

MALITA INVESTMENTS P.L.C.

Annual Report and Financial Statements 31 December 2025

The users of this financial report are reminded that the official statutory Annual Financial Report 2025, authorised for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on <https://malitainvestments.com>. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report 2025, is included within this printed document and comprises the auditor's report in 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. In case of any conflicts and differences, the ESEF report prevails.

Company Registration Number: C 53047

Table of contents

<u>Directors' report</u>	<u>3</u>
<u>Statement of compliance with code of principles of good corporate governance</u>	<u>12</u>
<u>Remuneration statement</u>	<u>23</u>
<u>Statement of financial position</u>	<u>29</u>
<u>Statement of profit or loss and other comprehensive income</u>	<u>30</u>
<u>Statement of changes in equity</u>	<u>31</u>
<u>Statement of cash flows</u>	<u>33</u>
<u>Notes to the financial statements</u>	<u>34</u>
<u>Independent Auditors' Report</u>	<u>80</u>

Directors' report

The Directors present their fifteenth annual report together with the audited financial statements for the year ended 31 December 2025.

Principal activities

The principal activities of Malita Investments p.l.c. (the "Company") comprise the financing, acquisition, development, management and operation of immovable property, with a particular focus on assets of national and strategic importance.

The Company's business model is primarily centered on long-term concession and emphyteutical arrangements, through which it derives stable and predictable income streams. In addition, the Company is actively engaged in the development and delivery of social infrastructure projects, most notably the Affordable Housing Project, which represents a key component of its current investment programme.

Review of the business

Information pursuant to capital market rule 5.70

The Company continued to generate stable and predictable revenue streams from ground rents receivable from Malta International Airport plc (MIA) and Valletta Cruise Port plc (VCP) in respect of properties over which it holds the dominium directum. The ground rent receivable from VCP includes a variable component contingent on revenue derived from leasing activities and ancillary commercial operations. During the year under review, variable rent of €801,285 (2024: €496,707) was recognised.

The Company also derived lease income from strategic assets within City Gate, Valletta – the Open Theatre and the Parliament Building.

The financial performance for the year includes a fair value gain on investment property of €5,187,407 (2024: loss of €4,724,498), recognised in profit or loss.

During the year, total expenses rose to €2,349,710 (2024: €1,082,545), primarily reflecting higher professional and legal fees, an increase in employee benefit expenses in line with headcount, and higher housing-related costs incurred in the ordinary course of operations.

The Company's performance during the year must be considered in the context of its ongoing capital investment programme, primarily relating to the Affordable Housing Project. While the Company continues to generate rental income streams from its concession arrangements, the execution of this development programme requires significant external financing.

As previously communicated to the market, the Company experienced liquidity constraints during the period, which led the Board to undertake a strategic review of its position in relation to the Affordable Housing Project and to prioritise the preservation of cash resources.

In this context, and in exercise of its contractual rights under the relevant construction agreements, the Company implemented a temporary suspension of works at the remaining development sites as part of this strategic reassessment.

Following the completion of this review, the Board determined that securing additional bank financing represented the most appropriate course of action to enable the completion of the project. The Company has since progressed its financing arrangements and obtained a sanction letter for funding to support the continuation of the Affordable Housing Project.

Notwithstanding the above, as further described in the Going Concern section of this report, the Company remains dependent on the support obtained from lending institutions, particularly local financial institutions, the European Investment Bank (EIB) and The Council of Europe Development Bank (CEB), in order to resume works.

Directors' report – continued

Review of the business – continued

Whilst the Directors remain confident in the underlying business model and the long-term income-generating capacity of the Company's assets, the current phase of investment has introduced heightened exposure to liquidity and execution risks, which continue to be actively managed by the Board.

During the year under review, no additional residential units or garages or car spaces were fully completed when compared to 2024. Completed units and garages/car spaces as at 31 December 2025 total to 392 and 290 (2024: 392 and 290), respectively.

Site Location	Units	Garages/Car Spaces	Contracts
Birkirkara	73	56	Aug 2022
Kirkop C	8	6	Feb 2023
Attard	8	3	Mar 2023
Zebbug	8	6	Mar 2023
Kirkop B	18	-	Jun 2023
Qrendi C	11	7	Dec 2023
Zurrieq	27	20	Jan 2024
Kirkop D	8	8	Apr 2024
Msida	102	22	Apr 2024
Kirkop A	19	21	May 2024
Siggiewi	84	121	May 2024
Qrendi B	26	20	Dec 2024
Total	392	290	

During the year, progress on the remaining open sites was impacted by a suspension of works, which resulted in delays from the originally planned timelines.

The capital expenditure requirements of the Affordable Housing Project are expected to be financed through a combination of bank financing arrangements, comprising a €28 million facility from Bank of Valletta plc and a €22 million with the European Investment Bank entered into on 15 March 2024. The €28 million facility from Bank of Valletta plc has been sanctioned subsequent to the reporting date and forms part of the overall funding structure supporting the project. Drawdown under these two facilities is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility can be put in place. As at report date, the Company received formal written consent from EIB dated 27 April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB administrative procedures currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under these facilities are expected in 2026. The Directors are not aware of any reason why CEB formal consent would be withheld. Based on correspondence received from CEB, the Directors understand that the remaining steps required to formalise the consent are administrative rather than substantive in nature. Similarly, the formalisation of pending security documentation is also considered administrative in nature. In addition, as of the date of approval of these financial statements, the work on these sites is imminently expected to re-commence. On this basis, the Board and management expect that the required financing will be finalised and that the Affordable Housing Project will be completed across all sites.

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.

Directors' report – continued

Review of the business – continued

During the year ended 31 December 2025, the Company continued to strengthen its approach to Environmental, Social and Governance (“ESG”) matters as part of its overall corporate governance framework.

The ESG Committee, established in 2024, continued to support the Board of Directors in overseeing ESG-related matters. The Committee is responsible for monitoring the implementation of ESG initiatives, reviewing progress against established objectives and reporting to the Board on a periodic basis.

During the year, the Company progressed the implementation of its ESG strategy, which sets out a structured framework with defined short- and long-term objectives aimed at integrating ESG considerations into the Company's operations and decision-making processes. The strategy addresses key areas including resource management, community impact, climate-related considerations and governance practices.

The Board of Directors retained overall responsibility for ESG matters and continued to receive regular updates from management and the ESG Committee. ESG considerations are incorporated, where relevant, into the Board's ongoing review of the Company's strategy, risk management framework and investment decisions.

The Company will continue to develop its ESG framework and related disclosures in line with evolving regulatory requirements and best practices. In parallel, the Board of Directors continued to evaluate potential investment opportunities in accordance with the Company's strategic objectives.

Results and dividends

The statement of comprehensive income is set out on page 26.

The Directors have considered the Company's financial position, cash flow requirements and ongoing capital commitments. In light of the current phase of the Company's investment programme and the associated liquidity considerations, the Directors are not recommending the payment of a dividend for the year ended 31 December 2025.

Directors

The Directors who served during the year are disclosed in the Annual Report. In accordance with the Company's Articles of Association, Directors retire and are eligible for re-election.

Carmela Ciantar (appointed 3 February 2026)
Desiree Cassar
David Mallia (appointed 29 May 2025)
Johan Farrugia (resigned 24 November 2025)
Marvin Gaerty (appointed 24 November 2025)
Miguel Borg
Robert Suban
Roderick Psaila (appointed 3 February 2026)
Tania Brown (resigned 3 February 2026)
Victor Carachi (resigned 3 February 2026)

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

The Directors have undertaken an assessment of the Company's ability to continue as a going concern in accordance with IAS 1 Presentation of Financial Statements and the Capital Markets Rules.

Directors' report – continued

Going concern – continued

The assessment is based on the Company's current financial position, projected cash flows, financing arrangements and capital expenditure commitments.

The Company continues to generate stable income from long-term concession and emphyteutical arrangements. However, the Company is currently undertaking a significant capital investment programme in relation to the Affordable Housing development, which requires external financing to meet its short-term obligations as they fall due.

Subsequent to year end, the Company has secured an additional facility of €28 million to address its funding requirements for the Housing Project which, alongside the €22 million facility provided by EIB, will be sufficient to close the project. Drawdown under these two facilities is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility can be put in place. As at report date, the Company received formal written consent from EIB dated 27th April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB procedures to formalize the agreement currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under the facilities are expected in 2026. The Directors are not aware of any reason why the CEB formal consent would be withheld. Based on correspondence received from CEB, the Directors understand that the remaining steps required to formalise the consent are administrative rather than substantive in nature. Similarly, the formalization of pending security documentation is also considered administrative in nature. In addition, as of the date of approval of these financial statements, the work on the sites is imminently expected to re-commence.

In light of the advanced stage of the financing process and the strong support obtained from lending institutions, the Directors have a reasonable expectation that the Company will imminently secure the necessary financing and will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the financial statements have been prepared on a going concern basis.

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:

	2025	2024
Working capital ratio	0.4:1	1.2:1
Operating (loss) / profit	(€2,653,750)	€10,163,066
Debt to assets ratio	23.9%	24.4%
Debt to equity ratio	41.7%	41.8%
Interest coverage	2.08 times	2.4 times

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

Directors' report – continued

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.

Principal risks and uncertainties

The Company is exposed to a number of risks and uncertainties in the normal course of its operations. The most significant risks currently relate to the execution and financing of the Affordable Housing Project, which represents the Company's principal development activity.

Construction and execution risk arises from the scale and complexity of the project and includes the risk of delays, contractor performance issues and cost overruns due to unforeseen circumstances. Such factors may impact the timing of completion and the commencement of associated revenue streams. The Company actively manages these risks through structured project governance, ongoing monitoring of contractors and strict budgetary controls.

Financing and liquidity risk arises from the Company's reliance on external funding to meet its capital expenditure commitments. As outlined in the Going Concern section, the Company is in advanced stage of finalising its financing structure, including facilities with local financial institutions, the European Investment Bank and The Council of Europe Bank. The Company maintains detailed cash flow projections, actively engages with financing counterparties and closely monitors its liquidity position to ensure alignment between funding availability and project execution.

The Directors continue to monitor these risks closely and are satisfied that appropriate measures are in place to manage the Company's exposure within acceptable parameters, whilst recognising the inherent uncertainties associated with large-scale development projects.

Other principal risk and uncertainties

The Company's revenues from MIA, VCP and City Gate are largely contractual and predictable and are not dependent on volume or usage levels, limiting exposure to market demand volatility. A limited degree of variability arises from VCP, where a portion of the rent under the temporary emphyteusis is linked to a percentage of VCP's aggregate revenues.

Similarly, in respect of the service concession arrangement, the Company has an unconditional contractual right to receive cash flows from the Housing Authority once the residential units are made available for use. The contracted rental income is receivable irrespective of occupancy levels.

The Company has strengthened its project governance framework, including the establishment of dedicated technical review and oversight structures. These include enhanced scrutiny of cost variations, independent validation of cost-to-complete estimates and more rigorous monitoring of project timelines and milestones.

In addition, the Board and management maintain close oversight of project execution through regular reporting, updated cash flow projections and ongoing review of funding requirements. These measures are intended to improve cost control, enhance visibility over project delivery and mitigate the risk of further variances.

Directors' report – continued

Information Pursuant to Alternative Performance Measures (APMs)

APMs are financial measures of historical or future financial performance, financial position or cash flows which are not defined or specified under International Financial Reporting Standards as adopted by the EU ("IFRSs"). These disclosures are provided in accordance with the ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415) and the Capital Markets Rules issued by the Malta Financial Services Authority ("MFSA").

These measures are derived from amounts presented in the financial statements but are not themselves defined under IFRSs. The Directors use APMs to supplement IFRS measures in assessing the Company's financial performance, financial position and cash flow generation. These measures assist in evaluating operating performance, monitoring liquidity, assessing leverage and enhancing comparability across reporting periods. The Directors consider that these measures provide relevant information to users of the financial statements.

The APMs disclosed by the Company in the Directors' Report are explained below.

Working Capital Ratio

The working capital ratio is used to assess the Company's short-term liquidity position and its ability to meet obligations as they fall due in the normal course of business. It compares current assets to current liabilities, as presented in the Statement of Financial Position, and provides an indication of whether the Company has sufficient short-term resources to cover its short-term commitments. This is one of the measures used by management to monitor liquidity risk and working capital efficiency on an ongoing basis.

Working capital during the year was calculated at 0.4:1 (2024: 1.2:1). This ratio was derived by dividing the current assets over the current liabilities, as presented in the Statement of Financial Position.

The working capital ratio declined sharply to 0.4:1 in 2025 from 1.2:1 in 2024, reflecting a materially weaker short-term liquidity position at year-end. This deterioration is driven by a significant reduction in current assets, which decreased from €15.0 million in 2024 to €7.7 million in 2025, largely due to the disposal of one of the Company's investments during the year. As can be seen in the Company's Statement of Cash flows, proceeds from such disposal amounting to €10.7 was utilized for general corporate funding and other capital requirements of the Company. An increase in current liabilities was also noted, which rose from €12.6 million in 2024 to €17.6 million as at end of 2025, primarily attributable to higher trade and other payables and increase in the current portion of borrowings. The increase in trade and other payables was mainly attributable to the advance rental payment amounting to €3.7 million received by the Company towards the end of the year for one of its leased assets.

Operating (loss) / profit

Operating (loss) / profit represents the (loss) / profit on the Company's core operating activities before the impact of financing costs, taxation and non-operating items (e.g. Change in fair value of investment property). It reflects the performance of the Company's underlying business operations and is used by management to evaluate operational efficiency and profitability before considering the capital structure and tax environment.

The Company recorded an operating loss of €2.7 million in 2025, compared to an operating profit of €10.2 million in 2024. This movement is mainly attributable to a substantial decline in revenue from service concession arrangements, which fell from €16.9 million in 2024 to €3.5 million in 2025, and continued operating cost levels, including administrative expenses and provisions, which were not offset by corresponding revenue during the year. The revenue from service concession arrangements is net of losses and gains recorded due to changes in the estimated stage of completion of the Affordable Housing Project. These changes in estimates stem from updates in the forecasted construction costs and timing of works and result in cumulative catch-up adjustments in the period in which the estimates are revised. The Company recorded a gain due to change in estimate of €1.4 million in 2024. In 2025, the delays in the Affordable Housing Project and increase in construction works resulted in the Company recording a loss due to change in estimate of €10.5 million (refer to Note 9 of the Financial Statements).

