount that differs from the transaction price, the trade receivable will be initially measured at the amount of that unconditional right.

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

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

3. MATERIAL ACCOUNTING POLICIES - CONTINUED

3.4 FINANCIAL ASSETS - CONTINUED

3.4.1 CLASSIFICATION, RECOGNITION AND MEASUREMENT AND IMPAIRMENT - CONTINUED

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dated to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL.

Business model assessment

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

Financial assets are classified based on the business model within which they are managed and their contractual cash flow characteristics in accordance with IFRS 9.

The Company has identified that its financial assets are managed under the following business models:

- Held to collect: The Company holds financial assets which arise from its investment property and contract assets from service concessions. The objective of the business model for these financial instruments is to collect the amounts due from the Company's receivables and to earn contractual interest income on the amounts collected.
- Held to collect and sell: The Company holds a portfolio of treasury bills for liquidity management purposes (see Note 12 for further details), where the Company may hold assets to maturity but also actively sells them to respond to changes in market conditions or liquidity requirements.

Assessment whether contractual cash flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Company had no financial assets held outside trading business models that failed the SPPI assessment.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED
3.4 FINANCIAL ASSETS - CONTINUED

3.4.1 CLASSIFICATION, RECOGNITION AND MEASUREMENT AND IMPAIRMENT - CONTINUED

Subsequent measurement and gains and losses

Debt instruments at amortised cost are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Debt instruments at FVOCI are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Impairment

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 4 for further details. Impairment losses are presented as separate line item in the statement of comprehensive income.

i. Measurement of Expected Credit Losses (ECLs)

   ECLs are a probability-weighted estimate of credit losses credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

   ECLs are discounted at the effective interest rate of the financial asset.

ii. Credit-impaired financial assets

   At each reporting date, the Company assesses on a forward-looking basis whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

   Evidence that a financial asset is credit-impaired includes the following observable data:

   - Significant financial difficulty of the debtor;
   - A breach of contract such as a default or being more than 90 days past due;
   - The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
   - It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
   - The disappearance of an active market for a security because of financial difficulties.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED
3.4 FINANCIAL ASSETS - CONTINUED

3.4.1 CLASSIFICATION, RECOGNITION AND MEASUREMENT AND IMPAIRMENT - CONTINUED

Impairment - continued

iii. Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised on OCI.

3.4.2 TRADE AND OTHER RECEIVABLES

Trade receivables comprise amounts due from customers for ground rents and lease of property. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In the opinion of the Directors, the recorded book value in the Company's books of trade and other receivables and their value measured at amortised cost using the effective interest method, less provision for impairment are not materially different. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income.

3.4.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and when applicable bank overdraft subject to an insignificant risk of changes in value. These assets are held to meet short-term cash commitments rather than for investment purposes. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position and are included in cash and cash equivalents solely when they form an integral part of the Company's cash management.

3.5 SERVICE CONCESSION ARRANGEMENTS

Under the terms of IFRIC 12, 'Service Concession Arrangements', a concession operator has a twofold activity:

- a construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor: revenue is recognized over time in accordance with IFRS 15; and
- an operating and maintenance activity in respect of concession assets: revenue is recognised in accordance with IFRS 15.

In return for its activities as operator, the Company will receive remuneration from the grantor and therefore IFRIC 12's financial asset model applies. Under this model, the operator has an unconditional contractual right to receive the majority of the payments from the concession grantor, irrespective of the amount of use made of the infrastructure.

The operator recognises a financial asset, attracting interest, in its statement of financial position, in consideration for the services it provides (design, construction, etc.). Such financial assets are recognised in the statement of financial position as a contract asset, in an amount corresponding to the fair value of the infrastructure on first recognition and subsequently at amortised cost.

The receivable will in substance, be settled by the operator's right to retain all rental payments to be affected by users upon completion of construction; such payments will be received partly from users and partly from the grantor. Finance income calculated on the basis of the effective interest method is recognised under finance income in the statement of comprehensive income.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED

3.5 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

The part of the investment that is covered by an unconditional contractual right to receive payments from the grantor (in the form of rental) is recognised as a contract asset. Once the development is completed, the Company will have a right to invoice tenants based on the contractual price. In line with the IFRIC 12 model and IFRS 15, the amount which the Company has a right to invoice will be presented as a financial asset (receivable) with a corresponding entry against the contract asset recognised during both the construction phase and operating phase. The amount of revenue and interest recorded over the term of the concession will be equal to the contracted cash flows earned from this arrangement.

3.6 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.7 FINANCIAL LIABILITIES

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss under IFRS 9.

Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability.

These liabilities are subsequently measured at amortised cost. In the opinion of the Directors, the recorded book value in the Company's books of financial liabilities and their value measured at amortised cost for impairment are not materially different.

The Company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

3.7.1 BORROWINGS

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost in income statement over the period of the borrowings using the effective interest method. In the opinion of the Directors, the recorded book value in the Company's books of borrowings and their value measured at amortised cost using the effective interest method, are not materially different. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

3.7.2 TRADE AND OTHER PAYABLES

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICIES – CONTINUED

3.8 CURRENT AND DEFERRED TAX

Current Tax

Current tax is tax 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, tax is also recognised in other comprehensive income or in equity. Current tax is based on the taxable result for the period, which result differs from the result as reported in profit or loss because it excludes items which are non- assessable or disallowed, and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in relation to prior periods.

Deferred Tax

Deferred tax is recognised, using the liability method, 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 substantially enacted by the end of the reporting period 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.

The measurement of deferred tax reflects the tax consequences that would follow from the moment in which the Company expects, at the reporting date, to recover or settle the carrying amount of the assets and liabilities. Refer to Note 2 – Use of estimates and judgements for judgements applied by management.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset only when certain criteria are met.

3.9 PROVISIONS

Provisions for legal claims, should they arise are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Company recognises a provision in relation to its obligation to restore a concession asset as it deteriorates. This is measured at the costs expected to be incurred to perform the maintenance or restoration works that are likely to arise overtime. Thus, the Company accrues for the expected costs over the period until the costs would need to be incurred.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments at the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.10 REVENUE

Revenue comprises the fair value for ground rents received or receivable as per contracts entered into. Moreover, the Company is recognising revenue in relation to the service concession arrangement (Note 9) as performance obligations are satisfied.

Revenue is measured based on the consideration specified in the contract with a customer. The company recognises revenue when it transfers control of a good or service to a customer.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED

3.10 REVENUE - CONTINUED

(a) Finance income

Interest income is recognised for all interest-bearing instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The Company recognises revenue from service concession arrangements and adjusts amounts receivable for any significant financing component. The difference between the contractual price receivable and the revenue recognised in accordance with IFRS 15 is recognised as finance income over the term of the concession.

(b) Rental income from investment property

Rental income from investment property is recognised in statement of comprehensive income on a straight-line basis over the term of the lease.

(c) Revenue from Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time, consistent with the Company's accounting policy on recognising revenue on construction contracts. The Company considers that the satisfaction of the performance obligation is concluded once units are made available to the Housing Authority for renting to tenants. Thereafter operation or service revenue is recognised in the period in which the services are provided by the Company. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

3.11 LEASES

(a) The Company is a lessee

IFRS 16 requires an entity to assess whether a contact is, or contains, a lease at the inception date. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Leases are recognised as a right of use asset and corresponding liability at the commencement date, being the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3. MATERIAL ACCOUNTING POLICIES - CONTINUED

3.11 LEASES - CONTINUED

(a) The Company is a lessee - continued

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs

Payments associated with short-term leases of buildings and all leases of low-value assets, if any, are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(b) The Company is a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. When the Company is an intermediate lessor, it accounts for the interest in the head lease and the sub-lease separately. It assesses the lease classification of the sub-lease with reference to the right-of-use asset arising from the headlease, not with reference to the undelying asset. Refer to Note 2 – Use of estimates and judgements for the judgements applied by management in determining lease classification.

Assets leased out under operating leases are included in investment property in the statement of financial position and are accounted for in accordance with Note 3.1.

Receipts made under operating leases (net of any incentives paid by the Company) are charged to statement of comprehensive income on a straight-line basis over the period of the lease.

3.12 BORROWING COSTS

All borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Borrowing costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of interest-bearing borrowings.

3.13 DIVIDEND DISTRIBUTIONS

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Directors.

3.14 EMPLOYEE BENEFITS

The Company provides various short-term employee benefits to all of its employees including a comprehensive health insurance coverage wherein the Company bears the full cost of insurance premia, a monthly communication allowance and free parking at the workplace premises. These benefits are recognised as an expense in the period in which the related employee service is rendered, do not give rise to any post-employment or future obligations once the service has been rendered and are therefore classified as short-term employee benefits under IAS 19.

4. FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Company's activities potentially expose it to a variety of financial risks: market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

It is the responsibility of the Board of Directors to provide principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial periods.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rates.

The Company's cash and cash equivalents (Note 11) are subject to floating interest rates. Management sets limits on the exposure to interest rate risk that may be accepted and monitors the impact of changes in market interest rates on amounts reported in the statement of comprehensive income in respect of these instruments. The Company's interest-bearing instruments are short-term in nature and accordingly the level of interest rate risk is contained. The Company's operating cash flows are substantially independent of changes in market interest rates.

Fixed interest instruments comprise borrowings (Note 17) which are measured at amortised cost and accordingly the Company is not exposed to fair value interest rate risk. Based on this analysis, management considers the potential impact on profit or loss and equity of a defined interest rate shift that is reasonably possible at the end of the reporting year to be immaterial.

(b) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from cash and cash equivalents, investments in debt securities and credit exposures to customers, including outstanding receivables, contract assets and committed transactions.

