A Company registered in Malta having registration Number C 79193
Registered Address: Seabank Hotel, Marfa Road, Mellieha MLH 9064

COMPANY ANNOUNCEMENT

Audited Financial Statements of SD Holdings Limited (Guarantor)

The following is a Company Announcement issued by SD Finance p.l.c. pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

Quote

The Company has been informed by the Board of Directors of SD Holdings Limited (the "Guarantor") that at a meeting held on the 28th of July 2025, the attached Annual Report and the Audited Financial Statements for the year ending 31st March 2025 were approved by the Board.

Unquote

Shaheryar Ghaznavi
Company Secretary

29th July 2025
Ref: SDA89

S.D. Holdings Limited

Annual Financial Statements

31-March-2025

Company Registration Number: C 40318

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Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2025.

Principal activities

The Company's principal activity is that of holding investments.

The Group operates in the local market and predominantly in hospitality, leisure and catering activities. It operates and owns four hotels: the db Seabank Resort & SPA situated at Ghadira Bay Mellieha, the db San Antonio Hotel & SPA situated in Bugibba, The Melior Boutique Hotel in Valletta and the Xemxija Bay Hotel in Bugibba. It also operates a number of restaurants in Mellieha Bay, namely Westreme, Amami and Blu Beach together with PickNGo as a general store. It also operates AKI Restaurant in Valletta, Nine Lives in Bugibba and LOA in St. Paul's Bay and Amami Food Bar at University Campus. The Group also operates outlets under the Hard Rock Café franchise and the Starbucks franchise. In 2025, the Group has also acquired franchising rights to start opening GROM and EL&N franchises.

For the year ending 31st March 2025, the Group also held investments in associates which provide healthcare and catering services to hospitals and retirement homes and associates which provide catering services primarily to Air Malta and other airlines operating from Malta. Other associated investments operate in the hospitality and catering industries.

Review of business

During the year ended 31 March 2025, the Group experienced continued growth in revenues and profitability. Total revenue for the Group during the year under review reached €99.2 million resulting in a year-on-year increase of €10.5 million (12%). The increase in revenue reflected itself in earnings before interest, tax, depreciation and amortisation (EBITDA) factoring in at €35.8 million as against €31.1 million registered for 2024 (15%).

	2025	2024
	€	€
Profit for financial period from continuing operations	**11,583,203**	8.852,523
Net interest	**6,613,292**	5.347.785
Tax expense	**9,503,743**	6.170.561
Depreciation	**7,129,455**	8.738,444
Amortization	**2,656,402**	2.304.646
EBITDA	**37,486,095**	31.413.959
Adjustment:		
Share of results of associates	**(451,086)**	(65.287)
Fair value changes of investments at fair value through profit or loss	**(1,243,012)**	(232.316)
Adjusted EBITDA	**35,791,997**	31.116.356

Net interest pertains to finance costs net of finance income during the year. The adjusted EBITDA is the measure used by management to monitor the performance of the Group.

The margin of profit or return on turnover generated is 34%, when compared to 32% during 2024. These results are excellent given the increase in salaries paid and overall higher price of goods and services. The Group has taken various measures to maximise its revenues and keep its costs in check.

Consequently, the financial year ended 2025 resulted in a profit after tax of €18.6 million when compared to €14.3 million recorded in the previous year. The overall hotel portfolio occupancy increased to 97% when compared to 89% in 2024. These results are even better than the 81% occupancy levels shown during year ended 31 March 2020 before the disruptions brought about by the pandemic.

Meanwhile the food and beverage sector also experienced better turnover figures, almost doubling the figures achieved during the previous year. Turnover for the year reached €38.7 million (€35.6 million in 2024) and now includes two new outlets of GROM and continued adding new Starbucks for a total of 19 outlets across Malta and Gozo.

The Group's total assets amount to €592 million (2024: €474 million). The Group's equity base also increased by €29.7 million which is a direct result of the net profit registered for the year of €18.6 million and revaluation surplus on the Group's land and buildings measured at the revaluation model of €11.1 million.

Directors' Report - continued

The Group also monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings, as shown in the consolidated statement of financial position, less cash at bank and in hand. Total capital is calculated as total equity, as described below, plus net debt. The aggregated figures in respect of the Group are reflected in the following table:

	2025 €	2024 €
Total external borrowings	**123,401,672**	88,354,646
Less: cash at bank and in hand	**(89,547,803)**	(71,036,869)
Net debt	**33,853,869**	17,317,777
Equity – as shown in the consolidated statement of financial position	**241,127,494**	211,378,507
Total capital	**274,981,363**	228,696,284
Net debt/total capital	**12.31%**	7.57%

The interest rate cover now stands at 5 multiple (2024: 5 multiple) mainly because of higher interest of €6.6 million when compared to the previous year.

	2025 €	2024 €
Adjusted EBITDA (A)	35,791,997	31,116,356
Interest (B)	6,613,292	5,347,785
Interest rate cover (=A/B)	5.41x	5.82x

Given the size of the Group and its dependence on the local economy, the Group recognises that the main risks and uncertainty to its business is the potential downturn in the local economy with reference to the tourism and services industry.

Outlook for the financial year ending 2025
Following the much-improved results achieved during the year ended 31 March 2025 we look forward with optimism for the coming year. It is evidently clear that the accommodation and leisure industry is recovering faster than originally anticipated. Results to date are better than the previous year and bookings are very encouraging.

From the db Group's perspective, there has been a continued expansion of its Starbucks outlets network in Malta and has opened its investment in a new hotel in Xemxija Bay during the current financial year. It has also acquired franchising rights to start opening GROM, C&R Café and EL&N franchises. The Group is also looking into expanding internationally with the first step being the opening of a new restaurant in London.

In October 2024, db Group commenced structural works on the Hard Rock Hotel Malta at St George's Bay, marking a major milestone in its flagship development. The 5-star hotel will feature 394 rooms and 25 suites, many with private pools and sea views, and will incorporate restored 19th-century British military quarters. Alongside the hotel, two ORA Residences towers—ORA W and ORA E—are under construction, designed as vertical gardens by renowned landscape architect Laura Gatti. As of June 2025, the towers had reached Levels 8 and 9 respectively, with 91% of units sold. The development also includes St George's Mall, a 20,000 sqm retail and entertainment complex, which was 90% complete by mid-2025 and is set to become a landmark destination by 2026.

In 2025, the db Group entered into a strategic joint venture with RAK Hospitality Holding LLC, an entity owned by the Investment and Development Office of the Government of Ras Al Khaimah, to establish HR Hotel FZ LLC. This newly formed company will spearhead the development of Hard Rock Hotel & Residences in Ras Al Khaimah. Slated to open in 2028, the project marks Hard Rock International's debut in the Middle East and will be situated on a prime beachfront site within the emirate's Beach District, directly opposite Al Marjan Island. The development will comprise approximately 300 hotel rooms and 400 branded residences, supported by a comprehensive suite of five-star amenities including diverse dining venues, a rooftop bar, conference and event facilities, a beach club, swimming pools, a fully equipped gym, and a premium spa.

Directors' Report - continued

The Health care arm of the group continued increasing its operations over this financial year which proved the demand for the services offered within this sector, the guarantor has also notified that it has successfully finalized negotiations with its JV Partner to sell off the shares within the Healthcare arm to be able to focus on its core business activity that of Hospitality and expansion of its operations in overseas investments expanding further into the property development sector. This strategic decision shows the groups vision to continue its rapid expansion within the hospitality and property development sectors both locally and internationally.

The Group has also prepared projections for the coming 2 years, based on historical financial information and forecasts, but factoring in the improved results of the past year. The Group does not anticipate any material impact on its results from ongoing major geopolitical events, as its direct business exposure to the affected areas is negligible. Nonetheless, the Group continues to monitor the broader implications of these developments on global markets and supply chains. Continued increases in the price of goods and services is the principal challenge that the Group's entities have experienced during the current financial year. The projections contemplate the existence of a significant liquidity buffer at the end of the year and the Directors feel confident that with the measures taken and the secured financing arrangements, the Group shall overcome any potential further disruptions. The Group has over the past years accumulated a substantial cash reserve which as at year end amounted to €89.5 million. On this basis, the directors are of the opinion that there are no material uncertainties which may cast significant doubt about the ability of the Group to continue operating as a going concern.

SD Finance plc (the Issuer of the bonds) paid its bondholders the full interest that was due in April 2025. Furthermore, it should be noted that in view of the excellent results achieved by the Group, the projections outlined above, and the cash reserves accumulated by the Group in the past years, the directors are of the opinion that the Issuer will have the necessary funds to finance the interest falling due in April 2026 and going forward.

Governance
The Group understand that strong governance is the bedrock of a sustainable business. The Group is committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and fairness in all our dealings. The Group aim to protect the interests of our stakeholders, including our employees, guests, and shareholders with clear guidelines on decision-making processes, risk management, and ethical conduct, ensuring that we operate in a manner that is consistent with the Group's values and compliant with relevant laws and regulations. The Group continues to strengthen its governance practices, focusing on enhancing transparency and accountability which is key in maintaining the trust and confidence of stakeholders and ensuring the long-term sustainability of the business. The board of directors plays a crucial role in the governance structure and is responsible for overseeing our strategic direction, monitoring our performance, and ensuring that the Group meet its legal and ethical obligations.

Financial risk management
The Group's and Company's activities expose them to a variety of financial risks, including market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. Refer to Note 2 in these financial statements.

Results and dividends
The consolidated financial results are set out on page 9. The directors have declared a net dividend of nil for 2025 (2024: €1,800,000).

Retained earnings carried forward at the end of the financial reporting period for the Group and the Company amounted to €92,507,079 (2024: €73,889,890) and €16,353,561 (2024: €15,129,088), respectively.

Directors
The directors of the Company who held office during the year were:

- Silvio Debono
- Robert Debono
- Alan Debono
- David Debono
- Victoria Debono Borg
- Arthur Gauci (resigned on 1st March 2025)
- Jesmond Vella
- Veronica Debono

The Company's Articles of Association do not require the directors to retire.

Directors' Report – continued

Statement of directors' responsibilities for the financial statements
The directors are required by the Maltese Companies Act (Cap.386) to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent Company as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- 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 Group and the parent Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap.386). They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors
Ernst and Young Malta Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Robert Debono
Director

Alan Debono
Director

Statement of Financial Position

		AS AT 31 MARCH			
		GROUP		COMPANY	
		2025	2024	2025	2024
	Notes	€	€	€	€
ASSETS					
Non-current assets					
Property, plant and equipment	4	279,991,418	247,681,097	-	-
Investment property under development	5	-	18,198,687	-	-
Intangible assets	6	1,220,651	888,667	-	-
Inventories	7	76,179,951	68,901,222	-	-
Investments in subsidiaries	8	-	-	90,816,231	36,516,136
Investments in associates	9	3,723,529	24,138,974	960	5,460
Right-of-use assets	10	26,358,797	19,702,362	-	-
Other noncurrent assets	4	37,527,821	4,243,897	-	-
Deferred tax assets	11	997,523	873,002	-	-
Financial assets at fair value through profit or loss (FVPL)	15	3,475,328	2,232,316	3,475,328	2,232,316
Trade and other receivables	12	1,487,381	387,137	12,773,185	15,323,147
Total non-current assets		430,962,399	387,247,361	107,065,704	54,077,059
Current assets					
Inventories	13	2,533,195	2,182,190	-	-
Other assets	14	3,002,286	-	-	-
Trade and other receivables	12	65,026,200	11,983,989	43,467,296	14,334,957
Current tax assets	28	365,836	1,508,423	365,836	-
Cash and cash equivalents	14	89,547,803	71,036,869	64,317,428	48,201,728
Total current assets		160,475,320	86,711,471	108,150,560	62,536,685
Assets held for sale	9	401,727	-	-	-
Total assets		591,839,446	473,958,832	215,216,264	116,613,744

Statement of Financial Position - continued

		AS AT 31 MARCH			
		GROUP		COMPANY	
		2025	2024	2025	2024
	Notes	€	€	€	€
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	16	**4,000,000**	4,000,000	**4,000,000**	4,000,000
Revaluation reserve	17	**136,035,522**	124,905,451	**-**	-
Reorganisation reserve	16	**(4,318,532)**	(4,318,532)	**(4,318,532)**	(4,318,532)
Other reserves	18	**12,903,425**	12,901,698	**-**	-
Retained earnings		**92,507,079**	73,889,890	**16,353,561**	15,129,088
Total equity		**241,127,494**	211,378,507	**16,035,029**	14,810,556
Non-current liabilities					
Trade and other payables	19	**11,450,040**	11,393,508	**-**	-
Borrowings	20	**109,646,384**	80,445,622	**2,145,994**	4,695,951
Deferred tax liabilities	11	**29,872,288**	27,110,468	**-**	-
Lease liabilities	21	**61,029,306**	64,856,898	**-**	-
Redeemable preference shares	16	**4,824,298**	4,673,076	**4,824,298**	4,673,076
Total non-current liabilities		**216,822,316**	188,479,572	**6,970,292**	9,369,027
Current liabilities					
Trade and other payables	19	**91,511,049**	47,844,103	**189,654,829**	90,003,299
Borrowings	20	**13,755,288**	7,909,024	**2,556,114**	2,425,521
Lease liabilities	21	**14,424,364**	12,366,746	**-**	-
Current tax liabilities	28	**14,198,935**	5,980,880	**-**	5,341
Total current liabilities		**133,889,636**	74,100,753	**192,210,943**	92,434,161
Total liabilities		**350,711,952**	262,580,325	**199,181,235**	101,803,188
Total equity and liabilities		**591,839,446**	473,958,832	**215,216,264**	116,613,744

The notes on pages 13 to 77 are an integral part of these financial statements.

The financial statements on pages 7 to 77 were authorised for issue and signed by the board of directors on 28 July 2025 and were signed on its behalf by:

Robert Debono
Director

Alan Debono
Director

Statement of Comprehensive Income

		YEAR ENDED 31 MARCH			
		GROUP		COMPANY	
		2025	2024	**2025**	2024
	Notes	€	€	€	€
Revenue	22	**99,201,680**	88,724,934	-	-
Dividend income	25	-	-	**2,307,692**	2,769,231
Cost of sales	23	**(65,414,162)**	(60,366,531)	-	-
Gross profit		**33,787,518**	28,358,403	**2,307,692**	2,769,231
Selling expenses	23	**(229,025)**	(284,654)	-	-
Administrative expense	23	**(12,110,911)**	(9,890,728)	**(386,286)**	(1,894,433)
Other operating income	26	**4,558,558**	1,890,245	-	-
Operating profit		**26,006,140**	20,073,266	**1,921,406**	874,798
Finance income	27	**911,091**	708,257	**1,182,740**	1,198,665
Finance costs	27	**(7,524,383)**	(6,056,042)	**(2,549,109)**	(917,469)
Share of results of associates	9	**451,086**	65,287	-	-
Fair value changes of investments at fair value through profit or loss	15	**1,243,012**	232,316	**1,243,012**	232,316
Profit before tax from continuing operations		**21,086,946**	15,023,084	**1,798,049**	1,388,310
Tax expense	28	**(9,503,743)**	(6,170,561)	**(573,576)**	(1,075,468)
Profit for the year from continuing operations		**11,583,203**	8,852,523	**1,224,473**	312,842
Discontinued operations					
Profit after tax for the year from discontinued operations	9	**7,033,986**	5,421,413	-	-
Profit for the year – Attributable to equity holders of the parent		**18,617,189**	14,273,936	**1,224,473**	312,842
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent period:					
Fair value reserve on land and buildings, net of deferred tax	4	**11,130,071**	51,053,524	-	-
Depreciation transfer through asset use, net of deferred tax	17	-	125,679	-	-
Total other comprehensive income, net of deferred tax		**11,130,071**	51,179,203	-	-
Total comprehensive income/(loss) for the year – Attributable to equity holders of the parent		**29,747,260**	65,453,139	**1,224,473**	312,842

The notes on pages 13 to 77 are an integral part of these financial statements.