Directors' report – continued

Information Pursuant to Alternative Performance Measures (APMs) – continued

Debt to Assets Ratio

The debt to assets ratio indicates the proportion of the Company's total assets that is financed through borrowings. This is computed by dividing the total current and non-current borrowings over the total assets of the Company, as presented in the Statement of Financial Position. This ratio is used by management to assess the overall leverage of the Company and the extent to which assets are funded by debt as opposed to equity.

It provides insight into the long-term solvency of the Company and its exposure to financial risk arising from indebtedness.

The debt to assets ratio remained broadly stable at 23.9% in 2025 (2024: 24.4%), indicating that, despite the deterioration in profitability and liquidity, the level of debt relative to the overall asset base did not materially increase.

However, it should be noted that this stability is influenced by the significant proportion of non-current assets, particularly investment property and contract assets, which together represent the majority of total assets. While leverage relative to total assets remains moderate, these assets are not readily liquid, limiting their ability to support short-term funding needs.

Debt to Equity Ratio

The debt to equity ratio compares the Company's total current and noncurrent borrowings to shareholders' equity and is used to evaluate the Company's capital structure. This measure highlights the relative balance between debt financing and equity financing and assists management and stakeholders in assessing financial leverage and the associated risk profile of the Company.

The Company's debt to equity ratio remained stable at 41.7% in 2025 (2024: 41.8%), reflecting a largely unchanged capital structure year-on-year.

Interest Coverage

The interest coverage ratio measures the Company's ability to service its interest obligations from operating results. It compares operating profit (adjusted for gains and losses due to change in estimate) to finance costs and provides an indication of the extent to which earnings generated from operations are sufficient to cover interest expenses. Management uses this ratio to monitor debt servicing capacity and compliance with financing terms.

The interest coverage ratio decreased to 2.08x in 2025 from 2.4x in 2024. This is primarily because of the significant reduction in operating profit during the year, as explained in the previous paragraphs, while finance costs remained at a broadly similar level.

These measures are calculated using amounts extracted directly from the audited financial statements without further adjustment.

The APMs are presented consistently with prior periods. Comparative information is disclosed on a consistent basis. The Company further ensures that APMs are presented with no undue prominence over IFRS measures. APMs are disclosed to complement, and not replace, the financial information presented in the audited financial statements, and are not displayed with greater prominence than the corresponding IFRS measures.

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:

Directors' report – continued

Statement of Directors' responsibilities for the financial statements – continued

- 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.

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 2025 are included in the Annual Report and Statutory Financial Statements - 31 December 2025, 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 of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU 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.

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

Directors' report – continued

Information pursuant to Capital Markets Rules 5.64 – continued

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 2025, 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 or indirectly interested.

Information pursuant to Capital Market Rule 5.70.2

The Company Secretary is Dr Mauro Magro and the registered office address is Aries House Level 1, 29 Sqaq Tal- Hlas, Zebbug ZBG 4022, 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 2025, 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

KPMG were appointed auditors of the Company during the year under review and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board of Directors on 30 April 2026 by Roderick Psaila (Chairman) and David Mallia (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered office:
Aries House Level 1, 29
Sqaq Tal- Hlas
Zebbug ZBG 4022
Malta

Statement of compliance with code of principles of good corporate governance

A. 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 should endeavour 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”). This statement is made in terms of Capital Markets Rules 5.94 and 5.97

As at the date of this corporate governance statement (the “Statement”), the Board of Directors of the Company (the “Board” or the “Directors”) considers the Company to be compliant with the Code save for those instances reported in this Statement. In those instances where the Company’s organisation and practices deviate from the Code, the Board is of the view that there are cogent justifications for such divergences, taking into account the size, complexity and nature of operations of the Company, as explained in further detail in section C of this Corporate Governance Statement.

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.

B. Compliance

Principle 1 and 4: The Board and the Responsibilities of the Board

The Board is primarily responsible for determining the Company’s strategic direction and organisational requirements, whilst ensuring that the Company has the appropriate mix of financial, human and operational resources to meet its objectives and improve its performance.

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 2025, the Board comprised seven directors: one (1) executive director and Chairman, and six (6) independent non-executive directors. 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.

It is the Board’s responsibility to ensure a system of accountability, monitoring, strategy formulation and policy development. Its responsibilities also involve the oversight of the Company’s internal control procedures and financial performance, and the review of business risks facing the Company, ensuring that these are adequately identified, evaluated, managed and minimised. Board Members uphold high ethical standards and carefully consider the interests of all relevant stakeholders in their discussions and decisions.

The Board regularly reviews and evaluates, at least on a quarterly basis, 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.

Statement of compliance with code of principles of good corporate governance – 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. Conversely, the day-to-day management of the Company is vested with the Chief Executive Officer who reports to the Board of Directors.

Until 2 April 2025, the role of Chairman and Chief Executive officer were segregated from one another with Dr Johan Farrugia occupying the role of Chairman whilst Amanda Desira occupied the role of Interim Chief Executive Officer. Following a reorganization, it was agreed that as from 2 April 2025, the roles of Chairman and Chief Executive Officer would be combined, and held jointly by Dr Johan Farrugia. Following his resignation on 24 November 2025, Marvin Gaerty was appointed as Executive Chairperson.

Although the Code recommends that the roles of Chairman and Chief Executive Officer are segregated, the directors believed that combined temporary leadership structure of the two roles was appropriate in the circumstances the Company was operating in, combined with the Company's size, leadership transitions and the importance of maintaining business continuity. The Company acknowledges that it did not adhere to Principle 2 consistently throughout the financial year ending 31 December 2025. In line with Principle 3, once the Executive Chairman was appointed, Mr. Victor Carachi was assigned the role of Deputy Chairman and this appointment served to fulfill the requirement to appoint a senior independent non-executive director to act as reference and coordination point for the requests and contributions of non-executive directors.

The Company rectified the situation on 16 January 2026, when Marlene Attard was appointed as Chief Executive Officer, and on 3 February 2026 when Marvin Gaerty stepped down as Chairman and Roderick Psaila was appointed as a Non-Executive Director and Chairman. The Board considers that these appointments restore a clearer separation of responsibilities and are fully aligned with the principles and recommendations set out in the Code.

The Board keeps the Company's leadership structure under regular review and remains committed to aligning its governance practices with the principles and provisions of the Code, taking into account the Company's evolving circumstances.

Principle 3: Composition of the Board

The Company is managed by a Board of seven (7) Directors who are responsible for the overall direction, oversight and setting of strategy of the Company. The Board comprises a mix of individuals with a diverse array of skills and experience which is appropriate for the requirements of the business. The directors play an active role in Board deliberations, strategy formulation and the oversight of management performance/risk.

Appointment of Directors

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.

During 2025, Dr Johan Farrugia held the position of executive director and Chairman until 25 November 2025, where he was replaced in both capacities, by Marvin Gaerty. As at 31 December 2025, the Board was composed of Mr Marvin Gaerty as the executive director and Chairman, and six (6) independent non-executive

Statement of compliance with code of principles of good corporate governance –
continued

Principle 3: Composition of the Board – continued

Appointment of Directors – continued

directors: Mr David Mallia, Dr Robert Suban, Mr Miguel Borg, Dr Desiree Cassar, Mr Victor Carachi and Ms Tania Brown.

On 3 February 2026, Mr Victor Carachi and Ms Tania Brown resigned from the position of non-executive directors, and were replaced by Roderick Psaila and Carmen Ciantar. As a result, Marvin Gaerty stepped down from the role of Chairman and held the position of non-executive Director

As at the date of this Statement, the Directors of the Company are:

Name	Capacity	Date of appointment
Mr Roderick Psaila	Independent Non-executive Director and Chairman	3 February 2026
Mr David Mallia	Independent Non-executive Director	29 May 2025
Mr Marvin Gaerty	Independent Non-executive Director	24 November 2025
Ms Carmen Ciantar	Independent Non-executive Director	3 February 2026
Dr Robert Suban	Independent Non-executive Director	9 April 2014
Mr Miguel Borg	Independent Non-executive Director	22 June 2022
Dr Desiree Cassar	Independent Non-executive Director	30 March 2023

Each Director is mindful-of maintaining independence, professionalism and integrity in carrying out his duties, responsibilities and providing judgement as a director of the Company

In line with the requirements of Code Provision 3.2, none of the independent 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:

Statement of compliance with code of principles of good corporate governance – continued

Principle 3: Composition of the Board – continued

Appointment of Directors – continued

- 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, Compliance and Anti-Financial Crime committee member, ESG Committee member, Chairman of the Risk Committee of Bank of Valletta p.l.c. with whom the Company has banking facilities. In this regard, Dr Robert Suban has always declared a conflict of interest with both entities with regards to facilities granted by Bank of Valletta to Malita Investments plc and has thus never been involved in discussions and decisions related to those facilities.

Principle 5: Board Meetings

The Board usually meets on a bi-monthly basis or as may be determined by the Board. Board 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. The frequency, purpose, conduct and length of Board meetings is deemed appropriate and the Company will be formalising these matters through written procedures.

Directors are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated in advance of the meeting. After each Board meeting, 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.

The Executive Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda for the meetings seeks to achieve a balance between long-term strategic and short-term performance and operational issues.

During the financial year under review, the Board met 20 times. The following Directors attended Board meetings as follows:

Name	Capacity	Meetings attended while in office
Johann Farrugia	Non-Executive Director and Chairman (until 2 April 2025) Executive Director and Chairman (from 2 April 2025 until 25 November 2025)	15/16
Marvin Gaerty	Executive Director and Chairman (from 25 November 2025 until 3 February 2026) Non-Executive (from 3 February 2026)	4/4
David Mallia	Non-Executive (from 29 May 2025)	15/15
Robert Suban	Non-Executive	20/20
Miguel Borg	Non-Executive	17/20
Desiree Cassar	Non-Executive	16/16
Victor Carachi	Non-Executive (until 3 February 2026)	20/20
Tania Brown	Non-Executive (until 3 February 2026)	19/20

Statement of compliance with code of principles of good corporate governance – 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. All Directors have access to the advice and services of the Company Secretary. The Company will provide for additional individual Directors' training on a requirements basis.

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. All Directors have access to the advice and services of the Company Secretary. The Company will provide for additional individual Directors' training on a requirements basis.

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 timely receive monthly management accounts on the Company's financial performance and position.

In accordance with Code Provision 6.4, the Chief Executive Officer ensures that systems are in place:

1. to provide for the development and training of the management and employees generally so that the Company remains competitive;
2. to provide additional training for individual Directors where necessary;
3. to monitor management and staff morale; and
4. to establish a succession plan for senior management

Notwithstanding changes in the Company's executive leadership structure, the responsibilities contemplated under Code Provision 6.4 were addressed through the executive leadership arrangements in place at the relevant times.

Moreover, in order to ensure operational and strategic continuity, the Company sought the engagement of professional advisers to support management and the Board in specific operational, technical and specialist areas, as required. The Board considers that the use of professional advisors enables the Company to access the necessary expertise and resources in a cost-effective and flexible manner, particularly during periods of transition or where specialised skills are required. Oversight of such service providers remains with management and the Board, as appropriate.

Principle 7: Evaluation of the Board's performance

During 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

Audit Committee

The Board of Directors delegates certain responsibilities to the Audit Committee, the terms of reference of which reflect the requirements stipulated in the Capital Markets Rules. The Audit Committee assists 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.

Statement of compliance with code of principles of good corporate governance – continued

Principle 8: Committees – continued

Audit Committee – continued

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. The responsibilities of the Audit Committee include:

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board of Directors, management and the external auditors;
- (c) preserving the Company's assets by assessing the Company's risk environment and determining how to deal with those risks; and
- (d) evaluating any proposed transaction to be entered into between the Company and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Company

The Audit Committee also assists the Board of Directors in monitoring and reviewing the Group's financial statements, accounting policies and internal control mechanisms in accordance with the Committee's terms of reference. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Company's Board, management and external auditors.

The primary purpose of the Audit Committee is to protect the interests of the Company's shareholders and assist the Directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. In the performance of its duties the Audit Committee calls upon any person it requires to attend meetings. The external auditors of the Company are invited to attend relevant meetings in order to report on key matters arising from the audit. In addition, the Audit Committee invites the Chief Financial Officer and other members of management to attend Audit Committee meetings on a regular basis and as deemed appropriate. During the financial year under review, the Audit Committee met six times.

Name	Capacity	Number of meetings
Robert Suban	Chairman (until 29 May 2025) Member (from 29 May 2025)	6
Victor Carachi	Member (until 9 June 2025)	nil
Johan Farrugia	Member (until 2 April 2025)	nil
Desiree Cassar	Member (from 2 April 2025 until 9 June 2025)	nil
David Mallia	Chairman (from 9 June 2025)	6
Miguel Borg	Member (from 9 June 2025)	6

All the members that served on the Audit Committee were deemed by the Board of Directors to be Independent Non-Executive Directors, and the Board of Directors felt that as a whole the Audit Committee had the necessary skills, qualifications and experience in satisfaction of the Capital Markets Rules. As at the date of this Report, the audit committee is chaired by David Mallia, who is an accountant by profession, and is considered to possess the necessary competence in auditing/accounting as required in terms of the Capital Markets Rules. 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, the Board of Directors considers the other Audit Committee members, including those who served on the committee during the year under review, as having the required competence individually and jointly as a Committee, due to their professional background and experience in the financial sector, particularly

Statement of compliance with code of principles of good corporate governance – continued

Principle 8: Committees – continued

Audit Committee – continued

in capital markets, investment services and banking, as well as in other sectors, including corporate law and risk management.

Investment Committee

The Company has set up an Investment Committee whose 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 Dr Robert Suban.

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 one meeting.