The Company's exposures to credit risk as at the end of the reporting years are analysed as follows:

	2024	2023 (restated)
	€	€
Financial assets:		
- Contract asset (Note 9)	**78,577,203**	60,386,364
- Trade and other receivables (Note 10)	**440,897**	322,927
- Cash and cash equivalents (Note 11)	**3,612,609**	4,785,663
- Financial assets measured at FVOCI (Note 12)	**10,675,311**	
	93,306,020	65,494,954

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Company does not hold any collateral as security in this respect. The figures disclosed above in respect of trade and other receivables, exclude prepaid expenses.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.1 FINANCIAL RISK FACTORS - CONTINUED

(b) Credit risk - continued

Cash and cash equivalents

The Company banks only with local financial institutions licensed by the Malta Financial Services Authority with high quality standing and/or rating. Management considers the probability of default to be close to zero as the financial institutions have a strong capacity to meet their contractual obligation on the near term. As a result, while cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Receivables (including contract asset)

As at 31 December 2024, the Company's credit risk is focused on a limited number of customers, out of which the largest customer is the Government of Malta. These counterparties represent a material portion of the Company's revenue base and receivable balances. In this regard, management considers the risk of default to be low, particularly in the case of the Government of Malta due to its sovereign status.

To measure the expected credit losses, management performed an assessment of the recoverability of trade and other receivables and contract assets using the ECL model by evaluating whether there had been a significant increase in credit risk and by measuring impairment losses accordingly. Management incorporated into their decision the credit rating of the Republic of Malta issued by Standard & Poor's and based on the long-term domestic currency, the trustworthy credit risk profile given that the contract asset is receivable from the Government of Malta and the low probability of default which is derived from the credit rating itself. Management assumed a Loss Given Default (LGD) of 100% across all receivables. The Probability of Default (PD) for each counterparty is based on their external rating when available. If not available, management adopts either the rating of entities having a similar Altman Z Score, or the rating of shareholding entities.

In adopting these assumptions, management concluded that that no impairment allowance is required. This is on the basis that the recoverability of the Company's trade and other receivables and contract assets does not constitute a significant credit risk. Nonetheless, the Company still monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Company's receivables, taking into account historical experience.

Financial assets at FVOCI

The Company limits its exposure to credit risk by investing only in liquid debt securities that have a high quality rating.

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets at FVOCI is equivalent to their carrying amount as disclosed in the respective note to the financial statements. Following the assessment required by IFRS 9 for all financial assets at FVOCI to be assessed using the three-stage ECL model, depending on whether credit risk has significantly increased, the Company would recognise an impairment loss allowance in the profit or loss based on 12-month or lifetime ECL. The financial assets held through FVOCI are Level 1 treasury bills traded in an active market and therefore, the probability of default on these exposures was substantially low for the Company and as such, no credit losses are expected.

4. FINANCIAL RISK MANAGEMENT - CONTINUED

4.1 FINANCIAL RISK FACTORS - CONTINUED

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise borrowings (Note 17), capital creditors (Note 18), lease liabilities (Note 8) and trade and other payables (Note 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations. Note 9 gives detail in relation to contract asset and service concession arrangements, and the related financing available to date. Note 9 and Note 17 also explain the work that management is currently undertaking to obtain the remaining financing to be able to conclude the project. In 2025, the €22m European Investment Bank (EIB) loan will be disbursed and with the remaining funding amounting to €7 million, although not formally signed, the Board of Directors are confident that the Company will continue to meet financial obligations and commitments as planned given that the Company had multiple discussions with local and foreign banks and such amount was agreed upon in principle.

Management monitors liquidity risk by reviewing expected cash flows and ensures that its own resources are adequate, and new facilities are in place when new projects are approved. The Board of Directors considers that the Company's liquidity risk is adequately balanced in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments when compared with the Company's committed bank borrowing facilities and further borrowings that are approved in principle by financial institutions but not yet committed. The Company plans to conclude agreements with financial institutions during 2025 with a view of accessing funds to meet liquidity needs when these arise.

The table below analyses the Company's financial liabilities into relevant maturity groupings, based on the remaining period to the relevant maturity date. The amounts disclosed in the table, other than the carrying amount, are the gross and undiscounted contractual cash flows.

	Carrying amount	**Within 1 year**	**From 1 year to 2 years**	**From 2 years to 5 years**	**Later than 5 years**	**Total**
31 December 2024	**€**	**€**	**€**	**€**	**€**	**€**
Non-derivative financial liabilities:						
Borrowings	**84,375,200**	**6,080,944**	**6,660,478**	**19,573,441**	**60,603,805**	**92,918,668**
Lease liability	**3,501,877**	**131,073**	**131,073**	**393,225**	**9,377,576**	**10,032,947**
Capital creditors	**6,617,376**	**5,462,652**	**1,094,413**	**60,311**	**-**	**6,617,376**
Trade and other payables	**1,772,273**	**1,772,273**	**-**	**-**	**-**	**1,772,273**
Total	**96,266,726**	**13,446,942**	**7,885,964**	**20,026,977**	**69,981,381**	**111,341,264**

	Carrying amount	Within 1 year	From 1 year to 2 years	From 2 years to 5 years	Later than 5 years	Total
31 December 2023	€	€	€	€	€	€
Non-derivative financial liabilities:						
Borrowings	89,587,478	7,201,096	6,080,944	19,901,598	66,936,127	100,119,765
Lease liability	3,479,383	121,551	131,073	393,225	9,508,649	10,154,498
Capital creditors	7,313,572	6,227,117	1,086,455	-	-	7,313,572
Trade and other payables	1,628,799	1,628,799	-	-	-	1,628,799
Total	102,009,232	15,178,563	7,298,472	20,294,823	76,444,776	119,216,634

As explained in the basis of preparation, the capital creditors are being settled from the disbursements of the borrowings that the Company has secured.

4. FINANCIAL RISK MANAGEMENT – CONTINUED

4.2 CAPITAL RISK MANAGEMENT

Capital is managed by reference to the level of equity and borrowings. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company's equity, as disclosed in the statement of financial position, constitutes its capital. The Company maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements.

In view of the nature of the Company's activities and the extent of borrowings or debt, the capital level as at the end of the reporting year is deemed adequate by the Directors.

4.3 FAIR VALUES OF FINANCIAL INSTRUMENTS

At 31 December 2024 and 31 December 2023, the carrying amounts of other financial instruments comprising loans and receivables, cash at bank and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments, the relatively short period of time between the origination of the instruments and their expected realisation or the interest rates to which they are exposed. For the non-current contract assets, the fair values are also not significantly different from their carrying amounts.

Financial assets measured at FVOCI are valued using market-based valuation techniques. Where available, quoted market prices in active markets (Level 1 inputs) are used to determine fair value. For instruments where quoted prices are not available, fair value is determined using valuation techniques such as discounted cash flow models. These models incorporate observable market inputs (Level 2). The use of observable inputs ensures that the fair value reflects current market conditions and participant assumptions. No significant unobservable inputs (Level 3) were used in the valuation of FVOCI financial assets as at 31 December 2024.

5. SEGMENT REPORTING

The Directors have reviewed the disclosure requirements of IFRS 8, 'Operating Segments' and determined that the Company effectively has one operating segment, taking cognisance of the information utilised within the Company for the purpose of assessing performance. This is because the Company only has one single business activity, that of generating rental income and cash flows from its investment properties in terms of IAS 40, and from its financial asset in terms of IFRIC 12. These are reported as one operating segment to the Company's Chief Operating Decision Maker.

Information related to this reportable segment and reconciliations thereon are not being disclosed separately, such as segment profit before tax, revenue, assets and liabilities, as the information presented in the statements of financial position and comprehensive income effectively solely pertain to the Company's single reportable segment.

This segment is managed in Malta by the Company, and the geographic location of the Company's customers which generate revenue and the location of all of the Company's non-current assets are also based in Malta.

Revenues from one customer represented approximately €22,031,020 (2023: €19,017,593) of the Company's total revenues.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures & fittings and office equipment
	€
At 1 January 2023	
Cost	99,182
Accumulated depreciation	(53,238)
Net book amount	45,944
Year ended 31 December 2023	
Opening net book amount	45,944
Additions	19,748
Depreciation charge	(20,396)
Closing net book amount	45,296
At 31 December 2023	
Cost	118,930
Accumulated depreciation	(73,634)
Net book amount	45,296
Year ended 31 December 2024	
Opening net book amount	45,296
Additions	1,300
Depreciation charge	(18,607)
Closing net book amount	27,989
At 31 December 2024	
Cost	120,229
Accumulated depreciation	(92,240)
Net book amount	**27,989**

7. INVESTMENT PROPERTY

See accounting policy in Note 3.1.

I. MIA AND VCP PROPERTIES

	2024	2023 (restated)
	€	€
Balance at 1 January	**110,471,439**	98,310,987
Change in fair value	**6,010,688**	12,160,452
Carrying amount	**116,482,127**	110,471,439

II. PARLIAMENT BUILDING AND OPEN AIR THEATRE (CITY GATE)

	2024	2023 (restated)
	€	€
Balance at 1 January	**147,004,735**	143,699,628
Change in fair value	**(10,735,186)**	3,305,107
Carrying amount	**136,269,549**	147,004,735

Changes in fair values are recognised in profit or loss and included "Change in fair value of investment property". All changes are unrealised.

On 14 June 2012, the Company entered into Transfer Contracts with the Government of Malta, through which it acquired the dominium directum and subsequent freehold of the MIA and VCP sites. This acquisition entitled the Company to all future ground rent payments due from MIA and VCP, respectively, retroactively effective from 1 December 2011.

Furthermore, in 2012, the Company entered into a temporary emphyteutical lease agreement with the Government of Malta for the land forming part of the City Gate project, including the sites where the new Parliament Building and Open Air Theatre were constructed. These assets are held under lease, and in accordance with the terms of the emphyteutical deed the Company may not transfer, burden, dispose of, alienate, or otherwise assign the emphyteusis without the prior written consent of the Government, which consent is entirely within the Government's discretion.

During the year, the Company recognised rental income of €9,427,905 (2023: €9,170,637) from investment properties. Direct operating expenses arising from investment property that generated rental income, comprising of the ground rent payable to the Lands Authority for the City Gate properties, amounted to €131,074 during the year under review (2023: €123,418).