Statement of Changes in Equity

GROUP

	Attributable to owners of the parent					
	Share Capital	**Revaluation Reserve**	**Reorganisation Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
	€	€	€	€	€	€
Balance at 1 April 2023	4,000,000	73,977,606	-	12,901,698	61,290,275	152,169,579
Profit for the year	-	-	-	-	14,273,936	14,273,936
Other comprehensive income						
Fair value reserve on land and buildings, net of deferred tax	-	51,053,524	-	-	-	51,053,524
Depreciation transfer through asset use, net deferred tax	-	(125,679)	-	-	125,679	-
Total comprehensive income	-	50,927,845	-	-	14,399,615	65,327,460
Reorganisation reserve (Note 16)	-	-	(4,318,532)	-	-	(4,318,532)
Dividends paid to shareholders	-	-	-	-	(1,800,000)	(1,800,000)
Balance at 31 March 2023	4,000,000	124,905,451	(4,318,532)	12,901,698	73,889,890	211,378,507
Balance at 1 April 2024	**4,000,000**	**124,905,451**	**(4,318,532)**	**12,901,698**	**73,889,890**	**211,378,507**
Profit for the year	-	-	-	-	**18,617,189**	**18,617,189**
Other comprehensive income						
Fair value reserve on land and buildings, net of deferred tax	-	**11,130,071**	-	-	-	**11,130,071**
Depreciation transfer through asset use, net deferred tax	-	-	-	-	-	-
Total comprehensive income	-	**11,130,071**	-	-	**18,617,189**	**29,747,260**
Difference arising on translation of operations	-	-	-	**1,727**	-	**1,727**
Dividends paid to shareholders	-	-	-	-	-	-
Balance at 31 March 2025	**4,000,000**	**136,035,522**	**(4,318,532)**	**12,903,425**	**92,507,079**	**241,127,494**

Statement of Changes in Equity - continued

COMPANY	Share Capital	Reorganisation Reserve	Retained Earnings	Total
	€	€	€	€
Balance at 1 April 2023	4,000,000	-	16,616,246	20,616,246
Profit for the year	-	-	312,842	312,842
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	312,842	312,842
Reorganisation reserve (Note 16)	-	(4,318,532)	-	(4,318,532)
Dividends paid to shareholders	-	-	(1,800,000)	(1,800,000)
Balance at 31 March 2024	4,000,000	(4,318,532)	15,129,088	14,810,556
Balance at 1 April 2024	**4,000,000**	**(4,318,532)**	**15,129,088**	**14,810,556**
Profit for the year	-	-	**1,224,473**	**1,224,473**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**1,224,473**	**1,224,473**
Dividends paid to shareholders	-	-	-	-
Balance at 31 March 2025	**4,000,000**	**(4,318,532)**	**16,353,561**	**16,035,029**

Statement of Cash Flows

	Notes	GROUP 2025 €	GROUP 2024 €	COMPANY 2025 €	COMPANY 2024 €
		YEAR ENDED 31 MARCH			
Cash flows from operating activities					
Operating profit/(loss)		**26,006,140**	20,073,266	**1,921,406**	874,798
Adjustments for:					
Depreciation of property, plant and equipment	4	**7,401,508**	8,738,444	-	-
Amortisation of intangible assets	6	**146,771**	106,289	-	-
Amortisation of right-of-use assets	10	**2,509,631**	2,198,357	-	-
Movement in credit loss allowances	23	-	(82,948)	-	-
Changes in working capital:					
- Inventories		**263,552**	(7,301,567)	-	-
- Trade and other receivables		**(26,614,794)**	(55,923)	**(28,385,246)**	(4,274,148)
- Trade and other payables		**43,473,818**	9,767,600	**(3,991,166)**	(3,090,564)
Cash (used in)/generated from operations		**53,186,626**	33,443,518	**(30,455,006)**	(6,489,914)
Interest received	27	**911,091**	708,257	**1,182,740**	1,198,665
Interest paid	27	**(4,567,574)**	(3,436,845)	**(2,147,887)**	(564,925)
Tax received/(paid)		**976,461**	(100,340)	**(944,753)**	(1,075,468)
Net cash (used in)/generated from operating activities		**50,506,604**	30,614,590	**(32,364,906)**	(6,931,642)
Cash flows from investing activities					
Payments for property, plant and equipment		**(18,974,530)**	(8,771,417)	-	-
Payments and advances to contractors for property development expenditure		**(45,190,872)**	(5,636,100)	-	-
Payments for intangible assets	6	**(478,755)**	(65,593)	-	-
Payments for acquisition of financial assets at fair value through profit or loss (FVPL)	15	-	(2,000,000)	-	(2,000,000)
Repayments of loans provided to subsidiaries	12	-	-	**2,419,370**	2,101,588
Incorporation of investments in subsidiaries	8	-	-	**(8,570)**	(4,800)
Incorporation of investment in associates	9	**(125,787)**	-	-	-
Sale of investment in associate	9	**3,700**	-		
Dividend received from associates	9	**400,000**	394,296	-	-
Net cash (used in)/generated from investing activities		**(64,366,244)**	(16,078,814)	**2,410,800**	96,788
Cash flows from financing activities					
Proceeds from bank borrowings		**43,847,475**	7,553,576	-	-
Repayments of bank borrowings		**(8,477,530)**	(3,083,079)	**(2,419,365)**	(2,101,588)
Principal elements of lease payments		**(2676,452)**	(2,210,306)	-	-
Proceeds from financing from subsidiaries		-	-	**48,489,171**	9,956,554
Net cash generated from/(used in) financing activities		**32,693,493**	2,260,191	**46,069,806**	7,854,966
Net movements in cash and cash equivalents		**18,833,853**	16,795,967	**16,115,700**	1,020,112
Cash and cash equivalents at beginning of year		**70,535,617**	53,739,650	**48,201,728**	47,181,616
Cash and cash equivalents at end of year	14	**89,369,470**	70,535,617	**64,317,428**	48,201,728

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 Corporate information

The consolidated financial statements of SD Holdings Limited (the "Company" or the "Parent") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 28 July 2025. SD Holdings Limited is a limited liability company and is incorporated in Malta. The registered office is located at db Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha, Malta.

The Company's principal activity is that of holding investments. The Group operates in the local market and predominantly in hospitality, leisure and catering activities. The Group also holds investments in associates which provide healthcare and catering services to hospitals and retirement homes and associates. Information on the Group's structure is provided in Note 8. Information on other related party relationships of the Group is provided in Note 9.

1.2 Basis of preparation

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

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and with the requirements of the Maltese Companies Act (Cap. 386). The financial statements have been prepared under the historical cost convention, except for land and buildings which have been measured at fair value and certain financial instruments measured at fair value through profit or loss, following the accounting in line with the revaluation model.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the Company's accounting policies (see Note 3 - Significant accounting estimates and judgments).

Standards, interpretations and amendments to published standards effective during the current financial year

During the current financial year, the Group adopted the following new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 April 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's accounting policies, not impacting the Group's financial performance and position.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)
- Amendments to IAS 1 Presentation of Financial Statements:
    - Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
    - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
    - Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 April 2025. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU but plans to adopt upon their effective date, and management will assess in the following periods any effect from the application of the amendments.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)
- Annual Improvements Volume 11 (issued on 18 July 2024)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Standards, interpretations and amendments that are not yet endorsed by the European Union, are not yet effective and not early adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not yet endorsed by the European Union. In the opinion of the Directors, the adoption of these standards will not have significant impact on the financial statements of the Company.

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)

Geopolitical events

The Company has considered the ongoing major geopolitical events in the preparation of the financial statements of the Company and determined that these events do not have a significant impact on the Company's operations, financial position, or performance for the reporting period. There are no material uncertainties related to these geopolitical events that would require additional disclosures or adjustments to the financial statements.

1.3 Business combinations and consolidation

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Acquisition of Hotel Property and Other Assets If the assets acquired and liabilities assumed do not constitute a business, When the Group determined that it has not acquired a business, the Group accounts for the transaction as an asset acquisition and thus allocates the purchase price to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. When the Group acquires an asset (for example a hotel property or other assets), it uses all available information to make these fair value determinations. The Group determines the fair value of the hotel property acquired based on management's estimates and, where appropriate, also engages independent valuation specialists. The determination of fair value is subjective and is based on assumptions and estimates that could differ materially from actual results in future periods. Transaction costs associated with asset acquisitions are capitalized and subsequently depreciated over the life of the related asset. Subsidiaries

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting. Provisions are recorded when, in the opinion of the directors, an indicator of impairment exists (e.g. investment in subsidiary's carrying amount is greater than its estimated recoverable amount). An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition (refer to accounting policy Note 1.7[a] - Intangible assets).

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed when necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in associates are accounted for by the cost method of accounting. Provisions are recorded when, in the opinion of the directors, an indicator of impairment exists (e.g. investment in associate's carrying amount is greater than its estimated recoverable amount). An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Acquisition of Hotel Property and Other Assets

Accounting for the acquisition of a hotel property or other assets requires an allocation of the purchase price to the assets acquired in the transaction at their respective relative fair values for an asset acquisition or at their estimated fair values for a business combination if no specific purchase prices are determined for each class of assets acquired. When the Group acquires a hotel property or other assets, it uses all available information to make these fair value determinations. The Group also engages independent valuation specialists to assist in the fair value determinations of the hotel property acquired. The determination of fair value is subjective and is based on assumptions and estimates that could differ materially from actual results in future periods.

In addition, the acquisition of a hotel property and other assets requires an analysis of the transaction to determine if it qualifies as the purchase of a business or an asset. If the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, then the transaction is an asset acquisition. Transaction costs associated with asset acquisitions are capitalized and subsequently depreciated over the life of the related asset, while the same costs associated with a business combination are expensed as incurred and included in administrative expenses on the Group's consolidated statement of comprehensive income. Also, asset acquisitions are not subject to a measurement period, as are business combinations.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

1.4 Foreign currency translation

(a) 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 euro is the Group and Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.5 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently measured at fair value, following the revaluation model of accounting, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is remeasured to the revalued amount of the asset. All other property, plant and equipment is subsequently measured at historical cost less depreciation and impairment losses. Historical 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 asset are capitalised as part of its cost (Note 1.24).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost, net of any related deferred income taxes, is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	%
Buildings	1 – 3
Computer equipment	20 - 33.33
Furniture, fixtures, and fittings	6.67 - 10
Motor vehicles	20
Plant, machinery and operational equipment	6.67 - 15

Freehold land is not depreciated as it is deemed to have an indefinite life. Leasehold land is amortised on a straight-line basis over the period of the lease.

Assets in the course of construction and advance payments are not depreciated. Depreciation will commence once the respective assets are commissioned for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.8).

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in profit or loss. When revalued assets are disposed of, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.6 Investment property under development

Investment property under development comprises leasehold property acquired in 2017.

The Group adopts the cost model under IAS 40, 'Investment property', whereby investment property is measured in the statement of financial position at historical cost less accumulated depreciation and impairment losses. Historical 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. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

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 property under development consists of land which is not depreciated as it is deemed to have an indefinite life.

A property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.8).

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. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, its cost and accumulated amortisation at the date of the reclassification becomes its cost and accumulated depreciation for subsequent accounting purposes. When the Group decides to dispose of an investment property without development, the Group continues to treat the property as an investment property. Similarly, if the Group begins to redevelop an existing investment property for continued future use as investment property, it remains an investment property during the redevelopment.

If an item of property, plant and equipment becomes an investment property because its use has changed, its cost and accumulated depreciation at the date of the reclassification becomes its cost and accumulated amortisation for subsequent accounting purposes.

When an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its carrying amount at the date of change in use.

1.7 Intangible assets

(a) Franchise rights

Franchise rights are shown at historical cost. Franchise rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of franchise rights over their estimated useful lives.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

1.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject for amortisation and are tested annually for impairment. Assets that are subject for amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

1.9 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
(b) Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

As at 31 March 2025 and 2024, the Company and Group do not have any financial assets measured at fair value through other comprehensive income.

Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group may classify its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2 for further details).

1.10 Inventories

(a) Merchandise inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Cost is the invoiced value of goods and, in general, includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(b) Residential units for sale

Residential units for sale are valued at the lower of cost or net realizable value. Cost includes those costs incurred for development and improvement of the properties. Net realizable value is the selling price in the ordinary course of business less costs to complete and the estimated cost to make the sale. The residential units for sale pertain to properties that are constructed for sale in the ordinary course of business, rather than for rental or capital appreciation.

Cost incurred for the development and improvement of the properties includes the following:

- ground rent over the right-of-use over the land where the properties will be developed as disclosed in Note 5;
- amounts paid to contractors for construction and development;
- planning and design, and site preparation, as well as professional fees, property transfer taxes, construction overhead and others; and
- borrowing costs incurred during the construction period.

Inventory properties are classified as non-current when these are expected to be realised after more than one year from reporting date.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

1.11 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss allowances.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include cash in hand, deposits with banks with an original maturity of three months or less, and bank overdrafts. Deposits with banks with an original maturity date of more than three months qualify as cash equivalents and are classified within cash and cash equivalents when a) any penalty charge or the forgone higher interest that the Group would have received if the deposit were held to maturity for withdrawal prior to maturity is not significant, b) they are available on demand and c) they are held for managing short-term commitments. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.13 Share capital

Ordinary shares are classified as equity. Preference shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Company.

Shares classified as equity are recorded at par. Proceeds in excess of par value, if any, are recognised under equity as 'Share premium' in the statement of financial position. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends thereon are recognised as distributions within equity upon approval by the Board of Directors of the Company.

Preference shares are classified on initial recognition as a financial liability if they are mandatorily redeemable or redeemable at the option of the holders. Non-discretionary dividends on preference shares are also classified as a financial liability, as they represent an unavoidable obligation of the Company to deliver cash. Initial recognition is being performed at fair value. Issuance costs are treated as an adjustment to the carrying amount of the related liability. Such financial liability is being classified as subsequently measured at amortised cost and the resulting accretion of interest according to the effective interest method is being included within Finance Costs line item. Once payment is performed, then, subsequently measured at the amount of cash that would be paid under the conditions specified in the contract if settlement occurred at the reporting date, recognising the resulting change in that amount from the previous reporting date as interest cost.

1.14 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group 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.

1.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Transaction costs are incremental costs that are directly attributable to the issue of the financial liability and are those costs that would not have been incurred if the Group had not issued the financial instrument.

1.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.18 Current and deferred tax

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

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The current tax assets presented in the statement of financial position pertains to tax withheld on dividend distribution in the prior year for which the Group is entitled to claim a refund. Such refunds are generally processed by The Office of the Commissioner for Revenue within one year.

Deferred tax is provided in full, 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, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax on the fair valuation of property, plant and equipment is charged or credited directly to the revaluation reserve. Deferred tax on the difference between the actual depreciation on the asset and the equivalent depreciation based on the historical cost of the asset is realised through profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The amendments to IAS12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity' exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's or Group's financial statements as the Company and Group are not in scope of the Pillar Two model rules as its revenue is less than EUR750 million/year.

1.19 Provisions and contingencies

Provisions 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 measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

1.20 Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

In the ordinary course of business, the Group gives financial guarantees to banks, financial institutions and other bodies on behalf of subsidiaries and associates.

Financial guarantee contracts are initially measured at fair value and subsequently measured at higher of:

(a) The amount of the credit loss allowance (calculated as described in Note 1.9); and
(b) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

1.21 Revenue recognition

Revenues include all revenues from the ordinary business activities of the Group. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax. The Group's business principally comprises sales of goods and services in the hospitality industry.

(a) Sale of goods and services

Revenues are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

IFRS 15 requires that at contract inception the goods or services promised in a contract with a customer are assessed and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset must be recognised if the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

Multiple-element arrangements involving the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognised as revenue on fulfilment of the obligation to the customer. The total transaction price of a bundled contract is allocated among the individual performance obligations based on their relative – possibly estimated - standalone selling prices, i.e., based on a ratio of the standalone selling price of each separate element to the aggregated standalone selling prices of the contractual performance obligations.

IFRS 15 provides more detailed guidance on how to account for contract modifications. Changes must be accounted for either as a retrospective change (creating either a catch up or deferral of previously recorded revenues), prospectively with a reallocation of revenues amongst identified performance obligations, or prospectively as separate contracts which will not require any reallocation.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

(i) Sales from hospitality and ancillary services

Revenue from services is generally recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue arising from hospitality activities is recognised when the service is performed and/or when the goods (primarily food and beverage relating restaurant and bar sales) are supplied upon performance of the service. The transaction price for hospitality and ancillary services are based on the published prices of the hotels and/or as stipulated in the booking confirmation. The transaction price for sale of food and beverage is equal to the selling price of the goods. Revenue is usually in cash, credit card or on credit.

A Group undertaking also operates a number of rooms on a timeshare basis. In the case of timeshare, customers buy the right to a slot in a given time period, for which the customer must make an up-front payment. Subsequently, the customer must also make annual contributions to the scheme to cover the share of maintenance costs. The customers get the benefits (i.e. control over the promise) with every passing day of each year's stay at the vacation apartment/suite. The revenue stream therefore meets the conditions for revenue recognition over time (i.e. stage of completion), and revenue is accordingly recognised on a daily basis of accommodation.

The Group pays commissions to tour operators for the sale on every reservation made through their booking platforms. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (presented as 'Selling expenses' in the statement of comprehensive income) because the amortisation period of the asset that the Group otherwise would have used is less than one year.

(ii) Sales of goods – retail

Sales of goods are recognised when the Group has delivered products to the customer and there no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery does not occur until the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products. Retail sales are usually in cash or by credit card.

(iii) Sales of residential units under development

The Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of residential units under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed residential unit (the combined output) which the customer has contracted to buy.

For the sale of residential units under development, the Group has determined that it generally does not meet the criteria to recognise revenue over time. In these cases, control is transferred and hence revenue is recognised at a point in time when the deed of sale has been executed. The Group has determined that, for the promise of sale agreements to sell residential units, its performance does not create an asset with alternative use to the Group and that it has no enforceable right to payment for performance completed to date.

Financing

The Group receives advance payments from customers for the sale of rooms on a timeshare basis of more than one year from the time it performs its obligation. There is a significant financing component for these contracts considering the length of time between the customers' payment and the Group's performance, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the rooms to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Other than this, the Group does not expect to have material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

(b) Interest income

Interest income is recognised in profit or loss for all interest-bearing instruments as it accrues using the effective interest method.

(c) Dividend income is recognised when the right to receive payment is established.

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

1.22 Customer contract assets and liabilities

The timing of revenue recognition may differ from customer invoicing. Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet.

1.23 Leases

(a) Leases - where Group undertakings are the 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 a corresponding liability at the commencement date, being the date at which the leased asset is available for use by the Group.

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 asset the commencement date;
- amounts expected to be payable by the Group using residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lessees, 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.

To determine the incremental borrowing rate, the Group:

- 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; and
- makes adjustments specific to the lease, term and security.

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

Management assesses whether lessor-granted concessions meet the definition of a lease modification. Lease concessions which do not provide substantive change to the total consideration for the lease, or the scope of the lease, would not be a lease modification and are accounted for as variable lease payments in the period in which they are granted.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Right-of-use assets are initially measured at 'cost' which, where applicable, comprise of 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.

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses, except as highlighted below. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation is recognised in profit or loss.

Payments associated with short-term leases and leases of low-value assets 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) Operating leases - where a Group undertaking is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position and are accounted for in accordance with accounting policy 1.4. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term and is presented within 'Other operating income'.

1.24 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment and investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings. Such instruments matured during the current year.