The investment committee met once during the period under review:

Name	Capacity	Number of meetings
Dr Robert Suban	Member (until 9 June 2025) Chairman (from 9 June 2025)	1
Desiree Cassar	Member	1
Miguel Borg	Chairman (until 9 June 2025)	1
Victor Carachi	Member (from 9 June 2025)	nil

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.

Remuneration and Nominations Committee

In view of its size, the Company has taken the view that whilst it considers the role and function of each of the remuneration and the nomination committee as important, it would be more efficient for these committees to be merged into one committee, called the "Remuneration and Nominations Committee". In its function as Remuneration Committee, the Remuneration and Nominations Committee is charged with the oversight of the remuneration policies implemented by the Company with respect to its management and employees. Its objectives are those of determining a remuneration policy aimed to attract, retain and motivate directors, whether executive or non-executive, as well as senior management with the right qualities and skills for the benefit of the Company. It is responsible for making proposals to the Board on the individual remuneration packages of directors and senior management and is entrusted with monitoring the level and structure of remuneration of the non-executive directors. In addition, the Remuneration and Nominations Committee is responsible for reviewing the performance-based remuneration incentives that may be adopted by the Company from time to time, and is authorised to determine whether a performance-based bonus or other incentive should be paid out or otherwise.

In its function as Nomination Committee, the Remuneration and Nomination Committee's task is to propose to the Board of Directors candidates for the position of director, including persons considered to be independent in terms of the Capital Markets Rules, whilst also taking into account any nominations from shareholders. It is to periodically assess the structure, size, composition and performance of the Board of Directors and make recommendations to the Board of Directors regarding any changes, as well as consider issues related to succession planning. It is also entrusted with reviewing the Board of Directors' policy for selection and

Statement of compliance with code of principles of good corporate governance – continued

Principle 8: Committees – continued

Remuneration and Nominations committee – continued

appointment of senior management. No member of the Remuneration and Nomination Committee may be present while his remuneration is being discussed at a meeting of such committee.

The Remuneration and Nominations Committee is composed of three independent non-executive directors as shall be appointed from time to time by the Board of Directors. During the financial year ending 31 December 2025, the members appointed by the Board of Directors to sit on the Remuneration and Nominations Committee were Johann Farrugia (Committee Chairman until 2 April 2025), Victor Carachi (Committee Chairperson effective 2 April 2025), Tania Brown (Committee member effective 2 April 2025), and Miguel Borg (Committee member effective 9 June 2025). Following the resignation of the Chairperson and one member on 4 February 2026, Miguel Borg remains the only member of the Remuneration and Nominations Committee as at date of this Statement.

During the period under review, three meetings were held by the Remuneration and Nominations Committee. Moreover, the members of the Remuneration and Nominations Committee during the period under review are as follows:

Name	Capacity	Number of meetings
Johan Farrugia	Chairman (until 2 April 2025)	3
Victor Carachi	Member (until 2 April 2025)	3
	Chairman (from 2 April 2025)	
Miguel Borg	Member (from 2 April 2025)	3
Tania Brown	Member (from 9 June 2025)	n/a

ESG Committee

The board further resolved to set up an ESG Committee to inter alia assist the board in ESG-related matters.

As at the date of this statement, the ESG Committee is chaired by Miguel Borg, with Desiree Cassar serving as a member.

During the period under review the ESG Committee met once, as follows:

Name	Capacity	Number of meetings
Miguel Borg	Chairman	1
Tania Brown	Member (until 3 February 2026)	1
Victor Carachi	Member (until 9 June 2025)	1
Desiree Cassar	Member (from 9 June 2025)	nil

Internal Controls

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, is 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

Statement of compliance with code of principles of good corporate governance – continued

Principle 8: Committees – continued

Internal Controls – continued

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.

Principles 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 fifteenth 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 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):

Statement of compliance with code of principles of good corporate governance – continued

Principle 11: Conflicts of Interest – continued

Director	Number of shares held as at 31 December 2025
David Mallia	nil
Robert Suban	61,800
Miguel Borg	nil
Desiree Cassar	nil
Marvin Gaerty	nil
Victor Carachi	nil
Tania Brown	nil
Johan Farrugia	nil

There were no changes in the Directors' interest in the shareholding of the Company between year-end and 30 April 2026.

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 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. Conversely, the day-to-day management of the Company is vested with the Chief Executive Officer who reports to the Board of Directors.

The Company acknowledges that it did not adhere to Principle 2 consistently throughout the financial year ending 31 December 2025. In line with Principle 3, once the Executive Chairman was appointed, Mr. Victor Carachi was assigned the role of Deputy Chairman and this appointment served to fulfill the requirement to appoint a senior independent non-executive director to act as reference and coordination point for the requests and contributions of non-executive directors.

The Company rectified the situation on 16 January 2026, when Marlene Attard was appointed as Chief Executive Officer, and on 3 February 2026 when Marvin Gaerty stepped down as Chairman and Roderick Psaila was appointed as a Non-Executive Director and Chairman. The Board considers that these appointments restore a clearer separation of responsibilities and are fully aligned with the principles and recommendations set out in the Code.

Principle 3: Composition of the Board

The code provision recommends that the Board should be composed of executive and non-executive directors, and that majority of the latter should be independent. For the financial year ending and as at 31 December 2025, the Board was composed of six independent non-executive and one executive Director. As at report date, all Directors are independent and non-executive.

Executive management responsibility is vested in the Chief Executive Officer, to whom the Board has formally delegated authority for the operational leadership of the Company and the implementation of the strategy approved by the Board. The Chief Executive Officer, supported by the senior management team, is accountable to the Board for the performance of the business, the execution of agreed strategy, and the management of risk within the parameters established by the Board. This structure ensures a clear and

Statement of compliance with code of principles of good corporate governance – continued

Non-compliance with the code – continued

Principle 3: Composition of the Board – continued

transparent separation between the Board's oversight and governance function on the one hand, and executive management responsibility on the other

The Board is satisfied that this governance structure is appropriate given the Company's size and 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.

Principles 4 and 6: Responsibilities of the Board, and 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 professional advisors to ensure smoother leadership transitions. 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

Under the present circumstances, the Board of Directors does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed company.

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 provide rights to minority 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.

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 30 April 2026.

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 independent non-executive directors as shall be appointed from time to time by the Board of Directors. During the financial year ending 31 December 2025, the members appointed by the Board of Directors to sit on the Remuneration and Nominations Committee are Johann Farrugia (Committee Chairman until 2 April 2025), Victor Carachi (Committee Chairperson effective 2 April 2025), Tania Brown (Committee member effective 2 April 2025), and Miguel Borg (Committee member effective 9 June 2025). Following the resignation of the Chairperson and one member on 4 February 2026, Miguel Borg remains the only member of the Remuneration and Nominations Committee as at date of this Statement.

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, three meetings were held by the Committee.

Name	Capacity	Number of meetings
Johan Farrugia	Chairman (until 2 April 2025)	3
Victor Carachi	Member (until 2 April 2025)	3
	Chairman (from 2 April 2025)	
Miguel Borg	Member (from 9 June 2025)	3
Tania Brown	Member (from 2 April 2025)	n/a

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 (2024: €10,500) per annum for Directors and €25,000 (2024: €25,000) per annum for the Chairperson of the Board of Directors. The Chairpersons of Board appointed Committees are entitled to an additional remuneration of €5,000 (2024: €5,000) for each Committee chaired and Committee members are entitled to an additional remuneration of €2,500 (2024: €2,500) per annum for each Committee they sit on.

During 2025 the aggregate amount of remuneration paid to all Directors of the Company was €132,980 (2024: €114,547). None of the Directors, other than the Executive Chairperson, 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 (2024: nil).

Remuneration Statement – continued

Remuneration Report - Directors – continued

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

	2025 Fees €	2024 Fees €	Percentage Annual Change of Remuneration*				
			2024 - 2025	2023 - 2024	2022 - 2023	2021 - 2022	2020 - 2021
Robert Suban	20,500	19,167	7%	16%	10%	0%	0%
David Mallia (retired on 30 May 2024, appointed on 29 May 2025)	9,042	5,190	24%	5%	n/a	n/a	n/a
Miguel Borg	23,000	20,833	10%	59%	(4%)	n/a	n/a
Desiree Cassar	14,875	11,667	27%	19%	n/a	n/a	n/a
Victor Carachi (resigned 4 February 2026)	19,875	15,625	27%	42%	47%	(32%)	n/a
Tania Brown (resigned 4 February 2026)	14,875	12,708	17%	15%	69%	(55%)	n/a
Johan Farrugia (resigned 25 November 2025)	22,917	18,958	(23%)	n/a	n/a	n/a	n/a
Marvin Gaerty (appointed on 25 November 2025)	7,896	Nil	n/a	n/a	n/a	n/a	n/a
Marlene Mizzi (resigned on 30 May 2024)	Nil	10,399	n/a	1%	43%	n/a	n/a
Paul Mercieca	Nil	Nil	n/a	(100%)	100%	n/a	n/a
Eric Schembri	Nil	Nil	n/a	(100%)	100%	n/a	n/a
Total	132,980	114,547					

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

There were no changes in the nominal remuneration of the directors from last year. Fluctuations in the remuneration presented in the table above are a result of changes due to the director's participation in committee chairmanship and membership.

Remuneration Report - Senior Management

Following the resignation of the Company's Chief Operations Officer effective 24 February 2026, the Board notes that the current organisational set-up of the Company consists of 9 employees, 2 of whom are considered to be senior officers (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 falls within the definition of a "Senior Executive".

Under the contract of employment of the Executive Chairperson, he shall perform services, undertake the duties and have the powers in relation to the Company and its business which are considered falling within the ordinary competence of an Executive Chairman including, but not limited to, implementation of the strategic and business development of the Company and ensuring the activities of the Company are planned and

Remuneration Statement – continued

Remuneration Report - Senior Management – continued

directed to achieve targets and standards for financial performance, quality, culture and legislative adherence, for a definite period of three (3) years, subject to automatic extension for further periods of three (3) years each. The same set of duties and responsibilities were set for the newly appointed CEO towards the end of the financial year 2025.

The senior officers are not entitled to profit sharing, share options or pension benefits. The Company underwent several leadership changes during the period under review. The year started under the leadership of Amanda Desira in her capacity as interim CEO. On 2 April 2025, the Board appointed Johan Farrugia as Executive Chairperson during which period he also served as CEO of the Company until his resignation on 24 November 2025. Following Johan’s resignation, the Board appointed Marvin Gaerty as Executive Chairperson wherein he also served as CEO.

On 16 January 2026, the Board appointed Marlene Attard as Chief Executive Officer, taking over Marvin Gaerty. Effective on the same day, the Board also appointed Stephen McCarthy as Chief Financial Officer. On 24 February 2026, Amanda Desira resigned from her position as Chief Operations Officer.

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 CEO has the opportunity to receive annual performance bonus in an amount and on such terms determined by the Remuneration Committee to the extent the relevant key performance indicators set by the Board shall have been met, and such performance bonus is subject to a cap at a percentage of the basic pay. 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 the last five (5) financial years were as follows:

	Financial Year				
	2025 €	2024 €	2023 €	2022 €	2021 €
CEO					
Fixed Salary	94,738***	93,249**	89,980*	86,380*	80,880*
Other Fringe Benefits	7,800	12,590	9,969	9,969	9,969
Total Fixed Remuneration	102,358	105,839	99,949	96,349	90,849
Variable Remuneration	1,875	nil	2,748	10,000	10,000
Total Remuneration	104,413	105,839	102,697	106,349	100,849
Fixed to Variable Proportion	98% - 2%	100% - 0%	97% - 3%	91% - 9%	90% - 10%

The Company had several leadership changes in 2025 and 2024. The figures disclosed above include the remunerations received by the persons appointed as CEO during the aforementioned periods.

Remuneration Statement – continued

Remuneration Report - Senior Management – continued

***Amanda Desira, in her capacity as interim CEO until 2 April 2025, received fixed remuneration of €28,488. She was replaced by Dr Johan Farrugia who served as CEO until 24 November 2025 and received fixed remuneration of €62,000. Marvin Gaerty then served as CEO effective 25 November 2025 and received fixed remuneration of €4,251. To ensure comparability, particularly given that the persons serving in this role took on this role during the year under review, the Company has provided the total remuneration, and the relative annual change, by considering the remuneration pertaining to the role.

**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.

*In 2020, the Company did not have a CEO. Starting 01 January 2021 up to 19 December 2024, Jennifer Falzon was appointed as the CEO.

Remuneration Analysis

The total remuneration of the Directors of the Company amounted to €132,980 and €114,547 for the years 2025 and 2024 respectively.

The remuneration on a full-time equivalent basis of employees of the Company other than Directors amounted to €389,458 and €320,312 for 2025 and 2024 respectively. The change in the total remuneration amounted to 21.59% for 2025 when compared to 2024, (4.79)% for 2024 when compared to 2023, 10.32% for 2023 when compared to 2022, 3.01% for 2022 when compared to 2021, and 9.65% for 2021 when compared to 2020.

The annual change in the performance of the Company amounts to (126.11)% for 2025 when compared to 2024 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 total remuneration on a full-time equivalent basis of the Company's employees in the last 5 financial years:

	% Difference FY2025 – FY2024	% Difference FY2024 – FY2023	% Difference FY2023 – FY2022	% Difference FY2022 – FY2021	% Difference FY2021 – FY2020
Company's Operating Profit	(126.11)%	5.45%	1.62%	1.03%	(0.21)%
Rents earned from tenants and Housing Authority	37.67%	197.97%	248.37%	nil	nil
Remuneration of the Company's CEO	(1.35)%	3.06%	(3.43)%	5.45%	nil
Company's employees' average remuneration on full time equivalent	21.59%	(4.79)%	10.32%	9.54%	11.08%

Remuneration Statement – continued

Remuneration Policy

This Remuneration policy was last reviewed and approved during the AGM held on 29 May 2025. 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.

Remuneration Statement – continued

Remuneration Policy for Directors – continued

- 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 2026.

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 30 April 2026.