FAIR VALUES OF INVESTMENT PROPERTY

The movement in the fair value of investment property comprises the movement in the fair value of the dominium directum and subsequent freehold of the MIA and VCP properties, as well as the right- of-use assets relating to the Parliament Building and Open Air Theatre.

The fair value measurement of the investment properties as of each of 31 December 2024, 2023 and 2022 was based on a valuation by an external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation obtained was adjusted to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities, as shown in the following table.

7. INVESTMENT PROPERTY - CONTINUED

FAIR VALUES OF INVESTMENT PROPERTY - CONTINUED

	2024	2023 (restated)
	€	€
Valuation obtained	**249,249,800**	253,996,790
Add back of recognised lease liabilities (Note 8)	**3,501,876**	3,479,383
Adjusted valuation	**252,751,676**	257,476,173

The fair value measurements for all of the investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see item (d) of Use of estimates and judgements within Note 2).

VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table shows the valuation technique used in measuring the fair value of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	*Significant unobservable inputs*	*Inter-relationship between key unobservable inputs and fair value measurement*
VCP		
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the current contractual rental payment terms, projected reversion rental terms, expected annual inflation reflecting current market expectations and central bank policy, and the long-term growth rate in the tenant's financial benchmark to which variable rental payments are linked. The resultant capital value is adjusted for purchaser's acquisition costs. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the estimation of the discount rate used to discount the fixed rental payments considers the time value of money and the credit risk of the tenant. The estimation of the discount rate used to discount variable rental payments considers the pre-tax weighted average cost of capital (WACC) applicable to tenant's operations determined using the capital asset pricing model.	• Discount rate for the fixed rental income (2024:5.2%; 2023: 5.7%) • Discount rate for the variable rental income (2024:11.9%; 2023:11.1%) • Expected inflation (2024: 2.0%; 2023:2.0%) • Long-term growth rate in variable rent benchmark (2024:2.0%; 2023: 2.0%) • Change in rental terms on reversion (2024: none; 2023:none)	The estimated fair value would increase (decrease) if: • either discount rate were lower (higher); • expected inflation were higher (lower); • the long-term growth rate were higher (lower); or • the rental terms on reversion were more (less) favourable to the lessor than the current contractual terms.
Parliament and OAT		
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the current contractual rental payment terms, projected renewal and reversion rental terms, expected annual inflation, and expected restoration costs. The expected net cash flows are discounted using a risk-adjusted discount rate. Among other factors, the estimation of the discount rate considers the time value of money, the credit risk of the current tenant, spreads implied by relevant prime commercial property yields, the risks relating to potential changes in the renewal/revision rental terms beyond the current contractual rental period, as well as other risks related to the long-term nature of the agreement.	• Discount rate (2024: 6.9%; 2023:6.3%) • Expected inflation (2024: 2.0%; 2023:2.0%) • Change in rental terms on renewal/reversion (2024: none; 2023:none	The estimated fair value would increase (decrease) if: • either discount rate were lower (higher); • expected inflation were higher (lower); or • the rental terms on reversion were more (less) favourable to the lessor than the current contractual terms.

7. INVESTMENT PROPERTY - CONTINUED

FAIR VALUES OF INVESTMENT PROPERTY - CONTINUED

SENSITIVITY ANALYSIS

For the fair values of the investment properties, reasonably possible changes at the reporting date to one of the key assumptions, holding other inputs constant, would have the following effects.

	2024	2023 (restated)
	€	€
Effect on profit or loss		
MIA:		
Discount rate for the operational cash flows upon reversion		
- 0.5 percentage point increase	**(9,921,000)**	(9,566,000)
- 0.5 percentage point decrease	**13,279,000**	12,983,000
Long-term growth rate		
- 0.25 percentage point increase	**7,786,000**	7,379,000
- 0.25 percentage point decrease	**(6,800,000)**	(6,395,000)
Management fee		
- 5.0 percentage point increase	**(2,876,000)**	(2,638,000)
- 5.0 percentage point decrease	**2,877,000**	2,637,000
VCP:		
Change in rental terms on reversion		
- 5% favourable change	**328,000**	233,000
- 5% unfavourable change	**(327,000)**	(233,000)
Parliament and OAT:		
Discount rate		
- 0.5 percentage point increase	**(9,209,000)**	(10,968,000)
- 0.5 percentage point decrease	**11,114,000**	12,589,000

The effects of reasonably possible changes to the key assumptions have been calculated by recalibrating the model values using the resultant alternative key assumption.

8. LEASES

As a lessee

As per the temporary emphyteutical lease agreement between the Company and the Government of Malta for the land forming part of the City Gate project, including the sites of the Parliament Building and Open Air Theatre, the Company incurs ground rents payable to the Lands Authority.

	2024	2023
	€	€
Lease liability recognised as at 1 January	**3,479,383**	3,390,904
Interest on lease liability for the year	**145,910**	144,452
Ground rents payable for the period	**(123,417)**	(55,973)
Lease liability recognised as at 31 December	**3,501,876**	3,479,383

	2024	2023
	€	€
Of which are:		
Current lease liabilities	**131,075**	121,551
Non-current lease liabilities	**3,370,801**	3,357,832
Carrying amount	**3,501,876**	3,479,383

	2024	2023
	€	€
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**131,073**	121,551
One to five years	**524,298**	524,298
More than five years	**9,377,576**	9,508,649
Total undiscounted lease liabilities at 31 December	**10,032,947**	10,154,498

	2024	2023
	€	€
Amounts recognised in statement of comprehensive income		
Interest on lease liabilities	**145,910**	144,452
	145,910	144,452

8. LEASES - CONTINUED

As a lessor

The Company leases out its investment property, where these leases have been classified as operating leases on the basis that they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Company during 2024 was €9,560,367 (2023: €9,211,050).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2024	2023
	€	€
Less than one year	**9,564,312**	8,939,573
One to two years	**19,344,608**	19,881,321
Two to three years	**20,762,413**	20,428,812
Three to four years	**21,116,341**	20,899,780
Four to five years	**21,789,504**	21,465,143
More than five years	**22,425,719**	33,385,180
Total	**115,002,897**	124,999,809

9. CONTRACT ASSET AND SERVICE CONCESSION ARRANGEMENTS

On 29 December 2017, the Company entered into a contractual arrangement with the Housing Authority to make available sixteen residential blocks, totalling around (684) six hundred and eighty- four units that will be used for affordable housing purposes. During the construction phase, plans have been amended, and a decision was taken to abandon the plan to develop one of the sites and further units were in turn added to another site.

The updated number of units has hence changed to seven hundred fifty-six (756) and this revised design and number of units has been formally captured in a new agreement with the Housing Authority. Excavation of the sites is complete. The construction and finishing phases of all the sites are expected to be fully completed by 2028 and thereafter the operating phase will follow with a remaining period up to 2053. As at 31 December 2024 three hundred and ninety-two (392) units have been completed and made available to tenants (2023:126 units).

In line with the agreed terms, the Company has entitlement to cash flows from rental of the respective units. Rates are contractually agreed and paid by the tenant, with the majority portion being received through a subsidy given by the Housing Authority. Although the Company is ultimately controlled by the Government of Malta and IFRIC 12 Service Concession Arrangements applies to public-to-private service concession arrangements, the Company nevertheless applies IFRIC 12 in its entirety on the basis that it is driven as a commercial organization especially in view of its listing on the Malta Stock Exchange.

The Company applies the Financial Asset model on the basis that it has an unconditional contractual right to receive cash from the grantor. In this context, the infrastructure managed under these contracts cannot be recorded in assets of the operator as property, plant and equipment, but is recorded as a financial asset. During the construction phase, and until all performance obligations have been met by the Company, the financial asset is recorded as a contract asset. During the construction phase revenue is recognised in the Statement of Comprehensive Income. The stage of completion of works was determined as the percentage of cost incurred up until the end of the reporting period relative to the total estimated cost (cost-to-cost method). During the construction phase, the Company recognises revenue as work progresses, with the costs incurred plus a mark-up for construction management services recorded as a contract asset. Once the housing units are made available to the grantor, which includes both completed construction and meeting the operating performance obligations, the Company has the right to charge for the rental payment. This portion is reclassified as a financial asset.

9. CONTRACT ASSET AND SERVICE CONCESSION ARRANGEMENTS – CONTINUED

The service concession arrangement contains a significant financing component as, although the housing units are made available to the public immediately once constructed, consideration is received by the Company in the form of rental payments over the whole duration of the concession. Finance income is thus recognised accordingly. A second performance obligation, covering the operation and upkeep of the units, is recognised over time during the concession. The carrying amount of the financial asset increases as revenue is earned, while it decreases with payments received.

The IFRIC 12 model prepared by management continues to be updated with the latest actual and projected costs to complete and expected revenues to provide management and the Board with updated profitability projections, compared with original estimates.

The latest financial model incorporates final bills for completed sites, with the majority of amounts payable to contractors now fully issued and the remaining bills being issued progressively. For uncontracted works, cost estimates are provided by the site architects assigned to each development. Based on historical experience, an estimated and precautionary 5% contingency has been applied to these remaining phases to reflect potential variability in the cost base, assuming that ongoing negotiations will be successfully concluded. This contingency will result in an increase in costs amounting to €1.8 million (2023: €3.2 million). Despite this, the resulting stress-tested model continues to return a positive project internal rate of return (IRR), which is considered acceptable by the Board of Directors.

Upon termination of the emphyteutical grant, the Company is required to hand-over ownership, management and operation of all assets relating to all the revised 15 construction sites to the Housing Authority. During the term of the agreement, the Company is entitled to cash-flows relating to residential units even if these are vacant, with the only condition that entitles the Company to cash- flows, being making such units available for use to the Housing Authority. The Company may not however dispose, or change the use of, the properties during the period of the concession.