1.25 Dividend distribution

Dividend distribution to the parent company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

1.26 Non-Current Assets held for sale and discontinued operations

The Group and Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

When the carrying amount is higher than the fair value less costs to sell, the Company writes-down the disposal group.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately (Note 9) in the consolidated statement of cash flows.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management, covering risk exposures for all subsidiaries, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The parent company's directors provide principles for overall Group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group undertakings did not make use of derivative financial instruments during the current and preceding financial years.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. A portion of the Group's purchases are denominated in US dollar. Balances denominated in foreign currencies are settled within very short periods in accordance with the negotiated credit terms.

The Group's revenues, purchases and other expenditure, financial assets and liabilities, including financing, are mainly denominated in euro except as outlined above. Management does not consider foreign exchange risk attributable to recognised liabilities arising from purchase transactions denominated in US dollar to be significant. Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the balance sheet date is not deemed necessary.

(ii) Fair value interest rate risk

The Group's significant instruments which are subject to fixed interest rates represent the bonds issued to the general public (Note 20). In this respect, the Group and the company are potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

(iii) Cash flow interest rate risk

For the company the cash flow interest rate risk principally arises from the loan from subsidiary (Note 20) and amounts owed by subsidiaries subject to variable rates. The Group and the company's interest rate risk principally arises from bank borrowings issued at variable rates (Note 20) which expose the Group to cash flow interest rate risk. Management monitors the impact of changes in market interest rates in respect of these instruments.

At the reporting date, if the interest rate had increased/decreased by 3% (assuming a parallel shift of 300 basis points in yields) with all other variables held constant, the pre-tax result for the subsequent year would change by the following amount:

GROUP	(+) 3% €	(-) 3% €
At 31 March 2025	(1,672,871)	1,672,871

COMPANY	(+3%) €	(-3%) €
At 31 March 2025	(96,420)	96,420

2. FINANCIAL RISK MANAGEMENT - continued

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding debtors and committed transactions. The Group's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Financial assets measured at amortised cost				
Trade and other receivables (Note 12)	**64,569,555**	10,586,243	**43,467,296**	14,306,040
Cash and cash equivalents (Note 14)	**89,547,803**	71,036,869	**64,317,428**	48,201,728
	154,117,358	81,623,112	**107,784,724**	62,507,768

The maximum exposure to credit risk at the reporting date 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 Group does not hold any collateral as security in this respect. The figures disclosed above in respect of trade and other receivables exclude advance payments to suppliers, indirect taxation and prepayments and accrued income.

Cash and cash equivalents

The Group's cash and cash equivalents are held with local financial institutions with high quality standing or rating or nothing and are due to be settled on demand. Management considers the probability of default to be close to zero as the financial institutions have a strong capacity to meet their contractual obligations in 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.

Trade receivables

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of goods and services are effected to customers with an appropriate credit history. The Group monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

In view of the nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade receivables. Whilst no individual customer or Group of dependent customers is considered by management as a significant concentration of credit risk with respect to trade debts, these exposures are monitored and reported more frequently and rigorously.

These customers trade frequently with the respective Group undertaking and are deemed by management to have excellent credit standing, usually taking cognisance of the performance history without defaults.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group manages credit exposures actively in a practicable manner such that amounts receivable are within controlled parameters. The credit quality of the Group's receivables, which are not impaired or past due financial assets, reflects the nature of these assets which are principally debts in respect of transactions with counterparties for whom there is no history of default. Management does not expect any losses from non-performance by these parties.

The Group's trade and other receivables, which are not impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers.

2. FINANCIAL RISK MANAGEMENT - continued

Impairment of trade receivables (including contract assets)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been Grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation and adjusts the historical loss rates based on expected changes in these factors. Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables.

On that basis, the loss allowance for the Group as at 31 March 2025 and 2024 was determined as follows:

	Up to 30 days past Due	**31 to 60 days past due**	**61 to 90 days past due**	**91 to 120 days past due**	**+121 days past due**	**Total**
31-Mar-25						
Expected loss rate	**1% - 4%**	**1% - 5%**	**1.5% - 7%**	**2.5%-12%**	**30% - 40%**	
Gross carrying amount (€)	**3,821,153**	**2,924,360**	**1,374,220**	**363,375**	**1,503,203**	**9,986,311**
Loss allowance (€)	**23,838**	**26,510**	**20,244**	**9,252**	**533,822**	**613,666**
31-Mar-24						
Expected loss rate	1% - 4%	1% - 5%	1.5% - 7%	2.5%-12%	30% - 40%	
Gross carrying amount	2,250,754	1,568,440	996,407	179,485	586,800	5,581,886
Loss allowance (€)	77,607	84,086	71,547	20,809	231,095	485,144

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, provisions for impairment in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of provisions for impairment of credit impaired receivables arise in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Group does not hold any significant collateral as security in respect of the credit impaired assets. The movements in credit loss allowances of these receivables are disclosed separately in profit or loss.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than a year past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts written off are credited against the same line item.

Categorisation of receivables as past due is determined by the Group on the basis of the nature of the credit terms in place and credit arrangements actually utilised in managing exposures with customers. At 31 March 2025 and 2024, the Group's past due but not impaired receivables and the carrying amount of trade receivables that would otherwise be past due or credit impaired whose terms have been renegotiated, were not deemed material in the context of the Group's trade receivables figures.

2. FINANCIAL RISK MANAGEMENT - continued

Amounts owed by related parties and other receivables

The Group's and the company's receivables also include amounts owed by related parties forming part of the db Group, associates and other related parties (refer to Note 12). The Group's treasury monitors intra-Group credit exposures on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Group assesses the credit quality of these related parties taking into account financial position, performance and other factors. The Group takes cognisance of the related party relationship with these entities and management does not expect any losses from non-performance or default.

With respect to the Group's and the company's current amounts owed by related parties and other receivables, since such balances are repayable on demand, expected credit losses are based on the assumption that repayment of the balance is demanded at the reporting date. In this respect, the directors considered such balances to have low credit risk and a low risk of default. Accordingly, the expected credit loss allowance attributable to amounts owed by related parties and other receivables was deemed immaterial as at 31 March 2025 and 2024.

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally the bonds issued to the general public (Note 20), other interest-bearing borrowings (Note 20), lease liabilities (Note 21) and trade and other payables (Note 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by reviewing expected cash flows, and ensures that no additional financing facilities are expected to be required over the coming year. This is also performed at a central treasury function which controls the overall liquidity requirements of the Group within certain parameters. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's committed bank borrowing facilities and other intra-Group financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Group as significant taking into account the liquidity management process referred to above. Furthermore, after considering the financing options available (disclosed in Note 20) and the support from related parties and the shareholder, the directors are confident that the Group and the company are in a position to meet commitments as and when they fall due.

The following table analyses the Group's and the company's financial liabilities into relevant maturity Groupings based on the remaining repayment period at the end of the financial reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

2. FINANCIAL RISK MANAGEMENT - continued

GROUP	Less than one year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 March 2025					
Borrowings (Note 20)	14,012,333	12,403,355	100,376,364	-	126,792,052
Bonds	2,827,500	2,827,500	65,196,354	-	70,851,354
Bank loans	11,006,500	9,575,855	35,180,010	-	55,762,365
Bank overdrafts	178,333	-	-	-	178,333
Trade and other payables (Note 19)	44,068,471	233,092	-	-	44,301,563
Trade payables	16,005,847				16,005,847
Payments with respect to capital expenditure	2,830	233,092	-	-	235,922
Amounts owed to shareholder	250,000	-	-	-	250,000
Amounts owed to associates	25,720,858	-	-	-	25,720,858
Amounts owed to other related parties	115,514	-	-	-	115,514
Other payables	1,973,422	-	-	-	1,973,422
Lease liabilities (Note 21)	16,930,114	5,535,162	8,651,384	212,479,383	243,596,043
Property leases	4,848,970	2,375,979	3,912,610	58,493,641	69,631,200
Amounts due to Government in relation to land held under temporary emphyteusis	12,081,144	3,159,183	4,738,774	153,985,742	173,964,843
	75,010,918	18,171,609	109,027,748	212,479,383	414,689,658
Cash and cash equivalents (Note 14)	89,547,803	-	-	-	89,547,803
Trade and other receivables (Note 12)	66,199,326	-	286,702	-	66,486,028
Trade receivables	9,986,311	-	-	-	9,986,311
Amounts owed by director	3,428,130	-	-	-	3,428,130
Amounts owed by associates	43,215,616	-	-	-	43,215,616
Amounts owed by other related parties	139,978	-	-	-	139,978
Other receivables	6,427,005	-	286,702	-	6,713,707
Other assets (Note 14)	3,002,286	-	-	-	3,002,286
Financial assets at FVPL (Note 15)	-	3,475,328	-	-	3,475,328
	155,747,129	3,475,328	286,702	-	159,509,159

2. FINANCIAL RISK MANAGEMENT - continued

GROUP	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 March 2024					
Borrowings (Note 20)	8,184,887	8,701,683	77,618,821	-	94,505,391
Bonds	2,827,500	2,827,500	67,827,500	-	73,482,500
Bank loans	4,856,135	5,874,183	9,791,321	-	20,521,639
Bank overdrafts	501,252	-	-	-	501,252
Trade and other payables (Note 19)	28,864,509	203,456	-	-	29,067,965
Trade payables	9,412,045	-	-	-	9,412,045
Payments with respect to capital expenditure	4,217	203,456	-	-	207,673
Amounts owed to shareholder	148,690	-	-	-	148,690
Amounts owed to associates	15,665,052	-	-	-	15,665,052
Amounts owed to other related parties	3,452,596	-	-	-	3,452,596
Other payables	181,908	-	-	-	181,908
Lease liabilities (Note 21)	13,263,264	4,613,642	10,894,765	176,204,757	204,976,428
Property leases	2,727,514	3,051,133	6,136,925	18,412,251	30,327,823
Amounts due to Government in relation to land held under temporary emphyteusis	10,535,750	1,562,509	4,757,840	157,792,506	174,648,605
	50,312,660	13,518,781	88,513,586	176,204,757	328,549,784
Cash and cash equivalents (Note 14)	71,036,869	-	-	-	71,036,869
Trade and other receivables (Note 12)	10,199,106	-	387,137	-	10,586,243
Trade receivables	5,581,886	-	-	-	5,581,886
Amounts owed by director	12,429	-	-	-	12,429
Amounts owed by associates	2,220,986	-	-	-	2,220,986
Amounts owed by other related parties	154,385	-	-	-	154,385
Other receivables	2,229,420	-	387,137	-	2,616,557
Financial assets at FVPL (Note 15)	-	2,232,316	-	-	2,232,316
	81,235,974	2,232,316	387,137	-	83,855,428

2. FINANCIAL RISK MANAGEMENT - continued

COMPANY	Less than one year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 March 2025					
Borrowings (Note 20)	2,556,114	2,145,994	-	-	4,702,108
Bank loans	2,556,114	657,893	-	-	3,214,007
Loan from subsidiary	-	1,488,101	-	-	1,488,101
Trade and other payables (Note 19)	189,469,254	-	-	-	189,469,254
Amounts owed to shareholder	250,000	-	-	-	250,000
Amounts owed to subsidiaries	186,417,200	-	-	-	186,417,200
Amounts owed to other related parties	2,802,054	-	-	-	2,802,054
	192,025,368	2,145,994	-	-	194,171,362
Cash and cash equivalents (Note 14)	64,317,428	-	-	-	64,317,428
Trade and other receivables (Note 12)	42,429,945	657,838	-	12,115,347	55,203,130
Amounts owed by director	1,944,063	-	-	-	1,944,063
Amounts owed by subsidiaries	36,114,755	657,838	-	12,115,347	48,887,940
Amounts owed by associates	4,358,287	-	-	-	4,358,287
Amounts owed by other related parties	12,840	-	-	-	12,840
Financial assets at FVPL (Note 15)	-	3,475,328	-	-	3,475,328
	106,747,373	4,133,166	-	12,115,347	122,995,886

2. FINANCIAL RISK MANAGEMENT - continued

COMPANY	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		€	€	€	€
At 31 March 2024					
Borrowings (Note 20)	2,647,709	5,142,916	-	-	7,790,625
Bank loans	2,580,000	3,519,398	-	-	6,099,398
Loan from subsidiary	67,709	1,623,518	-	-	1,691,227
Trade and other payables (Note 19)	89,947,298	-	-	-	89,947,298
Amounts owed to subsidiaries	87,161,554	-	-	-	87,161,554
Amounts owed to other related parties	2,785,744	-	-	-	2,785,744
	92,595,007	5,142,916	-	-	97,737,923
Cash and cash equivalents (Note 14)	48,201,728	-	-	-	48,201,728
Trade and other receivables (Note 12)	14,306,040	2,550,274	657,526	12,115,347	29,629,187
Amounts owed by director	2,000	-	-	-	2,000
Amounts owed by subsidiaries	13,817,286	2,550,274	657,526	12,115,347	29,140,433
Amounts owed by associates	461,754	-	-	-	461,754
Amounts owed by other related parties	25,000	-	-	-	25,000
Financial assets at FVPL (Note 15)	-	2,232,316	-	-	2,232,316
	62,507,768	4,782,590	657,526	12,115,347	80,063,231

2. FINANCIAL RISK MANAGEMENT – continued

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the entity'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 parent company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group also monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings, as shown in the consolidated statement of financial position, less cash at bank and in hand. Total capital is calculated as total equity, as described below, plus net debt. The aggregated figures in respect of the Group are reflected in the following table:

	2025 €	2024 €
Total external borrowings (Note 20)	**123,401,672**	88,354,646
Less: cash at bank and in hand (Note 14)	**(89,547,803)**	(71,036,869)
Net debt	**33,853,869**	17,317,777
Equity - as shown in the consolidated statement of financial position	**241,127,494**	211,378,507
Total capital	**274,981,363**	228,696,284
Net debt/total capital	**12.31%**	7.57%

The level of capital of SD Holdings Limited as reflected in the consolidated statement of financial position is maintained by reference to its respective financial obligations and commitments arising from operational requirements. The Group is willing to accept a net debt/total capital ratio of 130% at maximum. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the directors.

2.3 Fair values of financial instruments

Financial instruments not carried at fair value

At 31 March 2025 and 2024, the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short-term borrowings including balances with related parties, reflected in the financial statements, are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the Group's non-current payables and bank borrowings at floating interest rates and the fair value of the company's non-current receivables as at the reporting date is not significantly different from the carrying amounts. The carrying amounts of the other financial liabilities as at 31 March 2025, comprising lease liabilities, are reasonable estimates of their fair value as there have not been significant changes in the Group's internal borrowing rate since the date of transition to IFRS 16. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorise d as Level 2 within the fair value measurement hierarchy required by IFRS 7, 'Financial instruments: Disclosures'. Information on the fair value of the company's bonds issued to the general public is disclosed in Note 20 to the financial statements. The fair value estimate in this respect is deemed Level 1 as it constitutes a quoted price in an active market.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors, with the exception of matters disclosed in Note 4, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1.

As referred to in Note 4 to the financial statements, the Group's land and buildings category of property, plant and equipment is fair valued periodically by the directors on 31 March on the basis of professional advice, which considers current market prices in an active market for all properties.

Assets held for sale and discontinued operations
Management is required to exercise judgement in determining whether the criteria set out in IFRS 5 for non-current assets as held for sale are met. This determination involves judgment on whether the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Management is also required to exercise judgement in determining the fair value less cost to sell of the assets held for sale. When the carrying amount is higher than the fair value less costs to sell the Group writes-down value of the assets held for sale.

Management must exercise judgment in estimating the fair value less costs to sell including considering the transaction price agreed in the share purchase agreement and an estimate for transaction costs.

As at 31 March 2025, Management concluded to classify the following associates as assets held for sale:

Company	% Ownership prior to discontinuation	Place of business	Business activities
Kore Air Services Limited (KASL)	40%	Malta	Provision of catering and commissary services to airlines operating from Malta
Kore Inflight Services Ltd (KISL)	40%	Malta	
Malta Healthcare Caterers Ltd (MHCL)	50%	Malta	Provision of healthcare catering services to hospitals and retirement homes, together with the provision of nursing, medical and clinical services

The Management considered these associates to meet the criteria to be classified as held for sale at that date for the following reasons:

- The associates were available for immediate sale and could be sold to the buyer in its current condition
- The actions to complete the sale were completed within one year from the date of initial classification
- A buyer had been identified and negotiations were at an advanced stage as of 31 March 2025, with share purchase agreement between the parties signed on 17 April 2025.

In determining the level within the fair value hierarchy and the respective fair values, significant unobservable inputs were considered by references to the transaction price and the ancillary transaction costs.

	Fair value measurement		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets held for sale	-	-	€14,864,201

The fair value less costs to sell was determined based on the agreed transaction price less estimated costs to sell resulting in a net fair value of €14,864,201.

The transaction price from a binding sale agreement (Note 34) was assessed as approximate to the fair market value that would arise based on available market data and comparable transactions for similar assets. The transaction was conducted on 17 April 2025.

Management has assessed the transaction and determined that the price approximates fair market value. This assessment was based on available market data and comparable transactions for similar assets. The transaction was conducted on normal commercial terms and at arm's length.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

In addition, Management is required to exercise judgment in classifying the asset or disposal group as a discontinued operation in accordance with IFRS 5.

IFRS 5 defines a discontinued operation as a component of an entity that represents a separate major line of business or geographical area of operations and can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. The disposal group's operations and cash flows are clearly distinguishable, satisfying the definition of a component of an entity.

While IFRS 5 does not prescribe quantitative thresholds for determining what constitutes a "separate major line of business," management referred to the guidance in IFRS 8 Operating Segments as a benchmark. Based on this analysis, Management determined that the aforementioned associates qualifies as a separate major line of business for the purposes of IFRS 5.