Statement of financial position

	Notes	31 December 2025 €	31 December 2024 €
ASSETS			
Non-current assets			
Property, plant and equipment	6	90,351	27,989
Investment property	7	257,939,083	252,751,676
Contract asset	9	83,344,833	78,577,203
		341,374,267	331,356,868
Current assets			
Trade and other receivables	10	1,215,624	718,276
Cash and cash equivalents	11	6,435,462	3,612,609
Financial assets at fair value through other comprehensive income-debt instruments	12	-	10,675,311
		7,651,086	15,006,196
Total assets		349,025,353	346,363,064
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	102,710,051	102,710,051
Retained earnings	14	2,785,399	10,491,211
Reserve for fair value movements	15	88,076,836	83,123,920
Other reserves	16	6,115,454	5,562,126
Total equity		199,687,740	201,887,308
Non-current liabilities			
Borrowings	17	78,191,606	80,160,712
Lease liability	8	3,558,310	3,370,802
Capital creditors	18	1,876,263	1,154,724
Provision for liabilities and charges	20	1,731,994	652,361
Deferred tax liabilities	28	46,427,449	46,493,592
		131,785,622	131,832,191
Current liabilities			
Borrowings	17	5,138,856	4,214,488
Lease liability	8	131,073	131,075
Capital creditors	18	3,980,582	5,462,652
Trade and other payables	19	6,467,539	1,772,270
Current tax liabilities	27	1,833,941	1,063,080
		17,551,991	12,643,565
Total liabilities		149,337,613	144,475,756
Total equity and liabilities		349,025,353	346,363,064

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 30 April 2026. The financial statements were signed on behalf of the Board of Directors by Roderick Psaila (Chairman) and David Mallia (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Statement of profit or loss and other comprehensive income

		Year ended 31 December 2025 €	Year ended 31 December 2024 €
	Notes		
Rental income	21	10,619,010	9,560,367
Revenue from service concession arrangements	9	3,492,772	16,932,867
Costs related to service concession arrangements	9	(13,336,189)	(14,896,852)
Administrative expenses	22	(2,349,710)	(1,082,545)
Provision for liabilities and charges	20	(1,079,633)	(350,771)
Operating (loss) / profit		(2,653,750)	10,163,066
Change in fair value of investment property	7	5,187,407	(4,724,498)
Finance income	25	5,460,507	4,355,382
Finance costs	26	(3,781,435)	(3,658,262)
Profit before tax		4,212,729	6,135,688
Tax (expense) / credit	27	(2,306,171)	266,287
Profit for the year		1,906,558	6,401,975
Other Comprehensive Income (OCI)			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Debt investments at FVOCI – net change in fair value		22,410	375,419
Debt investments at FVOCI – reclassified to profit or loss		(270,468)	(127,361)
OCI for the year, net of tax		(248,058)	248,058
Total Comprehensive Income for the period		1,658,500	6,650,033
Earnings per share (cents)	29	0.92	3.39

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 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		-	6,401,975	-	-	6,401,975
OCI for the year		-	-	248,058	-	248,058
Total Comprehensive income for the year		-	6,401,975	248,058	-	6,650,033
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)
		<u>29,414,908</u>	<u>(4,157,975)</u>	<u>(2,193,203)</u>	<u>708,187</u>	<u>23,771,917</u>
Balance at 31 December 2024		102,710,051	10,491,211	83,123,920	5,562,126	201,887,308

Statement of changes in equity – continued

	Notes	Share capital €	Retained earnings €	Reserve for Fair Value Movements €	Other reserves €	Total €
Balance at 1 January 2025		102,710,051	10,491,211	83,123,920	5,562,126	201,887,308
Total Comprehensive income for the year						
Profit for the year		-	1,906,558	-	-	1,906,558
OCI for the year		-	-	(248,058)	-	(248,058)
Total Comprehensive income for the year		-	1,906,558	(248,058)	-	1,658,500
Transactions with owners						
Transfer within owners' equity – fair value movement, net of deferred tax	15	-	(5,200,974)	5,200,974	-	-
Transfer within owners' equity - other	16	-	(553,328)	-	553,328	-
Dividends to equity shareholders	30	-	(3,858,068)	-	-	(3,858,068)
		-	(9,612,370)	5,200,974	553,328	(3,858,068)
Balance at 31 December 2025		102,710,051	2,785,399	88,076,836	6,115,454	199,687,740

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

Statement of cash flows

	Notes	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Cash flows from operating activities			
Cash generated from operations	31	12,018,177	8,032,986
Interest received		10,170	-
Interest paid		(102,895)	(110,818)
Income taxes paid		(1,601,380)	(1,869,224)
Net cash generated from operating activities		10,324,072	6,052,944
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(93,437)	(1,300)
Proceeds from affordable housing rentals		4,500,536	3,441,024
Payments to develop contract asset	9	(14,096,720)	(15,363,667)
Acquisition of financial assets at FVOCI		-	(25,000,000)
Disposal of investments		10,697,721	14,700,108
Net cash generated from / (used in) investing activities		1,008,100	(22,223,835)
Cash flows from financing activities			
Proceeds from called up issued share capital	13	-	30,049,265
Rights issue costs	13	-	(634,357)
Repayments of borrowings	17	(4,381,475)	(5,212,277)
Proceeds from borrowings	17	3,336,737	-
Interest paid on borrowings		(3,475,440)	(3,496,266)
Payments on lease liability	8	(131,073)	(65,537)
Dividends paid to equity holders		(3,858,068)	(5,642,991)
Net cash (used in) / generated from financing activities		(8,509,319)	14,997,837
Net increase / (decrease) in cash and cash equivalents		2,822,853	(1,173,052)
Cash and cash equivalents at beginning of year		3,612,609	4,785,663
Cash and cash equivalents at end of year	11	6,435,462	3,612,609

The accompanying notes 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 Aries House Level 1, 29, Sqaq Tal- Hlas, Zebbug, 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 (Chapter 386, Laws of Malta) (the "Act"). 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.

The Directors have undertaken an assessment of the Company's ability to continue as a going concern in accordance with IAS 1 Presentation of Financial Statements and the Capital Markets Rules. Based on the assessment performed, discussed further in this note, the Directors continue to have a reasonable expectation that the Company has adequate resources to meet its obligations for at least twelve months from the date of these financial statements and that the going concern basis remains appropriate.

At 31 December 2025, the Company's current liabilities exceed the current assets by €9,900,832 (2024: current assets exceed current liabilities by €2,362,631). During the year then ended, the Company continues to generate stable income from long-term concession and emphyteutical arrangements. Nonetheless, cost overruns on the Affordable Housing Project developments resulted in a decrease in profits and a strain on the Company's working capital position. In October 2025, the Company temporarily suspended construction works on the open housing project sites and outstanding payments to contractors and suppliers while funding requirements and project timelines were reassessed.

Due to advances from banks and rents paid in advance during 2025, the Company managed to meet all its obligations that were due in 2025. Nonetheless, further outlays are necessary to complete the Affordable Housing Project, which requires additional external financing and other agreements with funding providers to allow the Company meet its obligations as they fall due and successfully complete these projects. Completion of these projects within the revised timelines is critical to ensure the Company will be able to earn the projected revenues (in the form of rental income) from the Affordable Housing Project.

The Directors and management performed a detailed re-assessment of the financial projection to determine the funding needs of the Company, including those arising from the Affordable Housing projects. In preparing those projections, management engaged external consultants with relevant experience with a view of ensuring that all reasonable possible conditions, including plausible but highly stressed scenarios are captured in the assessment.

These projections incorporate assumptions regarding construction timelines, remaining capital expenditure requirements, financing arrangements, operating costs and expected commencement of rental income. The projections assume that the remaining capital expenditure required will be financed through a combination of existing facilities and financing arrangements that are in advanced stage of finalization with lending institutions. To enhance the robustness of the projections, in addition to using a plausible but highly stressed scenarios, the directors have included several contingencies to provide resilience against potential adverse developments which are deemed remote.

Subsequent to year end, the Company has secured an additional facility of €28 million to address its funding requirements for the Housing Project which, alongside the €22 million facility provided by EIB, will be sufficient to close the project. Drawdown under these two facilities is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility

2. Basis of preparation – continued

can be put in place. As at report date, the Company received formal written consent from EIB dated 27th April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB procedures to formalize the agreement currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under the facilities are expected in 2026. The Directors are not aware of any reason why the CEB formal consent would be withheld. Based on correspondence received from CEB, the Directors understand that the remaining steps required to formalise the consent are administrative rather than substantive in nature. Similarly, the formalization of pending security documentation is also considered administrative in nature. In addition, as of the date of approval of these financial statements, the work on the sites is imminently expected to re-commence.

In evaluating the appropriateness of the going concern basis, the Directors also considered the sensitivity of projections to reasonably possible variations in key assumptions, including delays in construction timelines and additional cost overruns. While the projections are based on assumptions about future events and involve judgement, the Directors consider these assumptions to be reasonable and supportable. Also, based on sensitivity assessments performed on assumptions, the Directors concluded that, while the projections involve significant judgements and are sensitive to changes in key assumptions, there is no reasonable possibility that such changes would result in the Company being unable to meet its obligations as they fall due. In light of the advanced stage of the financing process and the strong support obtained from lending institutions, the Directors have a reasonable expectation that the Company will formally secure the necessary financing in the near term and will have adequate resources to continue in operational existence for the foreseeable future. The Directors will continue to actively monitor project progress, financing arrangements and liquidity as part of their ongoing governance responsibilities.

Accordingly, the financial statements have been prepared on a going concern basis.

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. Revisions to estimates are recognised prospectively. Included below is information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements. Also included below is information about assumptions and estimation uncertainties at the reporting that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant management judgements

(a) Service concession arrangements

The assessment of whether IFRIC 12 Service Concession Arrangements applies to certain contracts and activities involves significant judgement and is influenced by complex factors, including the legal interpretation of contractual agreements and other terms and conditions entered into with public sector entities. These arrangements differ from intra-government or public-to-public service delivery models, as the Company acts as an independent commercial operator rather than as part of the public sector. In particular, judgement is required to assess whether such entities act as grantors that control the

2. Basis of preparation – continued

Significant management judgements – continued

(a) Service concession arrangements – continued

services to be provided, the recipients of those services and the pricing mechanisms, as well as whether they control any significant residual interest in the underlying infrastructure.

Based on this assessment, the Directors have concluded that the Company acts as an independent operator under arrangements with public sector grantors and that these arrangements therefore fall within the scope of IFRIC 12.

The application of IFRIC 12 requires significant judgment in relation to, 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 whether the Company's rights are accounted for as a financial asset or as an intangible asset or through a hybrid approach 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.

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 (namely, the recognition and measurement of assets and revenue) and, therefore, the results of operations or our financial position. Note 9 gives detail in relation to contract asset and service concession arrangements.

(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, which involves significant judgement, 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 reasonable 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. The initial lease terms represent approximately 31% and 46% of the respective remaining head-lease periods. While IFRS 16 does not prescribe quantitative thresholds for determining whether a lease term constitutes a major part of the economic life of an asset, these durations, considered in conjunction with other qualitative indicators, namely absence of ownership transfer or purchase options, and reversion of control and economic rights at lease expiry, do not support a conclusion that substantially all the risks and rewards have been transferred. The Company notes that this classification

2. Basis of preparation – continued

Significant management judgements – continued

(b) Lessor classification of leases – continued

represents the formalisation of management's judgement at the commencement of each lease, based on available facts and circumstances at the time. This classification reflects management's judgement at the commencement of each lease, based on the contractual terms and circumstances in existence at that date. In accordance with IFRS 16, the classification of a lease by a lessor is not reassessed subsequently unless the lease is modified.

(c) 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. This determination involves judgement. The Company rebuts this presumption in respect of 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. The transfer of the emphyteutical grant is contractually restricted as approval is required from the grantor (the Government of Malta) for such transfer to occur, which approval is at the complete discretion of the grantor. As a separate legal entity in its own right, the Company does not have control over the Government of Malta's final decision on whether to permit any future potential transfer (i.e., absence of a substantive ability to sell) and as such the Company expects to recover the carrying amount of the investment property through use rather than through sale.

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 (classified as investment property) and lease liability on the head-lease, the Company applies an applicable enacted tax rate resulting from statutory tax mechanics of 28% in measuring the deferred tax liability and the deferred tax asset, respectively.

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.

(d) Income taxes on IFRIC 12 contract asset

The Company is subject to a final withholding tax on rental cash receipts, which is levied on a gross revenue basis and does not permit deductions for the cost of the buildings. The assessment of whether this tax falls within the scope of IAS 12 Income Taxes involves judgement, as IAS 12 defines income taxes as taxes based on taxable profit. Based on an assessment of the nature of the tax and its economic substance, the Directors have concluded that the tax is not an income tax within the scope of IAS 12. Accordingly, no deferred tax is recognised in respect of the contract assets arising from service concession arrangements as the tax does not arise from temporary differences related to those assets. The tax is instead accounted for as a levy in accordance with IFRIC 21 Levies. The liability for the levy is recognised only when the obligating event occurs, which is when payment of the rental income becomes legally enforceable once the apartments are fully completed under the requirements of the contract with the government, and not when the related construction revenue is recognised for accounting purposes.

2. Basis of preparation – continued

Significant management judgements – continued

(e) Provision for liabilities and charges

Management exercises judgment in evaluating whether a present obligation exists and in determining the likelihood and magnitude of any outflow of economic resources arising from litigation and claims and other maintenance obligations under housing contracts.

In determining the amount of provisions for litigations and claims, management considers current stage of proceedings and advice obtained from external legal counsel. On the other hand, maintenance provisions are recognised on the basis of contractual obligations and are measured according to expected maintenance patterns and cost levels.

The provisions reflect the best estimate of the expenditure required to settle the obligation at the reporting date. However, given the inherent uncertainty associated with legal disputes and future maintenance requirements, actual outcomes may differ, potentially materially, from the estimates recognised in the financial statements.

Sources of Estimation Uncertainty

(a) Revenue under service concession arrangements

The application of IFRIC 12 requires management to make estimates and assumptions that affect the measurement of assets and revenue recognised from service concession arrangements. These estimates include, but are not limited to, the estimation of construction costs to complete the project to determine the stage of completion, the estimation of construction and project management fees during the construction phase, and the determination of the timing and amount of revenue recognised under IFRS 15, as required by IFRIC 12.