Income amounting to €15,547,953 (2023: €12,332,235) from both the construction and operating activity was recognised during the year ended 31 December 2024 and €78,577,203 (2023:€60,386,364) is cumulatively recognised in the Statement of Financial Position as a contract asset. The operational phase over a number of sites has been initiated, with the first site successfully completed in the third quarter of 2022. During 2024, an additional six sites have been completed and commenced operations, resulting in monthly cash flows being consistently received. During the year, total cashflows received from the Grantor and tenants in relation to concession services amounted to €3,114,334 (2023: €1,045,190), out of which revenue recognised in the Statement of Comprehensive Income for the year ended 31 December 2024 is €311,433 (2023: €104,519) representing the revenue generated from the operating phase.

Costs in relation to construction amounting to €14,896,852 (2023: €12,015,043) were recognised in the Statement of Comprehensive Income for the year ended 31 December 2024. The difference between revenue and cost from the construction project during the period represents, in substance, project management fees as required by IFRIC 12 and revenue recognised for the concession operations as a separate stand along price.

Financial receivables are initially recognised at fair value and subsequently recognised at amortised cost using the effective interest method. The implied interest rate on the financial receivable is based on the derived rate implicit in the discounted cash flow model encompassing related terms and conditions within the Housing contract. Whenever there are revisions to estimated or contractual cashflows, the Company assesses whether this results in a substantial modification of terms or otherwise. If it is concluded that there is a substantial modification of terms, management derecognises the financial receivable and recognises a new financial receivable at a new effective interest rate with a resulting charge or credit to profit or loss. If the modification is not considered substantial, any revised estimated cashflows are to be incorporated into the financial model at the original effective interest rate, with a charge or credit recognised in profit or loss under finance income or finance cost.

All the sites were completed by 2024 except for three sites. One of these sites is expected to be completed by 2025, another site by 2026 and the largest site to be fully completed by 2028. Contract of works for almost all the sites have been entered into and hence the cost for completion can be reliably estimated. The Company has secured financing for the project based on initial estimates. Variations to the initial plans for various sites and additional number of units being constructed compared to the original plans have necessitated an increased estimated spend which has been approved by the Project Board. The current liquidity arrangements cover agreements contracted to date on the respective sites.

9. CONTRACT ASSET AND SERVICE CONCESSION ARRANGEMENTS - CONTINUED

Management remains confident in the successful execution and timely completion of the construction and finishing phases across all project sites. This conviction is underpinned by the €22 million credit agreement secured with the European Investment Bank, which is expected to be disbursed in 2025, and further reinforced by active and advanced negotiations for the remaining €11 million in funding. These discussions are progressing positively with a mix of reputable local and international banking institutions, providing a strong foundation for the full financing of the development programme.

Revenue from service concession arrangements is split as follows:

	2024 €	2023 (restated) €
Revenue from Service concession arrangements		
Construction and finishing of blocks	**15,236,520**	12,227,716
Provision of housing facilities	**311,433**	104,519
	15,547,953	12,332,235

	2024 €	2023 (restated) €
Contract asset		
Balance as at 1 January	**60,386,364**	45,694,873
Revenue from service concession arrangement	**15,695,662**	12,482,214
Finance income	**4,224,597**	3,254,467
Gain from change in estimate	**1,384,914**	-
Cash received during the year	**(3,114,334)**	(1,045,190)
Balance as at 31 December	**78,577,203**	60,386,364

The revenue from service concession arrangements in the above table is presented gross of direct ground rent paid to grantor.

UNSATISFIED LONG-TERM CONTRACTS

The following table shows unsatisfied performance obligations resulting from the Company's service concession arrangements.

	2024 €	2023 (restated) €
Aggregate amount of the transaction price allocated to:		
Construction and finishing of blocks	**41,784,478**	55,307,150
Provision of housing facilities	**31,210,146**	30,298,828

9. CONTRACT ASSET AND SERVICE CONCESSION ARRANGEMENTS - CONTINUED
UNSATISFIED LONG-TERM CONTRACTS - CONTINUED

Management expects that the revenue with respect to the unsatisfied performance obligations noted above will be recognised in the following accounting periods:

	Within 1 year	From 1 year to 5 years	Later than 5 years
Performance obligation			
Construction and finishing of blocks	**25,532,394**	**16,252,084**	**-**
Provision of housing facilities	**428,744**	**3,982,775**	**26,798,627**

Liquidity streams covering the performance obligations will be spread over the course of the remaining concession period reflecting payments from tenants and the Housing Authority for the use of residential units.

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	€	€
Current		
Rent receivable from third parties	**15,104**	255,426
Rent receivable from related parties	**22,416**	3,259
Other receivable from third parties	**102,707**	-
Other receivable from related parties	**166,358**	-
Prepaid expenses	**277,380**	451,868
Accrued income	**65,000**	-
Other receivables	**69,311**	64,242
	718,276	774,795

Amounts owed by related parties are unsecured, interest free and repayable on demand.

11. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2024	2023
	€	€
Cash at bank and in hand	**3,612,609**	4,785,663

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - DEBT INSTRUMENTS

The Company classifies its treasury bills (level 1 investments) as financial assets at FVOCI. The fair value of such financial instruments is based on quoted prices in active markets at the end of the reporting period. The quoted price used for financial assets held by the Company is the current bid price.

	31 December 2024	31 December 2023
	€	€
Investment Portfolio -		
Financial assets at fair value through other comprehensive income - debt instruments	**10,675,311**	-

During the year, the Company recognised net changes in fair value of €375,419 (2023: nil) in other comprehensive income (OCI).

The financial assets' fair value measurement was classified as Level 1 within the fair value hierarchy. There were no transfers between levels.

13. SHARE CAPITAL

	2024	2023
	€	€
Authorised		
250,000,000 Ordinary shares of €0.50 each	**125,000,000**	125,000,000
	125,000,000	125,000,000
Issued and fully paid		
148,108,064 Ordinary shares of €0.50 each	-	74,054,032
208,206,593 Ordinary shares of €0.50 each	**104,103,297**	-
Issue costs	**(1,393,246)**	(758,889)
	102,710,051	73,295,143

SHARE CAPITAL RECONCILIATION:

	Shares	Price at par	Total
		€	€
Opening share capital	148,108,064	0.50	74,054,032
Rights issue during 2024	60,098,529	0.50	30,049,265
Fully paid-up during the year	**208,206,593**		**104,103,297**

In 2023, the Company's authorised share capital has been re-designated from one hundred million Euro (€100,000,000) divided into one hundred and fifty million (150,000,000) Ordinary 'A' shares of a nominal value of fifty Euro cents (€0.50) each and fifty million (50,000,000) Ordinary 'B' shares of a nominal value of fifty Euro cents (€0.50) each, to two hundred million (200,000,000) Ordinary shares of a nominal value of fifty Euro cents (€0.50) each.

13. SHARE CAPITAL - CONTINUED
SHARE CAPITAL RECONCILIATION: - CONTINUED

Immediately following such re-designation, the Company's authorised share capital increased to one hundred and twenty-five million Euro (€125,000,000), divided into two hundred and fifty million (250,000,000) Ordinary shares of a nominal value of fifty Euro cents (€0.50) each.

During 2024, the Company's issued share capital increased by €30,049,265 gross of issue costs amounting to €634,357. As a result of the completion of the Rights Issue during the year, the Company issued 60,098,529 ordinary shares with a nominal value of €0.50 each.

All Ordinary shares rank pari passu for all intents and purposes of the law and rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the Company.

14. RETAINED EARNINGS

The retained earnings include non-distributable earnings as a result of the Revenue from service concession arrangements recognised on the Affordable Housing project as per IFRIC 12. These earnings will become distributable once the Company starts earning lease income.

	2024	2023 (restated)
	€	€
Distributable	**2,073,060**	1,850,471
Non-distributable	**8,418,149**	6,396,740
	10,491,209	8,247,211

15. RESERVE FOR FAIR VALUE MOVEMENTS

This reserve represents the cumulative net fair value gains, after deducting applicable deferred tax liabilities, arising from the revaluation of the Company's investment properties and investments classified as FVOCI. Changes in the fair value of investment properties are recognised in profit or loss, initially accumulated in retained earnings, and subsequently transferred to and accumulated within a separate reserve due to their unrealised nature. Fair value movements on investments classified as FVOCI-debt instruments are recognised in other comprehensive income, and accumulated to this reserve until the assets are derecognised or reclassified. This amount is adjusted by the amount of the loss allowance. The fair value movement on FVOCI instruments has been jointly presented with the reserve relating to the investment property as the former is immaterial to the financial statements.

16. OTHER RESERVES

As per article 82 of the Company's Articles of Association, the Directors have set aside €708,187 (2023: €508,682) which equals 10% of the net profit of the Company excluding fair value movements net of deferred tax (see Note 28) and accounting entries in relation to the service concession arrangement (i.e. revenue, costs and finance income) and adding back the actual income received from the housing arrangement during the year and allocated them to a non-distributable reserve. The Directors may employ the reserve in the furtherance of the business of the Company as the Directors may from time to time think fit.

17. BORROWINGS

	2024	2023
	€	€
Bank loans		
Non-current	**80,160,712**	85,885,646
Current	**4,214,488**	3,701,832
	84,375,200	89,587,478

The weighted average effective interest rates for the Company's bank borrowings as at the end of the reporting period are as follows:

	2024	2023
Bank Loans	**2.28%**	2.10%

The Company's loan facilities as at 31 December 2024 amounted to €84,375,200 (2023:€89,587,478), and these were fully utilised. The bank loans mature between 30 November 2029 and 13 March 2047.

Reconciliation of Liabilities Arising from Financing Activities:

Liabilities	**Opening principal**	**Repayments**	**Closing principal**
	€	€	
Loans and borrowings	**89,587,478**	**(5,212,274)**	84,375,200

All loans are denominated in Euro.

The Company retained its guarantee facility obtained from Bank of Valletta amounting to €62.06m (2023: €62.06m) to secure the performance of its financial obligations in favour of other financial institutions as prescribed in the loan agreements. The guarantee facility is subject to interest payable on the amount of the guarantee which forms part of the finance costs in the statement of comprehensive income.