For more details on the discontinued operation, refer to Note 9 Investments in associates.

Acquisition of Hotel Property

During the financial year, the Company entered into a purchase agreement with Porto Azzurro Limited, an associate to purchase the property, plant and equipment and inventories held by the associate. A critical judgement was required in determining whether this transaction constituted a business combination as defined in IFRS 3 Business Combinations or an asset acquisition.

Under IFRS 3, a business consists of an integrated set of activities and assets that is capable of being conducted and managed to provide goods or services to customers, generate investment income, or generate other income from ordinary activities. The assessment focused on whether the acquired set included both inputs and substantive processes capable of producing outputs.

In making this determination, the Group evaluated whether the acquired assets included both inputs and substantive processes capable of producing outputs, as required under IFRS 3. The following considerations were central to the assessment:

- Operational processes: The acquisition did not include any systems, procedures, or management personnel essential to operating the business. There were no documented substantive processes transferred that would constitute a business under IFRS 3;

- Rank-and-file personnel: Only certain rank-and-file hotel staff were transferred as part of the transaction, which in the opinion of directors did not represent a substantive process. These staff members primarily execute operational tasks and do not direct or manage the processes critical to the generation of outputs.

- Key personnel: The transaction did not include the transfer of any key management personnel or employees with strategic decision-making responsibilities, which are typically necessary to operate and direct a business. The absence of individuals responsible for managing operations, implementing policies, or overseeing financial and operational activities was a critical factor in concluding that no substantive processes were acquired.

- Contractual arrangements: Only a limited number of time-sharing agreements were acquired, but these were limited in duration (less than one year) and insufficient to constitute a substantive process or established customer relationship base. The Group did not acquire any long-term revenue agreements or any agreements with suppliers.

In addition to the qualitative assessment, the Group also applied the optional concentration test under IFRS 3 and determined that substantially all of the fair value of the gross assets acquired was concentrated in the hotel property (land and buildings), further supporting the conclusion that the transaction was an asset acquisition.

Based on this assessment, management concluded that the transaction did not constitute a business combination under IFRS 3. Accordingly, the acquisition was treated as an asset acquisition, and the consideration paid was allocated to the individual identifiable assets based on their relative fair values. No goodwill was recognised, and transaction costs were capitalised as part of the asset cost.

This judgement was significant as it affected the accounting treatment, including the absence of goodwill recognition, the treatment of acquisition costs, and the initial measurement of acquired assets. Property acquired is included in Note 4 Property, plant and equipment. Additional disclosures can also be found on Note 9 Investments in associates.

4. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings	Assets in course of construction and advance payments	Computer equipment	Furniture, fixtures & fittings	Plant, machinery & operational equipment	Motor vehicles	Total
	€	€	€	€	€	€	€
Cost or Valuation							
As at 31 March 2023	159,844,258	3,453,652	1,842,052	62,663,410	20,175,513	750,069	248,728,954
Additions	530,781	64,586	275,856	5,332,626	2,411,308	156,260	8,771,417
Revaluation	58,562,904	-	-	-	-	-	58,562,904
Transfer*	(5,604,974)	-	-	-	-	-	(5,604,974)
Reclassified from investment property	-	4,741,508	-	-	-	-	4,741,508
Commissioned assets	100,246	(2,141,410)	6,817	1,777,895	256,452	-	-
As at 31 March 2024	213,433,215	6,118,336	2,124,725	69,773,931	22,843,273	906,329	315,199,809
Additions	**18,936,247**	**1,583,237**	**108,667**	**3,861,903**	**2,769,710**	**106,156**	**27,365,920**
Disposals	**(88,340)**	-	**(13,000)**	**(221,219)**	**(256,277)**	-	**(578,836)**
Reclassified from investment property (Note 5)	**610,287**	-	-	-	-	-	**610,287**
Revaluation	**12,647,809**	-	-	-	-	-	**12,647,809**
Modification to the right-of-use asset (Note 21)	**(605,404)**	-	-	-	-	-	**(605,404)**
Commissioned assets	**43,954**	**(87,516)**	-	**9,898**	**33,664**	-	-
As at 31 March 2025	**244,977,768**	**7,614,057**	**2,220,392**	**73,424,513**	**25,390,370**	**1,012,485**	**354,639,585**
Accumulated depreciation							
As at 31 March 2023	(4,278,987)	-	(1,414,648)	(44,893,590)	(13,125,840)	(672,177)	(64,385,242)
Depreciation charge for the year	(1,654,338)	-	(238,293)	(4,979,157)	(1,815,294)	(51,362)	(8,738,444)
Transfer*	5,604,974	-	-	-	-	-	5,604,974
As at 31 March 2024	(328,351)	-	(1,652,941)	(49,872,747)	(14,941,134)	(723,539)	(67,518,712)
Depreciation charge for the year	**(1,237,680)**	-	**(196,573)**	**(3,945,522)**	**(1,949,455)**	**(72,278)**	**(7,401,508)**
Disposals	**24,215**	-	**13,000**	**104,837**	**130,001**	-	**272,053**
As at 31 March 2025	**(1,541,816)**	-	**(1,836,514)**	**(53,713,432)**	**(16,760,588)**	**(795,817)**	**(74,648,167)**
Net book amount							
As at 31 March 2024	213,104,864	6,118,336	471,784	19,901,184	7,902,139	182,790	247,681,097
As at 31 March 2025	**243,435,952**	**7,614,057**	**383,878**	**19,711,081**	**8,629,782**	**216,668**	**279,991,418**

4. PROPERTY, PLANT AND EQUIPMENT - continued

Commissioned assets pertain to assets under construction and advance payments which are reclassified to other classes of property, plant and equipment upon their completion. In 2025, assets in course of construction of €53,852 (2024: €1,878,141) were reclassified to land and buildings and furniture, fixtures & fittings, while advance payments of €33,664 (2024: €263,269) were reclassified to computer equipment and plant, machinery & operational equipment.

Additions to land and buildings for the year include €8,500,000 relating to the purchase of a hotel property (see Note 9). Transaction costs and subsequent improvements on the acquired property of €868,764 were also capitalised during the year. Additions to land and buildings for the year also comprise of building improvements on hotel properties amounting €751,025. Remaining additions pertain to subsequent improvement on properties of the catering segment of the Group.

The transfer of cost and accumulated depreciation in 2024 relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Other noncurrent assets of €37,527,821 and €4,243,897 as at 31 March 2025 and 2024, respectively, in the statement of financial position represent deposits made to contractors for the development of the St George's Bay Multi Purpose Development project.

The gross carrying amount property, plant and equipment not yet in use by the Group as at 31 March 2025 and 2024, amounted to €7,614,057 and €6,118,336, respectively.

As at 31 March 2025 and 2024, the gross carrying amount of fully depreciated property, plant and equipment still in use by the Group amounted to €34,706,074 and €16,212,721, respectively.

In 2024, the Group reclassified the portion of the right-of-use asset on the property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company (Note 5) which is earmarked to be developed as an owner-occupied property. Change in use to owner-occupied was supported by the commencement of the project on 12 July 2023, and as such management reclassified the investment property to the separate components of the project.

In 2025, the Group remeasured its lease liability to the Government due to a reduction in the leased area (Note 21). During the year, the Group reclassified a portion of the right-of-use asset from investment property to property, plant and equipment due to a change in use to owner-occupied (Note 5).

During the current financial year, the cost of right-of-use assets also include capitalised borrowing cost of €77,567 representing the imputed interest component on the amounts due to the Government (refer to Note 21).

The Company leases out a portion of its hotel reception to tour operators for placement of service desks. Total rental income recognised for the leased portion amounted to €108,657 in 2025 (2024: €202,753) (See Note 26).

All bank borrowings in the name of Group undertakings are secured on the Group's land and buildings (refer to Note 20).

Fair valuation of property

A valuation of the property was performed during the year under review and an income approach was adopted by management for the valuation of the property. The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

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

The Group's revalued land and buildings, consist principally of the db Seabank Resort & SPA and the db San Antonio Hotel & SPA, being operational property that is owned and managed by the respective Group undertakings, and the portion of the right-of-use asset in the St George's Bay Multi Purpose Development project earmarked to be developed as an owner-occupied property. The recurring property fair value measurements at the end of each financial period presented use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the current and preceding financial year.

A reconciliation from the opening balance to the closing balance of property for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, for the current and preceding financial year, is reflected in the table above.

4. PROPERTY, PLANT AND EQUIPMENT - continued

The revaluation uplift in the value of Land and Building was deemed to be attributable to the land element (owned or leased) after having considered the location of the lands held and the potential for future development and the resulting potential for future income generation.

Valuation processes

The valuation of the property is performed regularly. The Group's and company's policy is to revalue land and buildings at least every three years. These reports are based on both:

- information provided by the Group which is derived from the respective Group undertaking's financial systems and is subject to the entity's overall control environment; and

- assumptions and valuation models used by the valuer; with assumptions being typically market related and based on professional judgement and market observation.

The Group's Board of directors review the valuation report and then consider it as part of its overall responsibilities. At the end of a reporting period, when an external valuation is not performed, the directors assess whether any significant changes or developments have been experienced since the last external valuation. This analysis is usually supported by an assessment of the Group's projected income streams.

Fair valuation of db Seabank Resort & SPA and the db San Antonio Hotel & SPA
Valuation techniques

The valuation of the Level 3 property as at 31 March 2024 has been performed using the discounted cash flow approach. In view of a limited number of similar or comparable properties and property transactions, comprising sales or rentals, in the local market, the valuation has been performed using unobservable inputs. The significant inputs to the approach used are generally those described below:

Discounted cash flow ("DCF") approach: considers the free cash flows arising from the projected income streams expected to be derived from the operation of the property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this technique include:

Growth rate — based on management's estimated average growth of the respective company's EBITDA levels, mainly determined by projected growth in income streams.

Discount rate — reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium adjusted for entity-specific risk factor; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

Information about fair value measurements, relating to fair valuation made during the year, using significant unobservable inputs (Level 3):

Description by class based on highest and best use	**Valuation technique**	**Significant unobservable input**	**Range of unobservable inputs**
Current use as commercial hotel operations.	DCF approach	Growth rate	2% - 2.5% after 2025
		Discount rate	8.9% (post-tax)

With respect to the DCF approach, an increase in the projected level growth rate would result in an increased fair value of the property, whereas a higher discount rate would give rise to a lower fair value.

4. PROPERTY, PLANT AND EQUIPMENT - continued

An analysis of the impact of a reasonable change in the significant unobservable inputs on the fair value of the property is included below:

	Growth rate	Discount rate
	€	€
(+) 0.5%	14,642,963	(15,574,103)
(-) 0.5%	(12,852,801)	18,320,638

At 31 March 2025 and 2024, the directors consider the current use of the properties to be equivalent to the highest and best use.

In 2024, the amount recognised in other comprehensive income and revaluation reserve in equity with respect to fair value of the property amounted to €51,053,524 (Note 17) as a result of the fact that the Group revised its forecast following the strong recovery and results after the impact of Covid 19. The deferred tax liability arising from the revaluation amounted to €7,509,380 (Note 11).

The Group did not engage an independent valuer in 2025. As at 31 March 2025, following an assessment by the directors on the basis of the amounts presently in force, the fair value of the property is deemed to fairly approximate its carrying amount.

Fair valuation of right-of-use asset in the St George's Bay Multi Purpose Development project

Valuation techniques

The valuation of the Level 3 property as at 31 March 2025 has been performed using the discounted cash flow approach. The significant inputs to the approach used are generally those described below:

Discounted cash flow ("DCF") approach: considers the free cash flows arising from the projected income streams expected to be derived from the operation of the property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this technique include:

Growth rate	based on management's estimated average growth of the respective company's EBITDA levels, mainly determined by projected growth in income streams.
Discount rate	reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium adjusted for entity-specific risk factor; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

Information about fair value measurements, relating to fair valuation made during the year, using significant unobservable inputs (Level 3):

Description by class based on highest and best use	**Valuation technique**	**Significant unobservable input**	**Range of unobservable inputs**
Commercial leasing of space	DCF approach	Growth rate	2% - 4%
		Discount rate	11.2% - 11.5%

Sensitivity Analysis

An analysis of the impact of a reasonable change in the significant unobservable on the fair value of the property is included below:

	Growth rate	Discount rate
	€	€
(+) 0.5%	2,482,544	(9,999,799)
(-) 0.5%	(2,228,407)	12,891,212

4. PROPERTY, PLANT AND EQUIPMENT - continued

In 2025, the amount recognised in other comprehensive income and revaluation reserve in equity with respect to the portion of right-of-use asset in the St George's Bay Multi Purpose Development project earmarked to be developed as an owner-occupied property amounted to €11,130,071 (Note 17). The deferred tax liability arising from the revaluation amounted to €1,517,737 (Note 11).

The Group did not engage an independent valuer in 2024. As at 31 March 2024, following an assessment by the directors on the basis of the amounts presently in force, the fair value of the property is deemed to fairly approximate its carrying amount.

If the land and buildings were measured on the historical cost basis, the amounts would be as follows:

	2025 €	2024 €
Cost	**106,847,001**	74,755,106
Accumulated depreciation	**(8,606,365)**	(7,368,685)
Net book amount	**98,240,636**	67,386,421

5. INVESTMENT PROPERTY UNDER DEVELOPMENT

	GROUP	
	2025	2024
	€	€
Year ended 31 March		
Opening cost and carrying amount	**18,198,687**	82,628,497
Additions resulting from subsequent expenditure	**2,215,311**	2,075,667
Modification to the right-of-use asset	**(2,323,640)**	-
Reclassification to Inventory	**(17,480,071)**	(61,763,969)
Reclassification to Property, plant and equipment	**(610,287)**	(4,741,508)
Closing fair value and carrying amount	**-**	18,198,687

The Group's investment property represents property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company. DB San Gorg Property Limited entered into a 99-year concession agreement with the Government of Malta and the Government Property Department on 1 February 2017 for the acquisition of the title of temporary emphyteusis of three portions of land having a total surface area of circa 24,000 sqm. The said land is located in St Julian's. This property, subject to the securing of all necessary development permits, is earmarked as a mixed-use development encompassing a five-star hotel, residential tower, shopping mall, large underground car park and other amenities to complement the project. During the preceding financial year, the company has submitted an application for a revised downscaled development plan for the St George's Bay Multi Purpose Development project with the Planning Authority, which was eventually approved. However, such approval was subject to an appeal process, which appeal was in fact lodged by third parties.

On 31 May 2023, the Court of Appeal (Inferior Jurisdiction) upheld the decision of the Environmental and Planning Review Tribunal dated 14 December 2021, whereby the Tribunal approved the contents of planning application number: PA3807/17, by means of two decisions given out on 31 of May 2023. To this effect, as at 12 July 2023, the Group has received the executable full development permit. The Board of Directors has instructed management to set forward the commencement of the project. On 12 April 2024, the request for re-trial for revocation of permit turned down by courts of justice.

5. INVESTMENT PROPERTY UNDER DEVELOPMENT - continued

The contract of acquisition of the emphyteutical grant and related acquisition costs are payable over an extended period of time (refer to Note 21) and was therefore discounted to its present value of €60.1 million at the date of purchase. The concession agreement described above makes reference to the variability in the ground rent payable on the basis of the net floor area and gross floor area of respective parts of the development. As a result of the latest development plans and the related significant reductions in the development areas, the said subsidiary is in discussions with the relevant government authorities to revise the ground rent payments in respect of the aforementioned clause. Accordingly, considering that these discussions are at an early stage, and the eventual conclusions on the ground rents payable going forward are unknown, the directors are of the opinion that the best estimate available at the end of the financial period is to base the measurement of the related financial liability on the amounts specified in the concession agreement that is presently in force and referred to above. Inevitably, should the final outcomes be significantly different from the present amounts the arising values of the respective assets and liabilities would be different from their carrying amounts.

Furthermore, the directors considered it appropriate to recognise the respective assets and liabilities arising from the concession agreement referred to above, on the basis that they believe that the St George's Bay Multi Purpose Development project will materialise in a way that it is not significantly different from the submitted development plans and the formal commitment that the company has from its parent undertaking that it will provide the necessary financial support with respect to the project and to enable the subsidiary to meet its obligations as and when they fall due.

During the current financial year, the said subsidiary continued incurring subsequent expenditure on the acquired land. The additions for 2025, disclosed in the table above, also include capitalised borrowing cost of €297,711 (2024: €1,655,364) representing the imputed interest component on the amounts due to the Government (refer to Note 21) and development cost of €1,995,120 incurred on the site to date.

The interest rates used to determine the amount of borrowing costs eligible for capitalisation was 4.37% (2024: 3.45%).

Upon commencement of the project on 12 July 2023, management reclassified the investment property to the separate components of the project. The cost of the right-of-use over the land and other capitalised costs is allocated to the separate components of the project based on the applicable lease rate as stipulated in the agreement and the net floor space allocated to each component.

In 2025, the Group reclassified the investment property under development due to a change in use evidenced by management's strategic decisions and development activity.

Reclassification to Inventory

Investment property under development amounting to €17,480,071 was reclassified to inventory following the Group's intention to sell part of the project to an associated company as part of its ordinary activities.

Reclassification to Property, plant and equipment

Investment property under development amounting to €610,287 was reclassified to property, plant and equipment after its intended use changed to owner-occupied hotel and leisure premises.

As at 31 March 2025, the right-of-use over the land and other capitalised costs is split as follows:

		2025	2024
		€	€
Investment property		-	18,198,687
Inventories	Note 7	**69,655,511**	61,763,969
Property, plant and equipment	Note 4	**4,803,760**	4,741,508

Fair valuation of property

The Group did not engage an independent valuer in 2024. As at 31 March 2025, following an assessment by the Directors on the basis of the amounts presently in force, the fair value of the property is deemed to fairly approximate its carrying amount.