Where a financial asset is recognised under IFRIC 12, estimation uncertainty arises in determining the expected cash flows, discount rates and subsequent measurement of such financial assets in accordance with IFRS 9 – Financial Instruments.

Actual results may differ from these estimates, and changes in assumptions could result in material adjustments to the carrying amounts of the related assets in future periods.

Note 9 gives detail in relation to contract asset and service concession arrangements.

(b) Fair value measurement of investment properties

Investment properties have been measured at fair value, with changes therein recognised in profit or loss. The fair value of such investment properties has been determined by independent third party valuers with appropriate professional qualifications and experience in the location and category of the property being valued. The valuers apply a discounted cash flow technique on the basis of the requirements of IFRS 13, Fair Value Measurement, which 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. 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.

As a result, the fair value of the investment properties is sensitive to changes in key assumptions used in the valuation models, and variations in these assumptions could result in material changes in the valuation outcome.

2. Basis of preparation – continued

Sources of Estimation Uncertainty – continued

(b) Fair value measurement of investment properties – continued

Refer to Note 7 - Investment Properties for more details 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.

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.

New Standards adopted as at 1 January 2025

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on Company's financial results or position.

Amendments that are effective for the first time in 2025 and could be applicable to the Company are:

- Lack of Exchangeability (Amendments to IAS 21).

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by Company at either reporting date.

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 Company 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 Company's financial statements.

3. Material accounting policies – continued

New Standards adopted as at 1 January 2025 – continued

B. Other accounting standards – continued

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11

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

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. The Company's investment property includes property interests held by the Company as a lessee and sub-leased to third parties under operating leases where the said property is held to earn rentals, and any property that is identified as being constructed or developed for future use as investment property.

The Company's Right-of-use assets held to earn rental income are classified as investment property. Such assets are accounted for under IAS 40 and measured at fair value, with changes recognised in profit or loss, while the related lease liabilities continue to be measured in accordance with IFRS 16.

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.

The fair value of the Company's investment properties has been determined by independent valuation experts. Refer to Note 2 - Use of estimates and judgements for the key judgements and assumptions applied in determining the fair value of the investment properties.

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.

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. Material accounting policies – continued

3.2 Impairment of non-financial assets – continued

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than investment property, 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 group of assets.

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 date. 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 recognises a contract asset in the statement of financial position in respect of the Affordable Housing project, in accordance with IFRIC 12 and IFRS 15. The contract asset represents the Company's right to consideration for construction and related services provided under the service concession arrangement, where such right is conditional on the satisfaction of future performance obligations.

The carrying amount of the contract asset reflects revenue recognised from construction and construction management services, including the associated margin, together with financing income arising from the significant financing component of the arrangement, net of amounts received, including rental income collected during the period

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; FVOCI - equity 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.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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. With respect to the Company's receivables from

3. Material accounting policies – continued

3.4 Financial assets – continued

3.4.1 Classification, recognition and measurement and impairment – continued

rental, the trade receivables are measured at the transaction price, which represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the related services provided.

A financial asset 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 dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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 dates 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 recognized under IFRIC 12 where it has an unconditional contractual right to receive cash from the grantor when the financial asset model applies. A financial asset is recognised only when the Company has an unconditional right to receive cash, that is, when the only substantive condition for payment is the passage of time. From that point, the asset is accounted for in accordance with IFRS 9. In the case of the Company, for the contracts under IFRIC 12, it has not reached that stage, and on that basis a contract asset is recognised applying the principles of IFRS 15. 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, in the comparative period, held 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

3. Material accounting policies – continued

3.4 Financial assets – continued

3.4.1 Classification, recognition and measurement and impairment – continued

Assessment whether contractual cash flows are SPPI – continued

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.

Subsequent measurement and gains and losses

Financial assets 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.

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 Company recognises loss allowances for ECLs on financial assets measured at amortised cost (cash and cash equivalents and trade and other receivables), debt securities measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

3. Material accounting policies – continued

3.4 Financial assets – continued

3.4.1 Classification, recognition and measurement and impairment – continued

Derecognition – continued

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs as the Company applies the simplified approach under IFRS 9.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. However, in limited circumstances, management may apply judgement in assessing whether delayed payments are indicative of increased credit risk, taking into account the customer's payment history and any specific credit risk mitigating factors.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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.

3. Material accounting policies – continued

3.4 Financial assets – continued

3.4.1 Classification, recognition and measurement and impairment – continued

Derecognition – continued

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.

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 recognised in profit or loss with a corresponding amount recognised in OCI.

3.4.2 Trade and other receivables

Trade receivables comprise amounts due from counterparties 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 initially recognised at the transaction price, as they generally do not contain a significant financing component. Subsequently, trade and other receivables are measured at amortised cost, less loss allowances for expected credit losses. In practice, where receivables do not contain a significant financing component, amortised cost approximates the invoice amount and no material interest income is recognised using the effective interest method. 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 profit or loss and other 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 recognised in profit and loss.

3.4.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at nominal value, which approximates amortised cost. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and when applicable bank overdrafts 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. Material accounting policies – continued

3.5 Service Concession Arrangements

Under IFRIC 12 Service Concession Arrangements, the Company, as concession operator, performs two distinct activities:

- Construction services, comprising the design, construction and financing of infrastructure assets transferred to the grantor, for which revenue is recognised over time in accordance with IFRS 15; and
- Operating and maintenance services in respect of the concession assets, for which revenue is also recognised over time in accordance with IFRS 15.

In return for providing these services, the Company receives consideration under the service concession arrangement. Based on the contractual terms, the Company applies the financial asset model under IFRIC 12, as it has a contractual right to receive consideration from the grantor, irrespective of the amount of use made of the infrastructure (i.e. even if not all apartments made available to the grantor are actually used by the grantor through the Affordable Housing Project).

During the construction phase, the Company's right to consideration is conditional on the satisfaction of future performance obligations (i.e. making the apartments available for the grantor in a manner that they can be used for the Affordable Housing Project).

Accordingly, consideration recognised for construction and related services is recorded as a contract asset, measured initially at the fair value of the consideration for those services and subsequently measured at amortised cost.

As and when the Company's right to consideration becomes unconditional, the corresponding amount is reclassified from contract asset to a financial asset (receivable) in accordance with IFRS 15 and IFRS 9. Receivables will primarily be payments from the grantor and to a lower extent the users.

Cash receipts received from the grantor and users that relate to consideration already recognised reduce the carrying amount of the contract asset or receivable, as applicable.

Financing income arising from the significant financing component embedded in the service concession arrangement is recognised over time under finance income using the effective interest method. Over the term of the concession, the total amount of construction revenue, operating revenue and finance income recognised will equal the contractual cash flows earned from the service concession arrangement.

Refer to Note 2(g) – Use of estimates and judgements for the key judgements applied by management in accounting for service concession arrangements.

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 (i.e. at amortised cost).

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.

3. **Material accounting policies** – continued

3.7 **Financial liabilities** – continued

These liabilities are subsequently measured at amortised cost.

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. 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 initially recognised at fair value, which generally approximates the transaction price, and are subsequently measured at amortised cost. Where payment terms do not contain a significant financing component, the carrying amount of trade and other payables approximates the contractual amount payable.

3.7 **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 where the transaction at the time of initial recognition affects neither accounting, nor taxable profit or loss and that does not give rise to equal taxable and deductible temporary differences. 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.

3. Material accounting policies – continued

3.7 Current and deferred tax – continued

Deferred Tax – continued

The measurement of deferred tax reflects the tax consequences that would follow from the manner 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 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.

In respect of service concession arrangements, the Company recognises a provision where it has a present obligation to restore or make good the concession infrastructure to a specified condition, arising from past use or construction of the asset. 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. Refer to Note 2 - Use of estimates and judgements for the key judgements and assumptions applied by management.

3.10 Revenue and income recognition

Revenue represents income arising from the Company's ordinary activities and comprises rental income from investment property and revenue from service concession arrangements. Other income earned includes finance income. The Company is recognising revenue in relation to the service concession arrangement (Note 9) as performance obligations are satisfied.

Revenue, when recognized under IFRS 15, is measured based on the consideration specified in the contract with a customer. The Company recognises revenue when (or as) it satisfies a performance obligation by transferring control of a promised good or service to the customer.

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

- i. Identifying the contract with a customer
- ii. Identifying the performance obligations
- iii. Determining the transaction price
- iv. Allocating the transaction price to the performance obligations
- v. Recognising revenue when/as performance obligations are satisfied.

The Company recognizes revenue and other income from the below sources:

(a) Finance income (recognised under IFRS 9)

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. Where contracts contain a significant financing

3. Material accounting policies – continued

3.10 Revenue and income recognition – continued

(a) Finance income (recognised under IFRS 9) – continued

component, revenue is measured at the cash selling price of the goods or services at the date control transfers. The difference between the promised consideration under the contract and the cash selling price is recognised as interest income over the financing period using the effective interest method..

(b) Rental income from investment property (recognised under IFRS 16)

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

(c) Revenue from Service concession arrangements (recognised under the principles of IFRS 15)

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time, as the Company satisfies its performance obligations, in accordance with IFRS 15. Once the construction stage is fully completed and apartments are readily available for use by the Housing Authority, 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 as at that point the Housing Authority obtains the ability to direct the use of, and substantially all of the remaining benefits from, the units. 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 contract 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 Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company, 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 underlying 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 profit or loss on a straight-line basis over the period of the lease.

3.12 Borrowing costs

All borrowing costs are expensed as the Company does not have qualifying assets under IAS 23. 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. Material accounting policies – continued

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 other long-term employee benefit 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's risk management is coordinated by the directors and focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial risks.

(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. Although not material, 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 profit or loss and other 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 impacting profit or loss and equity.

(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:

4. Financial risk management – continued

4.1 Financial risk factors – continued

(b) Credit risk – continued

	2025	2024
	€	€
Financial assets:		
- Contract asset (Note 9)	83,344,833	78,577,203
- Trade and other receivables (Note 10)	956,511	440,896
- Cash and cash equivalents (Note 11)	6,435,462	3,612,609
- Financial assets measured at FVOCI (Note 12)	-	10,675,311
	90,736,806	93,306,019

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.

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 2025, 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 as a simplifying modelling assumption. 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 the impairment allowance is immaterial. This is on the basis that the recoverability of the Company's trade and other receivables and contract assets is deemed very high as the counterparties are assessed to have a low credit risk. Nonetheless, the Company still monitors the performance of its receivables on a regular basis to identify expected credit losses, which are inherent in the Company's receivables, taking into account historical experience.

4. Financial risk management – continued

4.1 Financial risk factors – continued

(b) Credit risk – continued

Receivables (including contract asset) – continued

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, expected credit losses are immaterial. However, this was fully disposed as at year-end.

(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). Moreover, the principal driver of the Company's liquidity profile is the ongoing development of the housing project under the service concession arrangement, which requires significant capital expenditure during the construction phase, followed by contractually defined cash inflows over the operational phase (Note 9).

Prudent liquidity risk management includes maintaining sufficient cash and access to committed credit lines to ensure that adequate amount of funding is available to meet the Company's obligations as they arise. Management prepares detailed short- and medium-term cash flow forecasts linked to the approved construction programme, revised project budgets and financing structure. These forecasts incorporate expected construction outflows, operating expenditures, debt service requirements, lease payments, and contractual inflows under the service concession arrangement. 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.

During 2026, the Company secured a €28 million credit facility from Bank of Valletta (BOV) which will be split into two tranches. Tranche 1 amounting to €5.0 million was already available as at end of 2025, and of this facility €3.4 million was already drawn and disbursed. The remaining €23.0 million Tranche 2 is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility can be put in place. As at report date, the Company received formal written consent from EIB dated 27th April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB procedures to formalize the agreement currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under the facilities are expected in 2026. The Directors are not aware of any reason why the CEB formal consent would be withheld. Based on correspondence received from CEB, the Directors understand that the remaining steps required to formalise the consent are administrative rather than substantive in nature. Similarly, the formalization of pending security documentation is also considered administrative in nature.

Moreover, the Company also has an approved €22.0 million loan from EIB specifically designated for the development and construction of the Luqa site, which is still unutilised as at the end of the year.

4. Financial risk management – continued

4.1 Financial risk factors – continued

(c) Liquidity risk – continued

Although this facility is subject to multiple disbursement conditions, disbursement is expected during 2026 on the basis of the formal EIB written consent dated 27th April 2026.

In the opinion of the Directors, the above facilities will be sufficient to close the Affordable Housing Project.

Development costs to complete the housing project are settled progressively over the construction period in line with certified works and contractual milestones. Approved project budgets include contingency provisions to cater for approved variations, timing differences and potential cost overruns. Construction spend is overseen through cost assessments, certification of works, and regular reporting to senior management and/or project Board. As at the reporting date, the Company has capital commitments relating to the remaining construction works, which management expects to fund from committed and approved borrowing facilities as well as contractual inflows, without giving rise to liquidity shortfalls.

Liabilities arising from operations, excluding capital creditors directly related to the construction activity, are expected to be settled from operating cash flows generated and from existing cash balances. These liabilities primarily comprise trade payables, employee related costs, lease instalments and other routine operating expenses. Management does not anticipate reliance on additional bank financing to meet these operating obligations over the next 12 months, as forecast operating inflows are expected to be sufficient to cover such requirements.

The Company's borrowings are tied to specific covenants (refer to Note 17) but such covenants are not applicable as long as the guarantee is in force.

The Board considers that liquidity risk is adequately managed, taking into account forecast operating cash flows, committed but unutilised funding from BOV and EIB, safeguard from covenant compliance through the maintenance of bank guarantee, and ongoing oversight of capital expenditure, and is satisfied that the Company will meet its obligations as they fall due.

The table below analyses the contractual maturities of the Company's financial liabilities presented 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, including contractual interest payments. Contractual maturities reflect gross cash flows, which do not significantly differ from the expected maturities of the Company's financial liabilities.