Further to the above, the Company's loan facilities with foreign banks are subject to several financial covenants; however, the obligation to comply with these covenants is not currently in effect. These requirements are not applicable during the period in which the related guarantee is fully in force. Once active, the financial covenants will be tested semi-annually, based on the Company's interim and annual audited financial statements and shall comply at any time with the following financial ratios unless otherwise agreed in writing with the Financial Institution:

a. the ratio of Borrowings to Paid In Capital and Retained Earnings shall be lower than 200% (two hundred per cent);

b. the ratio of Total Liabilities to Total Assets shall be lower than 50% (fifty per cent);

c. the ratio of Cash Reserves to Current Liabilities shall be higher than 125% (one hundred twenty- five percent);

d. The ratio of Cash Reserves to Current Liabilities shall be higher than 125% (one hundred twenty- five percent);

e. the ratio of Cash Flow from Operations to Debt Service and Dividends Paid shall be higher than 100% (one hundred per cent);

f. the Debt Service Cover Ratio shall be higher than 1.5x.

The Company entered into a credit agreement with the European Investment Bank, in terms of which the European Investment Bank (EIB) has undertaken to provide the Company with additional funding amounting to €22m. The Company has also received in principle approval from the Council of Europe Development Bank concerning the provision of a €7m loan, subject to the conclusion of legally binding documentation, and the Company has also obtained approval in principle from another financial institution to bridge the remaining €4m, providing the required financing for the ongoing Affordable Housing project.

17. BORROWINGS - CONTINUED

As at 31 December 2024 and 2023, the bank facilities were mainly secured as follows:

a. General hypothec over the assets of the Company for the Guarantee Facility of €62,055,000.

b. Second special hypothec of €62,055,000 over the emphyteutical lease of the Housing Authority sites being developed;

c. Pledge on Receivables amounting to €750,000 per annum;

Maturity of non-current borrowings:

	2024	2023
	€	€
Between 1 and 2 years	**4,875,222**	4,359,653
Between 2 and 5 years	**16,175,561**	15,880,490
Over 5 years	**59,109,929**	65,645,503
	80,160,712	85,885,646

18. CAPITAL CREDITORS

	2024	2023
	€	€
Non-current	**1,154,724**	1,086,455
Current	**5,462,652**	6,227,117
	6,617,376	7,313,572

The non-current balance amounting to €1,154,724 (2023: €1,086,455) represents amounts owed to contractors for works carried out in relation to the Affordable Housing project that are repayable after one year as per signed contractual agreements. Hence, it is classified as a non-current liability.

The current balance amounting to €5,462,652 (2023: €6,227,117) relates to the Affordable Housing project and is due within the coming year. Hence, it is classified as a current liability. During the year under review, the development advanced considerably. The works on these sites which have not yet been billed as at 31 December 2024, have been accrued for based on certificates as of 31 December. The current capital creditors also include €258,985 (2023: €76,956) which are due to related parties. These balances are unsecured, interest free and repayable on demand.

19. TRADE AND OTHER PAYABLES

	2024	2023
	€	€
Current		
Trade payables	**195,081**	129,305
Dividends payable	**50,238**	68,532
Social security	**11,720**	17,627
Interest payable on borrowings	**911,434**	981,180
Other payables	**331,075**	221,366
Deferred ground rent	**272,725**	210,789
	1,772,273	1,628,799

20. PROVISION FOR LIABILITIES AND CHARGES

	2024	2023
	€	€
Opening balance	**301,590**	-
Movement	**350,771**	301,590
Closing balance	**652,361**	301,590

As part of its ongoing commitment to the Housing Project, the Company has recognised a provision of €652,361 (2023: €301,590) This provision forms part of the total estimated future costs of €5,511,086 and relates specifically to anticipated maintenance expenses contractually required to be undertaken for the continued upkeep and preservation of the developed properties during the concession period.

The amount has been determined based on management's best estimate of expected costs over the economic life of the properties, developed in consultation with the project's architects and technical advisors. Their input, particularly on the expected durability and maintenance cycles of key building components, has been instrumental in shaping the cost assumptions underpinning this estimate.

The provision is being built up progressively, with annual charges to profit or loss aligned with the expected pattern of maintenance needs and the provision as at period end reflects solely the conditions as at that reporting date. Cash outflows are expected to occur periodically throughout the lifecycle of the assets, with more significant expenditure anticipated at defined maintenance intervals. As the Housing Project continues to expand and more residential units are delivered, the provision will be closely monitored and adjusted as necessary to reflect updated assessments of current maintenance obligations.

21. REVENUE

Revenue comprises the consideration payable by MIA and VCP by way of ground rent in respect of the temporary emphyteusis granted, lease for the Open Air Theatre receivable by the Company pursuant to a lease agreement, lease payable by Government of Malta for the Parliament Building, rent receivable from garages being leased at various Housing sites and rent receivable from the Health Care Clinic in Siggiewi. All revenue is recorded over time based on the time of the rental period. Revenue is recorded in the statement of comprehensive income. Rent advances received are included as deferred ground rent in trade and other payables.

	2024	2023
	€	€
Fixed and indexed rental income from temporary emphyteusis	**2,136,697**	2,124,864
Variable rental income from temporary emphyteusis	**496,707**	255,896
Rental income from sublease of City Gate	**6,794,501**	6,789,877
Rents from garages and other properties	**132,462**	40,413
	9,560,367	9,211,050

Indexed rental income from temporary emphyteusis pertains to rent increases for MIA and VCP as follows:

a. For MIA, a 15% on the ground rent in the preceding 5 year terms from initiation of rent arrangement. Indexed portion amounts to € 261,116 in 2024 (2023: € 249,283)

b. For VCP, the higher of 10% of ground rent or the index of inflation every subsequent five 12-month period from initiation of rent arrangement. Indexed portion amounts to € 582,065 in 2024 (2023: € 582,065)

22. EXPENSES BY NATURE

	Year ended 31 December 2024 €	Year ended 31 December 2023 €
Directors' emoluments (Note 24)	**114,547**	98,642
Professional fees	**87,775**	135,980
Printing & advertising	**10,112**	5,612
Employee benefit expenses (Note 23)	**353,808**	299,085
Depreciation of property, plant and equipment (Note 6)	**18,608**	20,395
Lease of premises	**20,000**	20,000
Other expenses	**477,695**	322,690
	1,082,545	902,404

Auditor's fees

Fees charged by the audit firm for services rendered during the financial years ended 31 December 2024 and 2023 relate to the following:

	Year ended 31 December 2024 €	Year ended 31 December 2023 €
Annual statutory audit	**32,000**	33,600
Other assurance services	**-**	17,180
	32,000	50,780

23. EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December 2024 €	Year ended 31 December 2023 €
Wages and salaries	**336,777**	285,359
Social security costs	**17,031**	13,726
	353,808	299,085

The average number of persons employed during the year by the Company amounted to 7 (2023: 5)

24. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2024	Year ended 31 December 2023
	€	€
Johan Farrugia (Chairman – appointed 30 May 2024)	**18,958**	-
Marlene Mizzi (Chairperson - resigned 30 May 2024)	**10,399**	25,000
David Mallia (nomination for re-election not submitted – Director till 30 May 2024)	**5,190**	8,124
Paul Mercieca (Not re-elected 28 April 2023)	-	4,892
Eric Schembri (Director – resigned 28 February 2023)	-	1,667
Robert Suban	**19,167**	16,458
Victor Carachi	**15,625**	11,042
Tania Brown	**12,708**	11,042
Miguel Borg	**20,833**	13,125
Desiree Cassar (Director – appointed 4 April 2023)	**11,667**	7,292
	114,547	98,642

25. FINANCE INCOME

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
	€	€
Finance income - Cash at bank	-	91,970
Finance income – Affordable Housing	**4,224,597**	3,254,467
Other income	**3,424**	1,989
Gain from change in estimate [1]	**1,384,914**	-
FVOCI-debt instruments: Gain on derecognition reclassified from OCI	**127,361**	-
	5,740,296	3,348,426

[1] *Finance income includes a gain resulting from a change in estimate relating to the financial asset under the service concession arrangement during 2024. This reflects an update to projected cash flows and is not considered a substantial modification under IFRS 9.*

26. FINANCE COSTS

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
	€	€
Finance cost on lease liability	**145,910**	144,452
Loan interest expense	**3,405,694**	3,353,371
Bank charges and fees	**106,658**	107,890
	3,658,262	3,605,713

27. TAX CREDIT / (EXPENSE)

The tax credit/ (expense) for the year is made up as follows:

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
	€	€
Current tax expense	**(2,265,007)**	(1,962,958)
Deferred tax credit/ (expense)	**2,531,295**	(1,873,492)
Tax credit/ (expense)	**266,287**	(3,836,450)

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

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
	€	€
Profit before tax	**6,135,687**	23,532,520
Tax expense on profit at 35%	**(2,147,490)**	(8,236,382)
Tax effect of:		
Income subject to 15% final withholding tax	**593,077**	502,629
Income subject to 10% final withholding tax	**(311,433)**	(104,519)
Income not chargeable for tax purposes	**2,191,214**	1,250,081
Expenses not deductible for tax purposes	**(1,408,327)**	(1,254,899)
Tax rules applicable to immovable property	**877,648**	3,539,454
Maintenance allowance	**471,598**	467,186
	266,287	(3,836,450)

28. DEFERRED TAX

Deferred tax is provided using the liability method for temporary differences arising on movements in the fair value of immovable investment property. With respect to MIA and VCP, being owned investment properties, the calculation of the deferred tax provision for the year ended 31 December 2024 is calculated on the taxation rules on capital gains upon a transfer of immovable property implemented through Act XIII of 2015. With effect from 1 January 2015, the rate of income tax applicable is a final withholding tax of 8% on the value of the property. On the Company's sub-leased investment properties (City Gate), the Company has rebutted the presumption of recovering the carrying amount of the investment property through sale and as a result deferred tax is measured using an effective rate of 28% (see note – Use of estimates and judgements 2(g).