6. INTANGIBLE ASSETS

	GROUP 2025 €	2024 €
Franchise license rights		
Year ended 31 March		
Opening net book amount	**888,667**	929,363
Additions	**478,755**	65,593
Amortisation charge	**(146,771)**	(106,289)
Closing net book amount	**1,220,651**	888,667
At 31 March		
Cost	**4,699,586**	4,220,831
Accumulated amortisation	**(3,478,935)**	(3,332,164)
Net book amount	**1,220,651**	888,667

The intangible assets represent the value of franchise license rights and related brand costs, covering a period of fifteen to twenty years, to use the Hard Rock Café, the Starbucks brand names and certain other trade names, service marks, logos and commercial symbols related to the operation of restaurant/bar establishments and sale of merchandise in accordance with the respective franchise agreement.

As at 31 March 2025 and 2024, the cost of fully depreciated intangible assets still in use by the Group amounted to €514,678 and €426,647, respectively.

7. INVENTORIES

Inventories represent the portion of the right-of-use asset on the property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company (Note 5) which is earmarked to be realised through development and subsequent sale and development costs incurred on the site to date split as follows:

		GROUP 2025 €	2024 €
Right-of-use assets	Note 5	**69,655,511**	61,763,969
Development costs		**6,524,440**	7,137,253
		76,179,951	68,901,222

On 9 December 2024, the Group entered into a contract of sale for the temporary utile dominium for the remaining period from 99 years which commenced on 1 February 2017 of an airspace for the construction of an apartment unit and the relative undivided share in ownership of the airspace intended for the construction of all the parts intended for common use having an aggregated floor area of 273sqm. The total cost of sales amounted to €455,113, representing the value of the right-of-use asset which was transferred to the buyer.

The modification to the lease liability which has been adjusted to the right-of-use asset allocated to inventories amounted to €7,886,131.

During the current financial year, the cost of right-of-use assets allocated to inventories also include capitalised borrowing cost of €1,008,978 representing the imputed interest component on the amounts due to the Government (refer to Note 21).

8. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2025 €	2024 €
Year ended 31 March		
Opening net book amount	**36,516,136**	36,511,336
Additions	**54,912,095**	4,800
Disposals	**(612,000)**	-
Closing net book amount	**90,816,231**	36,516,136
At 31 March		
Cost	**90,816,231**	36,516,136

The principal subsidiaries at 31 March, whose results and financial position affected the figures of the Company, are shown below:

	Registered office	Class of shares held	Percentage of shares held 2025	2024
DB San Gorg Property Limited	DB Seabank Hotel, Marfa Road, Ghadira, Mellieha, Malta	Ordinary shares	100%	100%
Hotel San Antonio Limited	San Antonio Hotel and Spa Triq it-Turisti St. Paul's Bay, Malta	Ordinary shares	50%	50%
		Preference A shares	50%	50%
		Preference B shares	100%	100%
SD Finance plc	Seabank Hotel Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
Seabank Hotel and Catering Limited	Seabank Hotel Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
		Preference shares	100%	100
DB Lifestyle Group Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
SDH Capital Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
DB Porto Hotel Limited (Incorporated on 2 August 2024)	DB Group Head Office - D Business Centre, Central Business District, Triq L- Industrija, Qormi, Malta	Ordinary shares	100%	-
DB Group Holdings Limited (Incorporated on 17 February 2025)	DB Group Head Office - D Business Centre, Central Business District, Triq L- Industrija, Qormi, Malta	Ordinary shares	100%	-
SD Overseas Holdings Limited (Incorporated on 04 June 2024)	Al Khatem Tower, Abu Dhabi Global Market Square, Abu Dhabi, Al Maryah Island, United Arab Emirates	Ordinary Shares	100%	-

8. INVESTMENTS IN SUBSIDIARIES - continued

During 2025, the Group commenced an internal restructuring of its shareholdings. The restructuring did not have an impact on the ultimate shareholdings of SD Holdings Limited. The restructuring primarily entailed the below steps:

- Incorporation of DB Group Holdings Limited as a wholly owned subsidiary of SD Holdings Limited;
- Transfer of shareholding of entities owned by SD Holdings Limited to DB Group Holdings Limited for a consideration of €612,000, equivalent to the carrying amount of the investments. SD Finance Plc, the only listed entity within the Group, and Seabank Hotel and Catering Limited were not part of the transfer;
- Assignment of interest-bearing group receivables amounting to €54,903,525 by Seabank Hotel and Catering Limited and Hotel San Antonio Limited to SD Holdings Limited. The interest-bearing group receivables were obtained through external funding by the subsidiaries and were advanced to the Group's other subsidiaries. The assignment was executed for a consideration of the same amount;
- Contribution of the assigned group receivables amounting to €54,903,525 by SD Holdings Limited in exchange for 54,903,525 Ordinary B shares in DB Group Holdings Limited. As a result of the capitalization, the total carrying amount of investment in DB Group Holdings Limited amounts to €54,904,725 as of 31 March 2025.

The resulting tax advantages for the Group would primarily emanate from that all interest expense incurred by the Group, being considered to be tax deductible at the level of DB Group Holdings Limited, which can be used against any distributions received by any of the subsidiaries owed by DB Group Holdings Limited.

In addition to the investments in subsidiaries of the Company shown in the preceding table, the following are the investments in subsidiaries of the Group:

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held 2025	2024
Evergreen Travel Limited	Akara Building 24 De Castro Street, Wickhams Cay, Road Town, Tortola British Virgin Islands	Hotel San Antonio Limited	Hotel San Antonio Limited	Ordinary shares	100%	100%
J.D. Catering Ltd.	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	S.R.G.N. Company Limited	S.R.G.N. Company Limited	Ordinary shares	100%	100%
SA Marketing Company Limited	Grand Hotel Mercure San Antonio Tourists Street, St. Paul's Bay, Malta	Hotel San Antonio Limited	Hotel San Antonio Limited	Ordinary shares	100%	100%
Sea Port Franchising Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Seabank Hotel and Catering Ltd	db Group Holdings Limited	Ordinary shares	100%	100%
S.R.G.N. Company Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Seabank Hotel and Catering Ltd	Seabank Hotel and Catering Ltd	Ordinary shares	100%	100%
DB Lifestyle Operation Limited	29 Farm Street London, England	DB Lifestyle Group Limited	DB Lifestyle Group Limited	Ordinary shares	100%	100%

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held 2025	2024
	W1J 5RL					
DB Lifestyle Real Estate Limited	29 Farm Street London, England W1J 5RL	DB Lifestyle Group Limited	DB Lifestyle Group Limited	Ordinary shares	100%	100%
DB Porto Operations Limited (Incorporated on 6 September 2024)	DB Group Head Office – D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta.	N/A	db Porto Hotel Limited	Ordinary shares	100%	100%
DB Projects Ltd	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
Debar Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
DB Ice Cream Limited (Incorporated on 10 January 2024)	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
DB Group Franchising Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
DB Pink Gourmet Limited (Incorporated on 5 February 2024)	DB Seabank Resort & Spa, Marfa Road, Mellieha, Malta	SD Holdings Limited	DB Group Holdings Limited	Ordinary shares	100%	100%
DB Resources Limited (Incorporated on 16 October 2024)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	-

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held	
					2025	2024
DB SG Franchising Limited (Incorporated on 28 November 2024)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	-
DB Paradiso Franchising Limited (Incorporated on 17 February 2025)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	-
DB Café Limited (Incorporated on 17 February 2025)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	-
DB HRC Franchising Limited (Incorporated on 17 December 2024)	DB Group Head Office - D Business Centre, Central Business District, Triq L-Industrija, Qormi, Malta	N/A	DB Group Holdings Limited	Ordinary shares	100%	-
DB SG Mall Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	DB San Gorg Holdings Limited	DB San Gorg Holdings Limited	Ordinary shares	100%	100%
DB San Gorg Holdings Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	SD Holdings Limited	db Group Holdings Limited	Ordinary shares	100%	100%
DB SG Residences Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay,	DB San Gorg Holdings Limited	DB San Gorg Holdings Limited	Ordinary shares	100%	100%

	Registered office	Previously held through	Currently held through	Class of shares held	Percentage of shares held	
					2025	2024
	Malta					
DB SG Parking Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	DB San Gorg Holdings Limited	DB San Gorg Holdings Limited	Ordinary shares	100%	100%
DB SG Hotel Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	DB San Gorg Holdings Limited	DB San Gorg Holdings Limited	Ordinary shares	100%	100%
DB San Gorg Hotel & Catering Limited	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	DB SG Hotel Limited	DB SG Hotel Limited	Ordinary shares	100%	100%
SD Hotel Investments Holdings Limited (Incorporated on 20 June 2024)	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	N/A	SD Overseas Holdings Limited	Ordinary Shares	100%	-
Porto Azzurro Resort Club Limited (Accounted as investment in associate in 2024. Refer to Note 9)	Porto Azzurro Residence Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Seabank Hotel and Catering Limited	Seabank Hotel and Catering Limited and DB Porto Operations Limited	Ordinary Shares	100%	33.30%

DB Lifestyle Group was set up with its primary objective being that of offering hospitality and catering services within the United Kingdom. The impacts of the related additional investments in the newly incorporated entities were not material in the context of Group's and the Company's financial position.

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

9.a. Investments in Associates

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Year ended 31 March				
Opening carrying amount	**24,138,974**	19,046,570	**5,460**	5,460
Additions	**125,787**	-	-	-
Disposals	**(3,700)**	-	**(4,500)**	
Share of results	**7,485,072**	5,486,700	-	-
Dividend received	**(27,620,877)**	(394,296)	-	-
Reclassified to assets held for sale	**(401,727)**	-	-	-
Closing carrying amount	**3,723,529**	24,138,974	**960**	5,460
At 31 March				
Cost	**3,261,562**	3,139,476	**960**	5,460
Share of results	**32,584,465**	25,099,393	-	-
Dividends received	**(31,720,771)**	(4,099,895)	-	-
Reclassified to assets held for sale	**(401,727)**	-	-	-
Closing carrying amount	**3,723,529**	24,138,974	**960**	5,460

The Group's share of results of the associates, disclosed above and in profit or loss, is after tax and non-controlling interest in the associates. The principal associates at 31 March, whose results and financial position affected the figures of the Group, are shown below:

	Registered office	Class of shares held	Percentage of shares held		
			2025	2024	
DP Road Construction Limited	Sea Bank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary A and C shares	**45%**	45%	(iii)
Malta Healthcare Caterers Limited	JPR Buildings Level 1, Taz-Zwejt Road, San Gwann, Malta	Ordinary shares	**50%**	50%	9.b
Porto Azzurro Limited	Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Ordinary shares	**33.30%**	33.30%	(i)/(iii)

	Registered office	Class of shares held	Percentage of shares held		
			2025	2024	
Porto Azzurro Resort Club Limited (Accounted as investment in subsidiary in 2025)	Porto Azzurro Residence Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Ordinary shares	**100%**	33.30%	(i)
Kore Inflight Services Limited (formerly Sky Gourmet Malta Inflight Services Limited)	Old Terminal Building, St. Thomas Road, Luqa, Malta	Ordinary shares	**40%**	40%	9.b
Kore Air Services Limited (formerly Sky Gourmet Malta Limited)	Old Terminal Building, St. Thomas Road, Luqa, Malta	Ordinary shares	**40%**	40%	9.b
DB Gauci Shopping Mall Limited	Ta' Klara, Triq ir-Ramla, Naxxar, Malta	Ordinary shares	**40%**	45%	(iii)
JSSR Turnkey Projects Limited	The Food Factory BLB014A, Bulebel Industrial Estate, Zejtun, Malta	Ordinary Shares	**25%**	25%	(iii)
HR Hotel FZ-LLC	RAK Bank Head Office Building, Ras Al Khaimah, United Arab Emirates	Ordinary Shares	**50%**	-	(ii)/(iii)

The shareholdings in DP Road Construction Limited and JSSR Turnkey Projects Limited are held directly by SD Holdings Limited whilst the shareholding in HR Hotel FZ-LLC is held by SD Hotel Investments Holdings Limited and the shareholding in DB Gauci Shopping Mall Limited is held by DB San Gorg Property Limited. All the other investments are held through Seabank Hotel and Catering Limited.

Associates are measured using the equity method in accordance with the Group's accounting policy and there are no contingent liabilities relating to the Group's interest in the associates.

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - continued

9.b. Assets held for sale and discontinued operations

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Assets held for sale	**401,727**	-	-	-

In 2025, the Group decided to sell Malta Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services (collectively referred to as "disposal group") and the shareholders of the Group approved the plan to sell. The sale of disposal group is expected to be completed within a year from the reporting date.

At 31 March 2025, the Group classified Malta Healthcare Caterers Limited, Kore Air Services Limited and Kore Inflight Services as a disposal group held for sale and as a discontinued operation.

On 17 April 2025, the Group entered into a share purchase agreement with James B. Holdings, the other party holding 40% of Kore Air Services Limited and Kore Inflight Services and 50% of Malta Healthcare Caterers Limited, to which James B. Holdings agreed to purchase all of the shares of the aforementioned investees held by the Group.

As at 31 March 2024, the principal and significant associates of the Group are Malta Healthcare Caterers Limited and Kore Air Services Limited (formerly Sky Gourmet Malta Limited). The main activity of the Malta Healthcare Caterers Group is the provision of healthcare catering services to hospitals and retirement homes, together with the provision of nursing, medical and clinical services; whilst Kore Air Services Limited's principal activity is the provision of catering and commissary services to airlines operating from Malta. These investments provide strategic partnerships for the Group within business sectors which are targeted by the Group for diversification or consolidation purposes. The principal places of business for both associates are based in Malta.

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - continued

The results of disposal group for the year are presented below:

	Malta Healthcare Caterers Limited Year ended 31 March		Kore Air Services Limited Year ended 31 March		Kore Inflight Services Limited Year ended 31 March		Total Year ended 31 March	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	€	€	**€**	€	**€**	€	**€**	€
Revenue	**144,301,588**	131,541,936	**9,113,573**	8,603,982	**1,262,618**	1,263,473	**154,677,779**	141,409,391
Cost of sales	**(119,881,410)**	(110,537,829)	**(6,030,073)**	(6,040,986)	**(1,237,861)**	(1,238,699)	**(127,149,344)**	(117,817,514)
Gross profit	**24,420,178**	21,004,107	**3,083,500**	2,562,996	**24,757**	24,774	**27,528,435**	23,591,877
Administrative expenses	**(4,412,730)**	(5,025,816)	**(840,049)**	(866,730)	**(3,791)**	(3,368)	**(5,256,570)**	(5,895,914)
Gain on disposal of fixed assets	**-**	-	**30,950**		**-**	-	**30,950**	-
Operating profit	**20,007,448**	15,978,291	**2,274,401**	1,696,266	**20,966**	21,406	**22,302,815**	17,695,963
Other income	**459,268**	1,349,006	**-**	-	**-**	-	**459,268**	1,349,006
Finance income	**645,814**	698,731	**-**	-	**-**	-	**645,814**	698,731
Finance costs	**(1,739,885)**	(1,964,779)	**(2,955)**	(2,729)	**-**	-	**(1,742,840)**	(1,967,508)
Profit before tax	**19,372,645**	16,061,249	**2,271,446**	1,693,537	**20,966**	21,406	**21,665,057**	17,776,192
Tax expense	**(6,948,304)**	(5,832,547)	**(795,988)**	(600,312)	**(7,738)**	(7,092)	**(7,752,030)**	(6,439,951)
Profit for the year	**12,424,341**	10,228,702	**1,475,458**	1,093,225	**13,228**	14,314	**13,913,027**	11,336,241
Other comprehensive income	**7,624**	(11,408)	**-**	-	**-**	-	**7,624**	(11,408)
Total comprehensive income	**12,431,965**	10,217,294	**1,475,458**	1,093,225	**13,228**	14,314	**13,920,651**	11,324,833
Share of results from discontinued operations	**6,215,983**	5,108,647	**590,183**	437,290	**5,291**	5,726	**6,811,457**	5,551,663
Dividend received from discontinued operations/associate	**26,371,146**	-	**1,189,948**	244,075	**59,782**	80,219	**27,620,877**	324,294

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - continued

The major classes of assets and liabilities of the disposal group as at 31 March 2025 are as follows:

	Malta Healthcare Caterers Limited	Kore Air Services Limited	Kore Inflight Services Limited	Total
	€	€	€	€
Non-current assets				
Property, plant and equipment	3,018,509	598,989	-	3,617,498
Intangible assets	1,766,285	-	-	1,766,285
Contract assets	22,964,610	-	-	22,964,610
Right-of-use assets	3,353,947	-	-	3,353,947
Deferred tax assets	380,529	-	-	380,529
Total non-current assets	31,483,880	598,989	-	32,082,869
Current assets				
Inventories	571,412	541,909	-	1,113,321
Trade and other receivables	80,103,991	695,357	161,561	80,960,909
Cash and cash equivalents	5,104,093	1,975,352	-	7,079,445
Total current assets	85,779,496	3,212,618	161,561	89,153,675
Total assets	**117,263,376**	**3,811,607**	**161,561**	**121,236,544**
Non-current liabilities				
Borrowings	16,822,984	-	-	20,155,877
Deferred tax liabilities	-	2,787	-	2,787
Lease liability	2,387,023	-	-	3,390,420
Total non-current liabilities	19,210,007	2,787	-	23,549,084

	Malta Healthcare Caterers Limited	Kore Air Services Limited	Kore Inflight Services Limited	Total
Current liabilities				
Trade and other payables	82,000,474	3,146,031	157,382	85,303,887
Borrowings	3,332,892			
Lease liability	1,003,398			
Current tax liability	10,915,249	661,392	2,955	11,579,596
Total current liabilities	97,252,013	3,807,423	160,337	96,883,483
Total liabilities	**116,462,020**	**3,810,210**	**160,337**	**120,432,567**
Net assets	801,357	1,397	1,224	803,978
Proportion of the Group's ownership	50%	40%	40%	
Carrying amount of the Group's investment	**400,678**	**559**	**490**	**401,727**

The fair value less cost to sell of the disposal group is €14,864,201. Since the fair value less cost to sell is higher than the carrying amount of the disposal group, no write down was recognised on the remeasurement to fair value less costs to sell.