4. Financial risk management – continued

4.1 Financial risk factors – continued

(c) Liquidity risk – continued

	Carrying amount	Contractual cash flows				Total
		Within 1 year	From 1 year to 2 years	From 2 years to 5 years	Later than 5 years	
31 December 2025	€	€	€	€	€	€
Non-derivative financial liabilities:						
Borrowings	83,330,462	7,053,102	7,398,643	21,857,244	62,376,359	98,685,348
Lease liabilities	3,689,383	131,073	137,627	419,763	9,961,401	10,649,864
Capital creditors	5,856,845	3,980,582	1,876,263	-	-	5,856,845
Trade and other payables	1,794,002	1,794,002	-	-	-	1,794,002
Total	94,670,692	12,958,759	9,412,533	22,277,007	72,337,760	116,986,059

	Carrying amount	Contractual cash flows				Total
		Within 1 year	From 1 year to 2 years	From 2 years to 5 years	Later than 5 years	
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 liabilities	3,501,877	131,074	131,074	393,225	9,377,576	10,032,949
Capital creditors	6,617,376	5,462,652	1,094,413	60,311	-	6,617,376
Trade and other payables	1,499,548	1,499,548	-	-	-	1,499,548
Total	95,994,001	13,174,218	7,885,965	20,026,977	69,981,381	111,068,541

4. Financial risk management – continued

4.1 Financial risk factors – continued

(c) Liquidity risk – continued

The capital creditors are being settled through disbursements from the borrowings that the Company has secured. During the year, the Company settled amounts due to capital creditors amounting to €13,998,810 (2024: €15,593,048).

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. The Company also monitors capital using equity levels and covenant compliance under its borrowing arrangements.

4.3 Fair values of financial instruments

At 31 December 2025 and 31 December 2024, the carrying amounts of other financial instruments comprising trade and other receivables, cash at bank, lease liability, borrowings, capital creditors, and trade and other payables 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.

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.

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 long-term rental / service concession cash flows from Affordable Housing Project. 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 in this disclosure note (other than IFRS 8 entity-wide disclosures), such as segment profit before tax, revenue, assets and liabilities, as the information presented in the statements of financial position and profit or loss 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 (rental income) and the location of all of the Company's non-current assets are also based in Malta.

Revenues from one customer represented approximately €10,415,571 (2024: €23,415,935) of the Company's total revenues.

6. Property, plant and equipment

	Furniture, fixtures & fittings and office equipment €
Cost	
Balance at 1 January 2024	118,930
Additions	1,300
Balance at 31 December 2024	120,230
Balance at 1 January 2025	120,230
Additions	93,437
Balance at 31 December 2025	213,667
Accumulated depreciation	
Balance at 1 January 2024	73,634
Charge for the year	18,607
Balance at 31 December 2024	92,241
Balance at 1 January 2025	92,241
Charge for the year	31,075
Balance at 31 December 2025	123,316
Carrying amount as at 31 December 2024	27,989
Carrying amount as at 31 December 2025	90,351

7. Investment property

See accounting policy in Note 3.1. The right-of-use assets relating to the Parliament Building and Open Air Theatre meet the definition of investment property under IAS 40, as they are held to earn rental income.

i. MIA and VCP properties

	2025 €	2024 €
Balance at 1 January	116,482,127	110,471,439
Change in fair value	7,330,195	6,010,688
Carrying amount	123,812,322	116,482,127

ii. Parliament Building and Open Air Theatre (City Gate)

	2025 €	2024 €
Balance at 1 January	136,269,549	147,004,735
Change in fair value	(2,142,788)	(10,735,186)
Carrying amount	134,126,761	136,269,549

Changes in fair values are recognised in profit or loss and presented within "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.

7. Investment property – continued

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. The properties are further subleased to the Government and as such the Company recognizes rental income from these assets (see Note 21).

During the year, the Company recognised rental income of €10,610,010 (2024: €9,560,367) 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 €131,073 during the year under review (2024: €123,416).

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 2025 and 2024 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 the lease liability remains recognised separately under IFRS 16.

	2025 €	2024 €
Valuation obtained	254,249,700	249,249,799
Add back of recognised lease liabilities (Note 8)	3,689,383	3,501,877
Adjusted valuation as per Statement of Financial Position	257,939,083	252,751,676

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.

7. Investment property – continued

Valuation techniques and significant unobservable inputs – continued

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
MIA		
<p><i>Discounted cash flows:</i> 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 and expected operational cash flows upon reversion. The operational cash flows reflect estimated normalised earnings, maintenance capital expenditure including contingency for reinvestment in buildings and obsolescence of past investments, management fees, and income tax, and an expected long-term growth rate. 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 net cash flows during the current contract period considers the time value of money and the credit risk of the incumbent tenant. The estimation of the discount rate used to discount the operational cash flows upon reversion considers the post-tax weighted average cost of capital (WACC) estimated to apply to the continued operation of the property as an international airport determined using the capital asset pricing model.</p>	<ul style="list-style-type: none"> - Discount rate for the current contractual lease payments (2025: 4.9%; 2024: 4.8%). - Discount rate for the operational cash flows upon reversion (2025: 8.0%; 2024: 8.4%) - Management fee as a % of EBITDA less maintenance capital expenditure (2025: 15%; 2024: 15%) - Long-term growth rate (2025: 2.0%; 2024: 2.0%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - either discount rate were lower (higher); - the management fee were lower (higher); or - the long-term growth rate were higher (lower).
VCP		
<p><i>Discounted cash flows:</i> 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</p>	<ul style="list-style-type: none"> - Discount rate for the fixed rental income (2025: 5.3%; 2024: 5.2%) - Discount rate for the variable rental income (2025: 12.0%; 2024: 11.9%) - Expected inflation (2025: 2.0%; 2024: 2.0%) - Long-term growth rate in variable rent benchmark (2025: 2.0%; 2024: 2.0%) - Change in rental terms on reversion (2025: none; 2024: none) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - 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.

7. Investment property – continued

Valuation techniques and significant unobservable inputs – continued

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.

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/reversion rental terms beyond the current contractual rental period, as well as other risks related to the long-term nature of the agreement.

- Discount rate (2025: 7.1%; 2024: 6.9%)
- Expected inflation (2025: 2.0%; 2024: 2.0%)
- Change in rental terms on renewal/reversion (2025: none; 2024: 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

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.

	2025 €	2024 €
Effect on profit or loss		
MIA:		
Discount rate for the operational cash flows upon reversion		
- 0.5 percentage point increase	(12,861,000)	(9,921,000)
- 0.5 percentage point decrease	17,461,000	13,279,000
Long-term growth rate		
- 0.25 percentage point increase	8,545,000	7,786,000
- 0.25 percentage point decrease	(7,305,000)	(6,800,000)
Management fee		
- 5.0 percentage point increase	(3,349,000)	(2,876,000)
- 5.0 percentage point decrease	3,160,000	2,877,000
VCP:		
Change in rental terms on reversion		
- 5% favourable change	330,000	328,000
- 5% unfavourable change	(330,000)	(327,000)
Parliament and OAT:		
Discount rate		
- 0.5 percentage point increase	(8,974,000)	(9,209,000)
- 0.5 percentage point decrease	10,190,000	11,114,000

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 (see Note 7).

	2025 €	2024 €
Lease liability recognised as at 1 January	3,501,877	3,479,383
Interest on lease liability for the year	157,779	145,910
Lease remeasurement	160,800	-
Ground rents payable for the period	(131,073)	(123,416)
Lease liability recognised as at 31 December	3,689,383	3,501,877

8. Leases – continued

As a lessee – continued

	2025 €	2024 €
Of which are:		
Current lease liabilities	131,073	131,075
Non-current lease liabilities	3,558,310	3,370,802
Carrying amount	3,689,383	3,501,877

	2025 €	2024 €
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	131,073	131,074
One to five years	557,390	524,299
More than five years	9,961,401	9,377,576
Total undiscounted lease liabilities at 31 December	10,649,864	10,032,949

	2025 €	2024 €
<i>Amounts recognised in statement of profit or</i>		
Lease remeasurement	160,801	-
Interest on lease liabilities	157,779	145,910
	318,579	145,910

	2025 €	2024 €
<i>Amounts recognised in statement of cash flows</i>		
Total cash outflow for leases	131,073	65,537
	131,073	65,537

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 2025 was €10,619,010 (2024: €9,560,367). This amount includes variable rental income amounting to €801,285 (2024: €496,707).

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

8. Leases – continued

As a lessor – continued

	2025	2024
	€	€
Less than one year	7,694,193	10,365,597
One to two years	10,556,507	11,375,897
From two to 5 years	33,123,001	32,410,082
More than five years	236,017,110	247,286,536
Total	287,390,811	301,438,112

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 2029 and thereafter the operating phase will follow with a remaining period up to 2053. As at 31 December 2025, 392 units, across a number of sites, have been completed and made available to tenants (2024: 392 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.

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 relevant performance obligations at the construction phase have been met by the Company, the financial asset is recorded as a contract asset, representing the Company's conditional right to consideration in accordance with IFRS 15. During the construction phase revenue is recognised over time in the Statement of profit or loss and other 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, reflecting revenue recognised for services performed, recorded as a contract asset. Once the housing units are made available to the grantor, which includes both completed construction (at inception), the Company's right to consideration becomes unconditional, and the contract asset is reclassified as a financial asset in accordance with IFRS 9. The Company applies the Financial Asset Model on the basis that it has an unconditional contractual right to receive cash from the grantor in accordance with IFRIC 12. Over time, the Company is required to maintain of apartments in a good state of repair.

The service concession arrangement contains a significant financing component as, although the housing units are made available to the grantor 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

9. Contract asset and service concession arrangements – continued

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 €4.6 million (2024: €1.8 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 €14,018,020 (2023: €15,547,953) from both the construction and operating activity was recognised during the year ended 31 December 2025 and €83,344,833 (2024: €78,577,203) is cumulatively recognised in the Statement of Financial Position as a contract asset. No additional site was completed during 2025 and as at 31 December 2025, only three sites remain under construction. During the year, total cashflows received from the Grantor and tenants in relation to concession services amounted to €4,287,450 (2024: €3,114,330), out of which revenue recognised in the Statement of profit or loss and other comprehensive income for the year ended 31 December 2025 is €428,745 (2024: €311,433) representing the revenue generated from the operating phase. The Company also received net cash inflows amounting to €213,086 (2024: €326,690) from the lease of garage and centers during the year.

Costs in relation to construction amounting to €13,336,189 (2024: €14,896,852) were recognised in the Statement of profit or loss and other comprehensive income for the year ended 31 December 2025. The difference between revenue and cost from the construction project during the period represents, in substance, project management fees and revenue recognised for the operation of the concessions, measured as separate stand-alone prices in line with the requirements of IFRIC 12.

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 2025 except for three sites. Two of these sites are expected to be completed by 2027, and the largest site to be fully completed by 2029. Contract of works for almost all the sites have been entered into and hence the cost for completion can be reliably estimated. The

9. Contract asset and service concession arrangements – continued

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.

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 existing the €22 million credit agreement secured with the European Investment Bank (EIB) and the €28 million loan facility with Bank of Valletta (BOV) of which around €3 million was already disbursed during the first quarter of 2026. The facility with EIB is expected to be disbursed in 2026.

Revenue from service concession arrangements is split as follows:

	2025 €	2024 €
Revenue from Service concession arrangements		
Construction and finishing of blocks	3,064,027	16,621,434
Operation of housing facilities	428,745	311,433
	3,492,772	16,932,867
	2025 €	2024 €
Contract asset		
Balance as at 1 January	78,577,203	60,386,363
Revenue from service concession arrangement (net of loss or gain on change in estimate)	3,875,211	17,080,573
Finance income (Note 25)	5,179,869	4,224,597
Cash received during the year	(4,287,450)	(3,114,330)
Balance as at 31 December	83,344,833	78,577,203

The revenue from service concession arrangements in the above table is presented gross of direct ground rent paid to grantor but net of the losses (gain) from change in estimate during the years presented. During the year, the Company paid ground rent amounting to €147,708 (2024: €150,810). Moreover, during the periods under review, management has identified changes in estimates relating to forecasted construction costs and timing of works. Changes in such estimates result in cumulative catch-up adjustments to the contract asset balance and are recognised as an increase or decrease in revenue in the period in which the estimates are revised as they represent a reassessment of the consideration attributable to services performed to date. Loss due to change in estimate netted from revenue during the year amounted to €10,525,248 (2024: gain due to change in estimate of €1,384,914).

Unsatisfied long-term contracts

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

9. Contract asset and service concession arrangements – continued

Unsatisfied long-term contracts – continued

	2025	2024
	€	€
Aggregate amount of the transaction price allocated to:		
Construction and finishing of blocks	35,555,108	49,443,523
Operation of housing facilities	30,272,042	30,700,787

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	22,546,758	13,008,360	-
Operation of housing facilities	437,319	3,036,095	26,798,628

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

	2025	2024
	€	€
Trade receivables	776,159	306,585
Other receivables	180,352	69,311
Accrued income	-	65,000
Financial assets at amortised cost	956,511	440,896
Prepaid expenses	259,113	277,380
Total trade and other receivables	1,215,624	718,276

Expected Credit Loss allowances are immaterial, and on that basis, all trade and other receivables are presented at their gross amounts.

Trade receivables and other receivables include €665,338 (2024: €22,416) and €8,441 (2024: 166,358) receivable from related parties, respectively. 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:

	2025	2024
	€	€
Cash at bank and in hand	6,435,462	3,612,609

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.

	2025 €	2024 €
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 €22,410 (2024: 375,419) 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.

During the year, the Company disposed of its financial assets at FVOCI.

13. Share capital

	2025 €	2024 €
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		
208,206,593 Ordinary shares of €0.50 each	104,103,297	104,103,297
Issue costs	(1,393,246)	(1,393,246)
	102,710,051	102,710,051

Share capital reconciliation:

	2025	2024
No. of shares issued as at 1 January	208,206,593	148,108,064
No. of shares issued during the year	-	60,098,529
No. of shares issued as at 31 December	208,206,593	208,206,593
Par value (in EUR)	0.50	0.50
Share capital (in EUR)	104,103,297	104,103,297

In 2024, as a result of the completion of the Rights Issue, the Company issued 60,098,529 ordinary shares with a nominal value of €0.50 each. This resulted in an increase in the issued share capital by €30,049,265 gross of issue costs amounting to €634,357.