The deferred tax balance represents:

	31 December 2024	31 December 2023 (restated)
	€	€
Temporary differences on:		
Investment properties	**47,474,044**	49,999,040
Lease Liability	**(980,452)**	(974,227)
	46,493,592	49,024,814

The movement for the year comprising the recognition of the above deferred tax liability has been credited to profit or loss.

29. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the total weighted average number of ordinary shares in issue during the year.

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
Profit for the year (€)	**6,401,973**	19,696,070
Total number of ordinary shares in issue	**148,108,064**	148,108,064
Total number of rights issue	**60,098,529**	-
Total number of shares	**208,206,593**	148,108,064
Earnings per share (€ cents)	**3.39**	13.30

Note: *There are no instruments or elements in issue that would dilute earnings per share.*

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
Issued ordinary shares at 1 January	**148,108,064**	148,108,064
Effect of rights issue in April 2024	**40,829,638**	-
Weighted-average number of ordinary shares at 31 December	**188,937,702**	148,108,064

30. DIVIDENDS

	2023 Final dividend €	2024 Interim dividend €	**Total** €
Dividends paid on ordinary shares:			
Gross	4,538,904	2,748,327	**7,287,230**
Tax at source	(682,405)	(961,914)	**(1,644,319)**
Net	3,856,499	1,786,413	**5,642,911**
Dividends per share (cents)	2.60	0.86	**3.46**

A final gross dividend of €4,538,904 or €0.0218 per share (December 2023: €4,538,904 or €0.0306 per share), equating to a final net dividend of €3,858,068 or €0.0185 per share (December 2023: €3,858,068 or €0.0260 per share) is to be proposed at the forthcoming AGM. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

Note: *Dividends per share are calculated on the basis of the total number of ordinary shares on the date of the dividend payment (equivalent to shares at year-end).*

31. CASH GENERATED FROM OPERATIONS

Reconciliation of operating profit to cash generated from operations:

	Year ended 31 December 2024	Year ended 31 December 2023 (restated)
Net profit before tax	**6,135,687**	23,532,520
Finance income	**(5,740,296)**	(3,348,426)
Finance cost	**3,658,262**	3,605,713
Change in fair value of investment property	**4,724,498**	(15,465,558)
Operating profit	**8,778,151**	8,324,249
Adjustments for:		
Net contract asset revenue	**(339,668)**	(651,101)
Depreciation of property, plant and equipment (Note 6)	**18,608**	20,396
Provision for liabilities and charges	**350,771**	301,590
Gain on change in estimates	**(1,384,914)**	-
Changes in working capital:		
Trade and other receivables	**56,519**	1,715,660
Trade and other payables	**(519,961)**	(599,223)
Cash generated from operations	**6,959,505**	9,111,369

32. PRIOR PERIOD ADJUSTMENTS

During the current year, the Company carried out a detailed review of its accounting treatments and estimates applied in previous reporting periods. As a result of this exercise, a number of adjustments were made to better reflect the application of the relevant accounting standards and to ensure consistency with the Company's evolving policies and practices. These adjustments have been reflected through the restatement of comparative figures as outlined below:

a. The previously recognised provision for restoration costs in relation to the City Gate project was re-evaluated in light of the recognition criteria set out in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. The reassessment concluded that – despite the Company being contractually and legally bound to carry out any repairs of a structural nature to the relevant property - the provision did not meet the requirements for recognition, as the provision was based on costs which were expected to be incurred in future periods without a past event having taken place, and not on a present legal or constructive obligation supported by a past event that took place. Additionally, the Company, has passed on the obligation to keep the Premises in good, substantial and tenantable condition and repair and in all respect fit for use and to put and keep the premises in like condition and repair throughout the sub-lease to the lessee. In the absence of a clearly established obligating event and with no prior expenses incurred as a basis for the estimate, the provision was deemed not to satisfy the conditions under IAS 37. It was also noted that these expected restoration costs are considered in the fair value assessment of the investment property, thereby through the provision this future expected cost was being double-counted. As a result, the provision has been removed, with the corresponding adjustments made to liabilities and retained earnings in the comparative financial statements. The Company shall continue to assess its operations and recognise any provisions which may rise during the course of its business.

b. With respect to a housing project accounted for under IFRIC 12 – Service Concession Arrangements, all borrowing costs incurred in previous years were capitalised. Following a reassessment, it was concluded that these costs did not qualify for capitalisation in terms of the financial asset model under the combined requirements of IFRIC 12 and IAS 23 – Borrowing Costs. Accordingly, the borrowing costs have been expensed instead of being amortised through the effective interest rate in line with the requirements of IFRS. Furthermore, as revenue was measured by application of a mark-up on the development costs, which previously included the capitalised borrowing costs, revenue was revised accordingly. The effect of this adjustment on revenues recorded before 1 January 2023 has been recognised directly in retained earnings through the restatement of comparative figures. The directors deemed that the transaction price allocated between the 'construction services' and the 'operation services' performance obligations are not to be adjusted, on the basis that the rates applied reflect stand- alone selling prices for similar services in the market. Consequently, the prior-period adjustment will have an impact on the finance income that will be reported over future years, deemed to reflect the substance of this financing arrangement.

c. The deferred tax rate applied to fair value movements on the City Gate concession of 8% has been revised following a reassessment of the underlying tax treatment. It was determined that, as Malita never held legal ownership of the underlying land and any sale of the emphyteusis is contingent on approval of the Government of Malta, the applicable tax treatment for fair value gains differs from that previously applied. As the property cannot be sold without approval, the rebuttable presumption that the carrying amount of investment property measured at fair value will be recovered through sale was incorrectly not rebutted. The deferred tax balances have therefore been updated to reflect the correct statutory rate applicable to rental properties of 28% (see note – Use of estimates and judgements 2(g)), resulting in adjustments to deferred tax liabilities and retained earnings in the comparative financial statements.

d. The Company undertook a comprehensive review of the methodologies, data and assumptions underlying the valuation of its investment property portfolio. To support this process, a valuation was commissioned from an independent valuer having appropriate recognised professional qualifications and experience in the jurisdiction and type of property, ensuring the use of current market data and best-practice valuation methodologies. No changes during the reporting period were identified that could support the resultant significant uplift in the fair value of the Company's investment properties be attributed to the current reporting period. The independent valuer's retrospective application of the same methods, using data available at the prior measurement dates and consistently developed assumptions without the use of hindsight, led the Company to conclude that the past fair values of the Company's investment property were higher than previously reported, with corresponding adjustments recognised in the comparative financial statements.

32. PRIOR PERIOD ADJUSTMENTS - CONTINUED

These adjustments have been reflected through the restatement of the relevant comparative financial statement line items. The impact of these misstatements on the Statement of Comprehensive Income has resulted in a decrease in Earnings per Share (EPS) for the year ended 31 December 2023, from 16.65 Euro cents (€0.1665) to 13.30 Euro cents (€0.133).

Also, as a result of the adjustments, there were reclassifications within the Cash Flows from Operations section in the Cash Flows Statement and Note 31. Total Cashflows from Operating, Financing and Investing activities were not impacted by the adjustments above.

i) Statement of Financial Position

1 January 2023	**As previously reported**	**Adjustments**	**As restated**
	€	**€**	**€**
Investment property (impacted by note d)	202,998,186	39,012,428	**242,010,614**
Contract asset (impacted by note b)	49,513,997	(3,819,124)	**45,694,873**
Others	19,717,922	-	**19,717,922**
Total Assets	272,230,105	35,193,304	**307,423,410**
Retained Earnings (impacted by all)	12,334,978	(6,313,632)	**6,021,346**
Reserve for Fair Value Movements (impacted by note c & d)	55,765,420	15,711,578	**71,476,998**
Others	77,640,400	-	**77,640,400**
Total Equity	145,740,798	9,397,946	**155,138,744**
Provision on restoration (impacted by note a)	5,550,299	(5,550,299)	**-**
Deferred Tax Liabilities (impacted by note c)	15,805,664	31,345,659	**47,151,323**
Others	105,133,344	-	**105,133,344**
	126,489,307	25,795,360	**152,284,667**

32. PRIOR PERIOD ADJUSTMENTS - CONTINUED

i) Statement of Financial Position - continued

31 December 2023	**As previously reported €**	**Adjustments €**	**As restated €**
Investment property (impacted by note d)	221,108,820	36,367,353	**257,476,173**
Contract asset (impacted by note b)	66,283,697	(5,897,333)	**60,386,364**
Others	5,605,754	-	**5,605,754**
Total Assets	292,998,271	30,470,020	**323,468,291**
Retained Earnings (impacted by all)	16,363,378	(8,116,167)	**8,247,211**
Reserve for Fair Value Movements (impacted by note c & d)	72,475,183	12,593,882	**85,069,065**
Other Reserves	4,890,952	(37,013)	**4,853,939**
Share Capital	73,295,143	-	**73,295,143**
Total Equity	167,024,656	4,440,702	**171,465,358**
Provision on restoration (impacted by note a)	5,788,962	(5,788,962)	-
Deferred Tax Liabilities (impacted by note c & d)	17,206,534	31,818,281	**49,024,815**
Others	102,978,119	-	**102,978,119**
Total Liabilities	125,973,615	26,029,318	**152,002,934**

ii) Statement of Comprehensive Income

31 December 2023	**As previously reported €**	**Adjustments €**	**As restated €**
Revenue from service concession arrangements (impacted by note b)	14,779,624	(2,447,389)	12,332,235
Costs related to service concession arrangements (impacted by note b)	(14,283,356)	2,268,313	(12,015,043)
Others	8,007,056	-	8,007,056
Operating Profit	8,503,324	(179,076)	**8,324,248**
Finance Income (impacted by note b)	3,129,494	218,932	3,348,426
Finance Costs (impacted by note b)	(1,726,310)	(1,879,403)	(3,605,713)
Change in fair value of investment property (impacted by note d)	18,110,634	(2,645,076)	15,465,558
Profit before tax	28,017,142	(4,484,623)	**23,532,520**
Tax Expense (impacted by note c & d)	(3,363,828)	(472,622)	(3,836,450)
Profit for the year - total comprehensive income	24,653,314	(4,957,245)	**19,696,070**

33. RELATED PARTY TRANSACTIONS

The only major shareholder of the Company is the Government of Malta through its 81.94% (2023: 79.75%) shareholding. The remaining 18.06% (2023: 20.25%) of the shares are held by the public.