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - continued

Set out below are the 2024 summarised financial information of the above associates, as presented in the respective financial statements.

	Malta Healthcare Caterers Limited	Kore Air Services Limited	Kore Inflight Services Limited	Total
	€	€	€	€
Non-current assets	27,522,092	207,985	-	27,730,077
Current assets	70,653,933	2,810,608	151,749	73,616,290
Non-current liabilities	(21,191,257)	-	-	(21,191,257)
Current liabilities	(35,873,085)	(1,519,121)	(14,297)	(37,406,503)
Net assets	41,111,683	1,499,472	137,452	47,748,607
Proportion of the Group's ownership	50%	40%	40%	
	20,555,842	599,788	54,980	21,210,610
Fair value adjustments upon acquisition	(218,507)	(181,012)	177,527	(221,992)
Carrying amount of the Group's investment	20,337,335	418,776	232,507	20,988,618

The carrying amount of these investments is lower than the Group's share of the net assets reflected above as a result of fair value adjustments made at the time of acquisition and the fact that the share of results for the year of acquisition was not a full financial year.

The net cash flows generated/(incurred) by the disposal group for the year are, as follows:

	Malta Healthcare Caterers Limited	Kore Air Services Limited	Kore Inflight Services Limited	Total
	€	€	€	€
Operating	9,854,602	4,209,326	-	14,063,928
Investing	(2,489,027)	(479,314)	-	(2,968,341)
Financing	(3,873,338)	(2,974,871)	-	(6,848,209)
Net cash (outflow)/inflow	3,492,237	755,141	-	4,247,378

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS – continued

(i) Acquisition of group of assets

On 28 May 2024, the Group and Porto Azzurro Limited entered into a business and asset purchase agreement for the sale of Porto Azzurro Limited's business of operating a hotel including timeshare operations and assets. As part of the business and asset purchase agreement, Porto Azzurro Limited entered into a written promise of sale agreement to sell the Property to the Group.

On 20 November 2024, Porto Azzurro Limited and the Group executed the final deed of sale for the sale of the Property.

Also on the same day, DB Porto Operations Limited entered into a share transfer agreement with Polidano Holdings, Marclem Limited, and Shawncara Ltd which collectively owns 66.67% of Porto Azzurro Resort Club Limited to transfer their interest in the said company in exchange for Eur 669. The remaining 33.33% is owned by Seabank Hotel and Catering Limited, which ultimately makes Porto Azzurro Resort Club Limited a wholly owned subsidiary of the Group.

Group has concluded that this transaction is the acquisition of a group of assets (see Note 3).

Impact of this transaction on the consolidated financial statements can be summarised as follows:

	€
Land and building	8,500,000
Movable properties	73,608
Other assets	426,362
Assets acquired	8,999,970
Consideration, paid in cash/Net cash outflow	8,999,970

(ii) Investment in HR Hotel FZ-LLC

On 17 July 2024, the Group, through SD Hotel Investments Holdings Limited signed a memorandum of association with RAK Hospitality Holding LLC ("RAKHH") for the 50% ownership in HR Hotel FZ-LLC ("HR Hotel"). HR Hotel is a free zone limited liability company operating under trade license no. 47014455 issued by Ras Al Khaimah Economic Zone (RAKEZ) in Ras Al Khaimah, United Arab Emirates. The remaining 50% is owned by RAKHH.

HR Hotel was established to invest in tourism and real estate, manage hotels, and operate resorts.

Management has assessed the nature of its involvement and concluded that the Group has significant influence, but does not have joint control over HR Hotel.

This assessment is based on the following:

- The Group has representation on the board of directors and participates in policy-making processes, including decisions on distributions,
- Voting rights are held equally between both shareholders, with no preferential rights granted,
- Decisions on relevant activities do not require unanimous consent of the shareholders,
- Under the entity's governance structure, board decisions are made by majority vote, and in the event of a tie, the Chairperson (nominated by RAKHH) holds the casting vote.

As the ultimate decision making in relation to the relevant activities over the HR Hotel lies with RAKHH, management has assessed that it exercises significant influence instead of joint control.

9. INVESTMENTS IN ASSOCIATES, ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS – continued

(iii) Summarised financial information

As at 31 March 2025 and 2024, the carrying value of associates that are not individually material amounted to €3,723,529 and €3,959,736. The aggregate comprehensive income of associates that are not individually material is as follows:

	2025	2024
	€	€
Share in net income	**451,086**	71,012
Share in other comprehensive income	-	-
Share in total comprehensive income	451,086	71,012

10. RIGHT-OF-USE ASSETS

The Group leases a number of immovable properties and motor vehicles, which leases are deemed to be within scope of IFRS 16 'Leases'.

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

	Properties	Motor vehicles	Total
	€	€	€
As at 31 March 2023	15,259,718	106,288	15,366,006
Additions	6,534,713	-	6,534,713
Amortisation charge	(2,162,433)	(35,924)	(2,198,357)
As at 31 March 2024	19,631,998	70,364	19,702,362
Additions	**9,450,537**	-	**9,450,537**
Impact of termination of leased assets	**(278,496)**	(5,975)	**(284,471)**
Amortisation charge	**(2,476,736)**	**(32,895)**	**(2,509,631)**
As at 31 March 2025	**26,327,303**	**31,494**	**26,358,797**

The additions for both years pertain to premises rented for operations of newly opened restaurant/bar establishments.

The income statement reflects the following amounts relating to leases:

	2025	2024
	€	€
Amortisation charge of right-of-use assets	**2,509,631**	2,198,357
Interest expense (included in finance costs) (Note 27)	**1,171,331**	611,288
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) (Notes 21 and 23)	**1,700,587**	1,385,254

11. DEFERRED TAXATION

Deferred income taxes are calculated on temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2024: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property which is computed on the basis applicable to disposals of immovable property, i.e. tax effect of 10% (2024: 10%).

11. DEFERRED TAXATION - continued

Deferred taxation is principally composed of deferred tax assets and liabilities which are expected to be recovered and settled after more than 12 months. Deferred tax assets have been recognised in the financial statements on the basis that the directors of the respective companies are of the opinion that it is probable that future taxable profits will be available to utilise such assets.

The balance at 31 March represents:

	GROUP	
	2025	2024
	€	€
Year ended 31 March		
At beginning of year	**(26,237,466)**	(17,453,326)
Credited/(charged) to profit or loss (Note 28):		
Unabsorbed capital allowances	**-**	(235,888)
Unutilised investment tax credits	**-**	(891,976)
Unutilised trading losses	**-**	(431,411)
Temporary differences on property, plant and equipment and provisions for credit loss allowances	**(1,302,671)**	516,985
Temporary differences on right-of-use assets	**183,109**	(232,470)
	(1,119,562)	(1,274,760)
Credited/(charged) to other comprehensive income:		
Unrealized gain on property appraisal (Note 4)	**(1,517,737)**	(7,509,380)
At end of year	**(28,874,765)**	(26,237,466)
Unutilised tax credits arising from:		
Unutilised investment tax credits	**284,551**	284,551
Taxable temporary differences arising from depreciation of property, plant and equipment	**(381,464)**	188,807
Taxable temporary differences arising from revaluation of property, plant and equipment	**(29,464,055)**	(27,196,137)
Deductible temporary differences arising from right-of-use assets	**471,420**	288,313
Deductible temporary differences on provisions for credit loss allowances	**214,783**	197,000
	(28,874,765)	(26,237,466)
Disclosed as follows:		
Deferred tax assets	**997,523**	873,002
Deferred tax liabilities	**(29,872,288)**	(27,110,468)
	(28,874,765)	(26,237,466)

Deferred tax liability on unrealised gain on property appraisal was recognised based on a tax rate of 12% which represents the tax liability which will become due in the event of sale of the property at revalued amounts (Note 4).

The company has an unrecognised deferred tax asset amounting to nil (2024: nil) arising on unutilised tax losses.

12. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Amounts owed by subsidiaries	-	-	**12,773,185**	15,323,147
Other receivables	**286,702**	387,137	-	-
Prepayments	**1,085,813**	-	-	-
Advance payments to suppliers	**114,866**	-	-	-
	1,487,381	387,137	**12,773,185**	15,323,147
Current				
Trade receivables	**9,986,311**	5,581,886	-	-
Less: credit loss allowances	**(613,666)**	(485,144)	-	-
	9,372,645	5,096,742	-	-
Advance payments to suppliers	**342,823**	427,598	-	-
Amounts owed by directors	**3,428,130**	12,429	**1,944,063**	2,000
Amounts owed by subsidiaries	-	-	**36,114,756**	13,817,286
Amounts owed by associates	**43,215,616**	2,220,986	**4,358,287**	461,754
Amounts owed by other related parties	**139,978**	154,385	**12,840**	25,000
Other receivables	**6,427,005**	2,229,420	**1,037,351**	-
Indirect taxation	**169,276**	212,761	-	28,917
Prepayments and accrued income	**1,930,727**	1,629,668	-	-
	65,026,200	11,983,989	**43,467,297**	14,334,957

Trade receivables pertain to receivables from customers arising from revenue arrangements. Net increase pertains to uncollected billings to travel agents for bookings and corporate customers for food package orders received for corporate events.

Amounts owed by directors pertain to advances made by the Group to directors.

Current amounts owed by subsidiaries include current portion of loans amounting to €2,556,114 (2024: €2,425,521) as further described below. Other amounts owed by subsidiaries, associates and other related parties pertain to expenses paid by the Company on behalf of its subsidiaries, associates and other related parties. Apart from the current portion of the loans, the amounts owed by directors, subsidiaries, associates and other related parties are unsecured, interest free and repayable on demand.

Other receivables pertain to receivables from employees, insurance claims and others.

Prepayments and accrued income pertain to prepaid services amortized over a certain period.

Non-current amounts owed by subsidiaries include an amount of €12,115,347 (2024: €12,115,347) relating to the consideration receivable from the sale of intellectual property to DB Group Franchising Limited. These amounts are unsecured, interest free. Other non-current amounts owed by subsidiaries of €657,838 (2024: €3,207,800) are unsecured, subject to interest of 2.5% plus 3-month Euribor in line with the COVID-19 Guarantee Scheme supported by the Malta Development Bank (MDB) until June 2022 and November 2022 for the two loans respectively. Accordingly, the effective average interest rate as at 31 March 2025 is of 5.07% (2024: 4.9%). The loans are repayable as follows:

	COMPANY	
	2025	2024
	€	€
Between 1 and 2 years	**657,838**	2,550,274
Between 2 and 5 years	-	657,526
	657,838	3,207,800

12. TRADE AND OTHER RECEIVABLES - continued

In 2025, the Company received principal repayments of €2,419,370 (2024: €2,101,588) from its subsidiaries relating to the said loan which are presented as advances to subsidiaries under cash flows from investing activities in the statement of cash flows.

Non-current prepayments pertains to prepaid insurance obtained by the Group in relation to the construction activities on the St George's Bay Multi Purpose Development project.

Non-current other receivables represent deposits effected by a Group undertaking to lessor under operating lease arrangements. This is refundable at the end of the lease terms in accordance with the respective lease arrangements.

The increase in non-current advance payments was driven by the increase in advances relating to the DB City Centre project which are expected to be utilized after one year.

As at 31 March 2025, advance payments to suppliers are supported by collateral in the form of bank guarantees for an amount of €322,706 (2024: €472,920) as security for the related services that are due to a subsidiary.

13. INVENTORIES

	GROUP	
	2025	2024
	€	€
Food and beverage	**1,025,372**	985,550
Merchandise	**689,275**	588,042
Consumables and other	**818,548**	608,598
	2,533,195	2,182,190

Inventories are valued at cost as at 31 March 2025 and 2024. The cost of these inventories is deemed to fairly approximate their net realisable value.

There is no allowance for inventory write-down as at 31 March 2025 and 2024.

14. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Cash at bank and in hand	**87,928,964**	69,455,401	**64,317,428**	48,201,728
Funds held in escrow	**1,618,839**	1,581,468	**-**	-
Cash and cash equivalents per balance sheet	**89,547,803**	71,036,869	**64,317,428**	48,201,728
Bank overdrafts (Note 20)	**(178,333)**	(501,252)	**-**	-
Closing carrying amount	**89,369,470**	70,535,617	**64,317,428**	48,201,728

On 7 December 2022, DB Lifestyle Real Estate Limited ("the Tenant"), a wholly-owned subsidiary, entered into a lease agreement for the lease of premises to be used in its operations. The lease agreement requires the parties to enter into an escrow agreement and for the Tenant to pay to the escrow agent the sum of £1.5 million (€1.8 million) as security for the payment of sums towards the Tenant's fit-out works at the property. The Tenant may request in writing from time to time (on demand) to transfer certain amounts in respect of charges, costs, deposits, expenses, and/or fees paid or payable in connection with or in preparation for the Tenant's fit-out works. Considering that the Company has access to the funds upon demand for the specific use mentioned above, the company has concluded classification that such amounts are part of cash and cash equivalents.

14. CASH AND CASH EQUIVALENTS - continued

Bank overdraft represents amount drawn on facility arrangement with banks under which the banks extend credit up to a maximum amount (overdraft limit) against which the Group can make withdrawals to cover working capital needs. This is repayable on demand.

Included in the balance of cash at bank and in hand as at 31 March 2025 is a fixed-term deposit with a local bank with an original maturity of six months from the acquisition date amounting to €5,000,000 (2024: €2,000,000). Such fixed-term deposit can be called upon demand subject to a lower interest rate than the prevailing interest rate should the deposit be held to maturity which is equivalent to the interest rate offered on demand deposits. In its assessment, Management has taken into account that a) the forgone incremental higher interest that the Group would have received if the deposit were held to maturity for withdrawal prior to maturity is not significant , b) in case of earlier demand this does not expose the company to changes in cash different to a demand deposit and c) Group's objective to holding this objective is to facilitate short term cash needs. As such, management has concluded that this deposit qualifies to be treated as cash equivalent.

As at 31 March 2025, the Group holds cash collateral amounting to €2,800,000 (2024: €nil). The cash collateral is designated to secure specific obligations that are due for settlement within twelve months from the balance sheet date and is subject to specific terms and conditions that restrict the Group's ability to utilize or exchange the funds for short-term cash needs. As a result, this amount is classified as "Other assets" in the statement of financial position.

15. FINANCIAL ASSETS AT FVPL

Details of this account are shown below:

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Principal amount	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Fair value	**3,475,328**	2,232,316	**3,475,328**	2,232,316

Financial assets at fair value through profit or loss represents investments in funds.

The change in fair value of these investments in 2025 of €1,243,012 (2024: €232,316) are presented as 'Fair value changes of investments at fair value through profit or loss' in the statement of comprehensive income.

The fair value of the financial assets as at 31 March 2025 was determined based on the latest published net asset value per share as of balance sheet date. These investments are categorized as Level 3 in the fair value hierarchy.

The significant unobservable inputs used in the fair value measurement include the valuation of underlying investment (company performance) and certain market conditions (economic conditions and industry performance). Given the unobservable nature of these inputs, changes in any of these can have a significant impact on the fair value measurement.

16. SHARE CAPITAL

	GROUP AND COMPANY	
	2025	2024
	€	€
Authorised		
4,998,000 (2024: 4,998,000) Ordinary shares of €1 each	**4,998,000**	4,998,000
2,000 (2024: 2,000) Cumulative redeemable preference shares of €1 each	**2,000**	2,000
	5,000,000	5,000,000
Issued and fully paid		
4,000,000 Ordinary shares of €1 each	**4,000,000**	4,000,000
Classified as financial liability		
2,000 Cumulative redeemable preference shares of €1 each	**2,000**	2,000

On 3 May 2023, the founding member of the Company jointly signed agreement with his spouse and the Company to execute a shareholding reorganization with the below steps:

- Step 1: Jointly own and control the Company through 50%-50% ownership and equal rights (including also in terms of voting) of the Company's issued and outstanding common shares (thus both become controlling shareholders)
- Step 2: Fresh issue of 2,000 cumulative mandatorily redeemable (on the occasion of passing away of each individual) preference shares of €1 each subscribed 50%-50% to each one of them;
- Step 3: Donation of the bare ownership of 70% of the ordinary shares (equating to 2,800,000 ordinary shares) to their descendants.

Based on the terms of the agreements, the controlling shareholders will retain in their favour the joint and successive lifelong usufruct of shares donated until the death of the founding member. In this respect up until the death of the founding member of the Company, the current shareholders will have all the rights of the common shares transferred (including decision making capacity for the returns of the Company, right to vote and benefit of 100% of the dividends on common shares).

The cumulative mandatorily redeemable preference shares contain rights for non-discretionary preferred dividends, as long as there are distributable earnings/reserves each year. In more details, the Company has the obligation to pay out a minimum dividend of €250 per share, such obligation becoming due at the earlier of the passing away of the founding member of the Company or the date when such individual reaches out a certain age (65) (assuming both controlling shareholders are alive at that time). Otherwise, and until redemption, the minimum dividend is 500 euros per share. Such minimum dividend (€250 or €500 per share as above) can change any time based on future agreements. If at any financial year there are not enough distributable earnings/reserves, the obligation for payment transfers to the succeeding years (until satisfaction).

The ordinary shares carry rights to dividends and to participation in the profits of the Goup provided that no dividend shall be paid on the ordinary shares unless dividends that are due on the cumulative redeemable preference shares have been paid in full according to the amended terms of the Memorandum of Association of the Company.