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.

In the Annual General Meeting held on 29 May 2025, an additional gross dividend of €4,538,904 or €0.0218 per share (net dividend of €3,858,068 or €0.0185 per share) was approved. Such was paid on 30 June 2025 to shareholders as at 29 April 2025.

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.

During the year, the Company disposed of all of its FVOCI instruments and the cumulative unrealised fair value movements of €270,468 previously recognised in other comprehensive income were recycled to profit or loss.

The reserve is presented within equity and is not distributable.

16. Other reserves

As per article 82 of the Company's Articles of Association, the Directors have set aside €553,328 (2024: €708,187) 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

	2025	2024
	€	€
Bank loans		
Non-current	78,191,606	80,160,712
Current	5,138,856	4,214,488
	<u>83,330,462</u>	<u>84,375,200</u>

These bank loans mature between 30 November 2029 and 13 March 2047.

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

	2025	2024
Bank loans	2.29%	2.15%

Reconciliation of Liabilities Arising from Financing Activities:

17. Borrowings – continued

Liabilities	Opening principal €	Additions	Repayments €	Closing principal €
Loans and borrowings	84,375,200	3,336,737	(4,381,475)	83,330,462

All loans are denominated in Euro.

The Company retained its guarantee facility obtained from Bank of Valletta amounting to €62.06m (2024: €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 profit or loss and other 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 Total Liabilities to Total Equity shall be lower than 150% (one hundred fifty 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.

During 2026, the Company secured a €28 million credit facility from Bank of Valletta (BOV) which will be split into two tranches. Tranche 1 amounting to €5.0 million was already available as at end of 2025, and of this facility €3.4 million was already drawn and disbursed. The remaining €23.0 million Tranche 2 is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility can be put in place. As at report date, the Company received formal written consent from EIB dated 27th April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB procedures to formalize the agreement currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under the facilities are expected in 2026.

Moreover, the Company also has an approved €22.0 million loan from EIB specifically designated for the development and construction of the Luqa site, which is still unutilised as at the end of the year. Although this facility is subject to multiple disbursement conditions, disbursement is expected during 2026 on the basis of the formal EIB written consent dated 27th April 2026.

As at 31 December 2025 and 2024, 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;
- (d) Assignment of rights and deed on City Gate receivables

17. Borrowings – continued

Maturity of non-current borrowings:

	2025	2024
	€	€
Between 1 and 2 years	5,714,658	4,875,222
Between 2 and 5 years	17,218,906	16,175,561
Over 5 years	55,258,042	59,109,929
	78,191,606	80,160,712

18. Capital Creditors

	2025	2024
	€	€
Non-current	1,876,263	1,154,724
Current	3,980,582	5,462,652
	5,856,845	6,617,376

The non-current balance amounting to €1,876,263 (2024: €1,154,724) 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, including retentions that are due upon completion of works Hence, it is classified as a non-current liability.

The current balance amounting to €3,980,582(2024: €5,462,652) relates to the Affordable Housing project and is due within the coming year. Hence, it is classified as a current liability.

The current capital creditors also include €402,204 (2024: €258,985) which are due to related parties. These balances are unsecured, interest free and repayable on demand.

19. Trade and other payables

	2025	2024
	€	€
Trade payables	374,783	195,081
Intercompany payable	204,928	73,854
Dividends payable	55,797	50,238
Social security	14,586	11,720
Interest payable on borrowings	866,671	911,434
Other payables	277,164	331,075
Total financial liabilities at amortised cost	1,793,929	1,499,548
Deferred ground rent (Deferred income)	4,673,537	272,722
Total trade and other payables	6,467,466	1,772,270

Deferred ground rent (deferred income) mainly comprises advance collections of ground rent from Parliament and the Open-Air Theater under long-term lease arrangements.

Intercompany payables are unsecured, non-interest bearing and are repayable within one year.

20. Provision for liabilities and charges

	Provision for liabilities and charges €	Provision for litigations and claims €	Total €
Balance as at 1 January 2025	652,361	-	652,361
Movement	-	1,079,633	1,079,633
Balance as at 31 December 2025	652,361	1,079,633	1,731,994

	Provision for liabilities and charges €	Provision for litigations and claims €	Total €
Balance as at 1 January 2024	301,590	-	301,590
Movement	350,771	-	350,771
Balance as at 31 December 2024	652,361	-	652,361

During the year, the Company recognised a provision of €1.1 million (2024: nil) related to contractor claims. The claims concern alleged outstanding payments for works performed, other related costs and damages. The Company is reviewing the merits of the claims and is also considering potential counterclaims.

The amounts recognised reflects management's best estimate of the amount required to settle the obligation as at the reporting date. The provision has been developed in consultation with the Company's legal counsel. The ultimate outcome may differ materially due to uncertainties in the legal proceedings.

As part of its ongoing commitment to the Housing Project, the Company has recognised a provision of €652,361 in 2025 (2024: €652,361). This provision for anticipated maintenance expenses is 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. Rental income

Rental income comprises the consideration receivable from MIA and VCP by way of ground rent in respect of the temporary emphyteusis granted, rental income receivable from the Government of Malta for the Open Air Theatre and the Parliament Building pursuant to a lease agreement, rent receivable from tenants in respect of garages being leased at various Housing sites and rent receivable from the Health Care Clinic in Siggiewi. All rental income is recorded over time based on the time of the rental period and is recorded in the statement of profit or loss and other comprehensive income. Rent advances received are included as deferred ground rent in trade and other payables (Note 19).

21. Rental income – continued

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Fixed and indexed rental income from temporary emphyteusis	2,212,771	2,136,697
Variable rental income from temporary emphyteusis	801,285	496,707
Rental income from sublease of City Gate	7,351,541	6,794,501
Rents from garages and other properties	253,413	132,462
	10,619,010	9,560,367

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.
- (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.

On the other hand, variable rental income from temporary emphyteusis is based on 15% of VCP's aggregate revenue from rental income and 10% of VCP's aggregate revenue from passenger and cruise liner operations and all other activities derived during the year then ended.

22. Expenses by nature

	Year ended 2025 €	Year ended 2024 €
Employee benefit expenses (Note 23)	578,708	353,808
Professional fees	450,924	87,775
Housing maintenance costs	319,324	-
Legal fees	226,390	130,749
Directors' emoluments (Note 24)	132,980	114,547
Outsourced employees	97,352	6,300
Recruitment expense	60,630	23,463
Lease of premises	45,583	20,000
Depreciation of property, plant and equipment (Note 6)	31,075	18,607
Printing & advertising	6,952	10,110
Other expenses	399,792	317,186
	2,349,710	1,082,545

Housing maintenance costs relate to routine maintenance, repair and minor refurbishment works carried out across the Affordable housing properties during the year.

Legal fees relate to costs incurred for external legal and professional advisory services, including general legal support, documentation, governance-related matters, and other advisory services.

Other expenses mainly include property insurance, software license fee, and Malta Stock Exchange fee.

Auditor's fees

Professional fees includes fees charged by the audit firm for services rendered during the financial years ended 31 December 2025 and 2024 relate to the following:

22. Expenses by nature – continued

Auditor's fees – continued

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Annual statutory audit	126,000	65,746
	126,000	65,746

23. Employee benefit expenses

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Wages and salaries	550,993	336,777
Social security costs	27,714	17,031
	578,708	353,808

Employee benefit expenses increased primarily as a result of the recruitment of procurement and facilities teams during 2025 and the addition of further employees towards the end of the year. Accordingly, the average number of persons employed during the year increased to 9 (2024: 7).

24. Directors' emoluments

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Robert Suban (appointed 9 April 2014)	20,500	19,167
Miguel Borg (appointed 22 June 2022)	23,000	20,833
Victor Carachi (resigned 3 February 2026)	19,875	15,625
Desiree Cassar (appointed 30 March 2023)	14,875	11,667
Tania Brown (resigned 3 February 2026)	14,875	12,708
David Mallia (retired on 30 May 2024; appointed 29 May 2025)	9,042	5,190
Johan Farrugia (Chairman – appointed 30 May)		18,958
Marvin Gaerty (appointed 24 November 2025)	7,896	-
Marlene Mizzi (Chairperson – resigned 30 May)		10,399
	132,980	114,547

25. Finance income

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Finance income - Cash at bank	10,170	-
Finance income - Affordable Housing (Note 9)	5,179,869	4,224,597
Other income	-	3,424
FVOCI-debt instruments: Gain on derecognition reclassified from OCI	270,468	127,361
	5,460,507	4,355,382

26. Finance costs

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Finance cost on lease liability (Note 8)	157,779	145,910
Loss from change in estimate (Note 8)	160,800	-
Loan interest expense	3,359,961	3,405,694
Bank charges and fees	102,895	106,658
	3,781,435	3,658,262

27. Tax (expense) / credit

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

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Current tax expense	(2,372,241)	(2,265,007)
Deferred tax credit	66,070	2,531,295
Tax (expense) / credit	(2,306,171)	266,287

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 2025 €	Year ended 31 December 2024 €
Profit before tax	4,212,729	6,135,687
Tax expense on profit at 35%	(1,474,455)	(2,147,490)
Tax effect of:		
Income subject to 15% final withholding tax	(491,646)	593,077
Income subject to 10% final withholding tax	-	(311,433)
Income subject to 5% final withholding tax	(214,299)	-
Income not chargeable for tax purposes	3,293,432	2,191,214
Expenses not deductible for tax purposes	(5,806,835)	(1,408,327)
Tax rules applicable to immovable property	1,881,663	877,648
Maintenance allowance	505,969	471,598
	(2,306,171)	266,287

28. Deferred tax

Deferred tax is provided using the liability method for temporary differences arising on the lease liability and 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 2025 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 the

28. Deferred tax – continued

applicable enacted tax rate resulting from statutory tax mechanics of 28% (see note – Use of estimates and judgements 2(g)).

The deferred tax balance represents:

	2025	2024
	€	€
Temporary differences on:		
Investment properties	47,460,479	47,474,044
Lease Liability	(1,032,957)	(980,452)
	46,427,522	46,493,592

The movement of the deferred tax balance is as follows:

	2025	2024
	€	€
Balance as at 1 January	46,493,592	-
Movement	(66,070)	46,493,592
Balance as at 31 December	46,427,522	46,493,592

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.

	2025	2024
Profit for the year (€)	1,906,558	6,401,973
Total number of ordinary shares in issue	148,108,064	148,108,064
Total number of rights issue	60,098,529	60,098,529
Total number of shares	208,206,593	208,206,593
Earnings per share (€ cents)	0.92	3.39

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

	Year ended 31 December 2025	Year ended 31 December 2024
Issued ordinary shares at 1 January	208,206,593	148,108,064
Effect of rights issue in April 2024	-	40,829,638
Weighted-average number of ordinary shares at 31 December	208,206,593	188,937,702

30. Dividends

	2024 Final Dividend €	2025 Interim Dividend €	Total €
Dividends paid on ordinary shares:			
Gross	4,538,904	-	4,538,904
Tax at source	(680,836)	-	(680,836)
Net	3,858,068	-	3,858,068
Dividends per share (cents)	1.85	-	1.85

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 profit to cash generated from operations:

	Year ended 31 December 2025 €	Year ended 31 December 2024 €
Net profit before tax	4,212,729	6,135,688
Finance income	(5,460,507)	(4,355,382)
Finance cost	3,781,435	3,658,262
Change in fair value of investment property	(5,187,407)	4,724,498
Operating (loss) / profit	(2,653,750)	10,163,065
Adjustments for:		
Net contract asset revenue	9,843,417	(2,036,015)
Depreciation of property, plant and equipment (Note 6)	31,075	18,607
Provision for liabilities and charges	1,079,633	350,771
Changes in working capital:		
Trade and other receivables	(1,092,873)	56,519
Trade and other payables	4,810,677	(519,961)
Cash generated from operations	12,018,179	8,032,988

32. Related party transactions

The only major shareholder of the Company is the Government of Malta through its 81.94% (2024: 81.94%) shareholding. The remaining 18.06% (2024: 18.06%) of the shares are held by the public.

Other related entities with whom the Company transacts include the following:

- Projects Plus Limited
- Housing Authority
- Social Projects Management Limited
- Primary Health Care
- Lands Authority
- Parliament of Malta

32. Related party transactions – continued

- 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:

	2025 €	2024 €
Government of Malta		
City Gate ground rent paid to Government	(131,073)	(131,073)
Parliament lease income from Government	5,563,646	5,006,605
Recharge of expenses to Parliament	127,331	108,659
Open Air Theatre lease income from Government	1,787,896	1,787,896
Projects Plus Limited		
Professional service fees to Projects Plus Limited	(143,219)	(600,150)
Housing Authority		
Ground rent to Housing Authority	(147,709)	(147,709)
Affordable Housing rent from grantor	3,734,214	2,722,364
Primary Health Care		
Rent for Health Care Centre in Siggiewi	150,060	149,023
Social Projects Management Limited		
Professional fees to SPM limited	8,441	8,441

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.

33. Contingent liability

During the year, 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, the Company has appointed an architect with the task of surveying the area. From 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.

34. Reclassification

Comparative figures in relation to the Company's Revenue from service concession arrangements and Finance income have been reclassified to conform with the current year's presentation of financial statements. More specifically, the revenue from service concession arrangement (see Note 9) is now presented net of gain from change in estimate which in the comparative period amounted to €1,384,914. That amount was previously included as part of finance income. With the change in presentation, it is therefore no longer forming part of finance income (see Note 25). The reclassification has been reflected in the Statement of profit or loss and other comprehensive income, whilst the impact on cashflow line items was reflected in Note 31. The impact of such reclassification on prior period is deemed immaterial.

35. Statutory information

Malita Investments p.l.c. is a public limited liability Company and is incorporated in Malta, with its registered address at Aries House Level 1, 29, Sqaq Tal- Hlas, Zebbug, Malta. The ultimate controlling party of Malita Investment p.l.c. is the Government of Malta.