Other related entities include the following:

- Malta Investment Management Company Limited
- Projects Plus Limited
- Housing Authority
- Social Projects Management Limited
- Primary Health Care
- Lands Authority
- Parliament of Malta
- Arts Council Malta (Piazza Teatru Rjal)

The above entities are deemed to be related parties due to the fact that they are all owned and managed by Government.

The Company is applying the exemption of disclosing transactions with other entities which are controlled or joint controlled by the Government of Malta. The Company is disclosing the following information to enable the users of the financial statements to understand the effect of related party transactions on the financial statements for transactions that are either individually or collectively significant:

	2024	2023
	€	€
Government of Malta		
City Gate ground rent paid to Government	**(131,073)**	(115,763)
Parliament lease income from Government	**5,006,605**	4,973,647
Recharge of expenses to Parliament	**108,659**	56,578
Open Air Theatre lease income from Government	**1,787,896**	1,827,946
Projects Plus Limited		
Professional service fees to Projects Plus Limited	**(600,150)**	(726,953)
Housing Authority		
Ground rent to Housing Authority	**(147,709)**	(150,248)
Affordable Housing rent from grantor	**2,722,364**	915,034
Primary Health Care		
Rent for Health Care Centre in Siggiewi	**149,023**	-
Social Projects Management Limited		
Professional fees to SPM limited	**8,441**	(17,053)

Year end balances with related parties, arising principally from the transactions referred to previously, are disclosed in Notes 8, 9, 10,18 and 19 to these financial statements. Such balances are unsecured, interest free and repayable on demand, unless stated otherwise in the respective notes.

Key management personnel comprise of the Directors of the Company. Key management compensation, consisting of Directors' remuneration has been disclosed in Note 24.

34. STATUTORY INFORMATION

Malita Investments p.l.c. is a public limited liability Company and is incorporated in Malta, with its registered address at Clock Tower, Level 1, Tigne' Point, Sliema, Malta. The ultimate controlling party of Malita Investment p.l.c. is the Government of Malta.

35. SUBSEQUENT EVENTS

On 2 April 2025, Dr Johan Farrugia was appointed Executive Chairman. Dr Farrugia brings a wealth of experience in strategic leadership, corporate governance and organisational development. His appointment is expected to further strengthen the Company's executive function and support its efforts to scale operations, enhance governance practices and deliver on its long-term objectives. In parallel with this leadership development, the Company has continued to enhance its internal controls and operational capacity. As part of this process, the organisational structure has been reinforced through the recruitment of key personnel, including a Senior Procurement Manager, a Procurement Executive, and a Project Manager/Architect. These appointments are intended to strengthen procurement oversight, improve project delivery capabilities, and support the ongoing drive towards operational excellence across the organisation.

On 14 April 2025, an article in the local media was published noting how parts of the Parliament building, including bridges connecting the two wings, will be closed down temporarily due to suspected structural deficiencies. The article indicated that the said deficiencies have emerged since the building's opening in 2015. Upon being made aware of this defect (subsequent to year-end), the Company has appointed an architect with the task of surveying the area. From initial discussions with the architect and on the basis of initial surveys provided, the Directors are of the opinion that these deficiencies resulted out of a design flaw. On this basis, and on the provisions of the relevant legislation, the Directors believe that the Company does not have an obligation to either carry out or to pay for any repairs to the Parliament building arising from the said structural deficiencies. Accordingly, no provision or liability was accounted for in these financial statements. The Directors will continue to monitor this case as it unfolds.

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Independent Auditors' Report

To the Shareholders of Malita Investments p.l.c.

1 Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malita Investments p.l.c. (the "Company"), which comprise the statements of financial position as at 31 December 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

(a) give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU; and

(b) have been properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act").

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 *Auditors' 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 (Chapter 281, Laws of 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.

Emphasis of Matter

We draw attention to Note 32 of the financial statements, which describes the restatement of the comparative financial information for the year ended December 31 2023 has been restated. Our opinion is not modified in respect of this matter.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year (selected from those communicated to the audit committee), and include a description of the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. 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.

We summarise below the key audit matters, together with our response by way of the audit procedures we performed to address those matters in our audit, and key observations arising with respect to such risks of material misstatement.

Accounting for service concession arrangements

Accounting policy note 3.5 to the financial statements and notes 2, 9, 25 and 32 for further disclosures

Contract asset (€78,577,203), Revenue from service concession arrangements (€15,547,953) and Finance income (€5,609,511)

During 2017, the Company entered into an agreement with the Housing Authority to develop a number of residential blocks, including car spaces, to be used for affordable housing purposes. The Company has applied IFRIC 12, Service Concession Arrangements (the "accounting standard"), to these concessions. This accounting standard covers public-to-private service concession arrangements.

As described by the directors in the accounting policies, the application of the requirements of the accounting standard to the Company's service concession arrangements entails significant and complex judgments.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Key audit matters (continued)

Accounting for service concession arrangements (continued)

Key judgements made by the directors underlying the preparation of Company's accounting standard model include those in relation to, amongst other factors,

- the identification of the Company's arrangements within the scope of IFRIC 12,
- the understanding of the nature of the payments in order to determine the classification of the arrangement as a financial asset or as an intangible asset,
- the recognition of the revenue from construction and concessionary activity, including a significant financing component, by reference to the Company's distinct performance obligations, and
- the treatment of modifications in contractual terms and other changes in estimated cash flows during the construction and operation phase.

Any unreasonable bases used in these judgements, including errors in the application of these judgements in the accounting standard model, could thus result in a material misstatement in the financial statements.

The extent of significant and complex judgements exercised in the application of the accounting standard model, the potential impact on the Company's liquidity needs and the relative size of the asset, resulted in this matter being identified as a key audit matter.

Our response

As part of our procedures, we focused on the application of the model in relation to the Company's service concession arrangements, including whether the key judgements made by the directors have been appropriately reflected. In this respect, we evaluated and tested the model's application by:

- evaluating the executed agreements forming the basis of the Company's service concession arrangement and assessing the appropriateness of the accounting policy adopted by the directors on the basis of the relevant contractual provisions,
- assessing and challenging the key judgments applied by the finance function in the implementation of the accounting standard requirements relative to the Company's service concession arrangement, based on our understanding of the executed agreements and the requirements of the accounting standard,

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Key audit matters (continued)

Accounting for service concession arrangements (continued)

Our response (continued)

- evaluating the integrity of the Company's model by verifying key data inputs against underlying records and executed agreements, such as incurred costs, estimated costs to complete, estimated completion dates, rental rates from commissioned sites, and the applied effective interest rate, including how modifications in contractual terms and other changes in estimated cash flows are applied into the model,

- assessing whether the Company's model appropriately incorporates the key judgements made by the directors, and verifying the integrity of its calculations through re-performance; and

- assessing the adequacy of the related disclosures in the financial statements to evaluate the clarity of those disclosures in communicating to the financial statement user the application of the accounting standard model and key judgements applied.

Key observations

As a result of the procedures above, a restatement to the comparative financial information was identified, as disclosed in Note 32 to the financial statements (adjustment b).

Valuation of investment properties

Accounting policy notes 3.1 to the financial statements and notes 2, 7, 15 and 32 for further disclosures

Investment property (€252,751,675), Fair value reserve (€83,123,920) and Change in fair value of investment property (€4,724,498)

The Company's investment property measured at fair value comprises the Malta International Airport ("MIA"), the Valletta Cruise Port ("VCP") and the Parliament Building and Open-Air Theatre.

The valuations, which are carried out by independent valuers appointed by the Company using a discounted cash flow technique on the basis of the requirements of IFRS 13, Fair Value Measurement (the "accounting standard"), consider property-specific information including the current tenancy agreements and rental income, condition and location of the property, and future rental prospects, as well as prevailing market yields and market transactions.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Key audit matters (continued)

Valuation of investment properties (continued)

Whilst current tenancy agreements provide a stable and predictable income stream for the foreseeable future, the methodology applied to compute the reversionary value is highly subjective in view of the distant timing of the reversion and the inherent uncertainty in forecasting future market conditions, rental terms and property usage at the end of the current tenancy agreements. Moreover, the specialised nature of each property and its location increases the element of judgement applied in the methodology.

Any unreasonable bases used in these judgements, including errors in the application of these judgements in the methodology, could thus result in a material misstatement in the financial statements.

The valuation of investment properties was therefore identified as a key audit matter due to the size of the asset and the inherent subjectivity involved in the methodology applied, as these factors could materially affect the determination of fair value as at the reporting date.

Our response

As part of our procedures, we assessed the appropriateness of the valuation methodology and the application of the valuation model underlying the Company's investment properties. In this respect, we performed audit procedures, including:

- involving our valuation specialists to assist us in:
  - assessing the competence, capability, experience, independence and objectivity of the external valuers appointed by the Company,
  - understanding, evaluating and challenging the valuation methodology applied by the external valuers, based on our understanding of the relevant agreements, the nature of the asset and the requirements of the accounting standard; and
  - assessing and challenging the reasonableness of the valuation methodology used and the extent to which property-specific factors, including potential alternative uses of the investment properties, were appropriately reflected in the valuations, based on our industry knowledge.
- evaluating the integrity of the valuation methodology and calculations by verifying arithmetic accuracy as well the consistent and appropriate application of the underlying assumptions and data elements forming the basis of the valuation, such as lease information and financial key performance indicators, to contractual rental agreements and publicly available audited financial statements; and

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Key audit matters (continued)

Valuation of investment properties (continued)

Our response (continued)

- considering the adequacy of the related disclosures to the financial statements to evaluate the clarity of those disclosures in communicating to the financial statement user key judgements applied.