The founding members retained all usufructuary rights over the ordinary share capital of the Company, however the redeemable preference shares do not give any voting rights to the holders.

The mandatorily preferred shares become redeemable on the occasion of passing away of each of the controlling shareholders (based on the shares held by each of them). Non discretionary dividends obligation terminates on the occasion of passing away of both controlling shareholders.

16. SHARE CAPITAL - continued

Based on the terms of the agreement, management assessed that since both the obligation to redeem the preferred shares at a fixed amount (nominal value) and the minimum guaranteed dividend are mandatory/non-discretionary, they are classified as a financial liability. In its assessment, management took into account the provisions of IAS 32 "Financial Instruments: presentation" for compound financial instruments and as such, in conjuction also with the provisions of IFRS 9 "Financial Instruments" on initial recognition, has recognized the excess of the proceeds (€2,000) over the initial fair value of the liability (€4,320,532) as an equity component (€4,318,532). Management has classified this liability as subsequently measured at amortised cost, and in this respect an amount of €401,222 (2024: €352,544) is included within Finance Cost (Note 27), representing the interest expense of the financial liability. As of 31 March 2025, carrying amount of the cumulative redeemable preference shares is €4,824,298 (31 March 2024: €4,673,076). The whole amount of the liability is classified as non-current taking into account the mortality rates (see below) and the proximity of the occurence of the triggering event (reaching the age of 65) in the next twelve month period.

The fair value of the financial liability was calculated at the inception of the instrument using a discounted cashflow model in line with the provisions of IFRS 13 "Fair Value Measurement". The fair value of the liability was estimated taking into account those characteristics that market participants would take into consideration when pricing the liability at the measurement date which include the below significant unobservable inputs categorised within Level 3 of the fair value hierarchy:

- Discount rate expected by market participants for instruments with similar risk;
- Probability of death at each age group between age 65 and death using a mortality table (based on UN mortality rates tables for Malta) showing the rate of deaths occurring at each age group;

Information about fair value measurements, relating to fair valuation made during the year, using significant unobservable inputs (Level 3):

Valuation technique	Significant unobservable input	Range of unobservable inputs
DCF approach	Discount rate	8.9% (post-tax)
	Mortality rate	Mortality rates tables

With respect to the DCF approach, an increase in the projected levels of discount rate and mortality rate would result in a lower fair value.

An analysis of the impact of a reasonable change in the significant unobservable on the fair value of the property is included below:

	Discount rate		Mortality rate
	€		€
(+) 0.5%	(186,800)	(+) 20%	(108,679)
(-) 0.5%	417,777	(-) 20%	117,223

17. REVALUATION RESERVE

	GROUP	
	2025	2024
	€	€
Year ended 31 March		
At beginning of year	124,905,451	73,977,606
Transfer upon realisation through asset use, net of deferred tax	-	(125,679)
Fair value reserve on land and buildings, net of deferred tax	11,130,071	51,053,524
At end of year	136,035,522	124,905,451

The revaluation reserve represents the revaluation surplus arising on the valuation of the Group's land and buildings and is non-distributable.

18. OTHER RESERVES

The capital redemption reserve represents a sum equal to the nominal amount of reference share redeemed by a subsidiary in accordance with Article 115 of the Maltese Companies Act (Cap. 386). The capital redemption reserve may be applied in paying up unissued shares to be issued to members as fully paid bonus shares. These redemptions took place in prior years. The preference shares redeemed were attributable to non-controlling interest.

	GROUP	
	2025	2024
	€	€
Capital redemption reserve	**11,628,278**	11,628,278
Incentives and benefits reserve	**1,243,729**	1,243,729
Other reserves	**31,418**	29,691
	12,903,425	12,901,698

The incentives and benefits reserve represents transfers effected by a subsidiary for the net amount of profits subject to income tax at a reduced rate of tax, in accordance with Articles 24B and 36 of the Business Promotion Act. No transfers to the incentives and benefits reserve have been made during the current and the preceding financial years, as no income was subject to tax at reduced rates. Such profits are set aside for the exclusive purpose of financing the upgrading projects within the qualifying company as approved by Malta Enterprise Corporation in accordance with Article 6 of the Business Promotion Act. The incentives and benefits reserve is not distributable and will be retained for a period of eight years after which it can be distributed by means of a bonus issue.

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Non-current				
Payables with respect to capital expenditure	**233,092**	203,456	-	-
Contract liabilities - deferred income arising on long term rights of use sales	**11,216,948**	11,190,052	-	-
	11,450,040	11,393,508	-	-
Current				
Trade payables	**16,005,847**	9,412,046	-	-
Payables and accruals with respect to capital expenditure	**2,830**	4,217	-	-
Advance deposits received on promise of sale	**37,448,837**	9,088,232	-	-
Contract liabilities				
- Advance deposits from tour operators and other third parties	**2,471,882**	2,621,193	-	-
- Deferred income arising on long term rights of use sales	**1,657,505**	1,971,910	-	-
Amounts owed to shareholder	**250,000**	148,690	**250,000**	-
Amounts owed to subsidiaries	-	-	**186,417,200**	87,161,555
Amounts owed to associates	**25,720,858**	15,665,052	-	-
Amounts owed to other related parties	**115,514**	3,452,596	**2,802,054**	2,785,744
Other payables	**1,973,422**	181,908	-	-
Indirect taxation and social security	**2,016,107**	1,421,259	-	-
Other accruals	**3,848,247**	3,877,000	**185,575**	56,000
	91,511,049	47,844,103	**189,654,829**	90,003,299

Payables with respect to capital expenditure include an amount of €40,975 (2024: €203,457) in relation to a piece of land acquired during the preceding financial year for which payments will be made over 33 months.

19. TRADE AND OTHER PAYABLES - continued

The maturity of this liability is as follows:

	GROUP	
	2025	2024
	€	€
Due within 1 year	**40,975**	-
Due between 1 and 2 years	-	203,457
	40,975	203,457
Less: imputed interest component	-	-
	40,975	203,457

Advance deposits received on promise of sale pertains to deposits received from buyers of properties being constructed by the property development entities of the Group. Under the terms of the promise of sale agreements, should the buyer fail to pay the balance of the consideration when it falls due, the Group may terminate the promise of sale and will automatically forfeit the buyer's right to acquire the property, including the deposits paid by way of pre-liquidated damages.

If the Group breaches its promise to sell the property for no reason or for a reason not valid in terms of the promise of sale or at law, the buyer is entitled to demand refunds of the deposits made with an interest rate of 5% per annum accruing from when the payment was made.

The company's amounts owed to subsidiaries represent financing obtained by the parent company from other Group undertakings to finance various Group projects including the acquisition of Hotel San Antonio Limited in prior years and subsequent developments at the same hotel in current year. Such advances are unsecured and repayable on demand. However, the respective subsidiaries have undertaken not to request repayment of amounts due until alternative financing is available. Included in such advances are €1,488,101 (2024: €1,488,101) owed to a subsidiary by the parent company which are subject to interest at 4.55% (2024: 4.55%). All the other amounts are interest free.

Contract liabilities - recognised in revenue during 2025

Deferred income arising on long term rights of use sales included in contract liabilities are amounts recognised for a subsidiary's unrendered performance obligation in relation to timeshare agreements.

Revenue recognised in profit or loss during the financial year ended 31 March 2025 that was included in the balances of contract liabilities as at the end of the preceding financial year amounted to €2,145,637 (2023: €1,121,932).

20. BORROWINGS

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Non-current				
Bank loans	**44,755,865**	15.665.504	**657,893**	3,207,850
Loan from subsidiary	-	-	**1,488,101**	1.488.101
650.000 4.35% Bonds 2017 – 2027	**64,890,519**	64.780.118	-	-
	109,646,384	80.445.622	**2,145,994**	4,695.951
Current				
Bank overdrafts	**178,333**	501.252	-	-
Bank loans	**11,006,500**	4.856.134	**2,556,114**	2,425.521
650.000 4.35% Bonds 2017 – 2027 and accrued interest	**2,570,455**	2.551.638	-	-
	13,755,288	7.909.024	**2,556,114**	2,425.521
Total borrowings	**123,401,672**	88.354.646	**4,702,108**	7.121.472

20. BORROWINGS - continued

Bonds

By virtue of an offering memorandum dated 27 March 2017, SD Finance plc (the Issuer) issued €65,000,000 bonds with a face value of €100 each. The bonds have a coupon interest of 4.35% which is payable annually in arrears, on 25 April of each year. The bonds are redeemable at par and are due for redemption on 25 April 2027. The bonds are guaranteed by SD Holdings Limited, which has bound itself jointly and severally liable with the issuer, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the offering memorandum. The bonds were admitted on the Official List of the Malta Stock Exchange on 4 May 2017. The quoted market price as at 31 March 2025 and 2024 for the bonds was €99.50 and €99.00 respectively. The fair value of these financial liabilities as at 31 March 2025 amounts to €64,350,000 (2024: €63,050,000).

In accordance with the provisions of the prospectus, the proceeds from the bond issue have been advanced by the Issuer to SD Holdings Limited (the Issuer's parent undertaking and guarantor of the bonds) and to Hotel San Antonio Limited and Seabank Hotel and Catering Limited (both fellow subsidiaries of the Issuer). The principal purposes for these advances were the re-financing of existing banking facilities of the respective borrower, for the general corporate funding purposes of the db Group and for other purposes as defined in the respective prospectus.

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

	2025	2024
	€	€
Original face value of bonds issued	**65,000,000**	65,000,000
Original face value of bonds issued	**65,000,000**	65,000,000
Bond issue costs	**(924,036)**	(924,036)
Accumulated amortisation	**707,842**	606,196
Closing net book amount of bond issue costs	**(216,194)**	(317,840)
Accrued interest payable on the bonds	**2,677,168**	2,649,596

Bank borrowings

During 2021, SD Holdings Limited successfully applied for loans through the COVID-19 Guarantee Scheme supported by the Malta Development Bank (MDB). These loans were then advanced to various components within db Group at the same terms and conditions as issued by the bank. In this respect, SD Holdings Limited advanced €10,000,000 to its subsidiaries (refer to Note 12 for information relating to balances as at 31 March 2025 and 2024). The loan is subject to interest of 3% plus 3-month Euribor on the €2,000,000 loan and 4% plus 3-month Euribor on the €8,000,000 loan. However, in line with the MDB COVID Guarantee Scheme, the loan benefits from a subsidy of 2.4% for the first two years until June 2022 and November 2022 for the two loans respectively. The effective average interest rate as at 31 March 2025 is 4.95% (2024: 5.07%).

20. BORROWINGS - continued

The Group's and the Company's banking facilities limit as at 31 March 2025 amounted to €169,447,087 (2024: €137,687,631) and €94,714,006 (2024: €67,133,371) respectively. The Group's bank facilities are mainly secured by:

(a) special hypothecs over the Group's property with net carrying value €243,435,952 (2024: €213,104,864) up to an amount of €75,438,329 (2024: €83,100,000);

(b) general hypothecs over the Group's present and future assets up to an amount of €162,435,273 (2024: €139,755,219);

(c) guarantee by companies within the Group

(d) pledge over cash balance of the Group for an amount of €18,000,000 or subject to the bank's discretion and revised pricing can be replaced by a charge on a property;

(e) pledge over share of entities which will operate overseas undertakings which are funded through the loans

(f) pledges over specific insurance policies of Group undertakings;

(g) letters of undertaking

The loan agreements with banks contain certain financial covenants with which the Group should comply during the term of the bank borrowings, including the following:

- Utilised net debt against EBITDA multiple until 2026 not in excess of ten times, until 2027 not in excess of eight times, and until 2029 not in excess of six times
- Loan-to-Value not exceeding 70%
- Debt to Equity Ratio not exceeding 1.3:1
- Group Debt Service Coverage Ratio (DSCR) of a minimum of 1.4 times with EBITDA calculation excluding any one-time revenues. If DSCR falls below 1.7 times, Group must demonstrate ability to restore DSCR within 6-months

As at 31 March 2025 and 2024, the Group is compliant with the required financial ratios and other loan covenants. As at 31 March 2025, the Group does not anticipate any breaches of covenants within the next 12 months.

The interest rate exposure of the bank borrowings is at floating rates and the weighted average effective interest rates as at the end of the financial reporting period are as follows:

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Bank overdrafts	**4.90%**	4.90%	-	-
Bank loans	**4.95%**	5.07%	**4.99%**	5.07%

Maturity of non-current bank borrowings is shown below:

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Between 1 and 2 years	**9,575,855**	5,874,183	**657,893**	2,550,274
Between 2 and 5 years	**35,180,010**	9,791,321	-	657,576
	44,755,865	15,665,504	657,893	3,207,850

20. BORROWINGS - continued

Loan from subsidiary

The Company's non-current loans from subsidiary amounting to €1,488,101 consist of advances from SD Finance plc out of the proceeds of the bonds issued by the subsidiary. The proceeds of the bond issue have been advanced to SD Holdings Limited and other companies forming part of the db Group. SD Holdings Limited utilised these advances primarily to re-finance its existing banking facilities. These loans are subject to interest at a fixed interest rate of 4.55%, with an additional renewal fee, which shall be charged on the loans at a floating rate at the discretion of the Directors of the Issuer. As at the end of the current reporting period, the element of the floating rate interest was 0.22% (2024: 0.23%). Renewal fees recognised as part of finance cost amounted to €3,341 (2024: €3,117) (see Note 27). The loans are unsecured and repayable by not later than 10 April 2027.

21. LEASE LIABILITIES

	Lease liabilities to Government	Properties	Motor vehicles	Total
	€	€	€	€
As at 1 April 2023	54,498,921	16,026,336	107,327	70,632,584
Additions	-	6,741,424	16,989	6,758,413
Interest charges	1,655,365	606,083	5,205	2,266,653
Lease concessions	-	(70,566)	-	(70,566)
Payments effected - total cash outflows	-	(2,322,527)	(40,913)	(2,363,440)
As at 31 March 2024	56,154,286	20,980,750	88,608	77,223,644
Non-current	45,618,536	19,203,694	34,668	64,856,898
Current	10,535,750	1,777,056	53,940	12,366,746
Total lease liabilities as at 31 March 2024	56,154,286	20,980,750	88,608	77,223,644
As at 1 April 2024	56,154,286	20,980,750	88,608	77,223,644
Additions	-	9,738,957	-	9,738,957
Lease modifications	(10,559,032)	-	-	(10,559,032)
Impact of derecognition of leased assets	(256,142)	(363,112)	-	(619,254)
Interest charges	1,384,256	1,167,644	3,687	2,555,587
Payments effected - total cash outflows	-	(2,875,238)	(55,994)	(2,931,232)
As at 31 March 2025	46,723,368	28,694,001	36,301	75,453,670
Non-current	34,642,224	26,382,991	4,091	61,029,306
Current	12,081,144	2,311,010	32,210	14,424,364
Total lease liabilities as at 31 March 2025	46,723,368	28,694,001	36,301	75,453,670

Lease liabilities to Government pertains to the Group's liability towards the Government of Malta in relation to the payment of ground rents and any penalty that may become due by db San Gorg Property Limited for the land held under temporary emphyteusis (Notes 4, 5 and 7). The lease liability is secured by a special privilege on the site at St Julian's accorded to the dominus by law in favour of the Government of Malta.

21. LEASE LIABILITIES - continued

On 9 December 2024, the Group entered into a contract of sale for the temporary utile dominium for the remaining period from 99 years which commenced on 1 February 2017 of an airspace for the construction of an apartment unit and the relative undivided share in ownership of the airspace intended for the construction of all the parts intended for common use, having an aggregated floor area of 273 square meters for a consideration of €700,000 (Note 22). The cost of the right-of-use asset allocated to the sold floor area amounted to €455,113 (Note 23).

In accordance with the terms of the concession agreement with the Government of Malta, the Group transferred the lease liability over the sold floor area to the buyer. Upon transfer of the lease liability over the sold floor area, the Group remeasured its remaining lease liability by discounting the revised lease payments of the remaining floor area using a revised discount rate. The remeasurement of the lease liability of €10,815,175 was adjusted against the right-of-use asset and split between the separate components of the project as follows:

		2025
		€
Investment property	Note 5	**2,323,640**
Inventories	Note 7	**7,886,131**
Property, plant and equipment	Note 4	**605,404**

The maturity of this liability is as follows:

	GROUP	
	2025	2024
	€	€
Due within 1 year	**12,081,144**	10,535,750
Due between 1 and 2 years	**3,159,183**	1,562,509
Due between 2 and 5 years	**4,738,774**	4,757,840
Due after more than 5 years	**153,985,742**	157,792,506
	173,964,843	174,648,605
Less: imputed interest component	**(127,241,475)**	(118,494,319)
	46,723,368	56,154,286

Interest charges on land held under temporary emphyteusis pertain to capitalised borrowing cost.

These lease liabilities are measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease arrangement. The discount rate applied to the lease liabilities was 5% which is in line with prior year.

The contractual undiscounted cash flows attributable to lease liabilities as at 31 March are analysed in Note 2.1 (c).

During financial years 31 March 2025 and 2024, rent concessions have been granted to Group undertakings. The Group has accounted for such concessions as variable lease payments in the period in which they are granted.

The Group has lease contracts for its restaurants that contain variable payments calculated by reference to sales performance. The variable lease payments are presented as part of 'Cost of sales' in the statement of comprehensive income (Note 23).

22. REVENUE

The Group's entire revenue is derived locally mainly from hospitality, leisure and ancillary activities.