36. Subsequent events

On 16 January 2026, the Company strengthened its executive leadership structure through the appointment of Ms Marlene Attard as Chief Executive Officer and Mr Stephen McCarthy as Chief Financial Officer. Ms Attard assumed responsibility for the overall strategic direction and operational oversight of the Company, while Mr McCarthy assumed responsibility for the Company's financial management, reporting, and control environment. In conjunction with these changes, Mr Marvin Gaerty transitioned from Executive Chairman to Non-Executive Chairman.

On 3 February 2026, the Company announced further changes to its governance structure. Mr Victor Carachi and Ms Tania Brown resigned from the Board of Directors. On the same date, Dr Desiree Cassar resigned from her position as Company Secretary. Dr Cassar will continue to serve as a Non-Executive Director. Furthermore, the Government of Malta, in its capacity as majority shareholder, exercised its rights to appoint Mr Roderick Psaila and Ms Carmela Ciantar as Directors of the Company. Following their appointment, the Board appointed Mr Psaila as Non-Executive Chairman. Mr Gaerty, who previously served as Chairman, will continue to serve as a Non-Executive Director. The Company also appointed Dr Mauro Magro as Company Secretary with effect from the same date.

On 24 February 2026, the Company further announced the resignation of Ms. Amanda Desira from her position as Chief Operations Officer. Following the resignation of the COO, Management has implemented alternative arrangements to ensure continuity of operational oversight and effective execution of the Company's activities. The associated responsibilities will be assumed through the appointment of an Asset Project Manager and a Head of Corporate Governance, supported by existing senior management. No interim COO has been appointed, and the Board continues to assess the operational requirements of the Company and will consider the appointment of a COO or equivalent role should it be deemed appropriate, taking into account the Company's current structure, scale of operations, and governance needs. The Board considers current arrangements sufficient to ensure continuity of operations.

Furthermore, subsequent to year end, the Company has secured an additional facility of €28 million from BOV to address its funding requirements for the Housing Project which, alongside the €22 million facility provided by EIB, will be sufficient to close the project. Drawdown under these two facilities is conditional upon the prior written consent of the institutional lenders of the Company so that the related security for the new facility can be put in place. As at report date, the Company received formal written consent from EIB dated 27th April 2026, while approval in principle was also received from CEB on the same date, with the remaining CEB procedures to formalize the agreement currently in progress. Once the requisite formal CEB consent is obtained and the security documentation is executed, drawdowns under the facilities are expected in 2026.

37. Subsequent events – National Audit Office Investigation

Furthermore, the Company received correspondence from the National Audit Office (NAO) indicating its intention to initiate an investigation relating to compliance with applicable public listed company regulatory requirements. As at the date of approval of these financial statements, the investigation has not yet commenced. The Company has formally responded and confirmed its willingness to fully cooperate and provide any information requested by the NAO, subject to NAO's confirmation that the Company will remain compliant with market abuse regulation and applicable data protection requirements. As of the date of approval of these financial statements, the Company is not aware of the specific scope of the investigation at this stage. Based on the information currently available, management is not aware of any breach of regulations and is therefore unable to determine the outcome of any potential investigation. Accordingly, no adjustment has been made to these financial statements in respect of this matter. The directors will continue to monitor developments surrounding this matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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 2025, the statements of profit or loss and other 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:

- give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU; and
- 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"), as applicable to audits of the financial statements of public interest entities, 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) ("APA"), 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 37 of the financial statements, which describes that subsequent to year end, the Company received correspondence from the National Audit Office (NAO) indicating its intention to initiate an investigation relating to compliance with applicable public listed company regulatory requirements. As indicated in that note, as at the date of approval of these financial statements, the investigation has not yet commenced and its scope and outcome cannot be determined. Our opinion is not modified in respect of this matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Costs and liabilities related to service concession arrangements

Accounting policy notes 3.3 and 3.5 to the financial statements and note 9 for further disclosures

Costs related to service concession arrangements (€13,336,189) and current and non-current capital creditors (€3,980,583 and €1,876,263, respectively)

The Company is engaged in the development and delivery of the Affordable Housing Project, consisting of a number of residential blocks, including car spaces. The Company has applied IFRIC 12, Service Concession Arrangements to this concession.

Development costs incurred and the corresponding capital creditors are significant to the financial statements and directly impact the measurement of the contract asset and the recognition of revenue from service concession arrangements over time under IFRS 15, Revenue from Contracts with Customers. These balances are characterised by a high volume of transactions across multiple contractors and sites and rely heavily on manual and judgment-based processes, particularly in relation to the certification of work performed by independent site architects, which forms the basis for recognising costs and related liabilities.

This risk is further heightened in the current year due to changes in the control environment, including significant staff and board-level turnover, as well as increased external scrutiny over the Affordable Housing Project. These factors may reduce the effectiveness of established oversight and governance processes and increase the susceptibility of these transactions and balances to material misstatement due to management override of controls or non-intentional errors.

On this basis, we identified a heightened risk of material misstatement in relation to the existence and accuracy of development costs and capital creditors, with particular focus on whether:

- contracts are awarded in accordance with established procedures and appropriate approvals;
- variations are appropriately substantiated and authorised by the relevant Board-appointed committee; and
- development costs incurred reflect work performed in accordance with pre-agreed rates.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

Key audit matters (continued)

Accounting for service concession arrangements (continued)

Given the size and complexity of the projects, the volume of transactions and the level of judgement involved, these transaction and balances are inherently susceptible to misstatement and required significant audit attention. Accordingly, this matter was considered to be a key audit matter.

Our response

We performed audit procedures designed to address the assessed risks of material misstatement in relation to the existence and accuracy of development costs and capital creditors. As part of our procedures:

- for a sample of contracts awarded during the year:
 - assessing whether contracts were awarded in compliance with the Company's procurement policies by evaluating internal documentation on the awarding process and the related policy requirements;
 - evaluating the reasonableness of awarded rates through a comparison against competing bids and our cumulative audit knowledge; and
 - obtaining evidence of contract evaluation and approval by the Board-appointed committee through an inspection of committee minutes.
- for a sample of contract variations:
 - obtaining evidence of the evaluation and approval of the variation by the Board-appointed committee through an inspection of committee minutes;
 - observing whether the Board-appointed committee approval is supported by an evaluation of the rationale for the scope changes, through the assessment of internal documentation and our cumulative audit knowledge; and
 - obtaining corroborative evidence through inquiries with independent architects in charge to assess whether contract variations were appropriate in the context of changes to the original contract scope.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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)

- for a sample of development costs incurred:
 - agreeing recorded costs to interim payment certificates (“IPCs”) certified by independent architects in charge;
 - agreeing certified quantities and unit rates to contractual terms; and
 - tracing related payments to bank statements to corroborate settlement of liabilities.
- for the same sample of development costs, we specifically identified and tested variations included within the IPCs by:
 - agreeing such variations to approvals by the Board-appointed committee through a review of the committee minutes; and
 - assessing whether cumulative variations certified by the independent architect and paid are consistent with authorised variation limits.
- obtaining external confirmations for a sample of contractors to corroborate development costs certified during the year and outstanding balances including retentions due as of year-end.
- performing site visits close to year-end and made inquiries with independent architects in charge to observe and understand the status of the development progress of the open sites, including the reasonableness of the status in the context of development costs recorded during the year.

Key observations

We have no key observations to report specific to this matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
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Fax (+356) 2566 1000
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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

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

Investment property (€257,939,083) and Change in fair value of investment property (€5,187,407)

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.

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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
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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

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
- 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

We have no key observations to report specific to this matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

Key audit matters (continued)

Going concern

Note 2 to the financial statements for further disclosures

As disclosed in Note 9, the Company is engaged in the development and delivery of the Affordable Housing Project, which, as indicated in the financial statements, represents a key driver of the Company's future cash flows.

During the year ended 31 December 2025, the project experienced additional cost overruns and delays relative to the original development timeline. These developments resulted in increased forecasted funding requirements and the Company's short to medium term liquidity headroom became more sensitive to assumptions on the timing and quantum of future cash flows and financing. Inadequate funding to complete the Affordable Housing Project could, in turn, impact the Company's ability to meet its obligations as and when these fall due. The ability to successfully complete the Affordable Housing Project is therefore tied to the going concern basis of preparation of the financial statements.

The Directors' going concern assessment is therefore highly dependent on:

- the successful completion of the Affordable Housing Project within the revised cost and timeline parameters, enabling the subsequent rental of the completed units to tenants; and
- the Company's ability to secure or maintain sufficient financing that can be accessed on a timely basis, as and when required, to fund the housing project until completion.

The assessment involves significant judgement, particularly in estimating future development costs, project completion timelines and related cashflow projections. Any judgements made that are not adequately supported or the use of assumptions that do not take into account plausible but highly stressed scenarios might result in an inappropriate going concern assessment. Given the scale of the project and its direct impact on liquidity, and the pervasive impact of going concern on the financial statements as a whole, we considered this to be a key audit matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
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Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

Key audit matters (continued)

Going concern (continued)

Our response

As part of our audit procedures, we assessed the appropriateness of the going concern assessment prepared by the Directors, including detailed cash flow forecasts, key assumptions and sensitivity analysis prepared to evaluate the impact of reasonably possible changes in those assumptions (taking into account plausible but highly stressed scenarios), such as increases in cost to complete the Affordable Housing Project and delays in completion of the sites. In this respect, we performed audit procedures, including:

- assessing the internal consistency of inputs to the cash flow forecasts that are identified by the Company as contracted by agreeing cash inflows and outflows to supporting documentation, including executed lease agreements for rental income and loan agreements for debt repayments.
- assessing the reasonableness of the forecasted development cost, including both the estimated amounts and the timing of the related cash outflows, through the following:
 - on a site-by-site basis, recalculated the Company's estimate of the cost to complete the remaining open sites, by reference to supporting documentation such as original contract values, cumulative approved variations, interim payments certified to date and other contingencies included by the Directors, and agreed these amounts to the cash flow forecasts.
 - evaluating the reasonableness of the Directors' assumptions regarding the expected cost to complete and timing of completion for each site through site inspections, corroborative discussions held with independent architects in-charge and evaluation of project managers' progress reports, focusing on the appropriateness of the stage of completion and the extent and costings of remaining works.
 - for unawarded works, assessing the reasonableness of estimated costs to complete by benchmarking against contracted works on comparable sites of the Affordable Housing Project, and evaluating whether the assumed cost to complete and timelines were within an expected range based on previously contracted work.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

Key audit matters (continued)

Going concern (continued)

Our response (continued)

- evaluating the appropriateness of contingencies applied within the forecasts by reference to contracted work and stage of completion as of the end of the reporting period of that work.
- evaluating the Directors' scenario and sensitivity analysis, including the impact of reasonably possible changes in key assumptions on the Company's liquidity position by reference to our cumulative audit knowledge.
- assessing whether forecasted rental receipts from the rental of Housing units appropriately reflect both the timing of site completion as per the revised projections and the contractual rental rates triggered upon delivery of the sites as per the applicable contracts with the Housing Authority.
- evaluating the availability and timing of funding reflected in the cash flow forecasts by inspecting executed financing agreements, assessing compliance with funding conditions, and assessing the status and progress of financing agreements in pipeline.
- specifically for outstanding waivers, security documentation and required lender consents, we evaluated communication between the Company and lenders to assess the Company's assertions regarding uncertainties, if any, around the ability of the Company to successfully conclude these agreements and have access to the required funding.
- testing the mathematical accuracy of the cash flow model.
- assessing the adequacy and clarity of the related disclosures included in the financial statements, including those describing significant judgements and assumptions, including also going concern considerations applied by the Directors to evaluate whether key considerations are communicated in the financial statements based on our knowledge of the Affordable Housing Project and the related funding.

Key observations

We have no key observations to report specific to this matter.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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, the Statement of compliance with code of principles of good corporate governance and the Remuneration statement, 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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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 Rule 5.64 of the Capital Markets Rules issued by the Malta Financial Services Authority (the "Capital Market Rules"), 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.

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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

Report on Corporate Governance Statement of Compliance

Pursuant to Rule 5.94 of the Capital Market Rules, the directors are required to prepare and include in the Company's Annual Report a Corporate Governance Statement of Compliance (included in the Annual Report in the Statement of compliance with code of principles of good corporate governance) explaining the extent to which they have adopted the Code of Principles of Good Corporate Governance set out in Appendix 5.1 to Chapter 5 of the Capital Markets Rules, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement of Compliance is to contain at least the information set out in Rule 5.97 of the Capital Markets Rules.

Our responsibility is laid down by Rule 5.98 of the Capital Markets Rules, which requires us to include a report to shareholders on the Corporate Governance Statement of Compliance in the Company's Annual Report by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any 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. We are also required to assess whether the Corporate Governance Statement of Compliance includes the other information required by Capital Markets Rule 5.97, insofar as it is applicable to the Company.

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 risk and control procedures, nor on the ability of the Company to continue in operational existence.

In our opinion, in light of our knowledge and understanding of the Company and its environment obtained in the course of the 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, and the Corporate Governance Statement of Compliance includes the other information required by Capital Markets Rule 5.97.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

Independent Auditors' Report (continued)

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

3 Report on Other Legal and Regulatory Requirements

Report on Remuneration Report

Pursuant to Rule 12.26K of the Capital Markets Rules, the directors are required to prepare a Remuneration Report (included in the Annual Report in the Remuneration statement), including the contents required by Appendix 12.1 'Information to be provided in the Remuneration Report' to Chapter 12 of the Capital Markets Rules.

Our responsibility is laid down by Rule 12.26N of the Capital Markets Rules, which requires us to consider whether the information that should be provided in the Remuneration Report, as required in terms of Appendix 12.1 to Chapter 12 of the Capital Markets Rules, has been included (as applicable).

In our opinion, the Remuneration Report includes the information required by Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

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, and subsequently reappointed at the Company's general meetings for each financial period thereafter. The period of total uninterrupted engagement is two years;
- 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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
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Fax (+356) 2566 1000
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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 Malta Financial Services 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 2025, 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.



KPMG
92, Marina Street
Pietà, PTA 9044
Malta
Telephone (+356) 2563 1000
Fax (+356) 2566 1000
Website www.kpmg.com.mt

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 Malta Financial Services 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 2025 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

30 April 2026