Key observations

As a result of the procedures above, a restatement to the comparative financial information was identified, as disclosed in Note 32 to the financial statements (adjustment d).

Other Matter relating to comparative information

The financial statements of Malita Investments p.l.c. as at and for the years ended 31 December 2023 and 31 December 2022 (from which the statement of financial position as at 1 January 2023 has been derived), excluding the adjustments described in Note 32 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 18 April 2024 and 16 March 2023.

As part of our audit of the financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 32 that were applied to restate the comparative information presented as at and for the year ended 31 December 2023 and the statement of financial position as at 1 January 2023. We were not engaged to audit, review, or apply any procedures to the financial statements for the years ended 31 December 2023 or 31 December 2022 (not presented herein) or to the statement of financial position as at 1 January 2023, other than with respect to the adjustments described in Note 32 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 32 are appropriate and have been properly applied.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Other information

The directors are responsible for the other information. The other information comprises the following information which we obtained prior to the date of this auditors' report:

- Directors' report
- Statement of compliance with code of principles of good corporate governance
- Remuneration statement

but does not include the financial statements and our auditors' report thereon. Also, the other information includes the Chairman's statement and the Board of Directors section, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and, other than in the case of the Directors' report on which we report separately below in our 'Report on Other Legal and Regulatory Requirements', we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's statement and the Board of Directors section, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance in accordance with International Standards on Auditing.

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's 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 have no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We also:

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

- Consider the extent of compliance with those laws and regulations that directly affect the financial statements, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we make enquiries of directors and other management, and inspect correspondence with the regulatory authority, as well as legal correspondence. As with fraud, there remains a higher risk of non-detection of other irregularities (whether or not these relate to an area of law directly related to the financial statements), as these may likewise involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Auditors' responsibilities for the audit of the financial statements (continued)

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

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

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

2 Opinion on the Directors' Report

The directors are responsible for preparing a directors' report in accordance with the provisions of article 177 of the Act and other applicable legal requirements, and is to include a statement that the Company is a going concern with supporting assumptions or qualifications as necessary, as required by Rule 5.62 of the Capital Markets Rules issued by the Malta Financial Services Authority (the "Capital Market Rules").

We are required to consider whether the information given in the Directors' report for the accounting period for which the financial statements are prepared is consistent with those financial statements; and, if we are of the opinion that it is not, we shall state that fact in our report. We have nothing to report in this regard.

Pursuant to article 179(3) of the Act, we are also required to:

- express an opinion on whether the Directors' report has been prepared in accordance with the applicable legal requirements; and

- state whether, in the light of the knowledge and understanding of the entity and its environment obtained in the course of our audit of the financial statements, we have identified material misstatements in the Directors' report, giving an indication of the nature of any such misstatements.

Pursuant to Capital Markets Rule 5.62 of the Capital Markets rule, we are required to review the directors' statement in relation to going concern.

In such regards:

- in our opinion, the Directors' report has been prepared in accordance with the applicable legal requirements;

- we have not identified material misstatements in the Directors' report; and

- we have nothing to report in relation to the statement on going concern.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

3 Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by the Act, specific to public-interest entities

Pursuant to article 179B(1) of the Act, we report as under matters not already reported upon in our 'Report on the Audit of the Financial Statements':

- we were first appointed as auditors by the shareholders on 28 November 2024. The period of total uninterrupted engagement is one year;
- our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act); and
- we have not provided any of the prohibited services as set out in the APA.

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Report on compliance of the Annual Report with the requirements of the Commission Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC (the "European Single Electronic Format Regulatory Technical Standard" or "ESEF Regulation"), by reference to Capital Markets Rule 5.55.6 issued by the Listing Authority

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act, 1979 (Chapter 281, Laws of Malta), *the Accountancy Profession (European Single Electronic Format) Assurance Directive*, on the Annual Report for the year ended 31 December 2024, prepared in a single electronic reporting format.

Responsibilities of the directors for compliance with the requirements of the ESEF Regulation

As required by Capital Markets Rule 5.56A, the directors are responsible for the preparation of the Annual Report in XHTML format, including the relevant mark-ups, in accordance with the requirements of the ESEF Regulation.

In addition, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the Annual Report that is in compliance with the requirements of the ESEF Regulation.

Auditors' responsibilities to report on compliance with the requirements of the ESEF Regulation

Our responsibility is to obtain reasonable assurance about whether the Annual Report in XHTML format, including the relevant mark-ups, comply in all material respects with the ESEF Regulation based on the evidence we have obtained. As part of our work, we obtain an understanding of the Company's controls relevant to the preparation of the Annual Report in compliance with the said requirements, but not for the purpose of expressing an opinion on the effectiveness of the controls in place.

In discharging that responsibility, we:

- obtain an understanding of the entity's financial reporting process, including the preparation of the Annual Report, in accordance with the requirements of the ESEF Regulation;
- perform validations to determine whether the Annual Report has been prepared in accordance with the requirements of the technical specifications of the ESEF Regulation; and
- examine the information in the Annual Report to determine whether all the required mark-ups therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF Regulation.

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Independent Auditors' Report (continued)

To the Shareholders of Malita Investments p.l.c.

Report on compliance of the Annual Report with the requirements of the Commission Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC (the "European Single Electronic Format Regulatory Technical Standard" or "ESEF Regulation"), by reference to Capital Markets Rule 5.55.6 issued by the Listing Authority (continued)

Auditors' responsibilities to report on compliance with the requirements of the ESEF Regulation (continued)

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Annual Report for the year ended 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the ESEF Regulation, by reference to Capital Markets Rule 5.55.6.

The Principal authorised to sign on behalf of KPMG on the audit resulting in this independent auditors' report is Daniel Brincat.

KPMG
Registered Auditors

28 April 2025

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Independent Assurance Report

To the Shareholders of Malita Investments p.l.c.

Report required by Capital Markets Rules 5.98 and 12.26N issued by the Malta Financial Services Authority (the "MFSA")

We were engaged by the Directors of Malita Investments p.l.c. (the "Company") to report on the disclosures of specific elements in the Corporate Governance Statement and the Remuneration Report (the "Disclosures") as at 31 December 2024, in the form of an independent reasonable assurance conclusion, as to whether they are, in all material respects, in compliance with the corporate governance regulations and information to be provided in the Remuneration Report set out in the Capital Markets Rules issued by the MFSA (the "Capital Market Rules"). More specifically, we are required to report on the Disclosures in the form of an independent reasonable assurance conclusion about whether:

(a) in light of our knowledge and understanding of the Company and its environment obtained in the course of the statutory audit, we have identified material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 (dealing with the Company's internal control and risk management systems in relation to the financial reporting process) and 5.97.5 (where a takeover bid applies). Where material misstatements are identified in relation to those requirements, we shall, in addition to our conclusion, provide an indication of the nature of such misstatements;

(b) the Disclosures include the other information required by Capital Markets Rule 5.97, insofar as it is applicable to the Company; and

(c) the Disclosures include the information required by Appendix 12.1, '*Information to be provided in the Remuneration Report*', to Chapter 12 of the Capital Markets Rules (as applicable).

Responsibilities of the Directors

The Directors are responsible for preparing and presenting the Disclosures that are free from material misstatement in accordance with the requirements of the Capital Market Rules and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal control as they determine is necessary to enable the preparation and presentation of the Disclosures that are free from misstatement, whether due to fraud or error.

The Directors are also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The Directors are responsible for ensuring that personnel involved in the preparation and presentation of the Disclosures are properly trained, systems are properly updated and that any changes in reporting relevant to the Disclosures encompass all significant business units.

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Independent Assurance Report (continued)

To the Shareholders of Malita Investments p.l.c.

Our Responsibilities

Our responsibility is to examine the Disclosures prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Disclosures are properly prepared and presented, in all material respects, in accordance with the requirements set out in the relevant Capital Markets Rules.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, together with the ethical requirements that are relevant to our assurance engagement in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. The IESBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected and our determination of the nature, timing and extent of those procedures, will depend on our judgment, including the assessment of the risks of material misstatement of the preparation and presentation of the Disclosures whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of the Disclosures in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of the Disclosures. Reasonable assurance is less than absolute assurance.

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Independent Assurance Report (continued)

To the Shareholders of Malita Investments p.l.c.

Our Responsibilities (continued)

We are not required to, and we do not, consider whether the Directors' statements on internal control and risk management systems cover all the risks and controls in relation to the financial reporting process or form an opinion on the effectiveness of the Company's corporate governance procedures or its risks and control procedures, nor on the ability of the Company to continue in operational existence. Our opinion in relation to the disclosures pursuant to Capital Markets Rules 5.97.4 and 5.97.5 (as appropriate) is based solely on our knowledge and understanding of the Company and its environment obtained in forming our opinion on the audit of the financial statements.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Disclosures nor of the underlying records or other sources from which the Disclosures were extracted.

Other Information

We also read the other information included in the Annual Report that contains the Disclosures, and our report thereon, in order to identify material inconsistencies, if any, with the Disclosures. We have nothing to report in this regard.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Independent Assurance Report (continued)

To the Shareholders of Malita Investments p.l.c.

Conclusion (continued)

In our opinion:

(a) in light of our knowledge and understanding of the Company and its environment obtained in the course of the statutory audit, we have not identified material misstatements with respect to the information requirements referred to in Capital Markets Rules 5.97.4 and 5.97.5;

(b) the Disclosures include the other information required by Capital Markets Rule 5.97; and,

(c) the Disclosures include the information required by Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

The Principal authorised to sign on behalf of KPMG on the work resulting in this assurance report is Daniel Brincat.

KPMG
Registered Auditors

28 April 2025

COMPANY INFORMATION

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REGISTERED OFFICE	Aries House, Level 1, 29, Sqaq Tal-Hlas, Zebbug, ZBG4022, Malta.
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COMPANY REG. NO.	C53047
FINANCIAL CALENDAR	Announcement of Results 18 Apri l 2025 Annual General Meeting 29 May 2025

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