	GROUP		COMPANY	
	2025	2024	**2025**	2024
By Category	€	€	€	€
Hospitality and ancillary services	**53,531,339**	47,702,280	-	-
Food and beverage	**38,686,738**	35,551,412	-	-
Merchandise and other retailing activities	**4,149,333**	4,574,311	-	-
Other revenue	**2,834,270**	896,931	-	-
	99,201,680	88,724,934	-	-

Hospitality and ancillary services predominantly include revenue generated from the provision of all-inclusive accommodation services including accommodation services, spa and wellness services, transportation services and parking services.

Revenue from food and beverage is generated from the various outlets operated by the group across Malta including a number of new outlets opening during the year under review.

Other revenue includes the sale of airspace of €700,000 in 2025 (Note 21). Increase in other revenue in 2025 was due to the rental of sunbeds in the Group's restaurants and increase in spa and gym subscriptions and rental of function halls in the Group's hotels.

Set out below is the amount of revenue recognised from:

	2025	2024
Amounts included in contract liabilities at the beginning of the year	**12,286,527**	13,170,146
Performance obligations satisfied in previous years	**9,498,083**	7,352,446

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	2025	2024
Within one year	**1,972,947**	1,972,947
More than one year	**8,340,633**	10,313,580

Unfulfilled performance obligations, which are accommodation services that the Group is obliged to provide to customers during the remaining fixed term contract, as at 31 March 2025 and 2024, relate to the amounts disclosed under 'contract liabilities' in Note 19 to the financial statements. The Group's revenue that is recognised over time is also disclosed in Note 19.

23. EXPENSES BY NATURE

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Cost of sales	**65,414,162**	60,366,531	-	-
Selling expenses	**229,025**	284,654	-	-
Administrative expense	**12,110,910**	9,890,728	**386,286**	1,894,433
	77,754,097	70,541,913	**386,286**	1,894,433

23. EXPENSES BY NATURE - continued

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Employee benefit expense (Note 24)	**26,049,878**	23,933,394	**-**	-
Amortisation of intangible assets (Note 6)	**146,771**	106,289	**-**	-
Amortisation of right-of-use assets (Note 10)	**2,509,631**	2,198,357	**-**	-
Depreciation of property, plant and equipment (Note 4)	**7,129,455**	8,738,444	**-**	-
Utilities and similar charges	**259,927**	244,898	**-**	-
Operating supplies and related expenses	**26,657,489**	20,290,194	**-**	-
Repairs and maintenance costs	**1,465,980**	2,456,479	**-**	-
Professional fees	**1,169,819**	2,387,610	**295,725**	205,141
Energy costs	**2,274,783**	2,204,074	**-**	-
Marketing, advertising costs and Commissions	**2,701,339**	1,907,675	**-**	-
Franchise royalties	**986,506**	907,322	**-**	-
Variable lease rentals (Note 10)	**1,498,513**	1,385,254	**-**	-
Cost of immovable property sold	**455,113**	-	**-**	-
Movement in credit loss Allowances (Note 12)	**128,522**	(82,948)	**-**	-
Other expenses	**4,320,371**	3,864,871	**90,561**	1,689,292
Total cost of sales, selling and administrative expenses	**77,754,097**	70,541,913	**386,286**	1,894,433

Included in the other expenses of the Group and the Company in 2024 are restructuring costs of €1,689,292 which pertains to stamp duties incurred on the donation of shares by the founding members to their descendants in 2024 (Note 16). Such costs were paid by the Company on behalf of the descendants which costs were not deemed to be recoverable and have accordingly been expensed.

Professional fees of the Group and the Company include services fees of €45,000 incurred in relation to the internal restructuring commenced by the Group in 2025.

Auditor's fees

Fees charged by the auditor for services rendered during the current and the preceding financial years relate to the following:

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Annual statutory audit	**352,760**	273,000	**75,200**	55,000
Tax advisory and compliance services	**16,600**	16,300	**900**	900
Other non-audit services	**58,000**	-	**58,000**	-
	427,360	289,300	**134,100**	55,900

24. EMPLOYEE BENEFIT EXPENSE

	GROUP	
	2025	2024
	€	€
Wages and salaries including directors' remuneration (Note 29)	**24,645,850**	22,529,366
Social security costs	**1,404,028**	1,404,028
	26,049,878	23,933,394

Average number of persons employed by the Group during the year:

	2025	2024
Direct	**1,218**	1,336
Administration	**94**	128
	1,312	1,464

25. DIVIDEND INCOME

	COMPANY	
	2025	2024
	€	€
Dividend income	**2,307,692**	2,769,231

26. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Immovable property transfer & related services	**4,312,126**	-	-	-
Operating lease income	**108,657**	202,753	-	-
Recharges to associates	-	1,392,525	-	-
Other income	**137,775**	294,967	-	-
	4,558,558	1,890,245	-	-

Immovable property transfer & related services pertains to recharges of development costs to an associate at cost.

Operating lease rental income receivable as at 31 March is, as follows:

	2025	2024
	€	€
Within one year	**208,471**	212,912
Between 1 and 2 years	**209,026**	208,471
Between 2 and 3 years	**202,107**	209,026
Between 3 and 4 years	**148,962**	202,107
Between 4 and 5 years	**148,962**	148,962

Recharges to associates pertains to recharges of payroll costs to associates.

27. FINANCE INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Finance income				
Interest on amounts owed by subsidiary	-	-	**271,649**	490,418
Finance income arising from short-term deposits	**911,091**	708,257	**911,091**	708,247
	911,091	708,257	**1,182,740**	1,198,665

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Finance costs				
Bond interest expense				
Nominal interest on bonds	2,827,500	2,827,500	-	-
Amortization of bond issue costs	97,574	97,574	-	-
Interest on bank borrowings and other loans	2,320,724	1,579,586	**233,285**	490,412
Interest on loan from subsidiary	-	-	**1,165,446**	67,709
Finance cost on lease liabilities	2,555,587	2,266,653	-	-
Imputed interest component on deferred income arising on long-term rights of use sales	**601,036**	599,242	-	-
Finance cost on cumulative preference shares	401,222	352,544	**401,222**	352,544
Other finance charges	820,893	968,855	**749,156**	6,805
	9,624,536	8,691,954	**2,549,109**	917,470
Capitalised borrowing costs (Notes 5 and 7)	2,100,153	(2,635,912)	-	-
Finance cost recognised in profit/(loss)	7,524,383	6,056,042	**2,549,109**	917,470

Increase in finance income arising from short-term deposits is due to higher interest rates offered by local credit institutions on short term placements as well as higher amounts being placed in short-term deposits during the year.

Bond interest expense, interest on bank borrowings and other loans, and interest on loan from subsidiary pertain to the amount of interest related to bonds payable, bank borrowings, and loan from subsidiary, respectively, as discussed in Note 20.

Finance cost on lease liabilities arises from the accounting treatment of leases. The interest expense is calculated using the effective interest rate method.

Imputed interest component on deferred income arising on long-term rights of use sales pertains to the significant financing component of timeshare agreements.

Finance cost on cumulative preference shares pertain to the interest accretion of the cumulative preference shares which are classified as financial liability (Note 16).

Other finance charges pertain to bank service charges and fees.

Increase in finance costs of the Group was driven by substantial additional drawdowns during the year to finance the ITS site development and other operational requirements.

Increase in finance costs of the Company was driven by the interest and other finance charges recharged by Seabank Hotel and Catering Limited and Hotel San Antonio Limited resulting from assignment of interest-bearing group receivables as part of the internal restructuring of the Group (see Note 8).

27. FINANCE INCOME AND FINANCE COSTS - continued

Finance costs paid on relating to capitalised borrowing costs which are classified as part of the Group's investing activities in the statement of cash flows amounted to €715,897 in 2025 (2024: €240,019).

28. TAX EXPENSE

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Current taxation:				
Current tax expense/(credit)	**8,354,719**	4,902,769	**573,576**	1,075,468
Deferred taxation (Note 11)	**1,149,024**	1,267,792	-	-
Tax expense	**9,503,743**	6,170,561	**573,576**	1,075,468

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

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Profit/(Loss) before tax	**21,086,946**	20,444,497	**1,798,049**	1,388,310
Tax on profit at 35%	**7,380,431**	7,155,574	**629,317**	485,908
Tax effect of:				
Share of results of associates	**(157,880)**	(1,920,345)	-	-
Expenses not deductible for tax purposes	**7,590,426**	1,226,706	**1,027,389**	731,209
Income not subject to tax or charged at reduced rates	**(5,375,133)**	(291,374)	**(1,083,130)**	(141,649)
Utilisation of trading losses	**65,899**	-	-	-
Tax charge in the accounts	**9,503,743**	6,170,561	**573,576**	1,075,468
Effective tax rate	**45%**	23%	**32%**	77%

As at 31 March 2025 and 2024, the Group's current tax asset amounted to €365,836 and €1,508,423, respectively. This pertains to refund claims relating to the tax withheld on dividend distributions.

29. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	€	€
Salaries and other emoluments (Short-term employee benefits)	**1,110,096**	1,042,827	-	-

None of the non-executive Directors has service contracts with the Company and do not earn any fixed honorarium from the Company. The executive Directors do not earn any fixed honorarium from the Company but have an indefinite full-time contract of service with the companies forming part of the db Group which are not recharged to the Company.

30. DIVIDENDS PAID

	GROUP		COMPANY	
	2025	2024	**2025**	2024
	€	€	**€**	€
Gross dividend	-	2,769,231	-	2,769,231
Tax at source	-	(969,231)	-	(969,231)
Net dividend	-	1,800,000	-	1,800,000
Dividends per share	-	0.45	-	0.45

31. COMMITMENTS

Capital commitments

Commitments for capital expenditure not provided for in these financial statements are as follows:

	GROUP	
	2025	2024
	€	€
Authorised but not contracted for	**211,970,887**	211,694,539

Capital commitments not contracted for refer to planned future capital expenditures for which the Group has not yet entered into a binding contract or legal agreement. These commitments are intentions or plans to invest in long-term assets or projects that are expected to occur in the future, but there is no formal commitment that legally obligates the Group to proceed with the expenditure.

32. CONTINGENCIES

At 31 March 2025, the Group's and the company's major contingent liabilities were:

(a) Guarantees given by the parent company in respect of bank facilities of Group undertakings for an amount of €75,600,000 (2024: €83,100,000). At 31 March 2025, the parent company also gave guarantees for an amount of €6,100,000 (2024: €6,100,000) jointly with other Group undertakings in respect of bank facilities of a subsidiary.

(b) Guarantees given by a Group undertaking in respect of bank facilities of associates for an amount of €20,201,760 (2024: €17,316,650).

(c) Undertakings given by the parent company to provide the necessary financial support to subsidiaries and associates so as to enable these entities to meet their liabilities and any other obligations as they fall due and to continue as a going concern.

(d) Guarantees of €979,000 (2024: €703,000) issued by the Group's bankers, on behalf of Group undertakings in favour of the Planning Authority, in the ordinary course of business.

(e) Guarantees of €108,500 (2024: €108,500) issued by the Group's bankers, on behalf of Group undertakings in favour of the Environment and Resources Authority, in the ordinary course of business.

(f) Guarantees of €49,440 (2024: nil) issued by the Group's bankers, on behalf of Group undertakings in favour of the Building and Construction Authority, in the ordinary course of business.

(g) Guarantees of up to a maximum of €1,559,106 (2024: €310,606) issued by Group undertakings to various third parties in the ordinary course of business.

32. CONTINGENCIES - continued

(h) The company acknowledges that there is an ongoing tax assessment by the tax authorities for income tax returns filed by the company for a number of years. The company is committed to cooperating fully with the tax authorities throughout the assessment process. Management together with tax advisors are liaising with the tax authorities and providing all the requested information. It is important to note that even if the outcome of the tax assessment is uncertain at the time of approval of these financial statements, the management strongly believes that the assessment will not result in any changes to the filed tax returns and hence in the related tax position. However, due to the inherent complexities involved in tax matters and the unpredictable nature of the assessment process, there can be no assurance as to the final resolution or timing of this matter Management believes that the financial statements fairly present the company's financial position and results of operations, considering the current assessment. However, there can be no guarantee that the final outcomes of the investigation will not differ from the assumptions made by management.

33. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the other party in making financial and operating policy decisions.

The entities constituting the db Group are ultimately owned by Mr Silvio Debono who is considered to be the Group's ultimate controlling party. Accordingly, all entities owned or controlled by Silvio Debono, the associates of the Group and the Group's key management personnel are the principal related parties of the db Group.

In the ordinary course of their operations, Group entities provide services to associates and other related parties mentioned above for trading services and in turn Group entities also purchase services from such related parties. The Group's related party transactions also include financing transactions, principally advances with associates and other related parties.

Year-end balances with related parties are disclosed in Notes 12, 19 and 20 to these financial statements. Such balances are unsecured, interest free and repayable on demand unless otherwise stated in the respective notes.

Related Party	Relationship	Amount of Transaction (€)	Outstanding Balance(€)	Nature, Terms and Conditions
2025				
SeaBank Hotel and Catering	Subsidiary	(91,037,716)	(91,037,716)	Current trade and other payables
		1,677,775	1,677,775	Non-current trade and other receivables
San Antonio Hotel	Subsidiary	1,110,971	1,110,971	Trade and other receivables
		(47,173,137)	(47,173,137)	Current trade and other payables
SeaPort Franchising	Subsidiary	425,206	425,206	Trade and other receivables
		(6,963,517)	(6,963,517)	Current trade and other payables
DB Lifestyle Real Estate	Subsidiary	7,798,021	7,798,021	Trade and other receivables
DB Projects Ltd	Subsidiary	6,387,979	6,387,979	Trade and other receivables
DB SG Residences	Subsidiary	245	245	Trade and other receivables
		(30,148,783)	(30,148,783)	Current trade and other payables
DB SG Mall	Subsidiary	245	245	Non-current trade and other receivables
DB SG Hotel	Subsidiary	100,245	100,245	Trade and other receivables
DB SG Parking	Subsidiary	245	245	Trade and other receivables
DB San Gorg Holdings	Subsidiary	5,045	5,045	Trade and other receivables
DB Resources	Subsidiary	245	245	Trade and other receivables
SD Finance	Subsidiary	1,488,101	1,488,101	Loans receivable

Related Party	Relationship	Amount of Transaction (€)	Outstanding Balance(€)	Nature, Terms and Conditions
SRGN	Subsidiary	(10,492,416)	(10,492,416)	Current trade and other payables
Debar	Subsidiary	(600,000)	(600,000)	Current trade and other payables
DB San Gorg Property	Subsidiary	(1,884,242)	(1,884,242)	Current trade and other payables
2024				
SeaBank Hotel and Catering	Subsidiary	3,078,838	3,078,838	Current trade and other receivables
		2,971,234	2,971,234	Non-current trade and other receivables
		(43,225,951)	(43,225,951)	Current trade and other payables
San Antonio Hotel	Subsidiary	3,582,159	3,582,159	Current trade and other receivables
		(35,336,427)	(35,336,42)	Current trade and other payables
SD Finance	Subsidiary	(1,488,101)	(1,488,101)	Non current borrowings
SRGN	Subsidiary	(6,730,616)	(6,730,616)	Current trade and other payables
Debar	Subsidiary	(600,000)	(600,000)	Current trade and other payables
SeaPort Franchising	Subsidiary	1,516,391	1,516,391	Trade and other receivables
		(6,783,86)	(6,783,861)	Current trade and other payables
DB Lifestyle Real Estate	Subsidiary	4,239,441	4,239,441	Trade and other receivables
DB Projects Ltd	Subsidiary	3,500,000	3,500,000	Trade and other receivables
DB SG Residences	Subsidiary	225,972	225,972	Trade and other receivables
DB Group Franchising	Subsidiary	12,115,347	12,115,347	Non-current trade and other receivables

Key management personnel comprises the directors of the parent company and the directors of the other Group undertakings. Key management personnel compensation, consisting of the parent company's directors' remuneration has been disclosed in Note 29. In addition to the amounts disclosed in Note 29, other key management personnel compensation amounted to €1,110,096 (2024: €1,042,827).

The subsidiaries also provide certain accounting and management services to the Company that is not being recharged to the Company.

34. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 17 April 2025, the Group entered into a share purchase agreement with James B. Holdings, the other party owning 40% of Kore Air Services Limited and Kore Inflight Services and 50% of Malta Healthcare Caterers Limited, where James B. Holdings agreed to purchase all of the shares of the aforementioned investees held by the Group. As a result, the Group classified these investments in associates as assets held for sale and measured them at fair value lest cost to sell as of 31 March 2025. This is further discussed in Note 9 Investments in associates, assets held for sale and discontinued operations.

35. STATUTORY INFORMATION

SD Holdings Limited is a limited liability company and is incorporated in Malta.

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of SD Holdings Limited

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of SD Holdings Limited [(the "Company") and its subsidiaries (the "Group")] set on pages 7 to 77, which comprise the separate and consolidated statements of financial position as at 31 March 2025, the separate and consolidated statements of comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Company and the Group as at 31 March 2025, and of their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and in accordance with the requirements of the Companies Act (Cap.386) (the "Companies Act) of the Laws of Malta.

Basis for opinion

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

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INDEPENDENT AUDITOR'S REPORT

to the Shareholder of SD Holdings Limited

Report on the audit of the separate and consolidated financial statements - continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS, and in accordance with the requirements of the Companies Act of the Laws of Malta, and for such internal control as the Directors determine is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT

to the Shareholder of SD Holdings Limited

Report on the audit of the separate and consolidated financial statements - continued

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement in the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

to the Shareholder of SD Holdings Limited

Report on the audit of the separate and consolidated financial statements - continued

Auditor's responsibilities for the audit of the financial statements - continued

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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

Directors' report

We are required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the Directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Company, the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

Other requirements

We also have responsibilities under the Companies Act to report if in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for our audit have not been received from branches not visited by us;
- the separate and consolidated financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

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

The partner in charge of the audit resulting in this independent auditor's report is Christopher Portelli for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants
28 July 2025